

HEIRS LIFE ASSURANCE LIMITED
Financial statement for the year ended 31 December 2024

HEIRS LIFE ASSURANCE LIMITED
FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2024
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HEIRS LIFE ASSURANCE LIMITED
FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2024
CORPORATE INFORMATION

Company Registration Number
RC 1561351

Directors

Tony Elumelu
Dan Okeke
Niyi Onifade
Adesimbo Ukiri
Suleyman A. Ndanusa
Chiugo Ndubisi
Wole Fayemi

Chairman
Vice Chairman
Managing Director / Chief Executive Officer
Non-Executive Director
Non-Executive Director
Non-Executive Director
Non-Executive Director

Registered office

107B Ajose Adeogun Street
Victoria Island
Lagos, Nigeria

Independent auditor

PricewaterhouseCoopers
Landmark Towers,
5B Water Corporation Road, Victoria Island, Lagos
Tel: +234 1 271 1700
www.pwc.com.ng

Actuaries

Zamara Consulting Actuaries Nigeria Limited
4th Floor, Ibukun House,
70 Adetokunbo Ademola Street
Victoria Island
Lagos, Nigeria
FRC No. FRC/2021/004/00000024023

Ag Company secretary

Blessing Ezemelue
107B Ajose Adeogun Street
Victoria Island
Lagos, Nigeria

Bankers

United Bank for Africa Plc
Providus Bank Ltd
Fidelity Bank
Union Bank Plc
Nova Merchant Bank

Tax Consultant

Ijewere and Co.

IFRS 17 Implementation Partner (Insurance Contract)

Deloitte Nigeria

HEIRS LIFE ASSURANCE LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024
DIRECTORS' REPORT

The Directors present their report on the affairs of Heirs Life Assurance Limited ("the Company"), together with the audited financial statements and Auditors report for the year ended 31 December 2024.

Incorporation and address

The Company was incorporated on 13th day of February, 2019 with registration number - RC 1561351 while operational licence with registration number 094 was issued by NAICOM on 25th day of November, 2020. The Company commenced operations on 1 December 2020.

The address of its registered/operational office is:
107B Ajoye Adeogun Street
Victoria Island
Lagos, Nigeria

Principal Activities

The company is a specialist life insurer that was incorporated to provide financial, family and future securities to individuals and businesses.

Results and dividend

The company's results for the year ended 31 December 2024 are set out in statement of profit or loss and other comprehensive income. The profit for the year has been transferred to retained earnings, as such, no dividend has been recommended. The summarised results are presented below.

| | Year Ended 31st December N'000 2024 | Year Ended 31st December N'000 2023 |
|---------------------------|--|--|
| Insurance Revenue | 15,147,394 | 7,256,832 |
| Profit before tax | 5,512,656 | 1,879,294 |
| Gross Premium Written | 33,859,296 | 19,747,899 |
| Investment Linked Premium | 10,363,037 | 4,124,976 |

Business review and future developments

The Company carried out insurance activities in accordance with its Memorandum and Articles of Association.

Directors' interest in contracts

None of the directors have notified the Company for the purpose of section 303 of the Companies and Allied Matters Act, 2020, of interest in contracts or proposed contracts with the Company during the period.

Directors' Interest in Shares

The names of the Directors and their interests in the issued share capital of the Company as recorded in the Register of Directors' Shareholdings as at 31 December 2024, are as follows:

HEIRS LIFE ASSURANCE LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024
DIRECTORS' REPORT

| DIRECTORS' NAME | Number of Ordinary Shares held (2024) | |
|---------------------------|---------------------------------------|---------------|
| | Direct | Indirect |
| Tony Elumelu | Nil | 4,000,000,000 |
| Mr. Dan Okeke | Nil | Nil |
| Mr. Niyi Onifade | Nil | Nil |
| Mr. Chiugo Ndubisi | Nil | Nil |
| Ms. Simbo Ukiri | Nil | Nil |
| Mr. Wole Fayemi | Nil | Nil |
| Dr. Suleyman Abdu Ndanusa | Nil | Nil |

Analysis of company's shares

According to the register of members as at 31 December 2024, the shareholding in the Company as well as substantial interests in shares was as follows:

| Shareholder | No. of Shares '000 | Percentage held |
|------------------------|--------------------|-----------------|
| Heirs Holdings Limited | 4,000,000 | 50% |
| United Capital Plc | 2,000,000 | 25% |
| Africa Prudential Plc | 1,200,000 | 15% |
| AVON HMO Ltd | 800,000 | 10% |
| | 8,000,000 | 100% |

Equity Range Analysis

The range of shareholding as at 31 December 2024 is as follows:

| RANGE | % | HOLDERS | % | HOLDINGS |
|----------------------------|------------|----------|------------|----------------------|
| 1 - 1,000,000,000 | 25 | 1 | 10 | 800,000,000 |
| 1000000001 - 2,000,000,000 | 50 | 2 | 40 | 3,200,000,000 |
| 4000000000 - 8,000,000,000 | 25 | 1 | 50 | 4,000,000,000 |
| GRAND-TOTAL | 100 | 4 | 100 | 8,000,000,000 |

Post balance sheet events

There were no events after the reporting date which could have a material effect on the state of affairs of the Company as at 31st December, 2024 or the financial performance for the year ended on that date that have not been adequately provided for or disclosed.

Acquisition of own shares

The Company did not purchase any of its own shares during the year.

Diversity in Employment

The Company operates a non-discriminatory policy in the consideration of applications for employment. We believe diversity and inclusiveness are powerful drivers of competitive advantage in understanding the needs of our customers and creatively developing solutions to address them.

During the Year under review, our staff diversity analysis were as follows:

| | Male | Female | Total HC |
|----------------------|-----------|-----------|-----------|
| Executive Management | 1 | 0 | 1 |
| Senior Management | 3 | 2 | 5 |
| Middle Management | 25 | 11 | 36 |
| Officer | 27 | 14 | 41 |
| Sub Total | 56 | 27 | 83 |

Statement of commitment to maintain positive work environment

The Company shall strive to maintain a positive and equal opportunity work environment underpinned by professionalism, performance and ethical conduct.

Employment of physically challenged persons

It is the policy of the Company that there should be no discrimination in considering applications for employment including those from physically challenged persons. All employees whether or not physically challenged are given equal opportunities to develop. There were no physically challenged persons in the employment of the Company as at 31 December 2024.

Employee health, safety and welfare

Health and safety regulations are enforced within the premises of the entities of the Company. The Company provides medical facilities to all levels of employees. Medical facilities are provided to employees and their immediate families at the Company's expense.

Employee training and involvement

The Company is open to constructive and meaningful suggestions from its staff towards ensuring effective involvement of staff-members in matters affecting them as employees as well as those pertaining to the Company's affairs. These views are sourced through formal and informal channels. Training is critical to the Company and staff members are exposed to well structured courses and seminars.

Research and Development

As a part of its daily business, the Company carries out research into new life assurance products and services to anticipate and meet customers' needs and to ensure excellent service is delivered at all time.

The Board was evaluated in respect of the Financial Year 2024 by the firm of Angela Aneke & Company Limited. The performance of the Board, Board Committees and individual directors were adjudged satisfactory and necessary feedback were communicated to individual directors.

Corporate Governance Evaluation

Corporate Governance Evaluation was undertaken in respect of the Financial Year 2024 by the firm of Angela Aneke & Company Limited. Based on its work, the firm adjudged the Company's corporate governance practices to be 'Established' and in line with global best practice. It concluded that the corporate governance framework of the Company has considerably applied the principles of the FRC Code.

Property, plant and equipment

Movement in property, plant and equipment during the period is shown in Note 16 to the financial statements. The Directors are of the opinion that the market value of the Company's property, plant and equipment is not less than the carrying value shown in the financial statements as at 31 December 2024.

Donations and gifts

The Company made the following donations during the period.

| | N'000 |
|---|---------------|
| Training support for Blackstone Insurance Broker | 4,500 |
| CIIN investiture Sponsorship | 2,000 |
| The Good Plastic Project (HIG ESG Upcycling Initiative) | 2,913 |
| Sponsorship for 2024 Risk Managers Society | 250 |
| Training sponsorship Ridgeline Global Service | 800 |
| NAIPE 2024 Annual Conference | 225 |
| HEIRS Life Assurance Regional Visit to various Orphanage | 1,575 |
| LASPEC-Donation towards 27th Retirement Benefit Documentation Seminar | 750 |
| Institute of Chartered Accountant Training support | 4,250 |
| CIIN Parley Sponsorship | 250 |
| NIA CAMCONIA Sponsorship | 250 |
| Contribution to Daily Independent CSR Project | 135 |
| Support Nigerian Council of Registered Insurance broker | 10,625 |
| Sponsorship Payment for NCRIBs Lagos Trade Fair | 2,000 |
| Sponsorship Fee for the MSME Finance Awards Programme by Nairametrics. | 750 |
| Sponsorship for Guild of Optometric Directors of Nigeria | 2,000 |
| Sponsorship for Africa Insurance Women Association (AIWA) conference | 4,500 |
| Sponsorship Payment for the 2024 Nigeria Insurer Association (NIA) Investiture Ceremony | 3,000 |
| Sponsorship of Business Today Conference | 250 |
| Sponsorship for Women of Courage Childrens Day Event | 150 |
| Support for PILA | 250 |
| | <u>41,423</u> |

Audit committee

Pursuant to Section 14.4 of the Nigerian Code of Corporate Governance 2018, the Company had in place an Audit Committee comprising as follows:

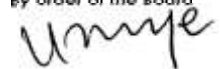
| | | |
|--------------------------|-----------------------------------|---------------------------|
| Dr Suleyman Abdu Ndanusa | Non-Executive Director (Chairman) | |
| Mr. Muhammad Bello Umar | Non-Executive Director | Retired - 6th August 2024 |
| Mrs. Maryam Sari | Independent Director | Retired - 6th August 2024 |
| Ms. Simbo Ukin | Non-Executive Director | |
| Mr. Emmanuel Nnam | Non-Executive Director | Resigned - 27th June 2024 |
| Mr. Dan Okeke | Non-Executive Director | |

The functions of the Audit Committee are as laid down in Section 11.4.6 and 11.4.7 of the Nigerian Code of Corporate Governance 2018.

Auditors:

PricewaterhouseCoopers were appointed as auditors during the year and having satisfied the relevant corporate governance rules have indicated their willingness to continue in office as auditors to the Company in accordance with Section 357(2) of the Companies and Allied Matters Act, CAP C20 Laws of the Federation of Nigeria, 2020, therefore, the auditors will be re-appointed at the next annual general meeting of the Company without any resolution being passed.

By order of the Board



Blessing Ezemelue

Ag. Company Secretary
FRC/2021/PRO/NBA/002/00000024914

INTRODUCTION

The Company recognizes the increasing relevance of good corporate governance practice to the sustenance and profitability of any organization committed to delivering the desired value to its shareholders and stakeholders at large.

GOVERNANCE STRUCTURE

The Board consists of 7 members, Six (6) of whom act in Non-Executive capacity.

Appointment to the Board of Heirs Life Assurance Limited (HLA) is done in accordance with the provisions of the Company's Governance Charter, Articles of Association, the Companies and Allied Matters Act 2020 as well as the National Code of Corporate Governance, and other regulatory guidelines and directives issued from time to time. All appointees to the Board undergo a formal induction session and training for proper and seamless on-boarding.

BOARD COMMITTEES

The Board discharges its duties through a number of standing committees whose terms of reference are subject to regular reviews. The terms of reference define the purpose of each of the Committees, their composition, frequency of meetings, responsibilities and duties, as well as expected reports to the Board. As at 31 December 2024, the Board oversaw the affairs of the Company through three (3) standing Committees. The Committees are as follows:

a. **Enterprise Risk Management Committee-** The Committee has oversight responsibility to review and approve the Company's risk management policy including risk appetite and risk strategy, retention levels, classes of insurance, reinsurance and other risk mitigation mechanisms. The Committee also has responsibility for reviewing the adequacy and effectiveness of risk management and controls; and oversees management's process for the identification of significant risks across the Company and the adequacy of prevention, detection and reporting mechanisms amongst others. The Committee met on four (4) occasions during 2024 and also presented quarterly reports of their activities for the review of the Board.

b. **Finance, Investment & General Purpose Committee** – The Committee has oversight responsibility to consider and advise the Board of Directors on all aspects of the Company's finances. This includes, among others, annual estimates of income and expenditure and the financial forecasts for the Company; reviewing the periodic management accounts of the Company as well as advising the Board of Directors on the year-end accounts; periodically reviewing and advising the Board on the solvency of Company and the safeguarding of its assets; advising the Board on relevant taxation issues, general borrowings. The Committee also has an oversight for the Company's investment. It presents the Investment Policies and Investment Plans to the Board annually for approval and ensures that investments are made in accordance with the policy. The Committee reviews and approves as appropriate strategic investment. The Committee met on four (4) occasions during 2024 and also presented quarterly reports of their activities for the review of the Board.

c. **Audit, Governance & Compliance Committee** - The Committee comprises of only Non-Executive Directors, and is responsible for reviewing quarterly Internal Audit reports as well as the Company's Compliance Report, Governance and Human Resources Report. The Committee also has oversight responsibility to review and report to the Board on matters of corporate governance, Board composition and remuneration; to provide oversight in respect of the company's internal systems for achieving compliance with legal and regulatory requirements, particularly as it pertains to good corporate governance. It establishes the criteria for Board and Board Committee memberships, reviews candidates' qualifications and potential conflict of interest, assesses the contribution of current Directors in connection with their re-nomination and makes recommendations to the Board amongst others. The Committee met four (4) times during 2024 and also presented reports of their activities for the review of the Board.

COMPOSITION OF THE BOARD AND STANDING COMMITTEES

| S/No | Director | Date of Appointment | Director Status | Re-election/Retirement Status | Committee Chairmen | Committee Membership |
|------|-------------------------|---------------------|------------------------------------|----------------------------------|-------------------------------------|----------------------|
| 1 | Mr. Tony Elumelu | September 4, 2023 | Chairman | | N/A | N/A |
| 2 | Mr. Dan Okeke | December 1, 2020 | Vice-Chairman | | N/A | FIGPC & AGCC |
| 3 | Mr. Niyi Onifade | December 1, 2020 | MD/CEO | | N/A | ERMC & FIGPC |
| 4 | Mrs. Maryam Sani | December 1, 2020 | Independent Non-Executive Director | 6th August 2024 (not re-elected) | N/A | FIGPC & AGCC |
| 5 | Mr. Emmanuel Nnorom | December 1, 2020 | Non-Executive Director | 27th June 2024 (resigned) | N/A | FIGPC & AGCC |
| 6 | Ms. Adesimbo Ukiri | December 1, 2020 | Non-Executive Director | | ERMC (Effective December 10, 2024). | ERMC & AGCC |
| 7 | Mrs. Tosin Bayo-Yusuf | December 14, 2022 | Executive Director/COO | 6th June 2024 (resigned) | NA | ERMC & FIGPC |
| 8 | Mr. Muhammad Bello Umar | May 11, 2021 | Non-Executive Director | 6th August 2024 (not re-elected) | ERMC (Exited August 6th 2024). | ERMC & AGCC |
| 9 | Dr Suleyman A. Ndanusa | June 8, 2021 | Non Executive Director | | AGCC | ERMC & AGCC |
| 10 | Mr. Chiugo Ndubisi | February 1, 2023 | Non Executive Director | | FIGPC | ERMC & FIGPC |
| 12 | Mr. Wole Fayemi | December 6, 2023 | Non Executive Director | | N/A | ERMC & FIGPC |

HEIRS LIFE ASSURANCE LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024
CORPORATE GOVERNANCE REPORT

Dates of Board and Board Committee Meetings and Attendance for 2024

A. Board Meetings

| S/No | Director | Mar 27, 2024 | Jun 27, 2024 | Aug 27, 2024 | Dec 10, 2024 | % Attendance |
|------|---------------------|--------------|--------------|---------------|---------------|--------------|
| 1 | Tony Elumelu | • | • | • | • | 100% |
| 2 | Dan Okeke | • | • | • | • | 100% |
| 3 | Niyi Unifade | • | • | • | • | 100% |
| 4 | Tosin Adebayo-Yusuf | • | Resigned | Resigned | Resigned | 80% |
| 5 | Maryam Sani | • | • | Not-reelected | Not-reelected | 100% |
| 6 | Emmanuel N. Nnorom | • | • | Resigned | Resigned | 100% |
| 7 | Adesimbo Ukiri | • | • | • | • | 100% |
| 8 | Chiugo Ndubisi | • | • | • | • | 100% |
| 9 | Muhammad Bello Umar | • | • | Not-reelected | Not-reelected | 100% |
| 10 | Wole Fayemi | • | • | • | • | 100% |
| 10 | Suleyman A. Ndanusa | • | • | • | • | 100% |

B. Committee Meetings

Audit, Governance and Compliance Committee

| S/No | Director | March 01, 2024. | April 25, 2024. | August 01, 2024. | November 06, 2024. | % Attendance |
|------|---------------------------|-----------------|-----------------|------------------|--------------------|--------------|
| 1 | Dr. Suleyman Abdu Ndanusa | • | • | • | • | 100% |
| 2 | Emmanuel Nnorom | • | • | Resigned | Resigned | 100% |
| 3 | Mrs. Maryam Sani | • | • | • | Not-reelected | 100% |
| 4 | Mr. Muhammad Bello Umar | • | • | • | Not-reelected | 100% |
| 5 | Mr. Dan Okeke | • | • | • | • | 100% |
| 6 | Mrs. Adesimbo Ukiri | • | • | • | • | 100% |

Finance, Investment and General-Purpose Committee

| S/No | Director | February 22, 2024. | May 14, 2024. | August 14, 2024. | November 08, 2024. | % Attendance |
|------|--------------------------|--------------------|---------------|------------------|--------------------|--------------|
| 1 | Mr. Chiugo Ndubisi | • | • | • | • | 100% |
| 2 | Mr. Niyi Unifade | • | • | • | • | 100% |
| 3 | Mrs. Maryam Sani | • | • | Not-reelected | Not-reelected | 100% |
| 4 | Mr. Dan Okeke | • | • | • | • | 100% |
| 5 | Mr. Wole Fayemi | • | • | • | • | 100% |
| 6 | Mr. Emmanuel Nnorom | • | • | Resigned | Resigned | 100% |
| 7 | Mrs. Tosin Adebayo-Yusuf | • | • | Resigned | Resigned | 100% |

Enterprise Risk Management Committee-

| S/No | Director | Feb 21, 2024 | Apr 29, 2024 | Jul 13, 2024 | Nov 05, 2024 | % Attendance |
|------|---------------------------|--------------|--------------|--------------|--------------|--------------|
| 1 | Dr. Suleyman Abdu Ndanusa | • | • | • | • | 100% |
| 2 | Mr. Muhammadu Bello Umar | • | • | • | Resigned | 100% |
| 3 | Ms. Adesimbo Ukiri | • | • | • | • | 100% |
| 4 | Mr. Niyi Unifade | • | • | • | • | 100% |
| 5 | Mrs. Tosin Adebayo-Yusuf | • | • | Resigned | Resigned | 100% |
| 6 | Mr. Chiugo Ndubisi | • | • | • | • | 100% |
| 7 | Mr. Wole Fayemi | • | • | • | • | 100% |

BOARD SELECTION AND APPOINTMENT PROCESS

The Board ensures that the process of appointing a Director is done in accordance with the Board Governance Charter, Companies and Allied Matters Act 2020 and other Codes of Corporate Governance which the Company is subject to. The process includes the following:

The Board ensures that the procedure for selection and appointment of new directors on the Board of the Company is clearly defined, formal and transparent.

The selection process reflects the Board's strengths and weaknesses, the required skill and experience.

The Board conducts a thorough analysis of the existing Board composition and confirms whether there is a need to appoint a new Director, especially in events of causal vacancies.

Nominations are forwarded to the Board through the Company Secretary. The Audit, Governance and Compliance Committee reviews the nomination as well as the profile of the candidate and makes its recommendation to the Board on the suitability of the proposed candidate.

The Board considers the Committee's recommendation and conducts relevant checks to ensure that the proposed candidate is fit and proper to sit on the Board of an insurance company also is not disqualified from being a Director in accordance with legislations and Codes of Corporate Governance to which the Company is subject.

Sequel to the Board's approval of the appointment of the proposed candidate on the Board, the appointment is formally communicated to the successful candidate. The successful candidate will be required to formally accept or reject the appointment.

Also following the approval of the Board, the Company Secretary notifies the National Insurance Commission in writing, seeking the Commission's approval of the appointment.

TRAINING AND INDUCTION

The Company believes that a robust induction as well as regular training and education of Board members on issues pertaining to their oversight functions will improve Directors' performance. Regarding new Directors, there is a personalized induction program which includes one-on-one meetings with Executive Directors and Senior Management responsible for the Company's key business operations. Such sessions focus on the challenges, opportunities and risks facing the business areas. The induction program covers an overview of the Strategic Business Units as well as the Board processes and policies. A new Director receives an induction pack which includes charters of the various Board Committees, significant reports, important legislation and policies, minutes of previous Board Meetings and a Calendar of Board Activities. Directors are also required to participate in periodic, relevant continuing professional development programs to update their knowledge.

During the year under review, Directors attended the following trainings:

- a. 2024 Insurance Directors' Conference: Board Performance in the Nigerian Insurance Industry: A Governance, Risk and Compliance (GRC) approach.
- b. AML/ CFT Training

DIRECTORS STANDING FOR RE-ELECTION

In accordance with the Company's Article of Association and S285(1) and (2) of the Companies and Allied Matters Act 2020, Mr, Dan Okeke, Dr Suleyman Ndanusa, Mrs. Maryam Sani and Mr. Muhammad Bello Umar stood for re-election in 2024. Mrs Maryam Sani and Mr Muhammad Bello were not re-elected to the Board while Mr. Dan Okeke and Dr Suleyman Ndanusa were re-elected to the Board accordingly.

GENDER DIVERSITY

The Company is aware of the need for fair representation of people of different genders as members of the Board, Executive Management as well as other employees. Both men and women are provided with a level playing field and no gender is seen as being more pivotal to the business of the organization than another.

BOARD AND GOVERNANCE EVALUATION

In accordance with the Nigerian Code of Corporate Governance, the governance practices and activities of the Board were evaluated by the firm of Angela Aneke & Co. The firm was appointed during the year under review to undertake the task

REMUNERATION STATEMENT

The Report on Directors' and Management and Staff remuneration is as set out in the Audited Financial Statements. The company has established clear policy guidelines for the determination and administration of compensation. In line with the policy guidelines, the Company seeks to attract and retain the best talent in countries that it operates. To achieve this, the Company seeks to position itself among the best performing and best employee rewarding companies in its industry. This principle will act as a general guide for the determination of compensation. The objective of the policy is to ensure that salary structure including short and long term incentives motivate sustained high performance. It is also designed to ensure that stakeholders are able to make reasonable assessment of the Company's reward practices. It is the Company's policy to comply in full with all local tax laws. The Company also complies with the Pension Reform Act 2014 on the provision of retirement benefit to employees at all levels.

CLAWBACK POLICY

The Company has in place a clawback policy in respect of performance bonus payments to executive management and employees.

SUMMARY OF RISK MANAGEMENT FRAMEWORK

This is contained in the risk management disclosures on Note 4 & 5 of the financial statement

FINES & PENALTIES

The company paid a sum of three million naira (N3,000,000) naira in 2024 to NAICOM in respect of observations made during the 2023 onsite examination in line with the Risk Based Supervision framework.

STATEMENT OF COMPLIANCE

The Company carried out its Corporate Governance practices in line with the National Code of Corporate Governance and the Corporate Governance Guidelines 2022 issued by the National Insurance Commission.

WHISTLE BLOWING POLICY

The Company has instituted a robust whistle blowing policy which encourages anonymous reporting of unethical and illegal actions and activities.

ENVIRONMENT, SUSTAINABILITY AND GOVERNANCE

As a major player in the insurance industry, Heirs Life Assurance Limited is fully conscious of its status and responsibilities in the Nigerian society as a corporate citizen. As such, the Company deliberately integrates the society in its plans and maintains a very robust relationship with all stakeholders including its employees, host community, consumers and the general public.

RELATIONSHIP WITH SHAREHOLDERS

The Company is fully conscious of the importance of effective and constant interaction with shareholders. The Company benefits tremendously from the interactions and would welcome further contributions of shareholders at the Annual General Meeting. The Company will continue to take all necessary steps to uphold shareholder rights.

COMPLAINTS MANAGEMENT POLICY

The Company has in place a Complaints Policy to handle and resolve complaints which is available on the Company's website.

CODE OF CONDUCT & BUSINESS ETHICS

The Code of Conduct & Business Ethics provides general guidance and complements other policies and procedures of the Company regarding ethics and acceptable conduct in the organization. The Code clearly defines parameters of acceptable principles and standards in which Directors and employees are expected to conduct themselves in undertaking the business of the Company.

COMMUNICATIONS POLICY

The Communications Policy governs how information is communicated within Heirs Life Assurance Limited and how the Company's representatives may communicate with outside parties. The Policy defines who "outside parties" are and applies to all Heirs Life Assurance Limited employees, directors, officers, consultants and contractors.

HEIRS LIFE ASSURANCE LIMITED
FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2024
CERTIFICATION BY COMPANY SECRETARY

In my opinion as the Company Secretary, I hereby certify, in terms of the Companies and Allied Matters Act 2020, that for year ended 31 December 2024, the Company lodged all such returns as required of a company in terms of the Act, and that all such returns are, to the best of my knowledge and belief, true, correct and up to date.



Blessing Ezemelue
Ag. Company Secretary
FRC/2021/PRO/NBA/002/00000024914
23-Apr-25

HEIRS LIFE ASSURANCE LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024
STATEMENTS OF DIRECTORS' RESPONSIBILITIES


The Companies and Allied Matters Act requires the directors to prepare financial statements for each financial year that give a true and fair view of the state of financial affairs of the Company at the end of the period and of its profit or loss. The responsibilities include:

- a) Ensuring that the Company keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the Company and comply with the requirements of the Companies and Allied Matters Act;
- b) Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error; and
- c) Preparing the Company's financial statements using suitable accounting policies supported by reasonable and prudent judgements and estimates that are consistently applied.

The Directors accept responsibility for the financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Financial Reporting Standards issued by the International Accounting Standards Board ("IFRS Accounting Standards") and the requirements of the Companies and Allied Matters Act.

The Directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of the financial statements, as well as adequate systems of internal financial control.

Nothing has come to the attention of the Directors to indicate that the Company will not remain a going concern for at least twelve months from the date of this statement.



Tony Etumetu
Chairman
FRC/2013/PRO/DIR/003/00000002590
23-Apr-25



Niyl Onifade
Managing Director/CEO
FRC/2013/PRO/DIR/003/00000002690
23-Apr-25

HEIRS LIFE ASSURANCE
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024
STATEMENTS OF DIRECTORS' CORPORATE RESPONSIBILITY

In line with the provision of S.405 of CAMA 2020, we have reviewed the audited financial statements of the Company for the year ended 31 December 2024 and based on our knowledge confirm as follows:

(I) The audited financial statements do not contain any untrue statement of material fact or omit to state a material fact, which would make the statements misleading,

(II) The audited financial statements and all other financial information included in the statements fairly present, in all material respects, the financial condition and results of operation of the Company as of and for the year ended 31 December 2024,

(iii) the Company's internal controls have been designed to ensure that all material information relating to the Company are received and provided to the Auditors in the course of the audit,

(iv) the Company's internal controls were evaluated within 90 days of the financial reporting date and were effective as of 31 December 2024.

(v) That we have disclosed to the Company's Auditors and Audit committee the following information:

(a) There are no significant deficiencies in the design or operation of the Company's internal controls which could adversely affect the Company's ability to record, process, summarise and report financial data, and have discussed with auditors any weaknesses in the internal controls observed in the course of the audit.

(b) There is no fraud involving management or other employees which could have any significant role in the Company's internal control.

(vi) There are no significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of this audit, including any corrective actions with regard to any observed deficiencies and material weaknesses.



Godwin Oguche
Financial Controller
FRC/2024/PRO/ICAN/001/045237



Niyi Onifade
Managing Director/CEO
FRC/2013/PRO/DIR/003/0000002690

In accordance with the provision of Section 404 (4) of the Companies and Allied Matters Act, the members of the Audit Committee of Heirs Life Assurance Limited hereby report as follows:

We have exercised our statutory functions under Section 404(1) of the Companies and Allied Matters Act and acknowledge the co-operation of management and staff in the conduct of these responsibilities.

We are of the opinion that the accounting and reporting policies of the Company are in accordance with legal requirements, and agreed ethical practices and the scope and planning of both the external and internal audits for the year ended 31 December 2024 were satisfactory and reinforce the Company's internal control systems.

We have deliberated with the external auditor, who have confirmed that necessary co-operation was received from management in the course of their statutory audit and we are satisfied with the management's response to the external auditor's recommendations on accounting and internal control matters and with the effectiveness of the Company's system of accounting and internal control.



Dr Suleyman A. Ndanusa
Chairman, Audit, Governance & Compliance Committee
23-Apr-25

MEMBERS OF THE BOARD, AUDIT AND COMPLIANCE COMMITTEE

| | |
|-------------------------|----------|
| Dr Suleyman A. Ndanusa | Chairman |
| Emmanuel Nnoram | Member |
| Mrs. Maryam Sani | Member |
| Mr. Muhammad Bello Umar | Member |
| Mrs. Adesimbo Ukiri | Member |

Management's Annual Assessment of, and Report on, Heirs Life Assurance Limited's Internal Control over Financial Reporting

To comply with the assessment requirements of the FRC Guidance on Management Report on Internal Control Over Financial Reporting issued by the Financial Reporting Council of Nigeria, we hereby make the following statements regarding the Internal Controls of Heirs Life Assurance Limited for the year ended 31 December 2024:

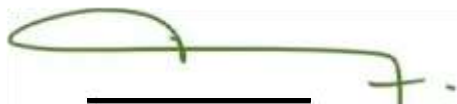
i. Heirs Life Assurance Limited's management is responsible for establishing and maintaining a system of internal control over financial reporting ("ICFR") that provides reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with International Financial Reporting Standards.

ii. Heirs Life Assurance Limited's management used the Committee of Sponsoring Organization of the Treadway Commission (COSO) Internal Control-Integrated Framework to conduct the required evaluation of the effectiveness of the entity's ICFR;

iii. Heirs Life Assurance Limited's management has assessed that the entity's ICFR as of the end of 31 December 2024 is effective.

iv. Heirs Life Assurance Limited's external auditor Messrs PricewaterhouseCoopers that audited the financial statements, included in the annual report, has issued an attestation report on management's assessment of the entity's internal control over financial reporting.

The attestation report of Messrs PricewaterhouseCoopers that audited its financial statements will be filed as part of Heirs Life Limited's annual report.



Tony Elumelu
Chairman
FRC/2013/PRO/DIR/003/00000002590



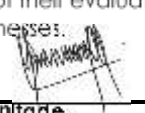
Niyi Onifade
Managing Director/CEO
FRC/2013/PRO/DIR/003/00000002690

Chief Executive Officer's Certification of management's assessment on internal control over financial reporting

To comply with the assessment requirements of the FRC Guidance on Management Report on Internal Control Over Financial Reporting issued by the Financial Reporting Council of Nigeria, I hereby make the following statements regarding the internal control over financial reporting of Heirs Life Assurance Limited for the year ended 31 December 2024.

I, Niyi Onifade, certify that:

- a) I have reviewed this management assessment on internal control over financial reporting of Heirs Life Assurance Limited;
- b) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
- c) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the entity as of, and for, the periods presented in this report;
- d) The entity's other certifying officer and I:
 - 1) are responsible for establishing and maintaining internal controls;
 - 2) have designed such internal controls and procedures, to ensure that material information relating to the entity, is made known to us, particularly during the period in which this report is being prepared;
 - 3) have designed such internal control system, or caused such internal control system to be designed under our supervision, 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;
 - 4) have evaluated the effectiveness of the entity's internal controls and procedures as of a date within 90 days prior to the report and presented in this report our conclusions about the effectiveness of the internal controls and procedures, as of the end of the period covered by this report based on such evaluation.
- e.) The entity's other certifying officer and I have disclosed, based on our most recent evaluation of internal control system, to the entity's auditors and the audit committee of the entity's board of directors (or persons performing the equivalent functions):
 - 1) All significant deficiencies and material weaknesses in the design or operation of the internal control system which are reasonably likely to adversely affect the entity's ability to record, process, summarize and report financial information; and
 - 2) Any fraud, whether or not material, that involves management or other employees who have a significant role in the entity's internal control system.
- f) The entity's other certifying officer(s) and I have identified, in the report whether or not there were significant changes in internal controls or other facts that could significantly affect internal controls subsequent to the date of their evaluation including any corrective actions with regard to significant deficiencies and material weaknesses.



Niyi Onifade
Managing Director/CEO
FRC/2013/PRO/DIR/003/00000002690

Chief Financial Officer's Certification of management's assessment on internal control over financial reporting

To comply with the assessment requirements of the FRC Guidance on Management Report on Internal Control Over Financial Reporting issued by the Financial Reporting Council of Nigeria, I hereby make the following statements regarding the internal control over financial reporting of Heirs Life Assurance Limited for the year ended 31 December 2024.

I, Oguiche Godwin, certify that:

- a) I have reviewed this Management assessment on internal control over financial reporting of Heirs Life Assurance Limited;
- b) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
- c) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the entity as of, and for, the periods presented in this report;
- d) The entity's other certifying officer and I:
 - 1) are responsible for establishing and maintaining internal controls;
 - 2) have designed such internal controls and procedures, or caused such internal controls and procedures to be designed under our supervision, to ensure that material information relating to the entity, and its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - 3) have designed such internal control system, or caused such internal control system to be designed under our supervision, 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;
 - 4) have evaluated the effectiveness of the entity's internal controls and procedures as of a date within 90 days prior to the report and presented in this report our conclusions about the effectiveness of the internal controls and procedures, as of the end of the period covered by this report based on such evaluation.
- e) The entity's other certifying officer and I have disclosed, based on our most recent evaluation of internal control system, to the entity's auditors and the audit committee of the entity's board of directors (or persons performing the equivalent functions):
 - 1) All significant deficiencies and material weaknesses in the design or operation of the internal control system which are reasonably likely to adversely affect the entity's ability to record, process, summarize and report financial information; and
 - 2) Any fraud, whether or not material, that involves management or other employees who have a significant role in the entity's internal control system.
- f) The entity's other certifying officer(s) and I have identified, in the report whether or not there were significant changes in internal controls or other facts that could significantly affect internal controls subsequent to the date of their evaluation including any corrective actions with regard to significant deficiencies and material weaknesses.



Oguiche Godwin
Financial Controller
FRC/2024/PRO/ICAN/001/045237



Independent practitioner's report

To the Members of Heirs Life Assurance Limited

Report on an assurance engagement performed by an independent practitioner to report on management's assessment of controls over financial reporting

Our opinion

In our opinion, nothing has come to our attention that the internal control procedures over financial reporting put in place by management of Heirs Life Assurance Limited ("the company's") are not adequate as of 31 December 2024, based on the FRC Guidance on Management Report on Internal Control Over Financial Reporting issued by the Financial Reporting Council of Nigeria.

What we have performed

We have performed an assurance engagement on Heirs Life Assurance Limited's internal control over financial reporting as of December 31, 2024, based on FRC Guidance on Assurance Engagement Report on Internal Control Over Financial Reporting ("the Guidance") issued by the Financial Reporting Council of Nigeria. The company's management is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Managements Annual Assessment of, and Report on Heirs Life Assurance Limited's, Internal Control over Financial Reporting. Our responsibility is to express an opinion on the company's internal control over financial reporting based on our assurance engagement.

Basis for opinion

We conducted our assurance engagement in accordance with the Guidance, which requires that we plan and perform the assurance engagement and provide a limited assurance report on the entity's internal control over financial reporting based on our assurance engagement. As prescribed in the Guidance, the procedures we performed included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our engagement also included performing such other procedures as we considered necessary in the circumstances. We believe the procedures performed provide a basis for our report on the internal control put in place by management over financial reporting.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control 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 control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) 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 authorizations of management and directors of the company; and (iii) 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 its inherent limitations, internal control over financial reporting may not prevent or detect all 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.

Other matter

We also have audited, in accordance with the International Standards on Auditing, the financial statements of Heirs Life Assurance Limited and our report dated 27 May 2025 expressed an unqualified opinion.

Obioma Ubah



For: **PricewaterhouseCoopers**
Chartered Accountants
Lagos, Nigeria
FRC/2023/COY/176894

27 May 2025

Engagement Partner: Obioma Ubah
FRC/2013/PRO/ICAN/004/00000002002



Independent auditor's report

To the Members of Heirs Life Assurance Limited

Report on the audit of the financial statements

Our opinion

In our opinion, Heirs Life Assurance Limited's ("the company's") financial statements give a true and fair view of the financial position of the company as at 31 December 2024, and of its financial performance and its cash flows for the year then ended in accordance with international financial reporting standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards") and the requirements of the Companies and Allied Matters Act, the Insurance Act and the Financial Reporting Council of Nigeria (Amendment) Act, 2023.

What we have audited

Heirs Life Assurance Limited's financial statements comprise:

- the statement of financial position as at 31 December 2024
- the statement of profit or loss and other comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of material accounting policies.

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards), i.e. the IESBA Code issued by the International Ethics Standards Board for Accountants. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

Key audit matters

Key audit matters are those matters that, in our professional 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.

PricewaterhouseCoopers Chartered Accountants, Landmark Towers, 5B Water Corporation Road, Victoria Island, Lagos, Nigeria

| Key audit matter | How our audit addressed the key audit matter |
|---|---|
| <p><i>Measurement of Insurance Contract Liabilities – N39.7 billion (refer to notes 3.2.4, 3.28 and 18)</i></p> <p>The measurement of insurance contract liabilities involves significant judgements about estimation of fulfilment cash flows, risk adjustment, contractual service margin (CSM) and discounting by management.</p> <p>The Company's insurance contract liabilities comprise the following elements: Liability for Incurred Claims (LIC) and Liability for Remaining Coverage (LRC).</p> <p>For insurance contracts that are more than one year, management has adopted the general measurement model (GMM) while contracts with a coverage period of one year or less are measured using the premium allocation approach (PAA) measurement.</p> <p>The LRC for PAA contracts are determined by estimating the Unearned Premium Reserve (UPR). Discounting is not applied to LRC under PAA, as it primarily reflects unearned premiums.</p> <p>The LRC for GMM contracts are measured by estimating the fulfilment cash flow plus the CSM.</p> <p>The LIC for PAA contracts consist of the Incurred but not reported (IBNR) and risk adjustment (RA) to capture uncertainties in claim settlement patterns. The Company used loss ratio method to determine their IBNR;</p> <p>Below, we comment on the most significant assumptions made in the valuation of insurance contract liabilities:</p> <ul style="list-style-type: none"> The LRC for contracts measured under the GMM is measured by estimating the fulfilment cash flow plus the CSM. The fulfilment cash flows comprise an estimate of future cash inflow and cash outflow, an adjustment to reflect the time value of money and the financial risks related to the future cash flows and a risk adjustment for non-financial risk. | <p>We obtained and tested samples of data inputs for all units of accounts and the expense allocation model.</p> <p>With the support of our actuarial experts, we:</p> <ul style="list-style-type: none"> assessed the reasonableness of the measurement model used by performing an eligibility test to assess the appropriateness of management's use of the PAA and GMM measurement model to value the liabilities of insurance contracts; assessed the reasonableness of the risk adjustment methodology adopted and checked that this was in line with generally accepted actuarial techniques and also in line with the standard; checked the mortality assumptions used by management in estimating the fulfilment cash flows and comparing the assumptions applied to current economic conditions for reasonableness. assessed the reasonableness of the methodology used in determining the discount rates and checked that this was in line with generally accepted discounting techniques and local practice; checked the inflation rates adopted by management to adjust cash flows by comparing the rates to an independent external source for reasonableness and made recommendations; validated the expense cash flows via review of inputs into the expense allocation workbook used by management and the methodology adopted for the allocation; |

| | |
|--|---|
| <p>The estimation of the fulfilment of cash flow includes the use of assumptions such as projected benefit payments based on mortality assumptions, discount rates, expense inflation rate and expense cashflows that relate directly to the fulfilment of the contract.</p> <ul style="list-style-type: none"> • The liability for remaining coverage for contracts measured under the premium allocation approach (PAA) was determined by estimating the UPR. • The LIC is measured by estimating the fulfilment cash flow which is the present value of cash outflow for incurred claims considering risk adjustment. | <ul style="list-style-type: none"> • assessed the reasonableness of the cash flow used by management. For PAA contracts, we assessed the reasonableness of the premium inflows and ensured it related to contracts within the contract boundary and the estimation of claims and benefit payments which was based on data-driven loss ratios. For contracts measured using GMM, we validated the reasonability of the assumptions used to derive the best estimate liabilities; • recomputed the Unearned Premium Reserve on a daily pro-rata basis to accurately reflect the portion of premiums earned and unearned over the policy term; <p>With the support of our accounting experts, we checked the adequacy of the presentation and disclosure on insurance contract liabilities on the financial statements as well as the required disclosures in line with IFRS 17.</p> |
|--|---|

Other information

The directors are responsible for the other information. The other information comprises the Corporate information, Directors' Report, Corporate governance report, Certification by company secretary, Statement of directors' responsibilities, Statement of directors' corporate responsibility, Audit committee report, Management's Annual Assessment of, and Report on Heirs Life Assurance Limited's Internal Control over Financial Reporting, Chief Executive Officer's Certification of management's assessment on internal control over financial reporting, Chief Financial Officer's Certification of management's assessment on internal control over financial reporting, Value added statement and Four-Year Financial Summary, but 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 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 identified above 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, 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 and those charged with governance for the financial statements

The directors are responsible for the preparation of the financial statements that give a true and fair view in accordance with IFRS Accounting Standards and the requirements of the Companies and Allied Matters Act, the Financial Reporting Council of Nigeria (Amendment) Act, 2023, and the Insurance Act, and 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.

Those charged with governance 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 professional judgement and maintain professional scepticism throughout the audit. We also:

- 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- 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 those charged with governance 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.

From the matters communicated with those charged with governance, 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 and Allied Matters Act and the Insurance Act require that in carrying out our audit we consider and report to you on the following matters. We confirm that:

- i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- ii) the company has kept proper books of account, so far as appears from our examination of those books and returns adequate for our audit have been received from locations not visited by us;
- iii) the company's statement of financial position and statement of profit or loss and other comprehensive income are in agreement with the books of account and returns.

In accordance with the requirements of the Financial Reporting Council, we performed a limited assurance engagement and reported on management's assessment of Heirs Life Assurance Limited's internal control over financial reporting as of 31 December 2024. The work performed was done in accordance with FRC Guidance on Assurance Engagement Report on Internal Control Over Financial Reporting issued by the Financial Reporting Council of Nigeria, and we have issued an unqualified opinion in our report dated 27 May 2025.

A handwritten signature in black ink that reads 'Obioma Ubah'.



For: **PricewaterhouseCoopers**
Chartered Accountants
Lagos, Nigeria

27 May 2025

Engagement Partner: Obioma Ubah
FRC/2013/PRO/ICAN/004/00000002002

General information

These are the financial statement of Heirs Life Assurance Limited ("the Company"). The Company was incorporated on 13th day of February, 2019 with Registration number - RC 1561351. Operational licence with registration number 094 was issued by NAICOM on 25th day of November, 2020 and operations commenced on 1 December 2020. The Company's Ultimate Parent and Controlling entity is Heirs Holdings Limited.

The financial statements of the company for the year ended 31 December 2024 were authorised for issue by the directors of the Heirs Life Assurance Limited on 23 April 2025.

1. Going Concern

These financial statements have been prepared on the going concern basis. The Company has no intention or need to reduce substantially its business operations. The management believes that the going concern assumption is appropriate for the Company due to the sufficient capital adequacy ratio and projected liquidity, based on historical experience that short term obligations will be refinanced in the normal course of business. Liquidity ratio and continuous evaluation of current ratio of the Company is carried out by the Company to ensure that there are no going concern threats to the operation of the Company.

1.1 Principal Accounting Policies

The principal accounting policies adopted in the preparation of these financial statements are set out below:

The financial statements have been prepared in accordance with and comply with International Financial Reporting Standards (IFRSs) as issued by International Accounting Standards Board ("IFRS Accounting Standards"), in the manner required by the Companies and Allied Matters Act of Nigeria, the Financial Reporting Council of Nigeria Amendment Act, 2023, the Insurance Act 2003, and relevant National Insurance Commission (NAICOM) guidelines and circulars to the extent that they do not conflict with the requirement of IFRS.

The financial statements include the statement of financial position, statement of profit or loss and other comprehensive income, the statement of cash flows, the statement of changes in equity and the notes to the account.

1.2 Basis of Measurement

The financial statements are prepared on a going concern basis in compliance with IFRS Accounting Standards and the requirements of the Companies and Allied Matter Act, Insurance Act, 2003 and regulatory guidelines as pronounced from time to time by National Insurance Commission.

1.3 IFRS9-Financial Instrument: Classification and Measurement

IFRS 9 (2009) introduces new requirements for the classification and measurement of financial assets. Under IFRS 9 (2009), financial assets are classified and measured based on the business model in which they are held and the characteristics of their contractual cash flows. IFRS 9 (2010) introduces additions relating to financial liabilities. The IASB currently has an active project to make limited amendments to the classification and measurement requirements of IFRS 9 and add new requirements to address the impairment of financial assets and hedge accounting.

1.4 Changes in Accounting Policies

Except for the changes below, the Company has consistently applied the accounting policies set out in the 'Note on material accounting policies to the year presented in the financial statements.

The Company will adopt new standards and amendments to standards, including any consequential amendments to other standards, in the accounting period that they become effective. Such standards and amendments will be stated explicitly with the relevant impact on the company's financial statements.

1.5 Use of estimates and Judgments

The preparation of the financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

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

Information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are described in note 5.8.

1.6 Regulatory authority and financial reporting

The Company is regulated by the National Insurance Commission of Nigeria (NAICOM) under the Insurance Act 2003 of Nigeria. The Act specifies certain provisions which have impact on financial reporting as follows:

- I. Section 20 (1a) provides that provisions for unexpired risks shall be calculated on a time apportionment basis of the risks accepted in the year;
- II. Section 20 (1b) requires provision for outstanding claims to be credited with an amount equal to the total estimated amount of all outstanding claims with a further amount representing 10 percent of the estimated figure for outstanding claims in respect of claims incurred but not reported at the end of the year under review;
- III. Sections 21 (1a) and 22 (1b) require maintenance of contingency reserves for general and life businesses respectively at specified rates as set out under statement of changes in equity to cover fluctuations in securities and variation in statistical estimates;
- IV. Section 22 (1a) requires the maintenance of a general reserve fund which shall be credited with an amount equal to the net liabilities on policies in force at the time of the actuarial valuation and an additional 25 percent of net premium for every year between valuation date;
- V. Section 24 requires the maintenance of a margin of solvency to be calculated in accordance with the Act.
- VI. Section 10(3) requires insurance companies in Nigeria to deposit 10 percent of the minimum paid up share capital with the Central Bank of Nigeria.
- VII. Section 25 (1) requires an insurance company operating in Nigeria to invest and hold invested in Nigeria assets equivalent to not less than the amount of policy holders' funds in such accounts of the insurer. See note 42 for assets allocation that covers policy holders' funds.

The Financial Reporting Council Amendment Act (FRC Act), 2023 which requires the adoption of IFRS by all listed and significant public interest entities provides that in matters of financial reporting, if there is any inconsistency between the FRC Act and other Acts which are listed in section 59(1) of the FRC Act, the FRC Act shall prevail. The Financial Reporting Council of Nigeria acting under the provisions of the FRC Act has promulgated IFRS as the national financial reporting framework for Nigeria. Consequently, the following provisions of the National Insurance Act, 2003 which conflict with the provisions of IFRS have not been adopted:

- I. Section 20 (1b) which requires the provision of 10 percent for outstanding claims in respect of claims incurred but not reported at the end of the year under review.
- II. Section 22(1a) which requires additional 25 percent of net premium to general reserve fund.

1.7 Reporting period

The statement of financial position was prepared as at 31 December 2024 for a twelve months period.

2. Summary of material accounting policies

The following are the material accounting policies adopted by the company in the preparation of the financial statement.

a. Functional and presentation currency

This financial statements is presented in Nigerian Naira, which is the company's functional currency. Except where indicated, financial information presented in Naira has been rounded to the nearest thousand.

b. Basis of accounting

The financial statements have been prepared in accordance with IFRS Accounting Standards and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC"). The financial statements have been prepared in accordance with the going concern principle under the historical cost convention. However the following are exclusions to the historical cost basis.

Fair Value: Some assets and liabilities, such as financial instruments may be measured at fair value in the financial statements. This means that the value of the asset or liability is adjusted to reflect its fair value at the end of each reporting period. The fair value measurement is based on market prices or other reliable valuation techniques.

Revaluation: Certain assets, such as property, plant, and equipment, may be revalued to their fair value when there is a significant change in their value. Revaluation involves updating the carrying value of the asset to reflect its current market value. The revaluation surplus or deficit is recognized in the statement of profit or loss and other comprehensive income.

Impairment: If there is a significant decrease in the value of an asset, such as a long-term investment or a piece of machinery, due to impairment, the asset's carrying amount is reduced to reflect the impairment loss. The impairment loss is recognized in the statement of profit or loss and other comprehensive income.

c New standards that were effective during the year as at 1 January 2024

A number of standards, interpretations and amendments are effective for annual period beginning on or after 1 January 2024 and earlier application is permitted; however, the company has not early adopted the following new or amended standards in preparing these financial statements as it plans to adopt these standards at their respective effective dates as follows:

| Title | Key requirements | Effective date |
|---|---|----------------|
| Classification of Liabilities as Current or Non-current and Noncurrent liabilities with covenants – Amendments to IAS 1 | <p>Amendments made to IAS 1 Presentation of Financial Statements in 2020 and 2022 clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the entity's expectations or events after the reporting date. Covenants of loan arrangements will not affect classification of a liability as current or non-current at the reporting date if the entity must only comply with the covenants after the reporting date. However, if the entity must comply with a covenant either on or before the reporting date, this needs to be considered in the classification as current or non-current even if the covenant is only tested for compliance after the reporting date.</p> <p>The amendments require disclosures if an entity classifies a liability as noncurrent and that liability is subject to covenants with which the entity must comply within 12 months of the reporting date. The disclosures include:</p> <ul style="list-style-type: none"> the carrying amount of the liability; information about the covenants (including the nature of the covenants and when the entity is required to comply with them); and facts and circumstances, if any, that indicate that the entity might have difficulty complying with the covenants. <p>The amendments must be applied retrospectively in accordance with the requirements in IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. Special transitional rules apply if an entity had early adopted the 2020 amendments regarding the classification of liabilities as current or non-current.</p> | 1 January 2024 |
| Amendment to IFRS 16 – Leases on sales and lease back | <p>In September 2022, the IASB finalised narrow-scope amendments to the requirements for sale and leaseback transactions in IFRS 16 Leases which explain how an entity accounts for a sale and leaseback after the date of the transaction.</p> <p>The amendments specify that, in measuring the lease liability subsequent to the sale and leaseback, the seller-lessee determines 'lease payments' and 'revised lease payments' in a way that does not result in the seller-lessee recognising any amount of the gain or loss that relates to the right of use that it retains. This could particularly impact sale and leaseback transactions where the lease payments include variable payments that do not depend on an index or a rate.</p> | 1 January 2024 |
| Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7 | <p>On 25 May 2023, the IASB issued amendments to IAS 7 and IFRS 7 to require specific disclosures about supplier finance arrangements (SFAs). The amendments respond to the investors' need for more information about SFAs to be able to assess how these arrangements affect an entity's liabilities, cash flows and liquidity risk.</p> <p>The new disclosures will provide information about:</p> <ol style="list-style-type: none"> 1) The terms and conditions of SFAs. 2) The carrying amount of financial liabilities that are part of SFAs, and the line items in which those liabilities are presented. 3) The carrying amount of the financial liabilities in (2), for which the suppliers have already received payment from the finance providers. 4) The range of payment due dates for both the financial liabilities that are part of SFAs, and comparable trade payables that are not part of such arrangements. 5) Non-cash changes in the carrying amounts of financial liabilities in (2). 6) Access to SFA facilities and concentration of liquidity risk with the finance providers. <p>Entities will be required to aggregate the information that they provide about SFAs. However, entities should disaggregate information about terms and conditions that are dissimilar, disclose explanatory information where the range of payment due dates is wide, and disclose the type and effect of non-cash changes that are needed for comparability between periods.</p> <p>The IASB has provided transitional relief by not requiring comparative information in the first year, and also not requiring disclosure of specified opening balances. Further, the required disclosures are only applicable for annual periods during the first year of application. Therefore, the earliest that the new disclosures will have to be provided is in annual financial reports for December 2024 year-ends, unless an entity has a financial year of less than 12 months</p> | 1 January 2024 |

The adoption of the amendments stated above does not show any material impact on the company.

(d) New standards that have been issued but are yet to become effective during the year as at 1 January 2024

| Title | Key requirements | Effective date |
|---|--|----------------|
| Amendments to IAS 21 - Lack of Exchangeability | In August 2023, the IASB amended IAS 21 to add requirements to help entities to determine whether a currency is exchangeable into another currency, and the spot exchange rate to use when it is not. Prior to these amendments, IAS 21 set out the exchange rate to use when exchangeability is temporarily lacking, but not what to do when lack of exchangeability is not temporary. | 1 January 2025 |
| Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7 | On 30 May 2024, the IASB issued targeted amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures to respond to recent questions arising in practice, and to include new requirements not only for financial institutions but also for corporate entities. These amendments: (a) clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system; (b) clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion; c) add new disclosures for certain instruments with contractual terms that can change cash flows (such as some financial instruments with features linked to the achievement of environment, social and governance targets); and (d) update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI). The amendments in (b) are most relevant to financial institutions, but the amendments in (a), (c) and (d) are relevant to all entities. | 1 January 2026 |
| IFRS 18, 'Presentation and Disclosure in Financial Statements' | This is the new standard on presentation and disclosure in financial statements, which replaces IAS 1, with a focus on updates to the statement of profit or loss. The key new concepts introduced in IFRS 18 relate to: • the structure of the statement of profit or loss with defined subtotals; • requirement to determine the most useful structure summary for presenting expenses in the statement of profit or loss • required disclosures in a single note within the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and • enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general | 1 January 2027 |
| IFRS 19, 'Subsidiaries without Public Accountability: Disclosures | This new standard works alongside other IFRS Accounting Standards. An eligible subsidiary applies the requirements in other IFRS Accounting Standards except for the disclosure requirements; and it applies instead the reduced disclosure requirements in IFRS 19. IFRS 19's reduced disclosure requirements balance the information needs of the users of eligible subsidiaries' financial statements with cost savings for preparers. IFRS 19 is a voluntary standard for eligible subsidiaries. A subsidiary is eligible if: • it does not have public accountability; and • it has an ultimate or intermediate parent that produces consolidated financial statements available for public use that comply with IFRS Accounting Standards. | 1 January 2027 |

3. Material Accounting Policies

3.1 Foreign currency translation

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of profit or loss and other comprehensive income.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the statement of profit or loss and other comprehensive income within 'finance income or cost'. All other foreign exchange gains and losses are presented in the statement of profit or loss and other comprehensive income within 'Other operating income' or 'Other operating expenses'.

Translation differences on non-monetary financial assets such as equities classified as fair value through profit or loss financial assets are also recognised in statement of profit or loss and other comprehensive income.

