

emPLE Life Assurance Limited

Annual Report and Financial Statements

31 December 2024

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Corporate information**Registered Office**

3rd Floor, Plot 1297 Akin Adesola Street
Victoria Island
Lagos

Directors

Folashade Laoye*
Kenneth Igbokwe*
Pieter Strydom*
Gary Voss*
Clarence Nethengwe*
Olusegun Omosehin**
Rantimi Ogunleye
Uyi Akpata***
Oke Maduewesi****
Tosin Ajose****
Olalekan Oyinlade****
Jolaolu Fakoya*****
Makanjuola Tubi*****

**resigned 28th June 2024*

***Resigned 30th April 2024*

****Appointed August 29th 2024*

*****Appointed August 20th 2024*

****** Appointed 10th September*

****** Appointed 23rd September 2024*

Chairperson
Independent Non Executive Director
Independent Non Executive Director
Non Executive Director
Non Executive Director
Managing Director/CEO
Executive Director (Technical)
Chairman
Independent Non Executive Director
Non Executive Director
Non Executive Director
Executive Director (Technical)
Executive Director (Business Development)

Company Secretary

Aderinola Adefulu
FRC/2018/NBA/00000017907

Company registration number

RC507968

Re-insurers

African Reinsurance Corporation
Continental Reinsurance Plc

Bankers

Ecobank Nigeria Limited
Access Bank Plc
GTBank Limited
Fidelity Bank Plc
First City Monument Bank Limited
Sterling Bank Limited
Stanbic IBTC Bank Limited
Standard Chartered Bank Limited
United Bank for Africa Plc
Zenith Bank Plc

Actuary

Zamara Actuaries, Administrators & Consultants Limited
FRC/2019/00000012910

Auditor

Deloitte & Touche
Civic Towers
Plot GA 1, Ozumba Mbadiwe Avenue
Victoria Island
Lagos

Directors' Report in Relation to the Preparation of the Financial Statement

The Directors present their report on the affairs of emPLE Life Assurance Limited, together with the financial statements and independent auditor's report for the year ended 31 December 2024.

Legal form and principal activity

emPLE Life Assurance Limited is a private limited liability Company incorporated in Nigeria under the Companies and Allied Matters Act. The Company was formerly trading as Oceanic Life Assurance Limited, a Company incorporated in Nigeria on 30 March 2004 under the Companies and Allied Matters Act as a private limited liability Company domiciled in Nigeria. Old Mutual Nigeria Services Company Limited (now Old Mutual West Africa Company Limited) acquired 70% holding in Oceanic Life Assurance Limited from Cressida Nigeria Limited. The Company changed its name to Old Mutual Nigeria Life Assurance Company Limited on 05 March 2013. In June 2024, after obtaining necessary Board and regulatory approvals, the Old Mutual Group sold its 96.28% stake in the Company to the emPLE Group Limited and the Company was renamed emPLE Life Assurance Limited (the "Company").

The Company's principal activities are the provision of risk underwriting, claims settlement and related life assurance services to its corporate and individual clients.

Operating results

The following is a summary of the Company's operating results based on IFRS 17:

	2024	2023
	N'000	N'000
Loss before income tax expense	(3,150,990)	(585,344)
Income tax expense	(4,934)	(11,920)
Loss for the year	(3,155,924)	(597,264)
Transfer to contingency reserve	(72,741)	(53,969)
Transfer to retained earnings for the year	(3,228,665)	(651,234)
Loss per share - Basic (Kobo)	(20)	(5)

Directors and their interests

The Directors of the Company who held office during the year were as follows:

Name	Status	Nationality
Folashade Laoye*	Chairperson	Nigerian
Kenneth Igbokwe*	Independent Non Executive Director	Nigerian
Pieter Strydom*	Independent Non Executive Director	South African
Gary Voss*	Non Executive Director	South African
Clarence Nethengwe*	Non Executive Director	South African
Olusegun Omosehin**	Managing Director/CEO	Nigerian
Rantimi Ogunleye	Executive Director (Technical)	Nigerian
Uyi Akpata***	Chairman	Nigerian
Oke Maduewesi****	Independent Non Executive Director	Nigerian
Tosin Ajose****	Non Executive Director	Nigerian
Olalekan Oyinlade****	Non Executive Director	Nigerian
Jolaolu Fakoya*****	Executive Director (Technical)	Nigerian
Makanjuola Tubi*****	Executive Director (Business Development)	Nigerian

*resigned 28th June 2024

**Resigned 30th April 2024

***Appointed August 29th 2024

****Appointed August 20th 2024

***** Appointed 10th September

***** Appointed 23rd September 2024

Directors' Report in Relation to the Preparation of the Financial Statement - continued**Directors' interest in contracts**

For the purpose of section 277 of the Companies and Allied Matters Act 2020, none of the Directors have notified the Company of any declarable interests in contracts or proposed contracts with the Company.

Shareholding analysis

According to the register of members as at 31 December 2024, the spread of shareholding of the Company was as follows:

(a) Ordinary share capital

	31 December 2024		31 December 2023	
	No. of shares	% Holding	No. of shares	% Holding
emPLE Group Limited	15,555,460,209	96.29%	-	0%
Old Mutual West Africa Company Limited	-	0.00%	11,449,140,400	95.02%
Cressida Nigeria Limited	579,999,998	3.59%	579,999,998	4.81%
Olorogun Michael Ibru	20,000,000	0.12%	20,000,000	0.17%
Ecobank Development Corporation	1	0.00%	1	0%
Cecilia Ibru	1	0.00%	1	0%
	<u>16,155,460,209</u>	<u>100%</u>	<u>12,049,140,400</u>	<u>100%</u>

(b) Convertible preference share

	31 December 2024		31 December 2023	
	No. of shares	% Holding	No. of shares	% Holding
Old Mutual West Africa Company Limited	-	0%	10,265,799	100%

Directors' shareholding

The Directors do not have any interest required to be disclosed under Section 301 of the Companies and Allied Matters Act 2020, (2023: Nil). In accordance with Section 303 of the Companies and Allied Matters Act 2020, none of the Directors have notified the Company of any declarable interests in contracts with the Company. Information relating to share based transactions are contained in Note 19 (c) (i) to the financial statements.

Property and equipment

Information relating to changes in property and equipment is given in Note 13 to the financial statements.

