



Heritage  
Insurance Company  
A member of LIBERTY

A collage of images in the background: a woman with an afro in a white shirt, two women working on a garment, and a young man in a blue shirt holding a laptop and smiling.

# Integrated Report

for the year ended  
31 December

2024

Making Financial Freedom Possible



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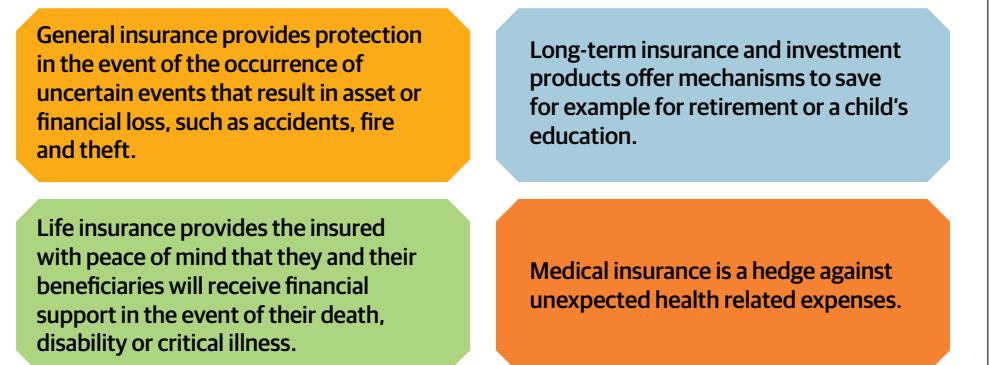
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# The value of insurance and investment

Insurance and investments are contracts in which an individual or entity pays an insurance company an agreed amount in exchange for financial security or reimbursement of losses resulting from a covered event. Through the pooling of risk and sound investment strategies, the insurance industry plays a critical role in the economic development of a community, region or country.

Insurers also facilitate an efficient way to accumulate wealth toward a goal for example, provide funding for retirement.



The long-term nature of insurance contracts means that the assets entrusted to the industry remain in the financial markets for extended periods of time. This capital formation leads to deepening and growth of financial markets. In addition, the industry's regulated approach enhances the stability of financial markets through risk-based allocation of assets.

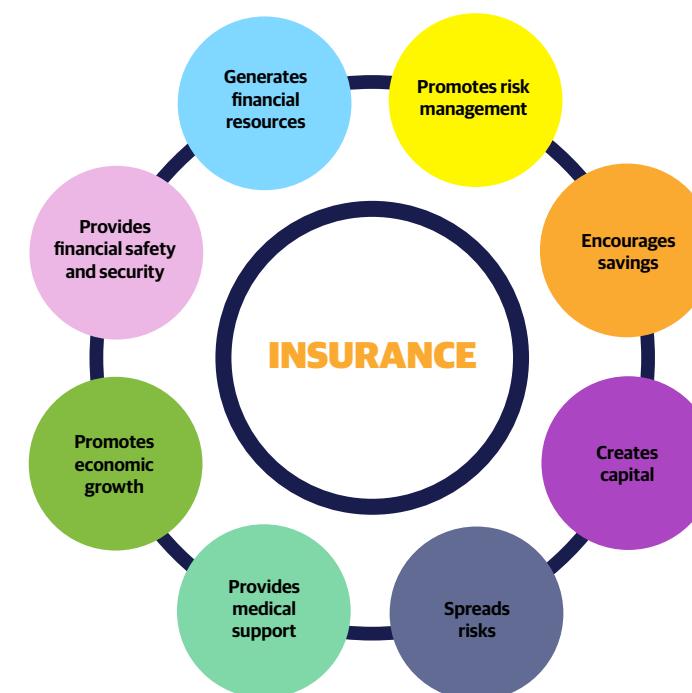
Through insurance, enterprises and individuals can expand and assume economic risk without setting aside or raising additional capital to mitigate the risk of an adverse event. Insurance encourages investment, innovation and competition. Economies grow through the taking of risks, and a well-developed insurance market encourages this.

Long-term (life) insurers, through their understanding of an individual's risks and needs, promote solutions that efficiently allow for saving for that individual's retirement and preservation of lifestyle. This activity complements the objectives and benefits of insurance.

Through the pooled pricing of risk, insurance cover encourages efficient risk management. Both client and insurer are therefore incentivised and benefit from sensible risk management, driving the optimal level of the client's premiums and claims against the insurer.

Private insurance (be it health, third-party motor vehicle, disability or redundancy protections) represents an important additional pillar alongside the protections provided by the state. Reducing the state's obligations in these areas assists in investment into other economic growth priorities.

Due to global events, communities are at increased risk of adverse events which have significant negative impacts on their lives. If these communities, and their economies, are to survive, grow and thrive, the provision of insurance products is a key enabler. Through innovative products and their increasing ability for digital distribution, insurance is increasingly supporting sustainable financial growth for individuals, families and businesses.



# About our 2024 integrated report

We aspire to create measurable and sustainable growth and value for all our stakeholders. We are guided by our purpose and adopt an integrated approach to the way we think and make decisions.

## Our reporting scope and boundary

This report is the primary report of Liberty Kenya Holdings Plc (the company) and its subsidiaries (together, Liberty or the group) to its stakeholders, and is a concise, material and relevant assessment, reviewed and authorised by our board of directors (the board). The report summarises how we utilise available resources to create and preserve long term value and deliver on our purpose of improving people's lives by making their financial freedom possible.

The report provides an overview in terms of the six capitals supporting the delivery of our strategy and value creation model. This is demonstrated with a focus on operating context, managing material risks and opportunities, operational and governance performance and financial outcomes for the year ended 31 December 2024. Any notable or material events after this date and up until the approval of this report by the board are also included. Financial amounts provided are for the group, the long-term insurance operating subsidiary or the combined results of the short-term operating subsidiaries, unless expressly stated otherwise. Non-financial indicators are only provided for the Kenya-based operating subsidiaries.

## Our audience

We identify our key stakeholders as being those individuals or organisations that have an interest and impact on our ability to create and preserve value in the short, medium and long term.

 Clients	 Employees	 Shareholders and investors
 Partners	 Regulators and governments	 Communities and civil society

## Frameworks and other reports

This report has been prepared in accordance with the International *<IR>* Framework (January 2021) of the Value Reporting Foundation, the Capital Market Authority's Code of Corporate Governance for Issuers of Securities in Kenya (the Code), the Kenya Companies Act, 2015 (the Act) and the Nairobi Securities Exchange (NSE) Listings Requirements.

PwC issued an unmodified opinion on the group's 2024 annual financial statements. The group's financial information has been prepared in accordance with IFRS® Accounting Standards and in conformity with the Act.

## Materiality

We consider material matters to be those issues that could substantively affect our ability to create value over time. As part of our commitment to understanding and providing information on our material matters, we involve senior decision-makers within the group to identify them, considering our business model, strategy and operating environment, and the interests of our key stakeholders as expressed by such stakeholders during our normal business engagements with them.

In providing the basis for a broader understanding of the risks and opportunities inherent in our business, our process of determining the material matters that pertain to our activities is central in guiding our decision-making and underpinning our strategy.

Through research and analysis, and our engagement with stakeholders, we strive to identify and gain insight into the environmental, social and governance (ESG) issues that present significant risks, and/or provide opportunities to our business and our ability to create and deliver value for stakeholders.

## Forward-looking statements

This report contains certain forward-looking statements in respect of our strategy, performance and operations, and refers to certain global, regional and domestic political, social and/or macroeconomic conditions. By nature, these forward-looking statements involve risk and uncertainty as they relate to future events and circumstances which are difficult to predict, and therefore beyond our control. The conditions described could thus cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements.

# About our 2024 integrated report continued...

## Our six capitals

Liberty's ability to create sustainable value is reflected in increases, decreases or transformations of the capitals caused by our business activities and outputs. Value can be considered to be that created for Liberty itself, for its stakeholders, and for society in general.

Our relevance and ability to create long-term value, now and in the future, are interrelated and fundamentally dependent on the capital available to us. This includes how we use this capital to realise positive and targeted returns for the capital providers. It also includes the value it delivers to business growth and sustainability as well as to communities and society.

## We consider six forms of capital:

### Financial capital



Shareholders' equity and funding from investors and clients, which is used to support our business and operational activities.

### Manufactured capital



Business structure and operational processes, including our physical and digital infrastructure, which provide the framework and mechanics of how we do business.

### Human capital



Culture and our people, investing in their development and our collective knowledge, skills and experience to enable delivery of innovative and competitive solutions for our clients.

### Social and relationship capital



Citizenship and stakeholder relationships, including relationships with our clients, partners, intermediaries, government agencies and the communities in which we operate.

### Intellectual capital



Brands, strategic partnerships, innovation capacity and the products we offer. This includes client, and other data we collect.

### Natural capital



Impact on natural resources through our operations and business activities.

## Assurance

We employ a combined assurance model to assess and assure various aspects of the business operations, including elements of external reporting. The group audit and risk committee oversees our combined assurance model. Assurances provided to the board are underpinned by management, relevant functions, wider Standard Bank Group support, and external sources, and reviews performed by internal and external audit.

The scope of services performed by our external assurance providers refers to the Liberty Kenya Holdings Plc annual financial statements (AFS). While this integrated report has not been audited, it does contain certain information extracted from the aforementioned AFS, on which PwC issued an unmodified audit opinion.

## Directors' approval

As a fundamental principle of its commitment to full and transparent compliance with all laws, regulations and standards applicable to it, the board ensures adherence to the standards and practices of good corporate governance, and to the principles, practices and recommendations set out under the Code as well as the Act.

The board acknowledges its responsibility to ensure that reports issued by Liberty enable stakeholders to make informed assessments of its performance and its short-, medium- and long-term prospects. It also acknowledges its responsibility to ensure the integrity of Liberty's external reports, including the 2024 integrated report. The board believes it has fulfilled these responsibilities.

The board further considers that the integrated report is prepared and presented materially in compliance with the International <IR> Framework (2021). The directors have applied their judgement to the disclosure of Liberty's strategic plans and ensured that these disclosures do not place Liberty at a competitive disadvantage.

The board unanimously approved this report and authorised its release on 23 May 2025.

For and on behalf of the board:

**Philip Odera**  
Chairman

**Kieran Godden**  
Group Chief Executive Officer



# Our business |

# History and ownership

Liberty Kenya Holdings Plc (Liberty) is the investment holding company of The Heritage Insurance Company Kenya Limited and Liberty Life Assurance Kenya Limited. Liberty is a subsidiary of Liberty Holdings Limited (Liberty Holdings), which is a wholly owned subsidiary of Standard Bank Group Limited. These two South Africa based financial services groups offer a broad range of financial services to individuals and businesses.

Standard Bank regards Kenya as a strategic growth market that will support its vision to be a leading insurance organisation across sub-Saharan Africa, delivering exceptional experience and superior value to the group's clients.

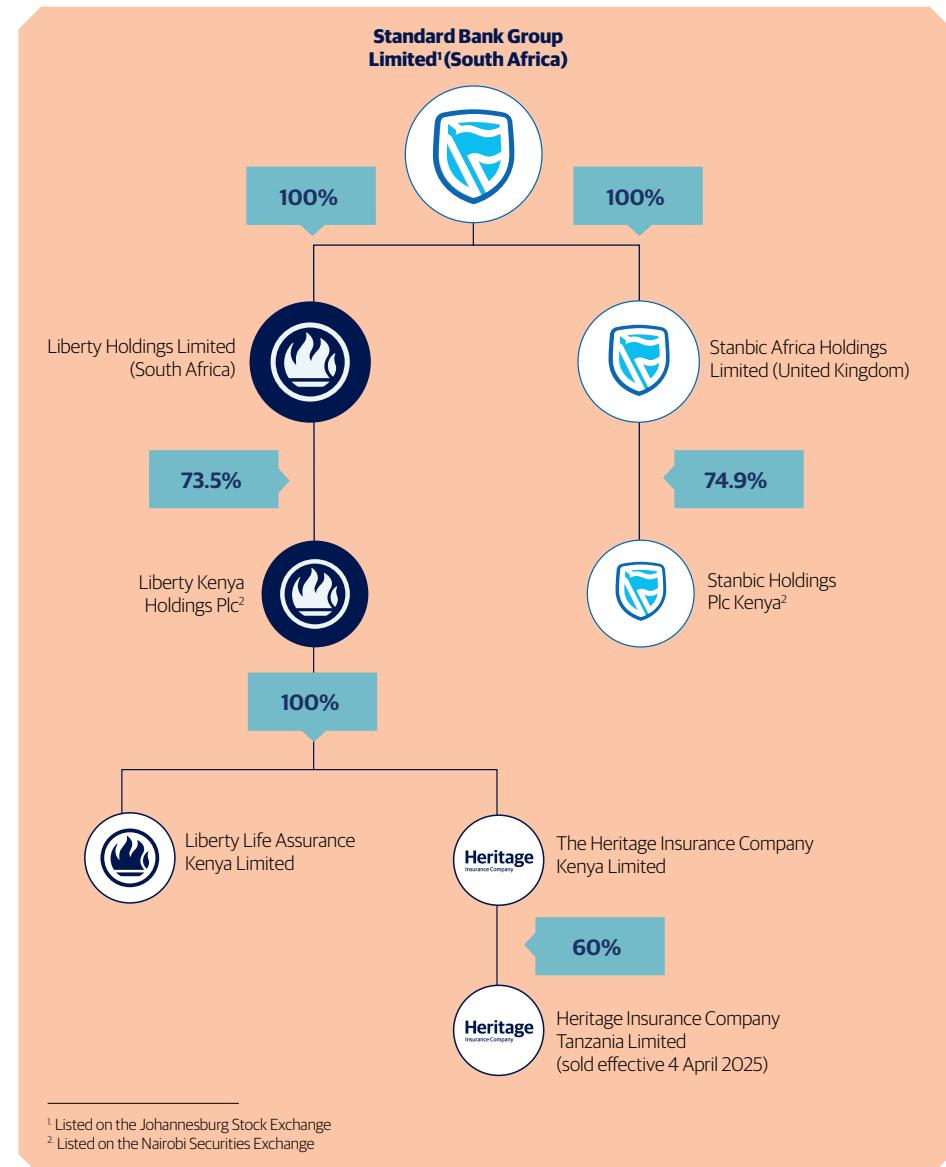
## Liberty Life Assurance Kenya Limited (Liberty Life)

Liberty Life has provided insurance services in Kenya since 1964 and continues to offer a range of attractive investment, retirement, life and education solutions to individuals and businesses.

## The Heritage Insurance Company Kenya Limited (Heritage)

Heritage Insurance has provided a range of insurance services for over 50 years. The company's origins trace back to 1976 with the merger of Norwich Union Fire Insurance Society and The Legal and General Insurance Company.

In order to enhance the group's focus on Kenya opportunities, Heritage Insurance Kenya has concluded the sale of its 60% interest in Heritage Insurance Tanzania. The transaction was closed on 4 April 2025. The group no longer has any business interest in Tanzania. The financial impact of the sale is not material to the group, but has afforded the opportunity to enhance the proposed dividend distribution in 2025.



# How we work

We are driven by our commitment to do the right business the right way. This commitment is supported by our purpose, strategy and leadership principles.

## Why we exist

### To provide financial freedom for our customers

We nurture our relationships and skillfully navigate risks to deliver products that help our clients mitigate life's unplanned traumatic events and grow their wealth. We are focused on creating shared value and having positive impacts on the lives of our clients, partners, employees, and the greater society.

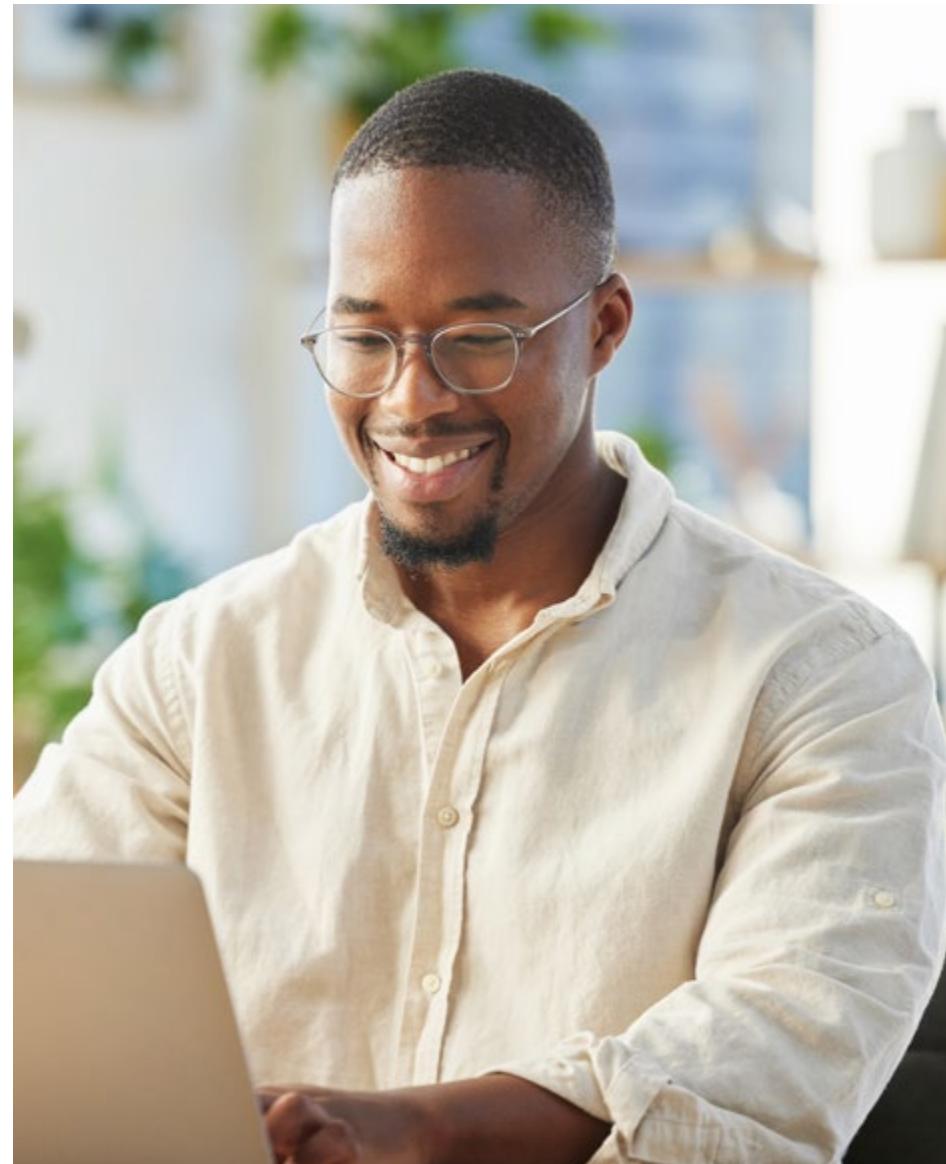
We remain resolute in developing competitive value propositions for our clients, driving efficiency through simplification and managing risk appropriately while deploying capital efficiently and effectively.

### Strategy

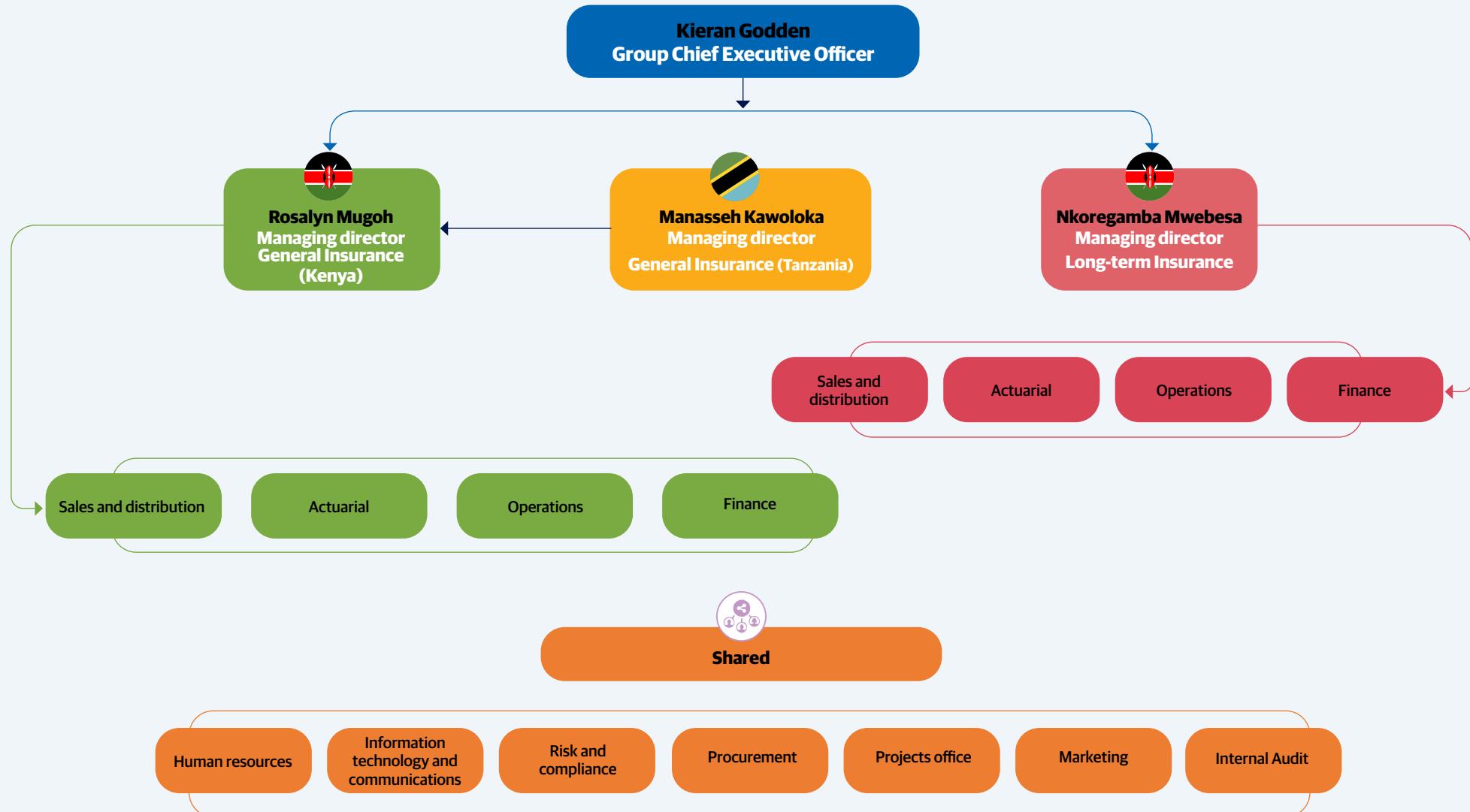
Liberty's medium-term strategy is to maintain and grow its significant position in the Kenyan insurance market through focused initiatives which build on the strategy of the Standard Bank Insurance and Asset Management business unit. Providing an attractive, risk-adjusted return is a primary objective. However, we aim to create value for all our stakeholders while exceeding our clients' expectations relating to value adding products and best-in-class service levels.

### Leadership principles

Liberty strives for a culture where each employee takes responsibility and is accountable for ensuring that we do the right business the right way and that our resources are managed responsibly. This is influenced by setting the tone at the top and having common values, ethics and practices to support the achievement of our purpose.



# Operating structure



# Our operating environment

Liberty operates in a dynamic and complex environment, with constantly emerging risks and opportunities.

## Our markets

Insurance penetration in Kenya as at December 2023 was 2.4%, which (although it has increased) is below the emerging markets average of 3.3% and global average of 7.0%. Kenya has the fourth highest insurance penetration in Africa after South Africa, Morocco, and Egypt<sup>3</sup>. The market spans 55 insurance companies, 5 reinsurance companies, 14 648 intermediaries, 1 microinsurance company and 438 insurance service providers, skewed towards the general insurance market. Corporate-based general, life and health insurance play a prominent role in the market, as do compulsory lines, such as third-party motor insurance. Total gross written premiums in the 2023 calendar year approximated KShs 170 billion (USD 1.09 billion) for the life insurance sector and KShs 191 billion (USD 1.22 billion) for the non-life sector<sup>1</sup>. To promote growth of the sector, the Insurance Regulatory Authority conducts training and workshops for stakeholders and has the responsibility to resolve any complaints reported to enhance trust by the stakeholders.

