



**ANNUAL REPORT**  
**2025**

*...Covering your risks beyond...*

# ...Covering your risks Beyond...

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# Board Chairperson's Report



## Introduction

It is my pleasure to present the Annual Report of Zambia Reinsurance PLC for the financial year ended 31 December 2025. The year under review marked another important milestone in the Company's ongoing journey to strengthen its operational resilience and financial performance.

The operating environment in 2025 remained dynamic and, at times, challenging, thus requiring resilience, disciplined execution and sustained strategic focus. Notwithstanding the complexities experienced across global and domestic markets, the Company remained steadfast in executing its strategic priorities and reinforcing its operational and financial foundations.

Through prudent management, strong governance, and a continued commitment to its mandate, the Company made meaningful progress in enhancing its stability and positioning itself for sustainable long-term growth.

## Economic Review

The global economic environment in 2025 remained characterised by persistent inflationary pressures, evolving monetary policies and continued geopolitical uncertainty. Within the region, economic activity showed gradual recovery, supported by improving commodity prices, stabilising fiscal conditions and strengthening macroeconomic management.

In Zambia, the economic outlook improved during the year, supported by gains in mining, energy, agriculture, fiscal consolidation efforts and increased investor confidence. Notably, the Zambian Kwacha appreciated significantly against major convertible currencies, moving from levels of approximately K28 per United States Dollar to around K22 during the year. While this appreciation reflected improving macroeconomic stability, it also introduced financial reporting implications for companies with foreign currency exposures.

## Industry Review

The ongoing implementation of Insurance Act No. 38 of 2021, effective from 23 December 2022, has continued to strengthen Zambia's regulatory framework and support the development of a robust domestic reinsurance market. The Act mandates that reinsurance business be placed locally before any surplus risk can be ceded externally, thereby reinforcing the role of domestic reinsurers and driving demand for local reinsurance capacity. During the year, further advancements were achieved through the introduction of the Insurance (Market Conduct), (Microinsurance) and (Reinsurance) Regulations, forming part of broader market reforms. These initiatives are expected to enhance market discipline, improve governance and foster a more resilient and competitive sector as the industry progresses toward full implementation. Additionally, the sector is transitioning toward a risk-based supervisory framework, including the enforcement of a minimum compulsory Capital Adequacy Requirement (CAR) ratio of 150% for all industry participants, effective 1 January 2026. The Company is well-positioned to meet this requirement, reflecting its strong financial standing and commitment to regulatory compliance.

# Board Chairperson's Report CONTINUED

## Governance

During the year, the Company strengthened its governance framework as a vacancy on the Board of Directors was filled and Board Committees were reconstructed to enhance oversight and strategic guidance. I wish to extend my sincere appreciation to all Directors for their diligent stewardship, commitment, and invaluable contributions, which have been instrumental in supporting the Company's growth, operational excellence and adherence to the highest standards of corporate governance.

## Performance

Despite foreign currency exposures, Zambia Reinsurance PLC demonstrated strong resilience, achieving an 11% year-on-year increase in revenue and recording a profit after tax of K7.8 million. This growth was driven by increased demand for local reinsurance placements and improved underwriting performance. The Company's financial position was further strengthened, with total assets rising by 7% to K223.87 million, up from K209.80 million as at 31 December 2024, reflecting robust operational performance, enhanced market positioning, and the positive impact of regulatory reforms within a favourable market environment.

As part of our commitment to market confidence, Zambia Reinsurance PLC undergoes an annual credit rating review, which continues to affirm our financial discipline and resilience in a dynamic industry environment. I am pleased to report that Global Credit Ratings (GCR) upgraded the Company's national scale financial strength rating from A(ZM) to A+(ZM).

This upgrade reflects the continued strength and resilience of our financial profile.

## Dividend

In line with the Company's dividend policy and its commitment to delivering sustainable Shareholder returns, for the year 2025, the Board of Directors has recommended that a Dividend be declared at the forthcoming Annual General Meeting of Shareholders.

## Outlook

Looking ahead, the Board of Directors remains optimistic about the Company's prospects. While macroeconomic conditions may continue to present periods of volatility, the Company is well positioned to navigate these dynamics through its disciplined underwriting approach, robust governance structures and strong strategic partnerships.

The focus in the coming year will remain on strengthening operational efficiency, enhancing internal capabilities, and identifying opportunities for sustainable growth across key markets.

On behalf of the Board of Directors, I wish to express my sincere appreciation to our Shareholders for their continued confidence and support. I also extend my gratitude to our Clients, Stakeholders, Partners and the Regulators for their ongoing collaboration.

It is with great pleasure that I commend Management and members of Staff for their continued dedication and commitment to drive the Company's success to new heights in future.

To my fellow Directors, I say thank you, for your consistent advice, commitment and vision for the Company.



Mrs. Joyce Muwo-Mwansa  
Chairperson

**".....Looking ahead, the Board of Directors remains optimistic about the Company's prospects. While macroeconomic conditions may continue to present periods of volatility, the Company is well positioned to navigate these dynamics through its disciplined underwriting approach, robust governance structure and strong strategic partnerships....."**

# Managing Director's Report



**".....With a strong capital position, a solid balance sheet, and a clear strategic focus, the Company will continue to pursue sustainable growth through disciplined underwriting, strategic partnerships, ongoing investment in technology, and the continued development of its people....."**

It is my privilege to present the Annual Report of the Company for the financial year ended 31 December 2025. The year under review unfolded against a backdrop of a complex and evolving global economic environment. While uncertainties persisted across international markets, improving domestic macroeconomic fundamentals created opportunities for growth. Through disciplined underwriting, prudent risk management, and continued strategic focus, the Company delivered a solid operational performance while maintaining financial stability.

The Zambian economy recorded improved performance, with GDP growth accelerating to 5.8% from 3.8% in 2024, supported by strong gains in the mining, energy, and agricultural sectors, as well as the continued implementation of key macroeconomic reforms. Inflation outlook moved closer to the single digit target range, supported by currency appreciation, stronger export earnings, improved foreign exchange inflows, and prudent policy measures. Money market conditions remained relatively stable, while the Kwacha appreciated by approximately 20% against the United States Dollar at year-end. These developments contributed to improved macroeconomic stability and provided a more supportive environment for business growth.

The regulatory environment continued to evolve with the continued implementation of the Insurance Act No. 38 of 2021, including the introduction of the Market Conduct, Microinsurance, and Reinsurance Regulations. These reforms aim to strengthen market discipline, enhance consumer protection, and deepen insurance penetration, while minimum

capital adequacy requirements have reinforced prudential standards across the industry. Together, these developments are expected to promote stronger governance, greater financial resilience, and increased domestic underwriting capacity, supporting a more robust and well-capitalised insurance sector.

Against this backdrop, reinsurance revenue rose by 11% year-on-year, driven by the successful acquisition of new business across multiple reinsurance classes, with strong contributions from the fire and engineering classes. The growth was primarily anchored in the Zambian market, supported by substantial business from the mining and energy sectors. This revenue growth reflects the continued confidence of our cedants and brokers. It also underscores the Company's commitment to strengthening its market presence, delivering value to stakeholders, and maintaining its reputation as a trusted partner in the reinsurance sector.

Amid a notable appreciation of the Zambian Kwacha against major currencies, which resulted in foreign exchange losses, the Company reported a Profit Before Tax of K10.39 million. This outcome was underpinned by a strong underwriting performance and resilient investment income, which effectively mitigated the impact of foreign exchange losses. For the second consecutive year, the Company's credit rating was upgraded to A+(ZM), reflecting enhanced financial strength, prudent risk management, and sustained operational excellence.

# Managing Director's CONTINUED

In line with global best practices and the Company's long-term strategic priorities, the Company has made notable progress in advancing Environmental, Social, and Governance (ESG) initiatives, including steps toward adopting formal sustainability reporting.

During the year, the Company also made meaningful progress in strengthening its operational capabilities and long-term sustainability agenda. Significant investments were made in the modernisation of operational systems, aimed at improving efficiency, enhancing service delivery, and supporting the Company's digital transformation journey. At the same time, the Company remained committed to developing human capital, investing in staff training and professional development through a range of learning platforms and specialised programmes designed to enhance technical capacity and leadership capability.

## Outlook

Looking ahead to 2026, the Company remains well positioned to build on the progress achieved during the year. Continued regulatory developments, together with the strengthening macroeconomic environment, are expected to provide additional opportunities for growth within the reinsurance market.

With a strong capital position, a solid balance sheet, and a clear strategic focus, the Company will continue to pursue sustainable growth through disciplined underwriting, strategic partnerships, ongoing investment in technology, and the continued development of its people. These efforts will ensure that the Company remains well positioned to respond to the evolving needs of the market while delivering long-term value to stakeholders.

In conclusion, I would like to express my sincere appreciation to our cedants, brokers, and business partners for their continued trust and collaboration. I also extend my gratitude to the staff for their dedication and commitment, which have been instrumental in navigating the challenges and opportunities presented during the year.

Finally, I wish to express my sincere appreciation to the Board of Directors for their guidance and support, which has been instrumental as the Company advances its strategic objectives and positions itself for enduring success.



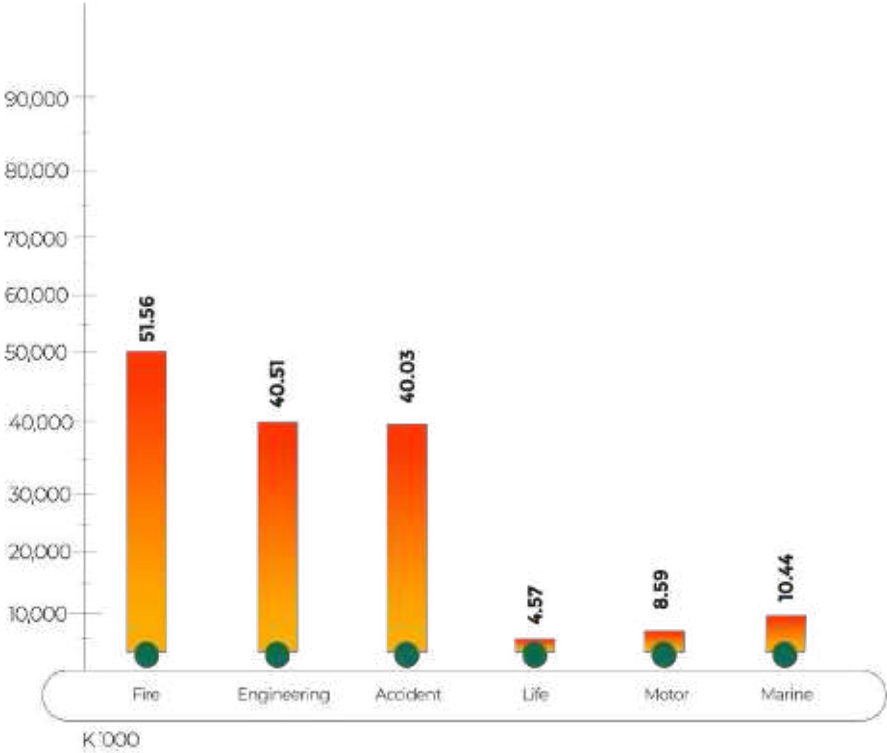
Mr. Brian Mateyo  
Managing Director



# Performance Highlights

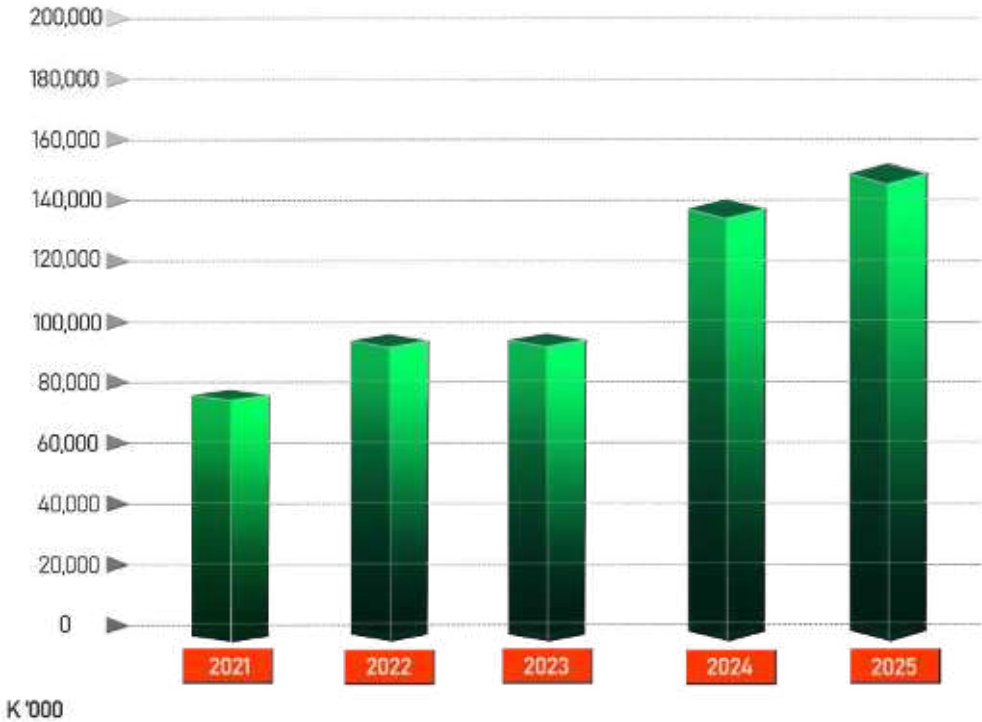
## 2025 Reinsurance Revenue

Per Class



## Reinsurance Revenue

Past 5 Years



...Covering your risks beyond...

# Board of Directors



**JOYCE MUWO-MWANSA**  
Board Chairperson



**EXHILDA LUMBWE**  
Director



**MUNAKOPA SIKAULU**  
Director



**MATETE SICHIZYA**  
Director



**MWANGALA MOONO**  
Director



**NATHAN DeASSIS**  
Director



**GRAHAM KAYOVO**  
Director



**CHISHALA KAPAYA-TEMBO**  
Director

# Senior Management



**BRIAN MATEYO**  
Managing Director

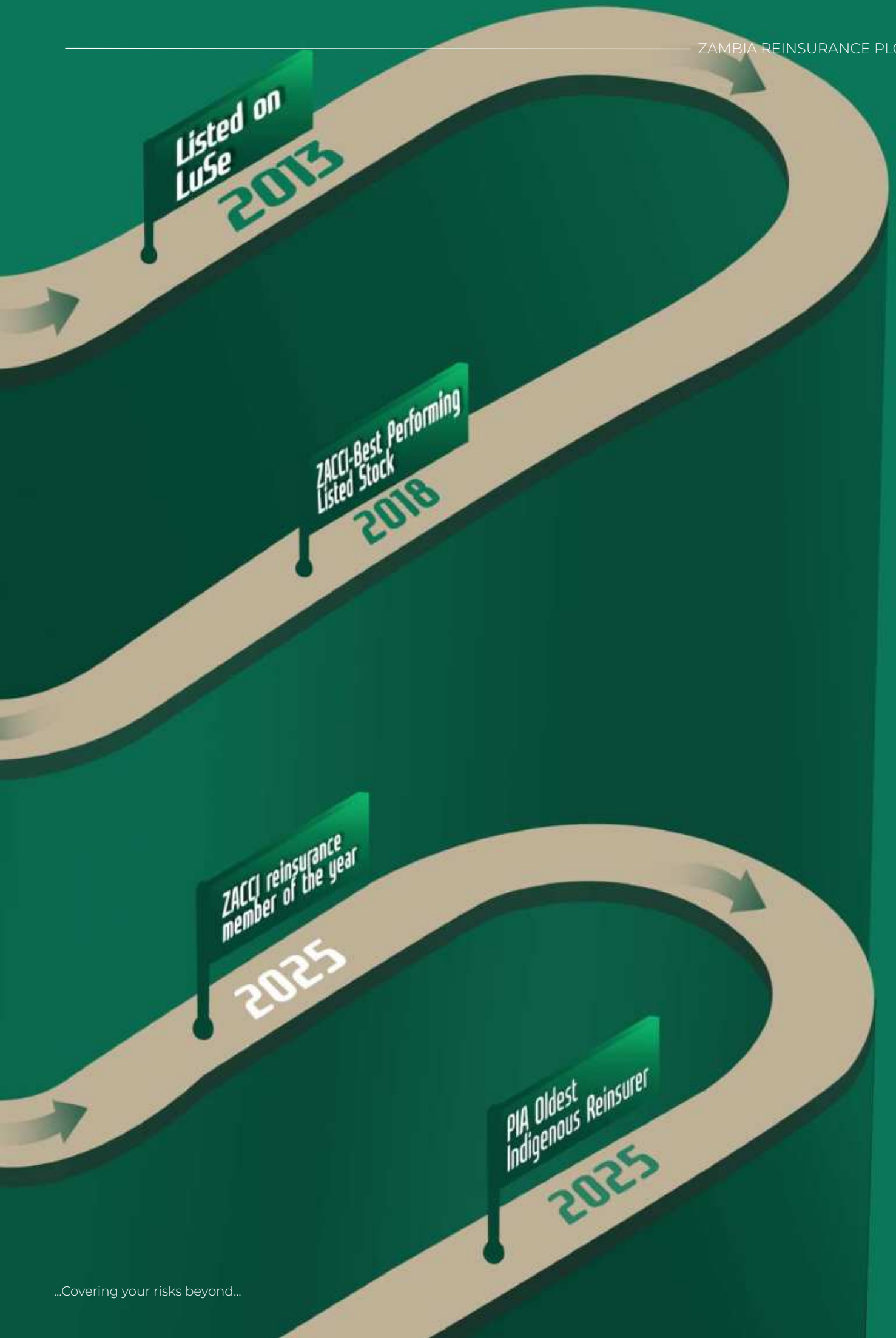


**CLIVE LUNGU**  
Chief Operating Officer



**HUMPHREY MIAMBA**  
Chief Financial Officer





# Corporate Governance Report

The principal corporate governance rules applying to Zambia Reinsurance PLC ("the Company"), are contained in the Lusaka Securities Exchange (LuSE) Corporate Governance Code for listed and quoted companies and Corporate Governance Guidelines Pursuant to Section 60 of the Insurance Act No. 38 of 2021, issued by the Pensions and Insurance Authority (PIA).

The Board of Directors of Zambia Reinsurance PLC is committed to attaining high standards of Corporate Governance based on the core principles of accountability, integrity and transparency and believes it has complied with the LuSE Code and PIA guidelines throughout the year under review.

## The Board and Board Committees

As at 31 December 2025, the Board of Directors comprised of an independent Chairperson with other independent Non – Executive Directors. There is a clear separation between the Chairperson and the Directors, and no individual or group dominates the Board's decision-making processes.

The Board has the necessary mix of individual skills and gender diversity to ensure an overall balance of knowledge and expertise required to carry out its mandate.

The Board manages the overall control of the Company's affairs with reference to matters reserved for the Board's decision. It takes responsibility for setting and reviewing the strategic direction of the Company and meets formally at least four (4) times during the year, as well as when required, to review and monitor the performance of the Company and management.

The role of the Board is set out in its Board Charter which includes the approving and monitoring the Company's annual Strategic Plan, risk management, the annual budget as well as the appointment of senior members of management.

The Managing Director manages the day-to-day operations and is assisted by senior members of management.

The Board is satisfied that all the Directors have sufficient time to devote to their roles on the Board and that there is no undue reliance on any one individual or individuals.

<b>Record of Directors' Attendance for the year ended 31 December 2025</b>	<b>10 March</b>	<b>21 March</b>	<b>12 June</b>	<b>17 September</b>	<b>30 December</b>	<b>31 December</b>	<b>Total</b>
Joyce Muwo-Mwansa – Independent Chairperson	✓	✓	✓	✓	✓	✓	6
Mrs. Exhilda Lumbwe   Non-Executive Director	✓	✓	✓	✓	✓	✓	6
Mr. Nathan De Assis   Independent Non-Executive Director	✓	✓	✓	✓	✓	✓	6
Mrs. Mwangala Moono   Independent Non-Executive Director	✓	✓	✓	✓	✓	✓	6
Mr. Munakopa Sikaulu   Independent Non-Executive Director	✓	✓	✓	✓	✓	✓	6
Mr. Graham Kayovo   Independent Non-Executive Director	x	x	✓	✓	✓	✓	4
Mr. Matete Sichizya   Independent Non Executive Director	✓	✓	✓	✓	✓	✓	6
Mrs Chishala Kapaya-Tembo   Independent Non Executive Director	✓	✓	✓	✓	✓	✓	6



- Present

X - Absent

n/a - Not eligible

# Corporate Governance Report CONTINUED

## Board Committees

The Board has three (3) Committees to assist in exercising its responsibilities. The Committees operate under approved mandates and terms of reference.

### Audit and Risk Committee

The Audit and Risk Committee comprises of three members, and it is chaired by an independent, Mr. Chrispin Daka, who does not sit on the Board of Directors. He is assisted by three other Board members: Mr. Nathan DeAssis, Mrs. Exhilda Lumbwe and Mr. Matete Sichizya.

The Committee has a primary responsibility of ensuring the

integrity of the financial reporting and compliance with legal and regulatory obligations. It regularly receives and reviews the Internal Audit reports which are conducted by independent auditors who are outsourced.

The Committee also monitors the effectiveness of the Company's Enterprise Risk Management (ERM). This includes ensuring the implementation of an on-going process of risk identification, mitigation and management as well as overseeing a comprehensive system of controls. It also has oversight of the independence of external auditors.

Its mandate is in accordance with its terms of reference, and it meets with the external auditors at least once a year.