Donations and charitable gifts

The Company donated a total of N7.46 million (2023: N6.5million) during the period as follows:

Dec-24		Description	Amount
Organization			
1	NOG Energy Conference	Sponsorship towards energy week conference	2,500,000
2	Road Warriors Running Club	Bronze Sponsorship of ROAD WARRIORS RUNNING CLUB	500,000
3	Head of Service	Contribution to the 2023 Annual Civil Service Week	1,964,723
4	Nigerian Insurers Association	Sponsorship NIA Conference	2,500,000
			<u>7,464,723</u>
Dec-23		Description	Amount
Organization			
1	Center of Value for Leadership	Sponsorship towards CVL conference	500,000
2	NOG Energy Conference	Sponsorship towards energy week conference	2,500,000
3	West African Insurance Companies Association	WAICA Conference 2023	1,000,000
4	Chartered Insurance Institute of Nigeria (CIIN)	Sponsorship of CIIN Event	250,000
5	Head of Service	Contribution to the 2023 Annual Civil Service Week	2,000,323
6	CAREFIRST Consult Ltd	Sponsorship towards the 2023 Insurance Claims Advocacy Conference	250,000
			<u>6,500,323</u>

Directors' Report in Relation to the Preparation of the Financial Statement - continued**Employment of physically challenged persons**

The Company operates a non-discriminatory policy on recruitment. Applications by physically challenged persons are always fully considered, bearing in mind the respective aptitudes and abilities of the applicants concerned. In the event of members of staff becoming physically challenged, every effort is made to ensure that their employment with the Company continues and that appropriate training is arranged. It is the policy of the Company that the training, career development and promotion of physically challenged persons should, as far as possible, be identical with those of other employees. During the year under review, there was no physically challenged person in the employment of the Company.

Health, safety and welfare of employees

The Company's employees are adequately insured against occupational hazards. In addition, members of staff and their immediate families are provided with free comprehensive medical services in line with the Company's medical aid scheme.

Employee involvement and training

The Company places considerable value on the involvement of its employees and has continued its practice of keeping them informed on matters affecting them as employees and the various factors affecting the performance of the Company. This is achieved through regular meetings between management and staff of the Company.

Acquisition of own shares

The Company did not purchase any of its own shares during the year (2023:Nil).

Events after the reporting period

Note 42 to the financial statements discloses no events after the reporting date, that could have a material effect on the financial position of the entity as at 31 December 2024. There were no events after the reporting date which could have material effect on the financial position of the entity at at 31 December 2024 and profit or loss and other comprehensive income attributable to equity shareholders on that date which have not been adequately adjusted for or disclosed.

Auditors

The firm of Messrs. Deloitte & Touche, having satisfied the relevant governance requirements, was re-appointed and this appointment was duly ratified by the shareholders at the Annual General Meeting held on 22nd August 2024. In accordance with Section 401 (2) of the Companies and Allied Matters Act of Nigeria therefore, the auditors will be re-appointed at the next annual general meeting of the Company without any resolution being passed.

Compliance with the code of best practices on corporate governance

The Directors confirm that they have reviewed the structure and activities of the Company in view of the Nigeria Code of Corporate Governance 2018 (the "Code") and the NAICOM Corporate Governance Guidelines for Insurance and Reinsurance Companies in Nigeria published in March 2021 (the "Guidelines"). The Directors confirm that the Company has substantially complied with the provisions of the Code and the Guidelines with regards to matters stated therein concerning the Board of Directors, the Shareholders and the Audit Committee.

BY ORDER OF THE BOARD

Aderinola Adefulu

Company Secretary

FRC/2018/NBA/00000017907

16 April 2025

Statement of Directors Responsibilities in Relation to the Financial Statements

The Directors of emPLE Life Assurance Limited accept responsibility for the preparation of the financial statements that give a true and fair view of the financial position of the Company as at 31 December 2024, and the results of its operations, cash flows and changes in equity for the year ended 31 December 2024 in conformity with International Financial Reporting Standards (IFRS) as issued by the international Accounting Standard Board (IASB) and in the manner required by the Companies and Allied Matters Act 2020, the Financial Reporting Council of Nigeria Act (Amended) Act 2023, the Insurance Act 2003 and relevant policy guidelines issued by the National Insurance Commission of Nigeria ("NAICOM") circulars.

In preparing the financial statements, the Directors are responsible for:

- properly selecting and applying accounting policies;
- presenting information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- providing additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Group's financial position and financial performance.

Going Concern:

The Directors have made an assessment of the Company's ability to continue as a going concern and have no reason to believe the Company will not remain a going concern in the year ahead.

Certification of financial statements

In accordance with section 405 of the Companies and Allied Act of Nigeria 2020, the Chief Executive Officer and the Chief Financial Officer certify that the financial statements have been reviewed and based on our knowledge, the

- I. 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, in the light of the circumstances under which such statement was made, and
- II. 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 for the periods covered by the audited financial statements.

We state that Management and Directors:

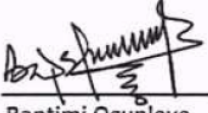
- i. are responsible for establishing and maintaining internal controls and have designed such internal controls to ensure that material information relating to the Company is made known to the officer by other officers of the Company, particularly during the period in which the audited financial statement report is being prepared,
- ii. have evaluated the effectiveness of the Company's internal controls within 90 days prior to the date of its audited Financial Statements, and
- iii. certify that Company's internal controls are effective as of that date;

We have disclosed:

- i. all significant deficiencies in the design or operation of internal controls which could adversely affect the Company's ability to record, process, summarise and report financial data, and have identified for the Company's auditors any material weaknesses in internal controls, and
- ii. whether or not, there is any fraud that involves Management or other employees who have a significant role in the Company's internal control; and
- iii. as indicated in the report, whether or not, there were significant changes in internal controls or in other factors 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.

The Financial Statements of emPLE Life Assurance Limited as at 31 December 2024 were approved by the Directors on 16 April 2025.

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS:



Rantimi Ogunleye
Chief Executive Officer
FRC/2012/PRO/DIR/003/00000000526

Uyiosa-Akpata
Chairman
FRC/2013/PRO/ICAN/004/00000000643

Corporate Governance Report**a. Introduction**

emPLE Life Assurance Limited ("The Company") is a Life Assurance Company in the Nigerian Insurance industry and is committed to upholding high standards of good corporate governance within the industry. The Company has in place an effective corporate governance mechanism that ensures proper oversight of its business by the Directors and other principal organs of the Company, and carries on its business in a manner that meets the expectations of all stakeholders.

b. Shareholding

A breakdown of the Company's shareholding is as follows:

Shareholder	2024 % Preference Shareholding	2023 % Preference Shareholding	2024 % Ordinary Shareholding	2023 % Ordinary Shareholding
emPLE Group Limited	0.00%	-	96.29%	96.29%
Old Mutual West Africa Company Limited	0.00%	-	0.00%	0.00%
Cressida Nigeria Limited	0.00%	-	3.59%	3.59%
Olorogun Michael Ibru	0.00%	-	0.12%	0.12%
Ecobank Development Corporation	0.00%	-	0.00%	0.00%
Cecilia Ibru	0.00%	-	0.00%	0.00%
Total	0%	100	100%	100%

c. Board of Directors

The tone for proper corporate governance by the Company is set by the Board. As at 31 December 2024, there were 7 Directors which include the Chairman (Non-Executive Director), 2 Non-Executive Directors, 1 Independent Non-Executive Director, the Managing Director, the Executive Director (Technical) and the Executive Director (Business Development). The Directors are knowledgeable, skilled, experienced, competent and experts in their various fields including actuarial, product development, insurance, accounting, legal, marketing/sales and finance.