In 2023, the Tanzanian insurance sector consisted of 35 insurance companies, 4 reinsurance companies, 129 insurance brokers and 1 083 insurance agents. The industry's total premiums reached TShs 1.24 trillion in 2023 (USD 494 million) of which 76.6% related to non-life products<sup>2</sup>. Commercial insurance penetration in Tanzania has remained steady at approximately 0.71% of GDP<sup>2</sup>, up from 0.67% in 2022.

The low level of insurance penetration in both countries can be attributed to a variety of factors, including:

- Low level of awareness among customers
- Low disposable incomes for much of the population
- Perceived low levels of trust of the industry, particularly regarding the settlement of claims
- The lack of a savings culture
- Inadequate tax incentives to encourage the purchase of life insurance products
- A community culture that reduces the need for insurance as the burden is shouldered by the community, through fundraisers and grouped self-insurance.

The principal macro-risks and emerging trends that could significantly impact Liberty's strategy, financial strength, competitive position or reputation in the medium to long term are:

- Economic conditions
- Government macro-policy
- Regulation- both change and consistent enforcement
- Technology developments
- Competition
- Climate change

## Economic conditions

Throughout 2024, both the Kenyan and Tanzanian economies demonstrated remarkable resilience in the face of global economic challenges. In Kenya, the economic landscape was marked by a blend of opportunities and obstacles, with several sectors contributing significantly to its overall performance. The key highlights are:

**Growth outlook:** Kenya's economy displayed resilience with a growth outlook of approximately 5.3% in 2024, supported by robust performances in sectors such as agriculture, manufacturing, services, and construction. Kenyan economic performance was greatly influenced by factors such as uncertainty around government policies, political unrest following the anti-finance bill protests, global economic trends, and reduced domestic investment. Kenya's outlook is tempered by the escalating debt and tax burden.

**Agriculture:** The agricultural sector remained a key pillar of Kenya's economy, with crops such as tea, coffee, horticulture, and maize playing crucial roles. Continuous initiatives to improve productivity, promote value addition, and broaden market access supported the sector's resilience.

**Manufacturing and industrialisation:** Kenya maintained its focus on industrialisation and manufacturing as key drivers of economic growth. Efforts to strengthen local industries, attract investments, and improve infrastructure fuelled the sector's development.

**Services sector:** The services sector, encompassing finance, real estate, tourism, and information technology, remained integral to Kenya's economic fabric. Innovations in fintech and digital services bolstered the sector's growth and competitive edge.

**Infrastructure development:** Strategic infrastructure projects, including roads, railways, ports, and energy facilities, were crucial in supporting economic activities and promoting regional trade. However, infrastructure investments faced constraints, as almost half of total government expenditure was directed toward debt servicing, leaving limited resources for further development.

**Investment climate:** Kenya continued to attract foreign direct investment (FDI) across various sectors, reflecting confidence in its economic potential. However, FDI has eased due to increasing policy uncertainty and complexity.

**Inflation and monetary policy:** Inflation rates, closely monitored alongside monetary policies, aimed at maintaining price stability and supporting economic growth. The Central Bank of Kenya eased the lending rates towards end of the year which is expected to boost economic activities in the country.

<sup>1</sup> Insurance industry report 2023. Insurance Regulatory Authority (Kenya)

<sup>2</sup> Insurance market performance report 2023. Tanzania Insurance Regulatory Authority. October 2024

<sup>3</sup> Sigma 3/2024 - World Insurance . Swiss Re Institute. July 2024

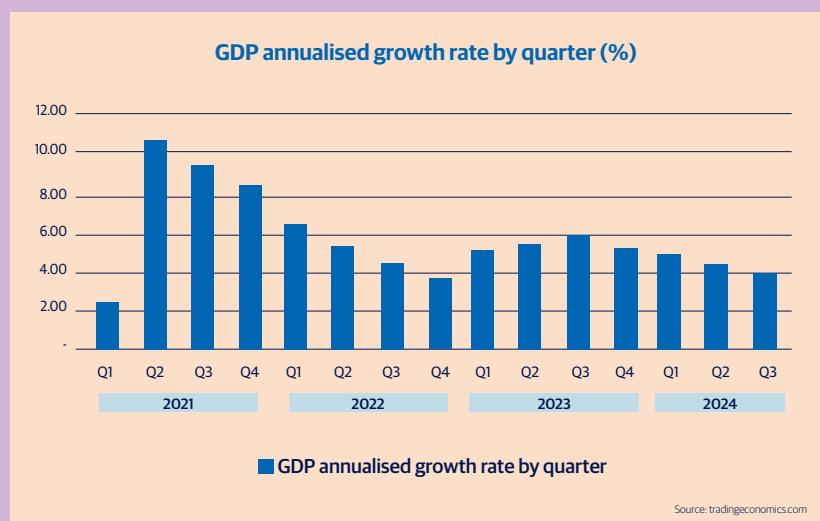
## Our operating environment continued...

**Challenges:** Despite positive indicators, Kenya grappled with challenges including fiscal deficits, debt sustainability, unemployment, and socio-economic disparities. Addressing these necessitated a multi-faceted approach focusing on prudent fiscal management, job creation, and inclusive economic policies. Implementation of these policies has not yet been optimal.

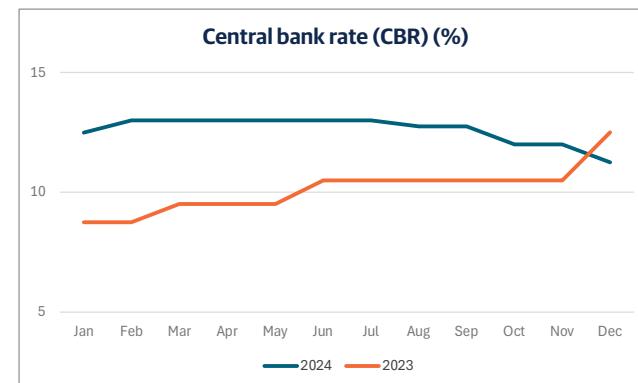
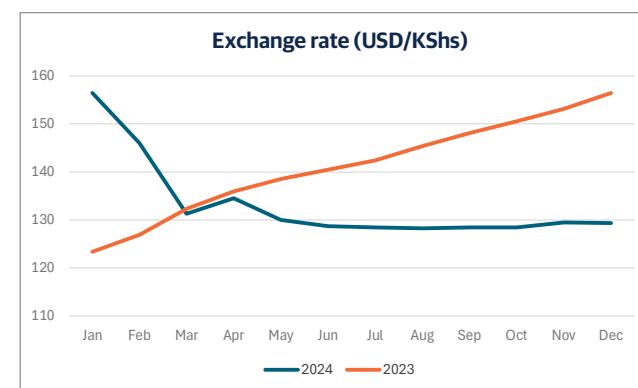
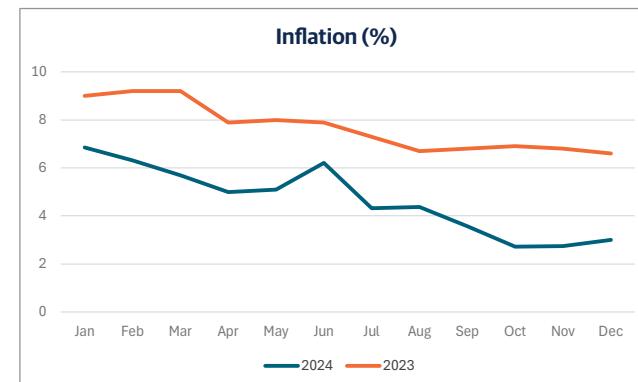
In addition, rapidly increasing yields on government debt, reflecting negative investor confidence adversely impacted returns achieved on these investments. However, these yields did reduce significantly towards the end of 2024.

Increases in direct and indirect taxation have negatively impacted available household income, reducing resources available for insurance.

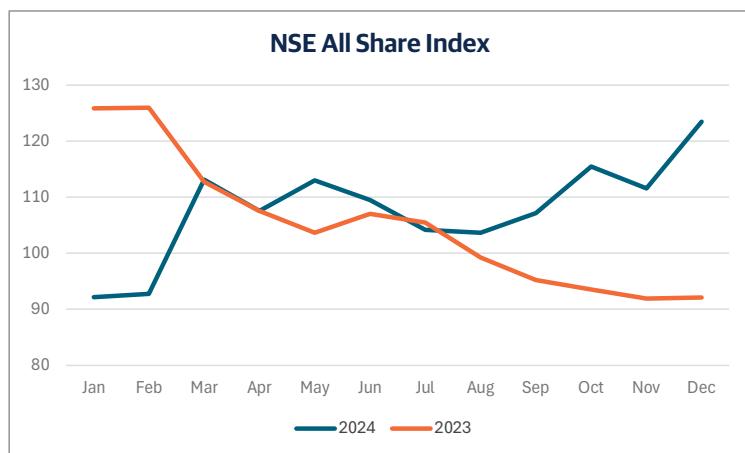
Kenya's full-year real GDP was projected to grow by 5.3% in 2024, a decline from 5.6% in 2023. The Central Bank of Kenya's inter-bank rate reached 11.25% in December 2024, reflecting the eased monetary policy.



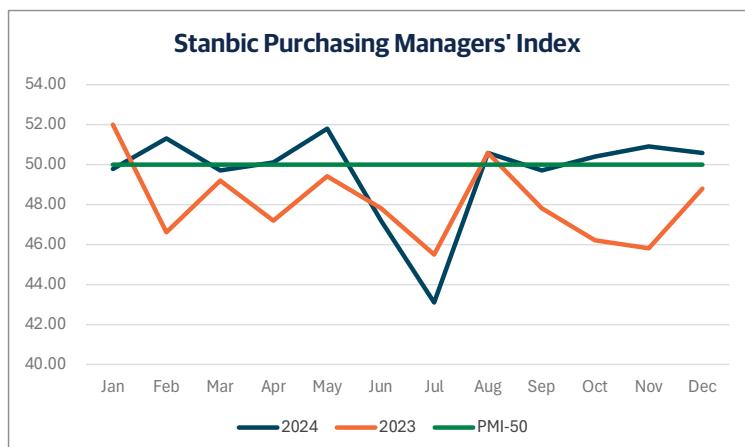
Inflation averaged 4.5% in 2024, down from 7.7% in 2023, driven by stabilised commodity prices, monetary policy adjustments and Kenyan shilling appreciation. The Kenyan shilling appreciated by 17% against the US Dollar, closing the year at KShs 129.29, with the NSE All Share Index gaining 34% in the year, reverting back to December 2022 levels, to post the best annual return since 2013.



## Our operating environment continued...



2024 was a substantially better financial year for Liberty than 2023, incorporating strong investment returns. However, securing new business remained a challenge as the increasing taxes, rising cost of living, and high interest rates inhibited spending and investment by corporate and individual clients. Internally, cost control has been key during this period. Liberty has ensured it remained within set investment fund mandates and prudently managed shareholder funds.



The Stanbic PMI generally trended close to the 50 points line, indicating some form of economic recovery.

## Macro-policy uncertainty

Kenya enjoys a stable macroeconomic environment. However, in mid-2024 there was heightened political unrest from the anti-Finance Bill protests. This led to the withdrawal of the Bill by the government, and consequently government spending had to be largely financed by borrowing.

In 2024, Kenya's macroeconomic policy was strategically oriented towards ensuring economic stability, sustainable growth, and resilience amidst prevailing domestic and global challenges. The key facets of Kenya's macroeconomic strategy during this period included:

**Fiscal prudence:** The government continued to popularise its intention to adhere to a fiscal policy framework and austerity measures designed to optimise budgetary management, enhance revenue generation, and prioritise expenditure judiciously. This approach was aimed at reducing fiscal deficits, managing public debt levels effectively, and fostering greater efficiency in public spending. There was mixed implementation of these measures. During the year, the government attempted to introduce various new taxes such as motor vehicle circulation tax and VAT on bread among others, but this was met with resistance and finally the 2024 Finance Bill was withdrawn, leaving future uncertainty in the tax framework.

**Monetary stability:** The Central Bank of Kenya (CBK), recognising the need to boost economic activity, relaxed its tight monetary stance, easing the Central Bank Rate (CBR) to close at 11.25% in December 2024 compared to 12.50% in December 2023. This shift represents a broader strategy to stimulate growth in the country which also includes liquidity management and vigilant monitoring of inflationary trends.

**Exchange rate management:** Kenya maintained a flexible exchange rate regime, with the CBK intervening as necessary in the foreign exchange market to mitigate undue volatility and ensure the stability of the Kenyan shilling vis-à-vis major global currencies. In February 2024, the government executed the Eurobond buyback, resulting in higher forex reserves and investor confidence. This and other measures by the CBK saw the shilling appreciate by 17% against the US Dollar during the year.

**Inflation control:** The CBK adopted an inflation-targeting framework, endeavouring to keep inflation within a defined target range conducive to economic growth. Monetary policy decisions, including adjustments to policy rates, were made with a keen focus on prevailing inflation dynamics and broader economic indicators. Fuel prices stabilised significantly in the period.

**Debt sustainability:** Recognising the importance of prudent debt management, Kenya pursued strategies aimed at optimising debt structures, diversifying funding sources, and accountability in debt-related transactions to ensure sustainable debt levels.

**Sectoral support:** Targeted support measures were extended to pivotal sectors, specifically agriculture, through the import and distribution of subsidised fertilizer. This was aimed at lowering the cost of food and by extension inflation.

**Social welfare initiatives:** To address the socio-economic challenges experienced on the country, Kenya bolstered social safety nets and welfare programs. These initiatives are aimed at supporting vulnerable segments of society, promoting inclusive growth, and mitigating poverty and inequality. For example, the social health insurance fund (SHIF) and Social Health Authority (SHA) were rolled out in 2024 and started receiving contributions.

## *Our operating environment continued...*

### **Regulation- both change and consistent enforcement**

2024 saw a relatively stable regulatory environment as regards regulation directly impacting the insurance industry. However, there were other changes that affected the industry.

The Social Health Insurance Act and Social Health Insurance Regulations, 2024 were enacted to establish the Social Health Insurance Fund (SHIF) to replace the NHIF. The SHIF Regulations, 2024 were gazetted in March 2024 to give effect to the provisions of the SHIF Act by facilitating a mandatory registration of every person resident in Kenya and the access to the highest attainable standards of health. The scheme was rolled out and started receiving contributions effective 1 October 2024.

The Finance Bill 2024 was declined by the President on 26 June 2024, following weeks of protests. Following this, the government is seeking to reintroduce some of the provisions contained in the declined bill.

The Business Laws (Amendment) Bill 2024 and The Tax Laws (Amendment) Bill 2024 were enacted into law on 11 December 2024. The bills were passed to address issues which the government considered to be hampering the growth of manufacturing, investments, and exports in Kenya.

The Tax Procedures (Electronic Tax Invoice) Regulations 2024 which commenced on 3 May 2024 provide extensive guidelines for implementation of Tax Invoice Management Systems (e-TIMS), contents of an electronic tax invoice, exclusions, and exemptions.

The Social Health Insurance Act – Tariffs for Healthcare Services commenced on 20 September 2024. These regulations outline the prices payable to healthcare providers or facilities for provision of healthcare services to SHIF members. This affects the medical business operated by Heritage as they replace the previous recoveries from NHIF.

From a Liberty perspective, regulation, particularly in Kenya, is generally improving the framework of the financial services industry but enforcement remains an area for improvement (i.e, consistency and capacity).



# Our operating environment continued...

## Technology

The insurance industry is evolving in line with global technological trends, transforming how companies operate and interact with customers. Key trends noted globally include:

**Digital transformation:** Insurance companies are increasingly adopting digital technologies to streamline processes, improve efficiency and enhance customer experience. Key initiatives include digitising claims processing, enabling online policy management, and automating back-office operations. Many companies are accelerating digital adoption to stay competitive and align with customer expectations.

**Customer experience enhancements:** Technologies like mobile apps, self-service portals, and personalised recommendations based on data analytics are enhancing the overall customer experience, making it more convenient and faster to pay premiums and process claims.

**Data analytics and AI:** Insurers are leveraging big data analytics and artificial intelligence (AI) to gain insights into customer behaviour, assess risk more accurately, detect fraud, and personalise offerings. AI-driven chatbots and virtual assistants are also gaining traction, providing 24/7 support and personalised service.

**Insurtech innovation:** The rise of Insurtech startups is driving innovation in areas such as peer-to-peer insurance, on-demand insurance, parametric insurance (based on predefined triggers), and digital platforms that connect insurers with customers and partners, fostering transparency and convenience.

**Cyber insurance:** With the increasing threat of cyberattacks, cyber insurance has become a crucial product for businesses. Insurers are developing specialised policies to cover cyber risks and offering services such as risk assessments and post-incident response support.

## Competition

The insurance sector in Kenya comprises 55 resident companies, while Tanzania has 35, all engaged in intense competition within a limited market characterised by low insurance penetration and more focused towards corporate business. The primary classes of insurance uptake include motor, medical and fire industrial. The large number of insurance companies within small economies makes the environment very competitive. This heightened competitive environment has led to aggressive pricing strategies, including undercutting and some instances of non-compliant remuneration structures.

Identifying profitable segments aligned with market growth objectives remains a significant challenge. Traditional distribution channels for product sales have primarily relied on brokers

and agents. However, challenges arise from inconsistent enforcement of regulations prohibiting intermediary administrative fees and ongoing premium collection by brokers and agents, resulting in increased costs and higher capital requirements to cover outstanding debts. The fierce competition has also led to client driven insurance solutions in the life assurance space, leading to many companies developing products with guarantees as demanded by clients.

Advancements in technology and digitisation present opportunities to reduce dependence on intermediaries (agents and brokers) by establishing direct customer channels. This approach enables the delivery and monitoring of superior customer service, reducing reliance on third-party relationships in insurance product distribution. However, these opportunities also bring heightened competition from standalone Insurtech firms focused on customer-centric models from inception. Additionally, traditional competitors can leverage solutions provided by Insurtech companies for functions such as underwriting, claims processing, and online distribution platforms, enhancing their customer-facing capabilities.

## Climate change

The impact of climate change continues to intensify, with increasing global temperatures and warming oceans leading to a higher frequency of extreme weather events like floods, droughts, and cyclones. 2024 was the hottest year on record<sup>1</sup>, surpassing 2023, which was previously the hottest year ever recorded. These events are impacting people and food supply chains.

The concentration of carbon dioxide in the atmosphere is now 52% higher than before the industrial revolution<sup>1</sup>. This increase may be driven by fossil fuel emissions and destruction of natural forests for agricultural use. Climate change mitigation and adaptation remain at the very top of the global and African agendas.

These changes pose significant risks and are expected to result in increased claims for insurers, particularly general and health insurers. The increasing frequency and severity of climate-related disasters, such as floods and wildfires (for example the devastating fire witnessed in California in early 2025), are pushing up claims, forcing reinsurers to raise prices, limit coverage, or exit certain markets altogether. Close monitoring of claims patterns has become crucial in order to respond proactively.

Kenya, like many African countries, remains disproportionately affected by climate change while having contributed minimally to global emissions. However, Kenya is leading in climate action, with renewable energy sources accounting for over 80% of its electricity. The country remains on track to achieve its goal of 100% clean energy by 2030. To meet this target, Kenya is working to maximize its potential in geothermal, wind, and solar energy. Kenya is also a key player in the voluntary carbon credit market (VCM), being the second-largest issuer of carbon credits in Africa, after the Democratic Republic of Congo, as global companies seek to offset their emissions.

In 2024, heavy rains were experienced during the rainy season resulting in flooding that impacted 42 of the 47 counties in Kenya. The losses and destruction caused by flooding was reflected in the insurance industry statistics. The Insurance Regulatory Authority (IRA) has reported that flood insurance claims in 2024 increased by 62% to at least KShs 5 billion.

<sup>1</sup> NASA.

# Stakeholder engagement

Our stakeholders are the individuals, groups, and organisations that affect or could be materially affected by our business activities, products, services, or performance. Liberty is committed to understanding and responding to the interests and expectations of all legitimate stakeholders.

Our stakeholder management mandate is to build a superior image and reputation for Liberty. This image and reputation is evaluated by the level of trust of our clients and partners. Our legitimacy depends on demonstrating social relevance through creating and sharing value with all stakeholders and is achieved through a proactive approach to engaging with them.

Our primary stakeholders are those aligned with Liberty's strategic value drivers, being:

**Clients** - both retail and corporate are core to the growth and sustainability of our business

**Partners** - including brokers, agents, banks and affinity partners - enable our value propositions and the ability to make a positive impact

**Employees** - the foundation of what we do - our brand ambassadors and our greatest source of sustainable competitive advantage. We empower them through ongoing engagement, skills development, and a strong performance-driven culture.

**Regulators** - including industry regulators, governments and tax authorities - our engagements with regulators secure our licence to operate and our credibility as a responsible corporate citizen

**Shareholders and investors** - controlling and minority non-controlling shareholders including prospective investors - are the primary providers of financial capital

**Civil society** - our immediate and related communities, including consumers and non-governmental organisations - are engaged on specific issues which promotes positive societal impact

Direct, one-on-one engagement with stakeholders is our preferred approach. This is possible with direct clients, partners, employees, regulators and the majority shareholder.

Direct client communication occurs through authorised agents (intermediaries), client experience centres, and the relationship managers within the operations. The client experience centres perform reactive engagements through various mediums, including call centres, emails and branch walk-ins. Clients have access to a variety of other channels to communicate with us, including social media and web-based platforms. Proactive engagements regarding renewals, policy maintenance and premium collection are conducted by client portfolio managers.

Many of our corporate client engagements occur through partners.

Health insurance members receive annual health screenings, regular health talks and product education.

All partner engagements are direct, using Liberty's dedicated business development teams embedded in our operating structures to target distinct partners, from agents to brokers, with appropriate and necessary communication. Most of our partner engagements are targeted at delivering a client's needs. Engaging with the Association of Kenya Professional Insurance Agents provides a further avenue to understand and appreciate the needs of our agents, both tied and independent.

Employee engagements are conducted through the line management structure within Liberty, using both formal and informal mechanisms to gain insight and ensure they understand their roles. Employees undergo regular review appraisals during which they are encouraged to express their concerns and issues which impact on their productivity. Townhall meetings and other less structured communication channels are also used to engage with our employees.

We engage directly with regulators and tax authorities on specific Liberty and industry issues. As a member of the Association of Kenya Insurers (AKI) we engage with regulators and government on an industry basis.

Engagement with civil society is through our boards, employees and corporate social responsibility activities. We also work closely with AKI by dedicating human resources to appropriate AKI committees that lobby for consumer awareness and protection. The group is an active member of several forums organised by AKI that are focused on the growth and advancement of the insurance industry.

We regularly communicate with our non-controlling shareholders through shareholder notices, press announcements and reports on our website. At our annual general meeting, shareholders are afforded the opportunity to ask questions of the board and management.

The majority shareholder deploys representation to the boards of every Liberty group company. In addition, management support and oversight is provided by both a dedicated team of professionals focused on Africa regions outside of South Africa and various control functions that set Liberty Holdings group policies.

# Stakeholder engagement continued...

## Legitimate stakeholder concerns

Liberty is committed to understanding and responding to the needs and expectations of all stakeholders and partnering with them to find lasting solutions. The following primary concerns of our stakeholders, identified through proactive and reactive engagements are considered in setting Liberty's long-term strategy as well as our operating structures and processes.



# Our leadership as at 31 December 2024

## Liberty Kenya Holdings board of directors



**Philip Odera** (66)

Group chairman and independent non-executive director

*Appointed: September 2016*  
*Completed years of service: 8*

Mr. Philip Odera was appointed as an independent non-executive director of Liberty Kenya Holdings Plc in September 2016, and as chairman of the board in October 2018. Philip is a banker by profession, having held a variety of assignments across different geographies over the last 31 years, including in Kenya, Uganda, Tanzania, Malawi, Nigeria, Democratic Republic of Congo, Pakistan, Malaysia, and Singapore.

Philip was with Standard Bank for 15 years, where he held various senior positions, including CEO of Stanbic Bank Kenya, South Sudan, Uganda, and Malawi. He was also the deputy managing director of Stanbic Bank Tanzania and CEO of Citibank in the Democratic Republic of Congo.

Philip completed his entire pre-university schooling in Kenya before admission to St. Lawrence University in New York, USA for a degree in Economics, obtained in 1980. This was followed by an MBA in Finance obtained from Suffolk University in Boston. Subsequently, he has attended several leadership programmes conducted by leading institutions such as Duke, Harvard and Cambridge universities, as well as Standard Bank and London Business School. Philip is the chairman of the director's affairs and remuneration committee.



