

AGM Questions and Answers

1. I can't understand how the company dividends can be negative for more than 5 years

The negative retained earnings arose from a significant loss of Shs 9 billion reported in 2020. We have continuously reduced this position with retained profit after tax earned since then, after allocations to required regulatory reserves. The consolidated accumulated losses as at 31 December 2024 were Shs 1.8 billion.

2. Where do you see Britam in the next 5 years?

We are currently in the process of developing our Strategy for the 2026-2030 period. There are elements of the existing strategy that have proven effective, such as our customer-centric approach, innovation as a core aspect of our business, and a performance-based culture that we will be carrying forward. Moving forward, we aim to become a technology-driven financial services group, enhance our focus on customer needs, and improve inclusive access.

Additionally, we aspire to lead in investment and wealth management across Africa. Achieving these goals will involve expanding into new markets and countries.

Key success metrics will include serving at least 30 million customers and becoming the first insurance group in the region to achieve KES 50 billion in profits.

3. What is the progress on performance?

We have achieved our performance goals over the strategic period 2021 – 2025 with a profit before tax growing from Shs 1 billion in 2021 to Shs 7.3 billion in 2024. We achieved a 52% growth in profit before tax from Shs 4.8 billion in 2023 to Shs 7.3 billion in 2024. We continue delivering our strategic initiatives and are positive that even in 2025, we will deliver our strategic performance targets as well.

4. What are the criteria / requirements if one wants to vie as a director?

The Board has delegated the responsibility for the identification, vetting and selection of potential Board members to the Nominations, Governance and Remuneration Committee which assesses candidates and makes recommendations to the Board. In the identification and selection of potential Board members, the NGR Committee and the Board usually take into consideration academic qualifications, technical expertise, experience, nationality/regional representation, age and gender balance; and integrity and ethical standards. The Board remains

mindful of the need to reflect the diversity of the Group's shareholders and other stakeholders in the Board's composition.

5. Name 3 strategies you have for improving insurance arm growth and profitability noting that Britam has underperformed the Kenyan Insurance Industry on comparable metrics?

Some of the key actions include:

- We intend to place customer needs at the center of product, service, and channel design
- We will drive hyper-personalisation through data and behavioral insights
- We will expand access through mobile-first, embedded, and micro-insurance solutions
- To respond to changing demographics and income patterns, we will build inclusive offerings for youth, gig workers, Muslim communities, the underserved, and elderly populations
- We will build new capabilities in Investments and Wealth Management across Africa- such as in Alternative Investments
- We want to lead with ESG—develop climate-smart products, responsible investments, and inclusive practices
- We will build a borderless health business to meet evolving customer needs across the continent

We acknowledge the need for improvement based on comparable metrics within the Kenyan Insurance Industry. However, we continue to lead the market in insurance. Our Life company has been ranked as the No. 1 Life Insurer for the past 18 years with a 24% market share. The General Insurance entity improved its market ranking from fourth to third and was the second highest in profitability in 2024.

6. We need regular statements for Pension and for other life policies as well urgently. Also Is Britam going through a crisis? How come annuitant members are not receiving their statements early enough? Also why is there no communication on any dividends to members? How does one submit a change of address?

Pension statements are sent after finalizing the interest rate by 31st April each year. Starting in July, clients can access their statements anytime through our new pension portal.

For Individual Life, we send monthly statements. If you're not receiving them, please update your email via our contact center on 0705 100 100, visit any branch, or use the Britam Portal.

Our FY 2024 financial results, published on March 28, 2025, noted that the Board did not recommend a dividend. This was the earliest possible announcement following the audit and board approval.

7. I have some shares that I have never traded what do I do?

Your shares are maintained in a central depository account at CDSC and are linked to your stockbroker. If you wish to trade these shares, please visit your stockbroker, who will facilitate the process. Should you be uncertain about the identity of your stockbroker, we advise you to contact Image Registrars at 0709 170 000 for assistance in identifying your brokerage firm.

8. At what interval should one get the financial position on investment?

Statements are distributed via email on a monthly basis. To ensure you receive them without interruption, please reach out to our call center or visit the Asset Management office to confirm that your email address on file is accurate.

Furthermore, whenever a transaction occurs, a contract note will be sent to you as confirmation of your investment with the asset management team. For any new policies or investment-linked transactions with Britam Life Assurance, you will also receive a confirmation email.

9. How much is shares per unit now?

As of the close of the trading session on Tuesday, June 24th, the share price was Kshs 7.54. This represents a year-to-date growth of 30%, as it started trading at Kshs 5.80 on January 2nd, 2025.

10. Why has the company consistently not paid dividends to shareholders despite posting profits and when does the company plan to resume dividend payments?

Although our financial performance has been robust, the Board has decided not to declare a dividend at this time. This decision is due to the retained earnings at the Holding company level, from which dividends are paid, still being negative. The Board will consider a dividend payment once the retained earnings position becomes positive.