3.2 IFRS 17 Qualitative Impacts

3.2.1 Scope

Similar to IFRS 4, IFRS 17 focuses on types of contracts, rather than types of entities. Therefore, it applies to all entities, whether they are regulated as insurance entities or not. An entity generally applies IFRS 17 to contracts that meet the definition of an insurance contract, as follows:

- insurance or reinsurance contracts that it issues; and
- reinsurance contracts that it holds.
- investment contracts with discretionary participation features it issues, provided the entity also issues insurance contracts.

A contract will not be deemed to be an insurance contract if it exposes the company only to financial risk but not to "significant insurance risk". Insurance risk is significant "if and only if", an insured event could cause the company to pay additional amounts (determined on a present value basis) that are significant in any single scenario (excluding scenarios that have no commercial substance (i.e., no discernable effect on the economics of the transaction)). We have assessed for "significant insurance risk" on all contracts and have observed that the company does not issue contracts that have only financial risk, rather the company issues contracts that exposes the company to both financial risk and significant insurance risk.

3.2.2 Level of aggregation

IFRS 17 introduces new unit of account requirements referred to in the Standard as the level of aggregation. This is the level of granularity at which the recognition and measurement requirement of IFRS 17 must be applied. IFRS 4 does not prescribe any grouping requirements, hence an entity may recognise and measure insurance contracts at the level it considers appropriate. Therefore, IFRS 17 level of aggregation requirements are expected to have significant operational and financial implications.

Heirs Life identifies portfolios by aggregating insurance contracts that are subject to similar risks and managed together. In grouping insurance contracts into portfolios, Heirs Life considers the similarity of risks rather than the specific labelling of the product lines. The company determines that all contracts within each product line, as defined for management purposes, have similar risks and, therefore, represent a portfolio of contracts when they are managed together.

Each portfolio is sub-divided into groups of contracts to which the recognition and measurement requirements of IFRS 17 are applied. At initial recognition, Heirs Life segregates contracts based on when they were issued. A portfolio contains all contracts that were issued within a 12-month period. Each portfolio is then further disaggregated into three groups of contracts:

- a) contracts that are onerous on initial recognition;
- b) contracts that, on initial recognition, have no significant possibility of becoming onerous subsequently; and
- c) any remaining contracts in the portfolio.

The determination of whether a contract or a group of contracts is onerous is based on the expectations as at the date of initial recognition, with fulfilment cash flow expectations determined on a probability weighted basis. The company determines the appropriate level at which reasonable and supportable information is available to assess whether the contracts are onerous at initial recognition and whether the contracts not onerous at initial recognition have a significant possibility of becoming onerous subsequently. The composition of groups established at initial recognition will not be subsequently reassessed.

In determining the appropriate group, Heirs Life measures a set of contracts together using reasonable and supportable information.

For contract that falls under the premium allocation approach (PAA), Heirs Life assumes that contracts are not onerous on initial recognition, unless there are facts and circumstances indicating otherwise. The company assesses the likelihood of changes in applicable facts and circumstances to determine whether contracts not onerous on initial recognition belong to a group with no significant possibility of becoming onerous in the future.

Facts and circumstances referred to in IFRS 17 Para 18 & 57, imply that the Company is not required to explicitly test for onerous contracts at initial recognition or in subsequent measurement, unless there is a reason to believe that a group of contracts may be onerous.

The following indicators are what the Company has used to access onerous group of contracts:

- Unfavorable loss ratio or combined ratio for the quantitative assessment
- Inadequate premiums as supported by financial analysis available as part of management information
- Relevant market-wide based information indicating that the portfolio of business the Company is underwriting is unprofitable
- Aggressive underwriting or pricing
- Unfavorable experience trends
- Unfavorable changes in external conditions

All these indicators has been assessed to confirm the Company position on this section and also these indicators will be assessed subsequently.

Reinsurance contracts held are assessed separately from underlying insurance contracts issued.

3.2.3 Recognition

The company recognises groups of insurance contracts issued from the earliest of the following dates:

- the beginning of the coverage period of the company of contracts;
- the date when the first payment from a policyholder in the company becomes due (in the absence of a contractual due date, this is deemed to be when the first payment is received); and
- when the company determines that a group of contracts becomes onerous.

The Company recognises only contracts issued within a one-year period meeting the recognition criteria by the reporting date.

3.2.4 Measurement of insurance contracts issued

The Company applies GMM to the measurement of long term products which includes Protection Policies, Annuity Policies, Endowment Policies and Tripple pay(Endowment Policies) insurance contracts with a coverage period of each contract in the group of more than one year and longer coverage period.

The table below shows the summary of Heirs Life Portfolios and measurement model adopted for the various portfolios

| Portfolios | Measurement Models |
|---------------------------------|--------------------|
| Protection Policies | GMM |
| Annuity Policies | GMM |
| Endowment Policies | GMM |
| Tripple Pay (Endowment) | GMM |
| Heirs Mortgage protection | GMM |
| Group Life policies | PAA |
| Group Credit Life policies | PAA |
| Individual Credit Life policies | PAA |
| Group Mortgage Policies | PAA |
| Hospital Cash policies | PAA |
| Smart School policies | PAA |

3.2.4.1 Measurement on initial recognition for contracts other than PAA

The Company measures a group of contracts on initial recognition as the sum of the expected fulfilment cash flows within the contract boundary and the contractual service margin representing the unearned profit in the contracts relating to services that are provided under the contracts.

Fulfilment cash flows (FCF) within contract boundary

The FCF are the current unbiased and probability-weighted estimates of the present value of the future cash flows, including a risk adjustment for non-financial risk. In arriving at a probability-weighted mean, the Company considers a range of scenarios to establish a full range of possible outcomes incorporating all the reasonable and supportable information available without undue cost or effort about the amount, timing and uncertainty of expected future cash flows. The estimates of future cash flows reflect conditions existing at the measurement date including assumptions at that date about the future. The Company estimates expected future cash flows for a group of contracts at a portfolio level and then allocates them to the group in that portfolio in a systematic and rational way.

Discount Rate

The time value of money and financial risk is measured separately from expected future cash flows with changes in financial risks recognised in profit or loss at the end of each reporting period unless the Company has elected the accounting policy to present the time value of money separately in profit or loss and other comprehensive income. The time value of money and financial risk is measured separately from expected future cash flows with changes in financial risks recognised in profit or loss at the end of each reporting period.

The Company measures the time value of money using discount rates that reflect the liquidity characteristics of the insurance contracts and the characteristics of the cash flows, consistent with observable current market prices and exclude the effect of factors that influence such observable market prices but do not affect the future cash flows of the insurance contracts (e.g. credit risk). Expected future cash flows that vary based on the returns on any financial underlying items are discounted at rates that reflect this variability. The company has adopted the NAS yield curve as its discount rate as at December 2024.

Risk adjustment (RA) for non-financial risk

The Company measures the compensation it would require for bearing the uncertainty about the amount and timing of cash flows arising from insurance contracts, other than financial risk separately as an adjustment for non-financial risk.

IFRS 17 provides an accounting policy choice. The insurer is not required to disaggregate the total RA movement items into insurance service results and finance results. If insurer chooses not to perform disaggregation, the total RA movement should be recognized in insurance service results.

The company chooses not to segregate RA movement into insurance service results and finance results. The full impact will be absorbed in CSM for the changes of RA in the liability for remaining coverage ("LRC") and in the insurance service result for the changes of RA in the liability for incurred claims ("LIC"). the Provision for Adverse Deviation was adopted for products measured under the GMM. The RA under this approach was measured using the difference between the result between adverse deviation and the results expected under the best estimate assumptions. The Adopted risk adjustment shocks were determined by using the Solvency II VAR approach calibrated at the 88.493%. While for products under the PAA model, 6% Risk adjustment factor was adopted.

Contractual service margin (CSM)

The carrying amount of insurance liabilities/assets consist of present value of cash flows, risk adjustment and the Contractual Service Margin (CSM). CSM is the unearned profit margin arising from a group of insurance contracts for the future service to be provided. It is released to Profit or Loss (P&L) in each period to reflect the services provided in that period. The CSM is a new concept under IFRS 17 when compared to the existing IFRS 4. The CSM is a component of the overall carrying amount of a group of insurance contracts representing unearned profit the Company will recognise as it provides insurance contract services over the coverage period.

At initial recognition, the Company measures the CSM at an amount that, unless a group of insurance contracts is onerous, results in no gains recognised in profit or loss arising from:

- the expected fulfilment cash flows of the group;
- the amount of any derecognised asset for acquisition cash flows allocated to the group; and any other asset or liability previously recognised for cash flows related to the group and
- any cash flows that have already arisen on the contracts as of that date.

If a group of contracts is onerous, the Company recognises a loss on initial recognition, resulting in the carrying amount of the liability for the group being equal to the fulfilment cash flows, and the CSM of the group being nil. A loss component is recognised for any loss on initial recognition of the group of insurance contracts.

Insurance acquisition cash flows

The Company includes insurance acquisition cash flows in the measurement of a group of insurance contracts if they are directly attributable to either the individual contracts in a group, or to the group itself, or the portfolio of insurance contracts to which the group belongs. The Company estimates insurance acquisition cash flows not directly attributable to the group but directly attributable to the portfolio at a portfolio level and then allocates them to the group of newly written and renewed contracts on a systematic and rational basis.

The Company recognises an asset in respect of costs in securing a portfolio or group of insurance contracts, such as costs of selling and underwriting, when these costs are already paid before the recognition of the group of insurance contracts to which these costs relate to. The Company recognises such an asset for each existing or future group of insurance contracts to which insurance acquisition cash flows are allocated. Such assets are derognised when the insurance acquisition cash flows allocated to the group of insurance contracts are included in the measurement of the group. The related portion of the asset for insurance acquisition cash flows is derecognised when the associated group of contracts is recognised, and its balance is included in the group's fulfilment cash flows. When only some of the insurance contracts expected to be included within the group is recognised as at the end of the reporting period, the Company determines the related portion of the asset that is derecognised and included in the group's fulfilment cash flows on the basis of a systematic and rational allocation method taking into consideration the timing of recognition of the contracts into the group.

3.2.4.2 Subsequent measurement under the general model

After initial recognition, at the end of each reporting period, the carrying amount of the group of insurance contracts will reflect a current estimate of the liability for incurred claims (LIC) as at that date and a current estimate of the liability for remaining coverage (LRC).

The LRC represents the Company's obligation to investigate and pay valid claims under existing contracts for insured events that have not yet occurred, comprising (a) fulfilment cash flows relating to future service and (b) the CSM yet to be earned.

The LIC includes the Company's liability to pay valid claims for insured events that have already incurred, other incurred insurance expenses arising from past coverage service and includes the liability for claims incurred but not yet reported. It also includes the Company's liability to pay amounts the Company is obliged to pay the policyholder under the contract, including repayment of investment components, when a contract is derecognised. The current estimate of LIC comprises the fulfilment cash flows related to current and past service allocated to the Company at the reporting date. In estimating the total future fulfilment cash flows, the Company distinguishes between those relating to already incurred claims and those relating to future services. At the end of each reporting period, the fulfilment cash flows are updated by the Company to reflect the current estimates of the amounts, timing and uncertainty of future cash flows, as well as discount rates to ensure that the estimates measured in the statement of financial position are always current.

Subsequent to initial recognition, the CSM of a group of insurance contracts accretes interest at the discount rates 'locked in' on initial recognition, which represent a historic curve of discount rates that were applied for initial measurement. The curve is made up of discount rates used to discount those cash flows that do not vary with the returns of the underlying items.

The carrying amount of the CSM for insurance contracts without direct participating features at the end of the reporting period is the carrying amount at the beginning of the period adjusted for:

- the effect of any new contracts added to the group;
- interest accreted on the carrying amount of CSM measured at the discount rates determined at initial recognition;
- the changes in fulfilment cash flows related to future service, except that:
 - o such increases in fulfilment cash flows exceed the carrying amount of the CSM, giving rise to a loss that results in the group of contracts becoming onerous or more onerous; or
 - o such decreases in fulfilment cash flows reverse a previously recognised loss on a group of onerous contracts;
- the effect of any currency exchange differences on the CSM; and
- the amount recognised as insurance revenue because of the transfer of insurance contract services in the period, determined by allocation of the CSM remaining at the end of the reporting period over the current and remaining coverage period.

Changes in fulfilment cash flows

At the end of each reporting period, the Company re-estimates the LRC fulfilment cash flows, updating for changes in assumptions relating to financial and non-financial risks.

For insurance contracts without direct participating features, the following changes in fulfilment cash flows are considered to be related to future services and adjust (or 'unlock') the CSM:

- Experience adjustments relating to the premiums received in the period that relate to future services, and any related cash flows such as acquisition cash flows and premium-based taxes measured at the 'locked in' discount rates applicable when the contracts in the Company were initially recognised.
- the change in the estimate of the present value of expected future cash flows in the liability for remaining coverage measured at the 'locked in' discount rates applicable when the contracts in the Company were initially recognised.
- Changes in the risk adjustment for non-financial risk relating to future services. the Company has elected not to disaggregate the change in the risk adjustment for non-financial risk between (i) a change related to non-financial risk and (ii) the effect of the time value of money and Changes in the time value of money. If the Company made such a disaggregation, it shall adjust the CSM for the change related to non-financial risk, measured at the discount rates applicable when the contracts in the group were initially recognised.
- Differences between the amount of investment components that were expected to be payable in the period and the amount of investment components that actually became payable. Both these amounts are measured at the discount rates applicable when the contracts in the Company were initially recognised.

The following adjustments do not relate to future service and thus do not adjust the CSM:

- Changes in fulfilment cash flows for the effect of the time value of money and the effect of financial risk and changes thereof;
- Changes in the fulfilment cash flows relating to the LIC; and
- Experience adjustments relating to insurance service expenses (excluding insurance acquisition cash flows)

If an increase in fulfilment cash flows relating to future coverage exceeds the CSM of the Company, the Company recognises the difference in profit or loss as an expense, creating a 'loss component' for the Company. Subsequently, any further increases in fulfilment cash flows relating to future coverage are also recognised in profit or loss as they occur, increasing the loss component of the Company of insurance contracts. Any subsequent decreases in fulfilment cash flows related to future coverage do not adjust the CSM, until the loss component of the Company is fully reversed through profit or loss.

Recognition of the CSM in profit or loss

An amount of the CSM is released to profit or loss in each period during which the insurance contract services are provided. In determining the amount of the CSM to be released in each period, the Company follows three steps:

- determine the total number of coverage units in the Company. The amount of coverage units in the Company is determined by considering for each contract the quantity of benefits provided under the contract and the expected coverage period.
- allocate the CSM at the end of the period (before any of it is released to profit or loss to reflect the insurance contract services provided in the period) equally to each of the coverage units provided in the current period and expected to be provided in the future.
- recognise in profit or loss the amount of CSM allocated to the coverage units provided during the period.

The number of coverage units changes as insurance contract services are provided, contracts expire, lapse or surrender and new contracts are added into the Company.

In determining a number of coverage units, the Company exercises judgement in estimating the likelihood of insured events occurring and policyholder behaviours to the extent that they affect expected period of coverage in the Company, the different levels of service offered across periods and the 'quantity of benefits' provided under a contract. In determining the number of coverage units, the Company applies the following methods:

- For GMM products, a method based on the expected benefits for each group is applied. This method is appropriate as there is variability in the contractual cover in each period and, therefore, variability in the amount of the service provided in each period.
- For the PAA products, a method based on the passage of time is applied in allocating the premiums and acquisition costs.

3.2.4.3 Insurance contracts under the Premium Allocation Approach (PAA)

The Company applies PAA to the measurement of short term products which includes Credit Life, Group Life, Hospital Cash and Smart School insurance contracts with a coverage period of each contract in the group of one year or less.

Where the contracts are beyond a year the PAA eligibility was conducted to test to validate whether the liability for the remaining coverage at the inception of the group of contracts calculated under PAA would approximate the results produced by GMM.

The PAA eligibility test was performed on the Credit life and Group Life products has they contain policies that are beyond one year.

The eligibility criteria were met as they do not materially differ from the GMM hence the PAA was used.

On initial recognition, the Company measures the LRC at the amount of premiums received in cash less of insurance acquisition cashflows at that date. For all groups of insurance contracts that PAA applies, the Company applies a policy of amortising insurance acquisition cash flows over the coverage period of the group.

According to IFRS 17 Para 55(a), at initial recognition, the carrying amount of the liability for remaining coverage(LRC) shall be measured as follows:

- i) Premiums received, if any, at initial recognition
- ii) Minus any insurance acquisition cash flows at the same date
- iii) Plus or minus any amount arising from the derecognition at that date of the asset or liability recognized for insurance acquisition cash flows.

In subsequent measurement, the carrying amount of the liability is the carrying amount at the start of the reporting period:

- i) Plus the premiums received in the period;
- ii) Minus insurance acquisition cash flows; unless the entity chooses to recognise the payments as an expense;
- iii) Plus any amounts relating to the amortization of insurance acquisition cash flows recognised as an expense in the reporting period;
- iv) Plus any adjustment to a financing component;
- v) Minus the amount recognised as insurance revenue for coverage provided in that period; and
- vi) Minus any investment component paid or transferred to the liability for incurred claims.

The Company has determined that there is no significant financing component in group of insurance contracts with a coverage period of one year or less. The Company elected not to discount the liability for remaining coverage to reflect the time value of money and financial risk for such insurance contracts.

The carrying amount of the liability for incurred claims (LIC) is measured similar to GMM. For those claims that the Company expects to be paid within one year or less from the date it was incurred, the Company elects not to adjust future cash flows for the time value of money and the effect of financial risk. However, claims expected to take more than one year to settle are discounted.

3.2.4.4 Onerous Contracts

The Company considers an insurance contract to be onerous if the expected fulfilment cash flows allocated to the contract plus any previously recognised acquisition cash flows and any cash flows arising from the contract at the date of initial recognition in total result in a net cash outflow. The onerous assessment is done on an individual contract level assessing future expected cash flows on a probability-weighted basis including a risk adjustment for non-financial risk. Contracts expected on initial recognition to be loss-making are grouped together and such groups are measured and presented separately. Once contracts are allocated to a group, they are not re-allocated to another group, unless they are substantively modified.

On initial recognition, the CSM of the group of onerous contracts is nil and the Company's measurement consists entirely of fulfilment cash flows. A net outflow expected from a group of contracts determined to be onerous is considered to be the group's 'loss component'. It is initially calculated when the group is first considered to be onerous and is recognised at that date in profit or loss. The amount of the group's loss component is tracked for the purposes of presentation and subsequent measurement.

After the loss component is recognised, the Company allocates any subsequent changes in fulfilment cash flows of the LRC on a systematic basis between 'loss component' and 'LRC excluding the loss component'

3.2.5 Reinsurance contracts held

3.2.5.1 Recognition

The Company proportionate (facultative and treaty) reinsurance to mitigate some of its risks exposures. Reinsurance contracts held are accounted under IFRS 17 when they meet the definition of an insurance contract, which includes the condition that the contract must transfer significant insurance risk.

Reinsurance contracts transfer significant insurance risk only if they transfer to the reinsurer substantially all the insurance risk relating to the reinsured portions of the underlying insurance contracts, even if a reinsurance contract does not expose the issuer (reinsurer) to the possibility of a significant loss. The effect of non-performance risk of the reinsurer is assessed at each reporting date and the effect of changes in the non-performance risk is recognised in profit or loss.

Reinsurance contracts held are accounted for separately from underlying insurance contracts issued and are assessed on an individual contract basis. In aggregating reinsurance contracts held, the Company applies the general approach and disaggregates a portfolio of its reinsurance contracts held into three groups of contracts:

- a) contracts that on initial recognition have a net gain;
- b) contracts that, on initial recognition, have no significant possibility of resulting in a net gain subsequently; and
- c) any remaining reinsurance contracts held in the portfolio.

The adjustment for the net gain for the reinsurance contract follows the same principle as the assessment of loss of onerous contract in the insurance contract.

In determining the timing of initial recognition of a reinsurance contract, the Company assesses whether the reinsurance contract's terms provide protection on losses on a proportionate basis. the Company recognises a group of reinsurance contracts held that provides proportionate coverage:

- (i) at the same time as the onerous group of underlying contracts is recognised, or
- (ii) for all the other reinsurance contracts held that provide proportionate coverage, at the start of the coverage period of that group of reinsurance contracts; or at the initial recognition of any of the underlying insurance contracts, whichever is later.

The Company recognises a group of non-proportional reinsurance contracts at the earliest of the beginning of the coverage period of the group or the date an underlying onerous group of contracts is recognised.

3.2.5.2 Reinsurance contracts hold measured under the general model

The Company measures the reinsurance contracts held and the underlying insurance contracts issued using consistent assumptions. The Company includes in the estimates of the present value of expected future cash flows for a group of reinsurance contracts held the effect of any risk of nonperformance by the reinsurer, including the effects of any collateral and losses from disputes. The effect of non-performance risk of the reinsurer is assessed at each reporting date and the effect of changes in the non-performance risk is always recognised in profit or loss as part of the insurance service result.

In determining the asset representing the risk adjustment for non-financial risk transferred to the reinsurer, the Company assesses the amount of risk transferred by the Company to the reinsurer by calculating the risk adjustment of the underlying contracts before and after the effect of the reinsurance contracts held. The difference is then recognised as the asset representing the risk adjustment reinsured.

On initial recognition, the Company recognises any net cost or net gain on purchasing the group of reinsurance contracts held as a reinsurance CSM, unless the net cost of purchasing reinsurance coverage relates to events that occurred before the purchase of the group of reinsurance contracts, where the Company recognises such a cost immediately in profit or loss as an expense as part of insurance service result.

For a group of reinsurance contracts held covering an onerous underlying group of contracts, the Company adjusts the CSM of the group of reinsurance contracts held and recognise an income when a loss on initial recognition of an onerous group of underlying insurance contracts or on addition of onerous underlying insurance contracts to that group. A loss recovery component of the asset for the remaining coverage of a group of reinsurance contracts held is created and subsequently adjusted for any changes in the amount.

For a group of reinsurance contracts held, the Company adjusts the carrying amount of the CSM at the end of a reporting period to reflect changes in the FCF applying the same approach as for insurance contracts issued, except when the underlying contract is onerous and the change in the FCF for the underlying insurance contracts is recognised in profit and loss by adjusting the loss component. The respective changes in reinsurance contract is also recognised in profit and loss.

3.2.5.3 Reinsurance contracts held measured under the PAA

The Company measures reinsurance contracts applying the PAA Measurement model which follows the same as the underlying insurance contract was measured. Under the PAA, the initial measurement of the asset equals the reinsurance premium paid. The Company measures the amount relating to remaining service by allocating the premium paid over the coverage period of the Company. For all reinsurance contracts held the allocation is based on the passage of time or expected incidence of claims.

Where the reinsurance contracts held covers a group of onerous underlying insurance contracts, the Company adjusts the carrying amount of the asset for remaining coverage and recognises a gain when, in the same period, it reports a loss on initial recognition of an onerous group of underlying insurance contracts or on additional loss from an already onerous group of underlying insurance contracts. The recognition of this gain results in the accounting for the loss recovery component of the asset for the remaining coverage of a group of reinsurance contracts held. This component is subsequently adjusted for any applicable changes.

3.2.6 Modification and derecognition

The Company derecognises the original contracts and recognises the modified contract as a new contract, if the terms of insurance contracts are modified and the following conditions are met:

- (a) if the modified terms were included at contract inception and the group would have concluded that the modified contract:
 - is outside of the scope of IFRS 17;
 - results in a different insurance contract due to separating components from the host contract;
 - results in a different contract boundary;
 - includes in a different group of contracts.
- (b) the original contract met the definition of an insurance contract with direct participation features, but the modified contract no longer meets the definition;
- (c) the original contract was accounted for by applying the PAA, but the modified contract no longer meets the PAA eligibility criteria for that approach.

If the contract modification meets any of the conditions, the Company performs all assessments applicable at initial recognition, derecognises the original contract and recognises the new modified contract as if it was entered for the first time.

If the contract modification does not meet any of the conditions, the Company treats the effect of the modification as changes in the estimates of fulfilment cash flows. For insurance contracts accounted for applying the GMM, a change in the estimates of fulfilment cash flows results in a revised end of period CSM (before the current period allocation). A portion of the revised end of period CSM is allocated to the current period as if the revised CSM amount applied from the beginning of the period, but reflecting the change in the coverage units due to the modification during the period. This portion is calculated using updated coverage unit amounts determined at the end of the period and weighted to reflect the fact that the revised coverage existed for only part of the current period. For insurance contracts accounted for applying the PAA, the group adjusts insurance revenue prospectively from the time of the contract modification.

The Company derecognises an insurance contract when, and only when the contract is:

- extinguished (when the obligation specified in the insurance contract expires or is discharged or cancelled); or
- modified and derecognition criteria are met.

When the Company derecognises an insurance contract from within a group of contracts, the group:

- Adjust the fulfilment cash flow allocated to the group to eliminate the present value of the future cash flows and risk adjustment for non-financial risk relating to the rights and obligations that have been derecognised from the group;
- Adjust the CSM of the group for the change in the fulfilment cash flows (unless it relates to the increase or reversal of the loss component);
- Adjust the number of coverage units for expected remaining insurance contract service to reflect the coverage units derecognised from the group, and recognise in profit or loss in the period the amount of CSM based on that adjusted number.

When the Company derecognises an insurance contract because it transfers the contract to a third party, the Company adjusts the CSM of the group from which the contract has been derecognised for the difference between the change in the carrying amount of the group caused by the derecognised FCF and the premium charged by the third party for the transfer.

When the group derecognises an insurance contract due to modification, it derecognises an in-force insurance contract and recognises a new one. The group adjusts the CSM of the group from which the modified in-force contract has been derecognised for the difference between the change in the carrying amount of the group as a result of adjustment to fulfilment cash flows due to derecognition and the premium the group would have charged had it entered into a contract with equivalent terms as the new contract at the date of the contract modification, less any additional premium actually charged for the modification.

3.2.7 Presentation

The Company presents separately in the statement of financial position the carrying amount of portfolios of insurance contracts that are assets and those that are liabilities, portfolio of reinsurance contracts held that are assets and those that are liabilities.

The Company disaggregates the amounts recognised in the statement of profit or loss and other comprehensive income into an insurance service result sub-total that comprises insurance revenue and insurance service expenses and, separately from the insurance finance income or expenses.

The Company includes any assets for insurance acquisition cash flows recognised before the corresponding groups of insurance contracts are recognised in the carrying amount of the related portfolios of insurance contracts issued.

The Company does not disaggregate the change in risk adjustment for non-financial risk between a financial and non-financial portion and includes the entire change as part of the insurance service result.

3.2.7.1 Insurance revenue

As the Company provides insurance services under a group of insurance contracts issued, it reduces its LRC and recognises insurance revenue, which is measured at the amount of consideration the Company expects to be entitled to in exchange for those services.

For groups of insurance contracts measured under the GMM, insurance revenue consists of the following:

→ The sum of the changes in the LRC due to:

a) the insurance service expense incurred in the period measured at the amounts expected at the beginning of the period, excluding:

- amounts allocated to the loss component;
- amounts relating to risk adjustment for non-financial risk
- repayments of investment components;
- insurance acquisition expenses;

b) amounts related to income tax that are specifically chargeable to the policyholder

c) the change in the risk adjustment for non-financial risk, excluding:

- changes that relate to future service that adjust the CSM; and
- amounts allocated to the loss component;

d) the amount of CSM for the services provided in the period;

e) experience adjustments for premium receipts (and any related cash flows such as insurance acquisition cash flows) that relate to current or past services, if any.

When applying the PAA, the Company recognises insurance revenue for the period based on the passage of time by allocating premium receipts including premium experience adjustments to each period of service. However, when the expected pattern of release from risk during the coverage period differs significantly from the passage of time, then premium receipts are allocated based on the expected pattern of incurred insurance service expense.

3.2.7.2 Insurance service expense

Insurance service expense arising from group insurance contracts issued comprises of:

- changes in the LIC related to claims and expenses incurred in the period excluding repayment of investment components;
- changes in the LIC related to claims and expenses incurred in prior periods (related to past service);
- other directly attributable expenses incurred in the period;
- amortisation of insurance acquisition cash flows, which is recognised at the same amount in both insurance service expense and insurance contract revenue; and
- changes in the LRC related to future service that do not adjust the CSM, because they are changes in the loss components of onerous groups of contracts.

3.2.7.3 Income or expenses from reinsurance contracts held

The Company presents income or expenses from a group of reinsurance contracts held for the period as a single net amount. Income or expenses from reinsurance contracts held are presented as net expenses from reinsurance contracts which comprises of the following two amounts:

- amount recovered from reinsurers; and
- an allocation of the reinsurance premiums paid, provided that together they equal total income or expenses from reinsurance contracts held.

The Company presents cash flows that are contingent on claims as part of the amount recovered from reinsurers. Ceding commissions that are not contingent on claims of the underlying contracts are presented as a deduction in the premiums to be paid to the reinsurer which is then allocated to profit or loss.

3.2.7.4 Insurance finance income and expenses

Insurance finance income or expenses present the effect of the time value of money and the change in the time value of money, together with the effect of financial risk and changes in financial risk.

2.2.7.5 The use of OCI presentation for insurance finance income and expense

The Company has an accounting policy choice to either present all of the period's insurance finance income or expenses in profit or loss or to split the amount between profit or loss and other comprehensive income (OCI). In considering the choice of presentation of insurance finance income or expenses, the Company considers the assets held for that portfolio and how they are accounted for.

The Company will not apply the OCI option and the choice is made at the level of portfolio of insurance contracts and would be applied consistently for every group of contracts within each portfolio.

3.3 Cash and cash equivalents

Cash and cash equivalents include cash in hand and at bank, call deposits and short term highly liquid financial assets with original maturities of three months or less from the acquisition date, which are subject to insignificant risk of changes in their fair value, and are used by the Company in the management of its short-term commitments.

Cash and cash equivalents are carried at amortized cost in the statement of financial position. For the purpose of the statement of cash flows, cash and cash equivalents are net of outstanding overdrafts.

3.4 Financial assets and liabilities

3.4.1 Classification

The classification of financial assets depends on the purpose for which the investments were acquired or originated. The Company classifies its financial assets into the following categories in line with IFRS 9:

- a) Financial assets at fair value through profit or loss;
- b) Amortized cost.

The Company's financial assets include cash and short term deposits, trade and other receivables, investment valued at fair value through profit and loss, investment valued at amortised cost, statutory deposit with CBN and reinsurance recoverable.

The Company's financial liabilities are classified as other financial liabilities. They include: insurance contract liabilities, Investment Contract Liabilities creditors and accruals, trade payables and other payables.

3.4.2 Initial recognition

a. Business Model Assessment

The business model reflects how the Company manages assets in order to generate cash flows. That is, it reflects whether the Company's objective is solely to collect the contractual cash flows from assets or to collect both the contractual cash flows and cash flows arising from the sale of assets. If neither of these is applicable, then the financial assets are classified as part of the other business model and measured at FVTPL. Factors considered by the Company in determining the business model for a Company of assets include past experience on how the cash flows for these assets were collected, how the asset's performance is evaluated and reported to key management personnel, how risks are assessed and managed and how managers are compensated. The proceeds from the contractual cash flows of the financial assets are used to settle insurance contract liabilities as they become due. To ensure that the contractual cash flows from the financial assets are sufficient to settle those liabilities, the Company undertakes significant buying and selling activity on a regular basis to rebalance its portfolio of assets and to meet cash flow needs as they arise.

b. Solely payments of principal and interest

Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the Company assesses whether the financial instruments' cash flows represent Solely Payment of Principal and Interest (the SPPI test). In making this assessment, the Company considers whether the contractual cash flows are consistent with a basic lending arrangement (i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement). Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at FVTPL.

The Company reclassifies debt investments when and only when its business model for managing those assets changes. The reclassification takes place from the start of the first reporting period following the change. Such changes are expected to be very infrequent, and none occurred during the period. The Company may also irrevocably designate financial assets at FVTPL if doing so significantly reduces or eliminates a mismatch created by assets and liabilities being measured on different bases. The Company has determined that an accounting mismatch is reduced if financial assets backing non-participating life insurance contracts are measured at FVTPL. For these instruments, the Company has applied the option to designate these financial assets at FVTPL.

3.4.3 Subsequent measurement

a. Financial assets held at fair value through profit or loss

These investments are initially recorded at fair value. Subsequent to initial recognition, they are re-measured at fair value, with gains and losses arising from changes in this value recognized in the statement of profit or loss and other comprehensive income in the period in which they arise.

b. Financial assets at amortised cost

Financial assets are measured at amortized cost if they are held within a business model whose objective is to hold for collection of contractual cash flows where those cash flows represent solely payments of principal and interest. After initial measurement, debt instruments in this category are carried at amortized cost using the effective interest rate method. Amortized cost is calculated taking into account any discount or premium on acquisition, transaction costs and fees that are an integral part of the effective interest rate. Interest income on financial assets at amortised cost is included in investment income in the statement of profit or loss and other comprehensive income.

The company's placement with other financial institutions with original maturities of three months or less from the acquisition date are measured at amortised cost. Impairment on financial assets measured at amortized cost is calculated using the expected credit loss approach.

c. Trade receivables

Trade receivables arising from insurance contracts are stated after deducting allowance made for specific debts considered doubtful of recovery. Premium receivables are recognized when confirmation of premium is received from insurance brokers and co-insurance in the form of credit notes and are within 30 days, in conformity with the "No premium, No cover" policy. Trade receivables are reviewed at every reporting period for impairment

d. Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are measured at amortized cost using the effective interest method, less any impairment. Loans and receivables on the statement of financial position comprise staff loans and loans to policy holders.

Loans and receivables, after initial measurement, are measured at amortized cost, using the effective interest rate method less any impairment (if any). Amortized cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the effective interest rate.

Loans granted at below market rates are fair valued by reference to expected future cash flows and current market interest rates for instruments in a comparable or similar risk class and the difference between the historical cost and fair value is accounted for as employee benefits under staff costs.

Interest on loans and receivables are included in profit or loss and reported as other operating income. When the asset is impaired, they are carried on the statement of financial position as a deduction from the carrying amount of the loans and receivables and recognized in the statement of profit or loss as impairment losses.

3.4.4 Fair value measurement

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 in the principal or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk.

When available, the Company measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Company uses valuation techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

The best evidence of the fair value of a financial instrument at initial recognition is normally the transaction price, i.e. the fair value of the consideration given or received. If the Company determines that the fair value at initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique that uses only data from observable markets, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value at initial recognition and the transaction price. Subsequently, that difference is recognized in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Company measures assets and long positions at a bid price and liabilities and short positions at an ask price. Portfolios of financial assets and financial liabilities that are exposed to market risk and credit risk that are managed by the Company on the basis of the net exposure to either market or credit risk are measured on the basis of a price that would be received to sell a net long position (or paid to transfer a net position) for a particular risk exposure. Those portfolio-level adjustments are allocated to the individual assets and liabilities on the basis of the relative risk adjustment of each of the individual instruments in the portfolio.

The Company recognizes transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred. The Company discloses fair value of all its financial instruments.

3.4.5 De-recognition of financial instruments

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or when its rights to receive the contractual cash flows on the financial asset in a transaction that transfers substantially all the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset.

Any interest in transferred financial assets that is created or retained by the Company is recognized as a separate asset or liability.

On de-recognition of financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset transferred), and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognized in other comprehensive income is recognized in profit or loss.

The Company enters into transactions whereby it transfers assets recognized on its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets or a portion of them. If all or substantially all risks and rewards are retained, then the transferred assets are not de-recognized. Transfers of assets with retention of all or substantially all risks and rewards include, for example, securities lending and repurchase transactions.

In transactions in which the Company neither retains nor transfers substantially all the risks and rewards of ownership of a financial asset and it retains control over the asset, the Company continues to recognize the asset to the extent of its continuing involvement, determined by extent to which it is exposed to changes in the value of the transferred asset.

The rights and obligations retained in the transfer are recognized separately as assets and liabilities as appropriate. In transfers where control over the asset is retained, the Company continues to recognize the asset to the extent of its continuing involvement, determined by the extent to which it is exposed to changes in the value of the transferred asset.

The Company derecognizes a financial liability when its contractual obligations are discharged, cancelled or expired.

3.4.6 Impairment of assets

a. Financial assets carried at amortized cost

The carrying amounts of these assets are reviewed at each reporting date to determine whether there is any objective evidence of impairment. A financial asset is considered to be impaired if objective evidence indicates that one or more events that have occurred since the initial recognition of the asset have had a negative effect on the estimated future cash flows of that asset and can be reliably estimated. Objective evidence that a financial asset or group of assets is impaired includes observable data that comes to the attention of the Company about the following events:

- i. Significant financial difficulty of the issuer or debtor;
- ii. A breach of contract, such as a default or delinquency in payments;
- iii. It is becoming probable that the issuer or debtor will enter bankruptcy or other financial reorganization;
- iv. The disappearance of an active market for that financial asset because of financial difficulties; or
- v. Observable data indicating that there is a measurable decrease in the estimated future cash flow from a group of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the Company.

For financial assets measured at amortized cost, the Company first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant and individually or collectively for financial assets that are not individually significant. Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics. An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying value and the present value of the estimated future cash flows discounted at the original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognized in the income statement. If the financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under contract. The Company may measure impairment on the basis of an instrument's fair value using an observable market price.

For the purpose of a collective evaluation of impairment, financial assets are grouped on the basis of similar credit risk characteristics. Those characteristics are relevant to the estimation of future cash flows for groups of such assets by being indicative of the issuer's ability to pay all amounts due under the contractual terms of the debt instrument being evaluated. If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized (such as improved credit rating), the previously recognized impairment loss is reversed by adjusting the allowance account. The amount of the reversal is recognized in the statement of profit or loss and other comprehensive income.

b. Trade receivables

Trade receivables arising from insurance contracts represent premium debtors with determinable payments that are not quoted in an active market and the Company has no intention to sell. Trade receivables are recognized when confirmation of premium is received from insurance brokers and co-insurance in the form of credit notes and are within 30 days, in conformity with the "No premium, No cover" policy. Trade receivables that are individually identified as impaired are assessed for specific impairment. All other trade receivables are assessed for collective impairment. Receivables are stated net of impairment determined in line with financial assets carried at amortized cost.

c. Loans and receivables

For loans and receivables, the amount of the impairment loss recognized is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate. If in a subsequent period the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

d. Impairment of non-financial assets

The Company's non-financial assets with carrying amounts are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For intangible assets that have indefinite useful lives or that are available for use, the recoverable amount is estimated each year at the same time.

An impairment loss is recognized if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups. Impairment losses are recognized in profit or loss.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. 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.

In respect of other assets, impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

3.5 Offsetting financial instruments

Financial assets and liabilities are set off and the net amount presented in the statement of financial position when, and only when, the Company has a legally enforceable right to set off the recognized amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously. Income and expenses are presented on a net basis only when permitted under IFRS, or for gains and losses arising from the group of similar transactions.

3.6 Other receivables and prepayments

Prepayments and other receivables are carried at cost less amortization and accumulated impairment losses.

3.7 Intangible assets

3.7.1. Software

Recognition of software acquired is only allowed if it is probable that future economic benefits to this intangible asset are attributable and will flow to the Company.

Software acquired is initially measured at cost. The cost of acquired software comprises its purchase price, including any import duties and non-refundable purchase taxes, and any directly attributable expenditure on preparing the asset for its intended use. After initial recognition, software acquired is carried at its cost less any accumulated amortization and any accumulated impairment losses. Maintenance costs should not be included.

Subsequent expenditure on software assets is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditures are expensed as incurred. Amortization is recognized in profit or loss on a straight-line basis over the estimated useful life of the software, from the date that it is available for use. The estimated useful life of software is Five (5) years subject to annual reassessment.

Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate. Intangible assets are reviewed at each reporting date for impairment.

3.8 Property, plant and equipment

3.8.1. Recognition & measurement

All items of property and equipment except leasehold land, are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset.

When parts of an item of property or equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

Gains and losses on disposal of items of property and equipment are determined by comparing the proceeds from disposal with the carrying amount of property and equipment and are recognized within other income in statement of profit or loss and other comprehensive income. An asset's useful life is reviewed at the end of each reporting period and adjusted if appropriate. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

3.8.2. Subsequent costs

Subsequent costs on replacement parts on an item of property are recognized in the carrying amount of the asset and the carrying amount of the replaced or renewed component is derecognized.

3.8.3. Subsequent measurement

All items of property and equipment except land and buildings are subsequently measured at cost less accumulated depreciation and impairment losses.

When an individual property is revalued, any increase in its carrying amount (as a result of revaluation) is transferred to a revaluation reserve, except to the extent that it reverses a revaluation decrease of the same property previously recognized as an expense in the statement of profit or loss and other comprehensive income.

When the value of an individual property is decreased as a result of a revaluation, the decrease is charged against any related credit balance in the revaluation reserve in respect of that property. However, to the extent that it exceeds any surplus, it is recognized as an expense in the statement of profit and loss.

3.8.4. Depreciation

Depreciation is calculated on property and equipment on the straight line basis to write down the cost of each asset to its residual value over its estimated useful life. Depreciation methods, useful lives and residual values are reassessed at each reporting date. No depreciation is charged on property and equipment until they are brought into use.

Depreciation reduces an asset's carrying value to its residual value at the end of its useful life, and is allocated on a straight line basis over the estimated useful lives, as follows:

| Asset | Depreciation Rate |
|------------------------|--------------------------|
| Building | 2% |
| Office Equipment | 20% |
| Computer Hardware | 20% |
| Furniture and Fittings | 20% |
| Motor Vehicles | 25% |

Depreciation methods, useful lives and residual values are reassessed at each reporting date and adjusted if appropriate.

The estimated useful life for the assets as follows

| | |
|------------------------|----------|
| Building | 50 Years |
| Office Equipment | 5 Years |
| Computer Hardware | 5 Years |
| Furniture and Fittings | 5 Years |
| Motor Vehicles | 4 Years |

3.8.5. De-recognition

Upon disposal of any item of property and equipment or when no future economic benefits are expected to flow from its use, such items are derecognized from the books. Gains and losses on disposal of assets are determined by comparing proceeds with their carrying amounts and are recognized in the income statement in the year of de- recognition.

3.9 Statutory deposit

The statutory deposit represents 10% of the paid up capital of the Company deposited with the Central Bank of Nigeria (CBN) as mandated by the Insurance Act 2003. The deposit is measured at cost and interest is paid twice annually at rates determined by the CBN.

3.10 Investment contracts

Investment contracts are those contracts that transfer financial risk with no significant insurance risk. Investment contracts comprise interest linked funds. Interest linked investment contracts are measured at amortised cost.

Investment contracts with guaranteed returns (interest linked) and other business of a savings nature are recognized as liabilities. Interest accruing to the life assured from investment of the savings is recognized in the statement of profit or loss and other comprehensive income in the year it is earned while interest paid and due to depositors is recognized as an expense. The net result of the deposit administration revenue account is transferred to the statement of profit or loss and other comprehensive income of the Company.

3.11 Trade and other payables

Trade and other payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method. The fair value of a non-interest bearing liability is its discounted repayment amount. If the due date of the liability is less than one-year discounting is omitted.

3.12 Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Provisions are determined by discounting the expected future cash flows at the rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

3.13 Share capital & reserves

3.13.1 Share capital.

The Company classifies ordinary shares and share premium as equity when there is no obligation to transfer cash or other assets. Incremental costs directly attributable to issue of shares are recognized as deductions from equity net of any tax effects.

3.13.2 Dividend on ordinary shares

Dividends on the Company's ordinary shares are recognized in equity in the period in which they are paid or, if earlier, approved by the Company's shareholders.

Dividend distribution to the Company's shareholders is recognized as a liability in the financial statements in the period in which the dividends are approved by the Company's shareholders. Dividends that are proposed but not yet declared are disclosed in the notes to the financial statements.

3.14 Contingency reserves/ Asset revaluation reserve

In compliance with the Insurance Act 2003, the contingency reserve for life business is credited with an amount equal to 1% of gross premium or 10% of net profit (whichever is greater) and accumulated until it reached the amount of minimum paid up capital.

3.15 Asset revaluation reserve

Assets revaluation reserves represents the fair value differences on the revaluation of items of property, plant and equipment as at the balance sheet date.

3.16 Fair value reserve

Fair value reserves represents the fair value difference on revaluation of financial assets carried at fair value through other comprehensive income as at balance sheet date.

3.17 Earnings per share

The Company presents Basic Earnings Per Share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period excluding treasury shares held by the Company.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

3.18 Contingent liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or the Company has a present obligation as a result of past event which is not recognized because it is not probable that an outflow of resources will be required to settle the obligation; or the amount cannot be reliably estimated. Contingent liabilities normally comprise legal claims or court processes in respect of which a liability is not likely to crystallize.

3.19 Investment and other operating income

Investment income comprises interest income earned on short-term deposits, rental income and income earned on trading of securities including all realized and unrealized fair value changes, interest, dividends and foreign exchange differences. Investment income is accounted for on an accrual basis.

Interest income and expenses for all interest-bearing financial instruments including financial instruments measured at fair value through profit or loss, are recognized within 'investment income' and 'finance costs' in the income statement using the effective interest rate method. Fees and commissions that form part of an integral part of the effective yield of a financial instrument are recognized as an adjustment to the effective interest rate of the instrument. When a receivable is impaired, the Company reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument.

3.20 Dividend income

Dividend is recognized as earned when the quoted price of the related security is adjusted to reflect the value of the dividend and is stated net of withholding tax. Scrip dividend is recognized on the basis of the market value of the shares on the date they are quoted.

3.21 Management and other operating expenses

Management expenses are expenses that are not directly attributable are accounted for on an accrual basis.

3.22 Hypothecation of Assets

The Company structured its assets to meet the requirements of the Insurance Act 2003 wherein the policyholders' assets and funds are not co-mingled with assets and funds that belong to shareholders and other funds.

In particular, investment properties, investment securities (equities and fixed income securities) and insurance funds hypothecated to policyholders are distinguished from those owned by the shareholders.

3.23 Segment reporting

A segment is a distinguishable component of the Company that is engaged in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments. The Company's primary format for segment reporting is based on business segments.

3.24 Leases

Leases and right-of-use asset are accounted for in accordance with IFRS 16 and are accounted for in line with the company being the lessee. At the commencement date, the Company recognises a right-of-use asset at cost and a lease liability, where applicable, at the present value of the lease payments that are not paid at that date.

The cost of the right-of-use asset comprises the amount of the initial measurement of the lease liability, any lease payments made at or before the commencement date less any lease incentives received, any initial direct costs incurred by the lessee and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

After the commencement date, the company measures the right-of-use asset at cost less any accumulated depreciation and any accumulated impairment losses and adjusted for any remeasurement of the lease liability using the straight line method. The Company subsequently measures the lease liability by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications.

The company has applied judgement to determine the lease term for some lease contracts in which it is a lessee that include renewal options. The assessment of whether the company is reasonably certain to exercise such options impacts the lease term, which significantly affects the amount of lease liabilities and right-of-use assets recognized.

3.25 Employee benefit

Short-term benefits

Short-term employee benefit obligations include wages, salaries and other benefits which the Company has a present obligation to pay, as a result of employees' services provided up to the balance sheet date. The accrual is calculated on an undiscounted basis, using current salary rates.

The Company operates a defined contributory retirement scheme as stipulated in the Pension Reform Act. Under the defined contribution scheme, the Company pays fixed contributions of 10% to a separate entity – Pension Fund Administrators; employees also pay 8% to the same entity. Once the contributions have been paid, the Company retains no legal or constructive obligation to pay further contributions if the Fund does not hold enough assets to finance benefits accruing under the retirement benefit plan. The Company's obligations are recognised in the statement of profit or loss and other comprehensive income.

3.26 Income tax

3.26.1 Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year, and any adjustment to tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date and is assessed as follows:

- Company Income tax is computed on Taxable profits
- Tertiary education tax is computed on assessable profits
- National Information Technology Development Agency levy is computed on profit before tax (i.e. Technology levy)
- Nigeria Police Trust Fund levy is computed on net profit (i.e. profit after deducting all expenses and taxes from revenue earned by the company during the year).

Total amount of tax payable under CITA is determined based on the higher of two components namely Company Income Tax (based on taxable income (or loss) for the year); and minimum tax. Taxes based on profit for the year are treated as income tax in line with IAS 12.

3.26.2 Minimum tax

Minimum tax which is based on a gross amount is outside the scope of IAS 12 and therefore, are not presented as part of income tax expense in the profit or loss. The Company is subject to the Finance Act (amendments made to Companies Income Tax Act (CITA)). Total amount of tax payable under the new Finance Act shall not be less than 0.25% of the Company's gross premium for general business and 0.25% of gross income for life business.

Where the minimum tax charge is higher than the Company Income Tax (CIT), a hybrid tax situation exists. In this situation, the CIT is recognized in the income tax expense line in the profit or loss and the excess amount is presented above the income tax line as Minimum tax.

3.26.3 Deferred taxation

Deferred taxation, which arises from timing differences in the recognition of items for accounting and tax purposes, is calculated using the liability method. Deferred taxation is provided fully on timing differences, which are expected to reverse at the rate of tax likely to be in force at the time of reversal. A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the associated unused tax losses and deductible temporary differences can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred tax is not recognised for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, differences relating to investments in subsidiaries to the extent that they probably will not reverse in the foreseeable future and differences arising from investment property measured at fair value whose carrying amount will be recovered through use. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Additional income taxes that arise from the distribution of dividends are recognised at the same time as the liability to pay the related dividend is recognised.

3.27 Critical Accounting Judgement

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. Changes in assumptions may have a significant impact on the financial statements in the period the assumptions change. The Management believe that the underlying assumptions are appropriate and that the Company's financial statements therefore present the financial position and results fairly. Management makes estimates and assumptions that affect the reported amounts of assets and liabilities. The underlying judgments of the selection and disclosure of the Company's critical accounting policies and estimates, and the application of these policies and estimates are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting judgements made in applying the Company's accounting policies include:

3.27.1 Assessment of significance of insurance risk

The Company applies its judgement in assessing whether a contract transfers to the issuer significant insurance risk. A contract transfers significant insurance risk only if an insured event could cause the Company to pay additional amounts that are significant in any single scenario and only if there is a scenario that has commercial substance in which the issuer has a possibility of a loss on a present value basis upon an occurrence of the insured event, regardless of whether the insured event is extremely unlikely.

The assessment of whether additional amounts payable on the occurrence of an insured event are significant and whether there is any scenario with commercial substance in which the issuer has a possibility of a loss on a present value basis involves significant judgement and is performed at initial recognition on a contract-by-contract basis. The type of contracts where this judgement is required are those that transfer financial and insurance risk and result in the latter being the smaller benefit provided.

3.27.2 Combination of insurance contracts:

Determining whether it is necessary to treat a set or series of insurance contracts as a single contract involves significant judgement and careful consideration. In assessing whether a set or series of insurance contracts achieve, or are designed to achieve, an overall commercial effect, the Company determines whether the rights and obligations are different when looked at together compared to when looked at individually and whether the Company is unable to measure one contract without considering the other. The Company does not have contracts that require combination.

3.27.3 Contract boundaries

In general, there is limited judgement required in determining the point of initial recognition of a group of contracts and it largely follows existing practice under IFRS 4. However, for certain products significant judgement is required in assessing the contract boundary. The contract boundary marks the point in time when the entity's right to compel the policyholder to pay a premium or the entity's substantive obligations under an insurance contract end. This key principle in IFRS 17 is effectively designed to establish the logical time parameters that would need to be applied at initial recognition. The company includes in the measurement of a group of insurance contracts all the future cash flows expected to arise within the boundary of each of the contracts in the company.

In determining which cash flows fall within a contract boundary, the company considers its substantive rights and obligations arising from the terms of the contract, and also from applicable laws and regulations. The company determines that cash flows are within the boundary of a contract if they arise from substantive rights and obligations that exist during the reporting period in which the company can compel the policyholder to pay the premiums or the company has a substantive obligation to provide the policyholder with services.

A substantive obligation to provide services ends when:

- the company has the practical ability to reassess the risks of a particular policyholder and as a result change the price charged or the level of benefits provided for the price to fully reflect the new level of risk; or
- the boundary assessment is performed at a portfolio rather than individual contract level, there are two criteria that both need to be satisfied: The company must have the practical ability to reprice the portfolio to fully reflect risk from all policyholders' and the company's pricing must not take into account any risks beyond the next reassessment date.

In determining whether all the risks have been reflected either in the premium or in the level of benefits, the company considers all risks that policyholders would transfer had it issued the contracts (or portfolio of contracts) at the reassessment date. Similarly, the company concludes on its practical ability to set a price that fully reflects the risks in the contract or portfolio at a renewal date by considering all the risks that it would assess when underwriting equivalent contracts on the renewal date for the remaining service. The assessment of the company's practical ability to reprice existing contracts takes into account all contractual, legal and regulatory restrictions. In doing so, the company disregards restrictions that have no commercial substance. The company also considers the impact of market competitiveness and commercial considerations on its practical ability to price new contracts and reprice existing contracts. Judgement is required to decide whether such commercial considerations are relevant in concluding as to whether the practical ability exists at the reporting date.

In estimating expected future cash flows of contracts the company applies judgement in assessing future policyholder behaviour surrounding the exercise of options available to them such as surrender options, and other options falling within the contract boundary.

3.27.4 Separation of non-insurance components from insurance contracts:

All the savings products by the company have investment components in addition to the provision of the insurance coverage service. The company assesses its products to determine whether these components are distinct and need to be separated and accounted for applying other Standards. When these non-insurance components are non-distinct, they will be accounted for together with the insurance component as part of the accounting for an insurance contract.

Unlike IFRS 4, unbundling is not an accounting choice under IFRS 17. In case of the savings product where the non-insurance component exists, Heirs Life applies the rules of unbundling for each contract and test for the non-insurance component that must be unbundled and separately accounted for using other accounting standards. For operational simplicity, Heirs Life will perform such unbundling assessment at a product level assuming contracts under the same product group share similar product features.

3.27.5 Separation of insurance components of an insurance contracts:

The Company does not issues some insurance contracts that combine protection for the policyholder against different types of insurance risks in a single contract. IFRS 17 does not require or permit separating insurance components of an insurance contract unless the legal form of a single contract does not reflect the substance of its contractual rights and obligations. In such cases, separate insurance elements must be recognised. Overriding the 'single contract' unit of account presumption involves significant judgement and is not an accounting policy choice. When determining whether a legal contract reflects its substance or not, the Company considers the interdependency between different risks covered, the ability of all components to lapse independently, and the ability to price and sell the components separately

3.27.6 Determination of the contract boundary

The measurement of a group of insurance contracts includes all the future cash flows arising within the contract boundary. In determining which cash flows fall within a contract boundary, the Company considers its substantive rights and obligations arising from the terms of the contract, from applicable law, regulation and customary business practices. Cash flows are considered to be outside of the contract boundary if the Company has the practical ability to reprice existing contracts to reflect their reassessed risks, and if the contract's pricing for coverage up to the date of reassessment only considers the risks until the next reassessment date. the Company applies its judgement in assessing whether it has the practical ability to set a price that fully reflects all the risks in the contract or portfolio. the Company considers contractual, legal and regulatory restrictions when making its assessment and applies judgement to decide whether these restrictions have commercial substance.

In particular, investment properties, investment securities (equities and fixed income securities) and insurance funds hypothecated to policyholders are distinguished from those owned by the shareholders.

3.27.8 Identification of portfolios

The Company defines a portfolio as insurance contracts subject to similar risks and managed together. Contracts within the same product line are expected to be in the same portfolio as they have similar risks and are managed together. The assessment of which risks are similar and how contracts are managed requires the exercise of judgement.

3.27.9 Level of aggregation

The Company applies judgement when distinguishing between contracts that have no significant possibility of becoming onerous and other profitable contracts.