**Kieran Godden** (50)

Group Chief Executive Officer and Executive Director

*Appointed: August 2023*  
*Completed years of service: 1*

Mr. Kieran Godden was appointed Group Chief Executive Officer and Director in August 2023. He is a highly regarded actuary and statistician with a BSc (Hons) and MSc from the University of Johannesburg. He is also a fellow of the Actuarial Society of South Africa.

He began his career as an actuarial assistant in 1998 and rose through the ranks to become the head of actuarial services for the Liberty South Africa Corporate Benefits Division in 2002. He later held positions as a divisional director and chief financial officer of Liberty Corporate in South Africa.

Kieran worked in Nigeria for a total of five and a half years, working for both Liberty Insurance Nigeria and Total Health Trust Limited, a subsidiary of the larger Liberty Group, where he served as Chief Financial Officer and later, Chief Executive Officer.



**Mike du Toit** (62)

Non-executive director

*Appointed: December 2008*  
*Completed years of service: 16*

Mr. Mike du Toit is a professional banker with qualifications from South Africa and the United Kingdom. He has had a successful career in the financial services industry in sub-Saharan Africa, having worked and lived in Botswana, Mozambique, South Africa, and Uganda.

He joined Liberty in 2008 and served as the company's Managing Director and Liberty Group's Regional Executive for East and Central Africa until his retirement in March 2022, during which time he was primarily responsible for strategic growth initiatives, governance and stakeholder engagement.

Prior to this he was Managing Director of Stanbic Bank Limited, having led the merger of the Stanbic and CFC groups. His extensive experience and strategic leadership extend to his roles on the boards of all group associated insurance companies across the region.



**Peter Gethi** (58)

Non-executive director

*Appointed: December 2009*  
*Completed years of service: 15*

Mr. Peter Gethi, who was appointed to the board in December 2009, is a notable alumnus of the University of London with a BSc (Hons) degree in Agriculture Economics. He has extensive managerial experience in agriculture business management, having served as general manager of Kilimanjaro Plantations Limited (TZ) and senior group manager of SCEM Limited (formerly Standard Chartered Estate Management).

He works as an Agricultural Consultant and is involved with Real Estate Development as the Managing Director of Nebange Ltd. He is the immediate past chairman of Heritage Insurance Kenya Limited and Liberty Life Assurance Kenya Limited and a director of The Heritage Insurance Company Tanzania Limited, Stanbic Holdings Limited and Stanbic Bank Limited.

Peter serves on the director's affairs and remuneration committee. He is also chairman of SBG Securities Limited in Kenya.

## Liberty Kenya Holdings board of directors continued...



**Jeff Hubbard** <sup>(60)</sup> 

Non-executive director

**Appointed: June 2017**

**Completed years of service: 7**

Mr. Hubbard is currently the Liberty Holdings representative on the Liberty Kenya Holdings board. He holds a BCom degree from the University of Cape Town and is a registered chartered accountant with SAICA.

Jeff has 40 years' working experience, including extensive experience in financial reporting and management. Having begun his career at Deloitte and Touche in 1985, Jeff has held several financial director roles for large entities across different industries. He joined Liberty South Africa in 2004.

Jeff has held various positions in Liberty including the position as the group's chief financial officer and sponsoring executive on Liberty's non-SA operations on the African continent.

Jeff serves on the group audit and risk committee and the director's affairs and remuneration committee.



**Rachel Mbai** <sup>(59)</sup> 

Non-executive director

**Appointed: August 2020**

**Completed years of service: 4**

Ms. Rachel Mbai, a renowned lawyer specialising in real estate and property management, property acquisition/disposal, and development, was appointed as a director of the company in August 2020. She holds an LLB (Hons) degree and is a partner at Kaplan & Stratton, a firm she joined in 1991 after being admitted to the High Court of Kenya as an Advocate.

She is the head of the firm's real estate practice, which is widely recognized as a market leader by international ranking agencies Chambers Global and Legal 500.

Her work includes property acquisition, disposal, and development, property law, property finance, loan securities, and private client work. In addition to her professional accomplishments, Rachel is a director of the Bob Collymore Foundation, the Muthaiga Country Club, the Kenton College Trust, and a trustee of The Njenga Karume Trust.

She is a highly accomplished professional who has made significant contributions to the real estate industry. She is also a dedicated philanthropist who is involved in a number of charitable organisations.

Rachel serves on the group audit and risk committee.



**Catherine Mitchem** <sup>(53)</sup> 

Non-executive director

**Appointed: October 2023**

**Completed years of service: 1**

Ms. Catherine Mitchem has over 20 years' cross-discipline experience in financial services, ICT and the pharmaceutical sector. She holds a Bachelor of Science degree from Delaware State University.

She is currently serving on the board of the Heritage Insurance Company Kenya Limited, besides holding leadership roles in the financial services sector.

She has supported the growth of several African companies through her innovative technology solutions and financing counsel.

She is a Co-founder of Barani Capital Limited. Barani is a corporate finance and investment advisory services company. She is currently an executive director at QED Solutions Ltd (QED), a Kenyan IT solutions provider.

Catherine is the chairman of the group information technology committee.



**Rajesh Shah** <sup>(67)</sup> 

Independent non-executive director

**Appointed: May 2020**

**Completed years of service: 4**

Mr. Rajesh Shah is a fellow of the Institute of Chartered Accountants in England and Wales and the Institute of Certified Public Accountants of Kenya (ICPAK), with a career spanning over 40 years in professional services.

He graduated in 1979 from the University of Leeds with first-class honours with distinction in mathematics. He articled with Ernst & Young, England and qualified as a chartered accountant in 1982. He trained as a computer audit specialist in 1983 and joined Price Waterhouse, Kenya in 1985 and worked in all lines of service of PwC. Rajesh is known for leading complex advisory and tax assignments in various sectors across the region.

Rajesh is the executive chairman of V2R Managing Limited, a business consultancy, and chairman of the Jain Social Group Nairobi, a charitable organisation. He serves as the chairman of the group audit and risk committee and is a member of the group information technology committee.

## Liberty senior management



**Rosalyn Mugoh** <sup>(48)</sup>

Managing director - The Heritage Insurance Company Kenya Limited

*Appointed: October 2024*

Rosalyn Mugoh is an accomplished insurance executive with over 20 years of experience leading innovation and growth in the financial services sector. She is currently the Managing Director of Heritage Insurance, where she spearheads strategic transformation and drives the organization toward sustained success with a strong focus on customer-centric innovation.

Before joining Heritage Insurance, Rosalyn served as the Managing Director at Zamara Risk and Insurance Brokers Ltd, where her customer-focused leadership and innovative approach led to significant revenue growth and positively impacted over 250,000 lives. She has also held senior leadership roles at Aon Kenya and Trustmark Insurance Brokers, further strengthening her influence and expertise within the insurance sector.

Rosalyn holds an MBA in Strategic Management from the University of Nairobi and a Bachelor of Business Administration in Marketing from Africa Nazarene University. She is a Fellow of the Life Management Institute and a graduate of the prestigious Global CEO Africa Program.

In addition to her professional achievements, Rosalyn serves on the Boards of the Association of Insurance Brokers in Kenya (AIBK), Women on Boards Network, and the Head of the Women Council.



**Nkoregamba Mwebesa** <sup>(57)</sup>

Managing director - Liberty Life Assurance Kenya Limited

*Appointed: February 2025*

Mr. Nkoregamba Mwebesa has 34 years of experience in the financial services sector. He joined the group from the Central Depository and Settlement Corporation Limited where he held the role of Chief Executive Officer. Nkore previously worked at Stanbic Bank as the Chief Executive of SBG Securities and Head of Equities East Africa; and was the managing director STANLIB Kenya.

Mr. Nkoregamba holds a Masters in Business Administration, a Bachelor of Arts Degree from the University of Nairobi and is a registered member of the Institute of Certified Investment and Financial Analysts.



# Fostering value creation – corporate governance

Well-defined governance structures are embedded, supporting our ability to create and preserve value, while guarding against value erosion.

Liberty Kenya Holdings Plc views the application of good corporate governance practices as key to achieving an appropriate and sustainable return on investment for its shareholders, while fulfilling its social mandate to improve the quality of life for all stakeholders.

The board has embraced the Capital Market Authority's (CMA) Code of Corporate Governance Practices for Issuers of Securities to the Public, 2015 (the Code). Following the issuing of the Capital Markets (Public Offers, Listings and Disclosures) Regulations, 2023, the Code has become mandatory. Liberty is assessing itself on this basis.

The board of directors is responsible for the governance of the company and is committed to fulfilling its fiduciary responsibilities. It has instituted various frameworks to ensure that the company maintains the highest standards of good governance.

## Corporate governance assessment report

To assess the level of compliance with sound governance practices, the Code requires that a competent and recognised professional, accredited by the Institute of Certified Public Secretaries of Kenya, performs an annual external governance audit. An issuer is eligible for a two-year governance audit cycle where it has demonstrated that the findings of the audit are being proactively implemented.

A corporate governance audit was conducted for the two year period ending 31 December 2024 and the governance auditor's opinion was that the board had established, implemented and overseen an effective governance framework structure, and the control environment was consistent with the legal and regulatory requirements, internal policies, and good governance practices in the interest of all stakeholders. The governance auditor's opinion can be accessed [Governance Audit Report](#). The company has developed a work plan to address the recommendations from the governance auditor. The board will maintain oversight to ensure implementation of the recommendations.

Liberty conducted a corporate governance self-assessment for the year ended 31 December 2023 and submitted the results to the CMA. After considering management's responses to the provisional CMA findings, the CMA issued its final report, commending the company for its continuous efforts to strengthen its governance structures and practices while urging the company to implement further recommendations. The company received an overall governance score of 71%. As at the date of this report, the company has addressed a majority of the CMA recommendations.



*The company's self-assessment for 2024 is available on our website at  
[Governance Audit Report](#)*

## Legal and compliance

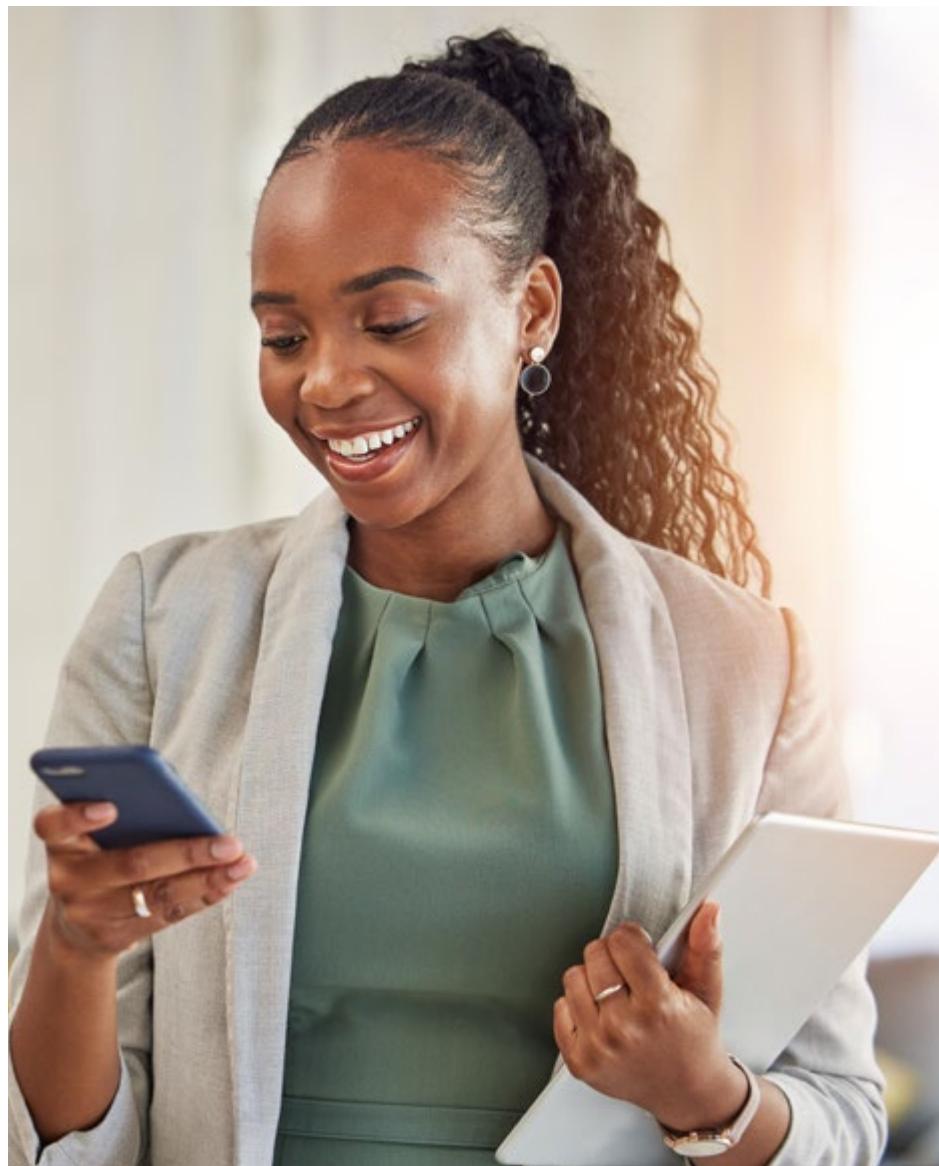
Complying with all applicable legislation, regulations, standards and codes is integral to the group's culture and imperative to achieving its strategy. The board has established internal procedures and monitoring systems to promote compliance with applicable laws, regulations and standards, and is supported by legal and compliance professionals. The group assesses the impact of proposed legislation and regulation. The group and subsidiary audit and risk committees receive quarterly reports on the status of compliance with applicable laws and monitor the status of efforts to remedy any non-compliance matters.

The Code requires that a comprehensive independent legal audit be conducted at least once every two years. For those years in which an independent legal audit is not performed, an internal legal and compliance audit should be conducted. The company undertook its first external legal and compliance audit during 2024. The external legal and compliance auditor's opinion was that "the board of directors of the company has implemented effective, appropriate and adequate governance structures for legal compliance in the organisation. We are satisfied that these structures comply with the legal and regulatory framework, corporate governance and good governance practices, and are adequate to protect the interests of Liberty Kenya stakeholders as evaluated against the agreed and defined criteria, as of the year ended 31 December 2023 and the period up to 26 November 2024". The external legal and compliance audit opinion may be accessed [Legal and Compliance Audit Report](#).

In addition, the group's external tax consultants conduct annual tax health checks to confirm compliance with tax legislation. The board and the operating companies' audit and risk committees receive quarterly updates on tax matters and controls. The group is also in the process of establishing a specialist tax compliance function.

The board has mandated an internal audit assessment of the group's compliance with the Data Protection Act, to be conducted in the 2025 year.

## Fostering value creation – corporate governance continued...



### Statement of compliance

During 2024, Liberty Kenya and its subsidiaries were compliant in all material respects with the requirements of the Companies Act and Regulations, the Insurance Act and Regulations and Guidelines, the Retirement Benefits Act and Regulations, and all tax legislation.

No material fines or legislative penalties were incurred or paid by any group companies.

### Code of ethics

Liberty understands that where there is trust, business and society flourish. The board subscribes to the highest level of levels of ethics and integrity in conducting Liberty's business and in dealing with stakeholders. All Liberty employees and representatives are expected to act in a manner that reflects the company's values and culture, builds trust and inspires confidence in the brand.

The board has approved a formal code of ethics that prescribes the group's approach to business ethics and its obligations to clients, partners, advisers, shareholders, employees, representatives, suppliers, the public, and the authorities. Board members also attended board ethics training during the year, geared to ensure that the board is able to effectively monitor the ethical climate within the organisation.

The group ensures that its governance framework monitors the ethical climate within the organisation. Towards this end, all employees, upon joining the company and on an annual basis, are required to commit to the code of conduct and ethics. The board is not aware of any significant breaches of the company's [Code of Ethics](#).

### Our code of ethics

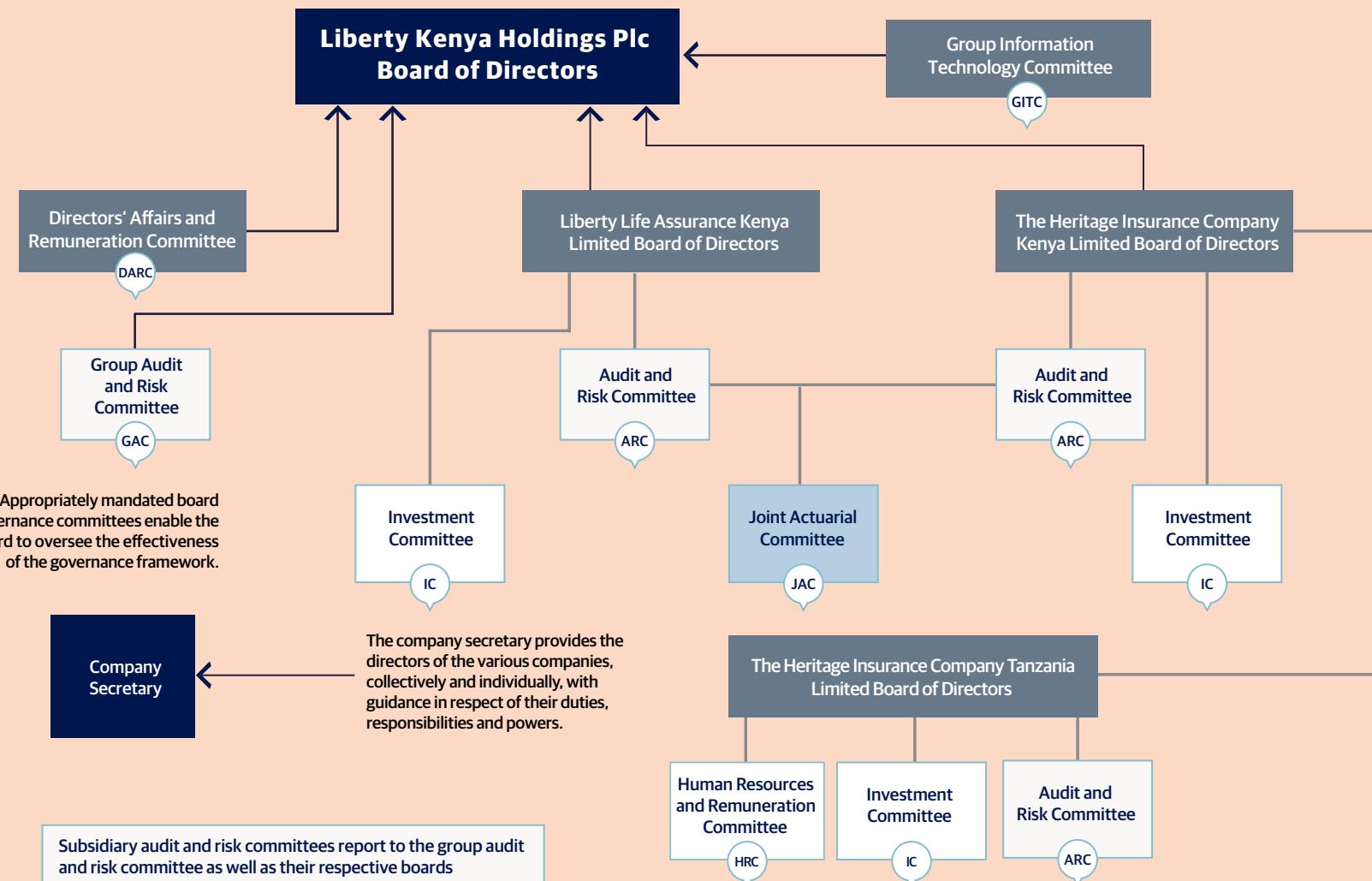
**Liberty and its subsidiaries are committed to maintaining the highest standards of ethical behaviour, to upholding ethical standards in all its activities, and to complying with all prevailing laws that are applicable to its business and the public and private environments in which it operates. For Liberty to be regarded as ethical, we will strive towards a shared commitment to the same principles and behave according to the same ethical standards.**

 *More detail regarding our code of ethics can be found on our website at [Code of Ethics](#)*

## Fostering value creation – corporate governance continued...

### Governance structures at Liberty

The board applies responsible governance in managing the business within the approved risk appetite through various committees and subsidiary boards. The boards and standing committees depicted below are appointed under the guidance of the group directors' affairs and remuneration committee. The board is accountable for effective governance within Liberty. Furthermore, the board is responsible for establishing clearly defined roles and responsibilities, thereby ensuring that its responsibilities are delegated to the appropriate individuals, functions or committees.



## *Fostering value creation – corporate governance continued...*

### **Governance approach at Liberty**

Liberty's governance structures and processes provide sound and prudent management and oversight of the group's businesses in the interests of all stakeholders. These structures and processes support and enhance the ability of those responsible for the governance of the business (the board, senior management and heads of key functions) to manage the business effectively and create value.

**Liberty's governance structures and processes  
create value for all stakeholders by**



## *Fostering value creation – corporate governance continued...*



### **The board of directors**

The company has a unitary board structure. At 31 December 2024, the board consisted of eight directors, drawn from diverse backgrounds and bringing a wide range of experience, insight and professional skills to the board. Their particulars are set out on pages 18 and 19.

The duties of individual board members include:

- Exercising independent judgement and objectivity in decision making
- Acting in good faith, honestly, with integrity and reasonably
- Exercising due care and diligence
- Acting in the best interests of the group and its clients.

The board directs the group and provides an independent review of all issues of strategy, performance, resources and standards of conduct. The board meets on a quarterly basis and holds an annual strategy meeting. Additional meetings are arranged when necessary.

To facilitate full and effective discussions at the meetings, comprehensive board papers are circulated ahead of time. Members of the board have regular contact with the executive management of the operating subsidiaries, both formally and informally.

Details of board and committee meeting attendance are provided in the table on page 28.

### **Board accountability and delegation**

The board acknowledges its responsibility for the effective governance of Liberty and ultimate control of the group's various businesses, as well as providing clear strategic direction. It is the responsibility of the board to ensure clearly defined roles and responsibilities for its committees, subsidiary boards and the group chief executive, and that key functions are in place.

The board is satisfied that all the group entities have operated in conformity with their Articles of Association in all material respects.

### **Board independence**

The executive element of the board is balanced by a strong group of independent directors so that no individual or small group of individuals can dominate the board's decision-making, ensuring that all stakeholders' interests are protected. In addition, there is a majority of non-executive directors that are not influenced by the controlling shareholder. Key principles that enhance overall shareholder value and protection are:

- The roles of the independent non-executive chairman and group chief executive are separate
- Seven of the directors are non-executive, with two of the seven non-executive directors being independent
- Non-executive directors do not hold service contracts with the group
- All directors have access to the advice and services of the company secretary and are entitled to seek independent, professional advice on the affairs of the group, at the group's cost. No director sought such advice during 2024.

# Fostering value creation – corporate governance continued...

## Changes in board membership

All appointments to and resignations from the board are conducted in accordance with the Articles of Association and are disclosed to the shareholders and the public. In accordance with the Articles of Association, at least one-third of the directors retire by rotation at each annual general meeting and are eligible to seek re-election. At the 2024 AGM Mr. Rajesh Shah retired by rotation and being eligible for re-election, was re-elected as a director. Ms. Catherine Mitchem, appointed to fill a casual vacancy in 2023, was subject to election and was elected as a director of the Company.

## Induction of new board members and director development

Newly appointed directors undergo a comprehensive induction programme to ensure their effective contribution to the board. The induction, amongst others, covers the nature of the group's business and its organisational structure, board and committee mandates, financial performance review over the previous financial periods as well as the role, duties and responsibilities expected of directors.

Directors receive an induction pack which comprises the Memorandum and Articles of Association, board mandates and directors' code of ethics, committees' terms of reference and minutes from previous board meetings.

To ensure maximum participation in continuous learning for directors and executive management, themes for training are scheduled in advance and form part of the board-approved annual calendar. The training calendar is also reviewed at least once in the financial year to incorporate any emerging areas identified as requiring training. Directors continuously enhance their knowledge to increase their effectiveness in overseeing the company and the group. In 2024, board trainings met the minimum training requirement by the CMA and the following topics were covered:

- Artificial intelligence and machine learning;
- AML and financial crime;
- A review of the CMA (Public Offers, Listing and Disclosure) Regulations, 2023, the CMA Corporate Governance Code and the Insurance Regulatory Authority Corporate Governance Code; and
- Board ethics.

## Separation of powers and duties of the chairman and the group chief executive officer

The chairman and the group chief executive officer have distinct and clearly defined duties and responsibilities. The separation of the functions of the chairman (an independent non-executive director) and the group chief executive officer supports and ensures the independence of the board and management. The balance of power, increased accountability, clear definition of responsibilities, and improved decision-making are attained through a clear distinction between the non-executive and executive roles.