Additionally, to support our new strategy and business growth, we need to reinvest profits. This will keep us competitive and help achieve our long-term goals. Thank you for understanding as we build sustainable value.

11. What is the economic outlook, and the company's outlook going forward and lastly who are replacing the retiring directors which would have been part of the resolutions

Economic outlook

Kenya's GDP is projected to grow by 5.3% in 2025, with growth driven by the agriculture and services sectors. Headline inflation averaged 3.5% in Q1 2025, up from 2.8% in Q4 2024 due to increased food and transport costs. It is expected to stabilize around 5.0%.

The currency is anticipated to remain within the range of Kshs. 129-131 to the dollar, indicating stability with a slight downward trend.

The company's focus remains on innovation and customer centricity. We aim to keep innovating to serve underserved markets. We shall look at market expansion should the right opportunity arise as well as use of AI in improving our efficiency in operations. The outlook points towards growing our customer numbers and continued growth in our profitability.

Part b on Retiring Directors:

All the retiring directors, who were eligible, presented themselves for re-election.

The resolutions were put to a vote and passed, resulting in all directors retaining

their positions.

12. What is the company's new incentive mechanism and strategy for future growth?

Our future growth strategy will include;

- To respond to changing demographics and income patterns, we will build inclusive offerings for youth, gig workers, Muslim communities, the underserved, and elderly populations
- We will build new capabilities in Investments and Wealth Management across Africa- such as in Alternative Investments
- We want to lead with ESG—develop climate-smart products, responsible investments, and inclusive practices
- Expand access with mobile-first, embedded, and micro-insurance solutions.
- Develop inclusive offerings for youth, gig workers, Muslim communities, the underserved, and elderly.
- Enhance capabilities in Investments and Wealth Management in Africa, focusing on Alternative Investments.
- Lead with ESG by creating climate-smart products, responsible investments, and inclusive practices.

13. What is the trajectory of the company in terms of business, going forward?

Our trajectory is positive, driven by the significantly low insurance penetration in our existing and target markets. We are well positioned for growth through expanding our solutions across life insurance, general insurance, and asset management across all our chosen markets. We have established Betalab to enable innovations to steer the business into the future and Britam Connect to serve the needs of the underserved in our chosen markets.

14. We are seeing the group is expansion regionally, which is great. However, there are countries that are putting limitations on shareholding in companies, how is the group prepared to counter such an action if it comes up?

Management monitors new regulatory requirements to ensure any required changes are anticipated and implemented within regulatory timelines. Significant changes e.g. shareholding limitations or additional capital requirements usually have some transition period within which to comply. We also maintain regular engagements with the relevant regulators and ensure regulatory compliance across the group.

15. During the AGM there was reference to forex and macroeconomic risks impacting the 2024 performance but it was not clear how these are being responded to or hedged against. Please provide further information.

We have reviewed our balance sheets across the group to ensure they are invested in stable currencies subject to regulatory limitations.

16. Please clarify on the negative retained earnings which remain despite the regional expansion including set up of life insurance business in Uganda.

The negative retained earnings arose from a significant loss of Shs 9 billion reported in 2020. We have continuously reduced this position with retained profits from the dividends made by the subsidiaries, subject to their respective regulatory requirements. The consolidated accumulated losses as at 31 December 2024 were Shs 1.8 billion.

17. The financial statements include details on the Company's investments in associates i.e. 48.17% in HF Group Plc, 100% in Kilimani Hotel Suites Limited and 30% in Continental Reinsurance Company (Kenya) Limited. Please explain the rationale for investing in Continental Re which made a loss of Shs 590 million in 2024.

Continental Re is involved in reinsurance business and its business is mainly denominated in United States Dollar (USD). In 2024, the KES appreciated by 17% against the USD and this impacted their performance by an estimated Shs 800 million. Excluding this forex loss, the underlying business made a profit. The reinsurance business is well aligned with Britam's strategy.

18. Greetings. I am retired and receive my pension in good time. My question is, why are we still paying tax from our pension when the President said we are not to be deducted?

Customers are not paying tax effective January 2025.

19. Can a member who is a spouse of a policy holder be able to check and follow a policy proceedings? It's a school fees insurance policy.

We are not able to reveal policy details to a third party when the insured is living and of good health. However, where the insured is deceased or disabled (and this is confirmed by a doctor in our panel), a named beneficiary will then have access to policy details and policy benefits subject to their providing the requisite claim documents. It is good to remember that it is not always that an insured names the spouse as the beneficiary. The data privacy laws are very explicit about leaking any customer information and hefty fines apply where this is breached.

20. I have a dormant policy which I paid for almost a year but initially I was told that I can withdraw my money anytime and that hasn't been possible, when I required more I was told to pay almost 200k which I am not able to get, does that mean I lost my money just like that?

This is best answered when we have the actual policy number because we offer several policy types and the terms and conditions differ depending on the policy type and policy term.