The Board is primarily responsible for the overall success of the Company and its role is to provide strategic leadership and direction to the Company within a framework of prudent and effective controls which enables risk to be properly assessed and managed. The Directors also ensure the strategic guidance and effective management of the Company as well as safeguarding the shareholders' interests. There are at least 3 board meetings held in a year. The Chairman (Non-Executive Director) and the Managing Director of the Company are separate individuals with different and distinct responsibilities. The Chairman is responsible for ensuring that the Board directs the Company effectively and retains the confidence of the shareholders and management whilst the Managing Director maintains oversight of the Business Units and is responsible for the day to day running of the business.

d. Responsibilities of the Board

The Board is responsible for:

- Ensuring that the necessary financial and capital resources are in place for the Company in Nigeria so that it is able to meet its strategic objectives
- Reviewing the performance of Senior Management and ensuring that the necessary human resources are in place;
- Providing input into the appointment, succession planning and, where necessary, the removal of Directors.
- Approving Schemes of Delegated Authority for the company's operations in Nigeria; and
- Ensuring accountability to its shareholders, in practice this means emPLE Group

Corporate Governance Report - continued

The Board members who served on the Board during the financial year are as follows:

Board of Directors

NAME	POSITION
Folashade Laoye*	Chairperson
Kenneth Igbokwe*	Independent Non Executive Director
Pieter Strydom*	Independent Non Executive Director
Gary Voss*	Non Executive Director
Clarence Nethengwe*	Non Executive Director
Olusegun Omoshin**	Managing Director/CEO
Rantimi Ogunleye	Executive Director (Technical)
Uyi Akpata***	Chairman
Oke Maduewesj****	Independent Non Executive Director
Tosin AJose****	Non Executive Director
Olalekan Oyinlade****	Non Executive Director
Jolaolu Fakoya*****	Executive Director (Technical)
Makanjuola Tubi*****	Executive Director (Business Development)

*resigned 28th June 2024

**Resigned 30th April 2024

***Appointed August 29th 2024

****Appointed August 20th 2024

***** Appointed 10th September

***** Appointed 23rd September 2024

The Board meets at least every quarter but may hold extra-ordinary sessions to address urgent matters requiring the attention of the Board.

e. Board Committees

The Board carries out its oversight functions through its various Board Committees. This ensures efficiency and allows for deeper attention to specific matters for the Board. The Committees are set up in line with statutory and regulatory requirements and are consistent with best practice.

Membership of the Committees of the Board is intended to make the best use of the skills, experience and expertise of non-executive Directors in particular.

The Committees have well defined terms of reference defining their scope of responsibilities in such a way as to avoid overlap of functions.

The Enterprise Risk Management Committee and Audit & Compliance Committee meet quarterly while the Finance, Investments and General Purpose Committee and the Remuneration, Nominations, and Governance Committee meet half-yearly but may hold extraordinary sessions as the business of the Company demands.

The following are the current standing Committees of the Board:

i. Finance, Investment and General Purpose

The Finance and General Purpose Committee assists the Board in reviewing financial and operational matters and evaluating the impact of budgetary control, as well as oversight on information and communication technology of the business.

The Committee's membership comprises the following:

Clarence Nethengwe

Olusegun Omoshin*

*Resigned 30th April 2024

Committee's Terms of Reference

- Reviews, on behalf of the Board, financial matters arising from the business strategic planning;
- Considers the proposed annual budget/resource allocation and make recommendations to the Board;
- Considers on an ongoing basis the financial viability of the Company in the short and long terms; and
- Any other matter that may be referred to it by the Board.

Corporate Governance Report - continued

ii. Enterprise Risk Management Committee

The Enterprise Risk Management Committee reviews, on behalf of the Board, management's recommendations on risks, in particular, in relation to the structure and implementation of business risk framework, including the quality and effectiveness of the internal controls, risk appetite, risk profile and capital management process.

The Committee's membership comprises the following:

Gary Voss*

Rantimi Ogunleye

**resigned 28th June 2024*

Committee's Terms of Reference

- Advises and makes recommendations to the Chief Risk Officer regarding the exposure, approach and management in place for all risks impacting the Company having regard to the agreed risk appetite;
- To set the risk appetite limit for the business, at least annually, review and make appropriate changes to the risk appetite with regard to the returns achieved by each operation and the overall risk appetite of the business;
- To review and discuss the risk management and compliance initiatives planned for the year;
- Reviews, monitors and challenges the business risk profile, in terms of significant exposures, risk trends, losses, management actions and performance versus risk appetite, make recommendations to the Board where required;
- Oversees the application of regulatory risk standards and other regulatory changes as required; and
- Agrees and reviews annually the risk strategy for the business (i.e Management of risk and the risk profile) in line with the overall risk appetite and make recommendations to the Board.

iii. Audit and Compliance Committee

The Committee assists the Board in discharging its corporate governance responsibilities for the integrity of the Company's financial statements and monitoring the effectiveness and objectivity of the internal and external auditors, as well as ensuring compliance with Laws & Regulations.

Corporate Governance Report - continued

The Committee's membership includes:

Pieter Strydom (Chairman)*

Gary Voss*

**resigned 28th June 2024*

Committee's Terms of Reference

- Reviews the principles, policies and practices adopted in the preparation of the accounts of the Company and ensures that the Financial Statements of the Company comply with all statutory and emPLE Life Assurance Limited's requirements;
- Reviews the activities of the Company's external and internal auditors in order to ensure the adequacy and effectiveness of emPLE Life Assurance Limited's financial, operating, compliance and risk management controls;
- Reviews and monitors the integrity of the Company's annual Financial Statements and any other formal announcements relating to the Company's financial performance (and, if requested by the Board, any other price-sensitive public reports by the Company or reports by the Company to regulators) before submission to the Board, focusing particularly on:
 - significant financial reporting judgments and practices
 - quality and acceptability of, and any changes in accounting policies and practices; and
 - significant adjustments and/or unadjusted differences resulting from the external audit;
- Appointment and determination of fees of the external auditors.

iv. Remuneration, Nominations and Governance Committee

The Committee oversees and advises the Board on matters pertaining to the governance, remuneration, nomination, and appointment of Directors, and members of the Senior Management of the Company.