## Director independence

The board, through the directors' affairs and remuneration committee, conducts an annual assessment of each director's independence to ensure that the board maintains a ratio of at least of one-third of directors being independent. The group considers a director who meets the requirements of the CMA Public Offers, Listing and Disclosure regulations as independent. Following CMA feedback as part of the annual corporate governance self-assessment process, directors sitting on subsidiary boards, regardless of meeting the criteria of an independent non-executive director, ceased being classified as independent non-executive directors, unless they resigned from their subsidiary board appointments. The DARC is currently reviewing the board composition and undertaking various nomination processes. It is anticipated that the Company will satisfy the one third threshold by 30 June 2025.

Following the enactment of the CMA (Public Offer Listing and Disclosure) Regulations 2023, and the constitution of the Code as mandatory, the board now also considers the lack of cross-directorships, in determining the directors that may be classified as Independent Non-Executive Directors.. In this regard, as at the date of this report, no director classified as an independent non-executive director serves on a subsidiary board. The Directors Affairs and Remuneration Committee continues to assess the status of independence of the company's directors regardless of the classification, recognising that notwithstanding a director's status on the board, all directors are collectively responsible to the shareholders and stakeholders for the long-term sustainability of the company.

**At 31 December 2024**

**2/8**

**of the company's directors  
were independent**

## Closed sessions

The board held one closed session, without management present, in the year. The primary objective of closed sessions is to provide non-executive directors with an opportunity to test thoughts and insights among peers. The Audit and Risk Committee similarly held a closed session with the Company's External Auditors in the year to review the FY 23 audit process, receive feedback from the External Auditors without the presence of management and similarly provide feedback to the External Auditors. as the need arises. The chairman provides feedback from the closed sessions to the group chief executive officer.

# Fostering value creation – corporate governance continued...

## The company secretary

There have been no changes in the holder of the office of company secretary in the year, being Ms. Doreen Onwong'a. Ms. Doreen Onwong'a is a partner at Qwasha Corporate Services LLP, part of KN Law LLP. She is an advocate of the High Court of Kenya and holds a Bachelor of Law (LLB) degree from the University of Nairobi. She is a member of the Law Society of Kenya, a registered practicing certified secretary and an accredited governance auditor. Doreen also oversees the company secretarial duties for the company's Kenyan subsidiaries.

The company secretary, in consultation with the group chief executive and the board chairman, ensure effective flow of information within the board and its committees and between senior management and non-executive directors. She is also a central source of guidance and advice to the board, and the company, on matters of statutory and regulatory compliance and good governance.

The board of directors has considered and satisfied itself that the company secretary is competent, appropriately qualified and experienced to fulfil her role as company secretary of the group.

Furthermore, the board is satisfied that the company secretary maintains an arm's length relationship with the board of directors. The company secretary is not a director of the company.

## Board mandate

The board operates in terms of a mandate. This mandate sets out the key values and principles of the board of directors. It provides a concise overview of the roles and responsibilities of the board of directors, powers of the board and board committees, separation of roles between the board and management, and the practice of the board in respect of corporate governance matters.

The board mandate includes the following key responsibilities:

- Approve and review the composition and mandate of the group board of directors, the board committees, and the chairs of all board committees
- Consider the removal, resignation and retirement of directors, appoint or remove the managing and other executive directors, statutory actuary and the group company secretary
- Ensure consideration is given to succession planning for the chairman and group chief executive as well as other executive directors and executive managers
- Agree the group's objectives considering that its strategy and risk profile are aligned with the performance levels and sustainability concerns of stakeholders
- Agree the strategies and plans for achieving these objectives
- Be responsible for corporate governance and risk governance of the group, including information technology (IT) governance
- Delegate to the group chief executive or any director holding any executive office or any senior executive any of the powers, authorities and discretions vested in the board's directors, including the power of sub-delegation

- Ensure that disputes with stakeholders are resolved as effectively and efficiently as possible and that alternate dispute resolution processes and mechanisms are in place for all key stakeholders
- Ensure compliance with applicable laws, non-binding rules, codes and standards
- Assume ultimate responsibility for financial, operational and internal systems of control and ensure adequate reporting on these by the committees to which they are delegated
- Approve the remuneration of non-executive and executive directors on the board and board committees and recommend to the shareholders for approval, where necessary
- Ensure that an adequate budget and planning process exists, and that performance is measured against budgets and plans
- Approve annual budgets for the group
- Approve significant acquisitions, mergers, take-overs, divestments of operating companies, equity investments and new strategic alliances by the company or its subsidiaries, and disclose all material interests in such proposed corporate activity
- Consider and approve any significant changes proposed in accounting policy or practice and consider the recommendations of the audit and actuarial committee
- Consider and approve the annual financial statements, interim statements, dividend announcements and notices to shareholders
- Review and monitor the performance of the group chief executive and the executive team
- Consider and approve any significant related party transactions
- Regularly perform an evaluation of the board, its committees and the contribution of each individual director, the chairman and any executive directors, and report results of evaluations to the board
- Review complaints handling and complaints reporting procedures whether from within or outside the company, about possible improprieties in matters of financial reporting, accounting practices and internal audit or the content and/or auditing of financial statements, internal financial controls or any other matter to ensure that arrangements are in place for suitable and independent investigation of such matters and appropriate follow-up
- Assume ultimate responsibility for treating clients fairly.



*The complete board mandate is available at [Board Mandate](#)*

The mandate was reviewed in the year to expressly provide for management's role vis-a-vis the board as raised in the CMA recommendations. A periodic review of the mandate is scheduled for 2025.

# Fostering value creation – corporate governance continued...

## Board evaluation

The board reviews its performance and that of the board committees annually. The evaluation is conducted by the governance centre at Liberty Holdings Limited electronically and in a confidential manner. The results are collated confidentially, reviewed, and feedback is presented to the board.

The 2024 evaluation included a peer-to-peer evaluation in addition to a general evaluation. The feedback was presented at the Q4, 2024 board meetings. Chairperson and Company Secretary evaluations were also conducted in the year. The recommendations have been integrated into the 2024 Annual Governance Plan and include the setting of KPIs by the boards to measure performance.

## Meetings and attendance, and key deliberations during 2024

Four scheduled board meetings and a two-day strategy session were held in 2024. Four directors' information sessions were held during the board cycles.

In addition to the scheduled board meetings, the chairman holds one-on-one meetings with the other non-executive directors to encourage a free flow of information and the sharing of any concerns.

## Board meeting attendance from 1 January to 31 December 2024

	Board meetings <sup>1</sup>	GAC <sup>2</sup>	DARC	GITC
<b>Philip Odera</b>	6/6		4/4	
<b>Mike du Toit</b>	6/6			
<b>Peter Gethi</b>	6/6	3/3	4/4	
<b>Jeff Hubbard</b>	6/6	2/2	4/4	
<b>Rachel Mbai</b>	6/6	5/5		
<b>Rajesh Shah</b>	6/6	5/5		4/4
<b>Catherine Mitchem</b>	6/6			4/4
<b>Kieran Godden</b>	6/6		4/4 <sup>3</sup>	4/4

<sup>1</sup>) The board meetings included special meetings to consider for approval the 2024 half year and 2023 annual financial statements.

<sup>(2)</sup> One of the five GAC meetings was a special meeting to consider the approval of the 2023 financial statements and the 2024 internal audit plan.

<sup>(3)</sup> By invitation

## Key deliberations by the board

During the year under review, the key areas of focus for the board's activities and topics discussed included the following

- Reviewed the implementation of the operating subsidiaries' strategies and considered changes to the 2024 strategy.
- Approved the 2024 annual budget and monitored the group's performance against this budget
- Considered the group's capital management, adequacy and dividend proposals
- Reviewed next steps following the successful implementation of the IFRS 17 programme
- Approved the required changes to the group's accounting policies and key accounting judgements
- Approved external communications including the financial results, press release and commentary for the year ended 31 December 2023 and the interim period for the six months ended 30 June 2024
- Discussed and improved the board's understanding of key risks facing the group, with a focus on economic risk, cyber threats, poor performance of the group's long- term business, fraud, climate change and emerging geopolitical risks
- Reviewed and considered management's proposals on capital optimization, dividend pay-outs, sovereign risk management actions and other matters
- Reviewed and considered various policies including IT policies to ensure alignment with the operating environment and regulatory changes as well as part of the periodic review of policies
- Considered the board evaluation report and agreed action points for implementation
- Discussed the CMA assessment report based on the company's governance self-assessment and agreed action points for implementation
- Reviewed the company's compliance with the NSE/global standards/requirements on ESG and sustainability matters and disclosures
- Considered the outcome of the external legal and compliance audit as well as the governance audit and agreed on items for implementation
- Reviewed the board and committee mandates to ensure alignment with regulatory changes and emerging issues from an operational perspective
- Reviewed shareholder feedback from the Annual General Meeting including minority shareholder voting trends on the FY 23 director's remuneration report and the continued efficacy of the virtual AGMs
- Considered and approved changes to the operating company board mandates to ensure alignment with the Companies Act, 2015 and the current operating environment
- Reviewed the outcome of the annual Fit and Proper assessment and Conflict of Interest check
- Appointed a Compliance Officer in conformance with regulations
- Reviewed compliance and market conduct of the group's business
- Supported the appointment of the managing director of Heritage Insurance Kenya and approved the group chief executive officer key performance indicators
- Supported the annual remuneration outcomes.

# Fostering value creation – corporate governance continued...

## Board committees and subsidiary boards

To effectively carry out its governance responsibilities, the board has established standing committees (as listed below) and delegated specific mandates to them. These committees operate under clearly articulated terms of reference which clarify their responsibilities and scope of authority. The committees have unrestricted access to any information within the company and to the company secretary and independent professionals to enable them to effectively discharge their functions.

All committees report to the board at each board meeting, highlighting matters discussed and recommended actions. Each committee is satisfied that it has fulfilled its responsibilities in accordance with its terms of reference for the reporting period. The following standing committees of the board were in place during 2024:

### Group audit and risk committee (GAC)

The mandate of the GAC is to assist the board in the following five key areas: financial reporting and compliance with applicable financial reporting standards; oversight of the internal audit function and its review of financial and operational controls; liaising with external auditors including receiving and reviewing their reports and letters; monitoring compliance with legal and regulatory requirements; and reviewing risk management issues within the group. The GAC also oversees the activities of the subsidiary audit and risk committees.

#### Membership at 31 December 2024

<b>1</b> Independent non-executive director	Rajesh Shah (chairman)
<b>2</b> Non-executive directors	Jeffrey Hubbard Rachel Mbai

During the year under review, the key areas of focus for the committee's activities and topics discussed, in addition to those mandated under the Code, included the following:

- Considered the internal auditor, combined assurance, business risk and compliance reports
- Approved the internal audit plan, proposed changes to the plan and monitored the sufficiency of human resource and technical expertise available to Internal audit
- Considered the outcome of the external legal and compliance audit
- Considered proposed revisions to the GAC mandate to ensure its continued responsiveness to business needs and regulatory compliance requirements
- Approved the company and consolidated financial statements for the year ended 31 December 2023
- Considered the external auditor's fees and proposed the external auditor engagement for the 2024 financial year and half year results at 30 June 2024
- Reviewed the status of the company's outstanding tax matters

- Considered and approved key judgements and accounting policies
- Assessed capital sustainability and recommended regulatory minimum capital ratios, dividend considerations and capitalisation where necessary
- Held closed sessions with the independent auditor to ensure the continued effectiveness of the external audit process
- Considered for recommendation to the board and submission to the IRA the actuarial reports by the statutory actuaries
- Considered various policies for recommendation for board approval either by way of a periodic review or new policies such as a dispute resolution and stakeholder engagement policy
- Assessed the group's identified risks and risk mitigation plans
- Assessed and confirmed compliance with IFRS and other accounting regulations

### Group information technology committee (GITC)

The committee has been constituted to consider, review, advise and approve (where applicable) the governance of IT in Liberty Kenya. This includes the promotion of an ethical IT governance culture, awareness, adoption and implementation of an IT control framework, and the monitoring of significant IT investments and expenditure. The responsibility of the GITC encompasses the company and its operating subsidiaries Liberty Life Assurance Kenya Limited (LLK) and The Heritage Insurance Company of Kenya Limited (HIK). As at the date of this report, the GITC mandate has been approved by the DARC and the company's board and its membership approved as below:

<b>2</b> Non-executive directors	Catherine Mitchem (chairperson) Rajesh Shah
<b>1</b> Executive director	Kieran Godden

The managing directors of the operating companies, the group chief information officer and the head of IT Liberty Africa Insurance are permanent invitees to the meetings of the GITC. In the year, the GITC, as formerly constituted, focused on the following matters:

- Reviewed the group's IT strategy
- Reviewed and considered various IT policies to ensure alignment with regulatory changes and the operating environment
- Reviewed management's strategies for the protection of personal information and other business information
- Evaluated significant IT investments and projects. In this regard the evaluation of the migration of the long-term business to a new IT platform was a focus
- Assessed risks associated with IT including disaster recovery, business continuity, compliance with relevant laws (in this regard the interface between IT and data protection laws was a focus) and IT security

# Fostering value creation – corporate governance continued...

- Reviewed the company's information and cyber security practices to ensure incorporation of the relevant measures to ensure the security, confidentiality, integrity and availability of all information
- Monitored the resolution of IT findings from the internal audits arising from the IT audit conducted in the year
- Reviewed and monitored various business enablement initiatives spearheaded by group IT to improve business efficiencies through implementation of the integrated risk management system
- Reviewed the various management initiatives on the use of data and analytics.

## Directors' affairs and remuneration committee (DARC)

This committee reviews all new nominees to the board and is mandated to assess the performance, remuneration and effectiveness of directors of the company and its subsidiaries. The DARC also facilitates board evaluations to measure and monitor its performance in corporate governance matters. The chairpersons of the operating companies and the group chief executive officer are permanent attendees at meetings of the DARC.

In addition, the DARC provides guidance oversight and monitors employee remuneration, including any incentive schemes and related matters. All variable remuneration, employee benefits and annual pay adjustments are recommended by the DARC to the respective boards.

### Membership at 31 December 2024

<b>1</b> Independent Non-Executive director	Philip Odera (chairman)
<b>2</b> Non-executive directors	Peter Gethi Jeff Hubbard

The group chief executive is a permanent attendee at all meetings of the DARC and other directors and / or executives attend on an invitation basis.

During the year under review, the key areas of focus for the committee's activities and topics discussed included the following:

- Reviewed the board composition and ongoing director recruitment processes in line with the company's succession plan
- Reviewed staff remuneration for the year ended 31 December 2023, as well as director remuneration
- Reviewed and recommended various committee mandates for board approval
- Reviewed the group CEO key performance indicators for implementation and recommended for board approval
- Reviewed culture alignment at company and group level in line with the implementation of the integration with the Standard Bank Group.

- Oversaw senior leadership succession engagement for the 2024 financial year including the appointment of a Principal Officer/ Managing Director for the short-term business
- Reviewed and recommended changes to the groups' governance structures to ensure alignment with regulatory changes
- Reviewed current employee benefits and provided recommendations of certain adjustments.

## Boards of directors of subsidiary companies

The DARC considers the appointment of directors on all operating subsidiary boards. The role of these boards involves overseeing the execution of strategic direction and policy, reviewing operational performance, approval of major capital expenditure, consideration of significant financial matters, regulatory capital management, risk management, compliance, succession planning and any other matters that may impact materially on subsidiary companies' activities.

Liberty Kenya Holdings Plc respects the fiduciary duties of its representatives on subsidiary boards.

In turn, the subsidiaries are required to align to the group policies that are approved by Liberty Kenya Holdings Plc.

The members of the company's subsidiary boards as at 31 December 2024 are detailed below:

### Liberty Life Assurance Kenya Limited

<b>2</b> Independent non-executive directors	Gladys Ogallo (chairman) Imtiaz Khan
<b>3</b> Non-executive directors	Peter Gethi Andrew Lonmon-Davis Rachel Mbai
<b>1</b> Executive director	Nkoregamba Mwebesa (appointed February 2025)

### The Heritage Insurance Company Kenya Limited

<b>2</b> Independent non-executive directors	Anne Mutahi (chairman, resigned in March 2025) Herbert Wasike
<b>4</b> Non-executive directors	Mike du Toit Peter Gethi Andrew Lonmon-Davis Catherine Mitchem
<b>1</b> Executive director	Rosalyn Mugoh (appointed October 2024)

# Fostering value creation – corporate governance continued...

## Heritage Insurance Company Tanzania Limited

<b>6</b> Non-executive directors	Yogesh Manek (chairman) Geetha Sivakumar Peter Gethi Mike du Toit Augustina Kirabo Ravi Singh
<b>1</b> Executive director	Manasseh Kawoloka

## Changes to subsidiary boards effected during 2024

In the 2024 financial year, Mr. Herbert Wasike was, following the receipt of IRA approvals, appointed as a member of the board of Heritage Insurance Kenya Limited and appointed as chairman of the audit and risk committee following the retirement of Mr. John Sturgeon from the board.

Mr. Imtiaz Khan, following the retirement of Mr. Rajesh Shah as a member of the Liberty Life Assurance Kenya board and the Liberty Life audit and risk committee, was appointed as the chairperson of the Liberty Life audit and risk committee. Finally, Mr. Mike du Toit retired as a member of the Liberty Life Kenya Board in November 2024. Mr. Mike du Toit continues serving as a director in the Heritage Kenya and Liberty Kenya boards.

Both the operating subsidiaries remain compliant with IRA Corporate Governance requirements and none of the directors classified as independent non-executive directors serve on any other subsidiary or group board.

## Governance policies

### Conflicts of interest and other commitments

The board has adopted a directors' code of ethics and conduct. One of the key principles underlying ethical business conduct is the avoidance and disclosure of any conflict of interest. Directors are under a statutory obligation to avoid a situation in which the director has, or can have, a direct or indirect interest that conflicts or may conflict with the interests of the company. The board maintains an annual register of director declarations of other directorships and interests or conflicts of interest declared by directors at all board and board committee meetings.

The board is aware of the directors' other commitments and is satisfied that all directors allocate sufficient time to enable them to discharge their responsibilities effectively.

## Insider trading policy

The Capital Markets Act has prescribed certain regulations that expressly prohibit the use of unpublished insider information, which is information that:

- Relates to the company and the company's securities
- Has not been made public, and
- If it were made public, is likely to have a material effect on the price of the securities

The company has adopted an insider trading policy, with the objective of promoting transparency and accountability by directors and employees of the company and its operating subsidiaries. The company's insider trading policy prohibits directors and employees from trading in its securities at any time they are in possession of insider information. The company is not aware of any insider trading during the year ended 31 December 2024. On 31 December 2024, none of the directors held shares in their individual capacity.

## Promotion of diversity policy

Liberty recognises the importance of, and value added by diversity in the composition of the board of directors. We recognise that diversity of skills, experience, background, knowledge, thought, culture, race and gender strengthens the board's ability to effectively perform its duties and add value to the group. This mitigates the risk of 'group think' and improves the group's resilience. This policy seeks to articulate the group's approach regarding the promotion of diversity on its boards of directors in compliance with the Code and specifically considers the promotion of gender, age, skills, ethnic and race diversity.

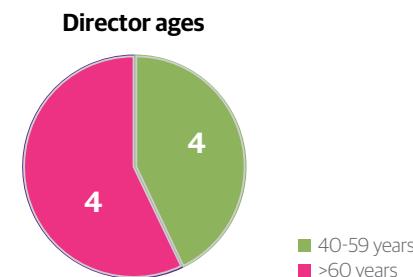
**At 31 December 2024**

**2/8**

**of the company's directors  
were female**



# Fostering value creation – corporate governance continued...



## Board remuneration policy

The company has a clear remuneration policy for executive and non-executive directors. The policy is deemed to be fair and equitable and is also benchmarked to the market to attract and retain the required skills and experience. The remuneration of the non-executive directors is reviewed by the DARC and approved at the annual general meeting.



*More details regarding the remuneration of directors is provided in the group's annual financial statements at [Annual Financial Statements](#)*

## Whistleblowing policy

Liberty views its commitment to its values, business principles and ethical and legal behaviour in a serious light. There are mechanisms in place to facilitate reporting. Employees can report valid concerns regarding the following:

- Conduct which is inconsistent with Liberty's stated vision, its code of ethics, policies and procedures
- Violations of law
- Abuse of company resources and assets
- Danger to the health and safety of any individual
- Deliberate concealment of information.

The group's directors, employees and stakeholders are expected to perform their duties and conduct themselves in a professional manner and in ways that bring credit to themselves and the group. Employees are required to observe high standards of business and personal ethics, honesty and integrity in fulfilling their responsibilities within all applicable laws and regulations. The whistleblowing policy is intended to guide all stakeholders who have concerns over any wrongdoing within the company and its subsidiaries relating to unlawful conduct, financial malpractice or dangers to the public or the environment. The policy provides for confidential and anonymous communication channels to raise concerns. These communication channels are supported and monitored independently.

The whistleblowing policy aims to:

- Provide avenues for employees to raise concerns and receive feedback on any action taken
- Allow the employee to take the matter further if they are dissatisfied with the group's response
- Reassure employees that they will be protected from reprisals or victimisation for whistleblowing in good faith.

The policy describes the principles, accountabilities and responsibilities around the obligation that exists for Liberty, to enable its employees to disclose and report any unlawful, irregular or unethical conduct.

## Procurement policy

Each of Liberty's operating subsidiaries maintains a procurement policy. Procurement is conducted through a shared procurement office, which reports to a management joint procurement committee comprising representatives from each of the subsidiary companies. The policies set out the minimum requirements and procurement framework aimed at:

- Optimising the total cost of ownership in the procurement of goods and services
- Ensuring all procured goods and services are fit for purpose and meet minimum quality and technical standards specified
- Ensuring that procurement of goods and services is conducted in an efficient, cost effective, uniform, transparent and ethical manner
- Ensuring applicable procurement practices, related legislation and statutory requirements are complied with
- Aggregating the business' procurement spend and leveraging economies of scale to create value
- Ensuring risk is identified, assessed and mitigated when selecting and contracting of potential suppliers.

## Related parties

The group discloses any related party transactions in accordance with the requirements of IFRS and the companies act.

## Sustainability

The group adheres to the Liberty Holdings Limited sustainability policy. This policy can be found at [Sustainability Policy](#).

# Safeguarding value - risk management

Liberty's approach to risk management takes into account the external environment in which we operate and the internal environment encompassing our business environment, how these environments interact and impact on customers, shareholders, and other stakeholders. The group is committed to increasing shareholder value through the prudent management of risks inherent in the production, distribution and maintenance of its products and services.

## Risk environment

Liberty's significant risk categories are strategic and business, insurance, market, credit, liquidity, operational (non-financial), business conduct, and legal and compliance. Management ensures each risk is managed within the accepted risk appetite through actions that drive a robust control environment with the right risk culture.

## Risk and strategy

The group's strategic plans are subject to a trade-off between risk and reward, considering the risk appetite and risk targets approved by the board.