3.27.10 Assessment of directly attributable cash flows

The Company uses judgement in assessing whether cash flows are directly attributable to a specific portfolio of insurance contracts. Insurance acquisition cash flows are included in the measurement of a group of insurance contracts only if they are directly attributable to the individual contracts in a group, or to the group itself, or the portfolio of insurance contracts to which the group belongs. When estimating fulfilment cash flows, the Group also allocates fixed and variable overheads fulfilment cash flows directly attributable to the fulfilment of insurance contracts.

3.27.11 Level of aggregation for determining the risk adjustment for non-financial risk

IFRS 17 does not define the level at which the risk adjustment for non-financial risk should be determined. The level of aggregation for determining the risk adjustment for non-financial risk is not an accounting policy choice and requires judgement.

The Company considers that the benefits of diversification occur at an issuing entity level and therefore determines the risk adjustment for non-financial risk at that level. The diversification benefit is then allocated to all groups of insurance contracts for which it has been considered in aggregate. The Company considers that the risk adjustment for non-financial risk allocated to any individual group, as the cost of uncertainty, cannot be negative.

Accordingly, when determining the allocation, correlations of non-financial risk between groups are ignored. This is because they have already been considered as part of the diversification benefits in determining the overall group-level risk adjustment. The Company allocates the total entity-level risk adjustment to groups based on the percentage of the group's expected fulfilment cash flows to the total expected fulfilment cash flows.

3.27.12 Selecting a method of allocation of coverage units

IFRS 17 establishes a principle for determining coverage units, not a set of detailed requirements or methods. The selection of the appropriate method for determining the amount of coverage units is not an accounting policy choice. It involves the exercise of significant judgement and development of estimates considering individual facts and circumstances. The Company selects the appropriate method on a portfolio-by-portfolio basis. In determining the appropriate method, the Company considers the likelihood of insured events occurring to the extent that they affect expected period of coverage in the group, different levels of service across the period and the quantity of benefits expected to be received by the policyholder. For contracts providing both insurance coverage and investment-related services or both insurance coverage and investment-return services, the Company exercises judgement in determining the scaling factor applied in the weighting of benefits determined at initial recognition. The weights are recalculated in each subsequent period, reflecting historical experience and changes in assumptions for future periods that are determined at the reporting date.

3.28 Key sources of estimation uncertainty

The following are key estimations that the directors have used in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in financial statements.

By applying IFRS 17 to measurement of insurance contracts issued and reinsurance contracts held, the Company has made estimations in the following key areas. They form part of the overall balances of insurance contract assets and liabilities and reinsurance contract assets and liabilities:

- Future cash flows
- Discount rates
- Risk adjustment for non-financial risk
- Allocation of asset for insurance acquisition cash flows to current and future groups of contracts

3.28.1 Technique for estimation of future cash flows

In estimating fulfilment cash flows included in the contract boundary, the Company considers the range of all possible outcomes in an unbiased way specifying the amount of cash flows, timing and probability of each scenario reflecting conditions existing at the measurement date, using a probability-weighted average expectation. The probability-weighted average represents the probability-weighted mean of all possible scenarios. In determining possible scenarios, the Company uses all the reasonable and supportable information available to them without undue cost and effort, which includes information about past events, current conditions and future forecasts. Cash flow estimates include both market variables directly observed in the market or derived directly from markets and non-market variables such as mortality rates, accident rates, average claim costs, probabilities of severe claims etc. The Company maximises the use of observable inputs for market variables and utilises internally generated group-specific data.

3.28.2 Estimate relating to discounting

In determining discount rates for cash flows that do not vary based on the returns of underlying items, the Company elects to use the 'Bottom-up approach' to estimate discount rates by adjusting a liquid risk-free yield curve to reflect the differences between the liquidity characteristics of the financial instruments that underlie the rates observed in the market and the liquidity characteristics of the insurance contracts.

The Company uses the Nigerian Actuary Society (NAS) yield curve in determining the discount rate used. The approach to estimating the liquidity premium includes using an asset portfolio with liquidity characteristics that are similar to the insurance contracts. The company adopted the proxy methods and assumed a liquidity premium of 25 basis points (bps). The same yield curve is applied across all the Company's portfolios.

| 31-Dec-24 | 1 year | 5 years | 10 years | 20 years | 30 years |
|-----------|--------|---------|----------|----------|----------|
| | 28% | 21% | 18% | 17% | 17% |
| 31-Dec-23 | 1 year | 5 years | 10 years | 20 years | 30 years |
| | 13% | 14% | 15% | 16% | 16% |

3.28.3 Estimate relating to Risk Adjustment

The risk adjustment for non-financial risk is the compensation the Company requires for bearing the uncertainty about the amount and timing of the cash flows arising from insurance risk and other non-financial risks such as lapse risk and expense risk. It measures the degree of variability of expected future cash flows and the Company-specific price for bearing that risk and reflects the degree of the Company's risk aversion.

The company has adopted the Provision for Adverse Deviation (Pfad) for Portfolios measured under the General Measurement Model (GMM). The risk adjustment(RA) under this approach was measured as the difference between the results with adverse deviations and the results expected under the best estimate assumptions and was calibrated at the 87.357% confidence level.

Results with adverse deviations is the best estimate results stressed by pfad shocks on mortality, expenses and lapse assumptions. While for contracts measured under the Premium allocation approach (PAA) the Company adopted a 6% risk adjustment factor based on professional judgement considering that HLA is a new business and has limited historical data to determine the risk adjustment.

3.28.4 Allocation of asset for insurance acquisition cash flows to current and future groups of contracts

The Company allocates the asset for insurance acquisition cash flows to an associated group of contracts and to any future groups that include the contracts that are expected to arise from the renewals of the contracts in that group using a systematic and rational method. In doing so, the Company estimates the expected contracts to be included within a future group or the number of renewals that may arise from an original group when allocating the asset.

3.28.5 Expenses

The Company ensures that its mathematical reserves include provisions for expenditures in an extent that is not less than the value that is anticipated to be expended on servicing its long-term insurance contracts. The payment of claims processing costs is categorised as an expense that is extraneous to the execution of insurance contracts.

3.28.5.1 Future maintenance expenses

The regulated maintenance expenditures are calculated by taking the best projected maintenance expenses and adding a prudence buffer for unexpected deviations. The best estimate for maintenance expenditures is the sum of the following:

- (a) Per policy maintenance charges
- (b) Allocated operating expenses

The Company's spending assumptions have been maintained based on a functional cost analysis completed by the Company based on experience, expense budgets, and predicted business volumes.

| Type of Business | Current Valuation |
|---------------------------------|-----------------------------|
| Risk business including annuity | N13,429 per policy per p.a. |
| Savings Business | N5,000 per policy per p.a. |
| Supplementary benefits | N/A |

3.28.5.2 Expense inflation

The above expenses are subject to inflation at 15.65% per annum. Consumer price inflation at December 2024 was 34.8%. Both the expense inflation and expense assumption will be actively reviewed in subsequent valuations once more experience data and an expense analyses are available.

3.28.6 Mortality

The mortality assumptions remain unchanged. Without modification for individual risk business, the mortality table for the present value remains the UK's Mortality of Assured Lives 1967-1970 (A6770). Based on the industry analysis, the A6770 table looks reasonable in context with emerging events. In addition, the reserves are less sensitive to the mortality basis, with discount rate and spending assumptions being more significant as reported previously.

3.28.7 Withdrawals

The lapse assumptions were determined from an adjusted pricing basis.

3.29 Expected credit loss

The measurement of the ECL allowance for financial assets measured at amortised cost and FVOCI is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behaviour (e.g. the likelihood of customers defaulting and the resulting losses).

3.30 Determining the lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

The following factors are normally the most relevant:

- If there are significant penalties to terminate (or not extend), the Company is typically reasonably certain to extend (or not terminate).
- If any leasehold improvements are expected to have a significant remaining value, the Company is typically reasonably certain to extend (or not terminate).
- Otherwise, the Company considers other factors, including historical lease durations and the costs and business disruption required to replace the leased asset.

The lease term is reassessed if an option is actually exercised (or not exercised) or the Company becomes obliged to exercise (or not exercise) it.

HEIRS LIFE ASSURANCE LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024
STATEMENT OF FINANCIAL POSITION

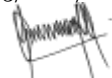
| | | 31 Dec 2024 | 31 Dec 2023 |
|---------------------------------------|--------------|--------------------|--------------------|
| | NOTES | N'000 | N'000 |
| ASSETS | | | |
| Cash and cash equivalents | 7 | 840,051 | 1,708,093 |
| Financial assets - FVTPL | 8 | 59,158,287 | 28,741,039 |
| Financial assets - Amortized cost | 9 | 2,795,557 | 4,540,098 |
| Trade receivables | 10 | - | 83,239 |
| Reinsurance contract Asset | 11 | 505,679 | 278,318 |
| Insurance Contract assets | 12 | - | 222 |
| Other receivables & prepayments | 14 | 364,887 | 381,387 |
| Right of use asset | 13 | 941,277 | 626,124 |
| Statutory deposits with CBN | 15 | 800,000 | 800,000 |
| Property, plant and equipment | 16 | 614,981 | 333,419 |
| Intangible assets | 17 | 178,912 | 267,815 |
| TOTAL ASSETS | | 66,199,631 | 37,759,754 |
| LIABILITIES | | | |
| Insurance contract liabilities | 18 | 39,659,829 | 22,201,429 |
| Reinsurance contract liabilities | 19 | 76,433 | 40,084 |
| Investment contract liabilities | 22 | 8,458,884 | 3,719,006 |
| Other Insurance Contract Liabilities | 20 | 1,925,425 | 1,655,632 |
| Provisions & other payables | 21 | 646,624 | 513,743 |
| Lease liability | 23 | 828,121 | 518,270 |
| Income tax payable | 24 | 54,273 | 18,845 |
| TOTAL LIABILITIES | | 51,649,589 | 28,667,009 |
| EQUITY | | | |
| Ordinary share capital | 25 | 8,000,000 | 8,000,000 |
| Contingency reserve | 26 | 885,409 | 339,679 |
| Retained earnings | 27 | 5,664,633 | 753,066 |
| TOTAL EQUITY | | 14,550,042 | 9,092,745 |
| TOTAL EQUITY & LIABILITIES | | 66,199,631 | 37,759,754 |

These financial statements were authorised for issue by the board of directors on the 23-April-2025 and were signed on its behalf by:



Tony Elumelu
Chairman

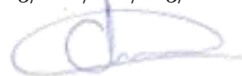
FRC/2013/CIBN/00000002590



Niyi Onifade

Managing Director/CEO

FRC/2013/PRO/DIR/003/00000002690



Godwin Oguche

Financial Controller

FRC/2024/PRO/ICAN/001/045237

HEIRS LIFE ASSURANCE LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

| | Note | 31-Dec-24 | 31-Dec-23 |
|--|-------------|-------------------|------------------|
| | | ₦'000 | ₦'000 |
| Insurance Revenue | 28 | 15,147,394 | 7,256,832 |
| Insurance service expenses | 29 | (7,618,666) | (6,011,656) |
| Insurance service result from insurance contracts issued | | 7,528,728 | 1,245,176 |
| Net income (expenses) from reinsurance contracts held | 30 | (193,691) | (44,355) |
| Insurance service result | | 7,335,037 | 1,200,821 |
| Investment income | 32 | 4,459,119 | 2,856,384 |
| Net loss on FVTPL investments | 34 | (825,115) | (285,109) |
| Profit on investment contracts | 33 | 585,507 | 19,314 |
| Exchange Gain/(Loss) | 35a | 479,703 | 332,034 |
| Net credit impairment losses | 36 | (13,208) | (83,750) |
| Net Investment Income | | 4,686,006 | 2,838,873 |
| Net finance Income from insurance contracts issued | 31 | (936,775) | 489,896 |
| Net finance expenses from reinsurance contracts held | 31 | 25,555 | (11,623) |
| Net insurance finance expenses | | (911,220) | 478,273 |
| Net Insurance and Investment Result | | 11,109,823 | 4,517,967 |
| Other Income | 35b | 21,635 | 510 |
| Other operating expenses (Non attributable) | 39c | (5,528,427) | (2,580,685) |
| Finance costs | 40 | (90,376) | (58,499) |
| Profit before Tax | | 5,512,656 | 1,879,294 |
| Income Tax Expense | 24 | (55,359) | (18,887) |
| Profit for the Year | | 5,457,297 | 1,860,407 |
| Other comprehensive income / (expense) | | | |
| <i>Items reclassified to profit and loss</i> | | | |
| Change in fair value of financial assets at fair value through OCI | | - | - |
| <i>Items that will not be reclassified to profit and loss</i> | | | |
| Finance income (expenses) from insurance contracts issued | | - | - |
| Finance income (expenses) from reinsurance contracts held | | - | - |
| Tax | | - | - |
| Other comprehensive income for the year net of tax | | - | - |
| Total comprehensive income for the year | | 5,457,297 | 1,860,407 |

HEIRS LIFE ASSURANCE LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024
STATEMENT OF CHANGES IN EQUITY

| | | 31 Dec 2024 | | | |
|---|-------|--------------------------|--------------------------------|-----------------------------|-------------------|
| | | <i>Share Capital</i> | <i>Contingency Reserve</i> | <i>Retained Earning</i> | <i>Total</i> |
| (All amount are in thousands of Naira) | | | | | |
| Opening balance as at 1 January 2024 | 25-27 | 8,000,000 | 339,679 | 753,066 | 9,092,745 |
| Profit for the period | 27 | - | - | 5,457,297 | 5,457,297 |
| Net insurance finance income and expenses | | | | | - |
| Movement in contingency reserve | 26 | - | 545,730 | (545,730) | - |
| Balance as at 31 Dec 2024 | | 8,000,000 | 885,409 | 5,664,633 | 14,550,042 |

| | | 31 Dec 2023 | | | |
|---|-------|--------------------------|--------------------------------|-----------------------------|------------------|
| | | <i>Share Capital</i> | <i>Contingency Reserve</i> | <i>Retained Earning</i> | <i>Total</i> |
| (All amount are in thousands of Naira) | | | | | |
| Opening balance as at 1 January 2023 | 25-27 | 8,000,000 | 142,200 | (909,863) | 7,232,337 |
| Profit for the period | 27 | - | - | 1,860,408 | 1,860,408 |
| Movement in contingency reserve | 26 | - | 197,479 | (197,479) | - |
| Balance as at 31 Dec 2023 | | 8,000,000 | 339,679 | 753,066 | 9,092,745 |

HEIRS LIFE ASSURANCE LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024
STATEMENT OF CASHFLOWS

| | Note | 31 December 2024 N'000 | 31 December 2023 N'000 |
|--|---------------|------------------------------|---------------------------|
| Cash flows from operating activities: | | | |
| Premium received from policyholders | 10 | 32,817,289 | 19,601,045 |
| Cash received from investment contract liability | 23a | 10,363,037 | 4,124,976 |
| Cash withdrawals from investment contract liability | 23a | (6,026,555) | (1,612,869) |
| Unallocated premium | 20a | 1,395,038 | 1,364,300 |
| Fees and commission income | 11.1 | 196,860 | 158,811 |
| Re-insurance expense paid | 11.1,11.2,&19 | (742,106) | (564,387) |
| Claims recoveries | 11.1 | 186,097 | 127,946 |
| Commission | 18.2&18.3 | (3,284,655) | (2,612,227) |
| Maintenance expenses paid | 39c | (1,790,193) | |
| Claims paid | 18.2&18.3 | (6,524,068) | (2,952,920) |
| Payment to employees | 37 | (2,268,090) | (1,284,428) |
| Other operating cash payment | | (1,060,388) | (571,845) |
| Other operating cash receipt | 14d&35b | 106,189 | - |
| Tax paid | 24 | (19,931) | (3,513) |
| Statutory deposit | | - | - |
| Net cash outflow used in operating activities | | 23,348,525 | 15,774,889 |
| Cash flows from investing activities: | | | |
| Interest received | 7&8 | 5,153,136 | 2,149,728 |
| Acquisition of PPE ,Intangible asset & ROU | 16&17 | (625,818) | (237,586) |
| Purchases of investment securities | 7&8 | (39,914,975) | (36,846,843) |
| Maturities of investment securities | 7&8 | 11,185,031 | 20,037,181 |
| Dividend Income | 7&8 | 514 | - |
| Disposal of PPE | 16&35b | 2,553 | - |
| Net cashflow from investing activities | | (24,199,559) | (14,897,520) |
| Cash flows from financing activities | | | |
| Paid up capital received from shareholders | | - | - |
| Principal elements of lease payment | 23 | (7,101) | (7,526) |
| Net cashflow from financing activities | | (7,101) | (7,526) |
| Net increase in cash and cash equivalent | | (858,134) | 869,843 |
| Cash and cash equivalent, beginning of period | | 1,708,094 | 838,251 |
| Net increase in cash and cash equivalent | | (858,134) | 869,843 |
| Effect of foreign exchange on cash and cash equivalent | | (9,436) | |
| Gross Cash and cash equivalent, end of period | 7 | 840,524 | 1,708,094 |

4. Enterprise Risk Management

4.1 Introduction

Heirs Life's enterprise risk management program is aligned with the group's Africapitalist drive to simplify insurance delivery and deepen insurance penetration. Our risk management philosophy is aimed at protecting shareholders' and policyholders' value by investing their funds in non-loss-making investment assets that guarantee optimal returns to meet incurred liabilities and owed dividends.

Risks associated with the business include insurance risks, operational risks, financial risks, credit risks, liquidity risks, reinsurance risks, regulatory risks, market risks (which include foreign exchange risk, interest rate risk, and other price risks) as well as other risks such as legal risks, reputation risk, political risk, strategic risk, emerging market risk.

4.1.2 Risk Management Overview

For the year 2024, the risk management activities of Heirs Life Assurance Limited (HLA) improved with the update of the enterprise risk management framework and risk appetite for the financial year. The resultant risk profile of the business for the year 2024 remains stable in the low-risk region with 85% concentration.

We have examined HLA's risks and the best strategies to mitigate negative returns and pursue positive returns for the 2024 fiscal year. To do so, we place great importance on digitising our ERM processes, deploying easy-to-use methodologies for front-end and end users, improving risk insights and analytics, and building risk management knowledge and capacity within the business.

We recognise the challenges of executing an enterprise risk management plan that aligns with the corporate strategy, but with the Board, Executive Management, and stakeholders' support, the goals were achieved.

The risk management activities of HLA were designed and implemented in line with the NAICOM Enterprise Risk Management Framework and Prudential Guidelines.

4.1.3 Risk Management Strategy

The risk management framework is implemented in compliance with NAICOM's Prudential Guidelines and Risk Management Framework for Insurers and Reinsurers in Nigeria. Our risk management framework sets out the risk governance structure, systems, and processes to adequately assess and monitor the risks facing the business.

Our aim is to ensure that our risk management framework is appropriate to the size of the organization, aligned with our strategy, embedded in our decision-making process, and is responsive to our constantly changing environment.

4.1.4 Risk Management Objectives

The following aims and objectives measure HLA's risk management performance toward the broad ERM strategies:

- Provide HLA with a centralised, overlapping, and cross-functional strategy for identifying and mitigating the organisation's biggest risks.
- Define risk governance structure, roles, and duties of key stakeholders.
- Assist HLA achieve its strategic goals by systematically identifying, assessing, and managing risks using a standard vocabulary and simple-to-use methodologies.
- Integrate risk management into HLA's risk-aware culture, routine processes and operations, strategic planning, and decision-making.
- HLA conducts risk assessments carefully, thoughtfully, and openly with full support from the Executive Management and sponsorship from the Board of Directors.

4.2 Governance Structure

HLA's governance structure for risk management encompasses all organizational levels. This framework is reinforced by the company's organogram and reporting lines, which define the roles and duties at each level. HLA employs the three lines of defense model, outlining both individual responsibilities and collective oversight, as illustrated in the figure below.



Please see below the stakeholders and their respective responsibilities:

- **Board of Directors:** Directs and formulates the risk management framework, approves risk appetite, and monitors significant risks.
- **CEO:** Ensures effective ERM structure and monitors top risks.
- **Executive Management Risk Committee:** Validates risk register, oversees risk processes, participates in ERM training, addresses risk management barriers, develops reporting protocols, establishes ERM policies, and reports quarterly to the Board.
- **Chief Risk Officer:** Develops and implements ERM policies, establishes risk management processes, promotes ERM competence, oversees departmental risk limits, facilitates reporting, and ensures regulatory compliance.
- **Internal Audit:** Audits risk management activities, supports risk management, and assesses internal controls.
- **Heads of Department:** Manage and report risks, execute risk guidelines, identify, and assess risks, monitor activities, report risk status, and facilitate risk training.
- **Risk Champions:** Facilitate risk identification, ensure consistent scoring, support risk analysis, develop risk responses, maintain risk register, coach team members, and contribute to risk management improvement.

4.3 Risk Appetite

Risk appetite represents the amount or type of risk the company is generally willing to accept in pursuit of its financial and strategic objectives. It reflects the company's capacity to sustain losses and continue meeting its obligations under both normal and stressed conditions.

The company's risk appetite establishes key risk metrics for the Board of Directors' review. This report is discussed with the Board quarterly and filed with NAICOM as required.

The risk appetite defines the upper, lower, and target limits for all critical risk categories. These metrics and limits are revised annually and updated based on regulatory demands or business needs. The Enterprise Risk Management (ERM) Team oversees the risk quantification processes and manages the enterprise risk dashboard for all significant risks.

4.3.1 Key Risk Performance Areas

- ▶ Customer Experience Leadership: Provision of risk management support to all business units. Ensure that all business units are actively and adequately supported to grow risk management capabilities to manage owned risk exposures.
- ▶ Operational Leadership: Risk-based business assessment and full implementation of controls. Ensure 80% to 100% implementation of proposed and recommended risk control measures. Strive to retain the company's overall risk profile at the lower limit of the medium zone.
- ▶ Financial Leadership: Retain 10 top risks or less per quarter and drive capital adequacy management. Ensure adequate internal capital and solvency level above 150%.
- ▶ People Leadership: Active risk reporting and risk advisory to internal stakeholders, risk management supports and training.
- ▶ Risk Management Leadership: Cascade and lead an effective risk management culture across HLA. Institute a strong risk management governance structure.

4.3.2 Risk Management System

Our activities and initiatives to improve our risk management system at HLA for the year 2024 include:

i. Risk Technology and Digitisation Plan: The business has a designed technology and digitisation plan undergoing implementation. The risk technology aims to enable the business to assess risk objectively and timely to support strategic business decision-making. Pursuing a long-term digital initiative is aimed at delivering an integrated risk management system (IRMS) to manage the risk database for financial and non-financial risk data, analysis, models, and reports. Maintaining an active risk register and risk appetite as well as a workflow system will aid proactive risk management and communication.

ii. Policies and Processes Plan: The business has simplified the company's risk management processes and policies by consolidating these areas for optimality. HLA continues to develop a customised approach to risk management and embedding proactiveness in risk actions and advocacy. To drive business resilience and continuity, we promote a shift from a reactive risk management culture to a proactive risk management culture.

iii. People and Culture Plan: Building enhanced risk management cultures, the business has enforced risk ownership and accountability for managing risks identified and implementing relevant controls at the business unit level. Our people are empowered to stay ahead of the risk curves and implement internal controls against disruptions and controllable events under normal and stressed business conditions. To achieve this, we integrate risk management activities into daily and routine business operations to eliminate surprises resulting in financial and/or non-financial loss to the business.

iv. Governance and Reporting Plan: Strategic risk governance and reporting is an integral aspect of the risk management activities at HLA. To support our risk reporting, monitoring, and communication activities, the business clearly defined the reporting process and channels for effective reporting across the business. The business has instituted the Management Enterprise Risk Management Committee to support technical risk management to advise and support the risk management function for effective reporting to the Board. HLA continues to implement the three lines of defence rule designed by the COSO Enterprise Risk Management Framework as directed by NAICOM.

4.3.3 Risk Identification

HLA conducts a holistic risk identification exercise using the business processes to extract risk factors and the risk register to document the risk factors accordingly.

HLA adopts any of these risk identification techniques individually or in combination as follows:

- Brainstorming/Workshops: Risk champions and key stakeholders are engaged to identify and give clear narratives to a risk issue for proper description.
- Stakeholder Interviews: A virtual or physical interview are conducted to identify risks. This involves business heads and team leads company wide.
- Surveys/Questionnaires: The ERM department develop surveys/questionnaires on specific areas of risk assessment (e.g., systems benefit realization, business impact assessment, etc.) to identify risks. The output can be used for brainstorming/workshops.
- Root Cause Analysis: This is a focused analysis of risk issues to uncover the origin and granular events driving the risks identified.
- Assumption Analysis: A set of assumptions are developed for certain risk classes to determine the validity of the possible risks.
- Scenario Analysis: This is the use of possible (often extreme) values to forecast the future nature of risks. Typical scenario analysis is Stress Testing and VaR Analysis.
- Business Process Analysis: A review of all business processes to identify risks arising from gaps in those processes.
- Document Reviews: Internal (e.g., product papers, reinsurance treaties, credit agreement etc.) and external (e.g., NAICOM guidelines), are reviewed by ERM department and comments made on possible risks.
- Benchmarking: Analysis of industry data and benchmarks are used to determine HLA's internal risk metrics and decisions.

4.3.4 Risk Mitigation & Controls

HLA produces risk mitigation strategies for all categories of risks documented after evaluating the residual risk level of each risk. Avoiding, sharing, accepting, or treating the risk assessed are examples of risk mitigants HLA adopts as may be applicable. Responsibility for the management of each risk is carried out by nominated risk champions and business heads as part of developing the risk treatment and risk mitigation plan. Key steps in the risk treatment plan:

- Implement actions recommended or decided from residual risk results
- Review business processes to fix gaps or improve the business process(es) attached to the residual risks
- Set key control indicators
- An actionable risk treatment plan are prepared by the risk owner and timelines agreed upon with the risk management team for every risk issue.
- The internal control system at HLA is the responsibility of the risk owner with support from the internal control and compliance team.
- The risk management and audit teams review and validate the control system through risk-based assessment.

4.3.5 Risk Monitoring & Reporting

The Chief Risk Officer oversees risk assessment, reporting, monitoring, and communication.

The goal of reporting is to compare actual risk exposures to risk appetite, with updates provided to the Board of Directors, Senior Management, and designated committees (such as the Executive Management Committee, Management Finance & Investment Committee, Management Technical Committee, Management Audit & Compliance Committee, or IT Steering Committee) as part of their oversight roles and to receive assurance that risks are being managed within approved risk thresholds.

All business units are responsible for documenting and reporting identified risks through their Risk Champions.

5. Insurance risk

This is the risk that future claims and related expenses will exceed the reserves for expected claims and expenses, as determined through measuring policyholder liabilities (premium). Insurance risk majorly arises from poor underwriting decisions, poor pricing models, and unmatched reserve forecasts for current and future liabilities.

The risk coverage for HLA as directed by NAICOM includes claims management risk, underwriting risk, reinsurance risk, actuarial and reserves provisioning risk, and product risks.

The primary insurance risk during the period was an increase in policy cancellations driven by the inflationary impact on policyholders' standard of living. To mitigate this, the business introduced loyalty and rewards programs for existing customers, diversified its product offerings, and expanded sales of savings products as a hedge against inflation.

To protect the business's profitability, it maintains a balanced portfolio mix between annuity and non-annuity products to reduce the volatility in claims expense requirements. Furthermore, the business renews the reinsurance provisioning with the nominated reinsurers to further increase its risk-taking capacity in underwriting businesses with a high sum assured and improve its retention capacity.

5.1 Underwriting risk

Underwriting risk is primarily associated with the possibility that the insured event will occur to assist the Underwriter price the risk in such a manner that the Company's profitability is not eroded from the claims arising from the insured risks. The nature of an insurance contract is that the timing and amount of claims are uncertain and, thus, erratic. Underwriting risk reveals the possibility that the actual results of mortality, morbidity and medical claims will result in volatile profits from year to year.

Large concentrations of risk or the charging of inadequate premiums relative to the severity or incidence of the accepted risk may lead to such volatility. Insurance policy contract misrepresentation and misinterpretation could result in claims against the insurer that were not anticipated at the time the product was priced. Insurance events are arbitrary, and the actual number and amount of underwriting benefits will differ from the best estimates derived from statistical methods and taking into account past experience. Through its underwriting strategy, reinsurance programmes, and claims-handling processes, the company manages these risks.

Underwriting risk is the risk of loss or change in the value of insurance liabilities as a result of insufficient pricing and technical provisioning.

As part of its underwriting strategy, the Company applies the following policies and practices to mitigate underwriting risk:

- (i) All alterations to life insurance products must pass through the approvals framework that is part of the governance process. The statutory actuary certifies that new and revised products are financially sound.
- (ii) The Company's underwriting strategy seeks to diversify its underwriting risks in terms of type (medical, occupational, and financial) and amount of risk covered. In spite of the difficulty of measuring this at the underwriting stage, the success or failure of a strategy can be determined by the historical consistency of profits emerging from the book of business.
- (iii) Prior to issuance, premium rates must be certified by the statutory actuary as being financially sound.
- (iv) At least every six months, investigations into mortality and morbidity experience are conducted to ensure that corrective action is taken where necessary.

5.2 Severity of claims

Establishing underwriting limits and enforcing risk selection criteria that are appropriate through reinsurance and co-insurance contracts are two of the methods that the business utilizes to control its risk retention capacity and limit the impact of every potential claim. As a result of these reinsurance agreements, the Company should not incur net insurance losses on any policy that are greater than claims margins set for group life businesses and for individual life businesses. The organization is equipped with dedicated claims handling desk to verify and process non-fraudulent claims. This unit is responsible for conducting investigations into and making adjustments to all claims where applicable. Individual claims are reviewed on a quarterly basis and amended as necessary to take into account the most recent information about the underpinning facts, contractual terms and circumstances, and any other relevant factors. The company takes a proactive approach to monitoring claims and actively pursues early settlements in an effort to reduce the variability to which it is exposed.

5.3 Concentration risks

The over-reliance of insurance contracts on particular products, clientele, intermediaries, or geographic locations, as well as preferred investment options and portfolios, which have the potential to result in the highest losses for the company, gives rise to the concentration risk. The following table provides a summary of the concentration of insurance revenue both before and after reinsurance by class of business.

The concentration of life insurance by type of product is summarised below by reference to revenue and net expenses from reinsurance contracts held:

| N'000 | Gross | | Reinsurance | | Net | |
|----------------|------------|------------|-------------|----------|------------|------------|
| | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| TERM | 19,604 | 234,540 | - | (183) | 19,604 | 234,723 |
| ENDOWMENT | 790,729 | 388,193 | - | (21,051) | 790,729 | 409,243 |
| KEYMAN | 2,190 | 3,318 | 403 | 1,210 | 1,787 | 2,108 |
| WHOLELIFE | 3,072 | 2,005 | 193 | 37 | 2,879 | 1,968 |
| ANNUITY | 30,917,543 | 14,691,440 | - | - | 30,917,543 | 14,691,440 |
| TRIPLEPAY | 6,418,233 | 5,542,785 | - | (18,850) | 6,418,233 | 5,561,635 |
| GROUPLIFE | 1,116,902 | 1,254,064 | 471,052 | 224,433 | 645,850 | 1,029,631 |
| CREDITLIFE | 387,918 | 84,619 | 34,033 | 52,638 | 353,886 | 31,981 |
| GROUPMORTGAGE | 1,518 | - | - | - | 1,518 | - |
| HOSPITAL_CASH | 1,384 | 391 | - | - | 1,384 | 391 |
| SMART_SCHOOL | 46 | 73 | - | - | 46 | 73 |
| CREDITLIFE_IND | 203 | (222) | - | - | 203 | (222) |
| MORTGAGE | 488 | 1 | - | - | 488 | 1 |
| Total | 39,659,829 | 22,201,208 | 505,680 | 238,235 | 39,154,149 | 21,962,973 |

The following table sets out the carrying amounts of the Company's insurance contracts (gross of reinsurance) by country of issue;

| N'000 | 2024 | 2023 |
|----------------|------------|------------|
| Nigeria | 39,659,829 | 22,201,208 |
| Rest of Africa | Nil | Nil |
| Europe | Nil | Nil |
| USA | Nil | Nil |
| Others | Nil | Nil |

5.3.1 Sources of volatility in the estimation of liabilities exposures

Due to the unpredictability of long-term changes in aggregate levels of mortality and the variability of policyholders' behavior, the estimate of future benefits payments and premium projections for life insurance contracts is imprecise. Depending on the nature of contract being written, the company utilizes standardized mortality basis tables to guide its premium pricing and underwriting decisions.

5.3.2 Annuity Risk

The Company's main retirement plan product, annuities, are market-sensitive with respect to changes in interest rate yield curves. This is largely because it is a life insurance policy with a lump sum payment at the commencement and a ten-year guaranteed period. Interest rate and longevity risk are inherent to the product. Interest rate risk arises because where the annuitant is given a specified interest rate to calculate the monthly payment within the guaranteed period but eventually outlives this period. As such, the Corporation must constantly choose high-return to meet commitments.

The business relies on its investment partners to construct a robust asset and liability management method that matches obligations (as far as feasible into the future) with assets, usually interest-bearing, in terms of liquidity and interest rate. To limit this risk exposure, we always price our commitments conservatively, taking into consideration a fairly close life expectancy for our annuitants, and we maintain adequate reserves. On the liability side, we also examine the implications of changes in underlying assumptions like mortality rate and other actuarially determined best estimates to decide on technical provisions. On the asset side, we analyze the impact of changes in interest rates (or other market risk factors).

5.3.3 Liability Valuation

The adoption of IFRS 17 for long term life insurance business comes with the introduction of the CSM which is a liability that is held to prevent the recognition of profits prematurely. When a group of insurance contracts is valued and actuarial reserves are set up, any deviations of actual experience from expected experience should result in profits or losses. Under IFRS 17, sources of profits arising from experience adjustments that relate to future service adjust the CSM. For Heirs Life, the introduction of the CSM has a slight impact on profit recognition patterns for profit-making contracts. However, the impact is limited given the current practice of zeroing negative reserves which is relatively similar to holding the CSM liability. In addition, the Statutory Risk Margins currently held by the Company will be replaced by the RA under IFRS 17 which is in respect of non-financial risk only.

Overall, the valuation of the insurance contract liabilities reflective of the growth in the business and changes in assumptions and methodologies adopted.

| Actuarial Valuation of Liabilities | | |
|------------------------------------|-------------------|-------------------|
| N'000 | 2024 | 2023 |
| Individual Life | 7,235,949 | 6,171,085 |
| Annuity | 30,917,543 | 14,691,440 |
| Group Life | 1,506,337 | 1,338,682 |
| Insurance Contracts | 39,659,829 | 22,201,207 |
| Reinsurance Contracts | 76,433 | 40,084 |

| Actuarial Valuation of Liabilities | | |
|------------------------------------|---------------|---------------|
| Count | 2024 | 2023 |
| Individual Life | 42,826 | 31,343 |
| Annuity | 2,753 | 2,973 |
| Group Life | 1,625 | 988 |
| Insurance Contracts | 47,204 | 35,304 |

5.3.4 Concentration Risk- Outstanding Claims

The concentration of insurance contract liabilities by class of business is summarised below with reference to gross liability and net reinsurance assets:

| N'000 | 2024 | | 2023 | |
|-----------------|-----------------|-------------------|-----------------|-----------------------|
| | Gross Liability | Reinsurance Asset | Gross Liability | Net Reinsurance Asset |
| Individual Life | 7,235,949 | 7,235,353 | 6,171,085 | 6,209,920 |
| Annuity | 30,917,543 | 30,917,543 | 14,691,440 | 14,691,440 |
| Group Life | 1,506,337 | 1,001,253 | 1,338,682 | 1,061,612 |

5.4 Valuation Assumptions

The valuation assumptions table for 31 Dec 2024 and 31 Dec 2023 provides key metrics that the company relies on to assess its insurance liabilities. These assumptions are critical for determining the present value of future cash flows, which is fundamental to accurate reserve calculations and overall financial health of the company.

| | 31-Dec-24 | 31-Dec-23 |
|-----------------------------------|---|---|
| Interest rate | Yield curve (obtained from the Nigerian Actuarial Society - NAS) adjusted with illiquidity premium of 25 basis points | Yield curve (obtained from the Nigerian Actuarial Society - NAS) adjusted with illiquidity premium of 25 basis points |
| Inflation rate | 15.65% | 15.65% |
| Mortality experience (Assurances) | UK's Mortality of Assured Lives A 1967-70 (A6770) | UK's Mortality of Assured Lives A 1967-70 (A6770) |
| Mortality experience (Annuity) | PA90 Ultimate Mortality Tables with an age rating of -3 | PA90 Ultimate Mortality Tables with an age rating of -5 |
| Risk Adjustment | Provision for adverse deviation (pfAD) | Provision for adverse deviation (pfAD) |

Per Policy Renewal Expenses

This table outlines the costs associated with renewing different types of policies for 2024 and 2023:

| Product Segment | 31-Dec-24 | 31-Dec-23 |
|-----------------|-----------|-----------|
| Endowment | 18,120 | 25,347 |
| Annuity | 22,997 | 24,384 |
| Term | 99 | 9,543 |
| Triple Pay | 10,767 | 13,341 |
| Whole Life | 5,268 | - |
| Keyman | 34,728 | - |
| Mortgage | 2,021 | - |

5.5 Sensitivity analysis of carrying amounts to changes in assumptions

| N'000 | Change in assumption | 31st Dec 2024 | | | 31st Dec 2023 | | |
|-------------|----------------------|--------------------------------|--|------------------|--------------------------------|---|------------------|
| | | Insurance contract liabilities | Reinsurance contract liabilities/(Asset) | Impact on Profit | Insurance contract liabilities | Reinsurance contract liabilities(Asset) | Impact on Profit |
| Yield Curve | -1% | 41,302,330 | 405,281 | (1,666,416) | 21,342,205 | 38,626 | (479,712) |
| Yield Curve | +1% | 46,304,675 | 446,102 | 6,627,069 | 19,977,585 | 36,033 | 887,500 |
| Mortality | -0.2% | 42,445,553 | 385,055 | (2,829,428) | 22,002,119 | 44,645 | (1,145,646) |
| Mortality | +0.2% | 38,913,938 | 473,738 | 790,871 | 20,686,317 | 30,167 | 184,634 |
| Expenses | -20% | 41,742,213 | 193,179 | (2,664,410) | 22,008,989 | 38,626 | (1,146,496) |
| Expenses | +20% | 38,493,918 | 197,974 | 588,680 | 20,675,659 | 36,033 | 189,426 |
| Laspes | -10% | 42,900,406 | 422,699 | (3,246,637) | 22,011,737 | 38,624 | (1,149,243) |
| Laspes | +10% | 38,693,525 | 438,634 | 976,179 | 20,674,200 | 36,035 | 190,884 |

A sensitivity analysis of exposure to insurance risk.

By using dynamic and market-sensitive yield curves, the company enhances its ability to accurately quantify and manage interest rate risk. This is crucial for maintaining solvency in fluctuating economic conditions.

The adjustment in inflation rates ensures that the company remains prepared for higher future costs, safeguarding against under-reserving and potential liquidity issues.

Consistent use of established mortality tables allows the company to maintain a reliable basis for estimating future claims, reducing the risk of unexpected mortality trends affecting financial stability.

While maintaining a stable pfAD ensures that the company holds sufficient capital to cover unexpected adverse developments, contributing to overall financial resilience.

The reduction in per policy renewal expenses for certain products reflects effective cost management and operational efficiency, which are key components of the robust ERM framework.

Adhering to actuarial standards and adjusting assumptions based on the NAS ensures compliance with regulatory requirements, mitigating regulatory risk and enhancing stakeholder confidence.

The actuarial valuation of insurance liabilities, supported by these assumptions and adjustments, forms a critical part of the company's risk management strategy. By continuously monitoring and updating these assumptions, the company can better manage its financial risks, ensure regulatory compliance, and maintain financial stability in the face of changing market conditions.

5. Capital Adequacy

The National Insurance Commission (NAICOM) establishes and monitors capital requirements for insurance companies. The capital management component aims to provide a quantitative approach to measuring risk, and determining the necessary regulatory and economic capital for the company's Enterprise Risk. This approach meets all relevant regulatory requirements outlined in the regulation on Enterprise Risk, where applicable.

Throughout the period, the company complied with all capital requirements. As of December 31, 2024, the company's authorized share capital is N8,000,000,000, adhering to the Insurance Act's minimum capital requirement of N2 billion.

The Company's capital structure for the reporting periods under review is summarised as follows:

| Balance Sheet, N'm | YTD 2024 | YTD 2023 | Changes |
|--------------------|----------|----------|---------|
| Asset | 66,200 | 37,760 | 75% |
| Liability | 51,650 | 28,667 | 80% |
| Margin | 14,550 | 9,093 | 60% |
| Tier 1 Capital | 2,000 | 2,000 | 0% |
| Available Capital | 14,550 | 9,093 | 60% |
| Capital Adjustment | - | - | 0% |
| Tier 2 Capital | 14,550 | 9,093 | 60% |
| Solvency Ratio | 728% | 455% | 60% |

| | 12/31/2024 N'000 | 31-Dec-23 N'000 |
|-------------------------------|---------------------|--------------------|
| Ordinary share capital | 8,000,000 | 8,000,000 |
| Contingency reserve | 885,409 | 339,679 |
| Retained earnings | 5,664,633 | 753,066 |
| Shareholders Fund | 14,550,042 | 9,092,745 |
| Regulatory required capital | 2,000,000 | 2,000,000 |
| Excess capital reserve | 12,550,042 | 7,092,745 |

5.1 Solvency Margin

Section 24 of the Nigerian Insurance Act mandates that insurers must maintain a solvency margin. This margin is defined as the excess of the value of admissible assets in Nigeria over liabilities in Nigeria.

The solvency margin, calculated as the excess of admissible assets over total liabilities, must be at least 15% of the gross premium income minus reinsurance premiums paid during the year or the minimum paid-up capital, whichever is greater.

The solvency margin is as follows:

| | 31-Dec-24 | | | 31-Dec-23 | | |
|--|---------------------|-----------------------|-------------------|---------------------|-----------------------|-------------------|
| Solvency Margin | Admissible N'000 | Inadmissible N'000 | Total N'000 | Admissible N'000 | Inadmissible N'000 | Total N'000 |
| Cash and Cash Equivalents | 701,981 | 138,070 | 840,051 | 1,708,093 | - | 1,708,093 |
| Treasury Bills | 17,091,582 | | 17,091,582 | 4,259,912 | | 4,259,912 |
| Placement with Financial Institution | | 1,345,874 | 1,345,874 | 743,669 | | 743,669 |
| Government Bonds | 37,204,982 | | 37,204,982 | 24,478,959 | | 24,478,959 |
| Corporate Bonds & Debenture -quoted | 1,445,521 | | 1,445,521 | 1,503,266 | | 1,503,266 |
| Quoted Shares | - | 4,865,885 | 4,865,885 | - | | - |
| Commercial Papers | | | | 2,295,330 | | 2,295,330 |
| Other Receivables & Prepayments | 65,239 | 299,648 | 364,887 | 52,116 | 329,271 | 381,387 |
| Trade receivable | - | | - | 83,239 | | 83,239 |
| Reinsurance Contract Assets | 505,679 | - | 505,679 | 278,318 | - | 278,318 |
| Insurance Contract Assets | - | - | - | 222 | - | 222.00 |
| PPE excluding Land and Building | 614,981 | - | 614,981 | 333,420 | - | 333,419 |
| Statutory Deposits with CBN | 800,000 | - | 800,000 | 800,000 | - | 800,000 |
| Intangible Assets | 178,912.00 | | 178,912 | 267,815 | | 267,815 |
| Right of Use Asset | - | 941,277 | 941,277 | - | 626,124 | 626,124 |
| Total Admissible Assets (a) | 58,608,878 | 7,590,754 | 66,199,632 | 36,804,359 | 329,271 | 37,133,629 |
| Less: Admissible liabilities | | | | | | |
| Insurance Contract Liabilities | 39,659,829 | - | 39,659,829 | 22,201,429 | - | 22,201,429 |
| Investment Contract Liabilities | 8,458,884 | - | 8,458,884 | 3,719,006 | - | 3,719,006 |
| Reinsurance Contract Liabilities | 76,433 | - | 76,433 | 40,084 | - | 40,084 |
| Other Technical Liabilities | 1,925,425 | - | 1,925,425 | 1,655,632 | - | 1,655,632 |
| Provision and Other Payable | 646,624 | - | 646,624 | 513,743 | - | 513,743 |
| Current income tax | 54,273 | - | 54,273 | 513,743 | - | 513,743 |
| Lease Liability | | 828,121 | 828,121 | | 518,270 | 518,270 |
| Total Admissible Liability (b) | 50,821,468 | 828,121.00 | 51,649,589 | 28,643,637 | 518,270 | 29,161,907 |
| Available Solvency Margin (a-b) | 7,787,410 | 6,762,633 | 14,550,043 | 8,160,722 | -188,999 | 7,971,722 |
| Minimum capital requirement | 2,000,000 | | | 2,000,000 | | |
| Surplus | 5,787,410 | | | 6,160,722 | | |

This test compares the insurer's capital against the risk profile. The regulator indicated that insurers should produce a minimum solvency margin of 100%. During the year, the Company met the minimum requirement. The regulator has the authority to request more extensive reporting and can place restrictions on operations if the Company falls below this requirement.

5.3 Credit Risk Management

Credit risk is the possibility of a loss in earnings or capital resulting from default from investment and reinsurance counterparties in meeting their obligations to HLA. These risks are generated by the declining financial health of counterparties, counterparty credit rating downgrades, asset quality deterioration, and/or counterparty default.

Credit risk exposure comes from cash in banks, placements with financial institutions, non-government assets, and reinsurance assets. To manage the exposure to credit risk, we continuously reduce our counterparty risk by investing the larger part of our gross written premium in government bonds, which possess relatively low-risk exposures.

We assess the credit risk management activities at HLA including single counterparty investment concentration, expected credit loss provisioning, and counterparties' credit rating position/outlook.

The investment team ensures credit management policies are implemented at the point of investment placement, exit and settlement. To further improve this process, the business has initiated the process of internal counterparty credit rating to derive the management of the placement per counterparty. The internal model will assess the capital adequacy, profitability, asset quality, quality of management, credit exposure and other relevant risk areas for risk management advisory.

HLA adopts the IFRS 9 expected credit loss and impairment provisioning process rather than estimating credit losses that should be reserved for by the business. To ensure efficacy, the models are examined often and adjusted as needed.

The following is the Company's main credit risk exposure at their carrying amount.

Maximum exposure to credit risk

| | 31-Dec-24 N'000 | 31-Dec-23 N'000 |
|--|--------------------|--------------------|
| Cash and cash equivalents | 840,051 | 1,708,093 |
| Financial assets - FVTPL | 59,158,287 | 28,741,039 |
| Financial assets - Amortized cost | 2,795,557 | 4,540,098 |
| Trade receivables | - | 83,239 |
| Reinsurance contract Asset | 505,679 | 278,318 |
| Insurance Contract assets | - | 222 |
| Other receivables (Staff Loans and Others) | 75,229 | 56,533 |
| Statutory deposit | 800,000 | 800,000 |
| Total assets exposed to credit risk | 64,174,804 | 36,207,542 |

Geographical Sectors

All credit exposures (without taking into account any collateral held or other credit support) are maintained within Nigeria

Credit Quality

External credit ratings from Moody's, Fitch, and S&P are used to assess the credit quality of the company's financial and reinsurance assets. The danger of default is minimal and impairment provisions deemed reasonable

| As at 31 December 2024 | AAA-A | BBB-B | Unrated | Total |
|-----------------------------------|------------------|-------------------|---------------|-------------------|
| Cash and cash equivalents | 838,512 | 2,012 | - | 840,524 |
| Financial assets - FVTPL | 4,993,076 | 54,152,586 | - | 59,145,662 |
| Financial assets - amortized Cost | 2,700,105 | 95,452 | - | 2,795,557 |
| Trade receivables | - | - | - | - |
| Reinsurance assets | 353,976 | 151,704 | - | 505,680 |
| Insurance contract asset | - | - | - | - |
| Other receivables | - | - | 75,229 | 75,229 |
| Statutory deposits with CBN | - | 800,000 | - | 800,000 |
| | 8,885,669 | 55,201,754 | 75,229 | 64,162,653 |

| As at 31 December 2023 | AAA-A | BBB-B | Unrated | Total |
|-----------------------------------|-------------------|-------------------|----------------|-------------------|
| Cash and cash equivalents | 310,958 | 1,397,135 | - | 1,708,093 |
| Financial assets - FVTPL | 20,677,162 | 8,063,877 | - | 28,741,039 |
| Financial assets - amortized Cost | 2,031,920 | 2,508,178 | - | 4,540,098 |
| Trade receivables | - | - | 83,239 | 83,239 |
| Reinsurance assets | 194,823 | 83,495 | - | 278,318 |
| Insurance contract asset | - | - | 222 | 222 |
| Other receivables | - | - | 56,533 | 56,533 |
| Statutory deposits with CBN | - | 800,000 | - | 800,000 |
| | 23,214,863 | 12,852,685 | 139,994 | 36,207,542 |

Industry Sectors

The company is exposed to various industries as shown below

| As at 31 December 2024 | Financial institution N'000 | Government N'000 | Consumer/ other corporate entity N'000 | Total N'000 |
|--|--------------------------------|---------------------|---|-------------------|
| Cash and cash equivalents | 840,051 | - | - | 840,051 |
| Financial assets - FVTPL | 4,865,885 | 54,188,959 | 90,817 | 59,145,661 |
| Financial assets - amortized Cost | 2,700,105 | 95,452 | - | 2,795,557 |
| Trade receivables | - | - | - | - |
| Reinsurance assets | 505,680 | - | - | 505,680 |
| Insurance contract asset | - | - | - | - |
| Other receivables (Staff Loans and Others) | - | - | 75,229 | 75,229 |
| Statutory deposits with CBN | 800,000 | - | - | 800,000 |
| | 9,711,721 | 54,284,411 | 166,046 | 64,162,179 |

| As at 31 December 2023 | Financial institution N'000 | Government N'000 | Consumer/ other corporate entity N'000 | Total N'000 |
|-----------------------------------|--------------------------------|---------------------|---|-------------------|
| Cash and cash equivalents | 1,708,093 | - | - | 1,708,093 |
| Financial assets - FVTPL | 20,677,162 | 8,063,877 | - | 28,741,039 |
| Financial assets - amortized Cost | 4,445,084 | 95,014 | - | 4,540,098 |
| Trade receivables | - | - | 83,239 | 83,239 |
| Reinsurance assets | 278,318 | - | - | 278,318 |
| Insurance contract asset | - | - | 222 | 222 |
| Other receivables | - | - | 56,533 | 56,533 |
| Statutory deposits with CBN | 800,000 | - | - | 800,000 |
| | 27,908,657 | 8,158,891 | 139,994 | 36,207,542 |

5.4 Reinsurance Assets & Credit Quality

Our reinsurance are selected based on their external credit rating, Financial Stability, Claim Handling and Settlement performance, Claims payment TAT, Management composition, Expertise and Experience, Reinsurance Cost & Treaty Capacity per life.

A portfolio analysis is done at the end of each financial year to determine the reinsurance optimization for each business class. The most important aspects of this analysis include the GWP, Claims Paid, Gross reinsurance Premium, Reinsurance Commission, Reinsurance Recoveries, and Recovery Ratio.

The amounts that best represent the maximum exposure to credit risk in reinsurance contract assets at the reporting dates are analyzed below, using external

| | | | | |
|------------------------|----------------------------|----------------------------|---------------------|----------------------------|
| As at 31 December 2024 | AAA-A 353,976.04 | BBB-B 151,704.02 | Unrated - | Total 505,680.05 |
| As at 31 December 2023 | AAA-A 194,823.00 | BBB-B 83,495.00 | Unrated - | Total 278,317.69 |

5.5 Credit Risk Measurement

The company recognizes that its business segments have various underlying risks and uses different measures to effectively mitigate them. The Entity has credit risk models. These rating and scoring models measure default risks for all major credit portfolios. The company measures credit risk at a counterparty level using three components: the "probability of default" (PD) by the client or counter party on its contractual obligations; current exposures to the counterparty and its likely future development, from which the company derives the "Exposure at default" (EAD); and the likely recovery ratio on the defaulted obligations (the "Loss Given Default") (LGD).

6 Financial Risk Management

6.1 Market Risk Management

This is the risk of a change in a portfolio's actual or effective market value or earnings due to adverse movements in market variables like equity, bond, and commodity prices; currency exchange and interest rates; credit spreads; recovery rates and interactions; and volatilities linked to any of these factors.

There is reasonable diversification to mitigate impact of high interest rates-low yields interactions and the impact on investment performance.

HLA maintains a healthy investment portfolio in line with NAICOM's investment guidelines. The composition of HLA's investment portfolio includes money market assets, government bonds, and corporate bonds.

To hedge against market volatility losses, the business holds 88% of its investment in government bonds and treasury bills, 2% in money market placements, 2% in corporate bonds and 8% in other instruments. This distribution enables the business to comply with NAICOM's prudential guidelines and protect the invested funds to enhance business profitability.

6.2 Foreign exchange risks

The company holds minimal financial assets denominated in currencies other than the functional currency. The exchange rate ruling at the date of preparation of the financial statement is used to ascertain the net position of the foreign currency. The financial unit monitors the Company's foreign currency position on a monthly basis.

The table below summarises the carrying amounts of the entity's financial instruments, categorised by currency:

| Assets | 31-Dec-24 | | | | |
|---|-------------------|-------------------|------------------|------------|------------|
| | Total | NGN | USD | EUR | GBP |
| in thousands of naira | | | | | |
| Cash and cash equivalents | 840,524 | 829,976 | 8,922 | 914 | 712 |
| Financial assets - FVTPL | 59,158,287 | 59,158,287 | - | - | - |
| Financial assets - Amortized cost | 2,795,557 | 1,441,362 | 1,354,195 | - | - |
| Trade receivables | - | - | - | - | - |
| Reinsurance contract Asset | 505,679 | 505,679 | - | - | - |
| Insurance Contract assets | - | - | - | - | - |
| Other receivables (Staff Loans& Others) | 75,229 | 75,229 | - | - | - |
| Statutory deposits with CBN | 800,000 | 800,000 | - | - | - |
| Total Financial Assets | 64,175,276 | 62,810,533 | 1,363,117 | 914 | 712 |
| Financial Liabilities | | | | | |
| Insurance contract liabilities | 39,659,829 | 39,659,829 | - | - | - |
| Reinsurance contract liabilities | 76,433 | 76,433 | - | - | - |
| Investment contract liabilities | 8,458,884 | 8,336,538 | 122,346 | - | - |
| Other Insurance Contract Liabilities | 1,925,425 | 1,925,425 | - | - | - |
| Provisions & other payables | 646,624 | 646,624 | - | - | - |
| Lease liability | 828,121 | 828,121 | - | - | - |
| Total Financial Liabilities | 51,595,316 | 51,472,970 | 122,346 | - | - |

Changes in exchange rates relative to these foreign currency balances will not material impact in the financial statements

| Assets | 31-Dec-23 | | | | |
|--------------------------------------|-------------------|-------------------|----------------|------------|------------|
| | Total | NGN | USD | EUR | GBP |
| <i>in thousands of naira</i> | | | | | |
| Cash and cash equivalents | 1,708,093 | 1,696,474 | 10,626 | 570 | 423 |
| Financial assets - FVTPL | 28,741,039 | 28,741,039 | - | - | - |
| Financial assets - Amortized cost | 4,540,098 | 3,774,928 | 765,170 | - | - |
| Trade receivables | 83,239 | 83,239 | - | - | - |
| Reinsurance contract Asset | 278,318 | 278,318 | - | - | - |
| Insurance Contract assets | 222 | 222 | - | - | - |
| Other receivables (Staff Loans) | 56,533 | 56,533 | - | - | - |
| Statutory deposits with CBN | 800,000 | 800,000 | - | - | - |
| Total Financial Assets | 36,207,542 | 35,430,753 | 775,796 | 570 | 423 |
| Financial Liabilities | | | | | |
| Insurance contract liabilities | 22,201,429 | 22,201,429 | - | - | - |
| Reinsurance contract liabilities | 40,084 | 40,084 | - | - | - |
| Investment contract liabilities | 3,719,006 | 3,674,195 | 44,811 | - | - |
| Other Insurance Contract Liabilities | 1,655,632 | 1,655,632 | - | - | - |
| Provisions & other payables | 513,743 | 513,743 | - | - | - |
| Lease liability | 518,270 | 518,270 | - | - | - |
| Total Financial Liabilities | 28,648,164 | 28,603,353 | 44,811 | - | - |

6.3 Interest rate risks

Interest rate risk arises from unanticipated changes in interest rates caused by the central bank's monetary policy operations and interest rate-related market conditions.