The Committee meets at least four (4) times a year and whenever necessary.

### Record of Attendance for the year ended 31 December 2025

	10 March	2 June	3 September	11 December	Total
Chrispin Daka – Independent Chairperson	✓	✓	✓	✓	4
Mrs. Exhilda Lumbwe – Non-Executive Director	✓	✓	✓	✓	4
Mr. Nathan De Assis -Independent Non-Executive Director	✓	✓	✓	✓	4
Mr. Matete Sichizya - Independent Non-Executive Director	✓	✓	✓	✓	4

## Remuneration Committee

The Remuneration Committee comprises of three (3) members, and it is chaired by Mr. Munakopa Sikaulu, an independent Non – Executive Director. The Committee provides oversight over the remuneration of senior management.

The Committee meets at least once a year and whenever necessary.

### Record Of Attendance For The Year Ended 31 December 2025

	27 June	5 December	Total
Mr. Munakopa Sikaulu   Independent Non-Executive Chairperson	✓	✓	2
Joyce Muwo-Mwansa   Independent Non-Executive Director	✓	x	1
Mr. Graham Kayovo   Independent Non-Executive Director	✓	✓	2

# Corporate Governance CONTINUED

## Investment Committee

The Investment Committee is chaired by Mrs. Mwangala Moono and comprises of three non-executive members:

The Committee's main responsibility is to review, evaluate and approve investment transactions as well as have oversight of the Company's Investment Strategy and Investment Policy.

The Committee meets at least once a year and whenever necessary.

## Record of Attendance as at 31 December 2025

	28 November	Total
Mrs. Mwangala Moono – Independent Non-Executive Director	✓	1
Mr. Munakopa Sikaulu – Independent Non-Executive Director	✓	1
Mr. Nathan De Assis -Independent Non-Executive Director	✓	1

## Whistle Blowing Policy

The Company has in place a Whistle Blowing Policy. All employees have been made aware of it.

The Policy allows employees to anonymously, if they wish, to report any wrong-doing or suspicious transactions to an independent person(s), on a number that has been made available to all employees.

## Risk Management and Fraud Control

Besides the Internal Audit control systems, the Company has in place an Anti-money Laundering and Countering the Financing of Terrorism (AML/CFT) Policy which contains measures and practices to prevent and detect money laundering in accordance with the Pensions and Insurance Authority (PIA) Directives on Anti-money Laundering and Combating the Financing of Terrorism and Proliferation, 2017.

These measures identify areas in which money laundering may occur and ensure compliance and adherence to the legal and regulatory requirements, particularly the process for reporting actual or suspected money laundering cases or activities to the company's Compliance Officer (CO) or to PIA.

The Internal control systems are also monitored by the Securities and Exchange Commission (SEC) through their Internal Controls over Financial Reporting (ICOFR) requirements.

The Company's Enterprise Risk Management (ERM) framework is a key pillar of the Company's strategic plan which effectively identifies, assesses, and manages risk.

Within the ERM framework, the Company manages its risk appetite to prevent potential events that can adversely affect the Company.

ERM, by its nature, is a process, which is ongoing and the framework is reviewed regularly by the Board, through the Audit and Risk Committee, having oversight of this process.

## Compliance and Ethics

Zambia Reinsurance PLC is committed to conducting its business responsibly and in accordance with all laws and regulations to which its business activities are subject and the Audit and Risk Committee regularly receives a Compliance report.

The Company has a code of conduct and ethics covering all its staff.

# Corporate Governance

**CONTINUED**

## Climate Related Risks

The Company recognises that physical climate can impact the company's operations, which impact can be either short term or long term in nature.

For this reason, climate related risks form part of the Company's Enterprise Risk Management framework, focusing on the Company's preparedness to identify and assess natural events arising from climate change, that can adversely affect business operations such as prolonged unavailability of assets and infrastructure, cost of restoration of services and customer disruption.

Under the Company's insurance program for its assets, there is sufficient cover for the Company to be fully compensated in the event of a climate related disaster, such as flooding.

Although the physical risks arising from climate change can have significant economic and social consequences overall, they represent a very limited and manageable risk to the Company.

# The Company's Management and Advisors

The Managers who held office during the year ended 31 December 2025 were:

## Management

Brian Mateyo	Managing Director
Humphrey Miamba	Chief Financial Officer
Clive Lungu	Chief Operating Officer (Appointed 5 May, 2025)

The following served as advisors to Zambia Reinsurance PLC ('Zambia Re or the Company') during the reporting period:

### Company Secretary

Choice Corporate Services Limited  
Stand 3509/No.7 Matandani Close, Rhodes Park  
P.O. Box 32565  
Lusaka, Zambia

### Legal Advisors

Wilson and Cornhill  
5th Floor, Premium House, Independence Avenue  
P.O. Box 38906, Lusaka  
Zambia

### Human Resources

KSM Management Consultants  
Plot No. 5827, Lunsemfwa Road, Kalundu  
P.O. Box 35883  
Lusaka, Zambia

### Bankers

Stanbic Bank Zambia Limited  
ABSA Bank Zambia PLC  
Access Bank Zambia Limited  
Zambia Industrial Commercial Bank Limited  
Indo Zambia Bank Limited

### External Auditors

Grant Thornton  
2nd Floor, West wing,  
Metropolitan Building, Off Kelvin Siwale Road  
P.O. Box 30885  
Lusaka, Zambia

### Internal Auditors

Victor and Morgan Associates  
10A Twin Palm Road, Kabulonga,  
P.O. Box 51598  
Ridgeway, Lusaka  
Zambia

### Actuaries

Actuaries Services (E.A) Limited  
113 Kayahwe Road, Off Galana Road, Kilimani  
P.O. Box 10472-00100  
Nairobi, Kenya

### Registered Office

The address of the Company's registered office is:  
Stand 3509/No.7 Matandani Close Rhodespark,  
P.O. Box 32565  
Lusaka, Zambia

The Company's principal place of business is:

Plot 7, Namambozi Road, Fairview  
Postnet Box 658, P/B E891  
Lusaka, Zambia

# Report of the Directors

## Principle Activity

The principle activity of the Company is to underwrite all classes of reinsurance business (Non-life and life).

## Share Capital

The authorised share capital of the Company is K75,000,000.00 and the issued share capital is K45,000,000.00.

## Distribution of Shareholders

As of 31 December 2025, the shareholding structure was as follows:

	No. of Holders	% held	No. of Shares
Less than 500 shares	381	0.14	62,373
501 – 5,000 shares	63	0.28	124,859
5,001 – 10,000 shares	10	0.17	75,999
10,001 – 100,000 shares	38	3.25	1,460,728
100,001 – 1,000,000 shares	25	20.06	9,033,036
Over 1,000,000 shares	8	76.10	34,243,005
Total	525	100	45,000,000

## Significant Shareholding in the Company

Shareholdings that were 5% or more were as follows:

Name of Shareholder	%	No. of Shares
Industrial Development Company (IDC)	28.17	12,678,343
National Pension Scheme Authority (NAPSA)	14.27	6,422,842
Global Micro Finance S.A.	10.75	4,835,263
Exhilda Mwinji Lumbwe	6.53	2,940,055
Madison Pension Trust Fund	5.50	2,475,683

# Report of the Directors

**CONTINUED**

## Directors Interests

The number of shares held by the Directors of the Company as at 31 December 2025 were:

	2025	2024
Exhilda Mwinji Lumbwe	2,940,055	2,940,055
Total	2,940,055	2,940,055

# Report of the Directors

CONTINUED

## Financial Results

The financial results of the Company for the year under review are as reported in the financial statements set out on pages 45 to 106 and are summarised below:

The Company made a profit after tax of K7,813,969 compared to a profit of K28,462,493 in the previous year.

The results of the Company were as follows:

Figures in Kwacha thousands

Class of business	Fire	Accident	Motor	Engineering	Marine	Life	2025	2024
<b>Reinsurance Revenue</b>	51,557	40,031	8,593	40,513	10,444	4,574	155,712	140,340
Retrocession service expense	(18,577)	(14,425)	(3,096)	(14,598)	(3,764)	(1,648)	(56,108)	(52,953)
<b>Reinsurance service result</b>	32,980	25,606	5,497	25,915	6,680	2,926	99,604	87,387
Reinsurance service expense	(30,934)	(24,019)	(5,156)	(24,308)	(6,266)	(2,744)	(93,427)	(98,441)
Retrocession Service income	5,728	4,447	955	4,501	1,160	508	17,299	34,909
<b>Net Reinsurance Service expense</b>	(25,206)	(19,572)	(4,201)	(19,807)	(5,106)	(2,236)	(76,128)	(63,532)
Reinsurance Finance (expense)/income	(857)	(665)	(143)	(674)	(174)	(76)	(2,589)	(2,965)
Retrocession Finance income/(expense)	551	428	92	433	112	49	1,665	2,523
<b>Total Service expenses</b>	(25,512)	(19,809)	(4,252)	(20,048)	(5,168)	(2,263)	(77,052)	(63,974)
<b>Underwriting surplus</b>	7,468	5,797	1,245	5,867	1,512	663	22,552	23,413
Other income							(2,097)	17,796
Non- attributable expenses							(8,524)	(7,508)
Depreciation and amortisation							(1,538)	(1,349)
<b>Profit before tax</b>							10,393	32,352
Income tax expense							(2,579)	(3,889)
<b>Profit after tax</b>							7,814	28,463

# Report of the Directors CONTINUED

## Investments

The total value of the investments of the Company at 31 December 2025 was K99,469,485 (2024: K92,472,839)

The investment policy remains focussed on preserving capital security, maintaining liquidity, and optimising returns to ensure sustainable growth and value creation

## Dividend

During the year under review, there was a dividend of K2,520,000 paid (2024: K2,025,000).

## Directorate and Secretariat

The following Directors held office during the year and up to the date of this report:

Joyce Muwo-Mwansa – Independent Chairperson	Chairperson
Mrs. Exhilda Lumbwe – Non-Executive Director	Director
Mr. Nathan De Assis -Independent Non-Executive Director	Director
Mrs. Mwangala Moono – Independent Non-Executive Director	Director
Mr. Munakopa Sikaulu – Independent Non-Executive Director	Director
Mr. Graham Kayovo – Independent Non-Executive Director	Director
Mr. Matete Sichizya – Independent Non-Executive Director	Director
Mrs. Chishala Kapaya-Tembo – Independent Non-Executive Director	Director

The Company Secretaries and their address are:

Choice Corporate Services Limited  
Stand 3509/No.7 Matandani Close  
Rhodes Park  
P O Box 32565  
Lusaka

## Net Outstanding Claims

There was a decrease in net outstanding claims from K15,197,777 (2024) to K10,632,160 (2025).

The net claims outstanding consists of the following:

	2025	2024
	K	K
Outstanding claims	6,205,266	13,447,951
Reinsurance share of outstanding claims	(1,962,488)	(7,973,144)
Net incurred but not reported	6,389,382	9,722,970
	10,632,160	15,197,777

# Report of the Directors CONTINUED

## Employees

The average number of employees during the year was less than 100 at 17 (2024: less than 100 at 17).

The total remuneration paid to employees during the year was K11,143,061 compared to K10,542,355 in the previous year.

## Research and Development

The Company did not carry out any research and development activities during the year (2024: K Nil).

## Health and Safety Matters

The Company recognises its responsibility regarding the occupational health, safety and welfare of the employees and has put in place measures to safeguard them.

## Property and Equipment

The additions to property and equipment during the year amounted to K3,078,892 (2024: K1,396,962), and comprised the following:

	2025	2024
	K	K
Computer equipment and motor vehicle and office equipment	3,078,892	1,396,962

## Related Party Transactions

The Directors confirm full and adequate disclosures of all related party transactions entered during the year with all related parties and the subsequent year end balances as at 31 December 2025. See details included under note 24 to the financial statements.

### (i) Directors' fees

Directors' fees of K5,023,081(2024: K2,714,473) were paid during the year.

### (ii) Directors' loans

No loans were advanced to the Directors of the Company during the year (2024: K Nil).

## Donations

The Company did not make any cash donations during the year (2024: K Nil).

## Other Material Facts, Circumstances and Events

The Directors are not aware of any material fact, circumstance or event which has occurred between the accounting date and the date of this report which might influence an assessment of the Company's financial position or the results of its operations.

# Report of the Directors **CONTINUED**

## Auditors

In accordance with the provisions of the Articles of Association of the Company, the auditors, Messrs Grant Thornton will retire as auditors of the Company at the conclusion of the forthcoming Annual General Meeting, and having expressed their willingness to continue in office, a resolution for their re-appointment will be proposed at the Annual General Meeting.

A handwritten signature in black ink, appearing to be 'Dale', written over a circular stamp or seal.

By order of the Board.  
Choice Corporate Services Limited  
Company Secretary  
Lusaka

Date: 4 March 2026



**“Small improvements, consistently applied,  
create extraordinary growth.”**

...Covering your risks beyond...

# Statement of Directors' Responsibilities for the Annual Financial Statements

## Statement Of Directors' Responsibilities

The Companies Act, 2017 (as amended) requires the Directors to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the Company as at the end of the financial year and of its financial performance. It also requires the Directors to ensure that the Company keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the Company. They are also responsible for safeguarding the assets of the Company. The Directors are further required to ensure the Company adheres to the corporate governance principles or practices contained in Part VII Sections 82 to 122 of the Companies Act, 2017 (as amended).

The Directors accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable estimates, in conformity with IFRS Accounting Standards and the requirements of the Companies Act, 2017 (as amended), the Insurance Act, 2021 and the Securities Act of Zambia, 2016 (as amended).

The Directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements, and for such internal controls as the Directors determine necessary to enable the preparation of financial statements that are free from material misstatement whether due to fraud or error. In addition, the Directors are responsible for preparing the Directors' report.

The Directors are of the opinion that the financial statements set out on pages 45 to 102 give a true and fair view of the state of the financial affairs of the Company and of its financial performance in accordance with IFRS Accounting Standards, the Companies Act, 2017 (as amended), the Insurance Act, 2021 and the Securities Act of Zambia, 2016 (as amended). The Directors further report that they have implemented and further adhered to the corporate governance principles or practices contained in Part VII, Sections 82 to 122 of the Companies Act, 2017 (as amended).

The Directors have made an assessment of the ability of the Company to continue as a going concern and have no reason to believe that the business will not be a going concern for at least twelve (12) months from the date of this statement.

The auditor is responsible for reporting on whether the financial statements are fairly presented in accordance with the applicable financial reporting framework described above.

## Approval of the annual financial statements

The annual financial statements of Zambia Reinsurance PLC, set out on pages 45 to 102, were approved by the Board of Directors on 4 March 2026 and signed on its behalf by:



Joyce Muwo-Mwansa  
Board Chairperson



Nathan DeAssis  
Non-Executive Director

# Internal Controls Over Financial Reporting (ICOFR) Implementation

In 2019, the Securities and Exchange Commission (SEC) issued guidelines for Internal Controls Over Financial Reporting (ICOFR). In recognizing that an adequate system of policies and procedures for internal control over financial reporting is critical to ensuring the accuracy and reliability of financial statements, we embarked on a 5-year journey to implement the guidelines.

The Guidelines require a reporting entity to publish in its annual report the following:

No.	Report	Page
1	Management report on Internal Control Over Financial Reporting	29
2	Self-Certifications by the Managing Director	34
3	Self-Certifications by the Chief Financial Officer	35
4	Management Certificate to the Zambia Reinsurance Board Audit Committee	36
5	Management's Certificate to the External Auditors	37
6	Assurance report on Internal Controls Over Financial Reporting by the External Auditors	38-39
7	Auditors Report on Financial Statements (Audit Opinion)	40-44

The Company has fully complied with the requirements following the successful transition.

## Zambia Reinsurance 5-year implementation roadmap

### Year 1 & 2 (2019-2020)

- Engaged HLB as an implementation partner.
- Adopted COSO framework (5 components and 17 principles) for Zambia Re Insurance PLC ICOFR.
- Identified key business processes and related controls.
- Reported status of ICOFR implementation to the Board.
- Performed Gap analysis.

### Year 3 (2021)

- Documentation of Risk and Control Matrices for all key business processes. With the help of the external consultant HLB
- Assessed both design and operating effectiveness of controls.
- Enhanced processes and updated policies/procedure manuals.
- Performed Gap analysis and submitted to SEC.
- MD & CFO Certifications submitted to SEC.
- External auditor's assurance report submitted to SEC.

# Internal Controls Over Financial Reporting (ICOFR) Implementation

CONTINUED

## Year 4 & 5 (2022-2023)

- Reported status of ICOFR implementation to Board.
- Performed Gap analysis and submitted to SEC.
- MD & CFO Certifications submitted to SEC.
- External auditor's assurance report submitted to SEC.

## Year of adoption (2024)

The company adopted the ICOFR process in 2024, however, it did not implement the integrated reporting as per guidelines.

- External auditor's assurance report submitted to SEC.

## 2025

The Company fully adopted and implemented the integrated reporting as per guidelines.

# Management Report On Internal Control Over Financial Reporting

For the year ended 31 December 2025

## Management Responsibility

The management of Zambia Reinsurance PLC is responsible for establishing and maintaining adequate internal controls over financial reporting. Our internal control over financial reporting is a process designed under the supervision of our Managing Director and our Chief Financial Officer to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the Company's financial statements for external reporting purposes in accordance with IFRS Accounting Standards.

Internal control over financial reporting includes our disclosure controls and procedures designed to prevent misstatements.

## Risks in Financial Reporting

The main risks in financial reporting are that it is possible that either financial statements do not present a true and fair view due to inadvertent or intentional errors (fraud), or that the publication of financial statements is not done on a timely basis. These risks may reduce user confidence or cause reputational damage and may have legal consequences including Pensions and Insurance Authority interventions. A lack of fair presentation arises when one or more financial statements or disclosures contain misstatements or omissions that are material. Misstatements or omissions are deemed material if they could, individually or collectively, influence economic decisions that users make based on the financial statements.

## Internal Controls Evaluation Framework

To confine the risks of financial reporting, management of the company has established internal controls over financial reporting with the aim of providing reasonable, but not absolute, assurance against material misstatements or omissions and has conducted an assessment of the effectiveness of the company's internal controls over financial reporting based on the framework established in Internal Control Integrated Framework (2013) issued by the Committee of Sponsoring Organisations of the Treadway Commission ("COSO"). COSO recommends the establishment of specific objectives to facilitate the design, and evaluate the adequacy, of a control system. As a result, in establishing internal controls over financial reporting, management has adopted the following financial statement objectives:

- Existence - assets and liabilities exist and transactions have occurred;
- Completeness - all transactions are recorded, and account balances are included in the financial statements;
- Valuation - assets, liabilities and transactions are recorded in the financial reports at the appropriate amounts;
- Rights and Obligations of ownership - rights and obligations are appropriately recorded as assets;
- Presentation and Disclosures - classification, disclosure and presentation of financial reporting is appropriate; and
- Safeguarding of assets - unauthorised acquisition, use or disposition of assets is prevented or detected in a timely manner.

However, any internal control system, including internal controls over financial reporting, no matter how well conceived and operated, can provide only reasonable, but not absolute, assurance that the objectives of that control system are met. As such, disclosure controls and procedures or systems for internal control over financial reporting may not prevent all errors and fraud. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs.

# Management Report On Internal Control Over Financial Reporting

CONTINUED

For the year ended 31 December 2025

## Organisation of the System of Internal Controls over Financial Reporting

Controls within the system of internal controls over financial reporting are performed by all business functions with an involvement in reviewing the reliability of the books and records that underlie the financial statements. As a result, the operation of internal controls over financial reporting involves staff in the following departments: Underwriting and Finance departments. Finance is responsible for the periodic preparation of financial statements and operates independently from the company's underwriting operations. Within Finance, different functions have control responsibilities which contribute to the overall preparation process:

- The accounting team is responsible for reviewing the quality of financial data by performing validation and control. They are in close contact with underwriting staff, and employ their specific knowledge to address financial reporting issues arising on written business and transactions, as well as validating, reviewing the risks taken and other adjustments based on judgement;
- The Accounting team is also responsible for Company-wide activities which include the preparation of the company financial and management information, forecasting and planning and risk reporting. The Accounting team sets the reporting timetables, and compiles the financial statements, and considers and incorporates comments as to content and presentation made by senior and external advisors.
- The Accounting team is also responsible for developing the Company's interpretation of IFRS Accounting Standards and their consistent application within the Company and is responsible for the timely resolution of corporate and transaction specific accounting issues – like implementation of IFRS 17.
- The Accounting team is responsible for producing income tax related financial data in conjunction with external consultants covering the assessment and planning of current and deferred income taxes and the collection of tax related information. The Chief Financial Officer monitors the income tax position and controls the provisioning for tax risks.

The operation of internal control over financial reporting is also importantly supported by the Chief Operating Officer. Although this function is not directly involved in the financial preparation process, they contribute significantly to the production of financial information:

- The Chief Operating Officer ("COO") is responsible for confirming transactions with counterparties and performing reconciliations, both internally and externally, of financial information between systems, the accounting system and the risk underwriting system. The COO also undertakes all reinsurance transactions activities on behalf of the Company and performs reconciliations of account balances.

## Controls to Minimise the Risk of Financial Reporting Misstatement

The system of internal control over financial reporting consists of many internal controls and procedures aimed at minimising the risk of misstatement of the financial statements. Such controls are integrated into the operating process and include those which:

- are ongoing or permanent in nature such as supervision within written policies and procedures or segregation of duties.
- operate on a periodic basis such as those which are performed as part of the annual financial statement preparation process.