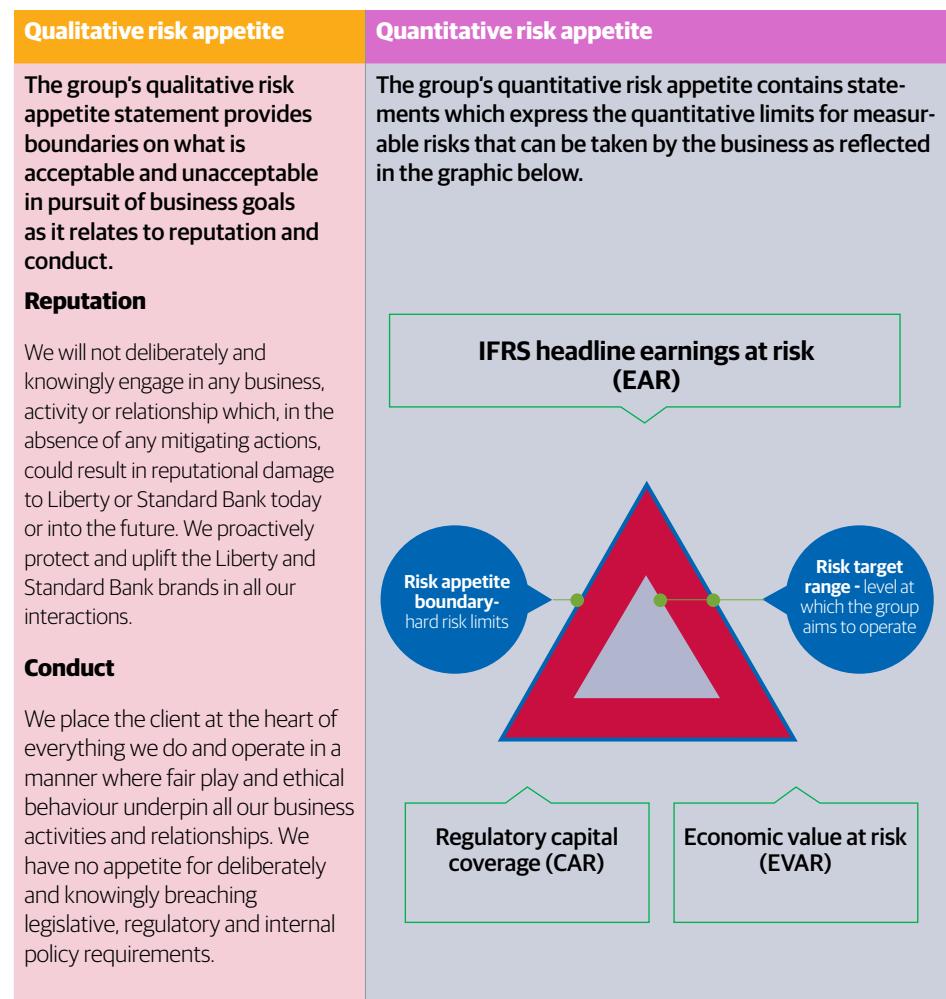
Our strategic objectives provide clear direction for management, with detailed execution plans being constructed around each objective. Risk impacts and appropriate responses are considered in the formulation of detailed plans, and in any supporting operational capabilities.

The impact of decisions taken during the formulation and execution of detailed strategic plans are considered against the planned risk profile, and form part of the broader feedback loop of business decision-making (with particular attention paid to the extent that a decision may push the group outside risk appetite).

Liberty's risk preferences	Business risks
Risks that the group actively seeks because of being in the business of investing, underwriting and managing insurable interests - all of which are viewed as value-enhancing	Risks that arise as a consequence of being in business and which are managed to an acceptable level to protect shareholder and policyholder value

## Risk appetite

Risk appetite is defined as the maximum amount of risk that the group is prepared to accept in pursuit of its business objectives. As such, risk appetite defines the group's willingness and capacity to accept high or low levels of exposure to specific risks or groups of risks.



# Safeguarding value – risk management continued...

## Risk identification, assessment and measurement

The identification and assessment of key risks is both a top-down and bottom-up approach. For top-down, the business is able to identify the risks that could prevent the organisation from achieving its business objectives. Key risks are defined as elevated, material risks potentially occurring within a relatively short time frame and are currently on the minds of the board of directors and executives. From the bottom-up approach, the risks are identified from the business unit operational processes and controls from the day-to-day activities conducted in line with the operating business model.

The business performs regular and robust risk quantifications to measure the risk profile at an aggregate level, per legal entity, per business unit and at a material risk type level to ensure that the business is being managed within the risk limits and risk appetite and close to the risk target range. The two approaches provide a 360-degree view of the risks faced in the group business units and consolidated to Liberty and Standard Bank.

## Risk management

Our risk management system is an integral part of Liberty's overall governance, management, reporting processes, policies and culture. Liberty has adopted an enterprise risk management (ERM) approach. Liberty's risk framework is based on the ERM principles embodied in the Solvency II Principles and the Insurance Regulatory Authority (IRA) ERM guidance.

The board is accountable for the effective governance and oversight of risk management practices. The board delegates its oversight and responsibilities to be implemented as part of the three lines of defence risk governance model.

Once the level of risk that Liberty is willing to take has been set by the board and the risks ranked and prioritised, management (the first line of defence) is able to determine the mitigation strategy deemed to be most effective. Mitigants used depend on the risk type. The mitigants are subject to oversight by the second line of defence, and controls are audited by the third line (internal and external audit).

## Effectiveness of the risk management system

The effectiveness of Liberty's risk management system and its control environment is continuously appraised through the application of a combined assurance approach. Liberty's combined assurance model is aligned to the roles and responsibilities as articulated in the three lines of defence risk governance model. There is regular communication between business unit management, heads of control functions as well as independent assurance providers, including internal and external audit.

Key risk indicators for each risk are tracked monthly by the business unit leaders, compliance and risk management functions and assurance provided by the internal audit function. Consistency of risk assessments across each line of defence provides a level of comfort.

## Risks in 2024

The process of reviewing Key Risk Indicators (KRIs) and tracking of actions for Liberty is conducted monthly internally by management with oversight from risk and compliance and reviewed by the board every quarter. The consolidated risk register for Liberty is developed and agreed actions to mitigate the identified risks are documented.

The risk heat maps reflect the ratings of the various risks of the operating entities on a residual basis. Residual risk is the risk remaining in the business after considering the eradication of risks, mitigating factors of internal controls or other countermeasures. The residual impact is defined as the possible effects the residual risks may have on the business, plotted against the likelihood of the risk occurring.

The group's audited annual financial statements for the year ended 31 December 2024 provide a comprehensive risk report, including a list of the top risks facing the organisation and management's actions to mitigate them.



A group of diverse business people are gathered around a conference table in a bright, modern office. In the foreground, a man with a beard and a woman with curly hair are laughing together. Behind them, another woman is smiling. The background features large windows looking out onto a green, sunlit landscape.

Our  
strategy  
to create  
value

# Materiality and our material matters

We involve senior decision-makers within the group to identify our material matters, considering our business model, strategy and operating environment, as well as the interests of our key stakeholders.

## Materiality

The identification of this report's subject matter is dictated by the guiding principles and proposed content elements included in the International <IR> Framework. This approach allows us to provide a holistic assessment of how the group creates value in the short, medium, and long term.

Our materiality determination process follows four stages:

- Identify matters based on their potential to impact value creation
- Evaluate the importance of the matters identified
- Prioritise the matters and set a hurdle for inclusion in the report
- Determine the information to disclose concerning the matters surpassing the hurdle.

Matters can be either positive (opportunities or favourable performance or prospects) or negative (risks or unfavourable performance or prospects). The identification is not limited to financial information but includes non-financial information. Matters may either have a direct or indirect impact on the capitals used by the organisation to create value.

Our materiality determination process is integrated throughout our management processes, from the identification of emerging risks to board discussions and strategy setting. The results of this process are reflected below.



# Materiality and our material matters continued...

## Our material matters

**Long-term insurance product propositions:** Legacy administration systems combined with a declining deposit administration book result in increasing fixed cost inefficiency.

Our main sustainability challenge lies in our long-term insurance business (Liberty Life Kenya) where our unit linked products are currently unable to commercially absorb all allocated business costs, resulting in the shareholder absorbing more costs, having a negative impact on earnings.

Further to changes implemented during 2024, we continue to review our target operating model and product construct to ensure that it is both appropriate and resilient to meet the need of our clients.

**Economic challenges:** Sovereign risk increasing, risk of credit losses, global policy uncertainty, and investment returns falling short of investor expectations and impacting earnings.

Global economic conditions remain challenging, influenced by wars in Ukraine and the Middle East, nationalism and accelerating deglobalisation, and strong developed market currencies. Equity performance was above expectations but remains volatile. Significant elections in key countries in 2024 resulted in a change in political outlook. The Kenya Shilling strengthened significantly and has remained within a tight band since, and local interest rates are starting to reduce from high levels.

Kenya taxation increases have also reduced available spending power and increased operating costs. Future taxation policy remains uncertain, impacting planning. Weak local currencies drive imported inflation, increasing the input costs for our short-term insurance business. Falling interest rates increased the values of the treasuries held within the long-term insurance and investment business. This is not expected to recur in future years.

Kenyan sovereign credit rating has deteriorated. The company's investment return history has been behind competitors, impacting the company's ability to attract and retain investment clients. We continue to adjust our investment holdings and evaluate our client mandates to ensure relevance and competitiveness.

**Price competitive market:** The industry's focus largely on price rather than value leads to price undercutting, excess commissions and fees, and insufficient capital among some market participants. This challenges the group's ability to compete for new business and places strain on the industry by reducing capital efficiency.

Some observable non-compliant behaviour threatens the trust placed in the insurance industry by clients and consumers.

Liberty has chosen to create trust in its brand through zero tolerance of non-compliant behaviours. Even if, in the short term, this is a disadvantage to market practices such as supplementary broker remuneration. We continue to encourage regulatory authorities to enforce regulations in a fair and consistent manner.

**Technology disruption and cybersecurity:** Technology disrupters and the risk of a breach of our information technology security.

As the business becomes more digitised, it is exposed to greater cybersecurity risks and data management risks. We are working closely with the broader Standard Bank group to ensure our policies and processes are fully in line with the evolving world. We have implemented a range of cybersecurity tools and continue to focus on this.

Competitive pressure from new digitised industry players is attracting clients, especially younger clients. We are also expanding partnerships with Fintechs and exploring new partnerships.

**Solvency:** Meeting capital adequacy requirements in the long-term insurance business.

Lower than ideal business volumes and a challenging economic climate continue to place pressure on the solvency of our long-term insurance business. The ongoing earnings improvement has assisted in maintaining solvency levels and Liberty Life has remained capitalised at required cover levels. The Heritage subsidiary remains well above targeted capital coverage levels.

Liberty, as a whole, from a minimum solvency cover requirement perspective, is in the top tier of Kenyan insurers.

Risk mitigation actions include capital allocation optimisation, detailed sensitivity analyses, monitoring capital budget ratios, and improving liquidity options. Liberty is able to recommend a normal and two special shareholder dividends to the 2025 AGM, building on the declaration from 2024.

**Attracting and retaining talent:** There is a shortage of highly skilled insurance staff in Kenya generally, with actuarial resources and technology skills in particularly high demand, both locally and internationally.

The shortage of actuarial skills is driven by the global implementation of IFRS 17. Retention of experienced actuarial resources is challenging because of the demand from both insurers and consultancies.

The opening of Africa-hubs by major technology players, such as Amazon and Microsoft, has increased demand for skilled technology resources.

These skill shortages place pressure on both employee resources and operating costs.

We continue to motivate, empower and equip our employees to enable them to meet the needs of the business while achieving personal growth. This approach supports the recruitment and retention of talent.

We leverage the Liberty group capabilities as much as possible to mitigate any skills gaps.

# Our purpose, value driver model and opportunities

We exist to make financial freedom possible for all our customers by being the trusted provider of client experiences through own and partner solutions.

## Our value driver model

We have adopted the strategic value-driver model as the foundation for our strategy setting and for monitoring progress in addressing our material matters. Our six value drivers and the relevant stakeholders are summarised below:

VALUE DRIVER	STAKEHOLDER
 ENHANCE THE CLIENT EXPERIENCE	Clients, brokers, agents and affinity partners
 BE THE PARTNER OF CHOICE	Brokers, agents, banks and affinity partners
 PEOPLE WANT TO WORK FOR LIBERTY	Employees
 HAVE A RISK-CONSCIOUS CULTURE	Employees, clients, shareholders and regulators
 DELIVER INVESTOR EXPECTATIONS	Shareholders and lenders
 WE ARE PART OF THE FABRIC OF SOCIETY	Civil society

## Opportunities

Often a corollary to risks, opportunities represent situations that the group can capitalise on to the benefit of itself and its stakeholders.

**East Africa growth:** East Africa is growing faster than other regions in Africa and Kenya is a top-performing economy in the region.

Despite the recent economic pressures resulting from ongoing geopolitical conflicts, higher inflation and contractionary monetary policy, the growth prospects for the region remain strong.

The region's population is expected to continue to grow at a rate above the world average, promising a future youth dividend. Economic growth will support urbanisation and a likely increase in insurance demand.

Kenya's life insurance industry has in recent years reported lacklustre growth impacted by Covid and general tough consumer environments. Enhanced regulation, changes to distribution models and better consumer understanding should lead to industry growth above GDP growth in time.

The underserved micro, small and medium enterprises and lower middle-income segments, where general income levels are increasing, provide growth opportunities.

**Standard Bank Group (SBG):** Liberty's membership of SBG offers several advantages. This relationship provides Liberty *inter alia* with a larger potential footprint and access to bank clients.

The bancassurance agreement with SBG makes a positive contribution to new business volumes and earnings.

In addition, Liberty has access to knowledge, skills and capacity not readily available to other market participants. Liberty can quickly incorporate successful strategies and processes tried and tested in other African markets in which the larger group operates.

The opportunity to link insurance, wellness and banking solutions in a seamless, digitally enabled channel is an exciting potential differentiator for Liberty and SBG generally.

**The adoption of technology:** The Kenyan industry is largely very traditional and has not, as yet fully embraced new technologies.

Disruption through technology, i.e. automation and digitisation, can be realised in two key areas: servicing clients by adapting products and services; and improving operational efficiencies. The growing middle class in Kenya is seen as the country's route to continuing economic growth and increased insurance penetration.

## *Our purpose, value driver model and opportunities continued...*

**Distribution revamp and product review:** The productivity of our distribution force is at levels below best practice. In addition, from a risk appetite perspective, we had deliberately excluded ourselves from the largest market segment, namely guaranteed pensions savings (including retirement investment products). We have re-entered the guaranteed pensions market with a new market-differentiated solution. We are taking a number of other actions to address this challenge:

- Increasing collaboration across distribution teams for improved alignment and increasing cross-selling
- Focussing on improving relationships with brokers, banks and other partners
- Expanding our Mind My Money program to reach more people
- A comprehensive restructuring of our investment mandates and monitoring
- Fully reviewing our retail product offering

**Targeted solutions for targeted segments:** Increased focus on underserved segments and segments in which Liberty is under-represented.

Improved data analytics will aid our ability to gain deeper client insights and deliver personalised client and partner experiences to a younger demographic.

Research of the small and mid-sized business segment, combined with the group's access to knowledge regarding other African markets will allow us to develop targeted solutions.

Retail insurance solutions distributed on a fully digital basis will enable increased penetration into this segment.

**Build a single brand:** Although Heritage is the larger operation, Liberty is the predominant brand regionally.

Work towards a co-operative branding of the group's products, moving away from isolated generic brands and towards product names. Build closer client and partner facing functions of the two brands.

Develop a unified culture within Liberty.



# Our strategic focus areas

In 2022 we refreshed our strategy to 2025. The strategic focus areas were prioritised and coupled with clear deliverables, allowing the board to monitor progress. The strategic intent is to create a solid foundation and position the business for growth.

## Strategy to 2025

The refreshed strategy was prepared in response to the material matters, both risks and opportunities. It was prepared with confirmation that the East Africa region and Kenya in particular is a key focus growth area.

The strategy identified four primary focus areas, being:

- Enhancing the client experience
- Building partnerships to assist in delivering our purpose of enabling financial freedom
- Being the partner of choice for organisations, individuals and intermediaries
- Ensuring the necessary foundations are in place for growth
- Simplify group structure to enable full focus on Kenya

For each of these focus areas, strategic initiatives and action plans were developed, together with a technology strategy targeting the transition from a mainframe technology estate to web-based solutions and embracing digital services and access to solutions. Implementation timelines for these initiatives were set.

Strategic initiatives are programmes with delivery timelines exceeding one year. Enhancements and other business-as-usual requirements have shorter timelines for delivery. In 2023, the governance for prioritisation and delivery of initiatives was shortened and simplified. This enabled greater focus from key resources and singular focus on strategically important items.

The strategy deliveries during the year continued to create the necessary foundation, addressing pressing concerns while also implementing growth solutions. Re-launching guaranteed pensions, resolving retail life business profitability, actively shifting towards a digital business model, reinforcing the roll-out of a single culture, building on our Stanbic Kenya partnership, and optimising group capital allocation were major areas to be delivered on.

Pleasing progress has been made on the strategic initiatives, both those implemented and those where work was completed enabling future implementation. The group is on track to meet its agreed targets.

## Strategic priorities for 2025

The board confirmed the priority deliverables for 2025, summarised into the categories of Product, Capital Efficiency, Digital Enablement and Structural Alignment.

This process followed three guiding principles:



## *Our strategic focus areas continued...*

**Seven primary strategic directions are used to prioritise, revise and introduce new strategic initiatives:**

**Culture:** Single business culture change and client focus

**Financial capital efficiency:** Focus on managing to model and continually assessing performance through adopting consolidated key measurement metrics

**Simplify and restructure:** Sustainable cost management; closer alignment across businesses; unified teams; automation and controls; local prioritisation; and governance

**Sales and distribution:** Close collaboration across both businesses; incentive and remuneration review; and improve the Stanbic partnership

**Technology architecture:** Single policy administration system for Liberty Life; actuarial modelling; digitisation leveraging Standard Bank capability; medical business systems upgrades; and API/digital readiness

**Product:** Reinvigorate Auto-Correct motor insurance; retail medical products. Complete the alternative guaranteed pension product.

**Pensions business:** Full review of customer value proposition.

**Geography:** Complete the exit of the 60% ownership of Heritage Tanzania

## **Key performance outcomes**

The board also agreed on overriding objectives and metrics against which success will be measured.

**Capital efficiency:** Achieve the targeted return on deployed capital

**Growth:** Achieve an increase in profitable market share through growth in new business written at sustainable margins

**Innovation:** Improve the client experience while improving productivity through appropriate investment in technology and removal of duplication

**Shareholder value:** Pay sustainable dividends and achieve the targeted share price to adjusted net asset value ratio



# How Liberty differentiates itself

Liberty is a well respected and recognised brand in sub-Saharan Africa. To enhance our brand we continually strive to differentiate ourselves by being better or simply different in selected areas of competence.

## Our key differentiators

**Relationships:** We continue to build strong partnerships, reflected in trusted brands recognised for their integrity, service, stability and technical competence. We pride ourselves in our relationships with agents and brokers. Relationships with Liberty Holdings, Standard Bank and Stanbic Bank Kenya afford access to group skills and innovation, and a broader distribution base.

**Governance:** We have a strong governance framework and implement a robust risk management system that benefits all our stakeholders. We are committed to doing the right business the right way – we have high ethical standards – and comply with all laws and regulations. We have a positive reputation for paying claims and treating clients fairly.

**People:** We target the best people. We strategically recruit for key positions and then invest in both employees and intermediaries to ensure they develop a successful career at Liberty. We empower our employees and intermediaries with technology to best serve our clients.

**Finance:** We are among the best capitalised regional insurers and surpass the capital adequacy ratio requirements. We maintain the strong independent credit ratings. We operate within a risk appetite that protects both our clients and shareholders.

**Product:** We offer a wide range of products that meet the needs of a broad range of clients in both the retail and corporate markets. We lead the market when applying technology to products as demonstrated with the use of telematics for the Auto-Correct motor product. We continuously review our product offerings to ensure best possible value for clients.





A review  
of 2024



# Chairman's message

The group's strong 2024 performance reflects our focus on delivering sustainable growth and value while making financial freedom possible for our clients. The Board continued to provide the oversight and input required to enable the group to manage uncertainty and change, while delivering a robust business that creates value and drives sustainable growth for all our stakeholders over the long term.

## 2024 macro environment

2024 was a dynamic and challenging year, marked by persistent macroeconomic pressures, heightened climate-related risks, and continued geopolitical uncertainty. While global tensions did not directly impact Africa, their ripple effects were evident in rising sovereign debt distress and political instability in several countries. In contrast, Kenya saw encouraging signs of macroeconomic stabilisation, with inflation easing to an average of 4.5%, down from 7.7% the previous year, despite continued pressures from elevated interest rates, increased taxation, and higher costs of basic commodities.

Climate risks escalated sharply, with widespread flooding across the country, further underscoring the urgent need for adaptive underwriting strategies and greater climate resilience within the insurance sector.

Amidst these external headwinds, Liberty Kenya Holdings demonstrated resilience and agility, delivering a strong operational performance and a highly commendable set of financial results. This was driven by disciplined risk management, customer-centric innovation, and prudent fund stewardship. We also continued to harness the power of technology to enhance operational efficiency, strengthen decision-making, and better serve the evolving needs of our clients in a rapidly changing world.

## Business performance and strategy

I am pleased to report that Liberty Kenya Holdings Plc (LKH) reported a significant increase in basic earnings per share to KShs2.59 for the year ended 31 December 2024, compared to KShs1.22 in the prior year. This outcome was driven by improved profitability in the Kenya operating companies with claims ratios remaining within target levels, strong investment performance, and disciplined expense management. The return on equity increased to 14.3% from 7.8% in the prior year.

The businesses remain well capitalised, with capital levels above the required regulatory levels, underpinning our ability to fulfil our promises to policyholders and other stakeholders. The directors are pleased to recommend a dividend per ordinary share of KShs 1 (2023: KShs 0.373) to shareholders. The recommended 2024 dividend comprises a normal dividend of KShs 0.5 per share plus a special dividend of KShs 0.5 per share. This dividend reflects the strong 2024 earnings performance and the group's strong capital position. In addition, the directors have recommended a further special dividend of KShs0.6 per share, representing the net proceeds received from the sale of the Heritage Insurance Tanzania business.

We rolled out the three strategic focus areas of Fix, Rejuvenate, and Grow in 2023 to enable us to better focus on doing the right business the right way and improve the performance across the businesses. This is being done through having the most suitable competitive product mix at the right margins, being brought to market by a focused and effective distribution force, and utilising our

## Chairman's message continued...

capital as efficiently as possible. The Fix initiatives have improved the operational performance of the businesses and the Rejuvenate and Grow initiatives are positively impacting our results.

Good progress has been made in streamlining the portfolio of businesses with the sale of LKH's 60% stake in Heritage Insurance Tanzania (HIT). The transaction was concluded on 4 April 2025 and the group no longer has any business interests in Tanzania. HIT has been classified as a discontinued operation in the 2024 results, in line with IFRS requirements. The divestiture of the Tanzanian subsidiary is not expected to materially affect the Group's future earnings.

Our success is dependent on the growth and success of the communities in which we operate, and the group has actively reached out to our surrounding communities for almost twenty years. Our integrated efforts in education, health, caring for the environment and empowering future leaders are expanded on in this report, reflecting our commitment to social responsibility and sustainable development, and are entirely appropriate. In particular, our Mind My Money and Money Master Show financial literacy programmes have been very successful in providing financial knowledge and empowering individuals in their journey to financial freedom. I am extremely proud to say that we continue to make a meaningful difference in the lives of individuals and communities across Kenya.

### Climate change

Changing weather patterns are increasingly impacting countries across the world and posing significant challenges to socioeconomic development and environmental sustainability. Kenya is experiencing more frequent extreme weather events such as prolonged droughts, unpredictable

rainfall, flooding, and rising temperatures. These climatic changes are exacerbating existing issues with water and food security, affecting agricultural production and resulting in the displacement of communities and livestock. Our businesses have delivered on their promises to clients following them being impacted by adverse climate events, thereby having a positive impact on local communities.

We have set ESG as a key agenda in our Board sessions and through the engagement with management and partners, have begun developing the frameworks and policies that will ensure alignment to global practices. Time was taken in the year to identify and assess the various ESG risk exposures to determine a benchmark and enable improvement initiatives to be considered into the future.

The board ensures that management remains closely focused on ensuring that we correctly price for the risks that we take on to ensure that we can meet our obligations to clients and ensure the viability and sustainability of our businesses into the future.

### Governance

There were no changes to the company's board during the year. In the first quarter of 2025, Ms. Anne Mutahi resigned as a director and Chair of Heritage Insurance Kenya. The board thanks her for her leadership and valuable contribution. Mr. Godfrey Kioi retired as managing director of our subsidiary, Heritage Insurance Kenya Limited. The board would like to thank Mr. Kioi for his dedicated service and valuable contribution over many years.

## *Chairman's message continued...*

We continued to adhere to robust governance principles and external evaluations of the board and board committee functioning identified no material shortcomings.

A corporate governance audit was conducted, as required by the Code of Corporate Governance Practices for Issuers of Securities to the Public, 2015 (the Code) for the two year period ending 30 November 2024. We also conducted a comprehensive independent legal audit as required by the Code. There were no material findings in respect of either of these audits and the relevant opinions and further details are included in the Corporate governance section of this report.

The Kenyan boards again undertook a board self-evaluation process, conducted with the assistance of Liberty South Africa's governance division. Overall, the performance of the LKH board was excellent, with 83% of the responses to the survey rating the board leaning towards exceeding expectations consistently.

LKH also received an overall governance leadership score of 71% on its governance assessment from the CMA, which is a reduction from the previous year attributable to the impact of changes brought about by the enactment of the Capital Markets (Public Offers, Listing and Disclosure) Regulations, 2023. As at the date of this report, we have addressed the majority of the CMA recommendations and are actively addressing the remaining items.