The Committee's membership includes:

Clarence Nethengwe*

**resigned 28th June 2024*

Committee's Terms of Reference

- Oversees and advises on the structure, size, composition, skill set and performance of the Board
- Ensures that appropriate succession planning is in place for members of the Board and members of the Senior Management
- Supervises the administration of the Company's policies relating to actual or potential conflicts of interest affecting members of the Board.

f. Management Committees

The Company also has two (2) Management Committees being the general Management Committee (the "MANCO") and the Management Investment Committee. The Management Committees comprise the senior management of the Company and has been established to discuss and recommend strategic, operational, and related initiatives, to the Managing Director and/or CFO (as appropriate). The Committee also assists the Managing Director to monitor the business's progress in achieving its strategic and operational objectives. Members of the management committees make contributions to the respective Board Committees and also ensure that recommendations of the Board Committees are effectively and efficiently implemented. They meet monthly and frequently as the need arises.

Corporate Governance Report - continued

g. Board and Board Committee Meetings

The table below shows the frequency of meetings of the Board of Directors, Board Committees and members' attendance at these meetings during the year under review.

Members	Board of Directors	Finance, Investments & General Purpose Committee	Enterprise Risk Management Committee	Audit and Compliance Committee	Remuneration, Nominations, and Governance Committee
Number of Meetings	4	2	4	4	2
Number of Meetings Held	3	0	2	2	0
Attendance					
Mrs. Folashade Laoye	3	N/A	N/A	N/A	N/A
Kenneth Igbokwe	3	N/A	N/A	N/A	N/A
Pieter Strydom	3	N/A	2	2	N/A
Gary Voss	3	N/A	2	2	N/A
Clarence Nethengwe	3	0	N/A	N/A	N/A
Olusegun Omosehin	2	0	N/A	N/A	N/A
Rantimi Ogunleye	3	N/A	2	N/A	N/A
Uyi Akpata	1	N/A	N/A	N/A	N/A
Oke Maduewesi	1	N/A	N/A	NA	N/A
Tosin Ajoye	1	N/A			
Olalekan Oyinlade	1	N/A			
Jolaolu Fakoya	1	N/A			
Makanjuola Tubi	1	N/A			

Certification Pursuant To Section 405 Of Companies and Allied Matters Act 2020

We the undersigned hereby certify the following with regards to our audited financial statements for the year ended 31 December 2024 that:

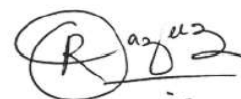
- (a) emPLE Life Assurance Limited is a Life Assurance Company in the Nigerian Insurance industry and is committed to upholding high standards of good corporate governance within the industry. The Company has in place an effective corporate governance mechanism that ensures proper oversight of its business by the Directors and other principal organs of the Company, and carries on its business in a manner that meets the expectations of all stakeholders.
- (b) To the best of our knowledge, the financial statement does not contain:
 - i. Any untrue statement of a material fact, or
 - ii. Omit to state a material fact, which would make the statements, misleading in the light of circumstances under which such statements were made;
- (c) To the best of our knowledge, the Financial Statements and other financial information included in the report fairly present in all material respects the financial condition and results of operation of the Company as of, and for the period presented in the report.
- (d) We:
 - i. Are responsible for establishing and maintaining internal controls.
 - ii. Have designed such internal controls to ensure that material information relating to the Company is made known to such officers by others within the entity particularly during the year in which the periodic reports are being prepared;
 - iii. Have evaluated the effectiveness of the Company's internal controls as of date within 90 days prior to the report;
 - iv. Have presented in the report our conclusions about the effectiveness of our internal controls based on our evaluation as of that date;
- (e) We have disclosed to the auditors of the Company and Audit Committee:
 - i. All significant deficiencies in the design or operation of internal controls which would adversely affect the Company's ability to record, process, summarize and report financial data and have identified for the Company's auditors any material weakness in internal controls, and
 - ii. Any fraud, whether or not material, that involves management or other employees who have significant roles in the Company's internal controls;
- (f) We have identified in the report whether or not there were significant changes in internal controls or other factors that could significantly affect internal controls subsequent to the date of our evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.



Rantimi Ogünleye

Chief Executive Officer

FRC/2012/PRO/DIR/003/00000000526



Toyin Azeez

Chief Financial Officer

FRC/2013/PRO/ICAN/001/00000004008

Management Commentary and Analysis

Introduction

In compliance with regulatory requirements, to provide an insight into emPLE Life Assurance Company's activities and to provide a full understanding of the Company's position, we have outlined a Management Commentary and Analysis (MC&A) report which is contained herein.

To facilitate wholesome understanding of the Company's position, it is advised that the contents of this MC&A be read in conjunction with the full audited annual financial statements as well as the accompanying notes.

Nature of business

emPLE Life Assurance Limited is a private limited liability Company registered in Nigeria and licensed by the National Insurance Commission to carry on life assurance business in the Nigerian market. After obtaining necessary Board and regulatory approvals, the Company changed its name to Old Mutual Nigeria Life Assurance Company Limited (the "Company") on 05 March 2013. In June 2024, the Old Mutual Group sold its 96.28% stake in the Company to the emPLE Group Limited and the Company was renamed emPLE Life Assurance Limited.

Business objective, strategy and overall performance

The Company's corporate objective is to build an entity that will operate at the high end of the industry, becoming one of the top three insurance companies in the country. To achieve this, the Company ensures that there is strong organic growth through provision of excellent customer service, employment of qualified professionals and entrenching good corporate governance.

Performance indicators

Operating results and financial position based on IFRS 17

	31-Dec-24 N'000	31-Dec-23 N'000	Variance %
Insurance revenue	6,422,019	6,113,498	5
Insurance service expenses	(6,974,748)	(7,149,162)	2
Insurance service result from insurance contracts issued	(552,729)	(1,035,664)	47
Net income/(expenses) from reinsurance contracts	387,503	(395,276)	198
Insurance service result	(165,226)	(1,430,939)	
Investment income	1,957,827	1,636,768	20
Other Operating Income	(998,143)	678,543	(247)
Loss before income tax expense	(3,150,990)	(585,344)	(438)
Loss after income tax expense	(3,155,924)	(597,264)	(428)

The Company recorded a 5% growth in insurance revenue from N6.1 billion in 2023 financial year to N6.4 billion in 2024.