# Management Report On Internal Control Over Financial Reporting

CONTINUED

For the year ended 31 December 2025

## Controls to Minimise the Risk of Financial Reporting Misstatement (continued)

- are preventative or detective in nature.
- have a direct or indirect impact on the financial statements themselves. Controls which have an indirect effect on the financial statements include Information Technology General Controls such as system access controls.
- feature automated or manual components. Automated controls are control functions embedded within system processes such as application enforced segregation of duty controls and interface checks over the completeness and accuracy of inputs. Manual internal controls are those operated by an individual or group of individuals such as authorisation of transactions.
- the combination of individual controls encompasses each of the following aspects of the system of internal control over financial reporting:
  - accounting policy design and implementation. Controls to promote the consistent recording and reporting of the Company's business activities in accordance with authorised accounting policies;
  - reference data. Controls over reference data in relation to the general ledger and on- and off-balance sheet transactions including product reference data;
  - new business and transaction approval, capture and confirmation. Controls are intended to ensure the completeness and accuracy of recorded transactions as well as appropriate authorisation. Such controls include transaction confirmations which are sent to and received from counterparties to help ensure that trade details are corroborated;
  - reconciliation controls, both external and internal. Inter-system reconciliations are performed between relevant systems for all trades, transactions, positions, or relevant parameters. Reconciliations include bank accounts, accounts receivables, accounts payable and other general ledger accounts and other systems used in the business;
  - taxation. Controls are designed to ensure that tax calculations are performed properly and that tax balances are appropriately recorded in the financial statements;
  - balance sheet substantiation. Controls relating to the substantiation of balance sheet accounts to promote the integrity of general ledger account balances based on supporting evidence; and
  - financial statement disclosure and presentation. Controls over compilation of the financial statements themselves including preparation of disclosure checklists and compliance with the requirements thereof, and review and sign-off of the financial statements by senior Finance management. The financial statements are also subject to approval by Management, and the Board and its Audit Committee.

## Measuring Effectiveness of Internal Control

Each year, the management of the company undertakes a formal evaluation of the adequacy and effectiveness of the system of internal control over financial reporting. This evaluation incorporates an assessment of the effectiveness of the control environment as well as individual controls which make up the system of internal control over financial reporting taking into account-

# Management Report On Internal Control Over Financial Reporting **CONTINUED**

For the year ended 31 December 2025

## Measuring Effectiveness of Internal Control (continued)

- the financial misstatement risk of the financial statement line items, considering such factors as materiality and the susceptibility of the financial statement item to misstatement; and
- The susceptibility of identified controls to failure considering such factors as the degree of automation, complexity, and risk of management override, competence of personnel and the level of judgment required.

These factors, in aggregate, determine the nature and extent of evidence that management requires to be able to assess whether the operation of the system of internal control over financial reporting is effective. The evidence itself is generated from procedures integrated within the daily responsibilities of staff or from procedures implemented specifically for purposes of the internal control over financial reporting evaluation. Information from other sources also forms an important component of the evaluation since such evidence may either bring additional control issues to the attention of management or may collaborate findings. Such information sources include-

- Internal audit reports carried out by the outsourced internal auditors such as the internal control questionnaire and assessment.
- A review of the operations of the company by the Pensions and Insurance Authority.
- External auditor reports; and,
- Reports commissioned to evaluate the effectiveness of outsourced processes to third parties.

In addition, the Company's Audit evaluates the design and operating effectiveness of internal control over financial reporting by performing year-end review of the gap analysis of the internal controls. Reports are produced summarising the results from each audit performed which are distributed to the managers responsible for the activities concerned. These reports also provide evidence to support the annual evaluation by management of the overall operating effectiveness of the internal control over financial reporting.

As a result of the evaluation, management has concluded that internal control over financial reporting is appropriately designed and operating effectively as at 31 December 2025.

The external auditor that audited the financial statements has issued an external auditor's report on our assessment of the company's internal controls over financial reporting and it is filed on page 38 of this integrated report.

Brian Lwenga Mateyo



Managing Director

Date: 4 March 2026

Humphrey Miamba



Chief Financial Officer

Date: 4 March 2026



**“Growth requires roots deep enough to support branches bold enough.”**

...Covering your risks beyond...

## Annual Certification By Managing Director, On The Annual Report And Other Submissions Required Under The Securities (Internal Controls Over Financial Reporting) Guidelines

I, **Brian Lwenga Mateyo**, certify that—

1. I have reviewed the Annual Report as defined in Section 14 of the Securities (Internal Controls Over Financial Reporting) Guidelines of Zambia Reinsurance PLC as of 31 December 2025.
2. Based on my knowledge, the annual report does not contain any untrue statement of a material fact. Nor does it omit to state a material fact which would make the statement misleading in light of the circumstance under which it was made.
3. Based on my knowledge, the financial statements and other financial information included in this annual report, fairly presents, in all material respects, the financial condition and results of operations of the company as of, and for, the periods presented in this annual report.
4. The other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures and internal controls over financial reporting as by the Securities (Internal Controls Over Financial Reporting) Guidelines to the Company and we have
  - a. designed or caused to be designed under our supervision such disclosure controls and procedures to ensure that material information relating to the Company is made known to us, particularly during the period in which the annual report is being prepared;
  - b. designed or caused to be designed under our supervision such disclosure controls and procedures to ensure that information required to be disclosed under the Securities Exchange Act of 2016 (as amended) is recorded, processed, summarised and reported within the time periods specified in the SEC's rules and forms, including without limitation that information required to be disclosed in the SEC filings is accumulated and communicated to management, including the Managing Director (MD), and Chief Financial Officer (CFO), as appropriate, to allow for timely decisions regarding required disclosure;
  - c. designed or caused to be designed under our supervision such internal controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS Accounting Standards;
- d. evaluated the effectiveness of the Company's disclosure controls and procedures and internal control over financial reporting within the ninety (90) days prior to this annual report (the "Evaluation Date");
- e. Disclosed in this report any change in the Company's internal control over financial reporting and disclosure controls and procedures that occurred during the Company's most recent fiscal quarter (the Company's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting; and
- f. presented in this annual report, our conclusions about the effectiveness of the disclosure controls and procedures and internal control over financial reporting based on our evaluation as of the Evaluation Date.
5. The Company's other certifying officer(s) and I have disclosed, based on our most recent evaluation, to the Company's auditors and the audit committee of the Company's Board of Directors (or persons performing similar functions):
  - a. all significant deficiencies in the design or operation of disclosure controls and procedures and internal control over financial reporting which would adversely affect the Company's ability to record, process, summarise and report financial data and have identified for the Company's auditors any material weaknesses in internal controls; and
  - b. any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal controls.
6. The Company's other certifying officer (s) and I have evaluated the effectiveness of the Company's disclosure controls and procedures, and Internal Controls Over Financial Reporting as required under Securities (Internal Controls Over Financial Reporting) Guidelines. Based on this evaluation we have concluded that as of 31 December 2025 the Company's disclosure controls and procedures and Internal Controls of Financial Reporting are effective.

MANAGING DIRECTOR



Date: 4 March 2026

# Annual Certification By Chief Financial Officer, On The Annual Report And Other Submissions Required Under The Securities (Internal Controls Over Financial Reporting) Guidelines

**CONTINUED**

I, **Humphrey Miamba**, certify that—

1. I have reviewed the Annual Report as defined in Section 14 of the Securities (Internal Controls Over Financial Reporting) Guidelines of Zambia Reinsurance PLC as of 31 December 2025.
2. Based on my knowledge, the annual report does not contain any untrue statement of a material fact. Nor does it omit to state a material fact which would make the statement misleading in light of the circumstance under which it was made.
3. Based on my knowledge, the financial statements and other financial information included in this annual report, fairly presents, in all material respects, the financial condition and results of operations of the company as of, and for, the periods presented in this annual report;
4. The other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures and internal controls over financial reporting as by the Securities (Internal Controls Over Financial Reporting) Guidelines the Company and we have
  - a. designed or caused to be designed under our supervision such disclosure controls and procedures to ensure that material information relating to the Company is made known to us, particularly during the period in which the annual report is being prepared;
  - b. designed or caused to be designed under our supervision such disclosure controls and procedures to ensure that information required to be disclosed under the Securities Exchange Act of 2016 (as amended) is recorded, processed, summarised and reported within the time periods specified in the SEC's rules and forms, including without limitation that information required to be disclosed in the SEC filings is accumulated and communicated to management, including the Managing Director (MD), and Chief Financial Officer (CFO), as appropriate, to allow for timely decisions regarding required disclosure;
  - c. designed or caused to be designed under our supervision such internal controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS Accounting Standards;
- d. Disclosed in this report any change in the Company's internal control over financial reporting and disclosure controls and procedures that occurred during the Company's most recent fiscal quarter (the Company's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting; and
- e. presented in this annual report, our conclusions about the effectiveness of the disclosure controls and procedures and internal control over financial reporting based on our evaluation as of the Evaluation Date.
5. the Company's other certifying officer(s) and I have disclosed, based on our most recent evaluation, to the company's auditors and the audit committee of the Company's Board of Directors (or persons performing similar functions)
  - a. all significant deficiencies in the design or operation of disclosure controls and procedures and internal control over financial reporting which would adversely affect the Company's ability to record, process, summarise and report financial data and have identified for the Company's auditors any material weaknesses in internal controls; and
  - b. any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal controls; and
  - c. The Company's other certifying officer (s) and I have evaluated the effectiveness of the Company's disclosure controls and procedures, and Internal Controls Over Financial Reporting as required under Securities (Internal Controls Over Financial Reporting) Guidelines. Based on this evaluation we have concluded that as of 31 December 2025 the company's disclosure controls and procedures and Internal Controls of Financial Reporting are effective.

Chief Financial Officer



Date: 4 March 2026

# Annual Certification By Management To Zambia Reinsurance Board Audit Committee

The Chairperson  
Audit Committee  
Zambia Reinsurance PLC

## RE: Disclosure to the Board Audit Committee

We hereby disclose, based on our most recent evaluation of the Company's disclosure controls and internal controls over financial reporting, to the Company's Audit Committee of the Company's Board of Directors that:

- i. There were no significant deficiencies in the design or operation of internal controls which would adversely affect the Company's ability to record, process, summarise and report financial data and did not identify any material weakness in internal controls; and
- ii. There was no fraud, whether or not material, that involved management or other employees who have a significant role in the Company's internal controls.

Further, we have not become aware of any significant changes in internal controls or other factors that could significantly affect internal controls subsequent to the date of our evaluation.

**Brian Lwenga Mateyo**



**Managing Director**

**Date:** 4 March 2026

**Humphrey Miamba**



**Chief Financial Officer**

**Date:** 4 March 2026

# Annual Certification By Management To The External Auditors

Grant Thornton  
2nd Floor Metropolitan House  
Off Kelvin Siwale road. Arcades area,  
P.O Box. 30885  
Lusaka

## RE: Disclosure to the External Auditors - Grant Thornton

The other certifying officer(s) and I hereby disclose, based on our most recent evaluation of the Company's disclosure controls and internal controls over financial reporting, to the Company's auditor that—

- i. There were no significant deficiencies in the design or operation of internal controls which would adversely affect the Company's ability to record, process, summarise and report financial data and did not identify any material weakness in internal controls; and
- ii. There was no fraud, whether or not material, that involved management or other employees who have a significant role in the Company's internal controls.

Further, we have not become aware of any significant changes in internal controls or other factors that could significantly affect internal controls subsequent to the date of our evaluation.

**Brian Lwenga Mateyo**



**Managing Director**

**Date:** 4 March 2026

**Humphrey Miamba**



**Chief Financial Officer**

**Date:** 4 March 2026



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## Assurance Report On Internal Control Over Financial Reporting 31 December 2025

### To the shareholders of Zambia Reinsurance PLC

We have audited Zambia Reinsurance PLC's internal controls over financial reporting as at 31 December 2025, based on criteria established in Internal Control- Integrated Framework issued by the Committee of Sponsoring Organisations of the Treadway Commission (COSO).

#### Opinion

In our opinion, Zambia Reinsurance PLC's maintained, in all material respects, effective internal controls as of 31 December 2025, based on Integrated Framework issued by the Committee of Sponsoring Organisations of the Treadway Commission (COSO).

We also have audited the financial statements of Zambia Reinsurance PLC which comprise of the Statement of Financial Position as of 31 December, 2025, the Statement of Profit and Loss and Other Comprehensive Income, Statement of Changes in Equity, Statement of Cashflows for the year then ended of the Company and notes to the annual financial statements, comprising material accounting policies and our report dated 4 March 2026 expressed an unqualified opinion.

#### Auditor's Responsibilities for the Audit of the Internal Control over financial reporting

Zambia Reinsurance PLC's management is responsible for maintaining effective internal controls and for its assessment of the effectiveness of internal controls included in the Management Internal Control Report for the year ended 31 December 2025. Our responsibility is to express an opinion on the company's internal controls. In this regard, our firm applies International Standards of Quality Control in the firm's administration and performance of our audit.

Our firm complies with the independence and other ethical requirements of the International Ethics Standards Board for Accountants Code and the Securities and Exchange Commission in Zambia.

#### Basis for Opinion

We conducted our audits in accordance with the standards of the International Standards for Assurance Engagements 3000. Those standards require that we plan and perform the audit to obtain reasonable assurance that effective internal controls were maintained in all material respects. Our conclusion may not be suitable for another purpose.

Our audit of the company's internal controls included obtaining an understanding of internal controls over financial reporting, assessing the risk that a material weakness exists and testing and evaluating the design and operating effectiveness of internal controls based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provided a reasonable basis for our opinion.

#### Partners

Edgar Hamuwele (Managing)  
 Christopher Mulenga  
 Wealey Beene  
 Rodia Milumbe Musonda  
 Chilala Banda

#### Chartered Accountants

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## Assurance Report On Internal Control Over Financial Reporting 31 December 2025

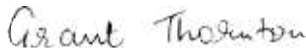
### To the shareholders of Zambia Reinsurance PLC

#### Definition and limitation of internal controls over financial reporting

A company's internal controls over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal controls over financial reporting includes those policies and procedures that:

- pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company.
- provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of their inherent limitations, internal controls over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions or that the degree of compliance with the policies or procedures may deteriorate.



Grant Thornton



Chilala Banda - (AUD/F004257)

Name of Partner signing on behalf of the Firm

Lusaka

Date: 4 March 2026



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# Independent Auditor's Report

## To the shareholders of Zambia Reinsurance PLC

### Report On The Audit Of The Financial Statements

#### Opinion

We have audited the financial statements of Zambia Reinsurance PLC, set out on pages 45 to 102 which comprise the statement of financial position as at 31 December 2025, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and the notes to the financial statements, including a summary of material accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of Zambia Reinsurance PLC, as at 31 December 2025 and of its financial performance and cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB) and in the manner required by the Insurance Act 2021, the Companies Act, 2017 and the Securities Act of Zambia, 2016 (as amended).

#### Basis For Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) and other independence requirements applicable to performing audits of financial statements in Zambia, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key Audit Matters

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

#### Partners

Edgar Hamuwele (Managing)  
 Christopher Mulenga  
 Wesley Beene  
 Rodia Milumbe Musonda  
 Chilala Banda

#### Chartered Accountants

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# Independent Auditor's Report

CONTINUED

## To the shareholders of Zambia Reinsurance PLC

Key Audit Matter	How matter was addressed in our audit
<p><b>Measurement of Insurance contracts - IFRS 17</b></p> <p>We focused on this area because this requires the use of judgements and estimates in determining the methods and processes used for estimating the inputs to those methods.</p> <p>The determination of the income and expenses and related assets and liabilities requires the Company's management to make judgements to assess whether a contract transfers risk. It is reasonably possible that uncertainties inherent in the process could lead to the ultimate amount paid varying materially from the amount estimated at this reporting date.</p>	<p><b>We performed the following audit procedures:</b></p> <ul style="list-style-type: none"> <li>· We performed the following audit procedures:</li> <li>· We evaluated management's methodology against market practice and challenged management's assumptions and their assessment of major sensitivities, based on our market knowledge and industry data where available. The main areas of judgement include the level of risk adjustment and discounting; and</li> <li>· Tested the completeness and accuracy of the underlying insurance data provided by the management to the Company's actuary.</li> </ul>
<p>We also focused on this area because the Company has a significant balance of reinsurance and retrocession contract assets and liabilities amounting to K59.27 million and K65.82 million respectively as at 31 December 2025.</p> <p>Please refer to notes 2.6 and 3.0 of the financial statements for the accounting policy, disclosures of the related judgements and estimates and other details relating to implementation of IFRS 17.</p>	

# Independent Auditor's Report

CONTINUED

## To the shareholders of Zambia Reinsurance PLC

### Other Information

The Directors are responsible for the other information. The other information comprises the Corporate governance report, Report of the Directors and the Statement of Directors' Responsibility for the Annual Financial Statements, as required by the Companies Act, 2017 (as amended) which we obtained prior to the date of this auditor's report, and the annual report which we will receive after the date of this report. The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not and will not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities Of The Directors For The Financial Statements

The Directors are responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS Accounting Standards, and in the manner required by the Insurance Act, 2021 and the Companies Act, 2017 (as amended) and Securities Act of Zambia, 2016 (as amended) for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

The Directors are responsible for overseeing the Company's financial reporting process.

### Auditor's Responsibilities For The Audit Of The Financial Statements

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

As part of an audit in accordance with ISAs, we exercise judgement and maintain scepticism throughout the

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

# Independent Auditor's Report

CONTINUED

## To the shareholders of Zambia Reinsurance PLC

### Auditor's Responsibilities For The Audit Of The Financial Statements (Continued)

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide the Directors with a statement that we have compiled with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

### Report On Other Legal And Regulatory Requirements

#### The Companies Act, 2017 Of Zambia

Sections 250 (2) and 259 (3) of the Companies Act, 2017 require that in carrying out our audit, we consider and report on whether:

- There is a relationship, interest or debt which we as the Company's auditors have in Zambia Reinsurance PLC;
- There are serious breaches by the Company's Directors of the corporate governance principles or practices contained in Part VII, sections 82 to 112 of the Companies Act, 2017; and
- There is an omission in the financial statements as regard particulars of loans made to a Company officer (a director, Company secretary or executive officer of a Company) during the year, and if reasonably possible, disclose such information in our opinion.

# Independent Auditor's Report CONTINUED

## To the shareholders of Zambia Reinsurance PLC

### Report On Other Legal And Regulatory Requirements (Continued)

In respect of the foregoing requirements, we have no matters to report.

#### Insurance Act, 2021

In accordance with the Insurance Act, 2021, we report that in our opinion:

- The Company made available all necessary information to enable us ascertain its compliance with the requirements of this Act;
- The Company has complied with the provisions of this Act and the regulations, guidelines and prescriptions under this Act; and
- The Company met the minimum solvency margins as required by Section 65(1) of the Insurance Act 2021. The Company recorded a solvency margin of 244% as disclosed in the solvency statement on page 106.

#### The Securities Act, 2016 (As Amended) Of Zambia

Part III, Rule 18 of the Securities (accounting and financial reporting requirements) Rules of the Securities Act, 2016 of Zambia, require that in carrying out our audit of Zambia Reinsurance PLC we report on whether:

- The annual financial statements of the Company have been properly prepared in accordance with Securities and Exchange Commission rules;
- The Company has, throughout the financial year, kept proper accounting records in accordance with the requirements of Securities and Exchange Commission rules;
- The statement of financial position and statement of comprehensive income are in agreement with the Company's accounting records; and
- We have obtained all the information and explanations which, to the best of our knowledge and belief, are necessary for the purposes of our audit.

In respect of the foregoing requirements, we have no matters to report.



Grant Thornton



Chilala Banda - (AUD/F004257)

Name of Partner signing on behalf of the Firm

Lusaka

Date: 4 March 2026

# Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2025

	Note	2025	2024
		K	K
Reinsurance revenue	8	155,711,697	140,341,210
Retrocession service expenses	9	(56,107,926)	(52,953,377)
<b>Reinsurance service result from reinsurance contracts issued</b>		99,603,771	87,387,833
Reinsurance service expense	8	(93,425,777)	(98,441,430)
Retrocession service income	9	17,299,092	34,909,205
<b>Net Reinsurance Service expense</b>		(76,126,685)	(63,532,225)
Reinsurance finance (expense)/income	8	(2,589,439)	(2,965,223)
Retrocession finance income/(expense)	9	1,665,120	2,523,242
<b>Operating expenses</b>			
Non- attributable expenses	6	(8,524,482)	(7,508,436)
Depreciation and amortisation	7	(1,537,629)	(1,349,242)
		(10,062,111)	(8,857,678)
<b>Total Service and Operating Expenses</b>		(87,113,115)	(72,831,884)
Investment income	4	9,658,960	8,513,544
Other gains and losses	5	(11,756,436)	9,279,727
Other income/(expense)		279	2,270
<b>Other operating income</b>		(2,097,197)	17,795,541
<b>Profit before tax</b>	7	10,393,459	32,351,490
Income tax expense	10	(2,579,490)	(3,888,997)
<b>Profit for the year</b>		7,813,969	28,462,493
<b>Other comprehensive income (net of tax) Items that will not be reclassified subsequently to profit or loss</b>			
Revaluation of property		3,693,067	-
Gain on investments at fair value	14	1,806,561	3,624,384
		5,499,628	3,624,384
<b>Total comprehensive income for the year</b>		13,313,597	32,086,877
Basic and diluted earnings per share	23	0.17	0.63

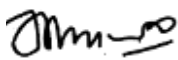
# Statement of Financial Position

As at 31 December 2025

	Note	2025	2024
<b>Assets</b>		K	K
Property and equipment	11	17,228,562	11,999,140
Right-of-use assets	20	524,124	532,716
Investment properties	12	6,460,000	6,300,000
Deferred tax asset	21	6,436,684	-
Investments at amortised cost	13	87,146,064	76,579,979
Investments at fair value	14	5,863,421	9,592,860
Reinsurance contract assets	8	39,466,631	46,375,173
Retrocession contract assets	9	19,803,500	19,991,953
Other assets	15	38,685,833	36,055,334
Cash and cash equivalents	16	2,250,762	2,376,898
<b>Total Assets</b>		223,865,581	209,804,053
<b>Equity And Liabilities</b>			
<b>Capital and reserves</b>			
Share capital	17	45,000,000	45,000,000
Share premium	18	24,978,551	24,978,551
Revaluation reserves		20,249,579	14,823,812
Retained earnings		56,019,801	50,651,971
<b>Total equity</b>		146,247,931	135,454,334
<b>Liabilities</b>			
Reinsurance contract liabilities	8	9,948,269	9,564,380
Retrocession contract liabilities	9	55,872,007	56,997,220
Other financial liabilities	19	4,467,942	2,844,692
Lease liabilities	20 (ii)	499,503	528,126
Current tax liability	10	6,787,266	4,276,451
Deferred tax liability	21	-	100,036
Dividend payable		42,663	38,814
		77,617,650	74,349,719
<b>Total Equity and Liabilities</b>		223,865,581	209,804,053

The responsibilities of the Company's Directors with regard to the preparation of the financial statements are set out on page 26.