The organization is exposed to interest rate risk due to the fluctuations in market interest rates. Interest-bearing assets and liabilities subject the company to interest rate risk. The company will decrease interest rate risk by including financial assets with maturities of less than 12 months in its portfolio of financial assets. These financial assets consist of bank deposits, Treasury bills, and short-term bonds. Interest rate risk is the risk that a financial instrument's value and future cashflows will fluctuate due to fluctuations in interest rates.

In general, the Business employs a cautious investment strategy with substantial cash and short-term bond holdings, resulting in low interest rate risk exposure.

Exposure to fixed interest and non- interest bearing assets are as follows;

| Financial Assets | 31 Dec 2024 | | |
|--|--------------------------|-------------------------|-------------------------------|
| | Carrying Amount N'000 | Fixed interest N'000 | Non-interest bearing N'000 |
| Cash and cash equivalents | 840,524 | 519,815 | 320,709 |
| Financial assets - FVTPL | 59,145,661 | 54,279,776 | 4,865,885 |
| Financial assets - Amortized cost | 2,795,557 | 2,795,557 | - |
| Trade receivables | - | - | - |
| Reinsurance contract Asset | 505,680 | - | 505,680 |
| Insurance Contract assets | - | - | - |
| Other receivables (Staff Loans & Others) | 75,229 | 65,239 | 9,990 |
| Statutory deposit | 800,000 | 800,000 | - |
| Total Financial Assets | 64,162,651 | 58,460,387 | 5,702,264 |
| Financial Liabilities | | | |
| Insurance contract liabilities | 39,659,829 | - | 39,659,829 |
| Reinsurance contract liabilities | 76,433 | - | 76,433 |
| Investment contract liabilities | 8,458,884 | 8,458,884 | - |
| Other Insurance Contract Liabilities | 1,925,425 | - | 1,925,425 |
| Provisions & other payables | 646,624 | - | 646,624 |
| Lease liability | 828,121 | - | 828,121 |
| Total Financial Liabilities | 51,595,316 | 8,458,884 | 43,136,432 |
| Net Exposures | 12,567,335 | 50,001,503 | (37,434,168) |

| | 31 Dec 2023 | | |
|---|--------------------------|-------------------------|-------------------------------|
| | Carrying Amount N'000 | Fixed interest N'000 | Non-interest bearing N'000 |
| Financial Assets | | | |
| Cash and cash equivalents | 1,708,093 | 394,538 | 1,313,555 |
| Financial assets - FVTPL | 28,741,039 | 28,741,039 | - |
| Financial assets - Amortized cost | 4,540,098 | 4,540,098 | - |
| Trade receivables | 83,239 | - | 83,239 |
| Reinsurance contract Asset | 278,318 | - | 278,318 |
| Insurance Contract assets | 222 | - | 222 |
| Other receivables (Staff Loans& others) | 56,533 | 52,117 | 4,416 |
| Statutory deposit | 800,000 | 800,000 | - |
| Total Financial Assets | 36,207,542 | 34,527,792 | 1,679,750 |
| Financial Liabilities | | | |
| Insurance contract liabilities | 22,201,429 | - | 22,201,429 |
| Reinsurance contract liabilities | 40,084 | - | 40,084 |
| Investment contract liabilities | 3,719,006 | 3,719,006 | - |
| Other Insurance Contract Liabilities | 1,655,632 | - | 1,655,632 |
| Provisions & other payables | 513,743 | - | 513,743 |
| Lease liability | 518,270 | - | 518,270 |
| Total Financial Liabilities | 28,648,164 | 3,719,006 | 24,929,158 |
| Net Exposures | 7,559,378 | 30,808,786 | (23,249,408) |

6.4 Equity and commodity price risk

The company is exposed to equity price risk by holding investments quoted on the Nigerian Stock Exchange (NSE). Equity securities quoted on the NSE is exposed to movement based on the general movement of the all share index and movement in prices of specific securities held by the company. The company has no investment in unquoted securities.

6.2.1 Liquidity Risk Management

Liquidity risk is the ability of HLA to finance an increase in assets and meet liability obligations as they come due, without incurring unacceptable losses. It also implies the inability of HLA to survive stressed periods where cash outflows exceed cash inflows in an unprecedented manner.

Liquidity risk is the risk of incurring losses resulting from the inability to meet payment obligations in a timely way or at a reasonable cost. Liquidity risk is the risk of being unable to buy or sell assets in a specific quantity during a given time without altering the asset's value.

Liquidity risk is inherent in all insurance operations and may be impacted by a range of institution-specific and market-wide events, including credit crises, systemic shocks, natural disasters, and other emerging risks that strain the liquidity level of the Company. We identified key risk indicators such as inflationary pressures, currency devaluation, and credit crunch incidents.

To manage liquidity risks, HLA actively monitors its liquidity management processes using risk indicators such as stressed liquidity coverage ratio (LCR), net stable funding ratio (NSFR), liquidity ratio (LR), and stock of the quality and level of high-quality liquid assets (HQLA) ratio. Also, the risk management team monitor the assets-liabilities mismatches and the gaps management.

HLA strives to maintain an adequate level of HQLA to ensure that its liquidity position is resilient through various business cycles without failure to meet its liability obligations to policyholders and other business clients.

6.2.2 Maturity analysis (contractual undiscounted cashflow basis)

The table below analyses the Company's non-derivative financial liabilities and assets into relevant maturity groupings based on the remaining period from the balance sheet date to the contractual maturity date. The table also includes the groupings for the (re)insurance contract liabilities and assets.

The amounts disclosed in the table are the contractual undiscounted cash flows as of 31 December 2024:

| | <i>Carrying amount</i> | <i>Gross nominal</i> | <i>0 - 3 months</i> | <i>3 - 6 months</i> | <i>6 - 9 months</i> | <i>9 months - 1 year</i> | <i>>1 year</i> |
|--|----------------------------|----------------------|---------------------|---------------------|---------------------|------------------------------|-------------------|
| | N'000 | N'000 | N'000 | N'000 | N'000 | N'000 | N'000 |
| <i>Cash and cash equivalents</i> | 840,051 | 848,867 | 848,867 | - | - | - | - |
| <i>Financial assets at amortised cost</i> | 2,795,557 | 3,537,524 | 104,774 | 1,439,658 | - | 106,436 | 1,886,655 |
| <i>Financial assets at fair value through profit or loss</i> | 59,158,287 | 115,194,144 | 14,245,583 | 7,319,715 | 2,019,725 | 2,170,028 | 89,439,093 |
| <i>Other receivables</i> | 0 | - | - | - | - | - | - |
| <i>Other receivables</i> | 0 | - | - | - | - | - | - |
| <i>Statutory deposit</i> | 800,000 | 800,000 | - | - | - | - | 800,000 |
| <i>Total financial assets</i> | 63,593,895 | 120,380,535 | 15,199,225 | 8,759,373 | 2,019,725 | 2,276,465 | 92,125,748 |
| <i>Investment contract liabilities</i> | 8,458,884 | 8,458,884 | - | - | - | - | 8,458,884 |
| <i>Trade payables</i> | 1,925,425 | 1,925,425 | 1,925,425 | - | - | - | - |
| <i>Other payables and accruals</i> | 646,624 | 646,624 | 646,624 | - | - | - | - |
| <i>Lease liability</i> | 828,121 | 828,121 | - | - | - | - | 828,121 |
| <i>Total financial liabilities</i> | 11,859,054 | 11,859,054 | 2,572,049 | - | - | - | 9,287,005 |
| <i>Net Financial Asset</i> | 51,734,841 | 108,521,481 | 12,627,176 | 8,759,373 | 2,019,725 | 2,276,465 | 82,838,743 |

The amounts disclosed in the table are the contractual undiscounted cash flows as of 31 December 2023:

| | Carrying amount | Gross nominal | 0 - 3 months | 3 - 6 months | 6 - 9 months | 9 months - 1 year | >1 year |
|--|--------------------|-------------------|------------------|------------------|-----------------|----------------------|-------------------|
| | N'000 | N'000 | N'000 | N'000 | N'000 | N'000 | N'000 |
| Cash and cash equivalents | 1,708,093 | 1,722,205 | 1,722,205 | - | - | - | - |
| Financial assets at amortised cost | 4,540,098 | 48,154,417 | 772,226 | 1,745,197 | - | 2,513,395 | 43,123,599 |
| Financial assets at fair value through profit or loss | 28,741,039 | 5,736,511 | 951,635 | 2,014,169 | 206,941 | - | 2,563,766 |
| Trade receivables | 83,239 | 83,239 | 83,239 | - | - | - | - |
| Other receivables | 56,533 | 56,533 | - | 4,416 | - | 40,110 | 12,007 |
| Statutory deposit | 800,000 | 800,000 | - | - | - | - | 800,000 |
| Total financial assets | 35,929,002 | 56,552,905 | 3,529,305 | 3,763,782 | 206,941 | 2,553,505 | 46,499,372 |
| Investment contract liabilities | 3,719,006 | 3,719,006 | - | - | - | - | 3,719,006 |
| Trade payables | 1,655,632 | 1,655,632 | 1,655,632 | - | - | - | - |
| Other payables and accruals | 513,743 | 513,743 | 513,743 | - | - | - | - |
| Lease Liabilities | 518,270 | 662,926 | - | - | - | - | 662,926 |
| Total financial liabilities | 6,406,651 | 6,551,307 | 2,169,375 | - | - | - | 4,381,932 |
| Net Financial Asset | 29,522,351 | 50,001,598 | 1,359,930 | 3,763,782 | 206,941 | 2,553,505 | 42,117,440 |

6.2.3 Maturity analysis for Insurance & Reinsurance Contracts(contractual undiscounted cashflow basis)

The table below analyses the group of insurance contracts issued and groups of reinsurance contracts held, that are liabilities. This has been presented on an undiscounted basis showing the remaining contractual net cash flows for the first five years after the reporting date and in aggregate beyond the first five years.

Gross of Reinsurance

| PORTFOLIO | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Total - >Undiscounted IBNR+OCR |
|---------------------------|--------------------|--------------------|--------------------|-------------------|-------------------|--------------------------------------|
| GROUP (CREDIT & MORTGAGE) | 29,871,610 | 19,914,407 | 24,893,008 | 14,935,805 | 9,957,203 | 99,572,034 |
| INDIVIDUAL CREDIT LIFE | 52,530 | 35,020 | 43,775 | 26,265 | 17,510 | 175,100 |
| GROUP LIFE | 133,663,904 | 89,109,269 | 111,386,587 | 66,831,952 | 44,554,635 | 445,546,347 |
| HOSPITAL CASH | 187,384 | 124,923 | 156,153 | 93,692 | 62,461 | 624,613 |
| SMART SCHOOL | 13,005 | 8,670 | 10,838 | 6,502 | 4,335 | 43,350 |
| Total | 163,788,433 | 109,192,289 | 136,490,361 | 81,894,217 | 54,596,144 | 545,961,445 |

Net of Reinsurance

| PORTFOLIO | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Total - >Undiscounted IBNR+OCR |
|---------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|--------------------------------------|
| GROUP (CREDIT & MORTGAGE) | 29,871,610 | 19,914,407 | 24,893,008 | 14,935,805 | 9,957,203 | 99,572,034 |
| INDIVIDUAL CREDIT LIFE | 52,530 | 35,020 | 43,775 | 26,265 | 17,510 | 175,100 |
| GROUP LIFE | 67,915,904 | 45,277,269 | 56,596,586 | 33,957,952 | 22,638,635 | 226,386,346 |
| HOSPITAL CASH | 187,384 | 124,923 | 156,153 | 93,692 | 62,461 | 624,613 |
| SMART SCHOOL | 13,005 | 8,670 | 10,838 | 6,502 | 4,335 | 43,350 |
| Total | 98,040,433 | 65,360,289 | 81,700,361 | 49,020,216 | 32,680,144 | 326,801,443 |

6.3.3 Asset and Liability Management (ALM)

HLA is exposed to financial risks because of its assets and liabilities. These include reinsurance assets, investment asset, and its insurance liabilities. The most important risk managed within the assets and liabilities framework is interest rate and solvency risk. Enterprise risk management & Finance is responsible for monitoring these risks and the primary ways in which we do this is to match distinct liabilities to separate portfolio of assets.

HEIRS LIFE ASSURANCE LIMITED
FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2024
NOTES TO THE FINANCIAL STATEMENT

| | Year ended 31-Dec-24 N'000 | Year ended 31-Dec-23 N'000 |
|---|----------------------------------|----------------------------------|
| 7 Cash and cash equivalents | | |
| Cash & bank balances - Local | 310,160 | 369,287 |
| Cash & bank balances - Foreign | 10,549 | 11,620 |
| Placements with banks | 519,815 | 1,327,186 |
| Cash and cash equivalent (Gross) | 840,524 | 1,708,093 |
| Provision for expected credit losses (ECL) allowance | (473) | - |
| Cash and cash equivalent (Net) | 840,051 | 1,708,093 |
| 7b Cash and cash equivalent for cashflow purpose include: | | |
| Cash & bank balances - Local | 310,160 | 369,287 |
| Cash & bank balances - Foreign | 10,549 | 11,620 |
| Placements with banks | 519,815 | 1,327,186 |
| Cash and cash equivalent | 840,524 | 1,708,093 |
| ***The cash and cash equivalent of N840,524 excludes provision for ECL. | | |
| Placement with banks are held for less than 90 days | | |
| 8 Investment Securities valued at FVTPL | | |
| Treasury bills (see note 8a) | 17,091,582 | 4,259,912 |
| FGN bonds (see note 8b) | 37,110,003 | 24,383,507 |
| Corporate bonds (see note 8c) | 90,817 | 97,619 |
| Quoted Equity | 4,865,885 | - |
| | 59,158,287 | 28,741,039 |
| Treasury bills | | |
| Current | - | - |
| Non Current | 17,091,582 | 4,259,912 |
| | 17,091,582 | 4,259,912 |
| FGN Bonds | | |
| Non Current | 37,110,003 | 24,383,507 |
| | 37,110,003 | 24,383,507 |
| Movement in Investment Securities valued at FVTPL | | |
| Opening balance | 28,741,038 | 13,090,268 |
| Additions | 38,273,216 | 22,205,632 |
| Fair value gain/(loss) | (825,114) | 185,634 |
| Interest Income | 4,656,298 | 1,690,391 |
| Interest Received | (4,543,716) | (1,598,037) |
| Maturities | (7,143,434) | (6,832,850) |
| | 59,158,287 | 28,741,038 |
| 8a Treasury bills movement | | |
| Opening balance | 4,259,912 | 5,874,099 |
| Additions | 17,208,463 | 4,717,939 |
| Fair value gain | 2,332,857 | 500,724 |
| Maturities | (6,709,650) | (6,832,850) |
| Treasury bills as at 31 December | 17,091,582 | 4,259,912 |
| 8b FGN bond movement | | |
| Opening balance | 24,383,507 | 7,117,339 |
| Additions | 16,058,839 | 17,487,693 |
| Fair value gain/(loss) | (3,011,141) | (313,946) |
| Interest Income | 4,643,762 | 1,677,890 |
| Interest Received | (4,531,180) | (1,585,469) |
| Maturities | (433,784) | - |
| Balance as at 31 December | 37,110,003 | 24,383,507 |
| 8c Corporate bond movement | | |
| Opening balance | 97,619 | 98,830 |
| Additions | - | - |
| Fair value gain/(loss) | (6,802) | (1,144) |
| Interest Income | 12,536 | 12,501 |
| Interest received | (12,536) | (12,568) |
| Bond as at 31 December | 90,817 | 97,619 |
| Non Current | 90,817 | 97,619 |
| 8d Quoted equity | | |
| Opening balance | - | - |
| Additions | 5,005,914 | - |
| Fair Value Gain/ (Loss) | (140,029) | - |
| Disposal | - | - |
| Balance as at 31 December | 4,865,885 | - |

| | Year ended 31-Dec-24 N'000 | Year ended 31-Dec-23 N'000 |
|---|----------------------------------|----------------------------------|
| 9 Investments carried at amortised cost | | |
| Money market placement (see note 8a) | 1,354,195 | 765,170 |
| Corporate Bond (see note 8b) | 1,380,146 | 1,405,646 |
| Commercial Paper (See note 8c) | (0) | 2,295,330 |
| Investment in State Bonds | 95,452 | 95,452 |
| Provision for expected credit losses (ECL) allowance (see note 9e) | (34,236) | (21,502) |
| | 2,795,557 | 4,540,097 |
| Non Current | 2,795,557 | 4,540,097 |
| Movement in amortised cost is as follows | | |
| Opening Balance | 4,540,097 | 2,863,779 |
| Additions | 1,641,759 | 14,641,210 |
| Interest income | 496,797 | 616,948 |
| Interest received | (317,904) | (367,590) |
| Maturities/Principal Repayment | (4,041,598) | (13,192,748) |
| Exchange Gain | 489,139 | - |
| ECL | (12,734) | (21,502) |
| | 2,795,557 | 4,540,097 |
| 9a Money market placement | | |
| Opening Balance | 765,170 | 709,534.31 |
| Additions | 1,099,122 | 11,031,652 |
| Interest income | 114,375 | 171,992 |
| Interest received | (102,833) | (167,054) |
| Maturities | (1,010,778) | (10,980,954) |
| Exchange Gain | 489,139 | - |
| Placements as at 31 December | 1,354,195 | 765,170 |
| 9b Corporate bond | | |
| Opening Balance | 1,405,647 | 1,303,633 |
| Additions | - | 100,000 |
| Interest income | 200,194 | 195,321 |
| Interest received | (200,695) | (193,307) |
| Principal repayment | (25,000) | - |
| Corporate bond as at 31 December | 1,380,146 | 1,405,647 |
| 9c Commercial paper | | |
| Opening Balance | 2,295,330 | 850611.4593 |
| Additions | 542,637 | 3,415,555.38 |
| Interest Income | 167,853 | 240,957.00 |
| Maturities | (3,005,820) | (2,211,794.00) |
| Commercial paper as at 31 December | (0.00) | 2,295,329.84 |
| 9d State Bonds | | |
| Opening Balance | 95,452 | - |
| Additions | - | 94,003.00 |
| Interest income | 14,376 | 8,678.00 |
| Interest received | (14,376) | (7,229.00) |
| State Bonds as at 31 December | 95,452 | 95,452 |
| 9e Movement in expected credit lossess | | |
| Opening Balance | (21,502) | (3,450) |
| Charged during the year (see note 37) | (13,207) | (18,052) |
| Closing balance | (34,709) | (21,502) |
| Break-down of expected credit lossess | | |
| Expected Credit Loss on Investment held at Amortization cost | (34,236) | (21,502) |
| Expected Credit Loss onCash and Cash Equivalent | (473) | - |
| | (34,709) | (21,502) |

10 *Trade receivables*

Gross Trade Receivables

| | | |
|-----------------------------------|---------------|----------------|
| Opening Trade Receivable | 148,937 | 2,083 |
| Gross Premium written | 33,859,296 | 19,747,899 |
| Gross Premium Received | (32,817,289) | (19,601,045) |
| Allocated Premium during the year | (1,125,245) | - |
| Current | <u>65,698</u> | <u>148,937</u> |

Impairment on trade Receivables

| | | |
|----------|-----------------|-----------------|
| Opening | (65,698) | - |
| Movement | - | (65,698) |
| closing | <u>(65,698)</u> | <u>(65,698)</u> |

Net Trade Receivables

| | |
|---|---------------|
| - | <u>83,239</u> |
|---|---------------|

10a

Age analysis of premium receivable

| | Policy count | Amount | Policy count | |
|--------------------|--------------|----------|--------------|---------------|
| Within 14 days | | - | 1 | 10,241 |
| Within 15-30 days | | - | 3 | 72,998 |
| Within 31-90 days | | - | | - |
| Within 91-180 days | | - | | - |
| Above 180 days | | - | | - |
| Total | | <u>-</u> | | <u>83,239</u> |

11 **Reinsurance contract Assets***

Contracts Measured Under GMM*:

Asset for Remaining Coverage:

| | | |
|--------------------------------------|------------|--------------|
| -Excluding loss component | 596 | 1248 |
| -Loss component | - | - |
| Asset for Remaining Coverage: | <u>596</u> | <u>1,248</u> |

Contracts Measured Under PAA:

Asset for Remaining Coverage:

| | | |
|---------------------------|---------|--------|
| -Excluding loss component | 269,720 | 87,032 |
| -Loss component | - | - |

Asset for Incurred Claims

| | | |
|-------------------------------------|----------------|----------------|
| - Present Value of future cashflows | 219,160 | 175,520 |
| - Risk Adjustment | 16,204 | 14,518 |
| | <u>505,084</u> | <u>277,070</u> |

Total Reinsurance Contract Asset

| | |
|----------------|----------------|
| <u>505,679</u> | <u>278,318</u> |
|----------------|----------------|

| | | |
|---|----------------|----------------|
| Current | 140,628 | 51,970 |
| Non-Current | 365,051 | 226,348 |
| Total Reinsurance Contract Asset | <u>505,679</u> | <u>278,318</u> |

For contracts measured under GMM, there is no Asset for incurred claims

11a Reconciliation of the asset for remaining coverage and the amount recoverable for incurred claims - Entity Level

The following tables shows the reconciliation of reinsurance contract asset (on an aggregate level) from Opening to Closing entity level

31-Dec-24

| | Asset for remaining coverage Excluding loss recovery component N'000 | Loss recovery component N'000 | Asset for incurred claims on contract not measured under PAA N'000 | Asset for incurred claims on contract measured under PAA Present value of future cashflows Risk Adjustment N'000 | Total N'000 |
|--|---|-------------------------------------|--|---|------------------|
| Opening Reinsurance Contract Liabilities | 0 | - | - | (0) | - |
| Opening Reinsurance Contract Assets | 88,280 | - | - | 175,520 | 278,318 |
| Net reinsurance contract assets / (liabilities) opening balance | 88,280 | - | - | 175,520 | 278,318 |
| Allocation of reinsurance premiums | (356,509) | - | - | - | (356,509) |
| Amounts recoverable from reinsurers for incurred claims | - | - | - | 229,737 | 231,423 |
| Amounts recoverable for incurred claims and other expenses | - | - | - | 353,433 | 370,035 |
| Changes to amounts recoverable for incurre | - | - | - | (123,696) | (138,612) |
| Net income or expense from reinsurance contracts held | (356,509) | - | - | 229,737 | (125,086) |
| Reinsurance finance income | 537 | - | - | - | 537 |
| Total changes in the statement of comprehensive income | (355,971) | - | - | 229,737 | (124,549) |
| Cash flows | - | - | - | - | - |
| Premiums paid | 734,868 | - | - | - | 734,868 |
| Commission received | (196,860) | - | - | - | (196,860) |
| Claims recovered | - | - | - | (186,097) | (186,097) |
| Total cash flows | 538,008 | - | - | (186,097) | 351,911 |
| Other movements | - | - | - | - | - |
| Net reinsurance contract assets / (liabilities) closing balance | 270,316 | - | - | 219,160 | 505,680 |
| Closing Reinsurance Contract Liabilities | - | - | - | - | - |
| Closing Reinsurance Contract Assets | 270,316 | - | - | 219,160 | 505,680 |
| Net reinsurance contract assets / (liabilities) closing balance | 270,316 | - | - | 219,160 | 505,680 |

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| | Asset for remaining coverage Excluding loss recovery component N'000 | Loss recovery component N'000 | Asset for incurred claims on contract not measured under PAA N'000 | Asset for incurred claims on contract measured under PAA Present value of future cashflows Risk Adjustment N'000 | Total N'000 |
|--|---|-------------------------------------|--|---|-----------------|
| Opening Reinsurance Contract Liabilities | - | - | - | - | - |
| Opening Reinsurance Contract Assets | 48,226 | - | - | 108 | 48,334 |
| Net reinsurance contract assets / (liabilities) opening balance | 48,226 | - | - | 108 | 48,334 |
| Allocation of reinsurance premiums | (341,821) | - | - | - | (341,821) |
| Amounts recoverable from reinsurers for incurred claims | - | - | 669 | 292,740 | 307,928 |
| Amounts recoverable for incurred claims and other expenses | - | - | 669 | 292,849 | 308,036 |
| Changes to amounts recoverable for incurre | - | - | - | (108) | (108) |
| Net income or expense from reinsurance contracts held | (341,821) | - | 669 | 292,740 | (33,894) |
| Reinsurance finance income | (92) | - | - | - | (92) |
| Total changes in the statement of comprehensive income | (341,913) | - | 669 | 292,740 | (33,985) |
| Cash flows | - | - | - | - | - |
| Premiums paid | 540,778 | - | - | - | 540,778 |
| Commission received | (158,811) | - | - | - | (158,811) |
| Claims recovered | - | - | (669) | (117,329) | (117,998) |
| Total cash flows | 381,967 | - | (669) | (117,329) | 263,969 |
| Other movements | - | - | - | - | - |
| Net reinsurance contract assets / (liabilities) closing balance | 88,280 | - | - | 175,520 | 278,318 |
| Closing Reinsurance Contract Liabilities | - | - | - | - | - |
| Closing Reinsurance Contract Assets | 88,280 | - | - | 175,520 | 278,318 |
| Net reinsurance contract assets / (liabilities) closing balance | 88,280 | - | - | 175,520 | 278,318 |

11.1 Reconciliation of the asset for remaining coverage and the amount recoverable for incurred claims - PAA- Entity Level

The following tables shows the reconciliation of reinsurance contract asset (on an aggregate level) from Opening to Closing for Contracts Measured under PAA. The portfolios measured in this note include: Group Life, Credit Life, Group Mortgage, Hospital Cash, Smart School and Mortgage.

| 31-Dec-24 | Asset for remaining coverage | | Asset for incurred claims | | Total |
|--|-----------------------------------|-------------------------|----------------------------|-----------------|------------------|
| | Excluding loss recovery component | Loss recovery component | Present Value of Cashflows | Risk Adjustment | |
| | N'000 | N'000 | N'000 | N'000 | N'000 |
| Opening Reinsurance Contract Liabilities | 0 | - | (0) | - | - |
| Opening Reinsurance Contract Assets | 87,032 | - | 175,520 | 14,518 | 277,070 |
| Net reinsurance contract assets / (liabilities) opening balance | 87,032 | - | 175,520 | 14,518 | 277,070 |
| Allocation of reinsurance premiums | (353,538) | - | - | - | (353,538) |
| Amounts recoverable from reinsurers for incurred claims | - | - | 229,737 | 1,686 | 231,423 |
| Amounts recoverable for incurred claims and other expenses | - | - | 353,433 | 16,601 | 370,035 |
| Changes to amounts recoverable for incurred claims | - | - | (123,696) | (14,916) | (138,612) |
| Loss-recovery on onerous underlying contracts and adjustme | - | - | - | - | - |
| Reinsurance investment components | - | - | - | - | - |
| Net income or expense from reinsurance contracts held | (353,538) | - | 229,737 | 1,686 | (122,116) |
| Reinsurance finance income | - | - | - | - | - |
| Foreign Currency Movements | - | - | - | - | - |
| Total changes in the statement of comprehensive income | (353,538) | - | 229,737 | 1,686 | (122,116) |
| Cash flows | - | - | - | - | - |
| Premiums paid | 733,087 | - | - | - | 733,087 |
| Commission received | (196,860) | - | - | - | (196,860) |
| Claims recovered | - | - | (186,097) | - | (186,097) |
| Total cash flows | 536,227 | - | (186,097) | - | 350,130 |
| Net reinsurance contract assets / (liabilities) closing balance | 269,721 | - | 219,160 | 16,204 | 505,084 |
| Closing Reinsurance Contract Liabilities | - | - | - | - | - |
| Closing Reinsurance Contract Assets | 269,721 | - | 219,160 | 16,204 | 505,084 |
| Net reinsurance contract assets / (liabilities) closing balance | 269,721 | - | 219,160 | 16,204 | 505,084 |

| 31-Dec-23 | Asset for remaining coverage | | Asset for incurred claims | | Total |
|--|-----------------------------------|-------------------------|----------------------------|-----------------|-----------------|
| | Excluding loss recovery component | Loss recovery component | Present Value of Cashflows | Risk Adjustment | |
| | N'000 | N'000 | N'000 | N'000 | N'000 |
| Opening Reinsurance Contract Liabilities | - | - | - | - | - |
| Opening Reinsurance Contract Assets | 48,101 | - | 108 | - | 48,210 |
| Net reinsurance contract assets / (liabilities) opening balance | 48,101 | - | 108 | - | 48,210 |
| Allocation of reinsurance premiums | (341,819) | - | - | - | (341,819) |
| Amounts recoverable from reinsurers for incurred claims | - | - | 292,740 | 14,518 | 307,259 |
| Amounts recoverable for incurred claims and other expenses | - | - | 292,849 | 14,518 | 307,367 |
| Changes to amounts recoverable for incurred claims | - | - | (108) | - | (108) |
| Loss-recovery on onerous underlying contracts and adjustmen | - | - | - | - | - |
| Reinsurance investment components | - | - | - | - | - |
| Net income or expense from reinsurance contracts held | (341,819) | - | 292,740 | 14,518 | (34,561) |
| Reinsurance finance income | - | - | - | - | - |
| Foreign Currency Movements | - | - | - | - | - |
| Total changes in the statement of comprehensive income | (341,819) | - | 292,740 | 14,518 | (34,561) |
| Cash flows | - | - | - | - | - |
| Premiums paid | 539,562 | - | - | - | 539,562 |
| Commission received | (158,811) | - | - | - | (158,811) |
| Claims recovered | - | - | (117,329) | - | (117,329) |
| Total cash flows | 380,750 | - | (117,329) | - | 263,421 |
| Other movements | - | - | - | - | - |
| Net reinsurance contract assets / (liabilities) closing balance | 87,032 | - | 175,520 | 14,518 | 277,070 |
| Closing Reinsurance Contract Liabilities | - | - | - | - | - |
| Closing Reinsurance Contract Assets | 87,032 | - | 175,520 | 14,518 | 277,070 |
| Net reinsurance contract assets / (liabilities) closing balance | 87,032 | - | 175,520 | 14,518 | 277,070 |

HEIRS LIFE ASSURANCE LIMITED
FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2024
NOTES TO THE FINANCIAL STATEMENTS

11.1.1 Reconciliation of the asset for remaining coverage and the amount recoverable for incurred claims - PAA- Per Portfolio

The following tables shows the reconciliation of reinsurance contract asset (on an Portfolio level) from Opening to Closing for Contracts Measured under PAA.

31-Dec-24

| | GROUPLIFE | | Asset for incurred claims | | Total |
|--|---|-------------------------------|------------------------------------|---------------|------------------|
| | Asset for remaining coverage | | Present Value of Risk Cashflows | Adjustment | |
| | Excluding loss recovery component | Loss recovery component | | | |
| | N'000 | N'000 | N'000 | N'000 | N'000 |
| Opening Reinsurance Contract Liabilities | | | - | - | - |
| Opening Reinsurance Contract Assets | 34,395 | - | 175,520 | 14,518 | 224,433 |
| Net reinsurance contract assets / (liabilities) opening balance | 34,395 | - | 175,520 | 14,518 | 224,433 |
| Allocation of reinsurance premiums | (303,312) | - | - | - | (303,312) |
| Amounts recoverable from reinsurers for incurred claims | - | - | 229,737 | 1,686 | 231,423 |
| Amounts recoverable for incurred claims and other expenses | - | - | 353,433 | 16,601 | 370,035 |
| Changes to amounts recoverable for incurred claims | - | - | (123,696) | (14,916) | (138,612) |
| Loss-recovery on onerous underlying contracts and adjustments | - | - | - | - | - |
| Reinsurance investment components | - | - | - | - | - |
| Net income or expense from reinsurance contracts held | (303,312) | - | 229,737 | 1,686 | (71,889) |
| Reinsurance finance income | - | - | - | - | - |
| Foreign Currency Movements | - | - | - | - | - |
| Total changes in the statement of comprehensive income | (303,312) | - | 229,737 | 1,686 | (71,889) |
| Cash flows | - | - | - | - | - |
| Premiums paid | 618,203 | - | - | - | 618,203 |
| Commission received | (113,598) | - | - | - | (113,598) |
| Claims recovered | - | - | (186,097) | - | (186,097) |
| Total cash flows | 504,605 | - | (186,097) | - | 318,508 |
| Other movements | - | - | - | - | - |
| Net reinsurance contract assets / (liabilities) closing balance | 235,688 | - | 219,160 | 16,204 | 471,052 |
| Closing Reinsurance Contract Liabilities | - | - | - | - | - |
| Closing Reinsurance Contract Assets | 235,688 | - | 219,160 | 16,204 | 471,052 |
| Net reinsurance contract assets / (liabilities) closing balance | 235,688 | - | 219,160 | 16,204 | 471,052 |
| | (0) | - | 0 | 0 | - |

(0) -

| | CREDITLIFE | | Asset for incurred claims | | Total |
|--|--|----------|---------------------------|----------|-----------------|
| | Asset for remaining coverage Excluding loss | Loss | Present Value of Risk | | |
| | N'000 | N'000 | N'000 | N'000 | N'000 |
| Opening Reinsurance Contract Liabilities | - | - | - | - | - |
| Opening Reinsurance Contract Assets | 52,638 | - | (0) | - | 52,638 |
| Net reinsurance contract assets / (liabilities) opening balance | 52,638 | - | (0) | - | 52,638 |
| Allocation of reinsurance premiums | (50,227) | | | | (50,227) |
| Amounts recoverable from reinsurers for incurred claims | - | - | - | - | - |
| Amounts recoverable for incurred claims and other expenses | - | - | - | - | - |
| Changes to amounts recoverable for incurred claims | - | - | - | - | - |
| Loss-recovery on onerous underlying contracts and adjustments | - | - | - | - | - |
| Reinsurance investment components | - | - | - | - | - |
| Net income or expense from reinsurance contracts held | (50,227) | - | - | - | (50,227) |
| Reinsurance finance income | - | - | - | - | - |
| Foreign Currency Movements | - | - | - | - | - |
| Total changes in the statement of comprehensive income | (50,227) | - | - | - | (50,227) |
| Cash flows | | | | | |
| Premiums paid | 114,884 | - | - | - | 114,884 |
| Commission received | (83,262) | - | - | - | (83,262) |
| Claims recovered | - | - | - | - | - |
| Total cash flows | 31,622 | - | - | - | 31,622 |
| Other movements | | | | | |
| Net reinsurance contract assets / (liabilities) closing balance | 34,033 | - | (0) | - | 34,033 |
| Closing Reinsurance Contract Liabilities | (23,469) | - | 0 | - | (23,469) |
| Closing Reinsurance Contract Assets | 57,502 | - | - | - | 57,502 |
| Net reinsurance contract assets / (liabilities) closing balance | 34,033 | - | 0 | - | 34,033 |

31-Dec-23

| GROUPLIFE | | | | |
|-----------------------------------|-------------------------|----------------------------|-----------------|-----------|
| Asset for remaining coverage | | Asset for incurred claims | | |
| Excluding loss recovery component | Loss recovery component | Present Value of Cashflows | Risk Adjustment | Total |
| N'000 | N'000 | N'000 | N'000 | N'000 |
| - | - | - | - | - |
| 34,601 | - | 108 | - | 34,710 |
| 34,601 | - | 108 | - | 34,710 |
| (277,013) | - | - | - | (277,013) |
| - | - | 292,740 | 14,518 | 307,259 |
| - | - | 292,849 | 14,518 | 307,367 |
| - | - | (108) | - | (108) |
| - | - | - | - | - |
| (277,013) | - | 292,740 | 14,518 | 30,245 |
| - | - | - | - | - |
| (277,013) | - | 292,740 | 14,518 | 30,245 |
| - | - | - | - | - |
| 432,578 | - | - | - | 432,578 |
| (155,771) | - | (117,329) | - | (155,771) |
| 276,807 | - | (117,329) | - | 159,478 |
| 34,395 | - | 175,520 | 14,518 | 224,433 |
| - | - | - | - | - |
| 34,395 | - | 175,520 | 14,518 | 224,433 |
| 34,395 | - | 175,520 | 14,518 | 224,433 |

| CREDITLIFE | | | | |
|--|---------------|--|-------|-----------------|
| Asset for remaining coverage Excluding loss | Loss recovery | Asset for incurred claims Present Value of Risk | | Total |
| N'000 | N'000 | N'000 | N'000 | N'000 |
| - | - | - | - | - |
| 13,023 | - | - | - | 13,023 |
| 13,023 | - | - | - | 13,023 |
| (64,329) | - | - | - | (64,329) |
| - | - | - | - | - |
| - | - | - | - | - |
| - | - | - | - | - |
| - | - | - | - | - |
| (64,329) | - | - | - | (64,329) |
| - | - | - | - | - |
| (64,329) | - | - | - | (64,329) |
| 106,984 | - | - | - | 106,984 |
| (3,040) | - | - | - | (3,040) |
| 103,944 | - | - | - | 103,944 |
| - | - | - | - | - |
| 52,638 | - | - | - | 52,638 |
| - | - | - | - | - |
| 52,638 | - | - | - | 52,638 |
| 52,638 | - | - | - | 52,638 |

| | CREDITLIFE_IND | | | | | CREDITLIFE_IND | | | | |
|--|-----------------------------------|-------------------------|----------------------------|-----------------|----------|-----------------------------------|-------------------------|----------------------------|-----------------|--------------|
| | Asset for remaining coverage | | Asset for incurred claims | | Total | Asset for remaining coverage | | Asset for incurred claims | | Total |
| | Excluding loss recovery component | Loss recovery component | Present Value of Cashflows | Risk Adjustment | | Excluding loss recovery component | Loss recovery component | Present Value of Cashflows | Risk Adjustment | |
| | N'000 | N'000 | N'000 | N'000 | N'000 | N'000 | N'000 | N'000 | N'000 | N'000 |
| Opening Reinsurance Contract Liabilities | | 0 | - | (0) | - | - | - | - | - | - |
| Opening Reinsurance Contract Assets | - | - | - | - | - | 477 | - | - | - | 477 |
| Net reinsurance contract assets / (liabilities) opening balance | 0 | - | (0) | - | - | 477 | - | - | - | 477 |
| Allocation of reinsurance premiums | 0 | - | - | - | 0 | (477) | - | - | - | (477) |
| Amounts recoverable from reinsurers for incurred claims | - | - | - | - | - | - | - | - | - | - |
| Amounts recoverable for incurred claims and other expenses | | - | - | - | - | | - | - | - | - |
| Changes to amounts recoverable for incurred claims | | - | - | - | - | | - | - | - | - |
| Loss-recovery on onerous underlying contracts and adjustments | | - | - | - | - | | - | - | - | - |
| Reinsurance investment components | - | - | - | - | - | - | - | - | - | - |
| Net income or expense from reinsurance contracts held | 0 | - | - | - | 0 | (477) | - | - | - | (477) |
| Reinsurance finance income | - | - | - | - | - | - | - | - | - | - |
| Foreign Currency Movements | - | - | - | - | - | - | - | - | - | - |
| Total changes in the statement of comprehensive income | 0 | - | - | - | 0 | (477) | - | - | - | (477) |
| Cash flows | | | | | | | | | | |
| Premiums paid | - | - | - | - | - | - | - | - | - | - |
| Commission received | - | - | - | - | - | - | - | - | - | - |
| Claims recovered | | - | - | - | - | | - | - | - | - |
| Total cash flows | - | - | - | - | - | - | - | - | - | - |
| Other movements | | | | | | | | | | |
| Net reinsurance contract assets / (liabilities) closing balance | 0 | - | (0) | - | 0 | - | - | - | - | - |
| Closing Reinsurance Contract Liabilities | - | - | - | - | - | - | - | - | - | - |
| Closing Reinsurance Contract Assets | 0 | - | (0) | - | 0 | - | - | - | - | - |
| Net reinsurance contract assets / (liabilities) closing balance | 0 | - | (0) | - | 0 | - | - | - | - | - |

11.2 Reconciliation of the asset for remaining coverage and the amount recoverable for incurred claims - GMM- Entity Level

The following tables shows the reconciliation of reinsurance contract asset (on an aggregate level) from Opening to Closing for Contracts Measured under GMM. The portfolios measured in this note include: Term Assurance, KeyMan Protection and, Whole Life.

31-Dec-24

| | Asset for remaining coverage | | Asset for | Total |
|--|-----------------------------------|-------------------------|-----------------|----------------|
| | Excluding loss recovery component | Loss recovery component | incurred claims | |
| | ₦'000 | ₦'000 | ₦'000 | ₦'000 |
| Opening Reinsurance Contract Liabilities | - | - | - | - |
| Opening Reinsurance Contract Assets | 1,248 | - | - | 1,248 |
| Net reinsurance contract assets / (liabilities) opening balance | 1,248 | - | - | 1,248 |
| Allocation of reinsurance premiums | (2,970) | - | - | (2,970) |
| Amounts recoverable from reinsurers for incurred claims | - | - | - | - |
| Amounts recoverable for incurred claims and other expenses | - | - | - | - |
| Changes to amounts recoverable for incurred | - | - | - | - |
| Net income or expense from reinsurance contracts held | (2,970) | - | - | (2,970) |
| Reinsurance finance income | 537 | - | - | 537 |
| Total changes in the statement of comprehensive income | (2,433) | - | - | (2,433) |
| Cash flows | - | - | - | - |
| Premiums paid | 1,781 | - | - | 1,781 |
| Commission received | - | - | - | - |
| Claims recovered | - | - | - | - |
| Total cash flows | 1,781 | - | - | 1,781 |
| Other movements | - | - | - | - |
| Net reinsurance contract assets / (liabilities) closing balance | 596 | - | - | 596 |
| Closing Reinsurance Contract Liabilities | - | - | - | - |
| Closing Reinsurance Contract Assets | 596 | - | - | 596 |
| Net reinsurance contract assets / (liabilities) closing balance | 596 | - | - | 596 |

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| | Asset for remaining coverage | | Asset for | Total |
|--|-----------------------------------|-------------------------|-----------------|--------------|
| | Excluding loss recovery component | Loss recovery component | incurred claims | |
| | ₦'000 | ₦'000 | ₦'000 | ₦'000 |
| Opening Reinsurance Contract Liabilities | - | - | - | - |
| Opening Reinsurance Contract Assets | 125 | - | - | 125 |
| Net reinsurance contract assets / (liabilities) opening balance | 125 | - | - | 125 |
| Allocation of reinsurance premiums | (2) | - | - | (2) |
| Amounts recoverable from reinsurers for incurred claims | - | - | 669 | 669 |
| Amounts recoverable for incurred claims and other expenses | - | - | 669 | 669 |
| Changes to amounts recoverable for incurred | - | - | - | - |
| Net income or expense from reinsurance contracts held | (2) | - | 669 | 667 |
| Reinsurance finance income | (92) | - | - | (92) |
| Total changes in the statement of comprehensive income | (94) | - | 669 | 575 |
| Cash flows | - | - | - | - |
| Premiums paid | 1,217 | - | - | 1,217 |
| Commission received | - | - | - | - |
| Claims recovered | - | - | (669) | (669) |
| Total cash flows | 1,217 | - | (669) | 547 |
| Other movements | - | - | - | - |
| Net reinsurance contract assets / (liabilities) closing balance | 1,248 | - | - | 1,248 |
| Closing Reinsurance Contract Liabilities | - | - | - | - |
| Closing Reinsurance Contract Assets | 1,248 | - | - | 1,248 |
| Net reinsurance contract assets / (liabilities) closing balance | 1,248 | - | - | 1,248 |

11.2.1 Reconciliation of the asset for remaining coverage and the amount recoverable for incurred claims - GMM- Per Portfolio

The following tables shows the reconciliation of reinsurance contract asset (on Portfolio level) from Opening to Closing for Contracts Measured under GMM.

31-Dec-24

31-Dec-23

| | KEYMAN | | | | KEYMAN | | | |
|--|---|-------------------------------------|--|----------------|---|-------------------------------------|--|----------------|
| | Asset for remaining coverage Excluding loss recovery component N'000 | Loss recovery component N'000 | Asset for incurred claims N'000 | Total N'000 | Asset for remaining coverage Excluding loss recovery component N'000 | Loss recovery component N'000 | Asset for incurred claims N'000 | Total N'000 |
| Opening Reinsurance Contract Liabilities | - | - | - | - | - | - | - | - |
| Opening Reinsurance Contract Assets | 1,210 | - | - | 1,210 | 0 | - | - | 0 |
| Net reinsurance contract assets / (liabilities) opening balance | 1,210 | - | - | 1,210 | 0 | - | - | 0 |
| Allocation of reinsurance premiums | (2,938) | | | (2,938) | (1) | | | (1) |
| Amounts recoverable from reinsurers for in | - | - | - | - | - | - | 669 | 669 |
| Amounts recoverable for incurred claims and other expenses | | - | - | - | | - | 669 | 669 |
| Changes to amounts recoverable for incurred claims | | | - | - | | | - | - |
| Loss-recovery on onerous underlying contracts and adjustments | | - | - | - | | - | - | - |
| Reinsurance investment components | - | - | - | - | - | - | - | - |
| Net income or expense from reinsurance contracts held | (2,938) | - | - | (2,938) | (1) | - | 669 | 669 |
| Reinsurance finance income | 502 | - | - | 502 | (6) | - | - | (6) |
| Foreign Currency Movements | - | - | - | - | - | - | - | - |
| Total changes in the statement of comprehensive income | (2,436) | - | - | (2,436) | (6) | - | 669 | 663 |
| Cash flows | | | | | | | | |
| Premiums paid | 1,629 | | | 1,629 | 1,217 | | | 1,217 |
| Commission received | - | | | - | - | | | - |
| Claims recovered | | | - | - | | | (669) | (669) |
| Total cash flows | 1,629 | - | - | 1,629 | 1,217 | - | (669) | 547 |
| Net reinsurance contract assets / (liabilities) closing balance | 403 | - | - | 403 | 1,210 | - | - | 1,210 |
| Closing Reinsurance Contract Liabilities | - | - | - | - | - | - | - | - |
| Closing Reinsurance Contract Assets | 403 | - | - | 403 | 1,210 | - | - | 1,210 |
| Net reinsurance contract assets / (liabilities) closing balance | 403 | - | - | 403 | 1,210 | - | - | 1,210 |

| | WHOLELIFE | | | | WHOLELIFE | | | |
|--|---|-------------------------------------|--|----------------|---|-------------------------------------|--|----------------|
| | Asset for remaining coverage Excluding loss recovery component N'000 | Loss recovery component N'000 | Asset for incurred claims N'000 | Total N'000 | Asset for remaining coverage Excluding loss recovery component N'000 | Loss recovery component N'000 | Asset for incurred claims N'000 | Total N'000 |
| Opening Reinsurance Contract Liabilities | - | - | - | - | - | - | - | - |
| Opening Reinsurance Contract Assets | 37 | - | - | 37 | 125 | - | - | 125 |
| Net reinsurance contract assets / (liabilities) opening balance | 37 | - | - | 37 | 125 | - | - | 125 |
| Allocation of reinsurance premiums | (32) | | | (32) | (1) | | | (1) |
| Amounts recoverable from reinsurers for incurred claims | - | - | - | - | - | - | - | - |
| Amounts recoverable for incurred claims and other expenses | | - | - | - | | - | - | - |
| Changes to amounts recoverable for incurred claims | | | - | - | | | - | - |
| Loss-recovery on onerous underlying contracts and adjustments | | - | - | - | | - | - | - |
| Reinsurance investment components | - | - | - | - | - | - | - | - |
| Net income or expense from reinsurance contracts held | (32) | - | - | (32) | (1) | - | - | (1) |
| Reinsurance finance income | 35 | - | - | 35 | (86) | - | - | (86) |
| Foreign Currency Movements | - | - | - | - | - | - | - | - |
| Total changes in the statement of comprehensive income | 3 | - | - | 3 | (87) | - | - | (87) |
| Cash flows | | | | | | | | |
| Premiums paid | 152 | | | 152 | - | | | - |
| Commission received | - | | | - | - | | | - |
| Claims recovered | | | - | - | | | - | - |
| Total cash flows | 152 | - | - | 152 | - | - | - | - |
| Other movements | | | | | | | | |
| Net reinsurance contract assets / (liabilities) closing balance | 193 | - | - | 193 | 37 | - | - | 37 |
| Closing Reinsurance Contract Liabilities | - | - | - | - | - | - | - | - |
| Closing Reinsurance Contract Assets | 193 | - | - | 193 | 37 | - | - | 37 |
| Net reinsurance contract assets / (liabilities) closing balance | 193 | - | - | 193 | 37 | - | - | 37 |

11.3 Reconciliation of the measurement components of reinsurance contract assets - GMM - Entity Level

The following tables shows the reconciliation of the measurement component of the reinsurance contract asset at an Aggregate Level. This disclosure is specific to the Portfolios measured under GMM. These portfolios include: Term Assurance, KeyMan Protection and, Whole Life.

31-Dec-24

| | Estimates of present value of future cashflows R'000 | Risk adjustment for non-financial risk R'000 | Contractual service margin R'000 | Total R'000 |
|--|---|--|--|----------------|
| Opening Reinsurance Contract Liabilities | - | - | - | - |
| Opening Reinsurance Contract Assets | (797) | (1) | 2,045 | 1,248 |
| Net reinsurance contract assets/(liabilities) opening balance | (797) | (1) | 2,045 | 1,248 |
| Changes that relate to current service | - | - | - | - |
| Contractual service margin recognised for services received | - | - | (1,640) | (1,640) |
| Risk adjustment recognized for the risk expired | - | 1 | - | 1 |
| Experience adjustments | (1,332) | - | - | (1,332) |
| | (1,332) | 1 | (1,640) | (2,970) |
| Changes that relate to future service | - | - | - | - |
| Contracts initially recognised in the period | (3,596) | (112) | 3,708 | - |
| Changes in estimates that adjust the contractual service mar | 2,924 | 70 | (2,993) | - |
| Changes in estimates that do not adjust the contractual servi | - | - | - | - |
| | (672) | (42) | 714 | - |
| Changes that relate to past service | - | - | - | - |
| Changes in amounts recoverable arising from changes in liab | - | - | - | - |
| Net income or expense from reinsurance contracts held | (2,004) | (41) | (925) | (2,970) |
| Reinsurance finance income | (241) | (13) | 791 | 537 |
| Foreign Currency Movements | - | - | - | - |
| Total changes in the statement of comprehensive income | (2,245) | (54) | (134) | (2,433) |
| Cash flows | - | - | - | - |
| Premiums paid | 1,781 | - | - | 1,781 |
| Commission received | - | - | - | - |
| Claims recovered | - | - | - | - |
| Total cash flows | 1,781 | - | - | 1,781 |
| Net reinsurance contract assets/(liabilities) closing balance | (1,261) | (54) | 1,911 | 596 |
| Closing Reinsurance Contract Liabilities | - | - | - | - |
| Closing Reinsurance Contract Assets | (1,261) | (54) | 1,911 | 596 |
| Net reinsurance contract assets/(liabilities) closing balance | (1,261) | (54) | 1,911 | 596 |

31-Dec-23

| | Estimates of present value of future cashflows R'000 | Risk adjustment for non-financial risk R'000 | Contractual service margin R'000 | Total R'000 |
|--|---|--|--|----------------|
| Opening Reinsurance Contract Liabilities | - | - | - | - |
| Opening Reinsurance Contract Assets | (36) | (42) | 203 | 125 |
| Net reinsurance contract assets/(liabilities) opening balance | (36) | (42) | 203 | 125 |
| Changes that relate to current service | - | - | - | - |
| Contractual service margin recognised for services received | - | - | (0) | (0) |
| Risk adjustment recognized for the risk expired | - | 5 | - | 5 |
| Experience adjustments | 662 | - | - | 662 |
| | 662 | 5 | (0) | 667 |
| Changes that relate to future service | - | - | - | - |
| Contracts initially recognised in the period | (609) | - | 609 | - |
| Changes in estimates that adjust the contractual service mar | (1,201) | 40 | 1,162 | - |
| Changes in estimates that do not adjust the contractual servi | - | - | - | - |
| | (1,810) | 40 | 1,771 | - |
| Changes that relate to past service | - | - | - | - |
| Changes in amounts recoverable arising from changes in liab | - | - | - | - |
| Net income or expense from reinsurance contracts held | (1,148) | 45 | 1,771 | 667 |
| Reinsurance finance income | (160) | (4) | 72 | (92) |
| Foreign Currency Movements | - | - | - | - |
| Total changes in the statement of comprehensive income | (1,308) | 41 | 1,843 | 575 |
| Cash flows | - | - | - | - |
| Premiums paid | 1,217 | - | - | 1,217 |
| Commission received | - | - | - | - |
| Claims recovered | (669) | - | - | (669) |
| Total cash flows | 547 | - | - | 547 |
| Net reinsurance contract assets/(liabilities) closing balance | (797) | (1) | 2,045 | 1,248 |
| Closing Reinsurance Contract Liabilities | - | - | - | - |
| Closing Reinsurance Contract Assets | (797) | (1) | 2,045 | 1,248 |
| Net reinsurance contract assets/(liabilities) closing balance | (797) | (1) | 2,045 | 1,248 |

11.3. Reconciliation of the measurement components of reinsurance contract assets - GMM - per Portfolio

The following tables shows the reconciliation of the measurement component of the reinsurance contract asset per Portfolio. This disclosure is specific to the Portfolios measured under GMM.

| | Estimates of present value of future cashflows N'000 | KEYMAN Risk adjustment for non-financial risk N'000 | Contractual service margin N'000 | Total N'000 | Estimates of present value of future cashflows N'000 | KEYMAN Risk adjustment for non-financial risk N'000 | Contractual service margin N'000 | Total N'000 |
|--|---|--|---|----------------|---|---|---|----------------|
| Opening Reinsurance Contract Liabilities | - | - | - | - | - | - | - | - |
| Opening Reinsurance Contract Assets | (674) | - | 1,884 | 1,210 | - | - | 0 | 0 |
| Net reinsurance contract assets/(liabilities) opening balance | (674) | - | 1,884 | 1,210 | - | - | 0 | 0 |
| Changes that relate to current service | | | | | | | | |
| Contractual service margin recognised for services received | - | - | (1,613) | (1,613) | - | - | 0 | 0 |
| Risk adjustment recognized for the risk expired | (1,325) | - | - | (1,325) | 668 | - | - | 668 |
| Experience adjustments | (1,325) | - | (1,613) | (2,938) | 668 | - | 0 | 669 |
| Changes that relate to future service | | | | | | | | |
| Contracts initially recognised in the period | (3,422) | - | 3,422 | - | (609) | - | 609 | - |
| Changes in estimates that adjust the contractual service margin | 2,776 | - | (2,776) | - | (1,222) | - | 1,222 | - |
| Changes in estimates that do not adjust the contractual service margin | - | - | - | - | - | - | - | - |
| Changes that relate to past service | | | | | | | | |
| Changes in amounts recoverable arising from changes in liability for incurred claims | - | - | - | - | - | - | - | - |
| Net income or expense from reinsurance contracts held | (1,971) | - | (967) | (2,938) | (1,163) | - | 1,831 | 669 |
| Reinsurance finance income | (215) | - | 717 | 502 | (59) | - | 53 | (6) |
| Foreign Currency Movements | - | - | - | - | - | - | - | - |
| Total changes in the statement of comprehensive income | (2,186) | - | (250) | (2,436) | (1,221) | - | 1,884 | 663 |
| Cash flows | | | | | | | | |
| Premiums paid | 1,629 | - | - | 1,629 | 1,217 | - | - | 1,217 |
| Commission received | 0 | - | - | - | -669.13 | - | - | (669) |
| Claims recovered | 1,629 | - | - | 1,629 | 547 | - | - | 547 |
| Net reinsurance contract assets/(liabilities) closing balance | (1,231) | - | 1,634 | 403 | (674) | - | 1,884 | 1,210 |
| Closing Reinsurance Contract Liabilities | - | - | - | - | - | - | - | - |
| Closing Reinsurance Contract Assets | (1,231) | - | 1,634 | 403 | (674) | - | 1,884 | 1,210 |
| Net reinsurance contract assets/(liabilities) closing balance | (1,231) | - | 1,634 | 403 | (674) | - | 1,884 | 1,210 |

| | Estimates of present value of future cashflows N'000 | WHOLELIFE Risk adjustment for non-financial risk N'000 | Contractual service margin N'000 | Total N'000 | Estimates of present value of future cashflows N'000 | WHOLELIFE Risk adjustment for non-financial risk N'000 | Contractual service margin N'000 | Total N'000 |
|--|---|---|---|----------------|---|--|---|----------------|
| Opening Reinsurance Contract Liabilities | - | - | - | - | - | - | - | - |
| Opening Reinsurance Contract Assets | (123) | (1) | 161 | 37 | (36) | (42) | 203 | 125 |
| Net reinsurance contract assets/(liabilities) opening balance | (123) | (1) | 161 | 37 | (36) | (42) | 203 | 125 |
| Changes that relate to current service | | | | | | | | |
| Contractual service margin recognised for services received | - | 1 | (27) | (27) | - | 5 | (0) | (0) |
| Risk adjustment recognized for the risk expired | (7) | - | (7) | (14) | (6) | - | - | (12) |
| Experience adjustments | (7) | 1 | (27) | (32) | (6) | 5 | (0) | (1) |
| Changes that relate to future service | | | | | | | | |
| Contracts initially recognised in the period | (174) | (112) | 286 | - | - | - | - | - |
| Changes in estimates that adjust the contractual service margin | 147 | 70 | (217) | - | 20 | 40 | (60) | - |
| Changes in estimates that do not adjust the contractual service margin | - | - | - | - | - | - | - | - |
| Changes that relate to past service | | | | | | | | |
| Changes in amounts recoverable arising from changes in liability for incurred claims | - | - | - | - | - | - | - | - |
| Net income or expense from reinsurance contracts held | (33) | (41) | 42 | (32) | 14 | 45 | (61) | (1) |
| Reinsurance finance income | (26) | (13) | 74 | 35 | (102) | (4) | 19 | (86) |
| Foreign Currency Movements | - | - | - | - | - | - | - | - |
| Total changes in the statement of comprehensive income | (59) | (54) | 116 | 3 | (87) | 41 | (42) | (87) |
| Cash flows | | | | | | | | |
| Premiums paid | 152 | - | - | 152 | - | - | - | - |
| Commission received | 0 | - | - | - | - | - | - | - |
| Claims recovered | 152 | - | - | 152 | - | - | - | - |
| Net reinsurance contract assets/(liabilities) closing balance | (30) | (54) | 277 | 193 | (123) | (1) | 161 | 37 |
| Closing Reinsurance Contract Liabilities | - | - | - | - | - | - | - | - |
| Closing Reinsurance Contract Assets | (30) | (54) | 277 | 193 | (123) | (1) | 161 | 37 |
| Net reinsurance contract assets/(liabilities) closing balance | (30) | (54) | 277 | 193 | (123) | (1) | 161 | 37 |

| | Year ended 31-Dec-24 N'000 | Year ended 31-Dec-23 N'000 |
|--|----------------------------------|----------------------------------|
| 12 Insurance contract Assets* | | |
| Contracts Measured Under PAA: | | |
| Asset for Remaining Coverage: | | |
| -Excluding loss component | - | 227.50 |
| -Loss component | - | - |
| Asset for Incurred Claims | | |
| - Present Value of future cashflows | - | (5.61) |
| - Risk Adjustment | - | (0.34) |
| Total Insurance Contract Assets | - | 222 |
| Current | | - |
| Non-Current | - | 222 |
| Total Insurance Contract Assets | - | 222 |

12.1 Reconciliation of the asset for remaining coverage and the asset for incurred claims - PAA- Entity Level

The following table shows the reconciliation of insurance contract asset (on an aggregate level) from Opening to Closing for Contracts Measured under PAA.