Insurance service expenses reduced by 2% due to reduction in operating expenses.

The Company recorded an insurance service result of of (N152) million as against (N1.4) billion in Prior year due to increased premium growth, better insurance revenue and reinsurance optimization.

Investment income for the year amounted to approximately N1.9billion (2023: N1.6billion), an increase of 20% due to improvement in investment returns occasioned by high-yield interest regime in 2024.

Loss after tax of N3.1billion was recorded due to increased group costs which were denominated in foreign currencies. The increase in exchange rates exacerbated the annual loss.

Liquidity, capital resources and risk factors

The Company is highly liquid as cash, cash equivalents and FGN treasury bills and bonds with maturity dates of less than a year form a major part of its total assets. The Company's cash investment is in accordance with its investment policy which is compliant with the regulatory requirements.

Management's Annual assessment of, and report on emPLE Life Assurance Limited's Internal Control Over Financial Reporting.

To comply with the provisions of Section 1.3 of SEC Guidance on Implementation of Sections 60-63 of Investments and Securities Act 2007, we hereby make the following statements regarding the internal controls of emPLE Life Assurance Limited for the year ended 31 December 2024:

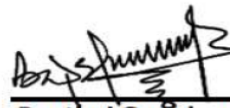
- i emPLE Life Assurance Limited's Management is responsible for establishing and maintaining a system of internal control over financial reporting ("ICFR") that provides reasonable assurance regarding the reliability of financial reporting and preparation of financial statements for external purposes in accordance with International Financial Reporting Standards.
- ii emPLE 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 emPLE Life Assurance Limited's management has assessed that the entity's ICFR as at the end of 31 December 2024 is effective.
- iv emPLE Life Assurance Limited's external auditor, Messrs Deloitte and Touche that audited the Financial Statements included in the report has issued an attestation report on Management's assessment of the entity's internal control over financial reporting. The attestation report of Messrs Deloitte and Touche that audited its financial statements will be filed as part of emPLE Life Assurance Limited's annual report.

Signed on behalf of the Directors by:

Date: 16 April 2025



Toyin Azeez
Chief Financial Officer
FRC/2013/PRO/ICAN/001/00000004008



Rantimi Ogunleye
Chief Executive Officer
FRC/2012/PRO/DIR/003/00000000526

Certification of Management's assessment on Internal Control Over Financial Reporting

To comply with the provisions of Section 1.1 of SEC Guidance on Implementation of Sections 60-63 of investments and Securities Act 2007, I hereby make the following statements regarding the internal controls of emPLE Life Assurance Limited for the year ended 31 December 2024.

I, Toyin Azeez, certify that:

- (a) I have reviewed this Management's assessment on internal control over financial reporting of emPLE 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 year covered in 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:
 - i are responsible for establishing and maintaining internal controls;
 - ii 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 is made known to us by others within those entities, particularly during the period in which this report is being prepared.
 - iii 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 preparation of financial statements to external purposes in accordance with generally accepted accounting principles;
 - iv 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 audit committee of the entity's board of directors (or persons performing the equivalent functions):
 - i 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
 - ii 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.



Toyin Azeez
Chief Financial Officer
FRC/2013/PRO/ICAN/001/00000004008
Date: 16 April 2025

Certification of Management's assessment on Internal Control Over Financial Reporting

To comply with the provisions of Section 1.1 of SEC Guidance on Implementation of Sections 60-63 of investments and securities Act 2007, I hereby make the following statements regarding the internal controls of emPLE Life Assurance Limited for the year ended 31 December 2024.

I, Rantimi Ogunleye, certify that:

- (a) I have reviewed this Management's assessment on internal control over financial reporting of emPLE 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 in 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:
 - i are responsible for establishing and maintaining internal controls;
 - ii 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 is made known to us by others within those entities, particularly during the period in which this report is being prepared.
 - iii 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 preparation of financial statements to external purposes in accordance with generally accepted accounting principles;
 - iv 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 year 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 audit committee of the entity's board of directors (or persons performing the equivalent functions):
 - i 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
 - ii 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.



Rantimi Ogunleye
 Chief Executive Officer
 FRC/2012/PRO/DIR/003/00000000526

Date: 16 April 2025

INDEPENDENT AUDITORS' REPORT

To the Shareholders of emPLE Life Assurance Company Limited

Report on the Audit of the financial statements

Opinion

We have audited the financial statements of **emPLE Life Assurance Company Limited** set out on pages 27 to 137, which comprise the statements of financial position as at 31 December 2024, the statements of profit or loss and other comprehensive income, statements of changes in equity, statements of cash flows for the year then ended, and notes to the financial statements including material accounting policy information.

In our opinion, the financial statements give a true and fair view of the financial position of emPLE Life Assurance Company Limited as at 31 December 2024 and its financial performance, cash flows for the year then ended in accordance with the IFRS Accounting Standards as issued by the International Accounting Standards Board, the Companies and Allied Matters Act 2020, Insurance Act CAP I17 LFN 2004 and the Financial Reporting Council of Nigeria (Amendment) Act 2023.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the requirements of the International Ethics Standards Board for Accountants' (IESBA) International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA code) and other independence requirements applicable to performing audits of financial statements in Nigeria. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and other ethical requirements that are relevant to our audit of financial statements in Nigeria.

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

Key Audit Matter

Key audit matter was the matter that, in our professional judgment, was of most significance in our audit of the financial statements of the current year. The matter was 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 the matter.