The financial statements on pages 45 to 102 were approved and authorised for issue by the Board of Directors on 4 March 2026 and were signed on its behalf by:



Joyce Muwo - Mwansa  
Board Chairperson



Nathan DeAssis  
Non-Executive Director

# Statement of Changes in Equity

For the year ended 31 December 2025

	Share Capital	Share Premium	Revaluation Reserves	Retained Earnings	Total
	K	K	K	K	K
<b>Balance at 1 January 2024</b>	45,000,000	24,978,551	11,199,428	24,214,478	105,392,457
Profit for the year	-	-	-	28,462,493	28,462,493
Other comprehensive income, net of taxes:					
Gain on investments at fair value	-	-	3,624,384	-	3,624,384
Comprehensive income	-	-	3,624,384	28,462,493	32,086,877
Transactions with owners:					
Dividends paid	-	-	-	(2,025,000)	(2,025,000)
<b>Balance at 31 December 2024</b>	45,000,000	24,978,551	14,823,812	50,651,971	135,454,334
<b>Balance at 1 January 2025</b>	45,000,000	24,978,551	14,823,812	50,651,971	135,454,334
Profit for the year	-	-	-	7,813,969	7,813,969
Other comprehensive income, net of taxes:					
Revaluation of property	-	-	3,693,067	-	3,693,067
Transfer to retained earnings	-	-	(73,861)	73,861	-
Gain on investments at fair value	-	-	1,806,561	-	1,806,561
Comprehensive income	-	-	5,425,767	7,887,830	13,313,597
Transactions with owners:					
Dividends paid	-	-	-	(2,520,000)	(2,520,000)
<b>Balance at 31 December 2025</b>	45,000,000	24,978,551	20,249,579	56,019,801	146,247,931

# Statement of Cashflows

For the year ended 31 December 2025

	NOTES	2025	2024
		K	K
<b>Operating activities</b>			
Profit before tax		10,393,459	32,351,490
<b>Adjusted for non-cash items:</b>			
Depreciation expense		1,537,629	1,349,242
Gains on disposal of property and equipment		(22,610)	(83,050)
Loss on disposal of fair value investment		83,040	62,922
Fair value gain on investment property	12	(160,000)	(400,000)
Other gains/ (losses)			-
Interest income		(9,359,062)	(7,940,904)
<b>Operating cash flows before movement in working capital</b>			
Increase in reinsurance contract assets		6,908,542	(18,938,483)
Decrease in other assets		(2,630,499)	(15,991,825)
Decrease/ (increase) in retrocession contract assets		188,453	(10,823,820)
(Decrease)/ increase in retrocession contract liabilities		(1,125,213)	23,544,087
(Decrease)/ increase in reinsurance contract liabilities		383,889	3,295,868
(Decrease)/ increase in other financial liabilities		1,623,250	(423,344)
Decrease in lease liabilities		(28,623)	(11,613)
<b>Cash used in operating activities</b>			
Interest income		9,359,062	7,940,904
Income tax paid	10	(6,605,395)	(2,229,460)
<b>Net cash generated from operating activities</b>			
<b>Investing activities</b>			
Proceeds on disposal of property and equipment		36,095	111,509
Proceeds on disposal of equity investment		5,452,960	2,996,697
Purchase of property and equipment	11	(3,078,877)	(1,396,962)
Proceeds from investments in financial assets		146,103,607	104,859,146
Purchase of investments in financial assets		(156,669,692)	(131,454,240)
<b>Net cash used in investing activities</b>			
<b>Financing activities</b>			
Dividends paid	25	(2,516,151)	(1,999,884)
<b>Net cash outflow from financing activities</b>			
<b>Net cash outflows</b>			
Net cash and cash equivalents at beginning of the year		2,376,898	17,558,618
Impact on foreign currency exchange rate changes		-	-
<b>Net cash and cash equivalents at end of the year</b>			
<b>Comprised of:</b>			
Bank and cash balances	16	2,250,762	2,376,898
Short term deposits maturing within 90 days	16	-	-
		<b>2,250,762</b>	<b>2,376,898</b>



**“Change doesn’t wait for approval—it demands response.”**

# Notes to the Financial Statements

For the year ended 31 December 2025

## 1. General information

Zambia Reinsurance PLC (the "Company") is a public limited Company incorporated and domiciled in Zambia. The address of its registered office and principal place of business are disclosed in the corporate information on pages 1 - 2. The principal activities of the Company are described in the Directors' report.

The financial statements are presented in Zambian Kwacha (K), which is the Company's presentation currency. All financial information presented in Zambian Kwacha has been rounded to the nearest Kwacha unless otherwise indicated. The Company's financial currency is the Zambian Kwacha (K).

## 2. Material Accounting Policies

### 2.1 Statement of compliance

The Company's financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB") and in the manner required by the Insurance Act 2021, the Companies Act, 2017 (as amended) and the Securities Act of Zambia, 2016 (as amended).

### 2.2 Basis of preparation

The financial statements have been prepared on the historical cost basis except for certain properties and financial instruments that are measured at revalued amounts at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for, leasing transactions that are within the scope of IFRS 16 Leases, and measurements that have some similarities to fair value but are not fair value, such as value in use in IAS 36 Impairment of assets.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The Company presents its statement of financial position broadly in order of liquidity from the least liquid to the most liquid. An analysis regarding recovery of settlement within twelve months after the reporting date (current) more than 12 months (non current) is presented in the notes.

## 2.3 New standards adopted as at 1 January 2025

Some accounting pronouncements which have become effective from 1 January 2025 and have therefore been adopted do not have a significant impact on the Company's statement profit or loss and other comprehensive income and statement of financial position.

## 2.4 Other standards and amendments that are effective for the first time in 2025 and could be applicable to the Company are:

- Lack of Exchangeability (Amendments to IAS 21).

These amendments do not have a significant impact on these financial statements and therefore the disclosures have not been made.

## 2.5 Standards, Amendments and Interpretations to existing standards that are not yet effective and have not been adopted early by the Company

At the date of authorisation of these financial statements, several new, but not yet effective, Standards and amendments to existing Standards, and Interpretations have been published by the IASB or IFRIC. None of these Standards or amendments to existing Standards have been adopted early by the Company and no Interpretations have been issued that are applicable and need to be taken into consideration by the Company at either reporting date.

Other Standards and amendments that are not yet effective and have not been adopted early by the Company include:

- Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and 7);
- Annual Improvements to IFRS Accounting Standards—Volume 11;
- IFRS 19 'Subsidiaries without Public Accountability: Disclosures';
- Amendments to IFRS 19 'Subsidiaries without Public Accountability: Disclosures'.

These Standards and amendments are not expected to have a significant impact on the financial statements in the period of initial application and therefore no disclosures have been made.

Management anticipates that all relevant pronouncements will be adopted for the first period beginning on or after the effective date of the pronouncement.

In April 2024, the IASB issued IFRS 18, which replaces IAS 1 'Presentation of Financial Statements'. Although IFRS 18 includes many of the requirements of IAS 1, it introduces new requirements to better structure financial statements and to provide more detailed and useful information to investors, including:

- two new subtotals defined in the statement of profit or loss, namely (1) operating profit and (2) profit or loss before financing and income taxes;
- the classification of all income and expenses within the statement of profit or loss in one of five categories;

...Covering your risks beyond...

## 2. Material Accounting Policies (Continued)

### 2.5 Standards, Amendments and Interpretations to existing standards that are not yet effective and have not been adopted early by the Company (Continued)

- a new requirement to disclose performance measures defined by management; and
- an improvement in the principles related to the aggregation and disaggregation of information in the financial statements and accompanying notes.

Some of the disclosure requirements previously contained in IAS 1 have been transferred to IAS 8 without any material changes. This applies in particular to disclosures on accounting policies and sources of estimation uncertainty. As a result of these changes, IAS 8 will be renamed 'Basis of Preparation of Financial Statements'.

The publication of IFRS 18 also results in consequential amendments to other IFRS Accounting Standards, including IAS 7.

IFRS 18 is effective for annual periods beginning on or after 1 January 2027, with earlier application permitted. IFRS 18 will be applied retrospectively with specific transitional provisions.

The Company is currently working to identify all of the impacts that IFRS 18 will have on the primary financial statements and notes to the financial statements.

Other new Standards, amendments and Interpretations not adopted in the current year have not been disclosed as they are not expected to have a material impact on the Company's financial statements.

### 2.6 Reinsurance and retrocession contracts

#### Definition and classification

Reinsurance contracts are contracts under which the Company accepts significant insurance risk from an insurer by agreeing to compensate the insurer if a specified uncertain future event adversely affects the insurer. In making this assessment, all substantive rights, and obligations, including those arising from law or regulation, are considered on a contract-by-contract basis. The Company uses judgement to assess whether a contract transfers insurance risk (i.e. if there is scenario with commercial substance in which the Company has the possibility of a loss on a present value basis) and whether the accepted insurance risk is significant

The Company uses retrocession agreements, to reduce its exposure to risks assumed, to increase its aggregate underwriting capacity. The ceding of risk to retrocessionaires does not relieve the Company from its direct obligations to its ceding companies.

The Company does not write any investment contract with discretionary participation features or reinsurance contracts with direct participation features.

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

- Derivatives embedded in the contract whose economic characteristics and risks are not closely related to those of the host contract, and whose terms would not meet the definition of reinsurance or retrocession contract as a stand-alone instrument; an

- Distinct investment component: i.e. investment components that are not highly inter-related with the insurance components and for which contracts with equivalent terms are sold, or could be sold, separately in the same market or the same justification.

After separating any financial instrument components, the Company separates any promises to transfer to policy holders' distinct goods or services other than reinsurance coverage and investment services and accounts for them as separate contracts with customers (i.e. not as reinsurance contracts). A good or service is distinct if the policyholder can benefit from it either on its own or with other resources that are readily available to the policyholder. A good or service is not distinct and is accounted for together with the reinsurance component if the cashflows and risks associated with the good or services are highly inter-related with the cashflows and risks associated with the reinsurance component, and the Company provides a significant service of integrating the good or service with reinsurance component. Currently, the Company's portfolios do not contain any non-insurance components that need to be unbundled from reinsurance and retrocession contracts.

#### Recognition

The Company recognises groups of reinsurance contracts it issues from the earliest of the following:

- The beginning of the coverage period of the group of contracts
- The date when the first payment from a policyholder in the group is due or when the first payment is received if there is no due date
- For a group of onerous contracts, if facts and circumstance indicate that the group is onerous.

The Company recognises a group of retrocession contracts held, it has entered into, from the earlier of the following:

- The beginning of the coverage period of the group of retrocession contracts held.
- The date the company recognises an onerous group of underlying reinsurance contracts held at or before that date.

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

#### Contract boundary

The Company includes in the measurement of a group of reinsurance contract all the future cashflows within the boundary of each contract in the group. Cashflows are within the boundary of an reinsurance contract if they arise from substantive rights and obligations that exist during the reporting period in which the Company can compel policy holders to pay the premiums, or in which the Company has a substantive obligation to provide reinsurance contract services ends when:

- The Company has the practical ability to reassess the risks of the portfolio of reinsurance contracts that contain the contract and, as a result, can set a price or level of the benefits that fully reflects those risks;
- Both of the following criteria are satisfied:

# Notes to the Financial Statements

For the year ended 31 December 2025

CONTINUED

## 2. Material Accounting Policies (Continued)

### 2.6 Reinsurance and retrocession contracts (continued)

#### Contract boundary (Cont.)

- The Company has the practical ability to reassess the risks of the portfolio of reinsurance contracts that contain the contract and, as a result, can set a price or level of benefits that fully reflects the risks of that portfolio,
- The pricing of the premiums up to the date when risks are assessed does not take into account the risks that relate to periods after reassessment date.

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

#### Measurement - Premium allocation approach

	IFRS - 17 Options	Adopted Approach
Premium Allocation Approach (PAA) Eligibility	Subject to specified criteria, the PAA can be adopted as a simplified approach to the IFRS 17 general model.	Coverage period for all the contracts being one year or less qualifies automatically for PAA. For group of contracts with coverage period greater than one year, there was no material difference in the measurement of the liability for the remaining coverage between PAA and the general model, therefore, these qualify for PAA.
Reinsurance acquisition cashflows for reinsurance contracts issued	Where the coverage period of all contracts within a group is not longer than one year, reinsurance acquisition cashflows can either be expensed as incurred, or allocated, using a systematic and rational method, to groups containing reinsurance contracts that are expected to arise from renewals) and then amortised over the coverage period of the related group. For groups containing contracts longer than one year, reinsurance acquisition cashflows must be allocated to related groups of reinsurance contracts and amortised over the coverage period of the related group.	Reinsurance acquisition cashflows allocated to related groups of reinsurance contracts and amortised over the coverage period of the related group.
Liability for Remaining Coverage (LRC), adjusted for financial risk and time value of money	Where there is no significant financing component in relation to the LRC, or where the time between providing each part of the services and the related premiums due date is no more than a year, an entity is not required to make an adjustment for accretion of interest on the LRC.	For all contracts measured under the PAA, there is no significant financing component as the premiums are expected to be received within one year of the coverage period.
Liability for remaining Incurred Claims (LIC) adjusted for time value of money	Where claims are expected to be paid within a year of date that the claim is incurred, it is not required to adjust these amounts for the time value of money.	The Company discounts the LIC for the time value of money as claims are expected to be paid on average a year after the date that they are incurred.
Reinsurance finance and expenses	There is an option to disaggregate part of the movement in LIC resulting from changes in discount rates and present this in OCI.	The Company opted to take changes in discounts rate to profit and loss account.

## 2. Material Accounting Policies (Continued)

### 2.6 Reinsurance and retrocession contracts (continued)

#### Reinsurance contracts

##### Initial measurement

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

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

For contracts longer than one year, the Company has modelled possible future scenarios and reasonably expect that the measurement of the liability remaining coverage for the group containing those contracts under PAA does differ materially from measurement that would be produced applying the general model. In assessing materiality, the Company has also considered qualitative factors such as the nature of the risks and types of its lines of business.

For a group of contracts that is not onerous at initial recognition, the Company measures the liability for the remaining coverage as follows:

- The premiums. If any, received at initial recognition,
- Minus any reinsurance acquisition cashflows at the date
- Plus or minus any amount arising from the derecognition at the date of the asset recognised for reinsurance acquisition cashflow and
- Any other assets or liability previously recognised for cashflows related to the group of contracts that Company pays or receives before the group of reinsurance contracts recognised.

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

##### Subsequent measurement

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

- Plus premiums received in the period
- Minus reinsurance acquisition cashflows
- Plus or minus any amount arising from the derecognition at that date of the asset recognised for reinsurance acquisition cashflows
- Plus any amounts relating to the amortisation of the reinsurance acquisition cashflows recognised as an expense in the reporting period for the group
- Plus any adjustment to the financing component, where applicable
- Minus the amount recognised as reinsurance revenue for the services provided in the period
- Minus any investment component paid or transferred to the liability for incurred claims.

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

#### Retrocession contracts

##### Initial measurement

The Company measures its retrocession assets for a group of retrocession contracts that it holds on the same basis as reinsurance contracts that it issues. However, they are adapted to reflect the features of retrocession contracts held that differ from reinsurance contracts issued, for example the generation of expenses or reduction in expenses rather than revenue. Where the Company recognises a loss on initial recognition of an onerous contract group of underlying reinsurance contracts or when further underlying onerous reinsurance contracts are added to a group, the Company establishes a loss -recovery component of the asset for the remaining coverage for a group of retrocession contracts held depicting the recovery of losses.

The Company calculates the loss-recovery component by multiplying the loss recognised on the underlying insurance contracts and the percentage of claims on the underlying insurance contracts the Company expects to recover from the group of reinsurance contracts held.

## 2. Material Accounting Policies (Continued)

### 2.6 Reinsurance and retrocession contracts (Continued)

#### Subsequent measurement

The subsequent measurement of retrocession contracts held follows the same principle as those for reinsurance contracts issued and has been adapted to reflect the specific features of retrocession held.

#### Modification and derecognition

The Company derecognises insurance contract when:

- The rights and obligations relating to the contract are extinguished (i.e. discharged, cancelled or expired), or
- The contract is modified such that the modification results in a change in the measurement model or the applicable standard for measuring a component of the contract, substantially changes the contract boundary, or requires the modified contract to be included in a different group. In such cases, the Company derecognises the initial contract and recognises the modified contract as a new contract.

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

#### Reinsurance acquisition cashflow

Reinsurance acquisition cashflows arise from the costs of selling, underwriting and starting a group of reinsurance contracts (issued or expected to be issued) that are directly attributable to the portfolio of reinsurance contracts to which the group belongs. All acquisition costs are deferred. Using a systematic and rational method to allocate:

- Reinsurance acquisition cashflows that are directly attributable to a group of reinsurance contracts:
  - To that group; and
  - To groups that include reinsurance contracts that are expected to arise from the renewals of the reinsurance contracts in the group.

- Reinsurance acquisition cashflows directly attributable to a portfolio of reinsurance contracts that are not directly attributable to a group of contracts, to groups in the portfolio.

#### Discount rates

The Company adopts a bottom-up approach in deriving the appropriate discount rates. A single entity level discount rate curve is computed. Under this approach, this discount rate determined is the risk-free yield adjusted for differences in liquidity characteristics between the financial assets used to derive the risk-free yield and the relevant liability cashflows (known as illiquidity premiums).

#### Risk adjustment

IFRS 17 requires entities to measure reinsurance contracts at initial recognition as the sum of the following items:

- Future Cash Flow (FCF) and comprising the Present Value of Future Cash Flows (PVFCF) with an appropriate
- Risk Adjustment (RA) for non-financial risk.

The risk adjustment for non-financial risk is the compensation that the entity requires for bearing the uncertainty about the amount and timing of cashflows that arises from non-financial risk.

#### Derivation of The risk adjustment

The Company has determined that the derivation of the risk adjustment shall be performed at the operating level using an appropriate methodology that is in line with IFRS 17 guidelines.

The Risk Adjustment for the Liability for Incurred Claims (LIC) has been estimated using the Chain Ladder Method.

The Company will set confidence level in the range of the 60th to 90th percentile, on a diversified basis. The Company applies judgement to determine the appropriate Risk Adjustment based on the non-financial risks associated with their portfolios of reinsurance and retrocession contracts to determine the desired Risk Adjustments.

## 2. Material Accounting Policies (Continued)

### 2.6 Reinsurance and Retrocession contracts (continued)

#### Reinsurance revenue

The reinsurance revenue for the period is the amount of expected premium receipts (excluding any investments component) allocated to the period. The Company allocated the expected premium receipts to each period of the reinsurance contract services on the basis of the passage of time. But if the expected pattern of release of risk during the coverage period differs significantly from the passage of time, then the allocation is made on the basis of the expected timing of incurred reinsurance service expenses. The Company changes the basis of allocation between the two methods above as necessary, if facts and circumstances change. The change is accounted for prospectively as a change in accounting estimate. For the periods presented, all revenue has been recognised on the basis of passage of time.

#### Reinsurance finance income and expenses

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

- Future Cashflows Flow (FCF) and comprising the Present Value of Future Cash Flow (PVFC) with an appropriate
- The effect of the time value of money and changes in the time value of money; and
- The effect of financial risk and changes in financial risk.

The Company allocates reinsurance finance income or expenses on reinsurance contracts issued to profit or loss. The impact of changes in market interest rates on the value of the reinsurance assets and liabilities are reflected in profit or loss in order to minimise accounting mismatches between the accounting for financial assets and reinsurance assets and liabilities.

#### Net income or expenses from retrocession contracts held

The Company presents separately on the face of statement of profit and loss, the amounts expected to be recovered from reinsurers, net of allocation of the retrocession premiums paid. The Company treats retrocession cashflows that are

contingent on claims on the underlying contracts as part of the claims that are expected to be reimbursed under retrocession premium presented on the face of statement of profit or loss.

### 2.7 Finance cost

Interest paid is recognised in the income statement as it accrues and is calculated by using the effective interest rate method. Accrued interest is included within the carrying value of the interest bearing financial liability.

### 2.8 Borrowing costs

All borrowing costs are recognised in the statement of comprehensive income in the period in which they are incurred.

