

AAR Insurance Kenya Limited

Audited Financial Statements for the year ended 31 December 2024

STATEMENT OF COMPREHENSIVE INCOME

FINANCIAL YEAR	GROUP		COMPANY
	Dec 2024 Shs'000	Dec 2024 Shs'000	Dec 2023 Shs'000
Insurance Revenue	12,297,875	10,696,270	8,655,563
Insurance Service Expense	(11,464,615)	(9,983,890)	(7,984,251)
Insurance Service Results Before Reinsurance	833,260	712,380	671,312
Net Expense From Reinsurance Contracts Held	(108,619)	(125,558)	(382,579)
Insurance Service Results	724,641	586,822	288,733
Investment Income	703,396	647,372	439,620
Total Investment Income	703,396	647,372	439,620
Other Income	17,323	8,203	3,613
Other Operating Costs	(831,058)	(688,993)	(635,108)
Other Finance Costs	(19,637)	(17,549)	(19,909)
Profit Before Income Tax	594,665	535,855	76,949
Income Tax Expense	(190,649)	(152,386)	(28,099)
Profit For The Year	404,016	383,469	48,850
Exchange Differences On Translation Of Foreign Operations	(49,836)	-	-
Total Comprehensive Income For The Year	354,180	383,469	48,850
Earnings Per Share	2.0	1.9	0.3

STATEMENT OF FINANCIAL POSITION

ASSETS			
Investments	5,228,676	4,658,281	4,046,130
Reinsurance Contract Assets	1,371,047	703,316	780,228
Cash And Bank Balances	846,262	683,082	619,888
Other Assets	716,124	1,056,843	552,555
Total Assets	8,162,109	7,101,522	5,998,801
EQUITY			
Share Capital	1,017,627	1,017,627	700,000
Share Premium Reserve	460,523	460,523	460,523
Translation Reserve	(49,836)	-	-
Proposed Dividends	70,000	70,000	-
Retained Earnings	680,705	660,158	346,689
Total Equity	2,179,019	2,208,308	1,507,212
LIABILITIES			
Insurance Contract Liabilities	4,787,628	3,947,148	3,181,375
Other Liabilities	1,195,462	946,066	1,310,214
Total Liabilities	5,983,090	4,893,214	4,491,589
Total Equity and Liabilities	8,162,109	7,101,522	5,998,801

The above are an extract from the consolidated financial statements of the Group and Company for the year ended 31st December 2024, which were audited by EY and received an unqualified audit opinion. The financial statements were approved and authorised for issue by the Board of Directors on 13th March 2025 and were signed on it's behalf by:

ESTHER KOIMETT, CBS
Board Chairperson

PATRICIA KIWANUKA
Board Director

JUSTINE KOSGEI
CEO & Principal Officer

KEY RATIOS

	2024	2023
Capital Adequacy Ratio	160%	118%
Return on Assets	5%	1%
Return on Equity	19%	3%
Current Ratio	136%	133%

COMMENTARIES

Basis of Consolidation

Effective January 1, 2024, AAR Insurance Kenya Limited assumed full ownership and control of AAR Health Services Uganda, in line with our regional expansion strategy—marking a key step in our growth journey. For the first time, we consolidated the financial statements of our Uganda subsidiary, as we continue to explore opportunities for further market expansion across the region.

Revenue Performance

In 2024, the Group recorded insurance revenue of Kshs 12.298 billion, representing a 42% increase compared to the previous year. This growth was primarily attributed to enhanced customer experience leading to high retention, innovative product offerings and increased intermediary activity supported by strategic partnerships.

Profitability

The Group achieved a significant 673% increase in profitability. This was driven by strong revenue performance, a rise in investment income, and reduced operating expenses. The implementation of a digitally focused operational model was instrumental in reducing the operating expense ratio from 7.6% to 6.9% enhancing the Group's financial performance.

Growth in Capital Adequacy Ratio and Assets

The Company's Capital Adequacy Ratio (CAR) increased from 118% to 160% driven by strong performance and a capital injection of Kshs 318 million, positioning the company for sustained growth. The Group's return on Equity grew to 19% while total assets grew by 36% in line with growth in profitability.

Innovation Hub

Our AAR Innovation Hub has played a pivotal role in driving product innovation across the full market spectrum—with our tailored product offerings to our corporate and high-net-worth clients, to affordable, high-impact insurance solutions designed specifically for underserved markets. This strategic breadth in product development reflects our inclusive growth agenda, ensuring we meet evolving customer needs while deepening market penetration. By leveraging technology, data insights, and agile development processes, we continue to respond to market dynamics with agility and purpose.

Awards

In 2024, AAR Insurance was recognized with several industry awards including Medical Underwriter of the Year – Personal, Best in Product Innovation, Claims Settlement, The Training Award, Best in Product Distribution & Marketing, and Most Customer-Centric Underwriter – General. We were also 1st Runner-Up for Medical Underwriter, reflecting our continued leadership in innovation, operational efficiency, and customer centric solutions across all market segments.

Environmental, Social & Governance (ESG)

Sustainability remains central to our strategy at AAR Insurance, guided by our 'INTENT' campaign to redefine insurance with purpose. In 2024, we advanced our environmental agenda, prioritized inclusive health financing, Diversity Equity and Inclusion (DEI), and employee wellbeing, and strengthened our ESG framework to enhance compliance and stakeholder trust. We continue to align with global ESG standards to drive transparency and long-term impact.