Valuation of insurance and Investment contract	Our procedures included the following among others:
<p>As at 31 December 2024, the insurance contract liabilities held by the Company is N10.7billion to which there are two components.</p> <p>The first component relates to the liability for remaining coverage which comprises fulfilment cash flows related to future services to be provided under groups of insurance contracts. Where the general model is adopted, this balance is also inclusive of a risk adjustment, contractual service margin and discounting.</p>	<p>*Developing an understanding of the control activities relevant to our audit over the Company's process for determining insurance and investment contract liabilities, and for certain control activities, assessing whether they were appropriately designed and operating effectively on a sample basis, throughout the year ended 31 December 2024.</p> <p>*Developing point estimates for selected groups of contracts, focusing on groups of contracts which are material and have heightened uncertainty.</p>
<p>The second component relates to the liability for incurred claims and comprises fulfilment cash flows related to past services provided under group of insurance contracts which have not yet been paid, including claims that have been incurred but not yet reported (IBNR) and claims incurred but not enough reported (IBNER). This balance is also inclusive of risk adjustment and discounting.</p>	<p>*Performing risk-based testing procedures on the remaining groups of contracts, where there have been material movements and related assumption changes.</p> <p>*Evaluating the appropriateness and reliability of significant data used to estimate future cash flows associated with groups of contracts, including agreeing sample of claims to underlying information.</p>
<p>The risk adjustment is also a key area of judgement given that it is intended to reflect the compensation an entity requires for bearing the uncertainty about the amount and timing of the cash flows associated with insurance contracts that arise from nonfinancial risks.</p>	<p>*Testing the onerous contract assessments, including evaluating the significant assumptions against relevant supporting information.</p> <p>*Testing the discount rate applied through evaluating yield curves, claims payment patterns and the adopted illiquidity premium. This included comparing the rates applied to external market data and the payment patterns to historical information.</p> <p>*Evaluating the relevant underlying calculations used to derive the risk adjustment, including the significant assumptions.</p>
<p>At the end of each financial year, management employed the services of an external actuary in the determination of its insurance liability after considering the accuracy and integrity of data used in the valuation. Necessary adjustments are made in the financial statements to reflect the liabilities determined by the actuary.</p>	<p>Based on the work performed we concluded that the methodology and assumptions used by management in the valuation of insurance contract liabilities reserves are reasonable and in line with financial reporting requirements and industry accepted practice.</p>

Other Information

The Directors are responsible for the other information. The other information comprises the information included in the document titled “**emPLE Life Assurance Company Limited** Annual Report and Financial Statements for the year ended 31 December 2024”, which includes Directors' Report, Corporate Governance Report, Management Commentary, Statement of Directors' Responsibilities in relation to the Financial Statements, Certification of Financial Statements and Other National Disclosures as required by the Companies and Allied Matters Act 2020 and the Financial Reporting Council of Nigeria (Amendment) Act 2023. The other information does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The Directors are responsible for the preparation of the financial statements that give a true and fair view of the financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Boards and the requirements of the Companies and Allied Matters Act 2020, Insurance Act CAP I17 2004 and Financial Reporting Council of Nigeria (Amendment) Act 2023 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.

Auditor's Responsibilities for the Audit of 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 judgment 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, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- 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 relating 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 continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the company's 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matter communicated with the audit committee and/or the directors, we determine the matter that was of most significance in the audit of the financial statements of the current year and is therefore the key audit matter. We describe this matter 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 benefits derivable by the public from such communication.

Report on Other Legal and Regulatory Requirements

In accordance with the Fifth Schedule of Companies and Allied Matters Act 2020 and Insurance Act CAP I17 LFN 2004 Section 28 (2), we expressly state that:

- i) We have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit.
- ii) The Company has kept proper books of account, so far as appears from our examination of those books.
- iii) The Company's financial position and its statement of profit or loss and other comprehensive income are in agreement with the books of account and returns.

No issue of non-compliance with laws and regulations came to our attention during the audit of the financial statements during the year.

In accordance with the requirements of the Financial Reporting Council of Nigeria, we performed a limited assurance engagement and reported on management's assessment of the Entity'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 (this Guidance), and we have issued a report with no exception in our report dated 05 June 2025. That report is included on page of the financial statements.



For: Deloitte & Touche
Chartered Accountants
Lagos, Nigeria
5-Jun-25



Engagement Partner: Joshua Ojo, FCA
FRC/2013/PRO/ICAN/001/00000000849



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Assurance Report of Independent Auditor

To the Shareholders of emPLE Life Assurance Limited

Assurance Report on management's assessment of controls over financial reporting

We have performed a limited assurance engagement in respect of the systems of internal control over financial reporting of **emPLE Life Assurance Limited** as of 31 December, 2024, in accordance with the FRC Guidance on assurance engagement report on Internal Control over Financial Reporting and based on criteria established in the Internal Control — Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) ("the ICFR framework"), and the FRC Guidance on Management Report on Internal Control Over Financial Reporting. **emPLE Life Assurance Limited** management is responsible for maintaining effective internal control over financial reporting and for assessing the effectiveness of internal control over financial reporting, including the accompanying Management's Report on Internal Control Over Financial Reporting.

We have also audited, in accordance with the International Standards on Auditing, the Financial Statements of the company and our report dated **05 June 2025** expressed unmodified opinion.

Limited Assurance Conclusion

Based on the procedures we have performed and the evidence that we have obtained, nothing has come to our attention that causes us to believe that the company did not establish and maintain an effective system of internal control over financial reporting, as of the specified date, based on the SEC Guidance on Management Report on Internal Control Over Financial Reporting.

Definition of internal control over financial reporting

Internal control over financial reporting is a process designed by, or under the supervision of, the entity's principal executive and principal financial officers, or persons performing similar functions, and effected by the entity's board of directors, management, and other personnel 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 unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.



List of partners and partner equivalents available on the website

Associate of Deloitte Africa, a Member of Deloitte Touche Tohmatsu Limited



Inherent limitations

Our procedures included the examination of historical evidence of the design and implementation of the company's system of internal control over financial reporting for the year ended 31 December 2024. 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. Our limited assurance report is subject to these inherent limitations.

Directors' and Management's Responsibilities

The Directors are responsible for ensuring the integrity of the entity's financial controls and reporting.

Management is responsible for establishing and maintaining a system of internal control over financial reporting that provides reasonable assurance regarding the reliability of financial reporting, and the preparation of financial statements for external purposes in accordance with the International Financial Reporting Standards (IFRS) and the ICFR framework.

Section 7(2f) of the Financial Reporting Council of Nigeria (Amendment) Act 2023 further requires that management perform an assessment of internal controls, including information system controls. Management is responsible for maintaining evidential matters, including documentation, to provide reasonable support for its assessment of internal control over financial reporting.

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behaviour.

The firm applies the International Standard on Quality Management (ISQM) 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

Auditor's Responsibility and Approach

Our responsibility is to express a limited assurance opinion on the company's internal control over financial reporting based on our Assurance engagement.

We performed our work in accordance with the FRC Guidance on Assurance Engagement Report on Internal Control over Financial Reporting and the International Standard on Assurance Engagements (ISAE) 3000, Assurance Engagements other than the Audits or Reviews of Historical Financial Information (ISAE 3000) revised. That Standard requires that we comply with ethical requirements and plan and perform the limited assurance engagement to obtain limited assurance on whether any matters come to our attention that causes us to believe that the Company did not establish and maintain an effective system of internal control over financial reporting in accordance with the ICFR framework.