### 2.9 Foreign currencies

The financial statements of the Company are presented in the currency in which the majority of its transaction are conducted (its functional currency). For the purpose of the financial statements, the results and financial position of the Company are expressed in Zambian Kwacha ('K'), which is the functional currency of the Company and the presentation currency for the financial statements.

Preparing the financial statements of the Company, transactions in currencies other than the Company's functional currency (foreign currencies) are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting date, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the reporting date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange losses differences arising on cash and cash equivalents are treated as realised for tax purposes.

## 2. Material Accounting Policies (Continued)

### 2.10 Taxation

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

#### 2.10.1 Income tax

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

#### 2.10.2 Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

"The carrying amount of deferred tax assets is reviewed at each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

#### 2.10.3 Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

### 2.11 Property and equipment

Buildings are stated in the statement of financial position at valuation less depreciation. Valuations are performed as and when the Directors deem it necessary to do so but with sufficient regularity such that the carrying amount of the asset does not differ materially from that which would be determined using fair values at the reporting date. Movable machinery, fixtures and fittings and motor vehicles are stated in the statement of financial position at cost less depreciation.

## 2. Material Accounting Policies (Continued)

### 2.11 Property and equipment (Continued.)

Any revaluation increase arising on the revaluation of such buildings is recognised in other comprehensive income and accumulated in equity, except to the extent that it reverses a revaluation decrease for the same asset previously recognised in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously expensed. A decrease in the carrying amount arising on the revaluation of such land and buildings is recognised in profit or loss to the extent that it exceeds the balance, if any, held in the properties revaluation reserve relating to a previous revaluation of that asset.

Assets under construction are carried at cost, less any identified impairment loss. Such assets are initially shown as capital work in progress and transferred to the relevant class of assets when commissioned. Cost includes fees and where necessary, borrowing costs. Depreciation on these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their estimated useful lives, on a straight line basis, at the following annual rates:

<b>Building</b>	<b>2%</b>
<b>Motor Vehicles</b>	<b>25%</b>
<b>Office equipment, fixtures and fittings</b>	<b>25%</b>
<b>Computer furniture</b>	<b>15%</b>
<b>Computer software</b>	<b>20%</b>

The estimated useful lives, residual values and depreciation method are reviewed at each year end.

The effect of any changes in estimate is accounted for on a prospective basis. Management has estimated the residual values of the property and equipment at 31 December 2025 to be insignificant.

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

Repairs and maintenance expenses are charged to the statement of comprehensive income during the year in which they are incurred. The cost of major renovations is included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Company.

### 2.12 Impairment of property and equipment

At each reporting date, the Company reviews the carrying amounts of its property and equipment to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of any impairment loss.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

## 2. Material Accounting Policies (Continued)

### 2.12 Impairment of property and equipment(Continued.)

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at the revalued amounts, in which case the impairment loss is treated a revaluation decrease.

### 2.13 Revaluation of property and equipment

Valuations are performed as and when the Directors deem it necessary to do so but with sufficient regularity such that the carrying amount of the asset does not differ materially from that which would be determined using fair values at the reporting date. The last independent valuation was done in 2025.

### 2.14 Residual values and useful lives of property and equipment

The Directors review the estimated useful lives of property and equipment at the end of each annual reporting period to determine the appropriate level of depreciation and whether there is any indication that those assets have suffered an impairment loss.

### 2.15 Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value. Gains and losses arising from changes in the fair value of investment properties are included in profit or loss in the year in which they arise.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

### 2.16 Deffered Expenses

Commission and other acquisition expenses relating to unearned premiums are carried forward as deferred expenses. Deferred expenses represent commission and other brokers' fees which vary directly with and are primarily related to the acquisition of new and renewable insurance contracts and are deferred and charged to profit or loss as the related premium income is recognised. Deferred expenses are calculated on a time basis using the 24th method in respect of all classes of business.

### 2.17 Unearned Premiums

Unearned premiums relate to the unexpired risks under policies in force. Unearned premiums are calculated on a time basis using the 24th method in respect of all classes of business.

### 2.18 Financial instruments

#### 2.18.1 Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

#### Classification of financial assets

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

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

## 2. Material Accounting Policies (Continued)

### 2.18 Financial instruments (Continued.)

#### 2.18.1 Financial assets (Continued.)

##### Classification of financial assets (Continued.)

Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI):

- The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL).

The accounting policies adopted for specific financial assets are as set out below:

##### (i) Insurance and other receivables

The Company's products are classified at inception as insurance contracts in line with IFRS 17. Insurance contracts are those contracts that transfer significant insurance risk, if and only if, an insured event could cause an insurer to make significant additional benefits in any scenario, excluding scenarios that lack commercial substance.

Insurance and other assets are measured at initial recognition at fair value, and are subsequently measured at amortised cost. Appropriate allowances for estimated irrecoverable amounts are recognised in the profit or loss when there is objective evidence that the asset is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows.

Other receivables are stated after the deduction of amounts which, in the opinion of the Directors, are required for specific provision. Specific provisions are made against identified doubtful insurance receivables.

##### (ii) Deferred acquisition costs

Acquisition costs which represent commission are deferred over the year in which the related premiums are earned. The deferred portion is calculated by applying the 24th method on net commission.

##### (iii) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

##### (iv) Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For financial assets other than purchased or originated credit-impaired financial assets (i.e. assets that are credit-impaired on initial recognition), the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss

## 2. Material Accounting Policies (Continued)

### 2.18 Financial instruments (Continued.)

#### 2.18.1 Financial assets (Continued.)

##### (iv) Amortised cost and effective interest method(Cont.)

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

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost and at FVTOCI. For financial assets other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

##### (v) Equity instruments designated at fair value through other comprehensive income

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

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has evidence of a recent actual pattern of short-term profit-taking; or
- It is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

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

Dividends on these investments in equity instruments are recognised in profit or loss in accordance with IFRS 9, unless the dividends clearly represent a recovery of part of the cost of the investment.

##### Impairment of financial assets

The Company recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost or at FVTOCI, lease receivables and insurance receivables. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

## 2. Material Accounting Policies (Continued)

### 2.18 Financial instruments (Continued.)

#### 2.18.1 Financial assets (Continued.)

##### Impairment of financial assets (Continued.)

The Company always recognises lifetime ECL for insurance receivables and lease receivables. The expected credit losses on these financial assets are estimated using the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument.

#### (i) Definition of default

The Company considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that financial assets that meet either of the following criteria are generally not recoverable:

- When there is a breach of financial covenants by the debtor; or
- Information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Company, in full (without taking into account any collateral held by the Company).

Irrespective of the above analysis, the Company considers that default has occurred when a financial asset is more than 365 days past due unless the Company has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

#### (ii) Credit-Impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- (a) significant financial difficulty of the issuer or the borrower;
- (b) a breach of contract, such as a default or past due event (see (ii) above);
- (c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- (d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- (e) the disappearance of an active market for that financial asset because of financial difficulties.

The Company writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of insurance receivables, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

## 2. Material Accounting Policies (Continued)

### 2.18 Financial instruments (Continued.)

#### 2.18.1 Financial assets (Continued.)

##### Impairment of financial assets (Continued.)

#### (iii) Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Company's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information. For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original effective interest rate. For a lease receivable, the cash flows used for determining the expected credit losses is consistent with the cash flows used in measuring the lease receivable in accordance with IFRS 16 Leases.

##### Derecognition of financial Assets

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss. In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss. In contrast, on derecognition of an investment in equity instrument which the Company has elected profit or loss, but is transferred to retained earnings.

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

#### 2.18.2. Financial liabilities

##### Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

All financial liabilities are measured subsequently at amortised cost using the effective interest method or at FVTPL.

The Company has the following financial liabilities:

#### (i) Reinsurance and other payables

Reinsurance and other payables are initially measured at fair value, and are subsequently measured at amortised cost.

#### (ii) Deferred reinsurance commission

Reinsurance income which represent commission are deferred over the year in which the related premiums are earned. The deferred portion is calculated by applying the 24th method on net commission.

## 2. Material Accounting Policies (Continued)

### 2.18.2 Financial Liabilities (Continued)

#### (iii) Outstanding Claims

Outstanding claims, net of reinsurance recoveries, include claims reported but unpaid, and claims incurred but not reported at the date of the statement of financial position. Any differences between the original claim provision and subsequent re-estimates or settlements are reflected in the underwriting results for the year.

Provision for the liabilities of non-life insurance contracts is made for outstanding claims and settlement expenses incurred at the reporting date including an estimate for the cost of claims incurred but not reported (IBNR) at that date. Included in the provision is an estimate of the internal and external costs of handling the outstanding claims. Material salvage and other recoveries including reinsurance recoveries are presented as other assets.

#### (iv) Dividends payable

Dividend distribution to the Company's shareholders is recognised as a liability in the financial statements in the year in which the dividends are approved by the Company's shareholders.

#### Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

### 2.18.3 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

## 2.19 Provisions

Provisions are recognised when the Company has a present obligation as a result of a past event, and it is probable that the Company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date taking into account the risk and uncertainties surrounding the obligation. Where a provision is measured using cash flows estimated to settle the present obligation, its carrying amount is the present value of the cash flows. When some or all of the economic benefits required to settle a provision are expected to be recorded from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivables can be measured reliably.

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the reporting date.

## 2.20 Retirement benefits

The Company's employees are members of a separately administered defined contribution pension scheme. Payments to the defined contribution retirement benefit plan are recognised as an expense when employees have rendered service entitling them to the contributions. The Company's contributions are charged to profit or loss as they become payable in accordance with the rules of the scheme.

For fixed term contract employees, a gratuity is payable at the end of the contract period and is accrued as a provision and settled at the end of the contracted period. Contract periods range from one to three years.

## 2. Material Accounting Policies (Continued)

### 2.17 Retirement benefits(Continued.)

The Company contributes to the National Pension Authority Scheme (NAPSA) for its eligible employees as provided for by law. Membership is compulsory and monthly contributions by both employer and employees are made. The employer's contribution is charged to profit or loss in the year in which it arises.

## 3. Critical accounting estimates and judgements

### 3.1 Critical judgements In applying accounting policies

In the application of the Company's accounting policies, which are described in note 2, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. In respect of the Company, the Directors have made estimates and judgements in the area of income tax, expected credit losses on trade receivables and the provision for environmental liabilities as explained in detail below.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

### 3.2 Key sources of uncertainty

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

#### 3.2.1 Incurred but not reported reserve retrocession contract liabilities

The carrying value at the reporting date for the incurred but not reported reserve is K15,954,649.

Provision for the liabilities of non-life insurance contracts is made for an estimate for the cost of claims incurred but not reported (IBNR) at that date. It can take a significant period of time before the ultimate claims cost can be established with certainty and for some types of policies.

The estimation of the ultimate liability arising from claims made under insurance contracts is the Company's most critical accounting estimate. There are several sources of uncertainty that need to be considered in the estimate of the liability that the Company will ultimately pay for such claims. The main assumption underlying these techniques is that the Company's past claims development experience can be used to project future claims development and hence ultimate claims costs. As such, these methods extrapolate the development of paid and incurred losses, average costs per claim and claim numbers based on the observed development of earlier years and expected loss ratios. Historical claims development is mainly analysed by accident years, but can also be further analysed by geographical area, as well as by significant business lines and claim types. Large claims are usually separately addressed, either by being reserved at the face value of loss adjuster estimates or separately projected in order to reflect their future development. In most cases, no explicit assumptions are made regarding future rates of claims inflation or loss ratios. Instead, the assumptions used are those implicit in the historical claims development data on which the projections are based. Additional qualitative judgement is used to assess the extent to which past trends may not apply in future, (e.g., to reflect one-off occurrences, changes in external or market factors such as public attitudes to claiming, economic conditions, levels of claims inflation, judicial decisions and legislation, as well as internal factors such as portfolio mix, policy features and claims handling procedures) in order to arrive at the estimated ultimate cost of claims that present the likely outcome from the range of possible outcomes, taking account of all the uncertainties involved. The sensitivity analysis is disclosed in note 30.

# Notes to the Financial Statements

For the year ended 31 December 2025

CONTINUED

4. Investment income	2025	2024
	K	K
Interest income	9,359,062	7,940,904
Dividend received (note 14)	103,618	412,200
Rental income	196,280	160,440
	9,658,960	8,513,544

## 5. Other gains and Losses 2021

Net foreign exchange gains/ (losses)	(11,856,006)	8,844,649
Gain on remeasurement of investment property (note 11)	160,000	400,000
Gain on disposal of property and equipment	(60,430)	35,078
	(11,756,436)	9,279,727

The net foreign exchange gains(losses) above comprise the following:

Total exchange gains for the year	4,791,527	22,693,285
Total exchange losses for the year	(16,647,533)	(13,848,636)
Net foreign exchange gains/ (losses)	(11,856,006)	8,844,649

The movements in the US Dollar exchange rates during the year were as follows:

Mid market exchange rate at 1 January	27.88	25.75
Mid market exchange rate at 31 December	22.30	27.88
Average appreciation/ (depreciation)	20%	(8%)

6 (i)

<b>Employee benefits expenses</b>		
General administrative expenses	11,143,061	10,542,355
<b>Other operating expenses</b>	9,859,559	9,548,465
Expected credit losses on premium receivables	7,499,297	4,166,632
Depreciation and amortisation	1,537,629	1,349,242
	30,039,546	25,606,694
	19,977,435	16,749,016

# Notes to the Financial Statements

For the year ended 31 December 2025

CONTINUED

6 (ii)	2025	2024
	K	K
Attributable expenses	19,977,435	16,749,016
Non-attributable expenses	8,524,482	7,508,436
Depreciation and amortisation	1,537,629	1,349,242
	30,039,546	25,606,694
<b>7. Profit before tax</b>	<b>2025</b>	<b>2024</b>
	K	K
Profit before tax is stated after crediting:		
Investment income (note 4)	9,658,960	8,513,544
Gain on remeasurement of investment property (note 5)	160,000	400,000
Net exchange gains/(losses)(note 5)	(11,856,006)	8,844,649
(Loss)/gain on disposal of property and equipment (note 5)	(60,430)	35,078
and after charging:		
Directors' and key management remuneration:		
- in connection with the management of		
the Company (note 24 (b))	3,797,847	4,673,979
- as directors of the Company (note 24 (a))	5,023,081	2,714,473
Depreciation and amortisation (note 11 and 20)	1,537,629	1,349,242
Pension costs - Company contribution	241,578	174,551

# Notes to the Financial Statements

For the year ended 31 December 2025

CONTINUED

## 8. Reinsurance Contracts

2025	Liabilities for incurred Claims			
	Liabilities for remaining coverage	Estimation of present value of the future cashflows	Risk adjustment for non-financial risk	Total
	K	K	K	K
Opening reinsurance contract assets	(46,375,173)	-	-	(46,375,173)
Opening reinsurance contract liabilities	9,564,380	-	-	9,564,380
<b>Net reinsurance contract (assets)/liabilities</b>	<b>(36,810,793)</b>	<b>-</b>	<b>-</b>	<b>(36,810,793)</b>
<b>Reinsurance revenue</b>	<b>(155,711,697)</b>			<b>(155,711,697)</b>
<b>Reinsurance service expenses</b>				<b>-</b>
Incurred claims and other insurance service expenses	24,542,726	-	-	24,542,726
Amortisation of insurance acquisition service expenses	47,183,846	-	-	47,183,846
Directly Attributable expenses	19,977,435	-	-	19,977,435
Adjustments to liabilities for incurred claims	-	-	1,721,770	1,721,770
<b>Reinsurance service expenses</b>	<b>91,704,007</b>	<b>-</b>	<b>1,721,770</b>	<b>93,425,777</b>
<b>Reinsurance service result</b>	<b>(64,007,690)</b>	<b>-</b>	<b>1,721,770</b>	<b>(62,285,920)</b>
Reinsurance finance expense recognised in profit or loss	-	2,589,439	-	2,589,439
<b>Total changes in the statement of profit or loss</b>	<b>(64,007,690)</b>	<b>2,589,439</b>	<b>1,721,770</b>	<b>(59,696,481)</b>
<b>Total changes in the statement of profit or loss and OCI</b>	<b>(64,007,690)</b>	<b>2,589,439</b>	<b>1,721,770</b>	<b>(59,696,481)</b>
<b>Cashflows</b>				
Premium received	174,266,841	-	-	174,266,841
Claim	-	(37,765,494)	-	(37,765,494)
Directly Attributable expenses	-	(19,977,435)	-	(19,977,435)
Reinsurance acquisition cashflows	(49,535,000)	-	-	(49,535,000)
<b>Total cashflows</b>	<b>124,731,841</b>	<b>57,742,929</b>	<b>-</b>	<b>66,988,912</b>
<b>Net closing reinsurance contract (assets)/liabilities</b>	<b>23,913,358</b>	<b>(55,153,490)</b>	<b>1,721,770</b>	<b>(29,518,362)</b>
Closing reinsurance contract assets	(39,466,631)	-	-	(39,466,631)
Closing reinsurance contract liabilities	9,948,269	-	-	9,948,269
<b>Net closing reinsurance contract (assets)/liabilities</b>	<b>(29,518,362)</b>	<b>-</b>	<b>-</b>	<b>(29,518,362)</b>

# Notes to the Financial Statements

For the year ended 31 December 2025

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## 8. Reinsurance Contracts (Continued.)

2024	Liabilities for incurred Claims			
	Liabilities for remaining coverage	Estimation of present value of the future cashflows	Risk adjustment for non-financial risk	Total
	K	K	K	K
Opening reinsurance contract assets	(27,436,690)	-	-	(27,436,690)
Opening reinsurance contract liabilities	6,268,512	-	-	6,268,512
<b>Net reinsurance contract (assets)/liabilities</b>	(21,168,178)	-	-	(21,168,178)
<b>Reinsurance revenue</b>	(140,341,210)	-	-	(140,341,210)
<b>Reinsurance service expenses</b>				
Incurred claims and other insurance service expenses	47,028,158	-	-	47,028,158
Amortisation of insurance acquisition service expenses	34,336,432	-	-	34,336,432
Directly Attributable expenses	16,749,016	-	-	16,749,016
Adjustments to liabilities for incurred claims	-	-	327,824	327,824
<b>Reinsurance service expenses</b>	98,113,606	-	327,824	98,441,430
<b>Reinsurance service result</b>	(42,227,567)	-	327,824	(41,899,743)
Reinsurance finance expense recognised in profit or loss	-	2,965,223	-	2,965,223
<b>Total changes in the statement of profit or loss</b>	(42,227,567)	2,965,223	327,824	(38,934,520)
<b>Total changes in the statement of profit or loss and OCI</b>				
<b>Cashflows</b>				
Premium received	104,075,953	-	-	104,075,953
Claim	-	(26,540,433)	-	(26,540,433)
Directly Attributable expenses		(16,749,016)	-	(16,749,016)
Reinsurance acquisition cashflows	(37,494,562)	-	-	(37,494,562)
<b>Total cashflows</b>	66,581,391	(43,289,448)	-	23,291,942
<b>Net closing reinsurance contract (assets)/liabilities</b>	3,185,609	(40,324,226)	327,824	(36,810,793)
Closing reinsurance contract assets	(46,375,173)	-	-	(46,375,173)
Closing reinsurance contract liabilities	9,564,380	-	-	9,564,380
<b>Net closing reinsurance contract (assets)/liabilities</b>	(36,810,793)	-	-	(36,810,793)

...Covering your risks beyond...

# Notes to the Financial Statements

For the year ended 31 December 2025

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## 9. Retrocession Contracts

2025	Assets for incurred Claims			
	Liabilities for remaining coverage	Estimation of present value of the future cashflows	Risk adjustment for non-financial risk	Total
	K	K	K	K
Opening Retrocession contract assets	(3,021,377)	(16,046,115)	(924,461)	(19,991,953)
Opening Retrocession contract liabilities	26,923,125	28,005,312	2,068,783	56,997,220
<b>Net Retrocession Contract (Assets)/Liabilities</b>	23,901,748	11,959,197	1,144,322	37,005,267
<b>Retrocession Revenue</b>	56,107,926	-	-	56,107,926
<b>Retrocession Service Expenses</b>				
Amounts recoverable for incurred claims and other expenses	(740,776)	(16,041,041)	-	(16,781,817)
Changes to amounts recoverable for incurred claims	-	-	(517,275)	(517,275)
<b>Retrocession Service Expenses</b>	(740,776)	(16,041,041)	(517,275)	(17,299,092)
<b>Retrocession Service Result</b>	55,367,150	(16,041,041)	(517,275)	38,808,834
Retrocession finance expense recognised in profit or loss	(1,665,120)	-	-	(1,665,120)
<b>Total Changes In The Statement Of Profit Or Loss</b>	53,702,030	(16,041,041)	(517,275)	37,143,714
<b>Total Changes In The Statement Of Profit Or Loss And OCI</b>				
<b>Cashflows</b>	(64,322,468)	-	-	(64,322,468)
Premium paid	-	9,397,924	-	9,397,924
Recoveries from retrocessionaires	16,844,070	-	-	16,844,070
Recovered acquisition cashflows	(47,478,398)	9,397,924	-	(38,080,474)
<b>Total Cashflows</b>	30,125,380	5,316,080	627,047	36,068,507
<b>Net Closing Retrocession Contract (Assets)/Liabilities</b>				
Closing Retrocession contract assets	(9,307,675)	(9,054,089)	(1,441,736)	(19,803,500)
Closing Retrocession contract liabilities	34,742,440	17,371,991	3,757,576	55,872,007
<b>Net Closing Retrocession Contract (Assets)/Liabilities</b>	25,434,765	8,317,902	2,315,840	36,068,507

# Notes to the Financial Statements

For the year ended 31 December 2025

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## 9. Retrocession Contracts (Continued.)