### **Appreciation**

The work of our executive management, advisers and employees during 2024 has placed us in a strong position to continue delivering the strategic focus we set out last year. I would like to thank them all most sincerely for their dedication, teamwork and contribution to serving our clients over the past year.

My thanks go to my fellow board members for their unwavering support, commitment and robust contribution to board and committee deliberations throughout the year.

To our investors who provide us with capital, thank you for your continued support and investment in Liberty Kenya.

### **Looking ahead**

While 2024 had exceptional investment performance, we do not anticipate this to be repeated in 2025. The group remains well capitalised and well positioned for sustainable and improved operational performance and profitability through prudent risk management, operational efficiencies and strategic investments. The board will undertake a strategy review during 2025 for the next planning cycle.

**Philip Odera**  
**Chairman**

# Group chief executive's review



We navigated a challenging operating environment characterised by persistent macroeconomic pressures, including new taxation measures, elevated interest rates, higher fuel prices, and increased costs of essential commodities. Key macroeconomic indicators showed notable improvement. The Kenyan shilling appreciated by 17% against the US dollar, contributing to falling inflation rates, while the Nairobi Securities Exchange All Share Index gained 34%, its strongest performance since 2013. These developments supported Liberty's investment performance and contributed to overall earnings resilience.

However, underlying challenges persisted. The withdrawal of the Finance Bill, following widespread public protests, introduced a period of macro-policy uncertainty and led the government to revert to increased borrowing. The impact of higher direct and indirect taxes further constrained household incomes, curbing insurance affordability and dampening new business growth.

Insurance penetration in Kenya remained modest at 2.4%. Structural challenges, such as limited financial literacy, affordability barriers, and entrenched cultural norms, continued to hinder broader insurance adoption. Regulatory shifts, including the rollout of the Social Health Insurance Fund (SHIF) and enhanced tax compliance mechanisms, also influenced customer engagement and operational processes.

Climate-related risks escalated, with severe flooding during the long rainy season affecting most parts of Kenya. These had a severe impact on the lives and livelihoods of our customers. Industry flood-related insurance claims surged by 62% to over KShs 5 billion, but underscored the important contribution of insurance to financial resilience.

Against this backdrop, Liberty delivered robust earnings and preserved financial stability by maintaining disciplined cost control and prudent policyholder fund management.

## Business performance and strategy

Liberty Kenya Holdings Plc delivered a strong financial performance and operational excellence. The group posted a 108.5% increase in profit after tax to KShs 1.4 billion, up from KShs 672 million in 2023. This performance reflects the successful execution of our strategy, combining strong investment returns, disciplined cost control, and solid insurance operations. We remain proud of the fact that we continue to pay all valid claims quickly and this continues to set the businesses apart from our competitors. Earnings per share more than doubled, rising 112% to KShs 2.59, while return on equity improved to 14.3% from 7.8% in 2023. These results underpin the group's commitment to sustainable value creation.

The group's net investment income surged by 233% to KShs 4.7 billion, buoyed by favourable capital market recovery and high interest rates. Insurance revenue grew to KShs 11 billion, while insurance service expenses declined slightly to KShs 8.5 billion, resulting in a 5.6% increase in insurance service result to KShs 1 billion. The group's total assets expanded by 10% to KShs 48 billion, reinforcing Liberty's strong financial foundation.

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**Death and disability claims paid during 2024**

**KSHS 466 MILLION**

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**Medical insurance claims paid during 2024**

**KSHS 2 BILLION**

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**General insurance claims raised during 2024**

**KSHS 1.6 BILLION**

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## Group chief executive's review continued...

The life business posted healthy net client cashflows of KShs 1.2 billion, reflecting improved claims experience and pricing adjustments. Its capital adequacy ratio increased to 213%, well above regulatory requirements. Value of new business rose 116% to KShs 277 million, while persistency remained strong at 77%.

The general insurance business maintained a strong capital position, significantly exceeding solvency requirements. Improved claims management and underwriting discipline led to a better insurance service result, contributing positively to group earnings despite economic challenges. Operational efficiencies helped to manage expense ratios while maintaining service excellence.

The Computer Misuse and Cybercrime (Critical Infrastructure and Cyber Crime Management) Regulations, 2024 were enacted in February 2024 with a view of providing a framework to monitor, detect and respond to cyber security threats in the cyberspace belonging to Kenya. One of the key objectives is to provide for protection, preservation and management of critical information infrastructure.

The Social Health Insurance Act, 2023 and Regulations came into effect on 1 October 2024. National Health Insurance Fund (NHIF) ceased being operational effective from 30 September 2024.

### Strategic focus and portfolio optimisation

The management team made significant progress in the implementation of the strategy. Strategic progress is closely tracked and discussed quarterly with the board to ensure ongoing alignment and input. A number of important deliverables were achieved during the year which strengthened the customer proposition and simplified the operations of the business. A clear strategic delivery plan is in place, ensuring all staff focus on the most important aspects of the strategy.

We launched our refreshed guaranteed pensions offering at the start of 2024, converting all existing customers and attracting significant market interest with our market-leading offering. We have also launched our first fully digital insurance solution, Flexi-Protect, in partnership with Stanbic Kenya.

The Mind My Money financial education programme remains a key driver for the business in widening access and improving understanding. During the year 98 workshops were conducted, reaching over 4 000 individuals. Customers purchasing solutions as a result continues to grow strongly. In addition, the success of season two of the Money Master Show on our YouTube channel shows the importance of financial education to the community.

Liberty Kenya made progress in optimising its portfolio with the divestment of its 60% stake in Heritage Insurance Tanzania. This aligns with the group's strategy to focus on core markets and enhance operational agility.

### Outlook

While 2024's exceptional investment performance may not recur at the same magnitude in 2025, Liberty Kenya remains well-positioned for sustainable profitability. Our focus will remain on driving operational efficiency, enhancing customer solutions, and leveraging digital innovation, while upholding our purpose of enabling financial freedom for all.

As we look to the future, we are confident that the continued execution of our strategy will deliver long-term value for shareholders and all other stakeholders.

### Appreciation

I extend my sincere gratitude to our clients for their continued confidence in Liberty Kenya. Your trust remains the foundation of our purpose and progress.

On behalf of the management teams, I wish to express my deep appreciation to the Board of Directors and the broader Liberty Group and Standard Bank for their steadfast support, guidance, and commitment to our shared vision.

I would also like to acknowledge the invaluable contributions of every member of the Liberty Kenya family for their unwavering dedication. It is through your collective efforts that we continue to make financial freedom possible for all our customers. Your commitment to serving our clients with empathy and excellence is inspiring.

Finally, I wish to recognise Mr. Godfrey Kioi, former Managing Director of The Heritage Insurance Kenya Company Ltd, who retired in 2024 after 11 years of dedicated service to the group. We thank him for his leadership and commitment, and we wish him the very best in his future endeavours.

**Kieran Godden**  
**Group Chief Executive Officer**

# Our primary financial performance indicators

## Liberty Holdings Kenya Plc

Return on equity (%)	Earnings per share (Shillings)	NAV per share (Shillings)	Share price (Shillings)
2024 14.3%	2.59	19.20	6.68
2023 7.8%	1.22	17.20	3.69

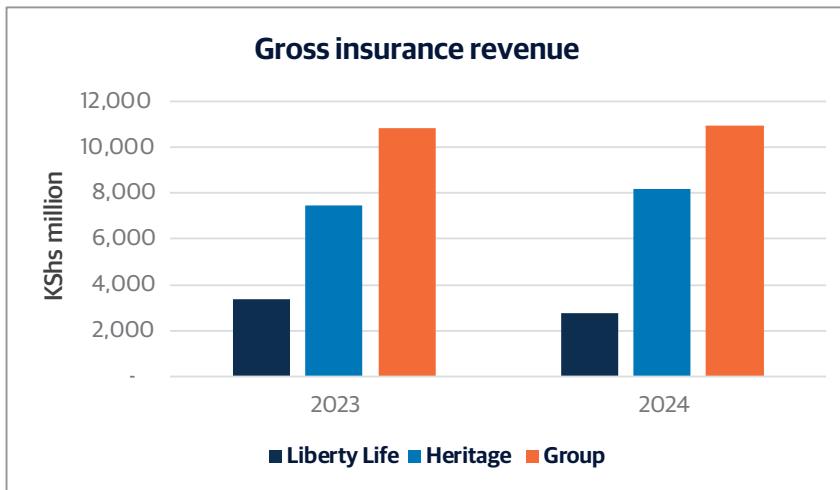
## Liberty Life Assurance Kenya Limited

Solvency (times) Capital adequacy ratio	Net client cashflows (KShs million)	Persistency ratio (%)	Value of new business (KShs million)
2024 2.13	1190	77%	277
2023 2.05	927	78%	128

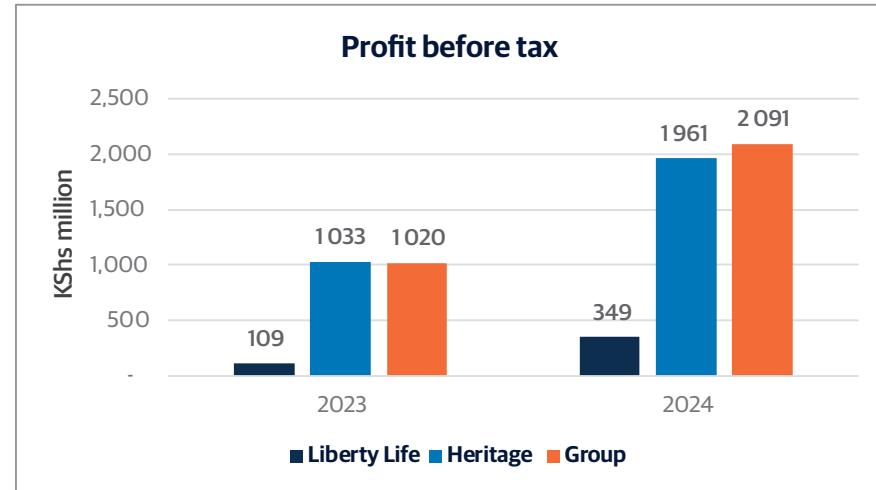
## The Heritage Insurance Company Kenya Limited

Solvency (times)* Capital adequacy ratio	Expense ratio (%)	Gross claims ratio (%)	Net insurance service result (KShs million)
2024 4.51	29	51%	747
2023 4.51	31	50%	665

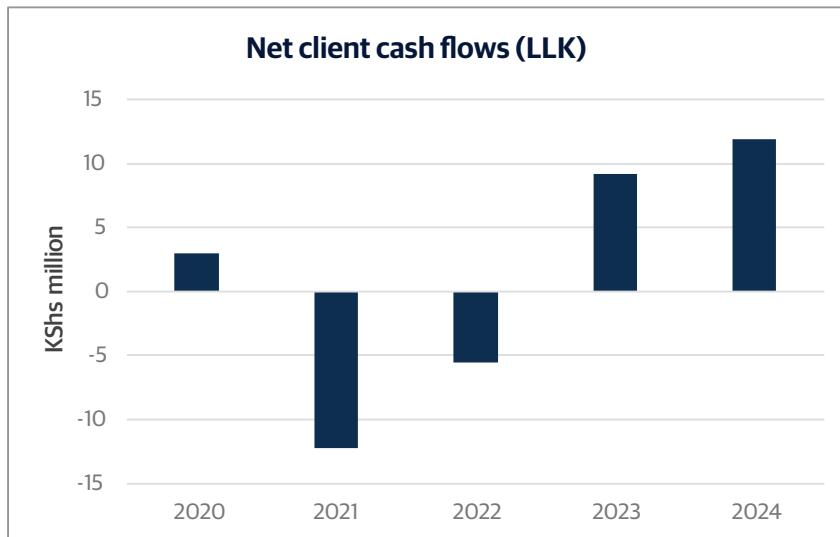
# 2024 performance review



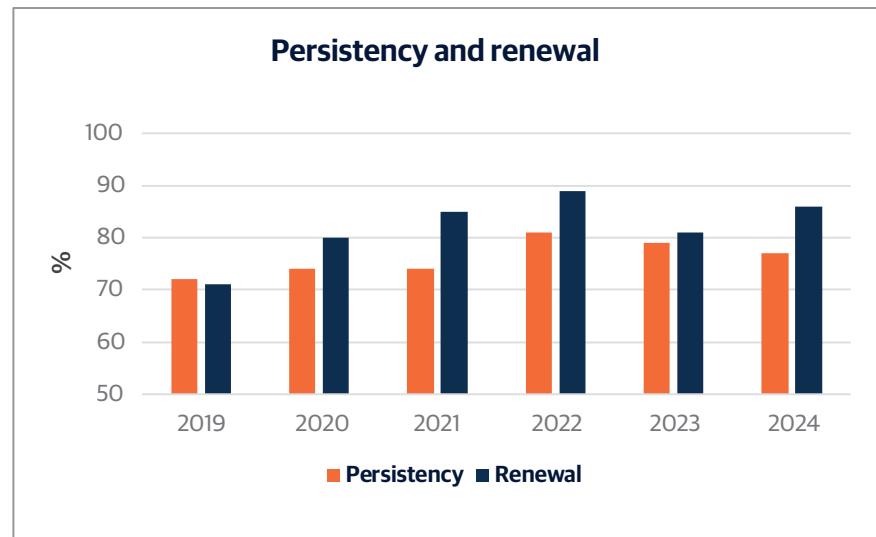
Gross insurance revenue increased marginally in 2024, with a 17% decrease from the long-term business offset by a 10% growth in the short-term business.



Consistent claims ratios, together with premium growth resulted in a 6% increase in the insurance service result, excluding results from discontinued operations. Net investment income increased significantly due to a recovery in capital markets towards the end of the year. The combination of these factors resulted in profits doubling.

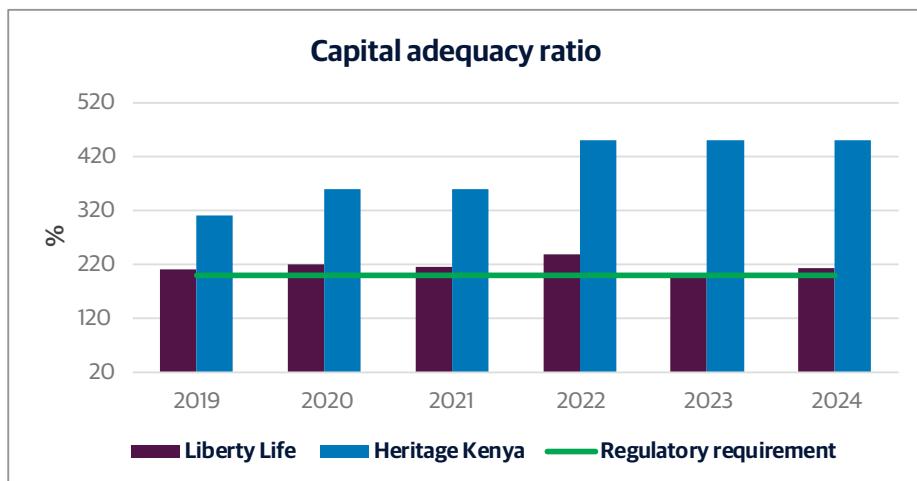


Cash flows improved for the second consecutive year. This is mainly due to pricing basis adjustments and lower group risk product claims.

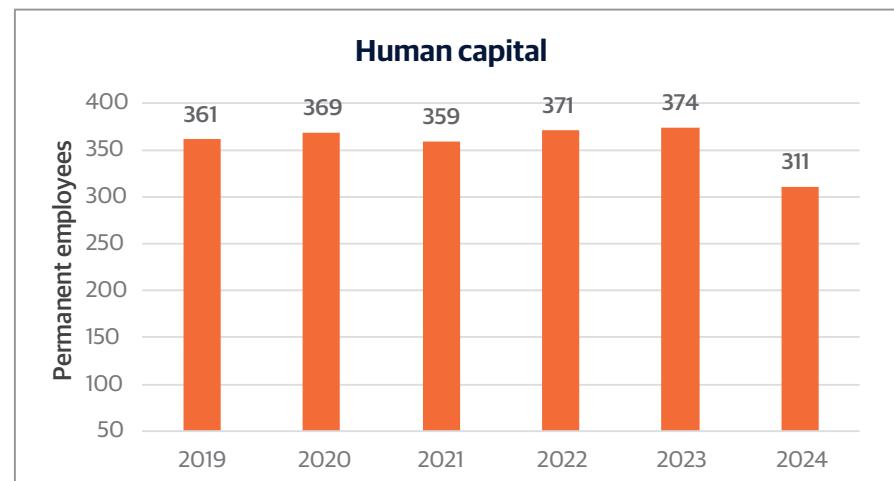


Renewal levels remain at acceptable levels in the long-term business. Renewals improved in the short-term business compared to the prior year, demonstrating continued strong partner and client relationships. Persistency was slightly lower but still within sustainable levels.

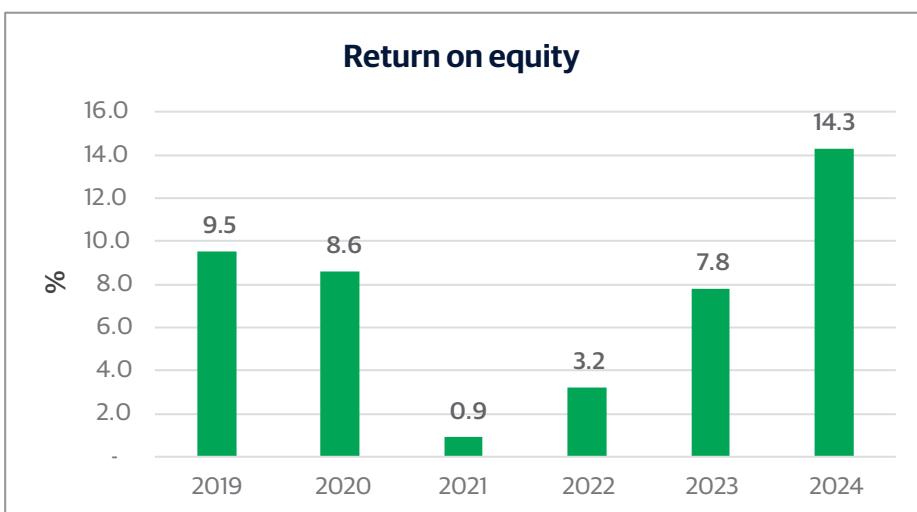
## 2024 performance review continued...



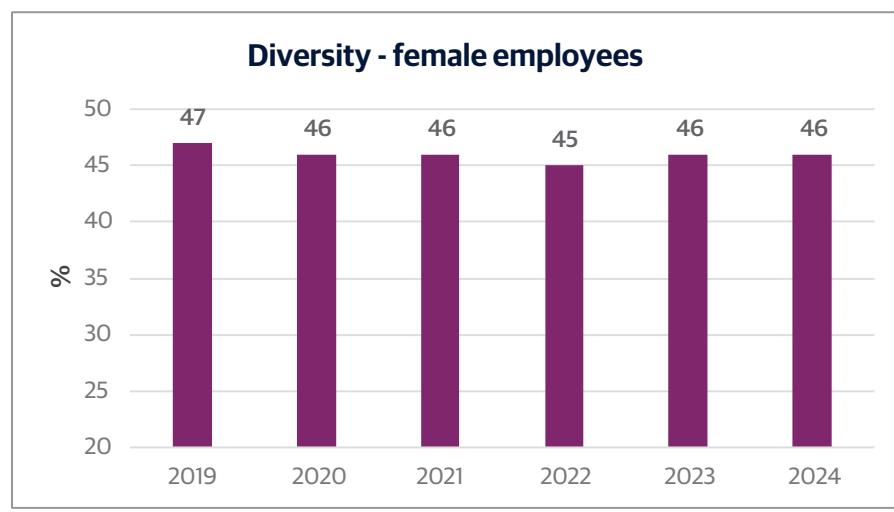
Prudent management of capital ensured the businesses remain strongly capitalised, well above regulatory requirements.



Excluding Heritage Insurance Tanzania, employee levels have remained stable, demonstrating our deliberate policy of investing in our people. The 2024 number reflects Kenya only employees.



Improved earnings combined with prudent capital management have enabled a continued improvement in the return on equity.

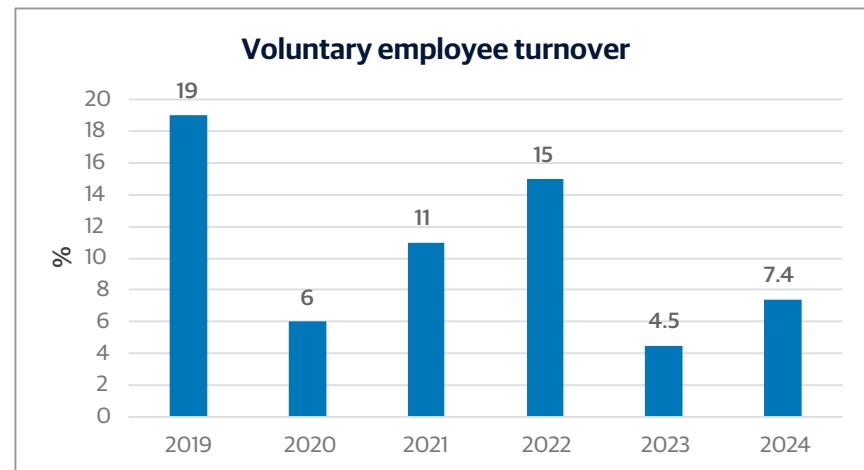


Maintaining diversity in our employee base allows various factors (not only gender ratios) we believe are vital to remaining relevant in an increasingly diverse customer base.

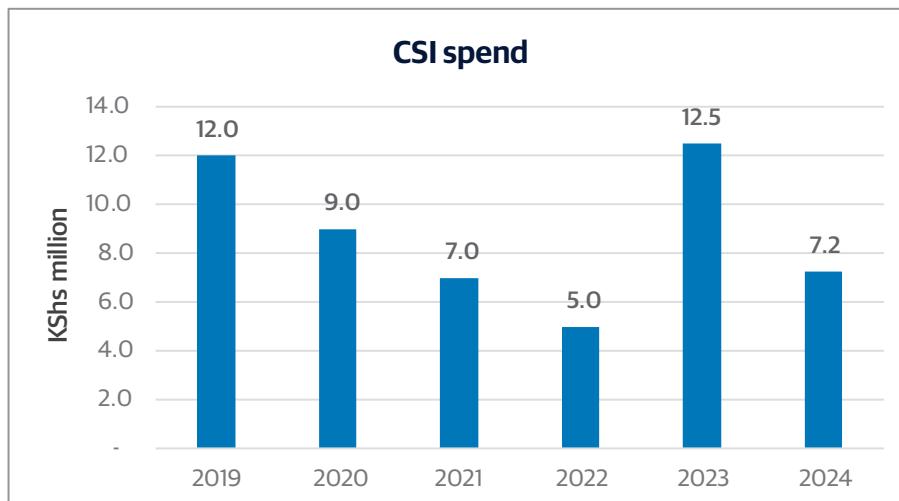
## 2024 performance review continued...



We remain committed to providing our employees with the skills necessary for them to perform their jobs and succeed in their chosen careers. The focus has moved to internal or "on the job" skills development, rather than increasing external spend, with various more standardised programmes.



The insurance industry faced disruptions during the year, resulting in significant movement in actuarial and finance roles and hence the higher turnover. Liberty however attracted strong replacement talent, driven by its stability, effective leadership, and cohesive culture.



The group's CSI spend has remained significant with greater focus on impact and reach. Cost control remains critical and spend is intended to increase further as profits grow. The focus is shifting towards sustainability projects in the coming years.

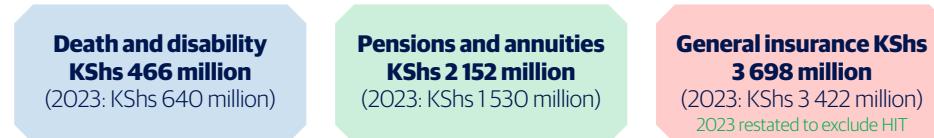


# A focus on our clients and partners

Driven by making financial freedom possible for all our clients, through own and partner solutions, we bring humanity to our client interactions. Through scalable digital platforms we strive to develop services and products that meet the needs of our clients and make insurance a simple and stress-free experience.

Value created for clients is primarily by prompt and accurate settlement of all valid claims, be they general or life insurance in origin. Our risk solutions provide peace of mind while our investment and retirement products allow individuals, families and employees to achieve their long-term savings goals. Payment of pensions and annuities enables clients to meet their financial obligations in their retirement.