That Guidance 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.



The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. As a result, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion on whether the company established and maintained an effective system of internal control over financial reporting.

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 provides a basis for our report on the internal control put in place by management over financial reporting.

A handwritten signature in black ink, appearing to read "Joshua Ojo".

Joshua Ojo, FCA
FRC/2013/PRO/ICAN/001/00000000849
For: **Deloitte & Touche**
Chartered Accountants
Lagos, Nigeria
05 June 2025



Notes to the financial statements**Summary of material accounting policy information****1. Reporting entity**

emPLE Life Assurance Company Limited ("the Company") is one of the players in the Nigerian Insurance industry and is committed to upholding high standards of good corporate governance within the industry. The Company has in place an effective corporate governance mechanism that ensures proper over-sight of its business by the Directors and other principal organs of the Company, and carries on its business in a manner that meets the expectations of all stakeholders. On February 1, 2013 seventy per cent (70%) of the ordinary share capital of the Company was acquired by the then Old Mutual Nigeria Services Company Limited (now Old Mutual West Africa Company Limited (OMWA)) from Cressida. In June 2024, the emPLE Group Limited acquired Old Mutual's stake in the Company being 93.14%. Thereafter, the name of the Company was changed to emPLE Life Assurance Limited and it became a member of the emPLE Group.

The registered office address of the Company is 3rd Floor, Plot 1297 Akin Adesola Street, Victoria Island, Lagos. The Company is principally engaged in the provision of risk underwriting, claims settlement and related life assurance services to its corporate and individual clients.

These financial statements were approved by the Board of Directors and authorised for issue on 16 April, 2025.

2. Basis of accounting**a. Statement of compliance with International Financial Reporting Standards**

The financial statements have been prepared in accordance with, and comply with, International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB), and in the manner required by the Companies and Allied Matters Act 2020, the Financial Reporting Council of Nigeria Act, 2011 the Insurance Act CAP I17 LFN 2004 and relevant National Insurance Commission of Nigeria ("NAICOM") Circulars.

Notes to the financial statements - continued**b. Functional and presentation currency**

The financial statements are presented in Nigerian currency (Naira) which is the Company's functional currency. Except otherwise indicated, financial information presented in Naira have been rounded to the nearest thousand.

c. Basis of measurement

The financial statements have been prepared under the historical cost basis except for the following:

- financial instruments are measured at fair value through profit or loss
- share based payment transactions are measured at fair value.

d. Use of estimates and judgments

The preparation of these financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates under different assumptions and conditions.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in note 4 of the financial statements.

e. Reporting period

The financial statements have been prepared for a 12 month period.

f. Going concern

The financial statements have been prepared using appropriate accounting policies, supported by reasonable judgments and estimates. The Directors have a reasonable expectation, based on an appropriate assessment of a comprehensive range of factors, that the Company has adequate resources to continue as a going concern for the foreseeable future.

g. Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial period except for contracts measured under IFRS 17 standard which is effective 1 January 2023. The standard affected disclosures.

New and amended IFRS Standards that are effective for the current year**Changes in accounting policy and disclosures**

In the current year, the company has applied a number of amendments to IFRS Accounting Standards issued by the IASB that are mandatorily effective for an accounting period that begins on or after 1 January 2024. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

New and revised IFRS Standards in issue that have become effective during the year:

Amendments to IAS 1 Classification of Liabilities as Current or Non-current

The Company has adopted the amendments to IAS 1, published in January 2020, in the current year. The amendments affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items.

The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

The amendments did not have an impact on the Company's statement of financial position.

Amendments to IAS 1— Non-current Liabilities with Covenants

The Company has adopted the amendments to IAS 1, published in November 2022, in the current year.

The amendments specify that only covenants that an entity is required to comply with on or before the end of the reporting period affect the entity's right to defer settlement of a liability for at least twelve months after the reporting date (and therefore must be considered in assessing the classification of the liability as current or non-current). Such covenants affect whether the right exists at the end of the reporting period, even if compliance with the covenant is assessed only after the reporting date (e.g. a covenant based on the entity's financial position at the reporting date that is assessed for compliance only after the reporting date).

The IASB also specifies that the right to defer settlement of a liability for at least twelve months after the reporting date is not affected if an entity only has to comply with a covenant after the reporting period. However, if the entity's right to defer settlement of a liability is subject to the entity complying with covenants within twelve months after the reporting period, an entity discloses information that enables users of financial statements to understand the risk of the liabilities becoming repayable within twelve months after the reporting period.

This would include information about the covenants (including the nature of the covenants and when the entity is required to comply with them), the carrying amount of related liabilities and facts and circumstances, if any, that indicate that the entity may have difficulties complying with the covenants.

The amendments did not have an impact on the Company's statement of financial position.

Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures titled Supplier Finance Arrangements

The Company has adopted the amendments to IAS 7 and IFRS 7 titled Supplier Finance Arrangements for the first time in the current year.

The amendments add a disclosure objective to IAS 7 stating that an entity is required to disclose information about its supplier finance arrangements that enables users of financial statements to assess the effects of those arrangements on the entity's liabilities and cash flows. In addition, IFRS 7 is amended to add supplier finance arrangements as an example within the requirements to disclose information about an entity's exposure to concentration of liquidity risk.

Amendments to IFRS 16 Leases—Lease Liability in a Sale and Leaseback

The amendments to IFRS 16 add subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements in IFRS 15 Revenue from Contracts with Customers to be accounted for as a sale. The amendments require the seller-lessee to determine 'lease payments' or 'revised lease payments' such that the seller-lessee does not recognise a gain or loss that relates to the right of use retained by the seller-lessee, after the commencement date.

The amendments do not affect the gain or loss recognised by the seller-lessee relating to the partial or full termination of a lease. Without these new requirements, a seller-lessee may have recognised a gain on the right of use it retains solely because of a remeasurement of the lease liability (for example, following a lease modification or change in the lease term) applying the general requirements in IFRS 16. This could have been particularly the case in a leaseback that includes variable lease payments that do not depend on an index or rate.

As part of the amendments, the IASB amended an Illustrative Example in IFRS 16 and added a new example to illustrate the subsequent measurement of a right-of-use asset and lease liability in a sale and leaseback transaction with variable lease payments that do not depend on an index or rate. The illustrative examples also clarify that the liability that arises from a sale and leaseback transaction that qualifies as a sale applying IFRS 15 is a lease liability.

A seller-lessee applies the amendments retrospectively in accordance with IAS 8 to sale and leaseback transactions entered into after the date of initial application, which is defined as the beginning of the annual reporting period in which the entity first applied IFRS 16.