2024

	Assets for incurred claims			
	Liabilities for remaining coverage	Estimation of present value of the future cashflows	Risk adjustment for non-financial risk	Total
	K	K	K	K
Opening Retrocession contract assets	(7,813,250)	(433,608)	(921,275)	(9,168,133)
Opening Retrocession contract liabilities	33,539,666	(1,827,492)	1,740,959	33,453,133
<b>Net Retrocession contract (assets)/liabilities</b>	25,726,416	(2,261,100)	819,684	24,285,000
<b>Retrocession service expenses</b>	52,953,377	-	-	52,953,377
Amounts recoverable for incurred claims and other expenses	(22,874,298)	(12,031,722)	-	(34,906,020)
Changes to amounts recoverable for incurred claims	-	-	(3,185)	(3,185)
<b>Retrocession service expenses</b>	(22,874,298)	(12,031,722)	(3,185)	(34,909,205)
<b>Retrocession service result</b>	30,079,079	(12,031,722)	(3,185)	18,044,172
Retrocession finance expense recognised in profit or loss	(2,523,242)	-	-	(2,523,242)
<b>Total changes in the statement of profit or loss</b>	27,555,837	(12,031,722)	(3,185)	15,520,930
<b>Cashflows</b>				-
Premium paid	(48,385,979)	-	-	(48,385,979)
Recoveries from retrocessionaires	-	32,114,111	-	32,114,111
Recovered acquisition cashflows	13,471,205	-	-	13,471,205
<b>Total cashflows</b>	(34,914,774)	32,114,111	-	(2,800,663)
<b>Net closing Retrocession contract (assets)/liabilities</b>	18,367,479	17,821,289	816,499	37,005,267
Closing Retrocession contract assets	(3,021,377)	(16,046,115)	(924,461)	(19,991,953)
Closing Retrocession contract liabilities	15,922,335	(30,074,096)	11,000,789	56,997,220
<b>Net closing Retrocession contract (assets)/liabilities</b>	12,900,958	(14,027,981)	10,076,328	37,005,266

# Notes to the Financial Statements

For the year ended 31 December 2025

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## 10. Taxation

### (i) Income Tax Expense

	2025	2024
Income tax at 30%	K	K
Current tax charge	9,116,210	6,108,094
Over provision of tax in prior year	-	(6,817)
Deferred taxation (note 21)	(6,536,720)	(2,212,280)
	2,579,490	3,888,997

### (ii) Current Tax Liabilities/(Asset)

The movements during the year on the income tax account are as follows:

Payable in respect of the year	9,116,210	6,108,094
Payable in respect of previous years	4,276,451	404,634
Over provision of tax in prior year	-	(6,817)
	13,392,661	6,509,911
Paid during the year	(6,605,395)	(2,229,460)
Current tax liability (asset)	6,787,266	4,276,451

Income tax is calculated in accordance with the Third Schedule Section 25,1(1) of the Income Tax Act 1996, as amended.

### (iii) Reconciliation Of The Tax Charge:

Profit before tax	10,393,459	32,351,490
Taxation applicable rate of 30%	3,118,038	9,705,447
Over provision of tax in prior year	-	(6,817)
Permanent differences	5,998,172	(3,590,536)
	9,116,210	6,108,094
Standard rate	30%	30%
Prior year misstatements	0%	0%
Permanent differences	58%	(11%)
	88%	19%

# Notes to the Financial Statements

For the year ended 31 December 2025

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## 11. Property And Equipment

	Buildings	Motor vehicles	Furniture and equipment	Work in Progress	Computer Software	Total
	K	K	K	K	K	K
<b>Cost/Valuation</b>						
<b>At 1 January 2024</b>	8,319,990	4,156,878	1,959,580	992,897	1,699,002	17,128,347
Additions	-	753,341	643,621	-	-	1,396,962
Disposals	-	(330,000)	(33,125)	-	-	(363,125)
At 31 December 2024	8,319,990	4,580,219	2,570,076	992,897	1,699,002	18,162,184
<b>Additions</b>	-	2,100,224	265,123	713,530	-	3,078,877
<b>Revaluation</b>	3,180,010					3,180,010
Disposals	-	-	(130,035)	-	-	(130,035)
<b>At 31 December 2025</b>	11,500,000	6,680,443	2,705,164	1,706,427	1,699,002	24,291,036
<b>Cost Or Valuation As At 31 December 2025 Is Represented By:</b>						
Valuation	7,632,248	-	-	-	-	7,632,248
Cost	3,867,752	6,680,443	2,705,164	1,706,427	1,699,002	16,658,788
	11,500,000	6,680,443	2,705,164	1,706,427	1,699,002	24,291,036
<b>Depreciation</b>						
<b>At 1 January 2024</b>	195,019	1,920,796	1,342,242	-	1,699,002	5,157,059
Charge for the year	166,400	840,390	333,860	-	-	1,340,650
Disposals	-	(330,000)	(4,665)	-	-	(334,665)
<b>At 31 December 2024</b>	361,419	2,431,186	1,671,437	-	1,699,002	6,163,044
Charge for the year	166,400	1,018,097	344,540	-	-	1,529,037
Elimination on revaluation	(527,819)	-	-	-	-	(527,819)
Disposals	-	-	(101,788)	-	-	(101,788)
<b>At 31 December 2025</b>	-	3,449,283	1,914,189	-	1,699,002	7,062,474
<b>CARRYING AMOUNT</b>						
At 31 December 2025	11,500,000	3,231,160	790,975	1,706,427	-	17,228,562
At 31 December 2024	7,958,571	2,149,033	898,639	992,897	-	11,999,140

The Directors consider that the fair value of the buildings is at least equal to their carrying values as reflected in the statement of financial position.

# Notes to the Financial Statements

For the year ended 31 December 2025

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## 11. Property And Equipment (continued) Fair Value Of Property And Equipment

In December 2025 an independent valuation of the Company's building was performed by Bitrust Real Estate, registered valuation surveyors to determine the fair value of the buildings. The valuation was carried out on an open market basis for existing use. The book value of the property was adjusted to market value and the resultant surplus was credited to revaluation reserves in the Statement of Changes in Equity. It is the policy of the Company to transfer the excess depreciation to retained earnings from revaluation reserve (excess depreciation is the difference between depreciation on revalued carrying amount of an asset and depreciation based on historical cost) in the Statement of Changes in Equity. The different levels have been defined as follows:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities. This level includes listed equity securities and debt instruments on exchanges.
- Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3 - Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The property and equipment falls within Level 3. There were no transfers between different levels during the year. The property is valued using the Open Market Value approach. The most significant input into this valuation is the market value of the comparable land and buildings based on prevailing property prices.

At 31 December 2025, if the buildings had been stated at historical cost, their carrying amount would have been approximately K 3,867,759 (2024: K3,701,352).

In accordance with section 279 of the Companies Act 2017, the register of Land and Buildings is available for inspection by members and their duly authorised agents at the Registered Records Office of the Company.

At 31 December 2025

	Level 1 K	Level 2 K	Level 3 K	Fair Value K
Buildings	-	-	11,500,000	11,500,000

At 31 December 2024

	Level 1 K	Level 2 K	Level 3 K	Fair Value Ks
Buildings	-	-	7,958,571	7,958,571

Property	Valuation technique	Significant unobservable inputs	Sensitivity
Buildings	Open market approach	Market value of the comparable land and buildings based on prevailing property prices	A slight increase in the property prices used would result in increase in property value, and vice versa

# Notes to the Financial Statements

For the year ended 31 December 2025

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## 11. Property And Equipement (Continued.)

	2025	2024
	K	K
5% increase in value of the property	12,075,000	8,386,500
5% decrease in value of the property	10,925,000	7,560,642

## 12. Investment Properties

At beginning of the year	6,300,000	5,600,000
Increase in fair value during the year	160,000	400,000
At end of year	6,460,000	6,300,000

The investment property represents two residential units acquired from Madison Capital Limited for rental to the general public. These are at Farm No. 609/265A/A15/CL30 and 609/265A/A15/CL31 Roma Park, Lusaka. The title deeds for the investment properties are yet to be transferred to the Company. The Directors are taking the necessary steps to change ownership of the properties to Zambia Reinsurance PLC.

Investment properties have been categorised into 3 levels in the fair value hierarchy, and the following information is relevant:

Property	Valuation technique	Significant unobservable inputs	Sensitivity
Roma Park Residential Units	Direct Capital Comparison method	Monthly market rent, taking into account the differences in location, and individual factors, such as road, frontage and size, between the comparable and the property.	significant increase in the market rent used would result in a significant increase in fair value, and vice versa.

# Notes to the Financial Statements

For the year ended 31 December 2025

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## 12. Investment Properties (Continued.)

The fair value of the Company's investment properties at 31 December 2025 has been arrived at on the basis of a valuation carried out on 30 December 2025 by Bitrust Real Estate, independent valuers, who are independent of the Company. The valuation conforms to International Valuation Standards. The fair value was determined based on the market comparable approach that reflects recent transaction prices for similar properties. The valuation was done in accordance with the international valuation standards committee (IVSC) and conform to the stipulations of the Royal Institution of Chartered Surveyors(RICS).

	Level 3 Fair value as at 31 December 2025	Level 3 Fair value as at 31 December 2024
	K	K
Roma Park Residential Units (Farm No. 609/265A/A15/CL30 and CL31)	6,460,000	6,300,000
0.5% increase in yield rate	6,492,300	6,615,000
0.5% decrease in yield rate	6,427,700	5,985,000
	2025 K	2024 K
<b>13. Investments at Amortised Cost</b>		
Fixed term deposits	34,350,665	61,835,921
Government treasury bills	52,795,399	14,744,058
	87,146,064	76,579,979
<b>(i)Fixed Term Deposits</b>		
Maturing within 90 days (note 16)		-
Maturing after 90 days	34,350,665	61,835,921
	34,350,665	61,835,921
<b>(ii)Treasury Bills</b>		
Maturing within 90 days		-
Maturing after 90 days	52,795,399	14,744,058
	52,795,399	14,744,058
Total investments at amortised cost maturing after 90 days	87,146,064	76,579,979
<b>Effective Interest Rates</b>		
The weighted average effective interest rates during the year were as follows:		
Treasury bills	15%	14%
Fixed term deposits	12%	12%

The Directors consider that the carrying amounts of the above financial assets approximate their fair value.

# Notes to the Financial Statements

For the year ended 31 December 2025

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## 14. Investments At Fair Value Through Other Comprehensive Income

	2025	2024
	K	K
At the beginning of the year	9,592,860	9,028,095
Disposal	(5,536,000)	(3,059,619)
Unrealised gains on financial assets at fair value	1,806,561	3,624,384
<b>At the end of the year</b>	<b>5,863,421</b>	<b>9,592,860</b>

The available for sale investments comprise the following:

	Shares at 1 Jan 2025	Additions	Disposals	Shares at 31 Dec 2025
Zambia Forestry and Forest Industries Corporation PLC	1,000,000	-	-	1,000,000
Copperbelt Energy Corporation PLC	434,427	-	(400,000)	34,427
Madison Financial Services PLC	50,000	-	-	50,000
Chilanga Cement PLC	19,231	-	-	19,231

### Market value

Company	Market value at 1 Jan 2025	Additions	Disposals	Market value before gain/ (loss)	Market value at 31 Dec 2025	Net gain/ loss
	K	K	K	K	K	K
Zambia Forestry and Forest Industries Corporation PLC	3,000,000	-	-	3,000,000	3,570,000	570,000
Copperbelt Energy Corporation PLC	6,012,470	-	(5,536,000)	476,470	664,441	187,971
Madison Financial Services PLC	90,000	-	-	90,000	90,500	500
Chilanga Cement PLC	490,390	-	-	490,390	1,538,480	1,048,090
	9,592,860	-	(5,536,000)	4,056,861	5,863,421	1,806,561

### Investment Income

During the year, the Company received a dividend for shares held in Chilanga Cement PLC and Copperbelt Energy Corporation PLC resulting in income of K103,618 (2024: K412,200), as disclosed in note 4.

# Notes to the Financial Statements

For the year ended 31 December 2025

CONTINUED

## 15. Other Assets

	2025	2024
	K	K
Reinsurance receivables	31,366,671	30,157,156
Sundry receivables	7,261,740	5,889,744
Prepayments	57,422	8,434
	38,685,833	36,055,334

Sundry receivables relate to interest on investments at amortised costs.

There was no impairment made against other assets as all amounts were considered recoverable. The Directors consider that there is no material difference between the fair value of the assets and their carrying value.

16. Cash And Cash Equivalents	2025	2024
	K	K
Cash at bank and in hand	2,250,762	2,376,898
Short term call deposits with financial institutions	-	-
	2,250,762	2,376,898

## 17. Share Capital

Authorised:	2025	2024
	K	K
75 million Ordinary shares of K1 each	75,000,000	75,000,000
Issued And Fully Paid:		
At 31 December 2024 and 31 December 2025 Ordinary shares of K1 each	45,000,000	45,000,000
18. Share Premium	2025	2024
	K	K
Balance at 31 December	24,978,551	24,978,551

# Notes to the Financial Statements

For the year ended 31 December 2025

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## 19. Other Financial Liabilities

Other financial liabilities principally comprise amounts outstanding in respect of purchases and ongoing costs, as well as amounts accrued in respect of operating costs. The Directors consider that the carrying amount of other payables approximates their fair value.

The make up of the other financial liabilities balance at the reporting date was as follows:

	2025	2024
	K	K
Employee related liabilities	2,367,041	1,854,656
Sundry payables	1,562,788	598,202
Statutory obligations	538,113	391,834
	4,467,942	2,844,692

The employee related provisions and liabilities relate mainly to provisions for end of contract gratuity entitlements.

The movements in gratuity and the leave pay accounts during the year were as follows:

### Employee Related Provisions And Liabilities

#### (i) Gratuity Provisions

	2025 K	2024 K
At beginning of the year	1,850,034	2,289,984
Additional provisions during the year	2,295,955	2,084,041
Paid during the year	(1,778,948)	(2,523,991)
<b>At End Of The year</b>	2,367,041	1,850,034

The gratuity relates to employee entitlements at the end of their contract.

#### (ii) Leave Pay Provisions

At beginning of the year	4,622	9,215
Additional provisions during the year	519,844	451,033
Utilised during the year	(524,466)	(455,626)
<b>At End Of The Year</b>	-	4,622
Leave pay liabilities are all current.		
<b>Total Employee Related Provisions And Liabilities</b>	2,367,041	1,854,656

# Notes to the Financial Statements

For the year ended 31 December 2025

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## 20. Right-Of-Use Asset

	Leasehold land
	K
<b>Cost/valuation</b>	
<b>At 1 January 2024</b>	549,900
Additions	-
<b>At 31 December 2024 and 31 December 2025</b>	549,900
<b>Depreciation</b>	
At 1 January 2024	8,592
Charge for the year	8,592
At 1 January 2025	17,184
Charge for the year	8,592
<b>At 31 December 2025</b>	25,776
<b>Carrying Amount</b>	
<b>At 31 December 2025</b>	524,124
<b>At 31 December 2024</b>	532,716

As at 31 December 2022, the Company recognised a right of use asset for the land that the head office is located on. The present value of the future payments for land rates have not been included in this value. In the opinion of the Directors, this omission does not materially change the value of the right of use asset. The title has a 99 year lease on land number 237281 whose effective date runs from 1 July 1975. The land is vested in the Republic of Zambia. The Company purchased the property on 14 July 2010 and has 64 years remaining on the original lease.

## ii) Lease Liabilities

	2025	2024
	K	K
At the beginning of the year	528,126	539,739
Repayments during the year	(28,623)	(11,613)
<b>Net obligations under finance lease</b>	499,503	528,126
Analysed as:		
Current	28,623	11,613
Non- Current	470,880	516,513
	499,503	528,126

# Notes to the Financial Statements

For the year ended 31 December 2025

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## 21. Deferred Tax

	2025	2024
	K	K
At beginning of the year	100,036	2,312,316
(Credit)/ Charge to profit or loss (note 10)	(6,536,720)	(2,212,280)
	(6,436,684)	100,036

The following are the major deferred tax liabilities (assets) recognised by the Company and their movements in the year:

	Accelerated depreciation	Unrealised exchange gains	Unrealised exchange losses	Bad debts Provision	Other Provisions	Total
	K	K	K	K	K	K
At 1 January 2024	(1,630,716)	6,408,452	(2,465,420)	-	-	2,312,316
Charge (credit) to profit or loss	(922,643)	(3,755,057)	2,465,420	-	-	(2,212,280)
Charge to equity	-	-	-	-	-	-
At 31 December 2024	(2,553,359)	2,653,395	-	-	-	100,036
Charge (credit) to profit or loss	(496,700)	(2,653,395)	(3,556,802)	-	170,177	(6,536,720)
Charge to equity	-	-	-	-	-	-
At 31 December 2025	(3,050,059)	-	(3,556,802)	-	170,177	(6,436,684)

## 22. Capital Commitments And Contingent Liabilities

	2025	2024
Authorised by the directors but not contracted for	-	-

# Notes to the Financial Statements

For the year ended 31 December 2025

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## 23. Basic and Diluted Earnings Per Share

Basic earnings per share is calculated by dividing the net earnings attributable to the shareholders by the weighted average number of shares in issue during the year.

	2025	2024
	K	K
Net earnings attributable to shareholders	7,818,969	28,462,493
Weighted average number of shares in issue	45,000,000	45,000,000
Basic and diluted earnings per share	0.17	0.63

## 24. Related Party Transactions

### (i) Trading Transactions

The effect on the results for the year of these transactions is as follows:

a) Management and Technical Service Expenses	2025	2024
	K	K
Choice Corporate Services Limited	376,267	324,569

These are secretarial fees paid during the year under review and which are paid on a quarterly basis.

### (b) Directors and Key Management Personnel Remuneration

The remuneration of Directors and other members of key Management during the year was as follows:

#### Key Management Staff Emoluments:

In connection with the management of the Company	3,797,847	4,673,979
In connection with the management of the Company as directors	5,023,081	2,714,473

The remuneration of Directors is determined by the shareholders while that of the Managing Director is determined by the Board of Directors.

## 24. Related Party Transactions (Continued)

There are no loans to Non-executive Directors as at 31 December 2025 (2024: Nil).

### (c) Other Fees

Other fees paid to the Audit Committee Chair, Mr. Chrispin Daka, during the year amounted to K149,206 (2024: K143,771). The Audit Committee Chair is not a Director in the Company.

## 25. Dividend

During the year under review, there was a dividend paid of K2,520,000 (2024: K2,025,000).

## 26. Events After The Reporting Date

There have been no material facts or circumstances that have occurred between the reporting date and the date of these financial statements which would require disclosure or adjustments to these financial statements.

## 27. Contingent Liabilities

There were no known contingent liabilities at the reporting date.

## 28. Financial Instruments

### Capital Risk Management

The Company manages its capital to ensure that the Company will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of both debt and equity. The Company's overall strategy remains unchanged from 2025.

The capital structure of the Company consists of cash and cash equivalents and equity attributable to equity holders of the Company, comprising issued capital, reserves and retained earnings as disclosed in the statement of changes in equity.

# Notes to the Financial Statements

For the year ended 31 December 2025

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## 28. Financial instruments (Continued)

### Gearing Ratio

The Company reviews the capital structure on an ongoing basis. As at year ended 31 December 2025, the Company had not sourced any funding externally. The Company had a gearing ratio of 0% (2024: 0%) determined as the proportion of net debt to equity as follows:

	2025	2024
	K	K
Debt (i)	-	-
Less: cash and cash equivalents	2,250,762	2,376,898
Net debt	(2,250,762)	(2,376,898)
Equity (ii)	146,247,931	135,454,334
Net debt to equity ratio	0%	0%

### Categories Of Financial Instruments

<b>Financial assets</b>		
Investments at amortised cost	87,146,064	76,579,979
Investments at fair value through other comprehensive income	5,863,421	9,592,860
Reinsurance contract assets	39,466,631	46,375,173
Retrocession contract assets	19,803,500	19,991,953
Other assets, less prepayments	38,628,411	36,046,900
Cash and bank balances	2,250,762	2,376,898
	193,158,789	190,963,763
<b>Financial liabilities</b>		
Insurance contract liabilities	55,872,007	56,997,220
Other financial liabilities, less statutory liabilities	3,929,829	2,452,858
Reinsurance payables	9,948,269	9,564,380
	69,750,105	69,014,458

The Directors consider that the carrying amount of the financial assets and financial liabilities recognised in the financial statements approximate their fair values.

# Notes to the Financial Statements

For the year ended 31 December 2025

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## 28. Financial instruments (Continued)

### Financial Risk Management Objectives

The Company's Finance Department co-ordinates access to domestic markets and, monitors and manages the financial risks relating to the operations of the Company. These risks include market risk (including currency risk, interest rate risk and price risk), credit risk, liquidity risk and cash flow interest rate risk.

The Company does not enter into derivative financial instruments.

### Market Risk

The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates (see below). The Company does not enter into any derivative financial instruments to manage its exposure to interest rate and foreign currency risk.

There has been no change to the Company's exposure to market risks or the manner in which it manages and measures the risk.

### Foreign Currency Risk Management

The Company undertakes certain transactions denominated in foreign currencies. Hence, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters as approved by the Board of Directors.

The Company is exposed to foreign exchange risk arising primarily with respect to gross premiums written and reinsurance transactions, a large proportion of which are denominated in US Dollar.