31-Dec-24

| | Liability for remaining coverage | | Liability for incurred claims | | Total |
|--|-----------------------------------|-------------------------|--|--------------------------|-------|
| | Excluding loss component N'000 | Loss component N'000 | Present value of future cashflows N'000 | Risk Adjustment N'000 | N'000 |
| Opening Insurance Contract Liabilities | - | - | - | - | - |
| Opening Insurance Contract Assets | - | - | - | - | - |
| Net insurance contract (liabilities)/assets opening balance | - | - | - | - | - |
| Insurance revenue | - | - | - | - | - |
| Insurance service expenses | - | - | - | - | - |
| Incurred claims | - | - | - | - | - |
| Changes to liabilities for incurred claims | - | - | - | - | - |
| Other directly attributable expenses | - | - | - | - | - |
| Losses on onerous contracts and reversal of those losses | - | - | - | - | - |
| Amortisation of insurance acquisition cash flows | - | - | - | - | - |
| Investment components | - | - | - | - | - |
| Net income or expense from insurance contracts issued | - | - | - | - | - |
| Insurance finance expenses | - | - | - | - | - |
| Foreign Currency Movements | - | - | - | - | - |
| Total changes in the statement of comprehensive income | - | - | - | - | - |
| Cash flows | - | - | - | - | - |
| Premiums received | - | - | - | - | - |
| Claims and other expenses paid | - | - | - | - | - |
| Insurance acquisition cash flows | - | - | - | - | - |
| Total cash flows | - | - | - | - | - |
| Net insurance contract (liabilities)/assets opening balance | - | - | - | - | - |
| Closing Insurance Contract Liabilities | - | - | - | - | - |
| Closing Insurance Contract Assets | - | - | - | - | - |
| Net insurance contract (liabilities)/assets opening balance | - | - | - | - | - |

31-Dec-23

| | Liability for remaining coverage | | Liability for incurred claims | | Total |
|--|-----------------------------------|-------------------------|--|--------------------------|--------------|
| | Excluding loss component N'000 | Loss component N'000 | Present value of future cashflows N'000 | Risk Adjustment N'000 | N'000 |
| Opening Insurance Contract Liabilities | (819) | - | - | - | (819) |
| Opening Insurance Contract Assets | - | - | - | - | - |
| Net insurance contract (liabilities)/assets opening balance | (819) | - | - | - | (819) |
| Insurance revenue | 1,061 | - | - | - | 1,061 |
| Insurance service expenses | (0) | - | (6) | (0) | (6) |
| Incurred claims | - | - | (6) | (0) | (6) |
| Changes to liabilities for incurred claims | - | - | - | - | - |
| Other directly attributable expenses | - | - | - | - | - |
| Losses on onerous contracts and reversal of those losses | - | - | - | - | - |
| Amortisation of insurance acquisition cash flows | (0) | - | - | - | (0) |
| Investment components | - | - | - | - | - |
| Net income or expense from insurance contracts issued | 1,061 | - | (6) | (0) | 1,055 |
| Insurance finance expenses | - | - | - | - | - |
| Foreign Currency Movements | - | - | - | - | - |
| Total changes in the statement of comprehensive income | 1,061 | - | (6) | (0) | 1,055 |
| Cash flows | - | - | - | - | - |
| Premiums received | (15) | - | - | - | (15) |
| Claims and other expenses paid | - | - | - | - | - |
| Insurance acquisition cash flows | 1 | - | - | - | 1 |
| Total cash flows | (14) | - | - | - | (14) |
| Net insurance contract (liabilities)/assets opening balance | 227 | - | (6) | (0) | 222 |
| Closing Insurance Contract Liabilities | - | - | 0 | (0) | - |
| Closing Insurance Contract Assets | 227 | - | (6) | - | 222 |
| Net insurance contract (liabilities)/assets opening balance | 227 | - | (6) | (0) | 222 |

12.2 Reconciliation of the liability for remaining coverage and the liability for incurred claims - PAA- Per Portfolio

The following tables shows the reconciliation of insurance contract liabilities (on an Portfolio level) from Opening to Closing for Contracts Measured under PAA. This note sums up to note 18.2

| | CREDITLIFE_IND | | | | | CREDITLIFE_IND | | | | |
|--|----------------------------------|----------------|-------------------------------|-----------------|-------|----------------------------------|----------------|-------------------------------|-----------------|-------|
| | Liability for remaining coverage | | Liability for incurred claims | | | Liability for remaining coverage | | Liability for incurred claims | | |
| | Excluding loss component | Loss component | Present value of cashflows | Risk Adjustment | Total | Excluding loss component | Loss component | Present value of cashflows | Risk Adjustment | Total |
| | ¥'000 | ¥'000 | ¥'000 | ¥'000 | ¥'000 | ¥'000 | ¥'000 | ¥'000 | ¥'000 | ¥'000 |
| Opening Insurance Contract Liabilities | - | - | - | - | - | (819) | - | - | - | (819) |
| Opening Insurance Contract Assets | - | - | - | - | - | - | - | - | - | - |
| Net insurance contract (liabilities)/assets opening balance | - | - | - | - | - | (819) | - | - | - | (819) |
| Insurance revenue | - | - | - | - | - | 1,061 | - | - | - | 1,061 |
| Insurance service expenses | - | - | - | - | - | (0) | - | (6) | (0) | (6) |
| Incurred claims | - | - | - | - | - | - | - | (6) | (0) | (6) |
| Changes to liabilities for incurred claims | - | - | - | - | - | - | - | - | - | - |
| Other directly attributable expenses | - | - | - | - | - | - | - | - | - | - |
| Losses on onerous contracts and reversal of those losses | - | - | - | - | - | - | - | - | - | - |
| Amortisation of insurance acquisition cash flows | - | - | - | - | - | (0) | - | - | - | (0) |
| Investment components | - | - | - | - | - | - | - | - | - | - |
| Net income or expense from insurance contracts issued | - | - | - | - | - | 1,061 | - | (6) | (0) | 1,055 |
| Insurance finance expenses | - | - | - | - | - | - | - | - | - | - |
| Foreign Currency Movements | - | - | - | - | - | - | - | - | - | - |
| Total changes in the statement of comprehensive income | - | - | - | - | - | 1,061 | - | (6) | (0) | 1,055 |
| Cash flows | - | - | - | - | - | - | - | - | - | - |
| Premiums received | - | - | - | - | - | (15) | - | - | - | (15) |
| Claims and other expenses paid | - | - | - | - | - | - | - | - | - | - |
| Insurance acquisition cash flows | - | - | - | - | - | 1 | - | - | - | 1 |
| Total cash flows | - | - | - | - | - | (14) | - | - | - | (14) |
| Other movements | - | - | - | - | - | - | - | - | - | - |
| Net insurance contract (liabilities)/assets closing balance | - | - | - | - | - | 227 | - | (6) | (0) | 222 |
| Closing Insurance Contract Liabilities | - | - | - | - | - | - | - | 0 | (0) | - |
| Closing Insurance Contract Assets | - | - | - | - | - | 227 | - | (6) | - | 222 |
| Net insurance contract (liabilities)/assets closing balance | - | - | - | - | - | 227 | - | (6) | (0) | 222 |

HEIRS LIFE ASSURANCE LIMITED
FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2024
NOTES TO THE FINANCIAL STATEMENTS

| | Year ended 31-Dec-24 N'000 | Year ended 31-Dec-23 N'000 |
|--|----------------------------------|----------------------------------|
| 13 Right of use asset | | |
| <i>Balance as at 1 January</i> | 911,164 | 911,164 |
| <i>Additions during the year</i> | <u>428,683</u> | <u>-</u> |
| <i>Balance as at 31 December</i> | <u>1,339,847</u> | <u>911,164</u> |
| <i>Accumulated depreciation</i> | | |
| <i>Balance as at 1 January</i> | 285,040 | 185,896 |
| <i>Charge for the year</i> | <u>113,430</u> | <u>99,144</u> |
| <i>Balance as at 31 December</i> | <u>398,470</u> | <u>285,040</u> |
| <i>Carrying amount:</i> | | |
| <i>Balance as at 31 December</i> | <u>941,277</u> | <u>626,124</u> |
| Non current | <u>941,277</u> | <u>626,124</u> |
| 13.1 Movement in Right of Use Asset | | |
| At 1 January 2024 | 626,124 | 725,268 |
| Additions during the year | 202,008 | - |
| Lease Liability During the year | 226,576 | - |
| Depreciation of ROU during the year | <u>(113,430)</u> | <u>(99,144)</u> |
| Closing Rou | <u>941,278</u> | <u>626,124</u> |
| The Right of Use asset relates to Lease of Office Building classified in line with provision of IFRS 16-Lease. The duration of the lease is for a period of 2 years with an extension of 2 years | | |
| 14 Other receivables & prepayments | | |
| <i>Prepayments (see note 14a)*</i> | 222,599 | 300,666 |
| <i>Other receivables (see note 14b)**</i> | 77,621 | 29,177 |
| <i>Staff Loan</i> | 65,239 | 52,116 |
| <i>Allowance for impairment on other receivables (see note 14c)</i> | <u>(572)</u> | <u>(572)</u> |
| Non current | <u>364,887</u> | <u>381,387</u> |
| * Prepayments consist of prepaid rent and prepaid IT expenses | | |
| ** Other receivables consist of sundry debtors, staff advances, cash advances and staff loans | | |
| 14a Prepayments | | |
| <i>Balance as at 1 January</i> | | - |
| <i>Balance as at 1 January</i> | 300,666 | 107,719 |
| <i>Additions during the year</i> | 630,375 | 465,759 |
| <i>Amortization during the year</i> | <u>(708,442)</u> | <u>(272,812)</u> |
| <i>Balance as at 31 December</i> | <u>222,599</u> | <u>300,666</u> |
| 14b Other receivables | | |
| <i>Balance as at 31 December</i> | | - |
| <i>Balance as at 1 January</i> | 29,177 | 23,466 |
| <i>Additions during the year</i> | - | - |
| <i>Amortization during the year</i> | <u>48,444</u> | <u>5,711</u> |
| <i>Balance as at 31 December</i> | <u>77,621</u> | <u>29,177</u> |
| 14c Impairment charges on other receivable | | |
| <i>Balance as at 31 December</i> | | - |
| <i>Balance as at 1 January</i> | (572) | - |
| <i>Movement during the year</i> | <u>-</u> | <u>(572)</u> |
| <i>Balance as at 31 December</i> | <u>(572)</u> | <u>(572)</u> |
| 14d Staff Loans | | |
| <i>Balance as at 31 December</i> | 52,116 | 52,162 |
| <i>Addition</i> | 95,788 | 44,054 |
| <i>Repayment</i> | <u>(85,561)</u> | <u>(45,832)</u> |
| <i>Interest</i> | 2,896 | 1,732 |
| <i>Balance as at 31 December</i> | <u>65,239</u> | <u>52,116</u> |
| 15 Statutory deposits | | |
| <i>Deposits with CBN</i> | <u>800,000</u> | <u>800,000</u> |

This represents amounts deposited with the Central Bank of Nigeria (CBN) pursuant to the Insurance Act. The deposits are not available for use by the Company in the normal course of day to day business. As required in the insurance

16 Property and equipment

| Cost: | Motor vehicles | Computer Equipment | Office Furniture & Fittings | Office Equipment | Plant and Machinery | Total |
|-------------------------------------|-----------------------|-------------------------------|--|-----------------------------|--------------------------------|----------------|
| | N'000 | N'000 | N'000 | N'000 | N'000 | N'000 |
| At 1 January 2024 | 125,879 | 90,113 | 237,031 | 18,805 | 12,929 | 484,757 |
| Additions during the year | 258,213 | 69,647 | 88,457 | 7,493 | - | 423,810 |
| Disposals/write-off during the year | - | (3,198) | - | - | - | (3,198) |
| Balance as at 31 Dec 2024 | 384,092 | 156,562 | 325,488 | 26,298 | 12,929 | 905,369 |
| Accumulated Depreciation: | | | | | | |
| At 1 January 2024 | 33,926 | 23,524 | 87,701 | 5,360 | 827 | 151,338 |
| Charge for the year | 58,976 | 22,032 | 52,755 | 4,392 | 2,547 | 140,702 |
| Disposals/write-off during the year | - | (1,652) | - | - | - | (1,652) |
| Balance as at 31 Dec 2024 | 92,902 | 43,904 | 140,456 | 9,752 | 3,374 | 290,388 |
| Carrying Amount: | | | | | | |
| Balance as at 31 Dec 2024 | 291,190 | 112,658 | 185,032 | 16,546 | 9,555 | 614,981 |

| Cost: | Motor vehicles | Computer Equipment | Office Furniture & Fittings | Office Equipment | Plant and Machinery | Total |
|----------------------------------|-----------------------|-------------------------------|--|-----------------------------|--------------------------------|----------------|
| | N'000 | N'000 | N'000 | N'000 | N'000 | N'000 |
| At 1 January 2023 | 61,457 | 48,146 | 196,272 | 13,409 | - | 319,284 |
| Additions during the year | 64,422 | 42,359 | 40,759 | 5,396 | 12,929.00 | 165,865 |
| Disposal | - | (392) | - | - | - | (392) |
| Balance as at 31 Dec 2023 | 125,879 | 90,113 | 237,031 | 18,805 | 12,929 | 484,757 |
| Accumulated Depreciation: | | | | | | |
| At 1 January 2023 | 14,072 | 10,757 | 44,205 | 2,404 | - | 71,438 |
| Charge for the year | 19,854 | 12,957 | 43,496 | 2,956 | 827.00 | 80,090 |
| Disposal | - | (190) | - | - | - | (190) |
| Balance as at 31 Dec 2023 | 33,926 | 23,524 | 87,701 | 5,360 | 827 | 151,338 |
| Carrying Amount: | | | | | | |
| Balance as at 31 Dec 2023 | 91,953 | 66,589 | 149,329 | 13,446 | 12,102 | 333,419 |

17 Intangible assets

| Cost: | Software | 31-Dec-24 | 31-Dec-23 |
|---------------------------------|-----------------|------------------|------------------|
| | N'000 | N'000 | N'000 |
| At 1 January | 440,352 | 368,631 | 71,721 |
| Additions during the year | - | - | - |
| Balance as at 31 Dec | 440,352 | 440,352 | |
| Accumulated Amortisation | | | |
| At 1 January | 172,537 | 84,820 | |
| Charge for the year | 88,903 | 87,717 | |
| Balance as at 31 Dec | 261,440 | 172,537 | |
| Carrying Amount: | | | |
| Balance as at 31 Dec | 178,912 | 267,815 | |

| | Year ended 31-Dec-24 N'000 | Year ended 31-Dec-23 N'000 |
|---|----------------------------------|----------------------------------|
| 18 Insurance Contract Liabilities | | |
| Contracts Measured Under GMM*: | | |
| Liability for Remaining Coverage: | | |
| -Excluding loss component | 34,451,209 | 17,117,526 |
| -Loss component | 3,700,650 | 3,744,757 |
| Liability for Incurred Claims | | |
| | <u>38,151,859</u> | <u>20,862,283</u> |
| Contracts Measured Under PAA: | | |
| Liability for Remaining Coverage: | | |
| -Excluding loss component | 879,949 | 589,299 |
| -Loss component | 21,638 | 34,103 |
| Liability for Incurred Claims | | |
| - Present Value of future cashflows | 562,061 | 662,588 |
| - Risk Adjustment | 44,322 | 53,155 |
| | <u>1,507,970</u> | <u>1,339,145</u> |
| Total Insurance Contract Liabilities | <u>39,659,829</u> | <u>22,201,428</u> |
| Current | 1,714,994 | 282,561 |
| Non-Current | 37,944,835 | 21,918,867 |
| Total Insurance Contract Liabilities | <u>39,659,829</u> | <u>22,201,428</u> |

18a Carrying amount of Insurance Contract liability and Reinsurance contract Asset

| | 2024 N'000 | 2023 N'000 |
|---|-------------------|-------------------|
| Insurance contract liabilities | | |
| <i>Insurance contract liabilities (excluding insurance acquisition cash flows assets and other pre-recognition cash flow)</i> | 39,961,072 | 22,268,682 |
| <i>Insurance acquisition cashflow</i> | (301,243) | (67,255) |
| <i>Other pre-recognition cashflow</i> | - | - |
| Insurance contract liabilities | <u>39,659,829</u> | <u>22,201,428</u> |
| Reinsurance contract assets | | |
| <i>Reinsurance contract assets (excluding reinsurance deferred acquisition income cash flows, other pre-recognition cash flow and reinsurance payables)</i> | 508,349 | 317,247 |
| <i>Reinsurance deferred acquisition cashflow</i> | (2,670) | (38,929) |
| <i>Other pre-recognition cashflow</i> | - | - |
| | <u>505,679</u> | <u>278,318</u> |

18b Age analysis of Outstanding claims

| | 31-Dec-24 | | 31-Dec-24 | |
|---------------|----------------|-------------------|----------------|-------------------|
| Days | No of claimant | Amount t | No of claimant | Amount |
| 0-90 days | 1 | 600,000 | 15 | 27,112,238 |
| 91-180 days | 1 | 10,959,932 | 3 | 4,168,371 |
| 181-270 days | | - | 5 | 1,960,541 |
| 271-365 days | | - | 6 | 2,580,473 |
| Over 366 days | 40 | 13,634,911 | 42 | 20,175,466 |
| | <u>42</u> | <u>25,194,843</u> | <u>71</u> | <u>55,997,089</u> |

18b **Age analysis of outstanding claims(Continued)**

Age analysis of outstanding claims by reason
of being outstanding

| | 0-90 days | | 91-180 days | | 181-270 days | | 271-365 days | | Over 366 days | | Total | |
|--|-----------|------------|-------------|---------------|--------------|-------|--------------|----------|---------------|---------------|-----------|---------------|
| 2024 claims status-Reaso | Qty | N'000 | Qty | N'000 | Qty | N'000 | Qty | N'000 | Qty | N'000 | Qty | N'000 |
| Discharged voucher signed and returned to policy holders | | | | | | | | | | | | |
| Discharged voucher not yet signed | | | | | | | | | | | | |
| Claims reported but incomplete documentation | 1 | 600 | 1 | 10,960 | | | - | - | 40 | 13,635 | 42 | 25,195 |
| Claims reported but being adjusted | | | | | | | | | | | | |
| Claims repudated | | | | | | | | | | | | |
| Awaiting adjuster final report | | | | | | | | | | | | |
| Litigation awarded | | | | | | | | | | | | |
| Awaiting lead insurer's instruction | | | | | | | | | | | | |
| Third Party liability outstanding | | | | | | | | | | | | |
| Adjuster fee payable | | | | | | | | | | | | |
| Total | 1 | 600 | 1 | 10,960 | | | - | - | 40 | 13,635 | 42 | 25,195 |

| | 0-90 days | | 91-180 days | | 181-270 days | | 271-365 days | | Over 366 days | | Total | |
|--|-----------|-------------------|-------------|------------------|--------------|------------------|--------------|------------------|---------------|-------------------|-----------|-------------------|
| 2023 claims status-Reaso | Qty | N'000 | Qty | N'000 | Qty | N'000 | Qty | N'000 | Qty | N'000 | Qty | N'000 |
| Discharged voucher signed and returned to policy holders | | | | | | | | | | | | |
| Discharged voucher not yet signed | | | | | | | | | | | | |
| Claims reported but incomplete documentation | 15 | 27,112,238 | 3 | 4,168,371 | 5 | 1,960,541 | 6 | 2,580,473 | 42 | 20,175,466 | 71 | 55,997,089 |
| Claims reported but being adjusted | | | | | | | | | | | | |
| Claims repudated | | | | | | | | | | | | |
| Awaiting adjuster final report | | | | | | | | | | | | |
| Litigation awarded | | | | | | | | | | | | |
| Awaiting lead insurer's instruction | | | | | | | | | | | | |
| Third Party liability outstanding | | | | | | | | | | | | |
| Adjuster fee payable | | | | | | | | | | | | |
| Total | 15 | 27,112,238 | 3 | 4,168,371 | 5 | 1,960,541 | 6 | 2,580,473 | 42 | 20,175,466 | 71 | 55,997,089 |

18c Reconciliation of the liability for remaining coverage and the liability for incurred claims - Entity Level

The following tables shows the reconciliation of insurance contract liabilities (on an entity level)

31-Dec-24

| | Liability for remaining coverage | | LIC for contract not measured under PAA | LIC for contract measured under PAA | | Total |
|--|----------------------------------|--------------------|---|-------------------------------------|-----------------|---------------------|
| | Excluding loss component | Loss component | | Present value of future cashflows | Risk Adjustment | |
| | ₦'000 | ₦'000 | ₦'000 | ₦'000 | ₦'000 | ₦'000 |
| Opening Insurance Contract Liabilities | (17,706,826) | (3,778,859) | - | (662,588) | (53,155) | (22,201,429) |
| Opening Insurance Contract Assets | 227 | - | - | (6) | - | 222 |
| Net insurance contract (liabilities)/assets opening balance | (17,706,598) | (3,778,859) | - | (662,594) | (53,155) | (22,201,208) |
| Insurance revenue | 15,147,392 | - | - | - | - | 15,147,392 |
| Insurance service expenses | (1,660,622) | 456,658 | (5,577,017) | (846,517) | 8,834 | (7,618,666) |
| Incurred claims | - | 34,103 | (4,858,546) | (1,426,129) | 8,834 | (6,241,738) |
| Changes to liabilities for incurred claims | - | - | 61,620 | 646,495 | - | 708,115 |
| Other directly attributable expenses | - | - | (780,092) | (66,884) | - | (846,975) |
| Losses on onerous contracts and reversal of those losses | - | 422,555 | - | - | - | 422,555 |
| Amortisation of insurance acquisition cash flows | (1,660,622) | - | - | - | - | (1,660,622) |
| Investment components | - | - | - | - | - | - |
| Insurance service results from insurance contracts issued | 13,486,770 | 456,658 | (5,577,017) | (846,517) | 8,834 | 7,528,727 |
| Insurance finance expenses | (536,689) | (400,086) | - | - | - | (936,775) |
| Foreign Currency Movements | - | - | - | - | - | - |
| Total changes in the statement of comprehensive income | 12,950,081 | 56,571 | (5,577,017) | (846,517) | 8,834 | 6,591,951 |
| Cash flows | - | - | - | - | - | - |
| Premiums received | (32,734,050) | - | - | - | - | (32,734,050) |
| Claims and other expenses paid | - | - | 5,577,017 | 947,051 | - | 6,524,068 |
| Insurance acquisition cash flows | 3,284,655 | - | - | - | - | 3,284,655 |
| Total cash flows | (29,449,395) | - | 5,577,017 | 947,051 | - | (22,925,328) |
| Other movements(Non Cashflow) | (1,125,245) | - | - | - | - | (1,125,245) |
| Net insurance contract (liabilities)/assets closing balance | (35,331,158) | (3,722,288) | 0 | (562,061) | (44,322) | (39,659,829) |
| Closing Insurance Contract Liabilities | (35,331,158) | (3,722,288) | - | (562,061) | (44,322) | (39,659,829) |
| Closing Insurance Contract Assets | - | - | - | - | - | - |
| Net insurance contract (liabilities)/assets closing balance | (35,331,158) | (3,722,288) | - | (562,061) | (44,322) | (39,659,829) |

31-Dec-23

| | Liability for remaining coverage | | LIC for contract not measured under PAA | LIC for contract measured under PAA | | Total |
|--|----------------------------------|--------------------|---|-------------------------------------|-----------------|---------------------|
| | Excluding loss component | Loss component | | Present value of future cashflows | Risk Adjustment | |
| | ₦'000 | ₦'000 | ₦'000 | ₦'000 | ₦'000 | ₦'000 |
| Opening Insurance Contract Liabilities | (7,679,016) | (1,656,779) | - | (394,184) | (22,685) | (9,752,664) |
| Opening Insurance Contract Assets | - | - | - | - | - | - |
| Net insurance contract (liabilities)/assets opening balance | (7,679,016) | (1,656,779) | - | (394,184) | (22,685) | (9,752,664) |
| Insurance revenue | 7,255,770 | - | - | - | - | 7,255,770 |
| Insurance service expenses | (738,643) | (2,102,921) | (2,176,979) | (962,636) | (30,470) | (6,011,649) |
| Incurred claims | - | - | (1,894,851) | (1,263,496) | (30,470) | (3,188,817) |
| Changes to liabilities for incurred claims | - | - | 7,006 | 378,084 | - | 385,090 |
| Other directly attributable expenses | - | - | (289,134) | (77,224) | - | (366,358) |
| Losses on onerous contracts and reversal of those losses | - | (2,102,921) | - | - | - | (2,102,921) |
| Amortisation of insurance acquisition cash flows | (738,643) | - | - | - | - | (738,643) |
| Investment components | 81,710 | - | (81,710) | - | - | - |
| Insurance service results from insurance contracts issued | 6,598,837 | (2,102,921) | (2,258,689) | (962,636) | (30,470) | 1,244,121 |
| Insurance finance expenses | 509,056 | (19,160) | - | - | - | 489,896 |
| Foreign Currency Movements | - | - | - | - | - | - |
| Total changes in the statement of comprehensive income | 7,107,893 | (2,122,081) | (2,258,689) | (962,636) | (30,470) | 1,734,018 |
| Cash flows | - | - | - | - | - | - |
| Premiums received | (19,747,930) | - | - | - | - | (19,747,930) |
| Claims and other expenses paid | - | - | 2,258,689 | 694,231 | - | 2,952,920 |
| Insurance acquisition cash flows | 2,612,227 | - | - | - | - | 2,612,227 |
| Total cash flows | (17,135,703) | - | 2,258,689 | 694,231 | - | (14,182,783) |
| Other movements | - | - | - | - | - | - |
| Net insurance contract (liabilities)/assets closing balance | (17,706,826) | (3,778,859) | - | (662,589) | (53,155) | (22,201,429) |
| Closing Insurance Contract Liabilities | (17,706,826) | (3,778,859) | - | (662,589) | (53,155) | (22,201,429) |
| Closing Insurance Contract Assets | - | - | - | - | - | - |
| Net insurance contract (liabilities)/assets closing balance | (17,706,826) | (3,778,859) | - | (662,589) | (53,155) | (22,201,429) |

18.1 **Insurance and Reinsurance Contract Balances Per Portfolio**

The following tables shows the carrying amount of insurance and reinsurance contracts per Portfolio

Contracts measured using Premium allocation approach

| 31-Dec-24 | GROUPLIFE | CREDITLIFE | GROUPMORTGAGE | HOSPITAL_CASH | SMART_SCHOOL | CREDITLIFE_IND | Total |
|--------------------------------|------------------|-------------------|----------------------|----------------------|---------------------|-----------------------|--------------------|
| | N'000 | N'000 | N'000 | N'000 | N'000 | N'000 | N'000 |
| Insurance Contract assets | - | - | - | - | - | - | - |
| Insurance Contract liabilities | (1,116,902) | (387,918) | (1,518) | (1,384) | (46) | (203) | (1,507,970) |
| Reinsurance Contract assets | 471,052 | 34,033 | - | - | - | 0 | 505,084 |
| ReinsuranceContract liability | - | - | - | - | - | - | - |

| 31-Dec-23 | GROUPLIFE | CREDITLIFE | GROUPMORTGAGE | HOSPITAL_CASH | SMART_SCHOOL | CREDITLIFE_IND | Total |
|--------------------------------|------------------|-------------------|----------------------|----------------------|---------------------|-----------------------|--------------------|
| | N'000 | N'000 | N'000 | N'000 | N'000 | N'000 | N'000 |
| Insurance Contract assets | - | - | - | - | - | 222 | 222 |
| Insurance Contract liabilities | (1,254,064) | (84,619) | - | (391) | (73) | - | (1,339,146) |
| Reinsurance Contract assets | 224,433 | 52,638 | - | - | - | - | 277,070 |
| ReinsuranceContract liability | - | - | - | - | - | - | - |

Contracts measured using General Measurement Model

| 31-Dec-24 | TERM ENDOWMENT | KEYMAN | WHOLELIFE | ANNUITY | TRIPLEPAY | MORTGAGE | Total |
|--------------------------------|-----------------------|---------------|------------------|----------------|------------------|-----------------|---------------------|
| | N'000 | N'000 | N'000 | N'000 | N'000 | N'000 | N'000 |
| Insurance Contract assets | - | - | - | - | - | - | - |
| Insurance Contract liabilities | (19,604) | (790,729) | (2,190) | (3,072) | (30,917,543) | (6,418,233) | (38,151,859) |
| Reinsurance Contract assets | - | - | 403 | 193 | - | - | 596 |
| ReinsuranceContract liability | (46) | (41,612) | - | - | - | (34,776) | (76,433) |

| 31-Dec-23 | TERM ENDOWMENT | KEYMAN | WHOLELIFE | ANNUITY | TRIPLEPAY | MORTGAGE | Total |
|--------------------------------|-----------------------|---------------|------------------|----------------|------------------|-----------------|---------------------|
| | N'000 | N'000 | N'000 | N'000 | N'000 | N'000 | N'000 |
| Insurance Contract assets | - | - | - | - | - | - | - |
| Insurance Contract liabilities | (234,540) | (388,193) | (3,318) | (2,005) | (14,691,440) | (5,542,785) | (20,862,283) |
| Reinsurance Contract assets | - | - | 1,210 | 37 | - | - | 1,248 |
| ReinsuranceContract liability | (183) | (21,051) | - | - | - | (18,850) | (40,083) |

18.2 Reconciliation of the liability for remaining coverage and the liability for incurred claims - PAA - Entity Level

The following tables shows the reconciliation of insurance contract liabilities (on an aggregate level) from Opening to Closing for Contracts Measured under PAA. The portfolios measured in this note include: Group Life, Credit Life, Group Mortgage, Hospital Cash, Smart School, Credit Life Individual and Mortgage.

31-Dec-24

31-Dec-24

| | Liability for remaining coverage | | Liability for incurred claims | | Total |
|--|----------------------------------|-----------------|-----------------------------------|-----------------|--------------------|
| | Excluding loss component | Loss component | Present value of future cashflows | Risk Adjustment | |
| | ₦'000 | ₦'000 | ₦'000 | ₦'000 | ₦'000 |
| Opening Insurance Contract Liabilities | (589,300) | (34,103) | (662,588) | (53,155) | (1,339,146) |
| Opening Insurance Contract Assets | 227 | - | (6) | - | 222 |
| Net insurance contract (liabilities)/assets opening balance | (589,072) | (34,103) | (662,594) | (53,155) | (1,338,925) |
| Insurance revenue | 2,481,652 | - | - | - | 2,481,652 |
| Insurance service expenses | (84,791) | 12,465 | (846,517) | 8,834 | (910,010) |
| Incurred claims | - | 34,103 | (1,426,129) | 8,834 | (1,383,193) |
| Changes to liabilities for incurred claims | - | - | 646,495 | - | 646,495 |
| Other directly attributable expenses | - | - | (66,884) | - | (66,884) |
| Losses on onerous contracts and reversal of those losses | - | (21,638) | - | - | (21,638) |
| Amortisation of insurance acquisition cash flows | (84,791) | - | - | - | (84,791) |
| Investment components | - | - | - | - | - |
| Insurance service results from insurance contracts issued | 2,396,861 | 12,465 | (846,517) | 8,834 | 1,571,642 |
| Insurance finance expenses | - | - | - | - | - |
| Foreign Currency Movements | - | - | - | - | - |
| Total changes in the statement of comprehensive income | 2,396,861 | 12,465 | (846,517) | 8,834 | 1,571,642 |
| Cash flows | - | - | - | - | - |
| Premiums received | (3,162,686) | - | - | - | (3,162,686) |
| Claims and other expenses paid | - | - | 947,051 | - | 947,051 |
| Insurance acquisition cash flows | 474,947 | - | - | - | 474,947 |
| Total cash flows | (2,687,739) | - | 947,051 | - | (1,740,688) |
| Net insurance contract (liabilities)/assets opening balance | (879,949) | (21,638) | (562,061) | (44,322) | (1,507,970) |
| Closing Insurance Contract Liabilities | (879,949) | (21,638) | (562,061) | (44,322) | (1,507,970) |
| Closing Insurance Contract Assets | - | - | - | - | - |
| Net insurance contract (liabilities)/assets opening balance | (879,949) | (21,638) | (562,061) | (44,322) | (1,507,970) |

31-Dec-23

31-Dec-23

| | Liability for remaining coverage | | Liability for incurred claims | | Total |
|--|----------------------------------|-----------------|-----------------------------------|-----------------|--------------------|
| | Excluding loss component | Loss component | Present value of future cashflows | Risk Adjustment | |
| | ₦'000 | ₦'000 | ₦'000 | ₦'000 | ₦'000 |
| Opening Insurance Contract Liabilities | (470,769) | - | (394,184) | (22,685) | (887,638) |
| Opening Insurance Contract Assets | - | - | - | - | - |
| Net insurance contract (liabilities)/assets opening balance | (470,769) | - | (394,184) | (22,685) | (887,638) |
| Insurance revenue | 2,200,743 | - | - | - | 2,200,743 |
| Insurance service expenses | (385,905) | (34,103) | (962,636) | (30,470) | (1,413,113) |
| Incurred claims | - | - | (1,263,496) | (30,470) | (1,293,966) |
| Changes to liabilities for incurred claims | - | - | 378,084 | - | 378,084 |
| Other directly attributable expenses | - | - | (77,224) | - | (77,224) |
| Losses on onerous contracts and reversal of those losses | - | (34,103) | - | - | (34,103) |
| Amortisation of insurance acquisition cash flows | (385,905) | - | - | - | (385,905) |
| Investment components | - | - | - | - | - |
| Insurance service results from insurance contracts issued | 1,814,838 | (34,103) | (962,636) | (30,470) | 787,630 |
| Insurance finance expenses | - | - | - | - | - |
| Foreign Currency Movements | - | - | - | - | - |
| Total changes in the statement of comprehensive income | 1,814,838 | (34,103) | (962,636) | (30,470) | 787,630 |
| Cash flows | - | - | - | - | - |
| Premiums received | (2,222,436) | - | - | - | (2,222,436) |
| Claims and other expenses paid | - | - | 694,231 | - | 694,231 |
| Insurance acquisition cash flows | 289,066 | - | - | - | 289,066 |
| Total cash flows | (1,933,369) | - | 694,231 | - | (1,239,138) |
| Net insurance contract (liabilities)/assets opening balance | (589,300) | (34,103) | (662,589) | (53,155) | (1,339,146) |
| Closing Insurance Contract Liabilities | (589,300) | (34,103) | (662,589) | (53,155) | (1,339,146) |
| Closing Insurance Contract Assets | - | - | - | - | - |
| Net insurance contract (liabilities)/assets opening balance | (589,300) | (34,103) | (662,589) | (53,155) | (1,339,146) |

18.2.1 Reconciliation of the liability for remaining coverage and the liability for incurred claims - PAA- Per Portfolio

The following tables shows the reconciliation of insurance contract liabilities (on an Portfolio level) from Opening to Closing for Contracts Measured under PAA. This note sums up to note 17.2

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| | GROUPLIFE | | | | |
|--|----------------------------------|-----------------|-------------------------------|-----------------|--------------------|
| | Liability for remaining coverage | | Liability for incurred claims | | Total |
| | Excluding loss component | Loss component | Present value of cashflows | Risk Adjustment | |
| | N'000 | N'000 | N'000 | N'000 | N'000 |
| Opening Insurance Contract Liabilities | (598,854) | - | (606,580) | (48,631) | (1,254,064) |
| Opening Insurance Contract Assets | - | - | - | - | - |
| Net insurance contract (liabilities)/assets opening balance | (598,854) | - | (606,580) | (48,631) | (1,254,064) |
| Insurance revenue | 2,238,632 | - | - | - | 2,238,632 |
| Insurance service expenses | (69,344) | (21,638) | (704,389) | 11,777 | (783,593) |
| Incurred claims | - | - | (1,235,551) | 11,777 | (1,223,774) |
| Changes to liabilities for incurred claims | - | - | 577,835 | - | 577,835 |
| Other directly attributable expenses | - | - | (46,673) | - | (46,673) |
| Losses on onerous contracts and reversal of those losses | - | (21,638) | - | - | (21,638) |
| Amortisation of insurance acquisition cash flows | (69,344) | - | - | - | (69,344) |
| Investment components | - | - | - | - | - |
| Net income or expense from insurance contracts issued | 2,169,288 | (21,638) | (704,389) | 11,777 | 1,455,039 |
| Insurance finance expenses | - | - | - | - | - |
| Foreign Currency Movements | - | - | - | - | - |
| Total changes in the statement of comprehensive income | 2,169,288 | (21,638) | (704,389) | 11,777 | 1,455,039 |
| Cash flows | | | | | |
| Premiums received | (2,556,205) | - | - | - | (2,556,205) |
| Claims and other expenses paid | - | - | 835,843 | - | 835,843 |
| Insurance acquisition cash flows | 402,485 | - | - | - | 402,485 |
| Total cash flows | (2,153,719) | - | 835,843 | - | (1,317,877) |
| Other movements | - | - | - | - | - |
| Net insurance contract (liabilities)/assets closing balance | (583,285) | (21,638) | (475,126) | (36,854) | (1,116,902) |
| Closing Insurance Contract Liabilities | (583,285) | (21,638) | (475,126) | (36,854) | (1,116,902) |
| Closing Insurance Contract Assets | - | - | - | - | - |
| Net insurance contract (liabilities)/assets closing balance | (583,285) | (21,638) | (475,126) | (36,854) | (1,116,902) |

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| | GROUPLIFE | | | | |
|--|----------------------------------|----------------|-------------------------------|-----------------|--------------------|
| | Liability for remaining coverage | | Liability for incurred claims | | Total |
| | Excluding loss component | Loss component | Present value of cashflows | Risk Adjustment | |
| | N'000 | N'000 | N'000 | N'000 | N'000 |
| Opening Insurance Contract Liabilities | (354,860) | - | (360,757) | (20,755) | (736,373) |
| Opening Insurance Contract Assets | - | - | - | - | - |
| Net insurance contract (liabilities)/assets opening balance | (354,860) | - | (360,757) | (20,755) | (736,373) |
| Insurance revenue | 1,937,155 | - | - | - | 1,937,155 |
| Insurance service expenses | (330,749) | - | (919,230) | (27,875) | (1,277,854) |
| Incurred claims | - | - | (1,206,608) | (27,875) | (1,234,483) |
| Changes to liabilities for incurred claims | - | - | 345,925 | - | 345,925 |
| Other directly attributable expenses | - | - | (58,547) | - | (58,547) |
| Losses on onerous contracts and reversal of those losses | - | - | - | - | - |
| Amortisation of insurance acquisition cash flows | (330,749) | - | - | - | (330,749) |
| Investment components | - | - | - | - | - |
| Net income or expense from insurance contracts issued | 1,606,406 | - | (919,230) | (27,875) | 659,301 |
| Insurance finance expenses | - | - | - | - | - |
| Foreign Currency Movements | - | - | - | - | - |
| Total changes in the statement of comprehensive income | 1,606,406 | - | (919,230) | (27,875) | 659,301 |
| Cash flows | | | | | |
| Premiums received | (2,069,415) | - | - | - | (2,069,415) |
| Claims and other expenses paid | - | - | 673,408 | - | 673,408 |
| Insurance acquisition cash flows | 219,015 | - | - | - | 219,015 |
| Total cash flows | (1,850,400) | - | 673,408 | - | (1,176,992) |
| Other movements | - | - | - | - | - |
| Net insurance contract (liabilities)/assets closing balance | (598,854) | - | (606,580) | (48,631) | (1,254,064) |
| Closing Insurance Contract Liabilities | (598,854) | - | (606,580) | (48,631) | (1,254,064) |
| Closing Insurance Contract Assets | - | - | - | - | - |
| Net insurance contract (liabilities)/assets closing balance | (598,854) | - | (606,580) | (48,631) | (1,254,064) |

| | CREDITLIFE | | | | |
|--|----------------------------------|-----------------|-------------------------------|-----------------|------------------|
| | Liability for remaining coverage | | Liability for incurred claims | | Total |
| | Excluding loss component | Loss component | Present value of cashflows | Risk Adjustment | |
| | N'000 | N'000 | N'000 | N'000 | N'000 |
| Opening Insurance Contract Liabilities | 9,859 | (34,103) | (55,860) | (4,516) | (84,619) |
| Opening Insurance Contract Assets | - | - | - | - | - |
| Net insurance contract (liabilities)/assets opening balance | 9,859 | (34,103) | (55,860) | (4,516) | (84,619) |
| Insurance revenue | 239,528 | - | - | - | 239,528 |
| Insurance service expenses | (15,298) | 34,103 | (139,689) | (2,902) | (123,786) |
| Incurred claims | - | 34,103 | (189,735) | (2,902) | (158,534) |
| Changes to liabilities for incurred claims | - | - | 68,505 | - | 68,505 |
| Other directly attributable expenses | - | - | (18,459) | - | (18,459) |
| Losses on onerous contracts and reversal of those losses | - | 0 | - | - | 0 |
| Amortisation of insurance acquisition cash flows | (15,298) | - | - | - | (15,298) |
| Investment components | - | - | - | - | - |
| Net income or expense from insurance contracts issued | 224,230 | 34,103 | (139,689) | (2,902) | 115,742 |
| Insurance finance expenses | - | - | - | - | - |
| Foreign Currency Movements | - | - | - | - | - |
| Total changes in the statement of comprehensive income | 224,230 | 34,103 | (139,689) | (2,902) | 115,742 |
| Cash flows | | | | | |
| Premiums received | (600,148) | - | - | - | (600,148) |
| Claims and other expenses paid | - | - | 109,456 | - | 109,456 |
| Insurance acquisition cash flows | 71,650 | - | - | - | 71,650 |
| Total cash flows | (528,498) | - | 109,456 | - | (419,042) |
| Other movements | - | - | - | - | - |
| Net insurance contract (liabilities)/assets closing balance | (294,408) | - | (86,092) | (7,418) | (387,918) |
| Closing Insurance Contract Liabilities | (286,669) | - | (154,439) | (7,418) | (448,526) |
| Closing Insurance Contract Assets | (7,739) | - | 68,347 | - | 60,607 |
| Net insurance contract (liabilities)/assets closing balance | (294,408) | - | (86,092) | (7,418) | (387,918) |

| | CREDITLIFE | | | | |
|--|----------------------------------|-----------------|-------------------------------|-----------------|------------------|
| | Liability for remaining coverage | | Liability for incurred claims | | Total |
| | Excluding loss component | Loss component | Present value of cashflows | Risk Adjustment | |
| | N'000 | N'000 | N'000 | N'000 | N'000 |
| Opening Insurance Contract Liabilities | (115,909) | - | (33,427) | (1,930) | (151,265) |
| Opening Insurance Contract Assets | - | - | - | - | - |
| Net insurance contract (liabilities)/assets opening balance | (115,909) | - | (33,427) | (1,930) | (151,265) |
| Insurance revenue | 263,468 | - | - | - | 263,468 |
| Insurance service expenses | (55,149) | (34,103) | (43,257) | (2,586) | (135,095) |
| Incurred claims | - | - | (56,739) | (2,586) | (59,325) |
| Changes to liabilities for incurred claims | - | - | 32,160 | - | 32,160 |
| Other directly attributable expenses | - | - | (18,677) | - | (18,677) |
| Losses on onerous contracts and reversal of those losses | - | (34,103) | - | - | (34,103) |
| Amortisation of insurance acquisition cash flows | (55,149) | - | - | - | (55,149) |
| Investment components | - | - | - | - | - |
| Net income or expense from insurance contracts issued | 208,319 | (34,103) | (43,257) | (2,586) | 128,373 |
| Insurance finance expenses | - | - | - | - | - |
| Foreign Currency Movements | - | - | - | - | - |
| Total changes in the statement of comprehensive income | 208,319 | (34,103) | (43,257) | (2,586) | 128,373 |
| Cash flows | | | | | |
| Premiums received | (152,581) | - | - | - | (152,581) |
| Claims and other expenses paid | - | - | 20,823 | - | 20,823 |
| Insurance acquisition cash flows | 70,030 | - | - | - | 70,030 |
| Total cash flows | (82,551) | - | 20,823 | - | (61,727) |
| Other movements | - | - | - | - | - |
| Net insurance contract (liabilities)/assets closing balance | 9,859 | (34,103) | (55,860) | (4,516) | (84,619) |
| Closing Insurance Contract Liabilities | 9,859 | (34,103) | (55,860) | (4,516) | (84,619) |
| Closing Insurance Contract Assets | - | - | - | - | - |
| Net insurance contract (liabilities)/assets closing balance | 9,859 | (34,103) | (55,860) | (4,516) | (84,619) |

| | GROUPMORTGAGE | | | | |
|--|----------------------------------|----------------|-------------------------------|-----------------|--------------|
| | Liability for remaining coverage | | Liability for incurred claims | | Total |
| | Excluding loss component | Loss component | Present value of cashflows | Risk Adjustment | |
| | N'000 | N'000 | N'000 | N'000 | N'000 |
| Opening Insurance Contract Liabilities | - | - | - | - | - |
| Opening Insurance Contract Assets | - | - | - | - | - |
| Net insurance contract (liabilities)/assets opening balance | - | - | - | - | - |
| Insurance revenue | 2,684 | - | - | - | 2,684 |
| Insurance service expenses | - | - | - | - | - |
| Incurred claims | - | - | - | - | - |
| Changes to liabilities for incurred claims | - | - | - | - | - |
| Other directly attributable expenses | - | - | - | - | - |
| Losses on onerous contracts and reversal of those losses | - | - | - | - | - |
| Amortisation of insurance acquisition cash flows | - | - | - | - | - |
| Investment components | - | - | - | - | - |
| Net income or expense from insurance contracts issued | 2,684 | - | - | - | 2,684 |
| Insurance finance expenses | - | - | - | - | - |
| Foreign Currency Movements | - | - | - | - | - |

| | GROUPMORTGAGE | | | | |
|--|----------------------------------|----------------|-------------------------------|-----------------|----------|
| | Liability for remaining coverage | | Liability for incurred claims | | Total |
| | Excluding loss component | Loss component | Present value of cashflows | Risk Adjustment | |
| | N'000 | N'000 | N'000 | N'000 | N'000 |
| Opening Insurance Contract Liabilities | - | - | - | - | - |
| Opening Insurance Contract Assets | - | - | - | - | - |
| Net insurance contract (liabilities)/assets opening balance | - | - | - | - | - |
| Insurance revenue | - | - | - | - | - |
| Insurance service expenses | - | - | - | - | - |
| Incurred claims | - | - | - | - | - |
| Changes to liabilities for incurred claims | - | - | - | - | - |
| Other directly attributable expenses | - | - | - | - | - |
| Losses on onerous contracts and reversal of those losses | - | - | - | - | - |
| Amortisation of insurance acquisition cash flows | - | - | - | - | - |
| Investment components | - | - | - | - | - |
| Net income or expense from insurance contracts issued | - | - | - | - | - |
| Insurance finance expenses | - | - | - | - | - |
| Foreign Currency Movements | - | - | - | - | - |

| | | | | | | | | | | |
|--|----------------|---|---|---|----------------|---|---|---|---|---|
| Total changes in the statement of comprehensive income | 2,684 | - | - | - | 2,684 | - | - | - | - | - |
| Cash flows | | | | | | | | | | |
| Premiums received | (4,708) | | | | (4,708) | - | - | - | - | - |
| Claims and other expenses paid | - | | - | | - | - | - | - | - | - |
| Insurance acquisition cash flows | 506 | | | | 506 | - | - | - | - | - |
| Total cash flows | (4,202) | - | - | - | (4,202) | - | - | - | - | - |
| Other movements | | | | | | - | - | - | - | - |
| Net insurance contract (liabilities)/assets closing balance | (1,518) | - | - | - | (1,518) | - | - | - | - | - |
| Closing Insurance Contract Liabilities | (1,518) | - | - | - | (1,518) | - | - | - | - | - |
| Closing Insurance Contract Assets | - | - | - | - | - | - | - | - | - | - |
| Net insurance contract (liabilities)/assets closing balance | (1,518) | - | - | - | (1,518) | - | - | - | - | - |

| | HOSPITAL_CASH | | | | | HOSPITAL_CASH | | | | |
|--|----------------------------------|----------------|-------------------------------|-----------------|----------------|----------------------------------|----------------|-------------------------------|-----------------|--------------|
| | Liability for remaining coverage | | Liability for incurred claims | | Total | Liability for remaining coverage | | Liability for incurred claims | | Total |
| | Excluding loss component | Loss component | Present value of cashflows | Risk Adjustment | | Excluding loss component | Loss component | Present value of cashflows | Risk Adjustment | |
| | N'000 | N'000 | N'000 | N'000 | N'000 | N'000 | N'000 | N'000 | N'000 | N'000 |
| Opening Insurance Contract Liabilities | (269) | - | (115) | (7) | (391) | - | - | - | - | - |
| Opening Insurance Contract Assets | - | - | - | - | - | - | - | - | - | - |
| Net insurance contract (liabilities)/assets opening balance | (269) | - | (115) | (7) | (391) | - | - | - | - | - |
| Insurance revenue | 606 | - | - | - | 606 | 69 | - | - | - | 69 |
| Insurance service expenses | (28) | - | (2,107) | (31) | (2,166) | (5) | - | (115) | (7) | (127) |
| Incurred claims | - | - | (625) | (31) | (655) | - | - | (115) | (7) | (121) |
| Changes to liabilities for incurred claims | - | - | 115 | - | 115 | - | - | - | - | - |
| Other directly attributable expenses | - | - | (1,597) | - | (1,597) | - | - | - | - | - |
| Losses on onerous contracts and reversal of those losses | - | - | - | - | - | - | - | - | - | - |
| Amortisation of insurance acquisition cash flows | (28) | - | - | - | (28) | (5) | - | - | - | (5) |
| Investment components | - | - | - | - | - | - | - | - | - | - |
| Insurance service results from insurance contracts issued | 577 | - | (2,107) | (31) | (1,560) | 64 | - | (115) | (7) | (58) |
| Insurance finance expenses | - | - | - | - | - | - | - | - | - | - |
| Foreign Currency Movements | - | - | - | - | - | - | - | - | - | - |
| Total changes in the statement of comprehensive income | 577 | - | (2,107) | (31) | (1,560) | 64 | - | (115) | (7) | (58) |
| Cash flows | | | | | | | | | | |
| Premiums received | (1,205) | - | - | - | (1,205) | (350) | - | - | - | (350) |
| Claims and other expenses paid | - | - | 1,597 | - | 1,597 | - | - | - | - | - |
| Insurance acquisition cash flows | 175 | - | - | - | 175 | 17 | - | - | - | 17 |
| Total cash flows | (1,030) | - | 1,597 | - | 567 | (333) | - | - | - | (333) |
| Other movements | | | | | | | | | | |
| Net insurance contract (liabilities)/assets closing balance | (722) | - | (625) | (37) | (1,384) | (269) | - | (115) | (7) | (391) |
| Closing Insurance Contract Liabilities | (722) | - | (625) | (37) | (1,384) | (269) | - | (115) | (7) | (391) |
| Closing Insurance Contract Assets | - | - | - | - | - | - | - | - | - | - |
| Net insurance contract (liabilities)/assets closing balance | (722) | - | (625) | (37) | (1,384) | (269) | - | (115) | (7) | (391) |

| | SMART_SCHOOL | | | | | SMART_SCHOOL | | | | |
|--|----------------------------------|----------------|-------------------------------|-----------------|--------------|----------------------------------|----------------|-------------------------------|-----------------|-------------|
| | Liability for remaining coverage | | Liability for incurred claims | | Total | Liability for remaining coverage | | Liability for incurred claims | | Total |
| | Excluding loss component | Loss component | Present value of cashflows | Risk Adjustment | | Excluding loss component | Loss component | Present value of cashflows | Risk Adjustment | |
| | N'000 | N'000 | N'000 | N'000 | N'000 | N'000 | N'000 | N'000 | N'000 | N'000 |
| Opening Insurance Contract Liabilities | (36) | - | (35) | (2) | (73) | - | - | - | - | - |
| Opening Insurance Contract Assets | - | - | - | - | - | - | - | - | - | - |
| Net insurance contract (liabilities)/assets opening balance | (36) | - | (35) | (2) | (73) | - | - | - | - | - |
| Insurance revenue | 39 | - | - | - | 39 | 51 | - | - | - | 51 |
| Insurance service expenses | (115) | - | (23) | (1) | (139) | (1) | - | (35) | (2) | (38) |
| Incurred claims | - | - | (43) | (1) | (44) | - | - | (35) | (2) | (37) |
| Changes to liabilities for incurred claims | - | - | 35 | - | 35 | - | - | - | - | - |
| Other directly attributable expenses | - | - | (15) | - | (15) | - | - | - | - | - |
| Losses on onerous contracts and reversal of those losses | - | - | - | - | - | - | - | - | - | - |
| Amortisation of insurance acquisition cash flows | (115) | - | - | - | (115) | (1) | - | - | - | (1) |
| Investment components | - | - | - | - | - | - | - | - | - | - |
| Insurance service results from insurance contracts issued | (76) | - | (23) | (1) | (100) | 50 | - | (35) | (2) | 13 |
| Insurance finance expenses | - | - | - | - | - | - | - | - | - | - |
| Foreign Currency Movements | - | - | - | - | - | - | - | - | - | - |
| Total changes in the statement of comprehensive income | (76) | - | (23) | (1) | (100) | 50 | - | (35) | (2) | 13 |
| Cash flows | | | | | | | | | | |
| Premiums received | - | - | - | - | -(90) | (90) | - | - | - | - |
| Claims and other expenses paid | - | - | 15 | - | 15 | - | - | - | - | - |
| Insurance acquisition cash flows | 112 | - | - | - | 112 | 4 | - | - | - | 4 |
| Total cash flows | 112 | - | 15 | - | 127 | (86) | - | - | - | (86) |
| Other movements | | | | | | | | | | |
| Net insurance contract (liabilities)/assets closing balance | 0 | - | (43) | (3) | (46) | (36) | - | (35) | (2) | (73) |
| Closing Insurance Contract Liabilities | 0 | - | (43) | (3) | (46) | (36) | - | (35) | (2) | (73) |
| Closing Insurance Contract Assets | - | - | - | - | - | - | - | - | - | - |
| Net insurance contract (liabilities)/assets closing balance | 0 | - | (43) | (3) | (46) | (36) | - | (35) | (2) | (73) |

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| | CREDITLIFE_IND | | | | |
|--|----------------------------------|----------------|-------------------------------|-----------------|--------------|
| | Liability for remaining coverage | | Liability for incurred claims | | Total |
| | Excluding loss component | Loss component | Present value of cashflows | Risk Adjustment | |
| | N'000 | N'000 | N'000 | N'000 | N'000 |
| Opening Insurance Contract Liabilities | - | - | 0 | (0) | - |
| Opening Insurance Contract Assets | 227 | - | (6) | - | 222 |
| Net insurance contract (liabilities)/assets opening balance | 227 | - | (6) | (0) | 222 |
| Insurance revenue | 164 | | | | 164 |
| Insurance service expenses | (6) | (0) | (310) | (10) | (326) |
| Incurred claims | - | - | (175) | (10) | (185) |
| Changes to liabilities for incurred claims | - | - | 6 | - | 6 |
| Other directly attributable expenses | - | - | (140) | - | (140) |
| Losses on onerous contracts and reversal of those losses | - | (0) | - | - | (0) |
| Amortisation of insurance acquisition cash flows | (6) | - | - | - | (6) |
| Investment components | - | - | - | - | - |
| Insurance service results from insurance contracts issued | 158 | (0) | (310) | (10) | (163) |
| Insurance finance expenses | - | - | - | - | - |
| Foreign Currency Movements | - | - | - | - | - |
| Total changes in the statement of comprehensive income | 158 | (0) | (310) | (10) | (163) |
| Cash flows | | | | | |
| Premiums received | (420) | - | - | - | (420) |
| Claims and other expenses paid | - | - | 140 | - | 140 |
| Insurance acquisition cash flows | 18 | - | - | - | 18 |
| Total cash flows | (402) | - | 140 | - | (262) |
| Other movements | | | | | |
| Net insurance contract (liabilities)/assets closing balance | (17) | (0) | (175) | (11) | (203) |
| Closing Insurance Contract Liabilities | (17) | (0) | (175) | (11) | (203) |
| Closing Insurance Contract Assets | - | - | - | - | - |
| Net insurance contract (liabilities)/assets closing balance | (17) | (0) | (175) | (11) | (203) |

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| | CREDITLIFE_IND | | | | |
|--|----------------------------------|----------------|-------------------------------|-----------------|----------|
| | Liability for remaining coverage | | Liability for incurred claims | | Total |
| | Excluding loss component | Loss component | Present value of cashflows | Risk Adjustment | |
| | N'000 | N'000 | N'000 | N'000 | N'000 |
| Opening Insurance Contract Liabilities | - | - | - | - | - |
| Opening Insurance Contract Assets | - | - | - | - | - |
| Net insurance contract (liabilities)/assets opening balance | - | - | - | - | - |
| Insurance revenue | - | - | - | - | - |
| Insurance service expenses | - | - | - | - | - |
| Incurred claims | - | - | - | - | - |
| Changes to liabilities for incurred claims | - | - | - | - | - |
| Other directly attributable expenses | - | - | - | - | - |
| Losses on onerous contracts and reversal of those losses | - | - | - | - | - |
| Amortisation of insurance acquisition cash flows | - | - | - | - | - |
| Investment components | - | - | - | - | - |
| Insurance service results from insurance contracts issued | - | - | - | - | - |
| Insurance finance expenses | - | - | - | - | - |
| Foreign Currency Movements | - | - | - | - | - |
| Total changes in the statement of comprehensive income | - | - | - | - | - |
| Cash flows | | | | | |
| Premiums received | - | - | - | - | - |
| Claims and other expenses paid | - | - | - | - | - |
| Insurance acquisition cash flows | - | - | - | - | - |
| Total cash flows | - | - | - | - | - |
| Other movements | | | | | |
| Net insurance contract (liabilities)/assets closing balance | - | - | - | - | - |
| Closing Insurance Contract Liabilities | - | - | - | - | - |
| Closing Insurance Contract Assets | - | - | - | - | - |
| Net insurance contract (liabilities)/assets closing balance | - | - | - | - | - |

18.3 Reconciliation of the liability for remaining coverage and the liability for incurred claims - GMM - Entity Level

The following tables shows the reconciliation of insurance contract liabilities (on an aggregate level) from Opening to Closing for Contracts Measured under GMM. The portfolios measured in this note include: Term Assurance, KeyMan Protection, Annuity, Triple Pay and, Whole Life.