## Claims and policyholder benefits paid in 2024



## Treating customers fairly

Liberty is committed to treating all its customers fairly. Treating customers fairly ("TCF") is about establishing a culture of fairness throughout the business that creates an understanding of the customer's needs and providing appropriate products and services. Liberty operates in a manner where fair play and ethical behaviour underpin all business activities and relationships. Our embodiment of these principles begins at product development and approval stages where senior management are required to validate that all products adequately meet the TCF outcomes, including the requirement that it will perform as customers are led to expect.

We provide our customer with a clear summary of the product sold with the objective of ensuring an understanding of the product they are buying. We monitor and act on feedback, complaints and suggestions received from customers, intermediaries, or staff that identify the need for improvements in types of products, services or service standards. We provide contact details of the person or team dealing with the complaint to ensure accountability and resolution of issues. Lastly, the empowerment of customers through complaints service standards is key to us and this has been well articulated in our service charters across all our touch points.

All risks that may influence the client outcome across the value chain are dealt with as part of business conduct risk, including aspects such as product design, approval of marketing material, policyholder investment performance, client complaints and claims management. The client fairness committee, supported by the executive committees in each operating subsidiary, assists in achieving fair outcomes for all Liberty's clients. TCF is the legislative and regulatory embodiment of a fair and more transparent consumer environment and promotes more efficient and equitable financial services, and we seek to internalise TCF as part of our culture by training our employees and sales teams. By using the TCF outcomes to inform our client service principles, we have embedded TCF across the organisation, elevating it beyond regulatory compliance.

## Key initiatives for clients and partners delivered in 2024

### A. New products and enhancements

- 1) The life business launched the new Deposit Administration (DA) Guarantee product, with a guaranteed return of 7% to customers for the 2024 tranche.
- 2) The Flexi Protect product was rolled out in mid-April 2024.
- 3) The revamped Soma retail life product was deployed to the market in August 2024 to address various identified customer needs.

### B. Technology / system enhancements

- 1) We began the process of enhancing our medical administration system to improve the service delivery and customer experience.

### C. Channels and partnerships

- 1) Built new strategic partnerships to boost new business sales – onboarded seven new partners within the retail general business and several new SACCOs and MFIs (Micro-Finance Institutions) within the Corporate Life business.
- 2) Enhanced our relationships with various potential co-insurance partners in the industry to increase production through these arrangements.

### D. Customer retention

- 1) Through a deliberate focus on retention, we continued strengthening our intermediary relationships to ensure that we raise the bar on customer retention. As a result, retention rates of long-term and short-term businesses remain at satisfactory levels, demonstrating client satisfaction with our solutions.

## *A focus on our clients and partners continued ...*

### **Growing the brands among independent distribution partners**

A significant percentage of revenue for both Liberty Life and Heritage Insurance is generated through financial institutions, brokers and agents.

During the year, we participated in and sponsored multiple events in support of our partners:

- The Association of Insurance Brokers of Kenya's annual conference – a forum where insurers and brokers discuss industry developments
- The Bancassurance Association of Kenya conference. Bancassurance is the fastest growing intermediary channel. Our participation showcases our keen interest in the growth potential that the channel holds
- The Association of Kenya Professional Insurance Agents conference. A forum of all insurance sales agents to discuss distribution matters
- The Association of Microfinance Institutions (AMFI) financial inclusion conference and investor Expo, giving us an opportunity to showcase our solutions
- Hosted a Corporate Golf Day for our partners and clients, attracting over 300 participants.

Heritage won the top award for Personal Accident Insurance Premium volume at the 2024 Association of Kenya Insurers Awards. Liberty was also recognised as the 1st Runner-up in Group Life Best Practice.

### **Client and intermediary training**

In-order to ease the customer journey, we conduct various capacity building forums to educate and empower existing clients and partners on our products and services to:

- Improve our relationships with clients and partners
- Mitigate the risk of clients misunderstanding product coverage and benefits
- Retain the client and partner in-order to foster business acquisition and retention
- Identify client needs and effectively provide solutions that address these.

In 2024, we conducted intermediary training sessions, with over 750 independent agents participating across our branches. 114 new agents were recruited. In addition, we conducted over 100 training sessions across the country for financial institutions (banks, SACCOs and MFIs).

Our financial knowledge series on our YouTube channel, dubbed "Money Master" which we use to engage clients to improve financial literacy has gained traction with Season 2 launched. The series generated over 2.2 million views across YouTube and social media, generating 570 leads.

### **Mind My Money**

Our financial literacy program, "Mind My Money", continues to make in-roads in the employment space as we engage with employees, to increase financial knowledge and insurance penetration. We conducted 98 Mind My Money sessions to over 4 000 individuals. Annualised premium from the Mind My Money / financial literacy sessions grew in 2024 recording an additional KShs 71 million from 714 customers. Cumulatively, over the past five years, this program has generated KShs 135 million in new premiums.

### **Risk surveys**

As part of our risk evaluation, we conduct risk surveys for clients. This assists our understanding of the clients' operations and allows us to better underwrite the risks appropriately. The surveys also enable us to highlight risks and possible mitigation measures clients could implement to reduce their risks and premiums. A total of 160 risk surveys were conducted in 2024 – free of charge.



*A focus on our clients and partners continued ...*

## Monitoring our performance

In 2023, we started conducting the 'voice of the customer surveys' for our general insurance customers. However, for life insurance customers we only had the NPS developed by end of 2023. In 2024, other metrics for life insurance customers were also developed and are tracked as shown below.

### Voice of the customer (VoC)

The Voice of the Customer surveys are carried out on customers who have consented to be surveyed. The VoC metric seeks to survey customers and gauge their level of satisfaction from the following aspects:

- a) CSI (Customer Satisfaction Index)** is overall level of customer satisfaction when a customer purchases and consumes our product/service.
- b) NES (Net Effort Score)** This measure indicates how much effort a customer must exert to get an issue resolved, a request fulfilled, a product purchased/return or a question answered.
- c) NPS (Net Promoter Score)** demonstrates long-term loyalty and determines which customers are brand ambassadors and which could defect to other products.
- d) Empathy** is understanding the underlying needs and feelings of customers. It goes beyond recognizing and addressing their tactical requirements and puts things into further context by viewing things from their perspective.

	General insurance customers		Life insurance customers	
	Annual average	Target	Annual average	Target
CSI	71%	70%	66%	70%
NES	70%	80%	66%	80%
Empathy	64%	80%	68%	80%
NPS	45	50	15	50

In the life insurance business, a process and documentation review is underway to improve customer experience. In addition, significant technology investments will be made over the next two years to replace the administration systems.



*A focus on our clients and partners continued ...*



### Individuals and families

<b>Hekima Plan</b>	Provides peace of mind knowing that your beneficiaries' financial needs are taken care of when you can no longer do so in the case of critical illness, disability or death.
<b>Legacy Plan</b>	A comprehensive funeral plan that protects your legacy, by providing you and your family with financial support for the most urgent expenses at a difficult time.
<b>Lifevest Plan</b>	A unique and flexible investment and insurance solution that provides both choice and cover.
<b>Boresha Maisha Individual Pension Plan</b>	Enables clients to save securely.
<b>Boresha Ustaafu Income Draw Down</b>	An income drawdown product suited to balancing the need to achieve controlled growth of our income and to ensure we have sufficient funds to support us during our golden years.
<b>Income Builder</b>	A comprehensive protection plan that secures your family's future by providing for your changing needs.
<b>Triple Diamond Plan</b>	A flexible insurance plan which guarantees you three payouts during the policy term.
<b>Soma Savings Plan</b>	Provides guaranteed interest rates over a fixed-term investment.
<b>Scholar Plan</b>	Insures the life of your child from the age of three months for 15 years or more.
<b>Educator Plan</b>	Designed as a savings and protection plan to provide for the future education needs of your child.
<b>Flexi Protect</b>	A last expense cover offering flexibility to customize your cover based on affordability and your unique circumstances. Flexi Protect can cover up to 22 members who rely on you for support.

### Businesses

<b>Group life cover</b>	An employee benefit offered by an employer or an organised group.
<b>Group funeral cover</b>	A group life policy which pays claims upon the death of an employee.
<b>Group credit life/ mortgage protection</b>	Pays off a member's outstanding loan debt in the event that they pass away, become disabled, suffer an illness or retrenchment.
<b>Family protector plan</b>	Provides peace of mind during the difficult times that result from the death of a loved one.

### Our main products



### Individuals and families

<b>Motor insurance</b>	Available for a broad range of vehicles. Cover can be limited to third-party, third-party fire and theft or comprehensive cover.
<b>Retail insurance health cover HeliAfya</b>	An insurance health cover targeting individuals, families and small business/group.
<b>Auto Correct</b>	Builds on our motor insurance product by using telematic monitoring to reduce pricing through encouraging better driving habits. It also allows for greater client engagement, notification of accidents and a points-based loyalty program.
<b>Domestic package</b>	Provides insurance cover designed especially for your residence, including the structure and contents. Cover includes fire, theft and accidental damage. The policy extends to include personal liability.
<b>Personal accident cover</b>	Provides compensation for physical and visible body injury caused in an accident.
<b>Travel insurance</b>	Provides 24-hour emergency and medical assistance anywhere in the world.

### Businesses

<b>Medical insurance health cover</b>	A suite of health insurance products offering a comprehensive and flexible set of health benefits to employer groups in Kenya.
<b>Business motor insurance</b>	Provides comprehensive cover for business vehicles and motor fleets.
<b>Group personal accident (GPA) cover</b>	Provides compensation for physical and visible body injury caused in an accident.
<b>Professional liability insurance</b>	Protects against financial loss as a result of malpractice, errors, and negligence.
<b>Combined solution</b>	An insurance package that combines all of the typical coverage options into one bundle. They simplify the insurance buying process and can save you money.
<b>General liability insurance</b>	Protects against financial loss as the result of bodily injury, property damage, medical expenses, libel, slander, defending lawsuits, and settlement bonds or judgments.
<b>Product liability insurance</b>	Protects manufacturers, wholesalers, distributors, and retailers of a product against financial loss as a result of a defective product that causes injury or bodily harm.
<b>Commercial property insurance</b>	Protects your business against loss and damage of company property due to a wide variety of events such as fire, smoke, wind and hail storms, civil disobedience and vandalism.

# Working for our employees

At Liberty Kenya, we recognize that our employees are our most valuable asset.

Our commitment to fostering a supportive and enriching workplace is encapsulated in our Employee Value Proposition (EVP), which emphasizes not only the well-being of our employees but also their growth and success. We believe that by investing in our people, we cultivate a thriving environment that drives innovation and sustainability.

## Peace of mind

We prioritize the holistic well-being of our employees through comprehensive benefits that provide peace of mind. Our group life insurance, personal accident coverage, and medical schemes ensure that our employees and their families are protected against unforeseen circumstances. Additionally, our employee wellness programs, and generous leave provision support a healthy work-life balance, allowing our team members to recharge and focus on their personal health.

## Financial wellbeing

Financial security is a cornerstone of our EVP. We offer a robust pension plan to help our employees prepare for their future. Furthermore, we provide preferential rates for insurance products and loans, enabling our employees to manage their financial needs effectively and responsibly.

## Growth opportunities

We are dedicated to fostering professional growth and development. Our training programs and leadership development initiatives are designed to equip employees with the skills they need to excel in their careers. We also encourage professional memberships that provide access to industry resources and networking opportunities, empowering our employees to reach their full potential.

## Time off

We understand the importance of time away from work for rejuvenation and personal commitments. Our leave policies encompass annual leave, study leave, compassionate leave, and maternity/paternity leave, ensuring that our employees have the flexibility to address both their professional and personal responsibilities.

## People focus areas

### Workforce plan - strategic appointments

Heritage Insurance Kenya achieved a significant milestone with the formal appointment of a new Managing Director, following approval from the regulatory authority. This change in leadership was necessitated after the retirement of Mr. Godfrey Kioi, who contributed a decade of dedicated service to the organization. Through an effective and carefully crafted succession plan, the company ensured that the transition was smooth and that business operations continued without disruption.

Beyond the appointment of the Managing Director, we made several other strategic placements to strengthen our leadership team. Early in the year, a new Chief Information Officer was appointed, bringing in expertise to enhance the company's technology infrastructure and drive innovation. In recognizing the dynamic nature of our tax regulations, a Tax Manager was also appointed to navigate emerging tax matters and ensure that the company remains compliant with current and future tax laws.

These strategic appointments are part of Liberty Kenya's broader effort to align its leadership with the long-term goals, reinforcing our commitment to operational excellence and regulatory compliance. The organization is well-positioned to adapt to industry changes and continue delivering value to the stakeholders.

### Strategy cascade and culture shift

The journey toward a culture shift is an ongoing process that demands continuous support and reinforcement. To maintain momentum, we have established regular check-ins, progress reviews, and feedback mechanisms.

Initiated in 2023, this culture shift has gained significant traction, with a strong emphasis on encouraging employees to embody the desired behaviours through various initiatives throughout the year. Employee engagement activities were carefully themed to align with our ways of working principles. In July 2024, the Chief Executive held a special session with staff to provide updates on our strategic direction and outline initiatives designed to reinforce our organizational culture. Management was deliberate in ensuring that during the year the key messaging for employees focused on our ways of working with reminders promoting positive behaviours, displayed strategically throughout the office. Management formalized this initiative by integrating the desired behaviours into the Key Performance Indicators (KPIs) for both leaders and employees, ensuring that the right actions are consistently demonstrated. We concluded the year with team cohesion sessions centred on collaboration and proactivity, to further reinforce and cement the right behaviours.

## Working for our employees continued...

We have continued with some of the actions initially identified that support our culture shift transformation.

These are:

- Single leadership forum: The Executive Management Committee (Group EXCO) has been operational, fostering synergy across the organization and ensuring alignment on strategic priorities.
- Office redesign: The second phase of the office reconfiguration has been completed, optimizing our workspace to create a more collaborative and functional environment. The Sales & Distribution unit, along with the Marketing team, now operate on the same floor, enhancing teamwork and communication. This collaboration has strengthened our broker partnerships and improved our relationship with Stanbic under the IAM framework, ultimately enhancing our ability to effectively engage with customers.

### Strategy cascade and culture shift

Employee development is key to ensuring the technical and soft skill capability of the workforce is at the required levels. With the organization's support the following professional programs have been realized over time:

Program	No. of employees
Diploma in Insurance	46
LOMA	17
Certified Internal Auditor	3
Actuarial studies	8
Institute of Certified Public Accountants of Kenya	2
Marketing Professional Studies	1
Project Management	1
Chartered Insurance Institute	5

In addition, several skills programs targeting the larger workforce were offered: Disruptive Thinking, Strategic Problem Solving & Persuasion Skills, IFRS 17 training, Management Development Program, Facilities Management Skills, Boosting Insurance Sales and Discipline Management.

Product trainings conducted internally and externally included: Claims management, Practical Ethics & Compliance Seminar, Aviation Insurance Bootcamp, International Taxes & Transfer Pricing, Engineering (CAR/EAR) Insurance Underwriting and Claims Management, Taxation (PAYE), Financial Reporting, Marine Cargo Surveillance Seminar and Theft Insurance Policies Workshop.



# Working for our employees continued...

Our employees have also had the opportunity to interact with other industry players through the conferences and workshops facilitated in the year.

## Talent management and succession plan

We are committed to fostering the internal growth of our employees through a robust talent management framework. This year, we successfully implemented succession planning and talent management initiatives, ensuring a sustainable leadership pipeline and workforce continuity. Our successful succession planning and talent management initiatives have secured a sustainable leadership pipeline and ensured workforce continuity.

To address the scarcity of skills in the actuarial field, we introduced a Graduate Learnership Program in the fourth quarter. This year-long program is designed to equip selected candidates with the necessary skills and experience to assume key roles in the actuarial and data domains.

This year, a total of 15 employees, representing 4.8% of our total headcount, advanced to higher roles through internal placements and promotions. Our focused succession planning facilitated internal appointment and placement of a new Head of Finance and an Actuarial Manager for the short-term business, following the retirement and departure of their predecessors respectively. Additionally, four employees were given the opportunity to take on additional responsibilities in critical roles, allowing them to further develop their skills.

Amidst a challenging environment characterized by high competition for talent, we achieved a strong retention rate of 92%. This success underscores our commitment to employee development and organizational stability.

## Performance management and remuneration

A core component of our employee experience framework is "Realising and Recognising," which focuses on evaluating employee performance against Liberty's goals and expectations. Performance management remains a cornerstone of our approach to people management, remuneration, and rewards.

Following the Standard Bank Group integration, we revised our performance management philosophy and framework to align with the Group's standardized practices. The updated framework, implemented and socialized among employees early in the year, provided a consistent and transparent approach to performance evaluation, forming the foundation of our annual performance reviews.

The Liberty performance management cycle operates on a calendar year basis. Performance ratings are utilized to determine annual salary increases, effective March of the following year, as well as

performance bonuses, which are also disbursed in March. Salary increases are designed to reward performance and adjust for inflation, while performance bonuses recognize individual contributions. Increases and bonuses are based on each employee's appraisal rating, with varying levels of increases and bonuses applicable to different employee classifications. A comprehensive listing of applicable increases and bonuses is prepared and approved by executive management, ensuring alignment with budgetary constraints.

All Liberty employees completed their year-end performance reviews in 2024, along with a feedback process, reinforcing our commitment to continuous improvement and employee engagement.

## Employee engagement sessions

We foster meaningful connections with our employees at all levels through various engagement channels, including town halls, departmental meetings, and themed company-wide events. The periodic townhalls facilitated in the year have been instrumental in ensuring the dissemination of important organizational messages, including the IAM Hello Africa townhalls facilitated by the Insurance & Asset Management, Africa Regions leadership team. These forums enhance employee awareness of important developments within the company.

Recognizing Liberty's role as part of the broader societal fabric, we commemorate global observances such as International Mens and Womens Days, Mothers and Fathers Days, and Valentines Day. These were marked by themed communications, supported by activities and educational webinars to enhance employee involvement and understanding. We also leverage informal influencers selected from various departments who serve on the Social Committee. This group plays a vital role in disseminating information to employees and providing feedback to management on key issues. Additionally, they assist in coordinating people-related activities, including town halls.

**Employee Wellness:** Mental health is a cornerstone of our wellness programs and a key pillar of our employee experience framework. Acknowledging that mental health is crucial to employee well-being and directly impacts performance, we have thus implemented measures to ensure access to professional support through ICAS and our health panel of clinical psychologists and psychiatrists. This year, we organized mental health awareness sessions focusing on various aspects of self-management.

In early 2024, we launched the "Mind My Money" financial wellness session series for employees, to address the financial pressures faced in 2023. This series included three modules aimed at equipping employees with essential financial management skills. Additionally, we conducted sessions on opportunistic diseases, mental health awareness, ergonomics, and general preparedness for both work and home environments. Our annual health camp provided employees with opportunities to assess their physical well-being. We also created avenues for social support among colleagues and supervisors to help mitigate the effects of stress and anxiety.

## Working for our employees continued...

Throughout the year, we shared themed health digest nuggets with employees, covering topics such as:

- Cancer awareness
- Hot weather advisory
- World tuberculosis day
- Strengthening relationships with children
- Valuable life lessons from dads
- The impact of social media on the brain
- Breast cancer awareness
- Practices that negatively impact oral hygiene

Team cohesion activities are integral to our employee bonding initiatives. In the fourth quarter, we held team-building sessions themed around collaboration and proactivity, aimed at enhancing teamwork and reinforcing our renewed cultural messaging.

The year culminated in our annual year-end event, held just before the holiday break. This gathering provided an opportunity for staff to share experiences and celebrate the achievements of the past year.

### Employee net promoter score (eNPS)

Our annual employee experience check-in survey provides us with the opportunity to check in with all our employees. The collective results provide a view of the general sentiment of our people, and where we could focus our efforts in moments that matter.

We conducted our annual employee check-in survey in Q3. The survey was conducted across the entire Group and provides us with an eNPS. The eNPS indicates overall employee satisfaction and loyalty and allows the organisation to understand the underlying reasons contributing towards our employee sentiment, including areas where we could improve. A net promoter score is a widely used market research metric based on a single survey question asking respondents to rate the likelihood that they would recommend a company, product, or a service to a friend or colleague.

We had a participation rate of 86.7% with 247 respondents. The net result was an overall employee positive sentiment score of 78.0% and eNPS score of +18.6. An eNPS above 10 is considered satisfactory while any score above 20 is good.

Respondents  
**247**

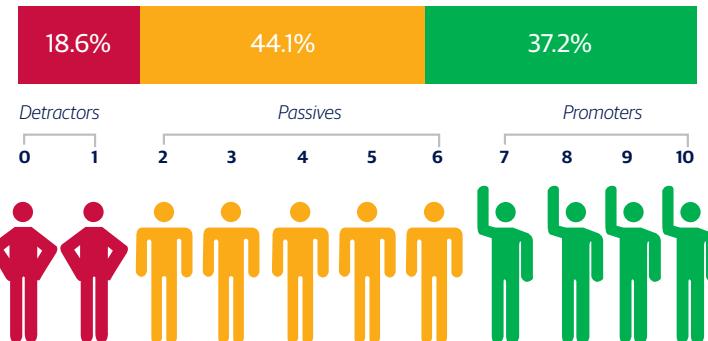
Participation  
**86.7%**

eNPS  
**+18.6**

Positive Sentiment  
**78.0%**

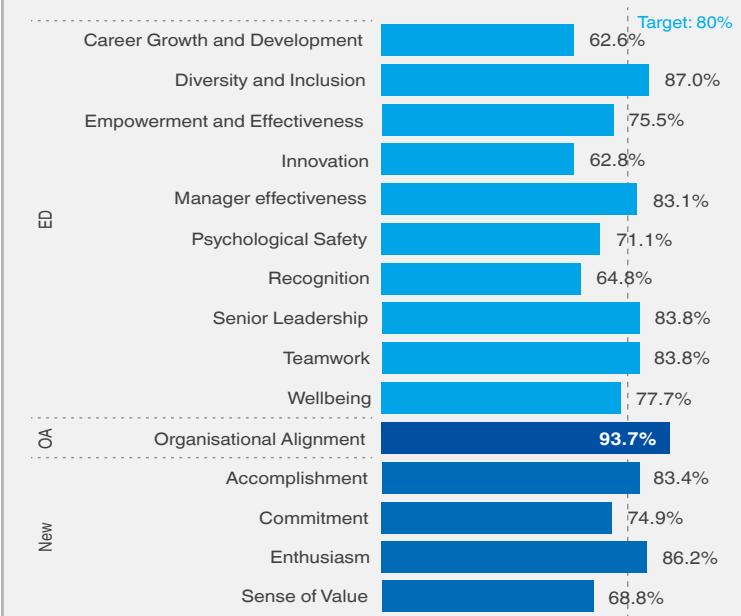
Engagement Index  
**32.4%**

### eNPS Score



### Positive Sentiment

#### Positive Sentiment by Group and Category



## Working for our employees continued...

### Regulatory Changes affecting Employer and the Employee

The regulatory environment experienced significant fluctuations over the past year, leading to various changes that impacted both employers and employees. These changes have resulted in increased costs for businesses, while employees have felt the weight of proposed increases in taxes and levies.

Highlights of the changes:

Item	Changes
1. National Social Security Fund	The second-year schedule to the enacted changes to the contributions to the National Social Security Fund Act 2013 was implemented in February 2024.
2. Affordable housing levy ("AHL")	The Affordable Housing Act, 2024 introduced the AHL at 1.5% of the gross salary of an employee. Commencement date: 19 March 2024
3. Social Health Insurance Fund ("SHIF")	SHIF replaced the National Health Insurance Fund (NHIF). The monthly SHIF contribution is 2.75% of employees' gross salary. Commencement date: 1 October 2024
4. Pension contribution	The Tax Laws Amendment Act, 2024 ("the Act") increased the allowable contributions made to registered pension or provident funds by an individual from KShs 240,000 per year or KShs 20,000 per month to KShs 360,000 in a year or KShs 30,000 per month. Commencement date: 27 December 2024
5. Non-cash employment benefits	The Act increased the allowable aggregate value of employment non-cash benefits from KShs 36,000 per year to KShs 60,000 per year. Commencement date: 27 December 2024
6. Mortgage interest	The Act increased the deductible mortgage interest from KShs 300,000 to KShs 360,000 per year for loans taken from approved and registered financial institutions. Commencement date: 27 December 2024
7. AHL and SHIF	The Act allowed the deduction of AHL and SHIF in determining employees' taxable income. Commencement date: 27 December 2024
8. AHL and post-retirement medical fund relief	The Act removed affordable housing contribution and post-retirement medical fund reliefs. Commencement date: 27 December 2024

These developments underscored the importance of staying agile and proactive in navigating regulatory changes while maintaining support for employees during challenging economic conditions.