The Zambian Kwacha carrying amounts of the Company's United States Dollar denominated monetary assets and liabilities at the reporting date are as follows:

	2025	2024
<b>Assets</b>	32,224,562	42,538,294
<b>Liabilities</b>	1,063,644	1,678,132

### Sensitivity Analysis

At 31 December 2025, if the US Dollar had appreciated or depreciated by 18% against the Kwacha, with all other variables held constant, the increase or decrease in the profit for the year would have been K5.61 million (2024: K7.48 million) higher or lower, mainly arising from insurance receivables, cash and amounts due to reinsurers.

#### a) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: foreign exchange rates (currency risk), market interest rates (interest rate risk) and market prices (price risk).

- The Company's market risk policy sets out the assessment and determination of what constitutes market risk for the Company. Compliance with the policy is monitored and exposures and breaches are reported to the Company audit and risk committee. The policy is reviewed regularly for pertinence and for changes in the risk environment.
- Guidelines are set for asset allocation and portfolio limit structure, to ensure that assets back specific policyholders' liabilities and that assets are held to deliver income and gains for policyholders which are in line with expectations of the policyholders.

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# Notes to the Financial Statements

For the year ended 31 December 2025

CONTINUED

## 28. Financial instruments (Continued)

### (b) Currency Risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Company's principal transactions are carried out in Zambian Kwacha and its exposure to foreign exchange risk arises primarily with respect to US dollar.

The Company's financial assets are primarily denominated in the same currencies as its insurance and investment contract liabilities. Thus, the main foreign exchange risk arises from recognised assets and liabilities denominated in currencies other than those in which insurance and investment contract liabilities are expected to be settled.

The table below summarises the Company's assets and liabilities by major currencies:

Year ended 31 December 2025	Kwacha K	US Dollar K	Total K
Property and equipment	17,228,562	-	17,228,562
Investment properties	6,460,000	-	6,460,000
Other assets, excluding prepayment and taxes	38,628,411	-	38,628,411
<b>Financial Instruments</b>			
Investments amortised at cost	86,031,064	1,115,000	87,146,064
Reinsurance contract assets	8,820,202	30,646,429	39,466,631
Retrocession contract assets	19,803,500	-	19,803,500
Bank and cash balances	1,787,629	463,133	2,250,762
<b>Total assets</b>	<b>178,759,368</b>	<b>32,224,562</b>	<b>210,983,930</b>
<b>Retrocession contract liabilities</b>	<b>55,872,007</b>	<b>-</b>	<b>55,872,007</b>
Reinsurance contract liabilities	8,884,625	1,063,644	9,948,269
Other financial liabilities excluding taxes	3,929,829	-	3,929,829
<b>Total liabilities</b>	<b>68,686,461</b>	<b>1,063,644</b>	<b>69,750,105</b>

Year ended 31 December 2024	Kwacha K	US Dollar K	Total K
Property and equipment	11,999,140	-	11,999,140
Investment properties	6,300,000	-	6,300,000
Other assets, excluding prepayment and taxes	36,046,900	-	36,046,900
<b>Financial Instruments</b>			
Investments amortised at cost	76,579,979	-	76,579,979
Reinsurance contract assets	5,671,646	40,703,527	46,375,173
Retrocession contract assets	19,991,953	-	19,991,953
Bank and cash balances	542,131	1,834,767	2,376,898
<b>Total assets</b>	<b>157,131,749</b>	<b>42,538,294</b>	<b>199,670,043</b>
<b>Retrocession contract liabilities</b>	<b>56,997,220</b>	<b>-</b>	<b>56,997,220</b>
Reinsurance contract liabilities	7,886,248	1,678,132	9,564,380
Other financial liabilities excluding taxes	2,452,858	-	2,452,858
<b>Total liabilities</b>	<b>67,336,366</b>	<b>1,678,132</b>	<b>69,014,498</b>

# Notes to the Financial Statements

For the year ended 31 December 2025

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## 28. Financial instruments (Continued)

The Company has no significant concentration of currency risk.

The analysis that follows is performed for reasonably possible movements in key variables with all other variables held constant, showing the impact on profit before tax and equity due to changes in the fair value of currency sensitive monetary assets and liabilities including insurance contract claim liabilities. The correlation of variables will have a significant effect in determining the ultimate impact on market risk, but to demonstrate the impact due to changes in variables, variables had to be changed on an individual basis. It should be noted that movements in these variables are non-linear.

### Sensitivity Analysis On Financial Assets

As part of the Company's investment strategy, in order to reduce both insurance and financial risk, the Company matches its investments to the liabilities arising from insurance and investment contracts by reference to the type of benefits payable to contract holders. The analysis below is performed for reasonably possible movements in key variables with all other variables held constant, showing the impact on profit before tax (due to changes in fair value of financial assets whose fair values are recorded in the profit or loss) and equity (that reflects adjustments to profit before tax and changes in fair value of financial assets whose fair values are recorded in the statement of changes in equity).

The correlation of variables will have a significant effect in determining the ultimate fair value and/or amortised cost of financial assets other than derivative financial instruments, but to demonstrate the impact due to changes in variables, variables had to be changed on an individual basis. It should be noted that movements in these variables are non-linear.

### Credit Risk Management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining an advance payment, where appropriate, as a means of mitigating the risk of financial loss from defaults.

	2025	2024
	K	K
The Company's maximum exposure to credit risk is analysed below:		
Reinsurance contract assets	39,466,631	46,375,173
Retrocession contract assets	19,803,500	19,991,953
Other assets	38,685,833	36,055,334
Investments amortised at cost	87,146,064	76,579,979
Investments at fair value	5,863,421	9,592,860
Bank and cash balances	2,250,762	2,376,898
	193,216,211	190,972,197

## 28. Financial Instruments (Continued)

### (i) Credit Risks

Credit risk is the risk that one party to a financial instrument will cause a financial loss to the other party by failing to discharge an obligation.

The following policies and procedures are in place to mitigate the Company's exposure to credit risk

- A credit risk policy which sets out the assessment and determination of what constitutes credit risk for the Company. Compliance with the policy is monitored and exposures and breaches are reported to the Company's audit and risk committee. The policy is regularly reviewed for pertinence and for changes in the risk environment.
- Net exposure limits are set for each counterparty or Company of counterparties, geographical and industry segment (i.e., limits are set for investments and cash deposits, foreign exchange trade exposures and minimum credit ratings for investments that may be held).
- The Company further restricts its credit risk exposure by entering into master netting arrangements with counterparties with which it enters into significant volumes of transactions. However, such arrangements do not generally result in offsetting the statement of financial position assets and liabilities, as transactions are usually settled on a gross basis. However, the credit risk associated with such balances is reduced in the event of a default, when such balances are settled on a net basis. At 31 December 2025 the Company had the right to set off financial liabilities amounting to Nil (2024: Nil) against financial assets with a fair value of Nil (2024: Nil) under such arrangements.
- Guidelines determine when to obtain collateral and guarantees (i.e., certain derivative transactions are covered by collateral and derivatives are only taken out with counterparties with a suitable credit rating). The Company maintains strict control.
- Reinsurance is placed with counterparties that have a good credit rating and concentration of risk is avoided by following policy guidelines in respect of counterparties' limits that are set each year by the board of directors and are subject to regular reviews. At each reporting date, management performs an assessment of creditworthiness of reinsurers and updates the reinsurance purchase strategy, ascertaining suitable allowance for impairment.
- The Company sets the maximum amounts and limits that may be advanced to corporate counterparties by reference to their long-term credit ratings.
- The credit risk in respect of customer balances incurred on non-payment of premiums or contributions will only persist during the grace period specified in the policy document or trust deed until expiry, when the policy is either paid up or terminated. Commission paid to intermediaries is netted off against amounts receivable from them to reduce the risk of doubtful debts.

# Notes to the Financial Statements

For the year ended 31 December 2025

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## 28. Financial Instruments (Continued) Credit Risk Management (Continued) (i) Credit Risks (Continued)

The credit risk analysis below is presented in line with how the Company manages the risk. The Company manages its credit risk exposure based on the carrying value of the financial instruments.

### Industry Analysis

Year ended 31 December 2025

Financial Assets	Financial Institutions	Government	Other
	K	K	K
Investments amortised at cost	34,350,665	52,795,399	-
Investments at fair value	90,500	-	5,772,921
Reinsurance contract assets	39,466,631	-	-
Retrocession contract assets	19,803,500	-	-
Other assets	31,366,671	-	7,261,740
Bank and cash balances	2,250,762	-	-
<b>Total credit risk exposure</b>	<b>127,328,729</b>	<b>52,795,399</b>	<b>13,034,661</b>

Financial Assets	Financial Institutions	Government	Other
	K	K	K
Investments amortised at cost	61,835,921	14,744,058	-
Investments at fair value	90,000	-	9,502,860
Reinsurance contract assets	46,375,173	-	-
Retrocession contract assets	19,991,953	-	-
Other assets	30,157,156	-	5,889,744
Bank and cash balances	2,376,898	-	-
<b>Total credit risk exposure</b>	<b>160,827,101</b>	<b>14,744,058</b>	<b>15,392,604</b>

### Credit Exposure By Credit Rating

The table below provides information regarding the credit exposure of the Company by classifying assets according to the Company's credit ratings of of counterparties.

Year ended 31 December 2025

Financial Assets	Investment grade	Non investment grade: satisfactory	Non investment grade: unsatisfactory	Past due but not impaired
	K	K	K	K
Investments amortised at cost	-	87,146,064	-	-
Investments at fair value	-	5,863,421	-	-
Reinsurance contract assets	-	39,466,631	-	-
Retrocession contract assets	-	19,803,500	-	-
Other assets	-	38,685,833	-	-
Bank and cash balances	-	2,250,762	-	-
	-	193,216,211	-	-

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# Notes to the Financial Statements

For the year ended 31 December 2025

CONTINUED

## 28. Financial Instruments (Continued) Credit Risk Management (Continued) (i) Credit Risks (Continued)

Year ended 31 December 2024

Financial Assets	Investment grade	Non investment grade: satisfactory	Non investment grade:	Past due but not impaired
	K	K	K	K
Investments amortised at cost	-	76,579,979	-	-
Investments at fair value	-	9,592,860	-	-
Reinsurance contract assets	-	45,375,173	-	-
Retrocession contract assets	-	19,991,953	-	-
Other assets	-	36,055,334	-	-
Bank and cash balances	-	2,376,898	-	-
	-	190,972,197	-	-

It is the Company's policy to maintain accurate and consistent risk ratings across its credit portfolio. This enables management to focus on the applicable risks and the comparison of credit exposures across all lines of business, geographic regions and products. The rating system is supported by a variety of financial analytics combined with processed market information to provide the main inputs for the measurement of counterparty risk. All internal risk ratings are tailored to the various categories and are derived in accordance with the Company's rating policy. The attributable risk ratings are assessed and updated regularly.

### Impaired Financial Assets

At 31 December 2025, there are impaired insurance receivables of K Nil (2024: Nil). The company has applied the requirements of IFRS 17.

The Company records impairment allowances for receivables in a separate impairment allowance account. A reconciliation of the allowance for impairment losses for receivables is, as follows:

	2025	2024
		K
At 1 January	-	17,881,679
Charge for the year	-	-
Derecognised as per IFRS 17 Provision	-	(17,881,679)
<b>At 31 December</b>	<b>-</b>	<b>-</b>

## 28. Financial Instruments (Continued) Credit Risk Management (Continued)

### (ii) Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial instruments. In respect of catastrophic events there is also a liquidity risk associated with the timing differences between gross cash outflows and expected reinsurance recoveries. The following policies and procedures are in place to mitigate the Company's exposure to liquidity risk.

- A Company liquidity risk policy which sets out the assessment and determination of what constitutes liquidity risk for the Company. Compliance with the policy is monitored and exposures and breaches are reported to the Company risk committee. The policy is regularly reviewed for pertinence and for changes in the risk environment.
- Guidelines are set for asset allocations, portfolio limit structures and maturity profiles of assets, in order to ensure sufficient funding available to meet insurance and investment contracts obligations. Contingency funding plans are in place, which specify minimum proportions of funds to meet emergency calls as well as specifying events that would trigger such plans.
- The Company's catastrophe excess-of-loss reinsurance contracts contain clauses permitting the immediate draw down of funds to meet claim payments should claim events exceed a certain size.

### Maturity Profiles

The table that follows summarises the maturity profile of the non-derivative financial assets and financial liabilities of the Company based on remaining undiscounted contractual obligations, including interest payable and receivable.

# Notes to the Financial Statements

For the year ended 31 December 2025

CONTINUED

## 28. Financial Instruments (Continued)

### (ii) Liquidity risk

#### Liquidity risk management

The Company manages liquidity risk by maintaining adequate reserves and banking facilities and by continuously monitoring forecast and actual cash flows and matching the maturity profile of financial assets and liabilities.

The following table detail the Company's remaining contractual maturity for its financial assets and liabilities. The table below has been drawn up based on the undiscounted contractual maturities of the financial assets and liabilities.

Year ended 31 December 2025	1 to 3 Months	3 months to 1 year	Total
	K	K	K
<b>Financial Liabilities</b>			
Retrocession contract liabilities	55,872,007	-	55,872,007
Reinsurance contract liabilities	9,948,269	-	9,948,269
Other financial liabilities	3,929,829	-	3,929,829
	69,750,105	-	69,750,105
<b>Financial Assets</b>			
Investments amortised at cost	-	87,146,064	87,146,064
Investments at fair value	-	5,863,421	5,863,421
Reinsurance contract assets	22,088,639	17,377,992	39,466,631
Retrocession contract assets	19,803,500	-	19,803,500
Other assets	38,628,411	-	38,627,411
Bank and cash balances	2,250,762	-	2,250,762
	82,771,312	110,387,477	193,158,789
<b>Net Liquidity Gap</b>	13,021,207	110,387,477	123,408,684

Year ended 31 December 2024	1 to 3 Months	3 months to 1 year	Total
	K	K	K
<b>Financial liabilities</b>			
Retrocession contract liabilities	56,997,220	-	56,997,220
Reinsurance contract liabilities	9,564,380	-	9,564,380
Other financial liabilities	2,452,858	-	2,452,858
	69,014,458	-	69,014,458
<b>Financial assets</b>			
Investments amortised at cost	-	76,579,979	76,579,979
Investments at fair value	-	9,592,860	9,592,860
Reinsurance contract assets	24,842,201	21,532,972	46,375,173
Retrocession contract assets	19,991,953	-	19,991,953
Other assets	36,046,900	-	36,046,900
Bank and cash balances	2,376,898	-	2,376,898
	83,257,952	107,705,811	190,963,763
<b>Net liquidity gap</b>	14,243,494	107,705,811	121,949,305

# Notes to the Financial Statements

For the year ended 31 December 2025

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## 28. Financial Instruments (Continued)

### (ii) Liquidity Risk management

For insurance contracts liabilities and reinsurance assets, maturity profiles are determined based on estimated timing of net cash outflows from the recognised insurance liabilities. Unearned premiums and the reinsurers' share of unearned premiums have been excluded from the analysis as they are not contractual obligations. Unit linked liabilities are repayable or transferable on demand and are included in the up to a year column. Repayments which are subject to notice are treated as if notice were to be given immediately.

The Company maintains a portfolio of highly marketable and diverse assets that can be easily liquidated in the event of an unforeseen interruption of cash flow. The Company also has committed lines of credit that it can access to meet liquidity needs to assist users in understanding how assets and liabilities have been matched. Reinsurance assets have been presented on the same basis as insurance liabilities. Loans and receivables include contractual interest receivable.

### Maturity analysis (undiscounted cashflow basis for non derivatives) (continued)

#### Year ended 31 December 2025

	Carrying Amount	Up to 1 year	1 to 3 years	5 to 15 years	Total
	K	K	K	K	K
<b>Financial assets</b>					
Investments amortised at cost	87,146,064	87,146,064	-	-	87,146,064
Investments at fair value	5,863,421	5,863,421	-	-	5,863,421
Reinsurance contract assets	39,466,631	39,466,631	-	-	39,466,631
Retrocession contract assets	19,803,500	19,803,500	-	-	19,803,500
Other assets	38,628,411	38,628,411	-	-	38,628,411
Bank and cash balances	2,250,762	2,250,762	-	-	2,250,762
<b>Total undiscounted assets</b>	<b>193,158,789</b>	<b>193,158,789</b>	<b>-</b>	<b>-</b>	<b>193,158,789</b>
<b>Financial liabilities</b>					
Retrocession contract liabilities	55,872,007	55,872,007	-	-	55,872,007
Reinsurance contract liabilities	9,948,269	9,948,269	-	-	9,948,269
Other financial liabilities	3,929,829	3,929,829	-	-	3,929,829
<b>Total undiscounted liabilities</b>	<b>69,750,105</b>	<b>69,750,105</b>	<b>-</b>	<b>-</b>	<b>69,750,105</b>
<b>Total liquidity gap</b>	<b>123,408,684</b>	<b>123,408,684</b>	<b>-</b>	<b>-</b>	<b>123,408,684</b>

# Notes to the Financial Statements

For the year ended 31 December 2025

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## 28. Financial Instrument(Continued)

### (ii) Liquidity Risk management (Continued)

#### Maturity Analysis (Undiscounted Cash Flow Basis For Non Derivatives) (Continued)

##### Year ended 31 December 2024

	Carrying Amount	Up to 1 year	1 to 3 years	5 to 15 years	Total
	K	K	K	K	K
<b>Financial Assets</b>					
Investments amortised at cost	76,579,979	76,579,979	-	-	76,579,979
Investments at fair value	9,592,860	9,592,860	-	-	9,592,860
Reinsurance contract assets	46,375,173	46,375,173	-	-	46,375,173
Retrocession contract assets	19,991,953	19,991,953	-	-	19,991,953
Other assets	36,046,900	36,046,900	-	-	36,046,900
Bank and cash balances	2,376,898	2,376,898	-	-	2,376,898
<b>Total undiscounted assets</b>	<b>190,963,763</b>	<b>190,963,763</b>	<b>-</b>	<b>-</b>	<b>190,963,763</b>
<b>Financial liabilities</b>					
Retrocession contract liabilities	56,997,220	56,997,220	-	-	56,997,220
Reinsurance contract liabilities	9,564,380	9,564,380	-	-	9,564,380
Other financial liabilities	2,452,858	2,452,858	-	-	2,452,858
<b>Total undiscounted liabilities</b>	<b>69,014,458</b>	<b>69,014,458</b>	<b>-</b>	<b>-</b>	<b>69,014,458</b>
<b>Total liquidity gap</b>	<b>121,949,305</b>	<b>121,949,305</b>	<b>-</b>	<b>-</b>	<b>121,949,305</b>

##### Year ended 31 December 2025

	Current	Non Current	Total
	K	K	K
<b>Non financial assets</b>			
Property and equipment	-	17,228,562	17,228,562
Right-of-use assets	-	524,124	524,124
<b>Investment properties</b>	-	6,460,000	6,460,000
<b>Financial assets</b>			
Investments amortised at cost	87,146,064	-	87,146,064
Investments at fair value	5,863,421	-	5,863,421
Reinsurance contract assets	39,466,631	-	39,466,631
Retrocession contract assets	19,803,500	-	19,803,500
Bank and cash balances	2,250,762	-	2,250,762
Other assets	38,628,411	-	38,628,411
<b>Total assets</b>	<b>193,158,789</b>	<b>24,212,686</b>	<b>217,371,475</b>
<b>Financial liabilities</b>			
Retrocession contract liabilities	55,872,007	-	55,872,007
Reinsurance contract liabilities	9,948,269	-	9,948,269
Other financial liabilities, less taxes	3,929,829	-	3,929,829
<b>Total liabilities</b>	<b>69,750,105</b>	<b>-</b>	<b>69,750,105</b>

# Notes to the Financial Statements

For the year ended 31 December 2025

CONTINUED

## 28. Financial Instruments (Continued)

### (ii) Liquidity Risk management (Continued)

#### Maturity Analysis (Undiscounted Cash Flow Basis For Non Derivatives) (Continued)

Year ended 31 December 2024

Non-Financial Assets	Current	Non Current	Total
	K	K	K
Property and equipment	-	11,999,140	11,999,140
Right-of-use assets	-	532,716	532,716
Investment properties	-	6,300,000	6,300,000
<b>Financial Assets</b>			
Investments amortised at cost	76,579,979	-	76,579,979
Investments at fair value	9,592,860	-	9,592,860
Reinsurance contract assets	46,375,173	-	46,375,173
Retrocession contract assets	19,991,953	-	19,991,953
Bank and cash balances	2,376,898	-	2,376,898
Other assets	36,046,900	-	36,046,900
<b>Total Assets</b>	<b>190,963,763</b>	<b>18,831,856</b>	<b>209,795,619</b>
<b>Financial Liabilities</b>			
Retrocession contract liabilities	56,997,220	-	56,997,220
Reinsurance contract liabilities	9,564,380	-	9,564,380
Other financial liabilities, less taxes	2,452,858	-	2,452,858
<b>Total liabilities</b>	<b>69,014,458</b>	<b>-</b>	<b>69,014,458</b>

# Notes to the Financial Statements

For the year ended 31 December 2025

CONTINUED

## 29. Fair Value Measurement

This hierarchy requires the use of observable market data when available. The Company considers relevant and observable market prices in its valuations where possible.

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

There were no financial assets and liabilities that are measured at fair value on a recurring basis during the year.

Fair value of financial assets and financial liabilities that are not measured at fair value on a recurring basis (but fair value disclosures are required).

Except as detailed in the following table, the directors consider that the carrying amounts of financial assets and financial liabilities recognised in the financial statements approximate their fair values.