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| | Liability for remaining coverage | | Liability for incurred claims | Total |
|--|----------------------------------|--------------------|-------------------------------|---------------------|
| | Excluding loss component | Loss component | | |
| | ₦'000 | ₦'000 | ₦'000 | ₦'000 |
| Opening Insurance Contract Liabilities | (17,117,526) | (3,744,757) | - | (20,862,283) |
| Opening Insurance Contract Assets | - | - | - | - |
| Net insurance contract (liabilities)/assets opening balance | (17,117,526) | (3,744,757) | - | (20,862,283) |
| Insurance revenue | 12,665,740 | - | - | 12,665,740 |
| Insurance service expenses | (1,575,832) | 444,193 | (5,577,017) | (6,708,656) |
| Incurred claims | - | - | (4,858,546) | (4,858,546) |
| Changes to liabilities for incurred claims | - | - | 61,620 | 61,620 |
| Other directly attributable expenses | - | - | (780,092) | (780,092) |
| Losses on onerous contracts and reversal of those losses | - | 444,193 | - | 444,193 |
| Amortisation of insurance acquisition cash flows | (1,575,832) | - | - | (1,575,832) |
| Investment components | - | - | - | - |
| Insurance service results from insurance contracts issued | 11,089,908 | 444,193 | (5,577,017) | 5,957,084 |
| Insurance finance expenses | (536,689) | (400,086) | - | (936,775) |
| Foreign Currency Movements | - | - | - | - |
| Total changes in the statement of comprehensive income | 10,553,219 | 44,107 | (5,577,017) | 5,020,309 |
| Cash flows | - | - | - | - |
| Premiums received | (29,571,365) | - | - | (29,571,365) |
| Claims and other expenses paid | - | - | 5,577,017 | 5,577,017 |
| Insurance acquisition cash flows | 2,809,708 | - | - | 2,809,708 |
| Total cash flows | (26,761,657) | - | 5,577,017 | (21,184,640) |
| Other movements(Non Cashflow) | (1,125,245) | - | - | (1,125,245) |
| Net insurance contract (liabilities)/assets closing balance | (34,451,209) | (3,700,650) | 0 | (38,151,859) |
| Closing Insurance Contract Liabilities | (34,451,209) | (3,700,650) | - | (38,151,859) |
| Closing Insurance Contract Assets | - | - | - | - |
| Net insurance contract (liabilities)/assets closing balance | (34,451,209) | (3,700,650) | - | (38,151,859) |

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| | Liability for remaining coverage | | Liability for incurred claims | Total |
|--|----------------------------------|--------------------|-----------------------------------|---------------------|
| | Excluding loss component | Loss component | Present value of future cashflows | |
| | ₦'000 | ₦'000 | ₦'000 | ₦'000 |
| Opening Insurance Contract Liabilities | (7,208,248) | (1,656,779) | - | (8,865,026) |
| Opening Insurance Contract Assets | - | - | - | - |
| Net insurance contract (liabilities)/assets opening balance | (7,208,248) | (1,656,779) | - | (8,865,026) |
| Insurance revenue | 5,055,027 | - | - | 5,055,027 |
| Insurance service expenses | (352,739) | (2,068,818) | (2,176,979) | (4,598,536) |
| Incurred claims | - | - | (1,894,851) | (1,894,851) |
| Changes to liabilities for incurred claims | - | - | 7,006 | 7,006 |
| Other directly attributable expenses | - | - | (289,134) | (289,134) |
| Losses on onerous contracts and reversal of those losses | - | (2,068,818) | - | (2,068,818) |
| Amortisation of insurance acquisition cash flows | (352,739) | - | - | (352,739) |
| Investment components | 81,710 | - | (81,710) | - |
| Insurance service results from insurance contracts issued | 4,783,999 | (2,068,818) | (2,258,689) | 456,492 |
| Insurance finance expenses | 509,056 | (19,160) | - | 489,896 |
| Foreign Currency Movements | - | - | - | - |
| Total changes in the statement of comprehensive income | 5,293,055 | (2,087,978) | (2,258,689) | 946,388 |
| Cash flows | - | - | - | - |
| Premiums received | (17,525,495) | - | - | (17,525,495) |
| Claims and other expenses paid | - | - | 2,258,689 | 2,258,689 |
| Insurance acquisition cash flows | 2,323,161 | - | - | 2,323,161 |
| Total cash flows | (15,202,333) | - | 2,258,689 | (12,943,644) |
| Other movements | - | - | - | - |
| Net insurance contract (liabilities)/assets closing balance | (17,117,526) | (3,744,757) | - | (20,862,283) |
| Closing Insurance Contract Liabilities | (17,117,526) | (3,744,757) | - | (20,862,283) |
| Closing Insurance Contract Assets | - | - | - | - |
| Net insurance contract (liabilities)/assets closing balance | (17,117,526) | (3,744,757) | - | (20,862,283) |

18.3.1 Reconciliation of the liability for remaining coverage and the liability for incurred claims - GMM - per Portfolio

The following tables shows the reconciliation of insurance contract liabilities (on Portfolio level) from Opening to Closing for Contracts Measured under GMM.

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| | TERM | | | |
|--|---|------------------|----------------------------------|------------------|
| | Liability for remaining coverage Excluding loss component | Loss component | Liability for incurred claims | Total |
| | ¥'000 | ¥'000 | ¥'000 | ¥'000 |
| Opening Insurance Contract Liabilities | 168,457 | (402,997) | - | (234,540) |
| Opening Insurance Contract Assets | - | - | - | - |
| Net Insurance contract (liabilities)/assets | | | | |
| opening balance | 168,457 | (402,997) | - | (234,540) |
| Insurance revenue | (48,527) | | | (48,527) |
| Insurance service expenses | (567) | 344,929 | (33,476) | 310,885 |
| Incurred claims | | | (7,622) | (7,622) |
| Changes to liabilities for incurred claims | | | 5,661 | 5,661 |
| Other directly attributable expenses | | | (31,515) | (31,515) |
| Losses on onerous contracts and reversal of those losses | | 344,929 | | 344,929 |
| Amortisation of insurance acquisition cash flows | (567) | | | (567) |
| Investment components | | | | |
| Insurance service results from insurance contracts issued | (49,094) | 344,929 | (33,476) | 262,359 |
| Insurance finance expenses | 18,378 | (38,710) | - | (20,332) |
| Foreign Currency Movements | - | - | - | - |
| Total changes in the statement of comprehensive income | (30,716) | 306,219 | (33,476) | 242,027 |
| Cash flows | | | | |
| Premiums received | (60,917) | | | (60,917) |
| Claims and other expenses paid | - | | 33,476 | 33,476 |
| Insurance acquisition cash flows | 350 | | | 350 |
| Total cash flows | (60,567) | - | 33,476 | (27,091) |
| Other movements | | | | |
| Net Insurance contract (liabilities)/assets closing balance | 77,174 | (96,778) | 0 | (19,604) |
| Closing Insurance Contract Liabilities | 77,174 | (96,778) | - | (19,604) |
| Closing Insurance Contract Assets | - | - | - | - |
| Net Insurance contract (liabilities)/assets closing balance | 77,174 | (96,778) | - | (19,604) |

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| | TERM | | | |
|--|---|------------------|----------------------------------|------------------|
| | Liability for remaining coverage Excluding loss component | Loss component | Liability for incurred claims | Total |
| | ¥'000 | ¥'000 | ¥'000 | ¥'000 |
| Opening Insurance Contract Liabilities | 55,021 | (155,883) | - | (100,862) |
| Opening Insurance Contract Assets | - | - | - | - |
| Net Insurance contract (liabilities)/assets | | | | |
| opening balance | 55,021 | (155,883) | - | (100,862) |
| Insurance revenue | 178,421 | | | 178,421 |
| Insurance service expenses | (1,602) | (235,365) | (5,367) | (242,334) |
| Incurred claims | | | (1,831) | (1,831) |
| Changes to liabilities for incurred claims | | | 608 | 608 |
| Other directly attributable expenses | | | (4,145) | (4,145) |
| Losses on onerous contracts and reversal of those losses | | (235,365) | | (235,365) |
| Amortisation of insurance acquisition cash flows | (1,602) | | | (1,602) |
| Investment components | | | | |
| Insurance service results from insurance contracts issued | 176,820 | (235,365) | (5,367) | (63,912) |
| Insurance finance expenses | (57,488) | (11,749) | - | (69,237) |
| Foreign Currency Movements | - | - | - | - |
| Total changes in the statement of comprehensive income | 119,331 | (247,114) | (5,367) | (133,150) |
| Cash flows | | | | |
| Premiums received | (7,547) | | | (7,547) |
| Claims and other expenses paid | - | | 5,367 | 5,367 |
| Insurance acquisition cash flows | 1,652 | | | 1,652 |
| Total cash flows | (5,895) | - | 5,367 | (528) |
| Other movements | | | | |
| Net Insurance contract (liabilities)/assets closing balance | 168,457 | (402,997) | - | (234,540) |
| Closing Insurance Contract Liabilities | 168,457 | (402,997) | - | (234,540) |
| Closing Insurance Contract Assets | - | - | - | - |
| Net Insurance contract (liabilities)/assets closing balance | 168,457 | (402,997) | - | (234,540) |

| | ENDOWMENT | | | |
|--|--|-------------------------|------------------------------|--------------------|
| | Asset for remaining coverage Excluding loss recovery component | Loss recovery component | Asset for incurred claims | Total |
| | ¥'000 | ¥'000 | ¥'000 | ¥'000 |
| Opening Insurance Contract Liabilities | (265,763) | (122,430) | - | (388,193) |
| Opening Insurance Contract Assets | - | - | - | - |
| Net Insurance contract (liabilities)/assets | | | | |
| opening balance | (265,763) | (122,430) | - | (388,193) |
| Insurance revenue | 1,478,038 | | | 1,478,038 |
| Insurance service expenses | (569,199) | (108,919) | (338,844) | (1,016,961) |
| Incurred claims | | | (86,400) | (86,400) |
| Changes to liabilities for incurred claims | | | 7,857 | 7,857 |
| Other directly attributable expenses | | | (260,301) | (260,301) |
| Losses on onerous contracts and reversal of those losses | | (108,919) | | (108,919) |
| Amortisation of insurance acquisition cash flows | (569,199) | | | (569,199) |
| Investment components | | | | |
| Insurance service results from insurance contracts issued | 908,839 | (108,919) | (338,844) | 461,076 |
| Insurance finance expenses | 180,869 | (31,849) | - | 149,019 |
| Foreign Currency Movements | - | - | - | - |
| Total changes in the statement of comprehensive income | 1,089,708 | (140,768) | (338,844) | 610,096 |
| Cash flows | | | | |
| Premiums received | (1,561,186) | | | (1,561,186) |
| Claims and other expenses paid | - | | 338,844 | 338,844 |
| Insurance acquisition cash flows | 209,710 | | | 209,710 |
| Total cash flows | (1,351,476) | - | 338,844 | (1,012,632) |
| Other movements | | | | |
| Net Insurance contract (liabilities)/assets closing balance | (527,532) | (263,198) | 0 | (790,729) |
| Closing Insurance Contract Liabilities | (527,532) | (263,198) | - | (790,729) |
| Closing Insurance Contract Assets | - | - | - | - |
| Net Insurance contract (liabilities)/assets closing balance | (527,532) | (263,198) | - | (790,729) |

| | ENDOWMENT | | | |
|--|--|-------------------------|------------------------------|------------------|
| | Asset for remaining coverage Excluding loss recovery component | Loss recovery component | Asset for incurred claims | Total |
| | ¥'000 | ¥'000 | ¥'000 | ¥'000 |
| Opening Insurance Contract Liabilities | (272,012) | (69,579) | - | (341,591) |
| Opening Insurance Contract Assets | - | - | - | - |
| Net Insurance contract (liabilities)/assets | | | | |
| opening balance | (272,012) | (69,579) | - | (341,591) |
| Insurance revenue | 792,422 | | | 792,422 |
| Insurance service expenses | (168,204) | (24,548) | (129,172) | (321,924) |
| Incurred claims | | | (50,373) | (130,024) |
| Changes to liabilities for incurred claims | | | 852 | 852 |
| Other directly attributable expenses | | | (79,651) | (79,651) |
| Losses on onerous contracts and reversal of those losses | | (24,548) | | (24,548) |
| Amortisation of insurance acquisition cash flows | (168,204) | | | (168,204) |
| Investment components | | | | |
| Insurance service results from insurance contracts issued | 624,219 | (24,548) | (129,172) | 470,499 |
| Insurance finance expenses | (223,814) | (28,303) | - | (252,116) |
| Foreign Currency Movements | - | - | - | - |
| Total changes in the statement of comprehensive income | 400,405 | (52,851) | (129,172) | 218,382 |
| Cash flows | | | | |
| Premiums received | (1,244,030) | | | (1,244,030) |
| Claims and other expenses paid | - | | 129,172 | 129,172 |
| Insurance acquisition cash flows | 849,875 | | | 849,875 |
| Total cash flows | (394,156) | - | 129,172 | (264,984) |
| Other movements | | | | |
| Net Insurance contract (liabilities)/assets closing balance | (265,763) | (122,430) | - | (388,193) |
| Closing Insurance Contract Liabilities | (265,763) | (122,430) | - | (388,193) |
| Closing Insurance Contract Assets | - | - | - | - |
| Net Insurance contract (liabilities)/assets closing balance | (265,763) | (122,430) | - | (388,193) |

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| | KEYMAN Liability for remaining coverage Excluding loss component | | Loss component | Liability for incurred claims | Total |
|--|--|----------|----------------|----------------------------------|----------------|
| | N'000 | | N'000 | N'000 | N'000 |
| Opening Insurance Contract Liabilities | (3,318) | - | - | - | (3,318) |
| Opening Insurance Contract Assets | - | - | - | - | - |
| Net insurance contract (liabilities)/assets opening balance | (3,318) | - | - | - | (3,318) |
| Insurance revenue | 8,286 | | | | 8,286 |
| Insurance service expenses | (369) | - | (40) | (40) | (409) |
| Incurred claims | - | - | - | - | - |
| Changes to liabilities for incurred claims | - | - | - | - | - |
| Other directly attributable expenses | - | - | - | (40) | (40) |
| Losses on onerous contracts and reversal of those losses | - | - | - | - | - |
| Amortisation of insurance acquisition cash flows | (369) | - | - | - | (369) |
| Investment components | - | - | - | - | - |
| Insurance service results from insurance contracts issued | 7,917 | - | (40) | (40) | 7,877 |
| Insurance finance expenses | (2,134) | - | - | - | (2,134) |
| Foreign Currency Movements | - | - | - | - | - |
| Total changes in the statement of comprehensive income | 5,782 | - | (40) | (40) | 5,742 |
| Cash flows | | | | | |
| Premiums received | (5,424) | - | - | - | (5,424) |
| Claims and other expenses paid | - | - | - | 40 | 40 |
| Insurance acquisition cash flows | 770 | - | - | - | 770 |
| Total cash flows | (4,654) | - | 40 | (40) | (4,614) |
| Other movements | - | - | - | - | - |
| Net insurance contract (liabilities)/assets closing balance | (2,190) | - | - | - | (2,190) |
| Closing Insurance Contract Liabilities | (2,190) | - | - | - | (2,190) |
| Closing Insurance Contract Assets | - | - | - | - | - |
| Net insurance contract (liabilities)/assets closing balance | (2,190) | - | - | - | (2,190) |

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| | KEYMAN Liability for remaining coverage Excluding loss component | | Loss component | Liability for incurred claims | Total |
|--|--|----------|----------------|----------------------------------|----------------|
| | N'000 | | N'000 | N'000 | N'000 |
| Opening Insurance Contract Liabilities | (2) | - | - | - | (2) |
| Opening Insurance Contract Assets | - | - | - | - | - |
| Net insurance contract (liabilities)/assets opening balance | (2) | - | - | - | (2) |
| Insurance revenue | 86 | | | | 86 |
| Insurance service expenses | - | - | - | - | - |
| Incurred claims | - | - | - | - | - |
| Changes to liabilities for incurred claims | - | - | - | - | - |
| Other directly attributable expenses | - | - | - | - | - |
| Losses on onerous contracts and reversal of those losses | - | - | - | - | - |
| Amortisation of insurance acquisition cash flows | - | - | - | - | - |
| Investment components | - | - | - | - | - |
| Insurance service results from insurance contracts issued | 86 | - | - | - | 86 |
| Insurance finance expenses | (6) | - | - | - | (6) |
| Foreign Currency Movements | - | - | - | - | - |
| Total changes in the statement of comprehensive income | 80 | - | - | - | 80 |
| Cash flows | | | | | |
| Premiums received | (3,568) | - | - | - | (3,568) |
| Claims and other expenses paid | - | - | - | - | - |
| Insurance acquisition cash flows | 171 | - | - | - | 171 |
| Total cash flows | (3,396) | - | - | - | (3,396) |
| Other movements | - | - | - | - | - |
| Net insurance contract (liabilities)/assets closing balance | (3,318) | - | - | - | (3,318) |
| Closing Insurance Contract Liabilities | (3,318) | - | - | - | (3,318) |
| Closing Insurance Contract Assets | - | - | - | - | - |
| Net insurance contract (liabilities)/assets closing balance | (3,318) | - | - | - | (3,318) |

| | WHOLELIFE Liability for remaining coverage Excluding loss component | | Loss component | Liability for incurred claims | Total |
|--|---|--------------|----------------|----------------------------------|----------------|
| | N'000 | | N'000 | N'000 | N'000 |
| Opening Insurance Contract Liabilities | (1,824) | (182) | - | - | (2,005) |
| Opening Insurance Contract Assets | - | - | - | - | - |
| Net insurance contract (liabilities)/assets opening balance | (1,824) | (182) | - | - | (2,005) |
| Insurance revenue | 4,899 | | | | 4,899 |
| Insurance service expenses | (468) | 164 | (58) | (58) | (362) |
| Incurred claims | - | - | - | (0) | (0) |
| Changes to liabilities for incurred claims | - | - | - | 0 | 0 |
| Other directly attributable expenses | - | - | - | (58) | (58) |
| Losses on onerous contracts and reversal of those losses | - | 164.06 | - | - | 164 |
| Amortisation of insurance acquisition cash flows | (468) | - | - | - | (468) |
| Investment components | - | - | - | - | - |
| Insurance service results from insurance contracts issued | 4,432 | 164 | (58) | (58) | 4,538 |
| Insurance finance expenses | (1,948) | 17 | - | - | (1,931) |
| Foreign Currency Movements | - | - | - | - | - |
| Total changes in the statement of comprehensive income | 2,483 | 182 | (58) | (58) | 2,607 |
| Cash flows | | | | | |
| Premiums received | (4,464) | - | - | - | (4,464) |
| Claims and other expenses paid | - | - | - | 58 | 58 |
| Insurance acquisition cash flows | 732 | - | - | - | 732 |
| Total cash flows | (3,732) | - | 58 | (58) | (3,674) |
| Other movements | - | - | - | - | - |
| Net insurance contract (liabilities)/assets closing balance | (3,072) | 0 | (0) | (0) | (3,072) |
| Closing Insurance Contract Liabilities | (3,072) | 0 | - | - | (3,072) |
| Closing Insurance Contract Assets | - | - | - | - | - |
| Net insurance contract (liabilities)/assets closing balance | (3,072) | 0 | - | - | (3,072) |

| | WHOLELIFE Liability for remaining coverage Excluding loss component | | Loss component | Liability for incurred claims | Total |
|--|---|--------------|----------------|----------------------------------|----------------|
| | N'000 | | N'000 | N'000 | N'000 |
| Opening Insurance Contract Liabilities | (833) | (133) | - | - | (966) |
| Opening Insurance Contract Assets | - | - | - | - | - |
| Net insurance contract (liabilities)/assets opening balance | (833) | (133) | - | - | (966) |
| Insurance revenue | 249 | | | | 249 |
| Insurance service expenses | (1) | (3) | - | - | (4) |
| Incurred claims | - | - | - | - | - |
| Changes to liabilities for incurred claims | - | - | - | - | - |
| Other directly attributable expenses | - | - | - | - | - |
| Losses on onerous contracts and reversal of those losses | - | (3) | - | - | (3) |
| Amortisation of insurance acquisition cash flows | (1) | - | - | - | (1) |
| Investment components | - | - | - | - | - |
| Insurance service results from insurance contracts issued | 248 | (3) | - | - | 246 |
| Insurance finance expenses | 180 | (45) | - | - | 135 |
| Foreign Currency Movements | - | - | - | - | - |
| Total changes in the statement of comprehensive income | 429 | (48) | - | - | 380 |
| Cash flows | | | | | |
| Premiums received | (1,491) | - | - | - | (1,491) |
| Claims and other expenses paid | - | - | - | - | - |
| Insurance acquisition cash flows | 71 | - | - | - | 71 |
| Total cash flows | (1,419) | - | - | - | (1,419) |
| Other movements | - | - | - | - | - |
| Net insurance contract (liabilities)/assets closing balance | (1,824) | (182) | - | - | (2,005) |
| Closing Insurance Contract Liabilities | (1,824) | (182) | - | - | (2,005) |
| Closing Insurance Contract Assets | - | - | - | - | - |
| Net insurance contract (liabilities)/assets closing balance | (1,824) | (182) | - | - | (2,005) |

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| | ANNUITY | | | |
|---|----------------------------------|--------------------|-------------------------------|---------------------|
| | Liability for remaining coverage | | Liability for incurred claims | Total |
| | Excluding loss component | Loss component | | |
| | N'000 | N'000 | N'000 | N'000 |
| Opening Insurance Contract Liabilities | (11,496,115) | (3,195,326) | - | (14,691,440) |
| Opening Insurance Contract Assets | - | - | - | - |
| Net insurance contract (liabilities)/assets | | | | |
| opening balance | (11,496,115) | (3,195,326) | - | (14,691,440) |
| Insurance revenue | 4,051,829 | | | 4,051,829 |
| Insurance service expenses | (96,182) | 459,640 | (4,007,893) | (3,644,435) |
| Included claims | | | (3,914,610) | (3,914,610) |
| Changes to liabilities for incurred claims | | | 37,617 | 37,617 |
| Other directly attributable expenses | | | (130,900) | (130,900) |
| Losses on onerous contracts and reversal of those losses | | 459,640 | | 459,640 |
| Amortisation of insurance acquisition cash flows | (96,182) | | | (96,182) |
| Investment components excluded from insurance revenue and insurance service | - | - | - | - |
| Insurance service results from insurance contracts issued | 3,955,647 | 459,640 | (4,007,893) | 407,394 |
| Insurance finance expenses | (1,072,703) | (332,882) | - | (1,405,586) |
| Foreign Currency Movements | - | - | - | - |
| Total changes in the statement of comprehensive income | 2,882,944 | 126,758 | (4,007,893) | (998,191) |
| Cash flows | | | | |
| Premiums received | (20,409,015) | | | (20,409,015) |
| Claims and other expenses paid | - | | 4,007,893 | 4,007,893 |
| Insurance acquisition cash flows | 1,173,211 | | | 1,173,211 |
| Total cash flows | (19,235,804) | - | 4,007,893 | (15,227,911) |
| Other movements | - | - | - | - |
| Net insurance contract (liabilities)/assets | | | | |
| closing balance | (27,848,975) | (3,068,568) | - | (30,917,543) |
| Closing Insurance Contract Liabilities | (27,848,975) | (3,068,568) | - | (30,917,543) |
| Closing Insurance Contract Assets | - | - | - | - |
| Net insurance contract (liabilities)/assets | | | | |
| closing balance | (27,848,975) | (3,068,568) | - | (30,917,543) |

| | TRIPLEPAY | | | |
|--|----------------------------------|------------------|-------------------------------|--------------------|
| | Liability for remaining coverage | | Liability for incurred claims | Total |
| | Excluding loss component | Loss component | | |
| | N'000 | N'000 | N'000 | N'000 |
| Opening Insurance Contract Liabilities | (5,518,964) | (23,822) | - | (5,542,785) |
| Opening Insurance Contract Assets | - | - | - | - |
| Net insurance contract (liabilities)/assets | | | | |
| opening balance | (5,518,964) | (23,822) | - | (5,542,785) |
| Insurance revenue | 7,171,156 | | | 7,171,156 |
| Insurance service expenses | (909,045) | (251,354) | (1,196,691) | (2,357,090) |
| Included claims | | | (849,914) | (849,914) |
| Changes to liabilities for incurred claims | | | 10,485 | 10,485 |
| Other directly attributable expenses | | | (357,262) | (357,262) |
| Losses on onerous contracts and reversal of those losses | | (251,354) | | (251,354) |
| Amortisation of insurance acquisition cash flows | (909,045) | | | (909,045) |
| Investment components | - | - | - | - |
| Insurance service results from insurance contracts issued | 6,262,111 | (251,354) | (1,196,691) | 4,814,066 |
| Insurance finance expenses | 340,887 | 3,360 | - | 344,247 |
| Foreign Currency Movements | - | - | - | - |
| Total changes in the statement of comprehensive income | 6,602,998 | (247,994) | (1,196,691) | 5,158,313 |
| Cash flows | | | | |
| Premiums received | (8,655,351) | | | (8,655,351) |
| Claims and other expenses paid | - | | 1,196,691 | 1,196,691 |
| Insurance acquisition cash flows | 1,424,899 | | | 1,424,899 |
| Total cash flows | (7,230,452) | - | 1,196,691 | (6,033,761) |
| Other movements | - | - | - | - |
| Net insurance contract (liabilities)/assets | | | | |
| closing balance | (6,146,418) | (271,815) | - | (6,418,233) |
| Closing Insurance Contract Liabilities | (6,146,418) | (271,815) | - | (6,418,233) |
| Closing Insurance Contract Assets | - | - | - | - |
| Net insurance contract (liabilities)/assets | | | | |
| closing balance | (6,146,418) | (271,815) | - | (6,418,233) |

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| | ANNUITY | | | |
|---|----------------------------------|--------------------|-------------------------------|---------------------|
| | Liability for remaining coverage | | Liability for incurred claims | Total |
| | Excluding loss component | Loss component | | |
| | N'000 | N'000 | N'000 | N'000 |
| Opening Insurance Contract Liabilities | (5,434,959) | (1,236,403) | - | (6,671,362) |
| Opening Insurance Contract Assets | - | - | - | - |
| Net insurance contract (liabilities)/assets | | | | |
| opening balance | (5,434,959) | (1,236,403) | - | (6,671,362) |
| Insurance revenue | 1,834,648 | | | 1,834,648 |
| Insurance service expenses | (65,129) | (2,099,807) | (1,598,839) | (3,763,774) |
| Included claims | | | (1,580,869) | (1,580,869) |
| Changes to liabilities for incurred claims | | | 1,514 | 1,514 |
| Other directly attributable expenses | | | (19,484) | (19,484) |
| Losses on onerous contracts and reversal of those losses | | (2,099,807) | | (2,099,807) |
| Amortisation of insurance acquisition cash flows | (65,129) | | | (65,129) |
| Investment components excluded from insurance revenue and insurance service | 81,710 | - | (81,710) | - |
| Insurance service results from insurance contracts issued | 1,851,230 | (2,099,807) | (1,680,549) | (1,929,126) |
| Insurance finance expenses | 1,414,527 | 140,884 | - | 1,555,412 |
| Foreign Currency Movements | - | - | - | - |
| Total changes in the statement of comprehensive income | 3,265,757 | (1,958,922) | (1,680,549) | (373,714) |
| Cash flows | | | | |
| Premiums received | (10,439,064) | | | (10,439,064) |
| Claims and other expenses paid | - | | 1,680,549 | 1,680,549 |
| Insurance acquisition cash flows | 1,112,151 | | | 1,112,151 |
| Total cash flows | (9,326,912) | - | 1,680,549 | (7,646,364) |
| Other movements | - | - | - | - |
| Net insurance contract (liabilities)/assets | | | | |
| closing balance | (11,496,115) | (3,195,326) | - | (14,691,440) |
| Closing Insurance Contract Liabilities | (11,496,115) | (3,195,326) | - | (14,691,440) |
| Closing Insurance Contract Assets | - | - | - | - |
| Net insurance contract (liabilities)/assets | | | | |
| closing balance | (11,496,115) | (3,195,326) | - | (14,691,440) |

| | TRIPLEPAY | | | |
|--|----------------------------------|------------------|-------------------------------|--------------------|
| | Liability for remaining coverage | | Liability for incurred claims | Total |
| | Excluding loss component | Loss component | | |
| | N'000 | N'000 | N'000 | N'000 |
| Opening Insurance Contract Liabilities | (1,555,462) | (194,780) | - | (1,750,242) |
| Opening Insurance Contract Assets | - | - | - | - |
| Net insurance contract (liabilities)/assets | | | | |
| opening balance | (1,555,462) | (194,780) | - | (1,750,242) |
| Insurance revenue | 2,249,197 | | | 2,249,197 |
| Insurance service expenses | (117,803) | 290,906 | (443,601) | (270,498) |
| Included claims | | | (261,779) | (261,779) |
| Changes to liabilities for incurred claims | | | 4,031 | 4,031 |
| Other directly attributable expenses | | | (185,853) | (185,853) |
| Losses on onerous contracts and reversal of those losses | | 290,906 | | 290,906 |
| Amortisation of insurance acquisition cash flows | (117,803) | | | (117,803) |
| Investment components | - | - | - | - |
| Insurance service results from insurance contracts issued | 2,131,394 | 290,906 | (443,601) | 1,978,699 |
| Insurance finance expenses | (624,342) | (119,947) | - | (744,290) |
| Foreign Currency Movements | - | - | - | - |
| Total changes in the statement of comprehensive income | 1,507,051 | 170,959 | (443,601) | 1,234,409 |
| Cash flows | | | | |
| Premiums received | (5,829,794) | | | (5,829,794) |
| Claims and other expenses paid | - | | 443,601 | 443,601 |
| Insurance acquisition cash flows | 359,241 | | | 359,241 |
| Total cash flows | (5,470,553) | - | 443,601 | (5,026,952) |
| Other movements | - | - | - | - |
| Net insurance contract (liabilities)/assets | | | | |
| closing balance | (5,518,964) | (23,822) | - | (5,542,785) |
| Closing Insurance Contract Liabilities | (5,518,964) | (23,822) | - | (5,542,785) |
| Closing Insurance Contract Assets | - | - | - | - |
| Net insurance contract (liabilities)/assets | | | | |
| closing balance | (5,518,964) | (23,822) | - | (5,542,785) |

| | MORTGAGE | | | | | MORTGAGE | | | |
|--|----------------------------------|----------------|-------------------------------|--------------|--|----------------------------------|----------------|-------------------------------|------------|
| | Liability for remaining coverage | | Liability for incurred claims | Total | | Liability for remaining coverage | | Liability for incurred claims | Total |
| | Excluding loss component | Loss component | | | | Excluding loss component | Loss component | | |
| | N'000 | N'000 | N'000 | N'000 | | N'000 | N'000 | N'000 | N'000 |
| Opening Insurance Contract Liabilities | 1 | (2) | - | (1) | | - | - | - | - |
| Opening Insurance Contract Assets | - | - | - | - | | - | - | - | - |
| Net insurance contract (liabilities)/assets o | 1 | (2) | - | (1) | | - | - | - | - |
| Insurance revenue | 58 | | | 58 | | 3 | | | 3 |
| Insurance service expenses | (2) | (267) | (16) | (284) | | - | (2) | - | (2) |
| Incurred claims | | | | - | | | | | - |
| Changes to liabilities for incurred claims | | | 0 | 0 | | | | - | - |
| Other directly attributable expenses | | | (16) | (16) | | | | - | - |
| Losses on onerous contracts and reversal of those losses | | (267) | | (267) | | | (1.77) | | (2) |
| Amortisation of insurance acquisition cash flows | (2) | | | (2) | | - | | | - |
| Investment components | - | - | - | - | | - | - | - | - |
| Insurance service results from insurance contracts issued | 56 | (267) | (16) | (226) | | 3 | (2) | - | 1 |
| Insurance finance expenses | (37) | (22) | - | (59) | | (1) | - | - | (1) |
| Foreign Currency Movements | - | - | - | - | | - | - | - | - |
| Total changes in the statement of compreh | 20 | (289) | (16) | (286) | | 2 | (2) | - | 0 |
| Cash flows | | | | | | | | | |
| Premiums received | (253) | | | (253) | | (1) | | | (1) |
| Claims and other expenses paid | - | | 16 | 16 | | - | | - | - |
| Insurance acquisition cash flows | 36 | | | 36 | | - | | | - |
| Total cash flows | (217) | - | 16 | (201) | | (1) | - | - | (1) |
| Other movements | - | - | - | - | | - | - | - | - |
| Net insurance contract (liabilities)/assets c | (196) | (291) | - | (488) | | 1 | (2) | - | (1) |
| Closing Insurance Contract Liabilities | (196) | (291) | - | (488) | | 1 | (2) | - | (1) |
| Closing Insurance Contract Assets | - | - | - | - | | - | - | - | - |
| Net insurance contract (liabilities)/assets c | (196) | (291) | - | (488) | | 1 | (2) | - | (1) |

18.4 **Reconciliation of the measurement components of insurance contract liabilities - Entity Level**

The following tables shows the reconciliation of the measurement component of the insurance contract liabilities at an Aggregate Level. This disclosure is specific to the Portfolios measured under GMM. It includes Term Assurance, Keyman Protection, Whole Life, Annuity and Triple Pay Portfolios.

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| | Estimates of present value of future cashflows N'000 | Risk adjustment for non-financial risk N'000 | Contractual service margin N'000 | Total N'000 |
|---|---|---|--|---------------------|
| Opening Insurance Contract Liabilities | (14,242,302) | (450,854) | (6,169,127) | (20,862,283) |
| Opening Insurance Contract Assets | - | - | - | - |
| Net life insurance contract (liabilities)/assets opening balance | (14,242,302) | (450,854) | (6,169,127) | (20,862,283) |
| Changes that relate to current service | - | - | - | - |
| Contractual service margin recognised for services provided | - | - | 4,549,433 | 4,549,433 |
| Risk adjustment recognized for the risk expired | - | 214,193 | - | 214,193 |
| Experience adjustments | 1,697,486 | - | - | 1,697,486 |
| | 1,697,486 | 214,193 | 4,549,433 | 6,461,112 |
| Changes that relate to future service | - | - | - | - |
| Contracts initially recognised in the period | 3,662,769 | (564,734) | (3,973,942) | (875,907) |
| Changes in estimates that adjust the contractual service margin | (1,969,583) | 59,961 | 1,909,622 | - |
| Changes in estimates that do not adjust the contractual service margin | 166,986 | 143,273 | - | 310,259 |
| | 1,860,171 | (361,500) | (2,064,319) | (565,648) |
| Changes that relate to past service | - | - | - | - |
| Adjustments to liabilities for incurred claims | 61,620 | - | - | 61,620 |
| Insurance Service Result | 3,619,278 | (147,307) | 2,485,114 | 5,957,084 |
| Insurance finance expenses | 773,010 | (119,426) | (1,590,360) | (936,775) |
| Foreign Currency Movements | - | - | - | - |
| Total changes in the statement of comprehensive income | 4,392,289 | (266,733) | 894,753 | 5,020,309 |
| Cash flows | - | - | - | - |
| Premiums received | (30,696,610) | - | - | (30,696,610) |
| Claims and other expenses paid | 5,577,017 | - | - | 5,577,017 |
| Insurance acquisition cash flows | 2,809,708 | - | - | 2,809,708 |
| Total cash flows | (22,309,885) | - | - | (22,309,885) |
| Net life insurance contract (liabilities)/assets closing balance | (32,159,898) | (717,587) | (5,274,374) | (38,151,859) |
| Closing Insurance Contract Liabilities | (32,159,898) | (717,587) | (5,274,374) | (38,151,859) |
| Closing Insurance Contract Assets | - | - | - | - |
| Net life insurance contract (liabilities)/assets closing balance | (32,159,898) | (717,587) | (5,274,374) | (38,151,859) |

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| | Estimates of present value of future cashflows N'000 | Risk adjustment for non-financial risk N'000 | Contractual service margin N'000 | Total N'000 |
|---|---|---|--|---------------------|
| Opening Insurance Contract Liabilities | (7,730,811) | (554,067) | (580,149) | (8,865,026) |
| Opening Insurance Contract Assets | - | - | - | - |
| Net life insurance contract (liabilities)/assets opening balance | (7,730,811) | (554,067) | (580,149) | (8,865,026) |
| Changes that relate to current service | - | - | - | - |
| Contractual service margin recognised for services provided | - | - | 1,223,242 | 1,223,242 |
| Risk adjustment recognized for the risk expired | - | 298,661 | - | 298,661 |
| Experience adjustments | 1,250,151 | - | - | 1,250,151 |
| | 1,250,151 | 298,661 | 1,223,242 | 2,772,054 |
| Changes that relate to future service | - | - | - | - |
| Contracts initially recognised in the period | 2,611,444 | (1,209,238) | (4,516,203) | (3,113,997) |
| Changes in estimates that adjust the contractual service margin | 1,150,910 | 696,690 | (1,847,600) | (0) |
| Changes in estimates that do not adjust the contractual service margin | 320,720 | 470,709 | - | 791,429 |
| | 4,083,073 | (41,839) | (6,363,803) | (2,322,569) |
| Changes that relate to past service | - | - | - | - |
| Adjustments to liabilities for incurred claims | 7,006 | - | - | 7,006 |
| Insurance Service Result | 5,340,230 | 256,822 | (5,140,562) | 456,491 |
| Insurance finance expenses | 1,091,923 | (153,608) | (448,417) | 489,897 |
| Foreign Currency Movements | - | - | - | - |
| Total changes in the statement of comprehensive income | 6,432,153 | 103,213 | (5,588,979) | 946,388 |
| Cash flows | - | - | - | - |
| Premiums received | (17,525,494) | - | - | (17,525,494) |
| Claims and other expenses paid | 2,258,689 | - | - | 2,258,689 |
| Insurance acquisition cash flows | 2,323,161 | - | - | 2,323,161 |
| Total cash flows | (12,943,643) | - | - | (12,943,643) |
| Net life insurance contract (liabilities)/assets closing balance | (14,242,301) | (450,854) | (6,169,127) | (20,862,282) |
| Closing Insurance Contract Liabilities | (14,242,301) | (450,854) | (6,169,127) | (20,862,282) |
| Closing Insurance Contract Assets | - | - | - | - |
| Net life insurance contract (liabilities)/assets closing balance | (14,242,301) | (450,854) | (6,169,127) | (20,862,282) |

18.4.1 Reconciliation of the measurement components of insurance contract liabilities - GMM - Per Portfolio

The following tables shows the reconciliation of the measurement component of the insurance contract liabilities per Portfolio. This disclosure is specific to the Portfolios measured

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| | Estimates of present value of future cashflows | TERM Risk adjustment for non-financial risk | Contractual service margin | Total |
|---|--|---|----------------------------------|------------------|
| | N'000 | N'000 | N'000 | N'000 |
| Opening Insurance Contract Liabilities | (179,100) | (55,440) | - | (234,540) |
| Opening Insurance Contract Assets | - | - | - | - |
| Net life insurance contract (liabilities)/assets opening balance | (179,100) | (55,440) | - | (234,540) |
| Changes that relate to current service | | | | |
| Contractual service margin recognised for services provided | | 65,892 | 102 | 65,892 |
| Risk adjustment recognized for the risk expired | 108,436 | | | 108,436 |
| Experience adjustments | 108,436 | 65,892 | 102 | 174,430 |
| Changes that relate to future service | | | | |
| Contracts initially recognised in the period | (166,707) | (55,720) | (963) | (223,389) |
| Changes in estimates that adjust the contractual service margin | 20.09 | 358 | (378) | (0) |
| Changes in estimates that do not adjust the contractual service margin | 252,986 | 52,671 | | 305,657 |
| | 86,299 | (2,690) | (1,341) | 82,268 |
| Changes that relate to past service | | | | |
| Adjustments to liabilities for incurred claims | 5,661 | - | | 5,661 |
| Insurance Service Result | 200,396 | 63,201 | (1,239) | 262,359 |
| Insurance finance expenses | (7,147) | (13,071) | (113) | (20,332) |
| Foreign Currency Movements | - | - | - | - |
| Total changes in the statement of comprehensive income | 193,249 | 50,130 | (1,352) | 242,027 |
| Cash flows | | | | |
| Premiums received | (60,917) | | | (60,917) |
| Claims and other expenses paid | 33,476 | | | 33,476 |
| Insurance acquisition cash flows | 350 | | | 350 |
| Total cash flows | (27,091) | - | - | (27,091) |
| Net life insurance contract (liabilities)/assets closing balance | (12,943) | (5,310) | (1,352) | (19,604) |
| Closing Insurance Contract Liabilities | (12,943) | (5,310) | (1,352) | (19,604) |
| Closing Insurance Contract Assets | - | - | - | - |
| Net life insurance contract (liabilities)/assets closing balance | (12,943) | (5,310) | (1,352) | (19,604) |

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| | Estimates of present value of future cashflows | TERM Risk adjustment for non-financial risk | Contractual service margin | Total |
|---|--|--|----------------------------------|------------------|
| | N'000 | N'000 | N'000 | N'000 |
| Opening Insurance Contract Liabilities | (76,565) | (24,297) | - | (100,862) |
| Opening Insurance Contract Assets | - | - | - | - |
| Net life insurance contract (liabilities)/assets opening balance | (76,565) | (24,297) | - | (100,862) |
| Changes that relate to current service | | | | |
| Contractual service margin recognised for services provided | | 101,395 | - | 101,395 |
| Risk adjustment recognized for the risk expired | 166,489 | | | 166,489 |
| Experience adjustments | 166,489 | 101,395 | - | 267,884 |
| Changes that relate to future service | | | | |
| Contracts initially recognised in the period | (587,194) | (174,431) | (436) | (762,061) |
| Changes in estimates that adjust the contractual service margin | (474) | - | 474 | (0) |
| Changes in estimates that do not adjust the contractual service margin | 370,451 | 59,205 | | 429,656 |
| | (217,217) | (115,226) | 38 | (332,405) |
| Changes that relate to past service | | | | |
| Adjustments to liabilities for incurred claims | 608 | - | | 608 |
| Insurance Service Result | (50,119) | (13,831) | 38 | (63,912) |
| Insurance finance expenses | (51,887) | (17,312) | (38) | (69,237) |
| Foreign Currency Movements | - | - | - | - |
| Total changes in the statement of comprehensive income | (102,007) | (31,143) | (0) | (133,150) |
| Cash flows | | | | |
| Premiums received | (7,547) | | | (7,547) |
| Claims and other expenses paid | 5,367 | | | 5,367 |
| Insurance acquisition cash flows | 1,652 | | | 1,652 |
| Total cash flows | (528) | - | - | (528) |
| Net life insurance contract (liabilities)/assets closing balance | (179,100) | (55,440) | (0) | (234,540) |
| Closing Insurance Contract Liabilities | (179,100) | (55,440) | - | (234,540) |
| Closing Insurance Contract Assets | - | - | - | - |
| Net life insurance contract (liabilities)/assets closing balance | (179,100) | (55,440) | - | (234,540) |

| | Estimates of present value of future cashflows | ENDOWMENT Risk adjustment for non-financial risk | Contractual service margin | Total |
|---|--|--|----------------------------------|--------------------|
| | N'000 | N'000 | N'000 | N'000 |
| Opening Insurance Contract Liabilities | 240,397 | (64,413) | (564,178) | (388,193) |
| Opening Insurance Contract Assets | - | - | - | - |
| Net life insurance contract (liabilities)/assets opening balance | 240,397 | (64,413) | (564,178) | (388,193) |
| Changes that relate to current service | | | | |
| Contractual service margin recognised for services provided | | | 550,057 | 550,057 |
| Risk adjustment recognized for the risk expired | | 127,777 | | 127,777 |
| Experience adjustments | 299,923 | | | 299,923 |
| | 299,923 | 127,777 | 550,057 | 977,758 |
| Changes that relate to future service | | | | |
| Contracts initially recognised in the period | 779,947 | (126,345) | (735,467) | (81,865) |
| Changes in estimates that adjust the contractual service margin | (602,008.44) | 39,698 | 562,310 | - |
| Changes in estimates that do not adjust the contractual service margin | (454,733) | 12,061 | | (442,673) |
| | (276,794) | (74,586) | (173,157) | (524,538) |
| Changes that relate to past service | | | | |
| Adjustments to liabilities for incurred claims | 7,857 | - | | 7,857 |
| Net income or expense from insurance contracts held | 30,985 | 53,191 | 376,900 | 461,076 |
| Insurance finance expenses | 381,010 | (22,432) | (209,559) | 149,019 |
| Foreign Currency Movements | - | - | - | - |
| Total changes in the statement of comprehensive income | 411,995 | 30,759 | 167,341 | 610,096 |
| Cash flows | | | | |
| Premiums received | (1,561,186) | | | (1,561,186) |
| Claims and other expenses paid | 338,844 | | | 338,844 |
| Insurance acquisition cash flows | 209,710 | | | 209,710 |
| Total cash flows | (1,012,632) | - | - | (1,012,632) |
| Net life insurance contract (liabilities)/assets closing balance | (360,240) | (33,653) | (396,836) | (790,729) |
| Closing Insurance Contract Liabilities | (360,240) | (33,653) | (396,836) | (790,729) |
| Closing Insurance Contract Assets | - | - | - | - |
| Net life insurance contract (liabilities)/assets closing balance | (360,240) | (33,653) | (396,836) | (790,729) |

| | Estimates of present value of future cashflows | ENDOWMENT Risk adjustment for non-financial risk | Contractual service margin | Total |
|---|--|---|----------------------------------|------------------|
| | N'000 | N'000 | N'000 | N'000 |
| Opening Insurance Contract Liabilities | (37,268) | (79,464) | (224,859) | (341,591) |
| Opening Insurance Contract Assets | - | - | - | - |
| Net life insurance contract (liabilities)/assets opening balance | (37,268) | (79,464) | (224,859) | (341,591) |
| Changes that relate to current service | | | | |
| Contractual service margin recognised for services provided | | | 276,736 | 276,736 |
| Risk adjustment recognized for the risk expired | | 50,651 | | 50,651 |
| Experience adjustments | 193,188 | | | 193,188 |
| | 193,188 | 50,651 | 276,736 | 520,575 |
| Changes that relate to future service | | | | |
| Contracts initially recognised in the period | 4,376 | (200,157) | (306,642) | (502,423) |
| Changes in estimates that adjust the contractual service margin | 85,054 | 176,236 | (261,289) | - |
| Changes in estimates that do not adjust the contractual service margin | 438,814 | 12,681 | | 451,495 |
| | 528,243 | (11,240) | (567,931) | (50,928) |
| Changes that relate to past service | | | | |
| Adjustments to liabilities for incurred claims | 852 | - | | 852 |
| Net income or expense from insurance contracts held | 722,283 | 39,411 | (291,195) | 470,499 |
| Insurance finance expenses | (179,634) | (24,359) | (48,123) | (252,116) |
| Foreign Currency Movements | - | - | - | - |
| Total changes in the statement of comprehensive income | 542,649 | 15,052 | (339,319) | 218,382 |
| Cash flows | | | | |
| Premiums received | (1,244,030) | | | (1,244,030) |
| Claims and other expenses paid | 129,172 | | | 129,172 |
| Insurance acquisition cash flows | 849,875 | | | 849,875 |
| Total cash flows | (264,984) | - | - | (264,984) |
| Net life insurance contract (liabilities)/assets closing balance | 240,397 | (64,413) | (564,178) | (388,193) |
| Closing Insurance Contract Liabilities | 240,397 | (64,413) | (564,178) | (388,193) |
| Closing Insurance Contract Assets | - | - | - | - |
| Net life insurance contract (liabilities)/assets closing balance | 240,397 | (64,413) | (564,178) | (388,193) |