### Awards

Liberty Kenya proudly participated in the Association of Kenya Insurers (AKI) Games and Quiz events this year. While we did not advance beyond the semifinals in the quiz competition, our performance in the AKI Games was commendable. We achieved 4th overall out of 28 participating insurance companies and secured several notable victories, including:

- Winners in field events
- Winners in tug of war
- 1st runners-up in swimming

These achievements highlight our commitment to teamwork.



# Fulfilling our regulatory obligations

Regulators govern financial stability and market conduct to promote the fair, transparent and responsible treatment of customers. We proactively manage our response to evolving regulations.



Our stakeholders expect us to manage business risk and behave in an ethical manner that ensures compliance with the form and substance of laws, regulations, codes and standards. Through our governance structures and processes, we aim to anticipate, apply and comply with the requirements of the increasing regulation of our industry.

Ultimately, our risk and conduct value driver goal is to manage our business in a safe, secure and profitable manner for the benefit of all stakeholders, to build trust and enhance our reputation.

As an issuer of securities to the public, Liberty has certain continuous disclosure and reporting obligations to the Capital Markets Authority, Kenya. By reason of the listing off its shares, Liberty also engages with the Nairobi Securities Exchange (NSE) and the Central Depository & Settlement Corporation (CDSC). Liberty and its subsidiaries are registered as companies limited by shares under the Kenyan Companies Act and therefore have certain compliance obligations to the Registrar of Companies. Its two subsidiaries, Liberty Life Kenya and Heritage Insurance Kenya, are regulated by the Insurance Regulatory Authority (IRA). Liberty Life Kenya is also regulated by the Retirement Benefits Authority (RBA). Other key regulators include the Financial Reporting Centre (FRC) responsible for oversight of Anti-Money Laundering (AML), the Office of the Data Protection Commissioner (ODPC) responsible for oversight of Data Privacy regulations and the Unclaimed Financial Assets Authority (UFAA) responsible for oversight of long outstanding unclaimed assets.

Heritage Insurance in Tanzania is regulated by the Tanzania Insurance Regulatory Authority (TIRA).

Liberty believes in constructive and productive relationships with regulators and policymakers of our industry. Our primary engagements are with the IRA, RBA, CMA and KRA. We also participate and engage with industry associations, notably the Association of Kenya Insurers (AKI), the Association of Kenya Professional Insurance Agents (AKPIA) and the Association of Insurance Brokers of Kenya (AIBK).

The development of regulations is targeted at enhancing trust and integrity in the financial sector, as well as improving client outcomes and benefiting society at large. There are growing expectations of management of non-financial risks including conduct risk and culture. ESG and sustainability disclosures and reporting continue to be an area of focus, with a shift towards more standardised reporting expected as reflected in NSE ESG Disclosures Guidance Manual, published in November 2021.

Financial inclusion in the financial sector is critical for the industry and regulators. The IRA continues to play a role in financial inclusion including consumer protection and consumer education. During 2024, the Computer Misuse and Cybercrime (Critical Infrastructure and Cyber Crime Management) Regulations, 2024 were enacted in February 2024 with a view of providing a framework to monitor, detect and respond to cyber security threats in the cyberspace belonging to Kenya. Liberty supports these regulations and continues to develop strategic responses to new and emerging regulations, and to leverage our capabilities to monitor and assess the implications of regulatory developments and engage with external stakeholders to understand and constructively influence regulation.

# Fulfilling our regulatory obligations continued...

## Managing regulation

Liberty operates in a complex and evolving regulatory landscape. The developing regulations in this environment are driven by international trends (arising from the G20, International Association of Insurance Supervisors and the International Accounting Standards Board), regulatory goals for consumer protection, prudential regulation and accounting standards. These regulations must be considered and prepared for while complying with existing legislation.

Considerable effort is invested in anticipating and understanding both emerging and developing regulation. This is necessary to ensure that risks and opportunities, which may impact on the existing operating environment, are identified and adequately prepared for. The management of regulation occurs through a regulatory programme review and oversight process. This process identifies and prioritises pending requirements and develops the appropriate response after assessing the proximity and potential impacts as well as both positive and negative strategic considerations. Board members are informed quarterly of new and anticipated legislation.

Following the publishing of the Capital Markets (Public Offers) (Listing and Disclosure) Regulations, 2023 in September 2023, the company assessed the impact of the new regulations to ensure compliance and had a meeting with the CMA to ensure clarity on various provisions of the regulations. The company is generally compliant with the provisions of these regulations and where partial compliance was recorded because of a change from the previous position, has a road map in place to ensure compliance. Details of Liberty Kenya Holdings Plc compliance with the CMA's Code of Corporate Governance Practices for Issuers of Securities to the Public, 2015 are provided in the corporate governance section of this report.

## Solvency ratio

Over recent years, we have deliberately strengthened our financial position by maintaining a prudent and disciplined approach to trading across both underwriting and investing activities. Accordingly, while considering how the local and global challenging economic conditions have weighed on our results, we maintained solid surplus operating capital.

	Requirement	2024	2023
Liberty Life Kenya	200%	213%	205%
Heritage Insurance Company Kenya	200%	451%	451%

Liberty Life Kenya experienced a potential capital shortfall during 2021 because of the Covid-19 pandemic. However, prudent and ongoing management actions have since returned the company to growing profitability. Despite difficult market and economic headwinds between 2020 and 2023, the business has continued to show improved earnings. During the period, Heritage Insurance Kenya remained profitable and has shown consistent earnings growth over time.

Liberty Life's actuarial department produces a full analysis of surplus on an annual basis. This exercise is verified by an external third-party statutory actuary. The analysis of surplus provides the board and management with sight of the sources of profits and losses by business class and product.

Forward projections, based on implementing management actions, indicate the likelihood of a stable capital environment. A review of the capital deployed was conducted during 2024 with a view of optimising the capital allocation to each respective business to enhance shareholder value in the group. Actions identified from this review are planned to be implemented from 2025 onward.

IFRS 17 Insurance Contracts, which became effective from 1 January 2023, has been implemented across the operating insurance businesses. The results disclosure was further refined during 2024 to align with the latest global interpretations. The full automation of IFRS17 reporting is an ongoing project.

## Treating clients fairly (TCF)

At Liberty, we place the client at the heart of everything we do and operate in a manner where fair play and ethical behaviour underpin all our business activities and relationships. Liberty has no appetite for deliberately or knowingly breaching legislative, regulatory or internal policy requirements.

All risks that may influence the client outcome across the value chain are dealt with as part of business conduct risk, including aspects such as product design, approval of marketing material, policyholder investment performance, client complaints and claims management.

The client fairness committee, supported by the executive committees in each operating subsidiary, assists in achieving fair outcomes for all Liberty's clients.

TCF is the legislative and regulatory embodiment of a fair and more transparent consumer environment and promotes more efficient and equitable financial services. Liberty Kenya seeks to differentiate itself in the market by providing products that clients perceive to have value. It is our responsibility to balance shareholder value and client fairness in the creation of client value. By adopting a client-centric approach, we seek to internalise TCF as part of our culture.

By using the TCF outcomes to inform our client service principles, we have embedded TCF across the organisation, elevating it beyond regulatory compliance.

# Fulfilling our regulatory obligations continued...

## Six core consumer outcomes of TCF

Clients can be confident that they are dealing with firms where the fair treatment of clients is central to the firm's culture.

Products and services marketed and sold in the retail market are designed to meet the needs of identified client groups and are targeted accordingly.

Clients are given clear information and kept appropriately informed before, during and after the time of contracting.

Where clients receive advice, the advice is suitable and takes account of their circumstances.

Clients are provided with products that perform as firms have led them to expect and the associated service is both of an acceptable standard and what they have been led to expect.

Clients do not face unreasonable post-sales barriers to change product, switch provider, submit a claim or make a complaint.

## Client complaints

The group has a client complaints policy, the objective of which is to deliver an urgent, empathetic, consistent, transparent and fair response to all complaints, in line with clients' expectations and regulatory and supervisory requirements.

We have taken various actions to reduce the number and severity of complaints, including:

- Training of sales teams, including intermediaries, in product knowledge and claims service, leveraging on technology in disseminating electronic policy documents and employee training in product knowledge and business processes to enhance the client experience;
- Implementing real-time gross settlement (RTGS) payment option and embedding mobile money platform payment options;
- Enhancing process accountability and guard rails to improve on customer touch point turnaround times and quality of information provided; and
- Introducing clients to self-service tools and automating communication with clients to ensure consistency and empowerment for self-service using the online portal and mobile application functionality.

For both operating companies, the payment of claims remains the largest root cause of complaints, followed by administration and communication related to onboarding and policy benefits.

In recent years, we have analysed the underlying reasons for complaints, allowing us to direct our action to areas that will have the greatest impact on client satisfaction by reducing the number of complaints or reducing our turn-around times.

## Anti-money laundering (AML)

The operating businesses adopted a risk-based approach to compliance with the AML regulations. During the year, Liberty Kenya enhanced its continuous monitoring process through automation and updated its Business Operating Standards (BOS). Automation of the risk-based approach has enhanced continuous real-time screening and rating of customers. Full end-to-end automation of the AML process is envisaged to be completed in 2026.

## Preventing fraud

We continue to use the industry's Integrated Motor Insurance Database System (IMIDS). The system, domiciled at the AKI secretariat, helps address increasing cases of fraud by providing a portal where insurers can verify the underwriting and claims history of an insured and at the same time receive fraud indicators.

We utilise the system at underwriting stage to evaluate and price cover and consult the fraud watch reports generated by the system during claims processing. Liberty Kenya continuously monitors for any fraud activities and decisive action taken to prevent losses.

## IT governance

Enterprise IT governance at Liberty continues to receive appropriate consideration from the board and executive leadership.

The group's IT governance framework provides a consistent approach, integrated and aligned with the enterprise governance approach. IT-related decisions must be made in line with the group's strategies and objectives to ensure that the desired value is realised.

The five IT governance principles are as follows:

**Strategy:** Organisational goals and IT governance plans must be aligned to allow both to work together as one to benefit the enterprise.

**Resource management:** Successful IT performance is dependent on the optimal investment, use and allocation of IT resources (people, assets and third parties).

**Risk management:** IT is integral to the achievement of the group's strategic ambition and therefore its related risks and constraints are well governed and controlled.

**Value delivery:** Executing value proposition throughout the delivery cycle is important. Organisational goals are unlikely to be realised unless IT delivers the promises against the strategy.

**Performance measurement:** Measuring IT performance is a key concern of business and IT executives as it demonstrates the effectiveness and added business value of IT.

## Fulfilling our regulatory obligations continued...

### IT strategy focus areas

#### Always on, always available

Ensuring all IT services are always available and reliable through effective monitoring. Business continuity plan.



#### Always secure

Enhance cybersecurity posture through effective controls throughout the IT landscape. Audit and risk compliance.



#### Operational excellence

Improved operational efficiency through automation and simplification.



#### Business enablement

Support the implementation of technology-driven initiatives to allow for increased productivity and to enhance business growth.



#### Data and analytics

Enable single view of the client across the business via the implementation of a data analytics ecosystem.



#### Cloud journey

Identify cloud migration opportunities and document a cloud adoption roadmap.



The current strategy has six focus areas but will evolve as the business strategy develops and is implemented. Many of the focus areas target the delivery of features and enhancements for the existing portfolio of systems.

## *Fulfilling our regulatory obligations continued...*

### **Taxes collected and paid**

During the year, the group collected and remitted to the appropriate revenue authorities a total of KShs 1.51 billion (2023: KShs 1.31 billion).

### **ESG disclosures**

In November 2021, the NSE published its guidance manual for ESG disclosures for companies listed on the exchange. The focus of the document is to illustrate and guide how listed companies in Kenya can collect, analyse, and publicly disclose important ESG information using an approach that meets international standards on sustainability reporting. This manual can also act a guide on how to progressively integrate ESG in strategy, operations, and performance management. The manual recommends the adoption of the Global Reporting Initiative (GRI) Standards as the common framework for ESG reporting. A common set of ESG metrics is proposed for reporting by all listed companies and additional sector-specific ESG disclosures are provided.

The International Sustainability Standards Board (ISSB) issued two new IFRS sustainability disclosure reporting standards, IFRS S1 and S2. IFRS S1 provides the general requirements for disclosing material sustainability-related financial risks and opportunities, while IFRS S2 focuses specifically on climate-related disclosures.

Collecting complete data for some of the quantitative disclosures will require the introduction of systems and processes and oversight before we are able to report reliable information. We strive to disclose all information material to our stakeholders. In anticipation of the IFRS S1 and S2 disclosures on climate risk and sustainability, Liberty Kenya has embarked on developing an ESG framework and identifying measurable benchmarks in 2025. This will assist in developing appropriate responses that can be tracked in line with business practices.



# Playing a role in our communities

## We are part of the fabric of society

Long-term, sustainable value growth can only be achieved through the growth and success of the communities in which we operate.

## Our sustainability policy

We strive to maximise our positive social, economic and environmental impacts while mitigating and managing potential negative impacts. We aspire to deliver value by focusing on issues that matter to our employees, financial advisers, partners, clients, other stakeholders, and the broader community.

Liberty is committed to integrating ESG considerations into our core business model. This will enable Liberty to create sustainable value and better manage risk and financial challenges. In this regard Liberty will:

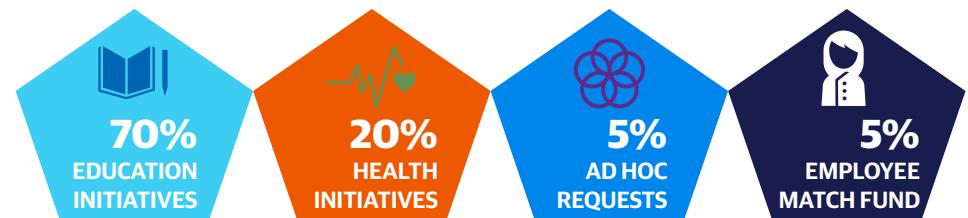
- Consider ESG factors (for example, climate change and social inequalities) in product development, and integration of non-financial issues in our risk management processes
- Comply with applicable existing and emerging legislation and regulation in all our markets
- Demonstrate transparency and accountability in our conduct, and
- Proactively and responsibly engage and partner with relevant stakeholders to achieve our sustainability goals.



*Greater detail regarding the group's sustainability policy can be found at [Sustainability Policy](#).*

In Kenya, our sustainability agenda, focuses on investing in the communities we operate in. We have a clear corporate social investment (CSI) policy that spells out our corporate values, the role of the company, our internal assessment vis-a-vis our action plan, and the management approach towards the various projects. This policy is executed through a dedicated and passionate CSI team.

Our CSI policy focuses on education but also incorporates other areas of national importance:



Our CSI policy applies the following principles:

- **Strategic relevance** - concerned primarily with the education needs in society
- **Substance** - sufficient to make a real, measurable impact on society
- **Sustainability** - sustainable projects to ensure the impact is felt by the targeted group(s)



## Playing a role in our communities continued...

### Empowering communities for sustainable growth and shared success

At Liberty Kenya, sustainability is not just a commitment – it is embedded in how we create shared value for our stakeholders. Over the years, we have championed initiatives in three key areas, education, health and environmental conservation, fostering meaningful partnerships that strengthen our relationship with the communities we serve.

Through these and other initiatives, Liberty Kenya continues to demonstrate the power of partnerships in driving sustainable development.

### Education

Our CSI initiatives are aligned to the United Nations Sustainable Development Goals (SDGs) with our key pillar focused on SDG 4 – quality education. In line with this we continued to provide sponsorship opportunities for needy and high-performing children from disadvantaged families across the country.

Our flagship scholarship program has provided 125 students with access to quality education, supporting them from high school through to university. This investment is not only transforming individual lives but also empowering the next generation to contribute positively to society.



### Mind My Money programme

Mind My Money is a financial literacy programme designed specifically for employer markets. The initiative offers financial knowledge and empowers individuals in their journey to financial freedom. Topics covered include managing debt effectively, cultivating good saving habits, and retirement planning.

The programme is offered free of charge, enabling employees to make informed financial decisions and improve their financial well-being.

During 2024, the programme had the following reach:

- Number of markets engaged: 98
- Employee base covered: 14 708
- Employee attendance: 4 517

The Mind My Money programme has demonstrated significant impact across multiple employer markets, providing valuable financial education to employees and contributing to their financial security.

Continued investment in financial literacy initiatives like Mind My Money is crucial for fostering financial resilience and drives sustainable growth for both employees and the business.

Below image of Liberty Scholarship recipients

## Playing a role in our communities continued...

### Money Master Show

Liberty Kenya launched the Money Master Show, a flagship financial literacy program in a bid to empower Kenyans with the tools and knowledge to achieve financial freedom.

The Money Master has become an asset that not only improves the financial literacy of Kenyans but also positions Liberty and Heritage Insurance as a relatable and approachable financial brand.

The Money Master is not just a financial series; it is a cornerstone of Liberty's mission to cultivate a savings culture and guide Kenyans toward a secure and prosperous future. The show is broadcast free of charge on our Youtube channel [Money Master Show](#).

Money Master is an exciting passion project at Liberty, that aligns with our objective to provide long-term investment planning products and solutions for our clients.

Season 1 was a huge success that uplifted our brand visibility and drove our brand as a relatable and approachable financial expert in our customers journey to financial freedom.

After the campaign most of the queries that were shared were on: Money management, How to manage debt and How to achieve financial freedom.

Through the Money Master we were able to use entertaining and informative content ("edutainment") that resonated well with audiences, leading to increased brand awareness and establishing the brand as a one-stop solution for financial needs.

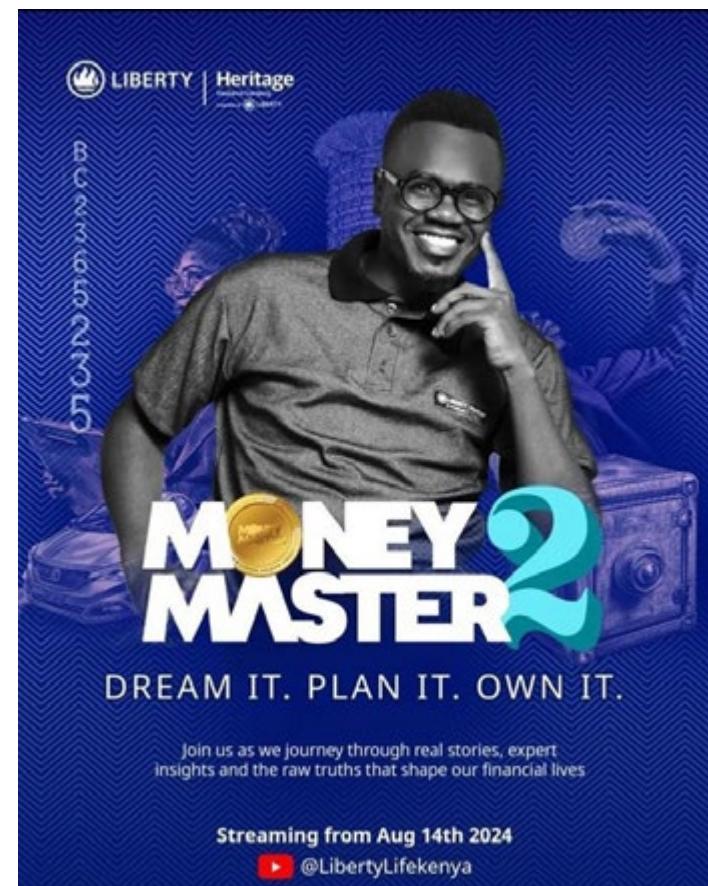
Season 1 highlighted a great demand for advice and information about financial freedom and securing a solid future for Kenyans and their families.

We launched Money Master Season 2 in August 2024 and released 5 engaging episodes that have useful information for anyone looking to take charge of their finances.

Season 2 took a more customer led approach featuring specific pain points such as black tax and delving deeper into critical aspects of financial planning to enable our audience to make informed decisions when entering the job market, starting families and exploring new investment opportunities to plan for their future.

In terms of engagement such as comments, likes, and shares, we have had a 534% increase from the previous season so far which indicates growing engagement with our content and increased brand awareness and affinity among the audience, regarding financial matters.

We have also featured real customer testimonials and involved our very own experts on the show to share insights on our products such as HeriAfyा Individual Medical Cover, Domestic Package, Pension Products and Soma Plan and demystify everything to do with financial planning. We have received over 40 comments from the viewers expressing how great and insightful the episodes are. Be sure to catch all the exciting and informative episodes of the Money Master Season 1 and 2 on our Liberty and Heritage Youtube Channel.



## Playing a role in our communities continued...

### Environment

In environmental conservation, we are proud to collaborate with the Friends of Karura forest to support their fundraising campaign aimed at restoring the Karura forest. This initiative underscores our commitment to safeguarding natural ecosystems for future generations.

Additionally, we have partnered with industry peers, Zep Re, to plant trees in support of the government's initiative to grow 15 million trees. Our staff are actively involved in both initiatives.



### Health

In support of sustainable health in communities where we operate, Liberty promotes well-being for all at all ages through partnerships with like-minded organisations that have the capability and infrastructure to leverage the support provided.

In 2024, we continued to partner with the Faraja Cancer Support Trust which offers palliative care and support to cancer patients and their care givers, through its annual fund raiser walk.

In partnership with the AKI, we continue to support the community by providing medical services to people in select localities where medical service is required.

Furthermore, Liberty Kenya has partnered with healthcare service providers such as The Mater Hospital and Gertrude's Children's Hospital in fundraising walks aimed at generating funds to equip these facilities with essential medical equipment.

Our health insurance team regularly conducts wellness days for our clients where their employees are able to proactively measure various health risk indicators and receive information to manage a healthy lifestyle.



# Corporate information

Liberty Kenya Holdings Plc is incorporated in Kenya under the Kenyan Companies Act as a public limited liability company. Liberty Kenya is domiciled in Kenya and is listed on the Nairobi Securities Exchange. Liberty Holdings Limited (LHL), a South African registered investment holding company, owns 73.5% (2021: 73.5%) of Liberty Kenya. LHL is a wholly owned subsidiary of Standard Bank Group Limited, which is listed on the Johannesburg Stock Exchange.

The company was listed on the Nairobi Securities Exchange on 21 April 2011.

Directors	First appointed	Secretary	Principal bankers
Mr P Odera (independent group chairman)	2 September 2016	Ms D Onwong'a (CPS No. 3627) Qwasha Corporate Services LLP 5th Floor, The Pavillion, PO Box 27547-00100, Nairobi	Stanbic Bank Kenya Limited Stanbic Centre, Chiromo Road, PO Box 72833-00200, Nairobi
Mr M du Toit (non-executive)	17 December 2008		
Mr P Gethi (non-executive)	17 December 2009		
Mr J Hubbard (non-executive)	16 June 2017	Share registrar	Subsidiaries
Ms R Mbai ( non-executive)	27 August 2020	Image Registrars Limited Securities, Registrars and Trustees 5th Floor, Barclays Plaza, Loita Street, PO Box 9287-00100 GPO, Nairobi	Liberty Life Assurance Kenya Limited (100%)
Mr R Shah (independent non-executive)	26 May 2020		The Heritage Insurance Company Kenya Limited (100%)
Ms C Mitchem ( non-executive)	01 October 2023		CFC Investment Limited (100%)
Mr K Godden (executive)	01 August 2023		
Independent auditor		Lawyers	Registered office
PricewaterhouseCoopers LLP Certified Public Accountants PwC Tower, Waiyaki Way, PO Box 43963 - 00100, Nairobi	17 June 2021	Coulson Harney Advocates (Bowmans) 5th Floor, ICEA Lion Centre, Riverside Park, Chiromo Road, PO Box 10643-00100, Nairobi	LR No 209/8592/2 Liberty House, Mamlaka Road, PO Box 30390-00100, Nairobi
Websites			
<a href="http://www.libertykenya.co.ke">www.libertykenya.co.ke</a> <a href="http://www.liberty.co.ke">www.liberty.co.ke</a>			
External Legal Auditor		Governance Auditor	
Spencer West Kenya Brookside Grove, Brookside PO Box 1093 - 00606, Nairobi		Dorion Associates LLP Green Shade Apartments, C1 Off Ole Odume Road, PO Box 29737-00202, Nairobi	



**LIBERTY**

**Heritage**

Insurance Company

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