### Fair Value Measurements

	2025		2024	
	Carrying amount	Fair value	Carrying amount	Fair value
	K	K	K	K
<b>Financial Assets</b>				
Investments amortised at cost	87,146,064	87,146,064	76,579,979	76,579,979
Investments at fair value	5,863,421	5,863,421	9,592,860	9,592,860
Reinsurance contract assets	39,466,631	39,466,631	46,375,173	46,375,173
Retrocession contract assets	19,803,500	19,803,500	19,991,953	19,991,953
Other assets	38,628,411	38,628,411	36,046,900	36,046,900
Bank and cash balances	2,250,762	2,250,762	2,376,898	2,376,898
<b>Financial Liabilities</b>				
Financial liabilities held at amortised cost:				
- Other financial liabilities	3,929,829	3,929,829	2,452,858	2,452,858
- Retrocession contract liabilities	55,872,007	55,872,007	56,997,220	56,997,220
- Reinsurance contract liabilities	9,948,269	9,948,269	9,564,380	9,564,380

# Notes to the Financial Statements

For the year ended 31 December 2025

CONTINUED

## 29. Fair Value Measurement(Continued)

	Fair value hierarchy as at 31 December 2025			
	Level 1	Level 2	Level 3	Total
	K	K	K	K
<b>Financial Assets</b>				
Investments amortised at cost		87,146,064	-	87,146,064
Investments at fair value	5,863,421	-	-	5,863,421
Reinsurance contract assets	-	-	39,466,631	39,466,631
Retrocession contract assets	-	-	19,803,500	19,803,500
Other assets	-	-	38,628,411	38,628,411
Bank and cash balances	-	2,250,762	-	2,250,762
<b>Total</b>	<b>5,863,421</b>	<b>89,396,826</b>	<b>97,898,542</b>	<b>193,158,789</b>
Financial liabilities held at				
Amortised cost:				
- Other financial liabilities	-	-	3,929,829	3,929,829
- Retrocession contract liabilities	-	-	55,872,007	55,872,007
- Reinsurance contract liabilities	-	-	9,948,269	9,948,269
<b>Total</b>	<b>-</b>	<b>-</b>	<b>69,750,105</b>	<b>69,750,105</b>
	Fair value hierarchy as at 31 December 2024			
	Level 1	Level 2	Level 3	Total
	K	K	K	K
<b>Financial Assets</b>				
Investments amortised at cost	-	76,579,979	-	76,579,979
Investments at fair value	9,592,860	-	-	9,592,860
Reinsurance contract assets	-	-	46,375,173	46,375,173
Retrocession contract assets	-	-	19,991,953	19,991,953
Other assets	-	-	36,046,900	36,046,900
Bank and cash balances	-	2,376,898	-	2,376,898
<b>Total</b>	<b>9,592,860</b>	<b>78,956,877</b>	<b>102,414,026</b>	<b>190,063,763</b>
Financial liabilities held at				
Amortised cost:				
- Other financial liabilities	-	-	2,452,858	2,452,858
- Retrocession contract liabilities	-	-	56,997,220	56,997,220
- Reinsurance contract liabilities	-	-	9,564,380	9,564,380
<b>Total</b>	<b>-</b>	<b>-</b>	<b>69,014,458</b>	<b>69,014,458</b>

The fair values of the financial assets and financial liabilities included in the level 2 category above have been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparties.

...Covering your risks beyond...

## 30. Insurance And Financial Risk (Continued)

### (a) Insurance Risk

The principal risk the Company faces under insurance contracts is that the actual claims payments or the timing thereof, differ from expectations. This is influenced by the frequency of claims, severity of claims, actual benefits paid and subsequent development of long-term claims. Therefore, the objective of the Company is to ensure that sufficient reserves are available to cover these liabilities.

The risk exposure is mitigated by diversification across a large portfolio of insurance contracts and geographical areas. The variability of risks is also improved by careful selection and implementation of underwriting strategy guidelines, as well as the use of reinsurance arrangements.

The Company purchases reinsurance as part of its risks mitigation programme. Reinsurance ceded is placed on both a proportional and non-proportional basis. The majority of reinsurance ceded out is surplus which is taken out to reduce the overall exposure of the Company. Non-proportional reinsurance is primarily excess-of-loss reinsurance designed to mitigate the Company's gross retention and the exposure to catastrophe losses.

Amounts recoverable from reinsurers are estimated in a manner consistent with the outstanding claims provision and are in accordance with the reinsurance contracts. Although the Company has reinsurance arrangements, it is not relieved of its direct obligations to its policyholders and thus a credit exposure exists with respect to ceded insurance, to the extent that any reinsurer is unable to meet its obligations assumed under such reinsurance agreements. The Company's placement of reinsurance is diversified such that it is neither dependent on a single reinsurer nor are the operations of the Company substantially dependent upon any single reinsurance contract.

The Company issues contracts that transfer insurance risk or financial risk or both. The risk under any one insurance contract is the possibility that the insured event occurs and the uncertainty of the amount of the resulting claim. By the very nature of an insurance contract, this risk is random and therefore unpredictable. For a portfolio of insurance contracts where the theory of probability is applied to pricing and provisioning, the principal risk that the Company faces under its insurance contracts is that the actual claims and benefit payments exceed the carrying amount of the insurance liabilities. This could occur because the frequency or severity of claims and benefits are greater than estimated. Insurance events are random and the actual number and amount of claims and benefits will vary from year to year from the estimate established using statistical techniques. Experience shows that the larger the portfolio of similar insurance contracts, the smaller the relative variability about the expected outcome will be.

In addition, a more diversified portfolio is less likely to be affected across the board by a change in any subset of the portfolio. The Company has developed its insurance underwriting strategy to diversify the type of insurance risks accepted and within each of these categories to achieve a sufficiently large population of risks to reduce the variability of the expected outcome. Factors that aggravate insurance risk include lack of risk diversification in terms of type and amount of risk, geographical location and type of industry covered.

### (i) Non-life insurance contracts (which comprise marine, motor, accident and fire)

The Company principally issues the following types of general insurance contracts: motor, fire, engineering, accident and marine. Risks under non-life insurance policies usually cover twelve months duration.

For general insurance contracts, the most significant risks arise from fires, natural disasters and accidents. For longer tail claims that take some years to settle, there is also inflation risk. These risks do not vary significantly in relation to the location of the risk insured by the Company, type of risk insured and by industry.

The above risk exposure is mitigated by diversification across a large portfolio of insurance contracts and geographical areas. The variability of risks is improved by careful selection and implementation of underwriting strategies, which are designed to ensure that risks are diversified in terms of type of risk and level of insured benefits. This is largely achieved through diversification across industry sectors and geography. Furthermore, strict claim review policies to assess all new and ongoing claims, regular detailed review of claims handling procedures and frequent investigation of possible fraudulent claims are all policies and procedures put in place to reduce the risk exposure of the Company. The Company further enforces a policy of actively managing and promptly pursuing claims, in order to reduce its exposure to impact the business. Inflation risk is mitigated by taking expected inflation into account when estimating insurance contract liabilities.

# Notes to the Financial Statements

For the year ended 31 December 2025

CONTINUED

## 30. Insurance And Financial Risk (Continued)

### (a) Insurance Risk (Continued)

The Company has also limited its exposure by imposing maximum claim amounts on certain contracts as well as the use of reinsurance arrangements in order to limit exposure to catastrophic events.

The table below sets out the concentration of insurance contract liabilities by type of contract.

	31 December 2025		31 December 2024	
	Gross Liabilities	Reinsurance of Liabilities	Gross Liabilities	Reinsurance of Liabilities
	K	K	K	K
<b>Fire</b>	(925,722)	82,272	(1,283,382)	(182,563)
<b>Accident</b>	(6,263,888)	2,489,078	(7,454,785)	(6,309,175)
<b>Motor</b>	(110,164)	10,893	(250,188)	(49,267)
<b>Engineering</b>	(466,873)	114,094	(1,129,369)	(352)
<b>Marine</b>	1,561,381	(733,849)	(3,330,266)	(1,431,784)
<b>Total</b>	(6,205,266)	1,962,488	(13,447,990)	(7,973,141)

#### Key Assumptions

The principal assumption underlying the liability estimates is that the Company's future claims development will follow a similar pattern to past claims development experience. This includes assumptions in respect of average claim costs, claim handling costs, claim inflation factors and claim numbers for each accident year. Additional qualitative judgements are used to assess the extent to which past trends may not apply in the future, for example: once-off occurrence; changes in market factors such as public attitude to claiming; economic conditions; as well as internal factors such as portfolio mix, policy conditions and claims handling procedures. Judgement is further used to assess the extent to which external factors such as judicial decisions and government legislation affect the estimates. Other key circumstances affecting the reliability of assumptions include variation in interest rates, delays in settlement and changes in foreign currency rates.

#### Sensitivities

The non-life insurance claim liabilities are sensitive to the key assumptions that follow. It has not been possible to quantify the sensitivity of certain assumptions such as legislative changes or uncertainty in the estimation.

The following analysis is performed for reasonably possible movements in key assumptions with all other assumptions held constant, showing the impact on gross and net liabilities, profit before tax and equity. The correlation of assumptions will have a significant effect in determining the ultimate claims liabilities, but to demonstrate the impact due to changes in assumptions, assumptions had to be changed on an individual basis. It should be noted that movements in these assumptions are non-linear.

Year ended 31 December 2025	Change in assumptions	Impact on Profit before tax	Impact on equity
		K	K
Average claim cost	10%	(424,278)	(296,994)
Average number of claims	10%	(424,278)	(296,994)
Average claim settlement period	Reduce from 3 months to 1 month		
Year ended 31 December 2024			
Average claim cost	10%	(547,485)	(383,239)
Average number of claims	10%	(547,485)	(383,239)
Average claim settlement period	Reduced from 3 months to 1 month		

The method used for deriving sensitivity information and significant assumptions did not change from the previous period.

# Notes to the Financial Statements

For the year ended 31 December 2025

CONTINUED

## 30. Insurance And Financial Risk (Continued)

### (a) Insurance Risk (Continued)

#### Claims Development Table

The following tables show the estimates of cumulative incurred claims, including both claims notified and IBNR for each successive accident year at each reporting date, together with cumulative payments to date.

As required by IFRS, in setting claims provisions the Company gives consideration to the probability and magnitude of future experience being more adverse than assumed and exercises a degree of caution in setting reserves where there is considerable uncertainty. In general, the uncertainty associated with the ultimate claims experience in an accident year is greatest when the accident year is at an early stage of development and the margin necessary to provide the necessary confidence in the provisions adequacy is relatively at its highest. As claims develop, and the ultimate cost of claims becomes more certain, the relative level of margin maintained should decrease. However, due to the uncertainty inherited in the estimation process, the actual overall claim provision may not always be in surplus.

Gross insurance contract outstanding claims provision for 2025:

Accident year	2021	2022	2023	2024	2025	Total
	K	K	K	K	K	K
At beginning of accident year	5,792,074	7,011,910	9,504,950	10,011,073	13,447,990	5,792,074
Claims incurred during the year	15,421,920	14,773,572	15,036,812	29,977,350	30,522,770	105,732,424
Claims paid during the year	(14,202,084)	(12,280,532)	(14,530,689)	(26,540,433)	(37,765,494)	(105,319,232)
<b>At the end of the year</b>	<b>7,011,910</b>	<b>9,504,950</b>	<b>10,011,073</b>	<b>13,447,990</b>	<b>6,205,266</b>	<b>6,205,266</b>

Net insurance contract outstanding claims provision for 2025:

Accident year	2021	2022	2023	2024	2025	Total
	K	K	K	K	K	K
At beginning of accident year	4,874,533	4,851,134	8,523,989	7,799,357	5,474,850	4,874,533
Claims incurred during the year	8,132,509	10,375,781	7,945,552	7,467,949	8,165,852	42,087,643
Claims paid during the year	(8,155,908)	(6,702,926)	(8,670,184)	(9,792,456)	(9,397,924)	(42,719,398)
<b>At the end of the year</b>	<b>4,851,134</b>	<b>8,523,989</b>	<b>7,799,357</b>	<b>5,474,850</b>	<b>4,242,778</b>	<b>4,242,778</b>

The Company has elected to present its claims development on an accident year basis as this is consistent with how the business is managed.

# Notes to the Financial Statements

For the year ended 31 December 2025

CONTINUED

## 31. Segment Reporting

Figures in Kwacha thousands

Class of business	Fire	Accident	Motor	Engineering	Marine	Life	Total	Total
							2025	2024
Reinsurance Revenue	51,557	40,031	8,593	40,513	10,444	4,574	155,712	140,340
Retrocession service expense	(18,577)	(14,425)	(3,096)	(14,598)	(3,764)	(1,648)	(56,108)	(52,953)
<b>Reinsurance service result</b>	32,980	25,606	5,497	25,915	6,680	2,926	99,604	87,387
Reinsurance service expense	(30,934)	(24,019)	(5,156)	(24,308)	(6,266)	(2,744)	(93,427)	(98,441)
Retrocession Service expense	5,728	4,447	955	4,501	1,160	508	17,299	34,909
<b>Net Reinsurance Service expense</b>	(25,206)	(19,572)	(4,201)	(19,807)	(5,106)	(2,236)	(76,128)	(63,532)
Reinsurance Finance income	(857)	(665)	(143)	(674)	(174)	(76)	(2,589)	(2,965)
Retrocession Finance expense	551	428	92	433	112	49	1,665	2,523
<b>Total Service expenses</b>	(25,512)	(19,809)	(4,252)	(20,048)	(5,168)	(2,263)	(77,052)	(63,974)
<b>Underwriting surplus</b>	7,468	5,797	1,245	5,867	1,512	663	22,552	23,413
Other income							(2,097)	17,796
Non- attributable expenses							(8,524)	(7,508)
Depreciation and amortisation							(1,538)	(1,349)
<b>Profit before tax</b>							10,393	32,352
Income tax charge							(2,579)	(3,889)
<b>Profit after tax</b>							7,814	28,463

Management have considered the requirement of IFRS 8: Operating Segment paragraph 21 which requires an entity to disclose reported segment profit or loss, segment assets and segment liabilities. Management has determined the operating segments based on the reports reviewed by the Executive Management Committee that are used to make strategic decisions. The committee considers the business as a single operating segment, being Zambia operations. On the basis of information available to management, it is not practical to disclose the segment assets and segment liabilities for each reportable segment.

# Solvency Statement

For the year ended 31 December 2025

CONTINUED

For the year ended 31 December 2025

## 32. Solvency Statement

	2025	2024
	K	K
<b>Total Value Of Assets (Statement Of Financial Position)</b>	223,865,580	209,804,053
<b>Less: Total Disallowed Assets</b>	8,381,534	6,832,716
Goodwill & Other Intangible Assets	1,706,427	-
Deferred tax Asset	6,436,684	-
Current tax Assets	-	-
Branding	-	-
Assets pledged to support related parties	-	-
Asset titles held by another person	-	-
Any asset that is mortgaged to benefit others	24,621	-
Guarantee given to insurer other than by a reinsurer	-	-
Loans to Shareholders, Directors, employee, Agents	-	-
Prepayments	213,802	-
Receivables from Related parties	-	-
Merchandise inventory & Corporate stationary	-	-
Any implicit accounting Assets	-	-
Deferred acquisition costs	-	-
Any other assets as the Authority may determine	-	6,832,716
Tier one capital requirement	-	-
<b>Net Allowable Assets: (1) - (2)</b>	215,484,046	202,971,337
<b>TOTAL VALUE OF LIABILITIES (Statement of Financial Position)</b>	77,617,648	74,349,719
<b>Total Policyholder Liabilities - Gross</b>		
Unearned Premium Reserve (UPR)/LRC	26,123,870	15,986,376
Outstanding Claims Reserves (OCR)/LIC	6,205,266	13,447,990
Incurred but Not reported claims (IBNR)	15,954,649	21,934,728
<b>Current Liabilities</b>	29,333,863	22,980,624
<b>Non-Current Liabilities</b>	-	-
<b>AVAILABLE CAPITAL REQUIREMENTS: (3) - (4)</b>	137,866,398	128,621,618

# Notes to the Financial Statements

For the year ended 31 December 2025

CONTINUED

## 32. Solvency Statement(continued)

	2025	2024
<b>PART B: CALCULATION OF MINIMUM CAPITAL REQUIREMENTS</b>	<b>K</b>	<b>K</b>
<b>RISK BASED MINIMUM CAPITAL REQUIREMENT: (7.1)+(7.2)+(7.3)+(7.4)+(7.5)+(7.6)+(7.7)</b>	56,524,823	30,099,885
Capital Required for Balance sheet Assets	32,736,680	20,175,370
Capital Required for investing above Concentration limit	-	-
Capital Required for policy liabilities	2,509,543	2,661,292
Capital Required for catastrophe risks	1,246,022	1,140,246
Capital Required for Reinsurance risks	12,246,993	-
Capital Required for Operational Risks	7,785,585	6,122,977
Capital required for guarantees issued	-	-
ENTRY MINIMUM CAPITAL REQUIREMENT:	20,000,000	20,000,000
MINIMUM CAPITAL REQUIREMENT = HIGHER OF (7) OR (8)	56,524,823	30,099,885
CAPITAL ADEQUACY REQUIREMENT = PART A(8) ÷ PART B(9)	244%	427%

## 33. Comparative Figures

Comparative figures have been restated where necessary in order to afford meaningful comparison with the current year figures.

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## **SENS ANNOUNCEMENT** **(the “Notice” or “Announcement”)**

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### **ISSUER**

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ZAMBIA REINSURANCE PLC  
Incorporated in the Republic of Zambia  
Company registration number: 63239  
Share Code: ZAMBIA RE  
ISIN: ZM0000000326  
**(“Zambia Re” or “the Company”)**  
**(Formerly “Prima Reinsurance PLC”)**



**STOCKBROKERS ZAMBIA LIMITED**

**Stockbrokers Zambia Limited**  
[Member of the Lusaka Securities Exchange]  
[Regulated and licensed by the Securities and Exchange Commission of  
Zambia]  
Contact Number: +260-211-232456  
Website: [www.sbz.com.zm](http://www.sbz.com.zm)

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### **APPROVAL**

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The captioned Notice or Announcement has been approved by:  
i. the Lusaka Securities Exchange  
ii. the Securities and Exchange Commission  
iii. Stockbrokers Zambia Limited

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### **RISK WARNING**

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The Notice or Announcement contained herein contains information that may be of a price sensitive nature.

Investors are advised to seek the advice of their investment advisor, Stockbroker, or any professional duly licensed by the Securities and Exchange Commission of Zambia to provide security advice.

**ISSUED: 11<sup>th</sup> March 2026**

## NOTICE OF THE 21ST TELECONFERENCE ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the 21st Annual General Meeting (AGM) of Members of Zambia Reinsurance PLC will be held on Friday 27th March 2026, commencing at 09:30 hours, at Southern Sun Hotel, Fairview Lusaka and by Teleconference. The AGM Teleconference proceedings will be via the Zoom link below:

<https://us06web.zoom.us/j/81385661690?pwd=DPayJ7UCRdjKAFkvldDYC1eTJFCI2m.1>

All Shareholders are encouraged to make arrangements to participate in the AGM proceedings via the video link provided above.

The AGM will be convened for the following purposes:

1. To approve Minutes of the 20th Annual General Meeting held on 6th May 2025.
2. To receive and adopt the Chairperson's Report, the Report of Directors, the Report of the Auditors and the Audited Financial Statements for the year ended 31st December 2025.
3. To receive and consider the Directors' recommendation to declare a dividend for the year ended 31st December 2025.
4. To re-appoint Auditors for the year ending 31st December 2026 and to authorise the Directors to determine their remuneration.
5. To appoint Directors.
6. To transact any Other Ordinary Business of the Company.

### By Order of the Board

**Choice Corporate Services Limited**  
**COMPANY SECRETARY**

**5th March 2026**

Registered office:  
Stand 3509/No.7 Matandani Close  
Rhodes Park  
Lusaka. ZAMBIA

**Note:** A Member entitled to attend and vote at the meeting is entitled to appoint any person (whether a Member of the Company or not) to attend and, on a poll, to vote in his/her stead. Proxy forms are obtainable from the Company Secretary and must be lodged 48 hours before the meeting at the Registered Office of the Company

## Lusaka Securities Echange Sponsoring Broker



T | +260-211-232456  
E | [advisory@sbz.com.zm](mailto:advisory@sbz.com.zm)  
W | [www.sbz.com.zm](http://www.sbz.com.zm)

**Stockbrokers Zambia Limited (SBZ) is a member of the Lusaka Securities Exchange and is regulated by the Securities and Exchange Commission of Zambia**

First Issued on 11<sup>th</sup> March 2026





## FORM OF PROXY

To: **ZAMBIA REINSURANCE PLC**

I/We.....

of.....

Being a Member/Members of the above-named Company hereby appoint

Mr/Mrs/Ms/Dr.....

of.....

or failing him/her.....

of.....

As my/our proxy to vote for me/us on my/our behalf at the 21st Annual General Meeting of the Company to be held on Friday 27th March 2026 at 09:30 hours, and at any adjournment of that meeting.

The Annual General Meeting proceedings will be held at Southern Sun Hotel, Fairview Lusaka and by Teleconference via the Zoom link below:

<https://us06web.zoom.us/j/81385661690?pwd=DPayJ7UCRdjKAFkVldDYC1eTJFCI2m.1>

.....  
SIGNATURE OF APPOINTING MEMBER

Date:.....2026

Address:.....

**Note:** The Form of Proxy must be deposited with the Company Secretary at Stand 3509/No. 7 Matandani Close Rhodes Park, P.O. Box 32565, Lusaka within 48 hours before the set time of Annual General Meeting.













Covering your risks beyond...



#### **ADDRESS**

#### **ZAMBIA REINSURANCE PLC**

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Fairview, Lusaka, Zambia

#### **CONTACT INFORMATION**

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