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| | Estimates of present value of future cashflows N'000 | KEYMAN Risk adjustment for non-financial risk N'000 | Contractual service margin N'000 | Total N'000 |
|---|---|--|---|----------------|
| Opening Insurance Contract Liabilities | 2,889 | (78) | (6,129) | (3,318) |
| Opening Insurance Contract Assets | - | - | - | - |
| Net life insurance contract (liabilities)/assets opening balance | 2,889 | (78) | (6,129) | (3,318) |
| Changes that relate to current service | | | | |
| Contractual service margin recognised for services provided | | | 5,394 | 5,394 |
| Risk adjustment recognized for the risk expired | | 98 | | 98 |
| Experience adjustments | 2,384 | | | 2,384 |
| | 2,384 | 98 | 5,394 | 7,877 |
| Changes that relate to future service | | | | |
| Contracts initially recognised in the period | 12,307 | (389) | (11,918) | - |
| Changes in estimates that adjust the contractual service margin | (5,865.40) | 139 | 5,726 | - |
| Changes in estimates that do not adjust the contractual service margin | - | - | - | - |
| | 6,442 | (250) | (6,192) | - |
| Changes that relate to past service | | | | |
| Adjustments to liabilities for incurred claims | - | - | - | - |
| Net income or expense from insurance contracts held | 8,826 | (152) | (798) | 7,877 |
| Insurance finance expenses | 347 | (55) | (2,426) | (2,134) |
| Foreign Currency Movements | - | - | - | - |
| Total changes in the statement of comprehensive income | 9,173 | (207) | (3,224) | 5,742 |
| Cash flows | | | | |
| Premiums received | (5,424) | | | (5,424) |
| Claims and other expenses paid | 40 | | | 40 |
| Insurance acquisition cash flows | 770 | | | 770 |
| Total cash flows | (4,614) | - | - | (4,614) |
| Net life insurance contract (liabilities)/assets closing balance | 7,448 | (285) | (9,353) | (2,190) |
| Closing Insurance Contract Liabilities | 7,448 | (285) | (9,353) | (2,190) |
| Closing Insurance Contract Assets | - | - | - | - |
| Net life insurance contract (liabilities)/assets closing balance | 7,448 | (285) | (9,353) | (2,190) |

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| | Estimates of present value of future cashflows N'000 | KEYMAN Risk adjustment for non-financial risk N'000 | Contractual service margin N'000 | Total N'000 |
|---|---|--|---|----------------|
| Opening Insurance Contract Liabilities | (1) | (1) | (0) | (2) |
| Opening Insurance Contract Assets | - | - | - | - |
| Net life insurance contract (liabilities)/assets opening balance | (1) | (1) | (0) | (2) |
| Changes that relate to current service | | | | |
| Contractual service margin recognised for services provided | | | 44 | 44 |
| Risk adjustment recognized for the risk expired | | 10 | | 10 |
| Experience adjustments | 32 | | | 32 |
| | 32 | 10 | 44 | 86 |
| Changes that relate to future service | | | | |
| Contracts initially recognised in the period | 2,824 | (57) | (2,767) | - |
| Changes in estimates that adjust the contractual service margin | 3,190 | (25) | (3,165) | - |
| Changes in estimates that do not adjust the contractual service margin | - | - | - | - |
| | 6,015 | (82) | (5,932) | - |
| Changes that relate to past service | | | | |
| Adjustments to liabilities for incurred claims | - | - | - | - |
| Net income or expense from insurance contracts held | 6,046 | (72) | (5,888) | 86 |
| Insurance finance expenses | 240 | (5) | (241) | (6) |
| Foreign Currency Movements | - | - | - | - |
| Total changes in the statement of comprehensive income | 6,286 | (77) | (6,129) | 80 |
| Cash flows | | | | |
| Premiums received | (3,568) | | | (3,568) |
| Claims and other expenses paid | - | | | - |
| Insurance acquisition cash flows | 171 | | | 171 |
| Total cash flows | (3,396) | - | - | (3,396) |
| Net life insurance contract (liabilities)/assets closing balance | 2,889 | (78) | (6,129) | (3,318) |
| Closing Insurance Contract Liabilities | 2,889 | (78) | (6,129) | (3,318) |
| Closing Insurance Contract Assets | - | - | - | - |
| Net life insurance contract (liabilities)/assets closing balance | 2,889 | (78) | (6,129) | (3,318) |

| | Estimates of present value of future cashflows N'000 | WHOLELIFE Risk adjustment for non-financial risk N'000 | Contractual service margin N'000 | Total N'000 |
|---|---|---|---|----------------|
| Opening Insurance Contract Liabilities | 2,458 | (368) | (4,096) | (2,005) |
| Opening Insurance Contract Assets | - | - | - | - |
| Net life insurance contract (liabilities)/assets opening balance | 2,458 | (368) | (4,096) | (2,005) |
| Changes that relate to current service | | | | |
| Contractual service margin recognised for services provided | | | 4,334 | 4,334 |
| Risk adjustment recognized for the risk expired | | 115 | | 115 |
| Experience adjustments | 393 | | | 393 |
| | 393 | 115 | 4,334 | 4,842 |
| Changes that relate to future service | | | | |
| Contracts initially recognised in the period | 4,481 | (577) | (3,915) | (10) |
| Changes in estimates that adjust the contractual service margin | (1,540.55) | 478 | 1,062 | - |
| Changes in estimates that do not adjust the contractual service margin | (298) | 4 | | (294) |
| | 2,643 | (94) | (2,853) | (304) |
| Changes that relate to past service | | | | |
| Adjustments to liabilities for incurred claims | 0 | - | - | 0 |
| Net income or expense from insurance contracts held | 3,035 | 21 | 1,482 | 4,538 |
| Insurance finance expenses | (499) | (111) | (1,321) | (1,931) |
| Foreign Currency Movements | - | - | - | - |
| Total changes in the statement of comprehensive income | 2,536 | (90) | 161 | 2,607 |
| Cash flows | | | | |
| Premiums received | (4,464) | | | (4,464) |
| Claims and other expenses paid | 58 | | | 58 |
| Insurance acquisition cash flows | 732 | | | 732 |
| Total cash flows | (3,674) | - | - | (3,674) |
| Net life insurance contract (liabilities)/assets closing balance | 1,321 | (458) | (3,935) | (3,072) |
| Closing Insurance Contract Liabilities | 1,321 | (458) | (3,935) | (3,072) |
| Closing Insurance Contract Assets | - | - | - | - |
| Net life insurance contract (liabilities)/assets closing balance | 1,321 | (458) | (3,935) | (3,072) |

| | Estimates of present value of future cashflows N'000 | WHOLELIFE Risk adjustment for non-financial risk N'000 | Contractual service margin N'000 | Total N'000 |
|---|---|---|---|----------------|
| Opening Insurance Contract Liabilities | 578 | (174) | (1,370) | (966) |
| Opening Insurance Contract Assets | - | - | - | - |
| Net life insurance contract (liabilities)/assets opening balance | 578 | (174) | (1,370) | (966) |
| Changes that relate to current service | | | | |
| Contractual service margin recognised for services provided | | | 16 | 16 |
| Risk adjustment recognized for the risk expired | | 48 | | 48 |
| Experience adjustments | 185 | | | 185 |
| | 185 | 48 | 16 | 249 |
| Changes that relate to future service | | | | |
| Contracts initially recognised in the period | 1,996 | (248) | (1,748) | - |
| Changes in estimates that adjust the contractual service margin | 670 | 43 | (713) | - |
| Changes in estimates that do not adjust the contractual service margin | (4) | 0 | | (4) |
| | 2,662 | (205) | (2,461) | (4) |
| Changes that relate to past service | | | | |
| Adjustments to liabilities for incurred claims | - | - | - | - |
| Net income or expense from insurance contracts held | 2,847 | (156) | (2,445) | 246 |
| Insurance finance expenses | 452 | (37) | (281) | 135 |
| Foreign Currency Movements | - | - | - | - |
| Total changes in the statement of comprehensive income | 3,299 | (193) | (2,726) | 380 |
| Cash flows | | | | |
| Premiums received | (1,491) | | | (1,491) |
| Claims and other expenses paid | - | | | - |
| Insurance acquisition cash flows | 71 | | | 71 |
| Total cash flows | (1,419) | - | - | (1,419) |
| Net life insurance contract (liabilities)/assets closing balance | 2,458 | (368) | (4,096) | (2,005) |
| Closing Insurance Contract Liabilities | 2,458 | (368) | (4,096) | (2,005) |
| Closing Insurance Contract Assets | - | - | - | - |
| Net life insurance contract (liabilities)/assets closing balance | 2,458 | (368) | (4,096) | (2,005) |

| | ANNUITY | | | | | ANNUITY | | | |
|---|--|--|----------------------------|---------------------|--|--|--|----------------------------|---------------------|
| | Estimates of present value of future cashflows | Risk adjustment for non-financial risk | Contractual service margin | Total | | Estimates of present value of future cashflows | Risk adjustment for non-financial risk | Contractual service margin | Total |
| | N'000 | N'000 | N'000 | N'000 | | N'000 | N'000 | N'000 | N'000 |
| Opening Insurance Contract Liabilities | (11,660,232) | (322,638) | (2,708,570) | (14,691,440) | | (6,404,856) | (266,506) | - | (6,671,362) |
| Opening Insurance Contract Assets | - | - | - | - | | - | - | - | - |
| Net life insurance contract (liabilities)/assets opening balance | (11,660,232) | (322,638) | (2,708,570) | (14,691,440) | | (6,404,856) | (266,506) | - | (6,671,362) |
| Changes that relate to current service | | | | | | | | | |
| Contractual service margin recognised for services provided | | | 19,620 | 19,620 | | | | 71,829 | 71,829 |
| Risk adjustment recognized for the risk expired | | (37,539) | | (37,539) | | | (26,227) | | (26,227) |
| Experience adjustments | 69,600 | | | 69,600 | | 249,004 | | | 249,004 |
| | 69,600 | (37,539) | 19,620 | 51,681 | | 249,004 | (26,227) | 71,829 | 294,607 |
| Changes that relate to future service | | | | | | | | | |
| Contracts initially recognised in the period | 115,779 | (335,427) | (228,417) | (448,065) | | 2,917,927 | (350,438) | (3,093,486) | (525,997) |
| Changes in estimates that adjust the contractual service margin | (2,639,838.45) | 60,680 | 2,579,159 | - | | (672,241) | 89,668 | 582,573 | - |
| Changes in estimates that do not adjust the contractual service margin | 686,568 | 79,593 | | 766,161 | | (1,983,859) | 284,609 | | (1,699,249) |
| | (1,837,491) | (195,154) | 2,350,742 | 318,096 | | 261,827 | 23,839 | (2,510,913) | (2,225,247) |
| Changes that relate to past service | | | | | | | | | |
| Adjustments to liabilities for incurred claims | 37,617 | - | | 37,617 | | 1,514 | - | | 1,514 |
| Net income or expense from insurance contracts held | (1,730,274) | (232,694) | 2,370,362 | 407,394 | | 512,345 | (2,387) | (2,439,084) | (1,929,126) |
| Insurance finance expenses | (848,609) | (77,383) | (479,593) | (1,405,586) | | 1,878,642 | (53,744) | (269,486) | 1,555,412 |
| Foreign Currency Movements | - | - | - | - | | - | - | - | - |
| Total changes in the statement of comprehensive income | (2,578,883) | (310,077) | 1,890,769 | (998,191) | | 2,390,987 | (56,132) | (2,708,570) | (373,714) |
| Cash flows | | | | | | | | | |
| Premiums received | (20,409,015) | | | (20,409,015) | | (10,439,064) | | | (10,439,064) |
| Claims and other expenses paid | 4,007,893 | | | 4,007,893 | | 1,680,549 | | | 1,680,549 |
| Insurance acquisition cash flows | 1,173,211 | | | 1,173,211 | | 1,112,151 | | | 1,112,151 |
| Total cash flows | (15,227,911) | - | - | (15,227,911) | | (7,646,364) | - | - | (7,646,364) |
| Net life insurance contract (liabilities)/assets closing balance | (29,467,026) | (632,715) | (817,801) | (30,917,543) | | (11,660,232) | (322,638) | (2,708,570) | (14,691,440) |
| Closing Insurance Contract Liabilities | (29,467,026) | (632,715) | (817,801) | (30,917,543) | | (11,660,232) | (322,638) | (2,708,570) | (14,691,440) |
| Closing Insurance Contract Assets | - | - | - | - | | - | - | - | - |
| Net life insurance contract (liabilities)/assets closing balance | (29,467,026) | (632,715) | (817,801) | (30,917,543) | | (11,660,232) | (322,638) | (2,708,570) | (14,691,440) |

| | TRIPLEPAY | | | | | TRIPLEPAY | | | |
|---|--|--|----------------------------|--------------------|--|--|--|----------------------------|--------------------|
| | Estimates of present value of future cashflows | Risk adjustment for non-financial risk | Contractual service margin | Total | | Estimates of present value of future cashflows | Risk adjustment for non-financial risk | Contractual service margin | Total |
| | N'000 | N'000 | N'000 | N'000 | | N'000 | N'000 | N'000 | N'000 |
| Opening Insurance Contract Liabilities | (2,648,713) | (7,918) | (2,886,155) | (5,542,785) | | (1,212,699) | (183,624) | (353,919) | (1,750,242) |
| Opening Insurance Contract Assets | - | - | - | - | | - | - | - | - |
| Net life insurance contract (liabilities)/assets opening balance | (2,648,713) | (7,918) | (2,886,155) | (5,542,785) | | (1,212,699) | (183,624) | (353,919) | (1,750,242) |
| Changes that relate to current service | | | | | | | | | |
| Contractual service margin recognised for services provided | | | 3,969,925 | 3,969,925 | | | | 874,616 | 874,616 |
| Risk adjustment recognized for the risk expired | | 57,840 | | 57,840 | | | 172,784 | | 172,784 |
| Experience adjustments | 1,216,698 | | | 1,216,698 | | 641,253 | | | 641,253 |
| | 1,216,698 | 57,840 | 3,969,925 | 5,244,463 | | 641,253 | 172,784 | 874,616 | 1,688,653 |
| Changes that relate to future service | | | | | | | | | |
| Contracts initially recognised in the period | 2,917,079 | (46,148) | (2,993,261) | (122,330) | | 271,516 | (483,907) | (1,111,124) | (1,323,516) |
| Changes in estimates that adjust the contractual service margin | 1,279,649.41 | (41,392) | (1,238,257) | - | | 1,734,710 | 430,769 | (2,165,479) | - |
| Changes in estimates that do not adjust the contractual service margin | (317,470) | (1,081) | | (318,552) | | 1,495,317 | 114,213 | | 1,609,530 |
| | 3,879,258 | (88,621) | (4,231,519) | (440,882) | | 3,501,544 | 61,074 | (3,276,603) | 286,015 |
| Changes that relate to past service | | | | | | | | | |
| Adjustments to liabilities for incurred claims | 10,485 | - | | 10,485 | | 4,031 | - | | 4,031 |
| Net income or expense from insurance contracts held | 5,106,441 | (30,781) | (261,593) | 4,814,066 | | 4,146,828 | 233,858 | (2,401,987) | 1,978,699 |
| Insurance finance expenses | 1,247,953 | (6,358) | (897,349) | 344,247 | | (555,890) | (58,151) | (130,248) | (744,290) |
| Foreign Currency Movements | - | - | - | - | | - | - | - | - |
| Total changes in the statement of comprehensive income | 6,354,394 | (37,139) | (1,158,942) | 5,158,313 | | 3,590,938 | 175,707 | (2,532,235) | 1,234,409 |
| Cash flows | | | | | | | | | |
| Premiums received | (8,655,351) | | | (8,655,351) | | (5,829,794) | | | (5,829,794) |
| Claims and other expenses paid | 1,196,691 | | | 1,196,691 | | 443,601 | | | 443,601 |
| Insurance acquisition cash flows | 1,424,899 | | | 1,424,899 | | 359,241 | | | 359,241 |
| Total cash flows | (6,033,761) | - | - | (6,033,761) | | (5,026,952) | - | - | (5,026,952) |
| Net life insurance contract (liabilities)/assets closing balance | (2,328,080) | (45,057) | (4,045,096) | (6,418,233) | | (2,648,713) | (7,918) | (2,886,155) | (5,542,785) |
| Closing Insurance Contract Liabilities | (2,328,080) | (45,057) | (4,045,096) | (6,418,233) | | (2,648,713) | (7,918) | (2,886,155) | (5,542,785) |
| Closing Insurance Contract Assets | - | - | - | - | | - | - | - | - |
| Net life insurance contract (liabilities)/assets closing balance | (2,328,080) | (45,057) | (4,045,096) | (6,418,233) | | (2,648,713) | (7,918) | (2,886,155) | (5,542,785) |

| | MORTGAGE | | | | | MORTGAGE | | | | |
|---|--|---|----------------------------------|--------------|--|--|--|----------------------------------|------------|--|
| | Estimates of present value of future cashflows | Risk adjustment for non-financial risk | Contractual service margin | Total | | Estimates of present value of future cashflows | Risk adjustment for non-financial risk | Contractual service margin | Total | |
| | N'000 | N'000 | N'000 | N'000 | | N'000 | N'000 | N'000 | N'000 | |
| Opening Insurance Contract Liabilities | (1) | (0) | - | (1) | | - | - | - | - | |
| Opening Insurance Contract Assets | - | - | - | - | | - | - | - | - | |
| Net life insurance contract (liabilities)/assets opening balance | (1) | (0) | - | (1) | | - | - | - | - | |
| Changes that relate to current service | | | | | | | | | | |
| Contractual service margin recognised for services provided | - | - | - | - | | - | - | - | - | |
| Risk adjustment recognized for the risk expired | - | 10 | - | 10 | | - | 2 | - | 2 | |
| Experience adjustments | 53 | - | - | 53 | | 0 | - | - | 0 | |
| | 53 | 10 | - | 62 | | 0 | 2 | - | 3 | |
| Changes that relate to future service | | | | | | | | | | |
| Contracts initially recognised in the period | (118) | (129) | - | (247) | | (8) | (3) | - | (10) | |
| Changes in estimates that adjust the contractual service margin | (0.00) | - | 0 | 0 | | (0) | - | 0 | - | |
| Changes in estimates that do not adjust the contractual service margin | (67) | 26 | - | (41) | | 8 | 0 | - | 8 | |
| | (185) | (103) | 0 | (288) | | 1 | (3) | 0 | (2) | |
| Changes that relate to past service | | | | | | | | | | |
| Adjustments to liabilities for incurred claims | 0 | - | - | 0 | | - | - | - | - | |
| Net income or expense from insurance contracts held | (132) | (94) | 0 | (226) | | 1 | (0) | 0 | 1 | |
| Insurance finance expenses | (44) | (15) | - | (59) | | (1) | (0) | - | (1) | |
| Foreign Currency Movements | - | - | - | - | | - | - | - | - | |
| Total changes in the statement of comprehensive income | (177) | (109) | 0 | (286) | | - | - | - | - | |
| Cash flows | | | | | | | | | | |
| Premiums received | (253) | - | - | (253) | | (1) | - | - | (1) | |
| Claims and other expenses paid | 16 | - | - | 16 | | - | - | - | - | |
| Insurance acquisition cash flows | 36 | - | - | 36 | | - | - | - | - | |
| Total cash flows | (201) | - | - | (201) | | (1) | - | - | (1) | |
| Net life insurance contract (liabilities)/assets closing balance | (378) | (109) | 0 | (488) | | - | - | - | - | |
| Closing Insurance Contract Liabilities | (378) | (109) | - | (488) | | (1) | (0) | - | (1) | |
| Closing Insurance Contract Assets | - | - | - | - | | - | - | - | - | |
| Net life insurance contract (liabilities)/assets closing balance | (378) | (109) | - | (488) | | (1) | (0) | - | (1) | |

18.5 Impact of contracts recognised in the period - Entity Level

31-Dec-24

| | Non-onerous contracts originated R'000 | Onerous contracts originated R'000 | Total R'000 |
|---|---|---|-------------------|
| Estimates of the present value of future cash outflows: | | | |
| - insurance acquisition cash flows | 288,529 | 198,143 | 486,672 |
| - claims and other directly attributable expenses | 23,357,113 | 4,008,277 | 27,365,390 |
| Estimates of the present value of future cash outflows | 23,645,642 | 4,206,419 | 27,852,061 |
| Estimates of the present value of future cash inflows | (27,933,229) | (3,581,602) | (31,514,830) |
| Risk adjustment for non-financial risk | 313,645 | 251,090 | 564,734 |
| CSM | 3,973,942 | (0) | 3,973,942 |
| Increase in insurance contract liabilities from contracts recognised in the period | (0) | 875,907 | 875,907 |

31-Dec-23

| | Non-onerous contracts originated R'000 | Onerous contracts originated R'000 | Total R'000 |
|---|---|---|-------------------|
| Estimates of the present value of future cash outflows: | | | |
| - insurance acquisition cash flows | 82,679 | 379,332 | 462,012 |
| - claims and other directly attributable expenses | 9,857,672 | 13,921,449 | 23,779,121 |
| Estimates of the present value of future cash outflows | 9,940,351 | 14,300,781 | 24,241,132 |
| Estimates of the present value of future cash inflows | (14,670,339) | (12,182,230) | (26,852,569) |
| Risk adjustment for non-financial risk | 213,784 | 995,456 | 1,209,240 |
| CSM | 4,516,203 | (0) | 4,516,203 |
| Increase in insurance contract liabilities from contracts recognised in the period | - | 3,114,007 | 3,114,007 |

HEIRS LIFE ASSURANCE LIMITED
FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2024
NOTES TO THE FINANCIAL STATEMENTS

18.5.1 Impact of contracts recognised in the period - Per Portfolio

31-Dec-24

| | TERM | | | 31-Dec-23 | | |
|---|---|---------------------------------------|----------------|---|---------------------------------------|----------------|
| | Non-onerous contracts originated N'000 | Onerous contracts originated N'000 | Total N'000 | Non-onerous contracts originated N'000 | Onerous contracts originated N'000 | Total N'000 |
| Estimates of the present value of future cash outflows: | | | | | | |
| - insurance acquisition cash flows | 146 | 68,409 | 68,555 | 77 | 189,014 | 189,092 |
| - claims and other directly attributable expenses | 1,106 | 125,060 | 126,165 | 379 | 451,316 | 451,695 |
| Estimates of the present value of future cash outflows | 1,252 | 193,469 | 194,721 | 457 | 640,330 | 640,787 |
| Estimates of the present value of future cash inflows | (2,694) | (25,320) | (28,014) | (1,083) | (52,509) | (53,593) |
| Risk adjustment for non-financial risk | 479 | 55,240 | 55,720 | 191 | 174,240 | 174,431 |
| CSM | 963 | - | 963 | 436 | - | 436 |
| Increase in insurance contract liabilities from contracts recognised in the period | 0 | 223,389 | 223,389 | 0 | 762,061 | 762,061 |

| | ENDOWMENT | | | ENDOWMENT | | |
|---|---|---------------------------------------|------------------|---|---------------------------------------|------------------|
| | Non-onerous contracts originated N'000 | Onerous contracts originated N'000 | Total N'000 | Non-onerous contracts originated N'000 | Onerous contracts originated N'000 | Total N'000 |
| Estimates of the present value of future cash outflows: | | | | | | |
| - insurance acquisition cash flows | 38,077 | 30,188 | 68,265 | 6,461 | 45,957 | 52,418 |
| - claims and other directly attributable expenses | 803,621 | 203,619 | 1,007,240 | 1,469,175 | 1,940,798 | 3,409,973 |
| Estimates of the present value of future cash outflows | 841,698 | 233,807 | 1,075,505 | 1,475,636 | 1,986,755 | 3,462,391 |
| Estimates of the present value of future cash inflows | (1,666,016) | (189,436) | (1,855,452) | (1,812,050) | (1,654,716) | (3,466,767) |
| Risk adjustment for non-financial risk | 88,851 | 37,494 | 126,345 | 29,772 | 170,385 | 200,157 |
| CSM | 735,467 | - | 735,467 | 306,642 | - | 306,642 |
| Increase in insurance contract liabilities from contracts recognised in the period | 0 | 81,865 | 81,865 | 0 | 502,423 | 502,423 |

| | KEYMAN | | | KEYMAN | | |
|---|---|---------------------------------------|----------------|---|---------------------------------------|----------------|
| | Non-onerous contracts originated N'000 | Onerous contracts originated N'000 | Total N'000 | Non-onerous contracts originated N'000 | Onerous contracts originated N'000 | Total N'000 |
| Estimates of the present value of future cash outflows: | | | | | | |
| - insurance acquisition cash flows | 17 | - | 17 | 25 | - | 25 |
| - claims and other directly attributable expenses | 7,678 | - | 7,678 | 692 | - | 692 |
| Estimates of the present value of future cash outflows | 7,695 | - | 7,695 | 717 | - | 717 |
| Estimates of the present value of future cash inflows | (20,002) | - | (20,002) | (3,542) | - | (3,542) |
| Risk adjustment for non-financial risk | 389 | - | 389 | 57 | - | 57 |
| CSM | 11,918 | - | 11,918 | 2,767 | - | 2,767 |
| Increase in insurance contract liabilities from contracts recognised in the period | (0) | - | (0) | (0) | - | (0) |

| | TRIPLEPAY | | | TRIPLEPAY | | |
|---|---|---------------------------------------|------------------|---|---------------------------------------|-------------------|
| | Non-onerous contracts originated N'000 | Onerous contracts originated N'000 | Total N'000 | Non-onerous contracts originated N'000 | Onerous contracts originated N'000 | Total N'000 |
| Estimates of the present value of future cash outflows: | | | | | | |
| - insurance acquisition cash flows | 63,433 | 69,373 | 132,806 | 10,452 | 95,551 | 106,003 |
| - claims and other directly attributable expenses | 6,043,593 | 1,197,179 | 7,240,772 | 5,768,470 | 7,212,484 | 12,980,955 |
| Estimates of the present value of future cash outflows | 6,107,026 | 1,266,551 | 7,373,577 | 5,778,922 | 7,308,036 | 13,086,958 |
| Estimates of the present value of future cash inflows | (9,100,627) | (1,190,029) | (10,290,656) | (6,927,016) | (6,431,458) | (13,358,474) |
| Risk adjustment for non-financial risk | 339 | 45,808 | 46,148 | 36,969 | 446,938 | 483,907 |
| CSM | 2,993,261 | (0) | 2,993,261 | 1,111,124 | (0) | 1,111,124 |
| Increase in insurance contract liabilities from contracts recognised in the period | (0) | 122,330 | 122,330 | (0) | 1,323,516 | 1,323,516 |

| | ANNUITY | | | ANNUITY | | |
|---|---|---------------------------------------|-------------------|-----------------------------------|--------------------------------|------------------|
| | Non-onerous contracts originated N'000 | Onerous contracts originated N'000 | Total N'000 | Non-onerous contracts or N'000 | Onerous contracts ori N'000 | Total N'000 |
| Estimates of the present value of future cash outflows: | | | | | | |
| - insurance acquisition cash flows | 186,824 | 30,140 | 216,964 | 65,622 | 48,802 | 114,424 |
| - claims and other directly attributable expenses | 16,498,827 | 2,481,429 | 18,980,256 | 2,617,057 | 4,316,847 | 6,933,904 |
| Estimates of the present value of future cash outflows | 16,685,651 | 2,511,569 | 19,197,220 | 2,682,678 | 4,365,649 | 7,048,328 |
| Estimates of the present value of future cash inflows | (17,137,080) | (2,175,920) | (19,312,999) | (5,922,711) | (4,043,543) | (9,966,254) |
| Risk adjustment for non-financial risk | 223,011 | 112,416 | 335,427 | 146,547 | 203,891 | 350,438 |
| CSM | 228,417 | - | 228,417 | 3,093,486 | - | 3,093,486 |
| Increase in insurance contract liabilities from contracts recognised in the period | (0) | 448,065 | 448,065 | - | 525,997 | 525,997 |

| | MORTGAGE | | | MORTGAGE | | |
|---|--|--|----------------|--|--|----------------|
| | Non-onerous contracts originated N'000 | Onerous contracts originated N'000 | Total N'000 | Non-onerous contracts originated N'000 | Onerous contracts originated N'000 | Total N'000 |
| Estimates of the present value of future cash outflows: | | | | | | |
| - insurance acquisition cash flows | - | 24 | 24 | - | 8 | 8 |
| - claims and other directly attributable expenses | - | 990 | 990 | - | 3 | 3 |
| Estimates of the present value of future cash outflows | - | 1,015 | 1,015 | - | 11 | 11 |
| Estimates of the present value of future cash inflows | - | (897) | (897) | - | (3) | (3) |
| Risk adjustment for non-financial risk | - | 129 | 129 | - | 3 | 3 |
| CSM | - | - | - | - | - | - |
| Increase in insurance contract liabilities from contracts recognised in the period | - | 247 | 247 | - | 10 | 10 |

| | WHOLELIFE | | | WHOLELIFE | | |
|---|--|--|----------------|-----------------------------------|--------------------------------|----------------|
| | Non-onerous contracts originated N'000 | Onerous contracts originated N'000 | Total N'000 | Non-onerous contracts or N'000 | Onerous contracts ori N'000 | Total N'000 |
| Estimates of the present value of future cash outflows | | | | | | |
| - insurance acquisition cash flows | 33 | 8 | 41 | 42 | - | 42 |
| - claims and other directly attributable expenses | 2,288 | - | 2,288 | 1,898 | - | 1,898 |
| Estimates of the present value of future cash outflows | 2,321 | 8 | 2,329 | 1,941 | - | 1,941 |
| Estimates of the present value of future cash inflows | (6,810) | - | (6,810) | (3,937) | - | (3,937) |
| Risk adjustment for non-financial risk | 574 | 2 | 577 | 248 | - | 248 |
| CSM | 3,915 | - | 3,915 | 1,748 | - | 1,748 |
| Increase in insurance contract liabilities from contracts recognised in the period | - | 10 | 10 | 0 | - | 0 |

18.6 Expected recognition of the contractual service margin

| Insurance contracts issued | | | | | | | |
|---|-----------------|--------------------|-----------------|--------------------|------------------|--------------------|--|
| Number of years until expected to be recognised | TERM | ENDOWMENT N'000 | KEYMAN N'000 | WHOLELIFE N'000 | ANNUITY N'000 | TRIPLEPAY N'000 | Total CSM for insurance contracts issued N'000 |
| 31-Dec-24 | | | | | | | |
| 1 | 601.30 | 161,612 | 2,657 | 41 | 37,788 | 1,756,163 | 1,958,862 |
| 2 | 262.45 | 117,126 | 2,154 | 29 | 37,320 | 962,794 | 1,119,686 |
| 3 | 89.09 | 43,797 | 1,973 | 26 | 36,813 | 414,440 | 497,139 |
| 4 | 79.16 | 23,498 | 1,858 | 27 | 36,267 | 355,950 | 417,678 |
| 5 | 65.47 | 17,555 | 710 | 29 | 35,678 | 280,659 | 334,697 |
| 6-10 | 91.97 | 26,223 | - | 187 | 168,006 | 227,695 | 422,203 |
| >10 | 162.58 | 7,026 | - | 3,597 | 465,928 | 47,395 | 524,109 |
| Total | 1,352.02 | 396,836 | 9,353 | 3,935 | 817,801 | 4,045,096 | 5,274,374 |
| | | | | | | | |
| Number of years until expected to be recognised | TERM | ENDOWMENT N'000 | KEYMAN N'000 | WHOLELIFE N'000 | ANNUITY N'000 | TRIPLEPAY N'000 | Total CSM for insurance contracts issued N'000 |
| 31-Dec-23 | | | | | | | |
| 1 | - | 367,377 | 6,049 | 25 | 119,903 | 1,479,207 | 1,972,561 |
| 2 | - | 127,009 | 23 | 27 | 118,528 | 840,450 | 1,086,037 |
| 3 | - | 31,934 | 24 | 29 | 117,031 | 305,641 | 454,658 |
| 4 | - | 13,457 | 23 | 32 | 115,411 | 95,925 | 224,847 |
| 5 | - | 5,072 | 11 | 34 | 113,665 | 83,842 | 202,624 |
| 6-10 | - | 15,816 | - | 217 | 537,463 | 66,168 | 619,664 |
| >10 | - | 3,514 | - | 3,732 | 1,586,568 | 14,922 | 1,608,736 |
| Total | - | 564,178 | 6,129 | 4,096 | 2,708,570 | 2,886,155 | 6,169,127 |
| | | | | | | | |
| Reinsurance contracts held | | | | | | | |
| Number of years until expected to be recognised | TERM | ENDOWMENT N'000 | KEYMAN N'000 | WHOLELIFE N'000 | ANNUITY N'000 | TRIPLEPAY N'000 | Total CSM for reinsurance contracts held N'000 |
| 31-Dec-24 | | | | | | | |
| 1 | 42 | (10,091) | (464) | (2) | - | (14,915) | (25,430) |
| 2 | 35 | (2,683) | (376) | (2) | - | (9,458) | (12,483) |
| 3 | 20 | (2,666) | (344) | (1) | - | (7,279) | (10,270) |
| 4 | 10 | (1,170) | (325) | (1) | - | (5,157) | (6,644) |
| 5 | 1 | (307) | (125) | (1) | - | (2,402) | (2,834) |
| 6-10 | 1 | (1,229) | - | (10) | - | (4,458) | (5,695) |
| >10 | 3 | (1,557) | - | (259) | - | (1,036) | (2,849) |
| Total | 113 | (19,702) | (1,634) | (277) | - | (44,705) | (66,205) |
| | | | | | | | |
| Number of years until expected to be recognised | TERM | ENDOWMENT N'000 | KEYMAN N'000 | WHOLELIFE N'000 | ANNUITY N'000 | TRIPLEPAY N'000 | Total CSM for reinsurance contracts held N'000 |
| 31-Dec-23 | | | | | | | |
| 1 | 112 | (16,543) | (1,886) | (1) | - | (18,199) | (36,517) |
| 2 | 26 | (7,944) | 1 | (1) | - | (12,461) | (20,378) |
| 3 | 24 | (2,538) | 0 | (1) | - | (4,671) | (7,185) |
| 4 | 14 | (420) | 0 | (1) | - | (653) | (1,059) |
| 5 | 7 | (268) | 0 | (1) | - | (1,110) | (1,372) |
| 6-10 | (0) | (192) | - | (5) | - | (1,010) | (1,207) |
| >10 | (0) | (290) | - | (153) | - | (248) | (691) |
| Total | 183 | (28,194) | (1,884) | (161) | - | (38,352) | (68,409) |

| | Year ended 31-Dec-24 N'000 | Year ended 31-Dec-23 N'000 |
|---|----------------------------------|----------------------------------|
| 19 Reinsurance contract Liabilities* | | |
| Liability for Remaining Coverage** | | |
| -Excluding loss component | 77,406 | 40,610 |
| -Loss component | (973) | (527) |
| Liability for Incurred Claims | | |
| | <u>76,433</u> | <u>40,083</u> |
| Current | (21,256) | (53,396) |
| Non-Current | 97,689 | 93,479 |
| total Reinsurance contract Liabilities | <u>76,433</u> | <u>40,083</u> |

*Reinsurance contract liabilities was determined on the Term Assurance, Endowment and Triple Pay portfolio. These portfolios are measured with the General Measurement Model and do not have Liability for Incurred Claims.
** Refer to note 20.2

19.1 Reconciliation of the liability for remaining coverage and the liability for incurred claims - GMM- Entity Level

The following tables shows the reconciliation of reinsurance contract liabilities (on an aggregate level) from Opening to Closing for Contracts Measured under GMM. The portfolios measured in this note include: Term Assurance, Endowment and Triple Pay.

31-Dec-24

| | Liabilities for remaining coverage | | Liabilities for incurred claims | Total |
|--|------------------------------------|-------------------------|---------------------------------|-----------------|
| | Excluding loss recovery component | Loss recovery component | | |
| | N'000 | N'000 | N'000 | N'000 |
| Opening Reinsurance Contract Liabilities | (40,610) | 527 | - | (40,083) |
| Opening Reinsurance Contract Assets | - | - | - | - |
| Net reinsurance contract assets / (liabilities) opening balance | (40,610) | 527 | - | (40,083) |
| Allocation of reinsurance premiums | (68,965) | - | - | (68,965) |
| Amounts recoverable from reinsurers for incurred claims | - | 359 | - | 359 |
| Amounts recoverable for incurred claims and other expenses | - | (1,415) | - | (1,415) |
| Changes to amounts recoverable for incurred claims | - | - | - | - |
| Net income or expense from reinsurance contracts held | (68,965) | 359 | - | (68,606) |
| Reinsurance finance income | 24,931 | 87 | - | 25,018 |
| Total changes in the statement of comprehensive income | (44,034) | 446 | - | (43,588) |
| Cash flows | - | - | - | - |
| Premiums paid | 7,238 | - | - | 7,238 |
| Commission received | - | - | - | - |
| Claims recovered | - | - | - | - |
| Total cash flows | 7,238 | - | - | 7,238 |
| Other movements | - | - | - | - |
| Net reinsurance contract assets / (liabilities) closing balance | (77,406) | 973 | - | (76,433) |
| Closing Reinsurance Contract Liabilities | (77,406) | 973 | - | (76,433) |
| Closing Reinsurance Contract Assets | - | - | - | - |
| Net reinsurance contract assets / (liabilities) closing balance | (77,406) | 973 | - | (76,433) |

31-Dec-23

| | Liabilities for remaining coverage | | Liabilities for incurred claims | Total |
|--|------------------------------------|-------------------------|---------------------------------|-----------------|
| | Excluding loss recovery component | Loss recovery component | | |
| | N'000 | N'000 | N'000 | N'000 |
| Opening Reinsurance Contract Liabilities | (34,102) | 208 | - | (33,894) |
| Opening Reinsurance Contract Assets | 46 | 2,097 | - | 2,143 |
| Net reinsurance contract assets / (liabilities) opening balance | (34,056) | 2,305 | - | (31,751) |
| Allocation of reinsurance premiums | (18,413) | - | - | (18,413) |
| Amounts recoverable from reinsurers for incurred claims | - | (1,996) | 9,948 | 7,952 |
| Amounts recoverable for incurred claims and other expenses | - | (3,127) | 9,948 | 6,821 |
| Changes to amounts recoverable for incurred claims | - | - | - | - |
| Net income or expense from reinsurance contracts held | (18,413) | (1,996) | 9,948 | (10,461) |
| Reinsurance finance income | (11,749) | 217 | - | (11,531) |
| Total changes in the statement of comprehensive income | (30,162) | (1,779) | 9,948 | (21,993) |
| Cash flows | - | - | - | - |
| Premiums paid | 23,608 | - | - | 23,608 |
| Commission received | - | - | - | - |
| Claims recovered | - | - | (9,948) | (9,948) |
| Total cash flows | 23,608 | - | (9,948) | 13,660 |
| Other movements | - | - | - | - |
| Net reinsurance contract assets / (liabilities) closing balance | (40,610) | 527 | - | (40,083) |
| Closing Reinsurance Contract Liabilities | (40,610) | 527 | - | (40,083) |
| Closing Reinsurance Contract Assets | - | - | - | - |
| Net reinsurance contract assets / (liabilities) closing balance | (40,610) | 527 | - | (40,083) |

19.1.1 **Reconciliation of the Reinsurance Liabilities for remaining coverage and the amount recoverable for incurred claims - GMM- Per Portfolio**

The following tables shows the reconciliation of reinsurance contract liabilities (on Portfolio level) from Opening to Closing for Contracts Measured under GMM.

31-Dec-24

| | TERM | | | | | TERM | | | | |
|--|---|----------------------------|--|--------------|--|---|-------------------------------|--|----------------|--|
| | Liabilities for remaining coverage Excluding loss recovery component | Loss recovery component | Liabilities for incurred claims | Total | | Liabilities for remaining coverage Excluding loss recovery component | Loss recovery component | Liabilities for incurred claims | Total | |
| | ₦'000 | ₦'000 | ₦'000 | ₦'000 | | ₦'000 | ₦'000 | ₦'000 | ₦'000 | |
| Opening Reinsurance Contract Liabilities | (183) | (0) | - | (183) | | - | - | - | - | |
| Opening Reinsurance Contract Assets | - | - | - | - | | 46 | 2,097 | - | 2,143 | |
| Net reinsurance contract assets / (liabilities) opening balance | (183) | (0) | - | (183) | | 46 | 2,097 | - | 2,143 | |
| Allocation of reinsurance premiums | 129 | | | 129 | | (88) | | | (88) | |
| Amounts recoverable from reinsurers for incurred claims | - | 0 | - | 0 | | - | (2,294) | - | (2,294) | |
| Amounts recoverable for incurred claims and other | expen | - | - | - | | | (2,900) | - | (2,900) | |
| Changes to amounts recoverable for incurred claims | | | - | - | | | | - | - | |
| Loss-recovery on onerous underlying contracts and adjustments | | 0 | | 0 | | | 607 | | 607 | |
| Reinsurance investment components | - | - | - | - | | - | - | - | - | |
| Net income or expense from reinsurance contracts held | 129 | 0 | - | 129 | | (88) | (2,294) | - | (2,382) | |
| Reinsurance finance income | (54) | (0) | - | (54) | | (140) | 196 | - | 56 | |
| Foreign Currency Movements | - | - | - | - | | - | - | - | - | |
| Total changes in the statement of comprehensive income | 75 | 0 | - | 75 | | (229) | (2,097) | - | (2,326) | |
| Cash flows | | | | | | | | | | |
| Premiums paid | 63 | | | 63 | | - | | | - | |
| Commission received | - | | | - | | - | | | - | |
| Claims recovered | | | - | - | | | | - | - | |
| Total cash flows | 63 | - | - | 63 | | - | - | - | - | |
| Other movements | | | | | | - | - | - | - | |
| Net reinsurance contract assets / (liabilities) closing balance | (46) | 0 | - | (46) | | (183) | (0) | - | (183) | |
| Closing Reinsurance Contract Liabilities | (46) | - | - | (46) | | (183) | (0) | - | (183) | |
| Closing Reinsurance Contract Assets | - | - | - | - | | - | - | - | - | |
| Net reinsurance contract assets / (liabilities) closing balance | (46) | - | - | (46) | | (183) | (0) | - | (183) | |

| | ENDOWMENT | | | | Total | ENDOWMENT | | | | Total |
|--|--|-------------------------------------|---|--|-----------------|--|--|---|--|-----------------|
| | Liabilities for remaining coverage Excluding loss recovery component N'000 | Loss recovery component N'000 | Liabilities for incurred claims N'000 | | | Liabilities for remaining coverage Excluding loss recovery component N'000 | Loss recovery component N'000 | Liabilities for incurred claims N'000 | | |
| Opening Reinsurance Contract Liabilities | (21,563) | 513 | - | | (21,051) | (15,198) | 12 | - | | (15,187) |
| Opening Reinsurance Contract Assets | - | - | - | | - | - | - | - | | - |
| Net reinsurance contract assets / (liabilities) opening balance | (21,563) | 513 | - | | (21,051) | (15,198) | 12 | - | | (15,187) |
| Allocation of reinsurance premiums | (31,347) | | | | (31,347) | (5,734) | | | | (5,734) |
| Amounts recoverable from reinsurers for incurred claims | - | 297 | - | | 297 | - | 499 | 1,211 | | 1,711 |
| Amounts recoverable for incurred claims and other expenses | | (1,356) | - | | (1,356) | | (186) | 1,211 | | 1,025 |
| Changes to amounts recoverable for incurred claims | | | - | | - | | | - | | - |
| Loss-recovery on onerous underlying contracts and adjustments | | 1,653 | | | 1,653 | | 685 | | | 685 |
| Reinsurance investment components | - | - | - | | - | - | - | - | | - |
| Net income or expense from reinsurance contracts held | (31,347) | 297 | - | | (31,049) | (5,734) | 499 | 1,211 | | (4,024) |
| Reinsurance finance income | 8,913 | 86 | - | | 8,998 | (3,345) | 2 | - | | (3,344) |
| Foreign Currency Movements | - | - | - | | - | - | - | - | | - |
| Total changes in the statement of comprehensive income | (22,434) | 383 | - | | (22,051) | (9,080) | 501 | 1,211 | | (7,367) |
| Cash flows | | | | | | | | | | |
| Premiums paid | 1,490 | | | | 1,490 | 2,715 | | | | 2,715 |
| Commission received | - | | | | - | - | | | | - |
| Claims recovered | | | - | | - | | | (1,211) | | (1,211) |
| Total cash flows | 1,490 | - | - | | 1,490 | 2,715 | - | (1,211) | | 1,504 |
| Other movements | | | | | | | | | | |
| Net reinsurance contract assets / (liabilities) closing balance | (42,508) | 896 | - | | (41,612) | (21,563) | 513 | - | | (21,051) |
| Closing Reinsurance Contract Liabilities | (42,508) | 896 | - | | (41,612) | (21,563) | 513 | - | | (21,051) |
| Closing Reinsurance Contract Assets | - | - | - | | - | - | - | - | | - |
| Net reinsurance contract assets / (liabilities) closing balance | (42,508) | 896 | - | | (41,612) | (21,563) | 513 | - | | (21,051) |

| | TRIPLEPAY | | | | Total | TRIPLEPAY | | | | Total |
|--|--|-------------------------------------|---|--|--------------------|--|--|---|--|-----------------|
| | Liabilities for remaining coverage Excluding loss recovery component N'000 | Loss recovery component N'000 | Liabilities for incurred claims N'000 | | | Liabilities for remaining coverage Excluding loss recovery component N'000 | Loss recovery component N'000 | Liabilities for incurred claims N'000 | | |
| Opening Reinsurance Contract Liabilities | (18,863.78) | 14.25 | - | | (18,849.53) | (18,904) | 197 | - | | (18,707) |
| Opening Reinsurance Contract Assets | - | - | - | | - | - | - | - | | - |
| Net reinsurance contract assets / (liabilities) opening balance | (18,863.78) | 14.25 | - | | (18,849.53) | (18,904) | 197 | - | | (18,707) |
| Allocation of reinsurance premiums | (37,746.77) | | | | (37,746.77) | (12,591) | | | | (12,591) |
| Amounts recoverable from reinsurers for incurred claims | - | 61.38 | - | | 61.38 | - | (202) | 8,737 | | 8,535 |
| Amounts recoverable for incurred claims and other expenses | | (58.99) | - | | (58.99) | | (41) | 8,737 | | 8,696 |
| Changes to amounts recoverable for incurred claims | | | - | | - | | | - | | - |
| Loss-recovery on onerous underlying contracts and adjustments | | 120.37 | | | 120.37 | | (161) | | | (161) |
| Reinsurance investment components | - | - | - | | - | - | - | - | | - |
| Net income or expense from reinsurance contracts held | (37,746.77) | 61.38 | - | | (37,685.39) | (12,591) | (202) | 8,737 | | (4,056) |
| Reinsurance finance income | 16,072.13 | 1.79 | - | | 16,073.92 | (8,263) | 19 | - | | (8,244) |
| Foreign Currency Movements | - | - | - | | - | - | - | - | | - |
| Total changes in the statement of comprehensive income | (21,674.65) | 63.17 | - | | (21,611.47) | (20,854) | (182) | 8,737 | | (12,300) |
| Cash flows | | | | | | | | | | |
| Premiums paid | 5,685.24 | | | | 5,685.24 | 20,894 | | | | 20,894 |
| Commission received | - | | | | - | - | | | | - |
| Claims recovered | | | - | | - | | | (8,737) | | (8,737) |
| Total cash flows | 5,685.24 | - | - | | 5,685.24 | 20,894 | - | (8,737) | | 12,157 |
| Other movements | | | | | | | | | | |
| Net reinsurance contract assets / (liabilities) closing balance | (34,853.19) | 77.43 | - | | (34,775.77) | (18,864) | 14 | - | | (18,850) |
| Closing Reinsurance Contract Liabilities | (34,853.19) | 77.43 | - | | (34,775.77) | (18,864) | 14 | - | | (18,850) |
| Closing Reinsurance Contract Assets | - | - | - | | - | - | - | - | | - |
| Net reinsurance contract assets / (liabilities) closing balance | (34,853.19) | 77.43 | - | | (34,775.77) | (18,864) | 14 | - | | (18,850) |

19.2 **Reconciliation of the measurement components of reinsurance contract assets - GMM - Entity Level**

The following tables shows the reconciliation of the measurement component of the reinsurance contract asset at an Aggregate Level. This disclosure is specific to the Portfolios measured under GMM. These portfolios include: Term Assurance, KeyMan Protection and, Whole Life.

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| | Estimates of present value of future cashflows N'000 | Risk adjustment for non-financial risk N'000 | Contractual service margin N'000 | Total N'000 |
|--|---|--|--|-----------------|
| Opening Reinsurance Contract Liabilities | (96,056) | (10,391) | 66,363 | (40,083) |
| Opening Reinsurance Contract Assets | - | - | - | - |
| Net reinsurance contract assets/(liabilities) opening balance | (96,056) | (10,391) | 66,363 | (40,083) |
| Changes that relate to current service | - | - | - | - |
| Contractual service margin recognised for services received | - | - | (67,603) | (67,603) |
| Risk adjustment recognized for the risk expired | - | 3,608 | - | 3,608 |
| Experience adjustments | (4,970) | - | - | (4,970) |
| | (4,970) | 3,608 | (67,603) | (68,965) |
| Changes that relate to future service | - | - | - | - |
| Contracts initially recognised in the period | (2,484) | (1,354) | 3,838 | - |
| Changes in estimates that adjust the contractual service mar | (48,817) | (629) | 49,446 | 0 |
| Changes in estimates that do not adjust the contractual servi | - | - | 359 | 359 |
| | (51,301) | (1,983) | 53,642 | 359 |
| Changes that relate to past service | - | - | - | - |
| Changes in amounts recoverable arising from changes in liab | - | - | - | - |
| Net income or expense from reinsurance contracts held | (56,271) | 1,625 | (13,960) | (68,606) |
| Reinsurance finance income | 14,509 | (1,381) | 11,891 | 25,018 |
| Foreign Currency Movements | - | - | - | - |
| Total changes in the statement of comprehensive income | (41,762) | 244 | (2,070) | (43,588) |
| Cash flows | - | - | - | - |
| Premiums paid | 7,238 | - | - | 7,238 |
| Commission received | - | - | - | - |
| Claims recovered | - | - | - | - |
| Total cash flows | 7,238 | - | - | 7,238 |
| Net reinsurance contract assets/(liabilities) closing balance | (130,581) | (10,146) | 64,294 | (76,433) |
| Closing Reinsurance Contract Liabilities | (130,581) | (10,146) | 64,294 | (76,433) |
| Closing Reinsurance Contract Assets | - | - | - | - |
| Net reinsurance contract assets/(liabilities) closing balance | (130,581) | (10,146) | 64,294 | (76,433) |

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| | Estimates of present value of future cashflows N'000 | Risk adjustment for non-financial risk N'000 | Contractual service margin N'000 | Total N'000 |
|--|---|--|--|-----------------|
| Opening Reinsurance Contract Liabilities | (73,708) | (4,189) | 44,004 | (33,894) |
| Opening Reinsurance Contract Assets | (696) | - | 2,839 | 2,143 |
| Net reinsurance contract assets/(liabilities) opening balance | (74,405) | (4,189) | 46,843 | (31,751) |
| Changes that relate to current service | - | - | - | - |
| Contractual service margin recognised for services received | - | - | (15,463) | (15,463) |
| Risk adjustment recognized for the risk expired | - | 2,081 | - | 2,081 |
| Experience adjustments | 4,916 | - | - | 4,916 |
| | 4,916 | 2,081 | (15,463) | (8,465) |
| Changes that relate to future service | - | - | - | - |
| Contracts initially recognised in the period | (176,405) | (14,877) | 191,282 | - |
| Changes in estimates that adjust the contractual service mar | 166,920 | 8,255 | (175,175) | - |
| Changes in estimates that do not adjust the contractual servi | - | - | (1,996) | (1,996) |
| | (9,485) | (6,621) | 14,111 | (1,996) |
| Changes that relate to past service | - | - | - | - |
| Changes in amounts recoverable arising from changes in liab | - | - | - | - |
| Net income or expense from reinsurance contracts held | (4,569) | (4,540) | (1,352) | (10,461) |
| Reinsurance finance income | (30,743) | (1,661) | 20,872 | (11,531) |
| Foreign Currency Movements | - | - | - | - |
| Total changes in the statement of comprehensive income | (35,312) | (6,201) | 19,520 | (21,993) |
| Cash flows | - | - | - | - |
| Premiums paid | 23,608 | - | - | 23,608 |
| Commission received | - | - | - | - |
| Claims recovered | (9,948) | - | - | (9,948) |
| Total cash flows | 13,661 | - | - | 13,661 |
| Net reinsurance contract assets/(liabilities) closing balance | (96,056) | (10,391) | 66,363 | (40,083) |
| Closing Reinsurance Contract Liabilities | (96,056) | (10,391) | 66,363 | (40,083) |
| Closing Reinsurance Contract Assets | - | - | - | - |
| Net reinsurance contract assets/(liabilities) closing balance | (96,056) | (10,391) | 66,363 | (40,083) |

19.2.1 Reconciliation of the measurement components of reinsurance contract liabilities - GMM - per Portfolio

The following tables shows the reconciliation of the measurement component of the reinsurance contract liability per Portfolio. This disclosure is specific to the Portfolios measured under GMM.

31-Dec-24

| | TERM | | | | 31-Dec-23 | | | |
|--|--|--|----------------------------|--------------|--|--|----------------------------|----------------|
| | Estimates of present value of future cashflows | Risk adjustment for non-financial risk | Contractual service margin | Total | Estimates of present value of future cashflows | Risk adjustment for non-financial risk | Contractual service margin | Total |
| | N'000 | N'000 | N'000 | N'000 | N'000 | N'000 | N'000 | N'000 |
| Opening Reinsurance Contract Liabilities | - | - | (183) | (183) | - | - | - | - |
| Opening Reinsurance Contract Assets | - | - | - | - | (696) | - | 2,839 | 2,143 |
| Net reinsurance contract assets/(liabilities) opening balance | - | - | (183) | (183) | (696) | - | 2,839 | 2,143 |
| Changes that relate to current service | | | | | | | | |
| Contractual service margin recognised for services received | - | - | 139 | 139 | - | - | 459 | 459 |
| Risk adjustment recognized for the risk expired | - | - | - | - | - | - | - | - |
| Experience adjustments | (10) | - | - | (10) | (547) | - | - | (547) |
| | (10) | - | 139 | 129 | (547) | - | 459 | (88) |
| Changes that relate to future service | | | | | | | | |
| Contracts initially recognised in the period | 106 | - | (106) | - | 31 | - | (31) | - |
| Changes in estimates that adjust the contractual service margin | (95) | - | 95 | - | 1,420 | - | (1,420) | - |
| Changes in estimates that do not adjust the contractual service margin | - | - | 0 | 0 | - | - | (2,294) | (2,294) |
| | 11 | - | (11) | 0 | 1,450 | - | (3,744) | (2,294) |
| Changes that relate to past service | | | | | | | | |
| Changes in amounts recoverable arising from changes in liability for incurred claims | - | - | - | - | - | - | - | - |
| Net income or expense from reinsurance contracts held | 1 | - | 128 | 129 | 903 | - | (3,285) | (2,382) |
| Reinsurance finance income | 4 | - | (58) | (54) | (207) | - | 263 | 56 |
| Foreign Currency Movements | - | - | - | - | - | - | - | - |
| Total changes in the statement of comprehensive income | 5 | - | 70 | 75 | 696 | - | (3,022) | (2,326) |
| Cash flows | | | | | | | | |
| Premiums paid | 63 | - | - | 63 | - | - | - | - |
| Commission received | - | - | - | - | - | - | - | - |
| Claims recovered | 0 | - | - | - | - | - | - | - |
| Total cash flows | 63 | - | - | 63 | - | - | - | - |
| Net reinsurance contract assets/(liabilities) closing balance | 68 | - | (113) | (46) | 0 | - | (183) | (183) |
| Closing Reinsurance Contract Liabilities | 68 | - | (113) | (46) | - | - | (183) | (183) |
| Closing Reinsurance Contract Assets | - | - | - | - | - | - | - | - |
| Net reinsurance contract assets/(liabilities) closing balance | 68 | - | (113) | (46) | - | - | (183) | (183) |

| | ENDOWMENT | | | | ENDOWMENT | | | |
|--|--|--|----------------------------|-----------------|--|--|----------------------------|-----------------|
| | Estimates of present value of future cashflows | Risk adjustment for non-financial risk | Contractual service margin | Total | Estimates of present value of future cashflows | Risk adjustment for non-financial risk | Contractual service margin | Total |
| | N'000 | N'000 | N'000 | N'000 | N'000 | N'000 | N'000 | N'000 |
| Opening Reinsurance Contract Liabilities | (45,133) | (4,112) | 28,194 | (21,051) | (32,010) | (722) | 17,546 | (15,187) |
| Opening Reinsurance Contract Assets | - | - | - | - | - | - | - | - |
| Net reinsurance contract assets/(liabilities) opening balance | (45,133) | (4,112) | 28,194 | (21,051) | (32,010) | (722) | 17,546 | (15,187) |
| Changes that relate to current service | | | | | | | | |
| Contractual service margin recognised for services received | - | - | (31,558) | (31,558) | - | - | (5,082) | (5,082) |
| Risk adjustment recognized for the risk expired | - | 1,127 | - | 1,127 | - | (15) | - | (15) |
| Experience adjustments | (915) | - | - | (915) | 574 | - | - | 574 |
| | (915) | 1,127 | (31,558) | (31,347) | 574 | (15) | (5,082) | (4,523) |
| Changes that relate to future service | | | | | | | | |
| Contracts initially recognised in the period | 1,028 | (279) | (750) | (0) | (100,940) | (4,306) | 105,246 | - |
| Changes in estimates that adjust the contractual service margin | (19,853) | 1,107 | 18,746 | - | 99,506 | 1,369 | (100,875) | - |
| Changes in estimates that do not adjust the contractual service margin | - | - | 297 | 297 | - | - | 499 | 499 |
| | (18,825) | 829 | 18,293 | 297 | (1,434) | (2,937) | 4,870 | 499 |
| Changes that relate to past service | | | | | | | | |
| Changes in amounts recoverable arising from changes in liability for incurred claims | - | - | - | - | - | - | - | - |
| Net income or expense from reinsurance contracts held | (19,740) | 1,956 | (13,265) | (31,049) | (859) | (2,952) | (213) | (4,024) |
| Reinsurance finance income | 4,742 | (516) | 4,773 | 8,998 | (13,767) | (438) | 10,861 | (3,344) |
| Foreign Currency Movements | - | - | - | - | - | - | - | - |
| Total changes in the statement of comprehensive income | (14,998) | 1,439 | (8,492) | (22,051) | (14,626) | (3,390) | 10,649 | (7,367) |
| Cash flows | | | | | | | | |
| Premiums paid | 1,490 | - | - | 1,490 | 2,715 | - | - | 2,715 |
| Commission received | - | - | - | - | - | - | - | - |
| Claims recovered | 0 | - | - | - | (1,211.08) | - | - | (1,211) |
| Total cash flows | 1,490 | - | - | 1,490 | 1,504 | - | - | 1,504 |
| Net reinsurance contract assets/(liabilities) closing balance | (58,641) | (2,673) | 19,702 | (41,612) | (45,133) | (4,112) | 28,194 | (21,051) |
| Closing Reinsurance Contract Liabilities | (58,641) | (2,673) | 19,702 | (41,612) | (45,133) | (4,112) | 28,194 | (21,051) |
| Closing Reinsurance Contract Assets | - | - | - | - | - | - | - | - |
| Net reinsurance contract assets/(liabilities) closing balance | (58,641) | (2,673) | 19,702 | (41,612) | (45,133) | (4,112) | 28,194 | (21,051) |

| | TRIPLEPAY | | | | TRIPLEPAY | | | |
|--|--|---|----------------------------------|-----------------|--|--|----------------------------------|-----------------|
| | Estimates of present value of future cashflows | Risk adjustment for non-financial risk | Contractual service margin | Total | Estimates of present value of future cashflows | Risk adjustment for non-financial risk | Contractual service margin | Total |
| | N'000 | N'000 | N'000 | N'000 | N'000 | N'000 | N'000 | N'000 |
| Opening Reinsurance Contract Liabilities | (50,923) | (6,278) | 38,352 | (18,850) | (41,698) | (3,467) | 26,458 | (18,707) |
| Opening Reinsurance Contract Assets | - | - | - | - | - | - | - | - |
| Net reinsurance contract assets/(liabilities) opening balance | (50,923) | (6,278) | 38,352 | (18,850) | (41,698) | (3,467) | 26,458 | (18,707) |
| Changes that relate to current service | | | | | | | | |
| Contractual service margin recognised for services received | | | (36,183) | (36,183) | | | (10,839) | (10,839) |
| Risk adjustment recognized for the risk expired | | 2,482 | | 2,482 | | 2,096 | | 2,096 |
| Experience adjustments | (4,045) | | | (4,045) | 4,889 | | | 4,889 |
| | (4,045) | 2,482 | (36,183) | (37,747) | 4,889 | 2,096 | (10,839) | (3,854) |
| Changes that relate to future service | | | | | | | | |
| Contracts initially recognised in the period | (3,617) | (1,075) | 4,693 | - | (75,496) | (10,571) | 86,067 | - |
| Changes in estimates that adjust the contractual service margin | (28,869) | (1,736) | 30,606 | 0 | 65,994 | 6,886 | (72,880) | - |
| Changes in estimates that do not adjust the contractual service margin | | | 61 | 61 | | | (202) | (202) |
| | (32,487) | (2,812) | 35,360 | 61 | (9,502) | (3,685) | 12,985 | (202) |
| Changes that relate to past service | | | | | | | | |
| Changes in amounts recoverable arising from changes in liability for incurred claims | - | - | - | - | - | - | - | - |
| Net income or expense from reinsurance contracts held | (36,532) | (330) | (823) | (37,685) | (4,613) | (1,588) | 2,146 | (4,056) |
| Reinsurance finance income | 9,762 | (865) | 7,176 | 16,074 | (16,769) | (1,223) | 9,748 | (8,244) |
| Foreign Currency Movements | - | - | - | - | - | - | - | - |
| Total changes in the statement of comprehensive income | (26,769) | (1,195) | 6,353 | (21,611) | (21,382) | (2,811) | 11,893 | (12,300) |
| Cash flows | | | | | | | | |
| Premiums paid | 5,685 | | | 5,685 | 20,894 | | | 20,894 |
| Commission received | | | | - | | | | - |
| Claims recovered | 0 | | | - | (8,737) | | | (8,737) |
| Total cash flows | 5,685 | - | - | 5,685 | 12,157 | - | - | 12,157 |
| Net reinsurance contract assets/(liabilities) closing balance | (72,007) | (7,473) | 44,705 | (34,776) | (50,923) | (6,278) | 38,352 | (18,850) |
| Closing Reinsurance Contract Liabilities | (72,007) | (7,473) | 44,705 | (34,776) | (50,923) | (6,278) | 38,352 | (18,850) |
| Closing Reinsurance Contract Assets | - | - | - | - | - | - | - | - |
| Net reinsurance contract assets/(liabilities) closing balance | (72,007) | (7,473) | 44,705 | (34,776) | (50,923) | (6,278) | 38,352 | (18,850) |

| | Year ended 31-Dec-24 N'000 | Year ended 31-Dec-23 N'000 |
|--|----------------------------------|----------------------------------|
| 20 Other Technical Liabilities | | |
| Unallocated Premium** | 1,925,425 | 1,655,632 |
| | 1,925,425 | 1,655,632 |
| Current | | |
| | 1,925,425 | 1,655,632 |
| 20a Movement in unallocated premium | | |
| Balance at the beginning of the year | 1,655,632 | 291,332 |
| Allocated to gross written premium during the year | (1,125,245) | - |
| Additions during the year | 1,395,038 | 1,364,300 |
| | 1,925,425 | 1,655,632 |
| 21 Provision & other payables | | |
| Audit fees | 47,000 | 36,750 |
| Actuarial fees | 7,461 | 4,950 |
| Directors emolument | - | - |
| Professional fees | 12,223 | 47,587 |
| NAICOM & other statutory levy | 443,164 | 239,956 |
| Stamp duty | 20,736 | 1,106 |
| Due to related company | 94,932 | 9,945 |
| Other payables* | 21,108 | 173,449 |
| | 646,624 | 513,743 |
| Current | 646,624 | 513,743 |
| *Other payable amount relates to provisions made for expenses incurred but yet to be paid for. The account comprises mainly of allowance payable to the company's retail agents. | | |
| 22 Investment contract liabilities | | |
| Investment funds (see note 23a) | 8,458,884 | 3,719,006 |
| Current | 8,458,884 | 3,719,006 |
| 22a Investment funds | | |
| Opening balance | 3,719,006 | 1,087,855 |
| Contributions during the year | 10,363,037 | 4,124,976 |
| Withdrawal | (6,026,555) | (1,612,869) |
| Guaranteed interest | 403,396 | 103,896 |
| Impact of exchange rate | - | 15,148 |
| Closing balance | 8,458,884 | 3,719,006 |
| 23 Lease liability | | |
| At 1 January 2024 | 518,270 | 467,297 |
| Additions during the year | 226,576 | - |
| Interest expense | 90,376 | 58,499 |
| Lease payment during the year | (7,101) | (7,526) |
| Balance as at 31 Dec 2024 | 828,121 | 518,270 |
| Non Current | 828,121 | 518,270 |

24 Income taxes

| | | |
|---|----------------------|----------------------|
| Income tax based on the taxable profit/loss for the year | (55,359) | (18,887) |
| Income tax expense | <u>(55,359)</u> | <u>(18,887)</u> |
| b) Current Tax Liabilities/(Assets) as per Statement of Financial Position: | | |
| At 1 January | 18,845 | 3,471 |
| Charge for the year | 55,359 | 18,887 |
| Payment during the year | <u>(19,931)</u> | <u>(3,513)</u> |
| Income tax payable | <u>54,273</u> | <u>18,845</u> |
| Balance as at 31 Dec 2023 | <u>54,273</u> | <u>18,845</u> |

The following rates were applied to arrive at the tax for the 2024 YOA

| | |
|-----------------------------------|----------------------|
| NITD Levy @ 1% of PBT | 55,084 |
| Police Trust Fund @ 0.005% of PBT | <u>275</u> |
| | <u>55,359</u> |

As at the reporting date the company has not recognised deferred tax asset arising from losses carried forward. This is due to the uncertainty surrounding the realization of the income taxable income necessary to utilise the losses carried forward. The total deferred tax that would have been recognised is N4.57billion

25 Ordinary share capital

| | | |
|--|-----------------------|-----------------------|
| <i>i</i> Authorised share capital | | |
| Number of ordinary share ('000) | <u>8,000,000</u> | <u>8,000,000</u> |
| <i>ii</i> Paid up share capital | | |
| Paid up share capital of N8.0b ordinary shares of ₦1.00 each | <u>8,000,000</u> | <u>8,000,000</u> |
| 26 Contingency reserve | | |
| At 1 January | 339,679 | 142,200.46 |
| Transfer from retained earnings* | <u>545,730</u> | <u>197,479</u> |
| At 31 December | <u>885,409</u> | <u>339,679</u> |

27 Retained earnings

| | | |
|--|-------------------------|-----------------------|
| At 1 January | 753,066 | (909,863) |
| IFRS 17 Transition Adjustment | - | - |
| Transfer to contingency reserves (note 24) | <u>(545,730)</u> | <u>(197,479)</u> |
| Profit/(loss) for the period | <u>5,457,297</u> | <u>1,860,408</u> |
| At 31 December | <u>5,664,633</u> | <u>753,066</u> |

| | Year ended 31-Dec-24 N'000 | Year ended 31-Dec-23 N'000 |
|--|----------------------------------|----------------------------------|
| 28 Insurance Revenue | | |
| Contracts measured under the GMM | | |
| Expected incurred claims and other expenses after loss component all | 6,326,283 | 3,180,384 |
| Experience Adjustments (Prem and Acq Costs not through CSM) | - | - |
| Changes in the risk adjustment for non-financial risk for the risk expired | 214,194 | 298,663 |
| CSM recognised in profit or loss for the services provided | 4,549,433 | 1,223,242 |
| Insurance acquisition cash flows recovery | 1,575,832 | 352,739 |
| | <u>12,665,742</u> | <u>5,055,028</u> |
| Insurance revenue from contracts measured under the PAA | 2,481,652 | 2,201,804 |
| Total Insurance Revenue | <u>15,147,394</u> | <u>7,256,832</u> |
| 29 Insurance Service Expense | | |
| Contracts measured under the GMM | | |
| Incurred claims | 4,858,546 | 1,894,851 |
| Changes that relate to past service - adjustments to the LIC | (61,621) | (7,006) |
| Other directly attributable expenses | 780,092 | 289,134 |
| Losses on onerous contracts and reversal of the losses | (444,194) | 2,068,818 |
| Insurance acquisition cash flows amortisation | 1,575,832 | 352,739 |
| | <u>6,708,655</u> | <u>4,598,536</u> |
| Contracts measured under the PAA | | |
| Incurred claims | 1,417,296 | 1,293,972 |
| Changes that relate to past service - adjustments to the LIC | (646,495) | (378,084) |
| Other directly attributable expenses | 66,884 | 77,224 |
| Losses on onerous contracts and reversal of the losses | (12,465) | 34,103 |
| Insurance acquisition cash flows amortisation | 84,791 | 385,905 |
| | <u>910,011</u> | <u>1,413,120</u> |
| Total Insurance Service Expense | <u>7,618,666</u> | <u>6,011,655</u> |
| 30 Income or expense from Reinsurance contracts held | | |
| Contracts measured under the GMM | | |
| Amounts relating to changes in the remaining coverage: | | |
| Expected claims and other expenses recovery | (6,302) | (5,038) |
| Changes in the risk adjustment recognised for the risk expired | 3,609 | 2,086 |
| CSM recognised for the services received | (69,242) | (15,463) |
| Claims recovered | - | 10,617 |
| Movement in Loss Recovery Component adjustment to Reinsurance CSM/ARC (P) | 359 | (1,996) |
| | <u>(71,576)</u> | <u>(9,794)</u> |
| Contracts measured under the PAA | | |
| Reinsurance expenses - contracts measured under the PAA | (353,539) | (341,819) |
| Claims recovered | 370,035 | 307,150 |
| Movement in Loss Recovery Component adjustment to Reinsurance CSM/ARC (P) | - | - |
| Changes that relate to past service - adjustments to incurred claims | (138,612) | 108 |
| | <u>(122,115)</u> | <u>(34,561)</u> |
| Net Income (expenses) from Reinsurance Contracts held | <u>(193,691)</u> | <u>(44,355)</u> |

28a Insurance Revenue

| 31-Dec-24 | TERM N'000 | ENDOWMENT N'000 | KEYMAN N'000 | WHOLELIFE N'000 | ANNUITY N'000 | GROUPLIFE N'000 | CREDITLIFE N'000 | GROUPMORT GAGE N'000 | HOSPITAL_ CASH N'000 | SMART_ S CHOO L N'000 | CREDITLIFE_I ND N'000 | TRIPLEPAY N'000 | MORTGA GE N'000 | Total N'000 |
|---|---------------|--------------------|-----------------|--------------------|------------------|--------------------|---------------------|----------------------------|----------------------------|-----------------------------------|-----------------------------|--------------------|-----------------------|----------------|
| Contracts not measured under the PAA | | | | | | | | | | | | | | |
| Expected incurred claims and other expenses | (115,088) | 231,004 | 2,424 | (18) | 3,973,566 | - | - | - | - | - | - | 2,234,346 | 47 | 6,326,283 |
| after loss component allocation | | | | | | | | | | | | | | |
| Changes in the risk adjustment for non-financial | 65,892 | 127,777 | 99 | 115 | (37,539) | - | - | - | - | - | - | 57,840 | 10 | 214,194 |
| risk for the risk expired after loss component | | | | | | | | | | | | | | |
| allocation | 102 | 550,057 | 5,394 | 4,334 | 19,620 | - | - | - | - | - | - | 3,969,925 | - | 4,549,433 |
| CSM recognised in profit or loss for the services | 567 | 569,199 | 369 | 468 | 96,182 | - | - | - | - | - | - | 909,045 | 2 | 1,575,832 |
| provided | | | | | | | | | | | | | | |
| Insurance acquisition cash flows recovery | (48,527) | 1,478,038 | 8,287 | 4,899 | 4,051,829 | - | - | - | - | - | - | 7,171,156 | 58 | 12,665,741 |
| Insurance revenue from contracts not measured | | | | | | | | | | | | | | |
| under the PAA | - | - | - | - | - | 2,238,632 | 239,528 | 2,684 | 606 | 39 | 164 | - | - | 2,481,652 |
| Insurance revenue from contracts measured | (48,527) | 1,478,038 | 8,287 | 4,899 | 4,051,829 | 2,238,632 | 239,528 | 2,684 | 606 | 39 | 164 | 7,171,156 | 58 | 15,147,393 |
| under the PAA | | | | | | | | | | | | | | |
| Total Insurance Revenue | (48,527) | 1,478,038 | 8,287 | 4,899 | 4,051,829 | 2,238,632 | 239,528 | 2,684 | 606 | 39 | 164 | 7,171,156 | 58 | 15,147,393 |

31-Dec-23

| | | | | | | | | | | | | | | |
|---|-----------|-----------|------|-------|-------------|-------------|-----------|-----|------|------|---------|-----------|-----|-------------|
| Contracts not measured under the PAA | | | | | | | | | | | | | | |
| Expected incurred claims and other expenses | 75,425 | 296,832 | 32 | 184 | 1,723,917 | - | - | - | - | - | - | 1,083,994 | 0 | 3,180,384 |
| after loss component allocation | | | | | | | | | | | | | | |
| Changes in the risk adjustment for non-financial | 101,395 | 50,651 | 10 | 48 | (26,227) | - | - | - | - | - | - | 172,784 | 2 | 298,663 |
| risk for the risk expired after loss component | | | | | | | | | | | | | | |
| allocation | - | 276,736 | 44 | 16 | 71,829 | - | - | - | - | - | - | 874,616 | - | 1,223,242 |
| CSM recognised in profit or loss for the services | 1,602 | 168,204 | - | 1 | 65,129 | - | - | - | - | - | - | 117,803 | - | 352,739 |
| provided | | | | | | | | | | | | | | |
| Insurance acquisition cash flows recovery | 178,421 | 792,422 | 86 | 249 | 1,834,648 | - | - | - | - | - | - | 2,249,197 | 3 | 5,055,027 |
| Insurance revenue from contracts not measured | | | | | | | | | | | | | | |
| under the PAA | - | - | - | - | - | 1,937,155 | 263,468 | - | 69 | 51 | 1,061 | - | - | 2,201,804 |
| Insurance revenue from contracts measured | (178,421) | (792,422) | (86) | (249) | (1,834,648) | (1,937,155) | (263,468) | (-) | (69) | (51) | (1,061) | (-) | (-) | (2,201,804) |
| under the PAA | | | | | | | | | | | | | | |
| Total Insurance Revenue | 178,421 | 792,422 | 86 | 249 | 1,834,648 | 1,937,155 | 263,468 | - | 69 | 51 | 1,061 | 2,249,197 | 3 | 7,256,831 |

29a Insurance Service Expenses

| 31-Dec-24 | TERM N'000 | ENDOWMENT N'000 | KEYMAN N'000 | WHOLELIFE N'000 | ANNUITY N'000 | GROUPLIFE N'000 | CREDITLIFE N'000 | GROUPMORT GAGE N'000 | HOSPITAL_ CASH N'000 | SMART_ S CHOO L N'000 | CREDITLIFE_I ND N'000 | TRIPLEPAY N'000 | MORTGA GE N'000 | Total N'000 |
|---|---------------|--------------------|-----------------|--------------------|------------------|--------------------|---------------------|----------------------------|----------------------------|-----------------------------------|-----------------------------|--------------------|-----------------------|----------------|
| Incurred claims | 7,622 | 86,400 | - | - | 3,914,610 | 1,223,774 | 192,637 | - | 655.21 | 43.87 | 185.27 | 849,914.25 | - | 6,275,841 |
| Changes that relate to past service - | | | | | | | | | | | | | | |
| adjustments to the LIC | (5,661) | (7,857) | - | (0) | (37,617) | (577,835) | (68,505) | - | (115) | (35) | (6) | (10,485) | (0) | (708,115) |
| Other directly attributable expenses | 31,515 | 260,301 | 40 | 58 | 130,900 | 46,673 | 18,459 | - | 1,597 | 15 | 140 | 357,262 | 16 | 846,975 |
| Losses on onerous contracts and reversal of the | | | | | | | | | | | | | | |
| losses | (344,929) | 108,919 | - | (164) | (459,640) | 21,638 | (34,103) | - | - | - | 0 | 251,354 | 267 | (456,658) |
| Insurance acquisition cash flows amortisation | 567 | 569,199 | 369 | 468 | 96,182 | 69,344 | 15,298 | - | 28 | 115 | 6 | 909,045 | 2 | 1,660,622 |
| Total Insurance Service Expenses | (310,885) | 1,016,961 | 409 | 362 | 3,644,435 | 783,593 | 123,786 | - | 2,166 | 139 | 326 | 2,357,090 | 284 | 7,618,666 |

HEIRS LIFE ASSURANCE LIMITED
FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2024
NOTES TO THE FINANCIAL STATEMENTS

| 31-Dec-23 | TERM | ENDOWMENT | KEYMAN | WHOLELIFE | ANNUITY | GROUPLIFE | CREDITLIFE | GROUPMORTGAGE | HOSPITAL_CASH | SMART_SCHOOL | CREDITLIFE_I | TRIPLEPAY | MORTGAGE | Total |
|---|----------------|-----------------|----------------|-------------|------------------|------------------|-----------------|---------------|---------------|--------------|--------------|-----------------|----------|------------------|
| Incurring claims | 1,831 | 50,373 | - | - | - | 1,580,869 | 1,234,483 | 59,325 | - | 121 | 37 | 6 | 261,779 | 3,188,823 |
| Changes that relate to past service - adjustments to the LIC | (608) | (852) | - | - | (1,514) | (345,925) | (32,160) | - | - | - | - | (4,031) | - | (385,090) |
| Other directly attributable expenses | 4,145 | 79,651 | - | - | 19,484 | 58,547 | 18,677 | - | - | - | - | 185,853 | - | 366,358 |
| Losses on onerous contracts and reversal of the losses | 235,365 | 24,548 | - | 3 | 2,099,807 | - | 34,103 | - | - | - | - | (290,906) | 2 | 2,102,921 |
| Insurance acquisition cash flows amortisation | 1,602 | 168,204 | - | 1 | 65,129 | 330,749 | 55,149 | - | 5 | 1 | 0 | 117,803 | - | 738,643 |
| Total Insurance Service Expenses | 242,334 | 321,924 | - | 4 | 3,763,774 | 1,277,854 | 135,095 | - | 127 | 38 | 6 | 270,498 | 2 | 6,011,655 |
| Net Income (expenses) from Reinsurance Contracts held | | | | | | | | | | | | | | |
| 31-Dec-24 | TERM | ENDOWMENT | KEYMAN | WHOLELIFE | ANNUITY | GROUPLIFE | CREDITLIFE | GROUPMORTGAGE | HOSPITAL_CASH | SMART_SCHOOL | CREDITLIFE_I | TRIPLEPAY | MORTGAGE | Total |
| | €'000 | €'000 | €'000 | €'000 | €'000 | €'000 | €'000 | €'000 | €'000 | €'000 | €'000 | €'000 | €'000 | €'000 |
| Net Expense from reinsurance contract held - contracts not measured under the PAA | | | | | | | | | | | | | | |
| Amounts relating to changes in the remaining coverage: | | | | | | | | | | | | | | |
| Expected claims and other expenses recovery | (10) | (915) | (1,325) | (7) | - | - | - | - | - | - | - | (4,045) | - | (6,302) |
| Changes in the risk adjustment recognised for the risk expired | - | 1,127 | - | 1 | - | - | - | - | - | - | - | 2,482 | - | 3,609 |
| CSM recognised for the services received | 139 | (31,558) | (1,613) | (27) | - | - | - | - | - | - | - | (36,183) | - | (69,242) |
| Reinsurance expenses - contracts not measured under the PAA | 129 | (31,347) | (2,938) | (32) | - | - | - | - | - | - | - | (37,747) | - | (71,935) |
| Reinsurance expenses - contracts measured under the PAA | - | - | - | - | - | (303,312) | (50,227) | - | - | - | 0 | - | - | (353,538) |
| Claims recovered | - | - | - | - | - | 370,035 | - | - | - | - | - | - | - | 370,035 |
| Movement in Loss Recovery Component adjustment to Reinsurance CSM/ARC (PAA) | 0 | 297 | - | - | - | - | - | - | - | - | - | 61 | - | 359 |
| Changes that relate to past service - adjustments to incurred claims | - | - | - | - | - | (138,612) | - | - | - | - | - | - | - | (138,612) |
| Total net (expenses) / income from reinsurance contracts held | 129 | (31,049) | (2,938) | (32) | - | (71,889) | (50,227) | - | - | - | 0 | (37,685) | - | (193,692) |
| 31-Dec-23 | | | | | | | | | | | | | | |
| Reinsurance income (expenses) - contracts not measured under the PAA | | | | | | | | | | | | | | |
| Amounts relating to changes in the remaining coverage: | | | | | | | | | | | | | | |
| Expected claims and other expenses recovery | (547) | (637) | (1) | (6) | - | - | - | - | - | - | - | (3,848) | - | (5,038) |
| Changes in the risk adjustment recognised for the risk expired | - | (15) | - | 5 | - | - | - | - | - | - | - | 2,096 | - | 2,087 |
| CSM recognised for the services received | 459 | (5,082) | 0 | (0) | - | - | - | - | - | - | - | (10,839) | - | (15,463) |
| Reinsurance income (expenses) - contracts not measured under the PAA | (88) | (5,734) | (1) | (1) | - | - | - | - | - | - | - | (12,591) | - | (18,415) |
| Reinsurance income (expenses) - contracts measured under the PAA | - | - | - | - | - | (277,013) | (64,329) | - | - | - | (477) | - | - | (341,819) |
| Claims recovered | - | 1,211 | 669 | - | - | 307,150 | - | - | - | - | - | 8,737 | - | 317,767 |
| Movement in Loss Recovery Component adjustment to Reinsurance CSM/ARC (PAA) | (2,294) | 499 | - | - | - | - | - | - | - | - | - | (202) | - | (1,996) |
| Changes that relate to past service - adjustments to incurred claims | - | - | - | - | - | 108 | - | - | - | - | - | - | - | 108 |
| Total net income (expenses) from reinsurance contracts held | (2,382) | (4,024) | 669 | (1) | - | 30,245 | (64,329) | - | - | - | (477) | (4,056) | - | (44,355) |

HEIRS LIFE ASSURANCE LIMITED
FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2024
NOTES TO THE FINANCIAL STATEMENT

31 Analysis of net insurance finance expenses by product line

31-Dec-24

| | TERM | ENDOWMENT | KEYMAN | WHOLELIFE | ANNUITY | GROUPLIFE | CREDITLIFE | GROUPMORTGA | HOSPITAL_CAS | SMART_SCHO | CREDITLIFE_IND | TRIPLEPAY | MORTGAGE | Total |
|---|-----------------|------------------|----------------|----------------|--------------------|-----------|------------|-------------|--------------|------------|----------------|----------------|------------------|------------------|
| | N'000 | N'000 | N'000 | N'000 | N'000 | N'000 | N'000 | GE | N'000 | H | N'000 | OL | N'000 | N'000 |
| Interest accreted | (43,942) | (173,166) | (1,366) | (710) | (2,931,790) | - | - | - | - | - | - | - | (1,270,823) | (33) |
| Effect of changes in interest rates and other financial assumptions | 27,458 | 113,569 | (91) | (478) | 163,416 | - | - | - | - | - | - | - | 101,167 | (90) |
| Effect of changes in FCF at current rates when CSM is unlocked at locked in rates | (3,848) | 208,616 | (678) | (743) | 1,362,789 | - | - | - | - | - | - | - | 1,513,904 | 63 |
| Foreign exchange differences | (0) | 0 | 0 | (0) | (0) | 0 | 0 | - | - | - | (0) | - | (0) | - |
| Finance (expense)/income from insurance contracts issued | (20,332) | 149,019 | (2,134) | (1,931) | (1,405,586) | 0 | 0 | - | - | - | (0) | 344,247 | (59) | (936,775) |
| Finance income/(expense) from reinsurance contracts held | | | | | | | | | | | | | | |
| Interest accreted | (46) | 763 | 485 | 29 | - | - | - | - | - | - | - | - | 1,794 | - |
| Effect of changes in interest rates and other financial assumptions | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Change of risk of non-performance of reinsurer | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Effect of changes in FCF at current rates when CSM is unlocked at locked in rates | (8) | 8,235 | 18 | 6 | - | - | - | - | - | - | - | - | 14,280 | - |
| Finance income/(expense) from reinsurance contracts held | (54) | 8,998 | 502 | 35 | - | - | - | - | - | - | - | 16,074 | - | 25,555 |
| Net insurance finance income/(expenses) | (20,386) | 158,018 | (1,632) | (1,896) | (1,405,586) | 0 | 0 | - | - | - | (0) | 360,321 | (59) | (911,220) |
| 31-Dec-23 | | | | | | | | | | | | | | |
| Interest accreted | (60,218) | (116,108) | (4) | (125) | (1,033,786) | - | - | - | - | - | - | - | (473,506) | (1) |
| Effect of changes in interest rates and other financial assumptions | (5,627) | (10,055) | - | - | 1,825,428 | - | - | - | - | - | - | - | 302,131 | - |
| Effect of changes in FCF at current rates when CSM is unlocked at locked in rates | (3,393) | (125,954) | (2) | 260 | 763,770 | - | - | - | - | - | - | - | (572,915) | - |
| Foreign exchange differences | 0 | 0 | - | 0 | 0 | - | - | - | - | - | - | - | (0) | - |
| Finance (expense)/income from insurance contracts issued | (69,237) | (252,116) | (6) | 135 | 1,555,412 | - | - | - | - | - | - | - | (744,290) | (1) |
| Finance income/(expense) from reinsurance contracts held | | | | | | | | | | | | | | |
| Interest accreted | 176 | (532) | (0) | 13 | - | - | - | - | - | - | - | - | (409) | - |
| Effect of changes in interest rates and other financial assumptions | - | (845) | (9) | (130) | - | - | - | - | - | - | - | - | (5,817) | - |
| Change of risk of non-performance of reinsurer | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Effect of changes in FCF at current rates when CSM is unlocked at locked in rates | (120) | (1,967) | 4 | 31 | - | - | - | - | - | - | - | - | (2,018) | - |
| Finance income/(expense) from reinsurance contracts held | 56 | (3,344) | (6) | (86) | - | - | - | - | - | - | - | - | (8,244) | - |
| Net insurance finance income (expenses) | (69,181) | (255,460) | (12) | 49 | 1,555,412 | - | - | - | - | - | - | - | (752,533) | (1) |

| | Year ended 31-Dec-24 N'000 | Year ended 31-Dec-23 N'000 |
|--|----------------------------------|----------------------------------|
| 32 Investment & other income | | |
| Interest income on financial assets | 4,052,713 | 2,493,608 |
| Income on deposits with credit institutions | 375,707 | 345,365 |
| Dividend Income | 514 | |
| interest income on call account | 30,185 | 17,411 |
| | 4,459,119 | 2,856,384 |
| 33 Profit/(loss) on investment contracts | | |
| Investment income from investment contract liabilities | 988,903 | 123,210 |
| Guaranteed interest* | (403,396) | (103,896) |
| | 585,507 | 19,314 |
| *Guaranteed interest rate paid to policy holders ranges from 0.25% - 0.75% plus effective Savings deposit rate (SDR) | | |
| 34 Net fair value Gain/(Loss) on financial assets | (825,115) | (285,109) |
| Treasury bills | 2,332,857 | 29,982 |
| Corporate bond | (6,803) | (1,145) |
| FGN bond | (3,011,140) | (313,946) |
| EQUITY | (140,029) | |
| | (825,115) | (285,109) |
| 35 Other Income/(expenses) | | |
| 35a Unrealised exchange profit/loss | 198,178 | 329,916 |
| Realised exchange Profit/loss | 281,525 | 2,118 |
| | 479,703 | 332,034 |
| 35b Gain/ Loss on Asset Disposal | 1,007 | 510.26 |
| Other fee income | 20,628 | - |
| | 21,635 | 510 |
| 36 Impairment (charges)/reversals | | |
| ECL impairment on financial assets | (13,208) | (18,052) |
| Impairment - Trade Receivable | - | (65,698) |
| | (13,208) | (83,750) |

| | | Year ended 31-Dec-24 N'000 | Year ended 31-Dec-23 N'000 |
|-----|---|----------------------------------|----------------------------------|
| 37 | Staff cost | | |
| | Employee benefit | (1,688,410) | (1,072,423) |
| | Other personnel cost | (579,680) | (394,345) |
| | | <u>(2,268,090)</u> | <u>(1,466,768)</u> |
| 38 | Management expenses | | |
| | Travel & entertainment | (139,584) | (116,865) |
| | Rental & administration | (199,149) | (82,712) |
| | Depreciation & amortisation | (229,605) | (167,809) |
| | Amortisation of leased property | (113,430) | (99,144) |
| | Auditors remuneration | (47,000) | (37,000) |
| | Legal & professional fees | (77,800) | (52,166) |
| | Regulatory and levy expenses | (453,709) | (241,150) |
| | Marketing & advertising | (320,522) | (152,900) |
| | IT expenses | (566,741) | (152,649) |
| | Administrative expenses | (426,623) | (280,632) |
| | Strategies and retreat expenses | (81,536) | (97,248) |
| | | <u>(2,655,699)</u> | <u>(1,480,276)</u> |
| 39 | staff cost and management expenses(Note 37+ 38) | <u>(4,923,789)</u> | <u>(2,947,044)</u> |
| | Attributable staff cost and Management Expenses | (1,185,556) | (366,358) |
| | Non-attributable staff cost and Management Expenses | (3,738,234) | (2,580,685) |
| | | <u>(4,923,789)</u> | <u>(2,947,044)</u> |
| 39a | Other operating cash payment | | |
| | Management expenses | (2,655,699) | (1,480,275) |
| | Non cash adjustment | 989,659 | 780,696 |
| | | <u>(1,666,040)</u> | <u>(699,579)</u> |
| | *** The Non Cash Adjustment consist of depreciation,amortisation , provisions and other payable as at 31 dec 2024 | | |
| 39b | Attributable | | |
| | Attributable Management Expenses | (846,959) | (366,358) |
| | Attributable NAICOM levy | (338,597) | |
| | | <u>(1,185,556)</u> | <u>(366,358)</u> |
| 39c | Total non- Attributable Expense | | |
| | Non attributable Management Expenses | (3,738,234) | (2,580,685) |
| | Maintenance expense non attributable on Investment Product | (1,790,193) | - |
| | | <u>(5,528,427)</u> | <u>(2,580,685)</u> |
| 40 | Finance cost* | <u>(90,376)</u> | <u>(58,499)</u> |

*Finance cost relates to interest expense on lease liability

PWC did not render any non-audit service to the company during the year.

41 Related party transactions

During the year, Heirs Life Assurance Ltd. entered into commercial transaction with related parties which were carried out at arms length. The transactions/balances in respect of related party transaction as at reporting date are set out below:

TRANSACTIONS

(a) With Key Management Personnel:

The Company's key management personnel and immediate family members are also considered to be related parties. The definition of related parties includes the close family members of key management personnel and any entity over which key management personnel have been identified as the directors of the Company.

| | | | | |
|--------|--|-------------------|-----------|---------|
| (a)(i) | Other receivables: | | 2024 | 2023 |
| | | | N'000 | N'000 |
| | Loan to key management personnel | | 16,408 | 6,720 |
| | | | 16,408 | 6,720 |
| (b) | Gross Written Premium: | Relationship | | |
| | Heirs Holdings Ltd | Parent | 5,492 | 3,816 |
| | Heirs Oil & Gas Ltd | Fellow Subsidiary | 29,286 | 22,533 |
| | Heirs Insurance Ltd | Fellow Subsidiary | 36,851 | 6,079 |
| | United Capital Plc | Fellow Subsidiary | 26,999 | 9,768 |
| | Africa Prudential Plc | Fellow Subsidiary | 3,373 | 6,248 |
| | Avon HMO | Fellow Subsidiary | 3,242 | 4,307 |
| | Avon Medical Practice | Fellow Subsidiary | 74 | 1,819 |
| | Heirs Insurance Brokers | Fellow Subsidiary | 4,603 | 1,264 |
| | | | 109,920 | 55,834 |
| (c) | Investment Advisory & Custodial Fees to: United Capital Plc | Fellow Subsidiary | 5,000 | 5,000 |
| | | | 5,000 | 5,000 |
| (d) | Medical Expenses paid to Avon HMO | Fellow Subsidiary | 143,594 | 30,610 |
| | | | 143,594 | 30,610 |
| (e) | Amount due to related parties Heirs General Insurance Limited (HGIL)* | Fellow Subsidiary | 94,596 | 9,945 |
| | | | 94,596 | 9,945 |
| | *This relates to expenses paid by HIGL on behalf of Heirs Life Assurance | | | |
| (f) | ACCOUNT BALANCES | | | |
| i | Placements | | | |
| | UCAP Wealth Management | Fellow Subsidiary | 1,406,201 | 765,170 |
| | | | 1,406,201 | 765,170 |
| ii | Mutual Fund | | | |
| | UCAP Asset Management | Fellow Subsidiary | - | - |
| | | | - | - |
| 42 | Analysis of staff | | 2024 | 2023 |
| | | | Number | Number |
| | Senior Management | | 6 | 7 |
| | Middle Management | | 36 | 34 |
| | Other staff members | | 41 | 27 |
| | | | 83 | 68 |

| | | | |
|----|---|-------------|-------------|
| ii | Number of Employees (excluding Directors) in each range of emoluments (excluding pension contribution and certain benefits) | 2024 | 2023 |
| | | Numbers | Numbers |
| | N500,000 - N9,999,999 | 5 | 30 |
| | N10,000,000 - N19,999,999 | 36 | 31 |
| | Above N20,000,000 | 42 | 5 |
| | | 83 | 66 |

Managers of the Company (including the highest paid manager) whose remuneration in respect of services to the Company is within the following range:

| | | | |
|-----|------------------------|-------------|------------------|
| iii | Analysis of staff cost | 2024 | 2023 |
| | | % Amount | Amount |
| | Senior management | 13% | 227,922 |
| | Middle management | 56% | 948,211 |
| | Other staff members | 31% | 527,516 |
| | | 100% | 1,703,649 |

Managers excludes Directors (executive and non-executive). The compensation paid to managers for services is as shown above.

| | | | |
|----|---|----------------|----------------|
| 43 | Directors' Emoluments | 2024 | 2023 |
| | Remuneration paid to the directors of the Company was as follows: | N000 | N000 |
| | Chairman | 20,000 | 23,600 |
| | Non-Executive Directors/Independent Director | 100,000 | 109,200 |
| | Executive Directors Salaries | 197,348 | 132,612 |
| | | 317,348 | 265,412 |
| | Other allowances paid to the Chairman | - | - |

HEIRS LIFE ASSURANCE LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024
NOTES TO THE FINANCIAL STATEMENTS

| 31 Dec 2024 | | | | | |
|--------------------------------------|---|--|-------------------|-----------------------------------|-------------------|
| | Policy Holders Fund - Insurance Contract | Policy Holders Fund - Investment Contract | Annuity | Share Holders Fund | Total |
| | N'000 | N'000 | N'000 | N'000 | N'000 |
| Hypothecation | | | | | |
| Cash and Cash Equivalents | 233,853 | 275,556 | 255,278 | 75,365 | 840,052 |
| Treasury Bills | | 6,364,190 | 8,050,339 | 2,677,053 | 17,091,582 |
| Placement with Financial Institution | | | | 1,345,874 | 1,345,874 |
| Government Bonds | 6,881,872 | 1,921,868 | 25,921,684 | 2,479,558 | 37,204,982 |
| Quoted Shares | 4,857,143 | | | 8,742 | 4,865,885 |
| Corporate Bonds | | 75,102 | | 1,370,419 | 1,445,521 |
| Commercial Papers | | - | - | - | - |
| Reinsurance Assets | 505,679 | | | | 505,679 |
| Other Receivables & Prepayments | | | | 364,887 | 364,887 |
| Right of Use Asset | | | | 941,277 | 941,277 |
| Statutory Deposits with CBN | - | - | - | 800,000 | 800,000 |
| Property, Plant and Equipment | | | | 614,981 | 614,981 |
| Intangible Assets | | | | 178,912 | 178,912 |
| TOTAL ASSETS | 12,478,547 | 8,636,717 | 34,227,301 | 10,857,068 | 66,199,633 |
| Liabilities | | | | | |
| Insurance Contract Liabilities | 8,742,286 | | 30,917,543 | | 39,659,829 |
| Investment Contract Liabilities | | 8,458,884 | | | 8,458,884 |
| Other Technical Liabilities | | | | 1,925,425 | 1,925,425 |
| Provisions & Other Payables | | | | 646,624 | 646,624 |
| Lease Liability | | | | 828,121 | 828,121 |
| Income Tax Payable | | | | 54,273 | 54,273 |
| TOTAL LIABILITIES | 8,742,286 | 8,458,884 | 30,917,543 | 3,454,443 | 51,573,156 |
| SURPLUS | 3,736,261 | 177,833 | 3,309,758 | 7,402,625 | 14,626,477 |

| 31 Dec 2023 | | | | | |
|--------------------------------------|---|--|-------------------|-----------------------------------|-------------------|
| | Policy Holders Fund - Insurance Contract | Policy Holders Fund - Investment Contract | Annuity | Share Holders Fund | Total |
| | N'000 | N'000 | N'000 | N'000 | N'000 |
| Hypothecation | | | | | |
| Cash and Cash Equivalents | 510,204 | 848,352 | 171,457 | 178,079 | 1,708,093 |
| Treasury Bills | 991,414 | 2,332,521 | 409,319 | 526,658 | 4,259,912 |
| Placement with Financial Institution | | | | 765,170 | 765,170 |
| Government Bonds | 4,632,385 | 1,053,513 | 16,613,632 | 2,179,429 | 24,478,959 |
| Quoted Shares | | | | | - |
| Corporate Bonds | 102,014 | | | 1,379,751 | 1,481,765 |
| Commercial Papers | 1,472,634 | | 347,466 | 475,230 | 2,295,330 |
| Reinsurance Contract Assets | 278,318 | | | | 278,318 |
| Other Receivables & Prepayments | | | | 381,387 | 381,387 |
| Right of Use Asset | | | | 626,124 | 626,124 |
| Statutory Deposits with CBN | - | - | - | 800,000 | 800,000 |
| Property, Plant and Equipment | | | | 333,419 | 333,419 |
| Intangible Assets | | | | 267,815 | 267,815 |
| TOTAL ASSETS | 7,986,969 | 4,234,386 | 17,541,875 | 7,913,062 | 37,676,293 |
| Liabilities | | | | | |
| Insurance Contract Liabilities | 7,509,767 | | 14,691,440 | | 22,201,207 |
| Investment Contract Liabilities | | 3,719,006 | | | 3,719,006 |
| Other Technical Liability | | | | 1,655,632 | 1,655,632 |
| Provisions & Other Payables | | | | 513,743 | 513,743 |
| Lease Liability | | | | 518,270 | 518,270 |
| Income Tax Payable | | | | 18,845 | 18,845 |
| TOTAL LIABILITIES | 7,509,767 | 3,719,006 | 14,691,440 | 2,706,490 | 28,626,703 |
| SURPLUS | 477,202 | 515,380 | 2,850,435 | 5,206,572 | 9,049,590 |

HEIRS LIFE ASSURANCE LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024
NOTES TO THE FINANCIAL STATEMENTS

45 Pencom Regulated Annuity
Statement of Asset and Liabilities
As at year end December 2024

Cash and Cash equivalents

| | | | |
|--------------------------------------|-----------|--------|--------------------|
| Cash at bank | | | 152,160,981 |
| Short-Term Placement (Providus Bank) | 25-Feb-25 | 17.00% | 103,116,536 |
| Total | | | 255,277,517 |

TREASURY BILLS

| Description | Maturity Date | Interest Rate | Fair Value |
|--------------------|----------------------|----------------------|----------------------|
| Treasury Bills | 6-Mar-25 | 20.70% | 50,190,879 |
| Treasury Bills | 6-Mar-25 | 20.50% | 116,156,033 |
| Treasury Bills | 6-Mar-25 | 20.45% | 116,060,432 |
| Treasury Bills | 10-Apr-25 | 20.25% | 231,718,603 |
| Treasury Bills | 6-Mar-25 | 20.30% | 115,869,228 |
| Treasury Bills | 10-Apr-25 | 20.05% | 207,902,301 |
| Treasury Bills | 10-Apr-25 | 20.05% | 173,251,918 |
| Treasury Bills | 4-Sep-25 | 21.35% | 102,171,493 |
| Treasury Bills | 6-Mar-25 | 19.95% | 115,104,415 |
| Treasury Bills | 27-Mar-25 | 19.95% | 114,971,100 |
| Treasury Bills | 10-Apr-25 | 19.95% | 115,065,425 |
| Treasury Bills | 6-Mar-25 | 20.50% | 453,868,945 |
| Treasury Bills | 10-Apr-25 | 19.95% | 80,555,137 |
| Treasury Bills | 4-Dec-25 | 22.20% | 92,284,176 |
| Treasury Bills | 24-Apr-25 | 20.30% | 57,597,456 |
| Treasury Bills | 24-Apr-25 | 20.30% | 57,597,456 |
| Treasury Bills | 10-Apr-25 | 20.15% | 34,463,589 |
| Treasury Bills | 8-May-25 | 20.68% | 105,670,612 |
| Treasury Bills | 8-May-25 | 20.67% | 105,670,612 |
| Treasury Bills | 8-May-25 | 20.69% | 151,614,356 |
| Treasury Bills | 10-Apr-25 | 20.20% | 228,169,507 |
| Treasury Bills | 10-Apr-25 | 20.05% | 68,366,795 |
| Treasury Bills | 10-Apr-25 | 20.15% | 102,456,795 |
| Treasury Bills | 22-May-25 | 20.69% | 27,288,124 |
| Treasury Bills | 22-May-25 | 20.30% | 68,551,644 |
| Treasury Bills | 22-May-25 | 20.30% | 399,427,578 |
| Treasury Bills | 22-May-25 | 20.25% | 80,433,929 |
| Treasury Bills | 22-May-25 | 20.25% | 114,252,740 |
| Treasury Bills | 27-Mar-25 | 20.50% | 169,490,564 |
| Treasury Bills | 5-Jun-25 | 20.45% | 169,927,277 |
| Treasury Bills | 6-Mar-25 | 20.32% | 111,853,958 |
| Treasury Bills | 13-Mar-25 | 20.50% | 223,375,063 |
| Treasury Bills | 13-Mar-25 | 20.80% | 111,449,392 |
| Treasury Bills | 20-Feb-25 | 21.50% | 155,942,469 |
| Treasury Bills | 20-Feb-25 | 21.70% | 166,343,465 |
| Treasury Bills | 20-Feb-25 | 22.95% | 244,996,827 |
| Treasury Bills | 6-Mar-25 | 23.45% | 211,003,409 |
| Treasury Bills | 6-Feb-25 | 23.15% | 164,525,902 |
| Treasury Bills | 6-Mar-25 | 20.70% | 331,527,483 |
| Treasury Bills | 6-Mar-25 | 20.70% | 331,527,483 |
| Treasury Bills | 20-Feb-25 | 20.00% | 263,762,097 |
| Treasury Bills | 6-Mar-25 | 20.10% | 159,654,795 |
| Treasury Bills | 6-Mar-25 | 22.00% | 277,199,920 |
| Treasury Bills | 6-Mar-25 | 22.00% | 135,895,867 |
| Treasury Bills | 6-Mar-25 | 22.50% | 312,379,424 |
| Treasury Bills | 6-Mar-25 | 22.50% | 229,077,862 |
| Treasury Bills | 6-Mar-25 | 22.85% | 229,444,016 |
| Treasury Bills | 10-Apr-25 | 23.30% | 62,537,872 |
| Treasury Bills | 10-Apr-25 | 23.20% | 301,692,764 |
| Total | | | 8,050,339,181 |

| FGN Bonds | | | |
|------------------------------------|----------------------|--------------------|-----------------------|
| Description | Maturity Date | Coupon Rate | Fair Value |
| 13.53% FGN BOND 23 MAR 2025 | 23-Mar-25 | 13.53% | 692,538,696 |
| 12.5% FGN BOND 22 JAN 2026 | 22-Jan-26 | 12.50% | 4,665,725,011 |
| 16.2884% FGN BOND 17 MAR 2027 | 17-Mar-27 | 16.29% | 196,114,811 |
| 19.94% FGN BOND 20-MAR-2027 | 20-Mar-27 | 19.94% | 179,227,086 |
| 13.98% FGN BOND 23 FEB 2028 | 23-Feb-28 | 13.98% | 1,489,056,148 |
| 14.55% FGN BOND 26 APR 2029 | 26-Apr-29 | 14.55% | 185,621,754 |
| 18.50% FGN BOND 21-FEB-2031 | 21-Feb-31 | 18.50% | 3,955,425,685 |
| 12.50% FGN BOND 27-APR-2032 | 27-Apr-32 | 12.50% | 1,500,055,141 |
| 19.89% FGN BOND 15-MAY-2033 | 15-May-33 | 19.89% | 3,976,633,107 |
| 14.70% FGN BOND 21-JUN-2033 | 21-Jun-33 | 14.70% | 158,915,291 |
| 19.00% FGN BOND 21-FEB-2034 | 21-Feb-34 | 19.00% | 1,918,726,015 |
| 12.40% FGN BOND MAR 2036 | 18-Mar-36 | 12.40% | 413,205,657 |
| 15.45% FGN BOND 21-JUN-2038 | 21-Jun-38 | 15.45% | 1,099,617,344 |
| 13.00% FGN BOND JAN 2042 | 21-Jan-42 | 13.00% | 2,177,125,404 |
| 14.80% FGN BOND 26-APR-2049 | 26-Apr-49 | 14.80% | 440,096,526 |
| 12.98% FGN BOND MAR 2050 | 27-Mar-50 | 12.98% | 1,344,481,850 |
| 15.70% FGN BOND 21-JUN-2053 | 21-Jun-53 | 15.70% | 1,529,118,879 |
| Total | | | 25,921,684,406 |
| Total Annuity Asset | | | 34,227,301,105 |
| Liabilities-Annuity Reserve | | | 30,917,542,629 |

HEIRS LIFE ASSURANCE LIMITED
OTHER NATIONAL DISCLOSURE
VALUE ADDED STATEMENT

| | 31-Dec-24 | % | 31-Dec-23 | % |
|---|-------------------|-------------|------------------|-------------|
| | N'000 | | N'000 | |
| Insurance Revenue | 15,147,394 | 145% | 7,256,832 | 183% |
| Investment Income | 4,686,006 | 45% | 2,838,873 | 72% |
| Other Income/expenses | 21,635 | 0% | 510 | 0% |
| Insurance Service Expenses and operating expenses (local) | (8,723,577) | -84% | (5,577,738) | -141% |
| Other Service bought | (689,098) | -7% | (560,537) | -14% |
| Value added | 10,442,361 | 100% | 3,957,940 | 100% |
| Applied to pay: | | | | |
| Employee benefit expense | 2,268,090 | 26% | 1,466,768 | 38% |
| Government taxes | 55,359 | 1% | 3,381 | 0% |
| Retained in the business: | | | | |
| Depreciation of property and equipment | 140,702 | 2% | 80,090 | 2% |
| Depreciation expense on right-of-use asset | 113,430 | 1% | 99,144 | 3% |
| Amortisation of intangible assets | 88,903 | 1% | 87,717 | 2% |
| Profit accumulated in the business | 5,512,656 | 63% | 1,879,294 | 49% |
| Conigency Reserve | 545,730 | 6% | 197,479 | 5% |
| Value added | 8,724,869 | 100% | 3,813,874 | 100% |

HEIRS LIFE ASSURANCE LIMITED
OTHER NATIONAL DISCLOSURE
FOUR-YEAR FINANCIAL SUMMARY

| | 31 Dec 2024 N'000 | 31 Dec 2023 N'000 | Restated 31 Dec 2022 N'000 | Restated 1 Jan 2022 N'000 |
|--------------------------------------|------------------------------------|------------------------------------|---|--|
| ASSETS | | | | |
| Cash and cash equivalents | 840,051 | 1,708,093 | 838,251 | 275,532 |
| Financial assets - FVTPL | 59,158,287 | 28,741,039 | 13,101,851 | 6,975,688 |
| Financial assets - Amortized cost | 2,795,557 | 4,540,098 | 2,860,329 | 587,687 |
| Trade receivables | - | 83,239 | 2,083 | 330 |
| Reinsurance assets | 505,679 | 278,318 | 50,477 | 25,990 |
| Insurance Contract assets | - | 222 | - | - |
| Other receivables & prepayments | 364,887 | 381,387 | 130,612 | 186,391 |
| Right of use asset | 941,277 | 626,124 | 725,268 | 709,198 |
| Statutory deposits with CBN | 800,000 | 800,000 | 800,000 | 800,000 |
| Property, plant and equipment | 614,981 | 333,419 | 247,848 | 149,129 |
| Intangible assets | 178,912 | 267,815 | 283,811 | 163,361 |
| TOTAL ASSETS | 66,199,631 | 37,759,754 | 19,040,530 | 9,873,306 |
| LIABILITIES | | | | |
| Insurance contract liabilities | 39,659,829 | 22,201,429 | 9,753,483 | 2,348,378 |
| Reinsurance contract liabilities | 76,433 | 40,084 | 33,894 | 12,525 |
| Investment contract liabilities | 8,458,884 | 3,719,006 | 1,087,855 | 194,831 |
| Other Insurance Contract Liabilities | 1,925,425 | 1,655,632 | 291,332 | 25,437 |
| Provisions & other payables | 646,624 | 513,743 | 170,862 | 91,274 |
| Lease liability | 828,121 | 518,270 | 467,296 | 343,939 |
| Income tax payable | 54,273 | 18,845 | 3,471 | 532 |
| TOTAL LIABILITIES | 51,649,589 | 28,667,009 | 11,808,193 | 3,016,916 |
| EQUITY | | | | |
| Ordinary share capital | 8,000,000 | 8,000,000 | 8,000,000 | 8,000,000 |
| Contingency reserve | 885,409 | 339,679 | 142,200 | 26,995 |
| Retained earnings | 5,664,633 | 753,066 | (909,863) | (1,170,605) |
| TOTAL EQUITY | 14,550,042 | 9,092,745 | 7,232,337 | 6,856,390 |

| | 31 Dec 2024 | 31 Dec 2023 | 31 Dec 2022 | 1 Jan 2022 |
|---|--------------------|--------------------|--------------------|-------------------|
| Gross written premium | 33,859,296 | 19,747,898 | 11,520,546 | 2,699,478 |
| Insurance Revenue | 15,147,394 | 7,256,831 | 3,764,728 | 1,249,299 |
| Insurance service expenses | (7,618,666) | (6,011,655) | (2,928,497) | (1,697,513) |
| Net Insurance and Investment Result | 11,109,823 | 4,517,968 | 2,323,949 | (58,944) |
| Other operating expenses (Non attributable) | (5,528,427) | (2,580,685) | (1,892,600) | (924,492) |
| Profit/(loss) before tax | 5,512,656 | 1,879,295 | 379,328 | (1,143,078) |
| Income tax expense | (55,359) | (18,887) | (3,381) | - |
| Profit/(loss) after tax | 5,457,297 | 1,860,408 | 375,947 | (1,143,610) |