New and revised IFRS Standards in issue but not yet effective

At the date of authorisation of these financial statements, the Company has not applied the following new and revised IFRS Accounting Standards that have been issued but are not yet effective

Amendments to IAS 21 Lack of Exchangeability

IFRS 18 Presentation and Disclosures in Financial Statements

IFRS 19 Subsidiaries without Public Accountability: Disclosures

The Directors do not expect that the adoption of the Standards listed above will have a material impact on the financial statements of the Company in future periods.

Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates titled Lack of Exchangeability

The amendments specify how to assess whether a currency is exchangeable, and how to determine the exchange rate when it is not. The amendments state that a currency is exchangeable into another currency when an entity is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations.

An entity assesses whether a currency is exchangeable into another currency at a measurement date and for a specified purpose. If an entity is able to obtain no more than an insignificant amount of the other currency at the measurement date for the specified purpose, the currency is not exchangeable into the other currency. The assessment of whether a currency is exchangeable into another currency depends on an entity's ability to obtain the other currency and not on its intention or decision to do so. When a currency is not exchangeable into another currency at a measurement date, an entity is required to estimate the spot exchange rate at that date. An entity's objective in estimating the spot exchange rate is to reflect the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions.

The amendments do not specify how an entity estimates the spot exchange rate to meet that objective. An entity can use an observable exchange rate without adjustment or another estimation technique. Examples of an observable exchange rate include:

- a spot exchange rate for a purpose other than that for which an entity assesses exchangeability
- the first exchange rate at which an entity is able to obtain the other currency for the specified purpose after exchangeability of the currency is restored (first subsequent exchange rate).

An entity using another estimation technique may use any observable exchange rate—including rates from exchange transactions in markets or exchange mechanisms that do not create enforceable rights and obligations—and adjust that rate, as necessary, to meet the objective as set out above. When an entity estimates a spot exchange rate because a currency is not exchangeable into another currency, the entity is required to disclose information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

When an entity estimates a spot exchange rate because a currency is not exchangeable into another currency, the entity is required to disclose information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

In addition, the IASB made consequential amendments to IFRS 1 to align with and refer to the revised IAS 21 for assessing exchangeability.

The amendments are effective for annual reporting periods beginning on or after 1 January 2025, with earlier application permitted. An entity is not permitted to apply the amendments retrospectively. Instead, an entity is required to apply the specific transition provisions included in the amendments.

The directors of the company do not anticipate that the application of these amendments may have an impact on the Company's financial statements in future periods.

IFRS 18 Presentation and Disclosures in Financial Statements

IFRS 18 replaces IAS 1, carrying forward many of the requirements in IAS 1 unchanged and complementing them with new requirements. In addition, some IAS 1 paragraphs have been moved to IAS 8 and IFRS 7. Furthermore, the IASB has made minor amendments to IAS 7 and IAS 33 Earnings per Share.

IFRS 18 introduces new requirements to:

- present specified categories and defined subtotals in the statement of profit or loss
- provide disclosures on management-defined performance measures (MPMs) in the notes to the financial statements
- improve aggregation and disaggregation.

An entity is required to apply IFRS 18 for annual reporting periods beginning on or after 1 January 2027, with earlier application permitted. The amendments to IAS 7 and IAS 33, as well as the revised IAS 8 and IFRS 7, become effective when an entity applies IFRS 18. IFRS 18 requires retrospective application with specific transition provisions.

IFRS 19 Subsidiaries without Public Accountability: Disclosures

IFRS 19 permits an eligible subsidiary to provide reduced disclosures when applying IFRS Accounting Standards in its Financial Statements. A subsidiary is eligible for the reduced disclosures if it does not have public accountability and its ultimate or any intermediate parent produces consolidated financial statements available for public use that comply with IFRS Accounting Standards.

IFRS 19 is optional for subsidiaries that are eligible and sets out the disclosure requirements for subsidiaries that elect to apply it.

An entity is only permitted to apply IFRS 19 if, at the end of the reporting period:

- it is a subsidiary (this includes an intermediate parent)
- it does not have public accountability, and
- its ultimate or any intermediate parent produces consolidated financial statements available for public use that comply with IFRS Accounting Standards.

A subsidiary has public accountability if:

- its debt or equity instruments are traded in a public market or it is in the process of issuing such instruments for trading in a public market (a domestic or foreign stock exchange or an over-the-counter market, including local and regional markets), or
- it holds assets in a fiduciary capacity for a broad group of outsiders as one of its primary businesses (for example, banks, credit unions, insurance entities, securities brokers/dealers, mutual funds and investment banks often meet this second criterion).

Eligible entities can apply IFRS 19 in their consolidated, separate or individual financial statements. An eligible intermediate parent that does not apply IFRS 19 in its consolidated financial statements may do so in its separate financial statements.

The new standard is effective for reporting periods beginning on or after 1 January 2027 with earlier application permitted. If an entity elects to apply IFRS 19 for a reporting period earlier than the reporting period in which it first applies IFRS 18, it is required to apply a modified set of disclosure requirements set out in an appendix to IFRS 19. If an entity elects to apply IFRS 19 for an annual reporting period before it applied the amendments to IAS 21, it is not required to apply the disclosure requirements in IFRS 19 with regard to Lack of Exchangeability.

IFRS 19 is not applicable to the Company at the moment as it does not have any subsidiary.

3 Material accounting policy information

Significant accounting policies are defined as those that are reflective of significant judgments and uncertainties, and potentially give rise to different results under different assumptions and conditions.

Except for the changes explained in note 2 above, the accounting policies set out below have been consistently applied to all periods presented in these financial statements.

3.1 Cash and cash equivalents

Cash and cash equivalents include cash in hand and at bank, cash in transit, call deposits, treasury bills 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 amortised cost (cost plus accrued interest) in the statement of financial position.

3.2 Financial assets

Financial assets are classified into the following categories: fair value through profit or loss, fair value through comprehensive income and amortised cost. The classification by the Company is determined by management at initial recognition and depends on the purpose for which the investments were acquired.

Classification of financial assets***(i) Financial assets at fair value through profit or loss***

This category has two sub-categories: financial assets held-for-trading and those designated at fair value through profit or loss at inception.

Financial assets designated at fair value through profit or loss upon initial recognition

Other financial assets designated as at fair value through profit or loss at initial recognition are those that are:

- Separate assets held to match insurance and investment contracts liabilities that are linked to the changes in fair value of these assets. The designation of these assets to be at fair value through profit or loss eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as 'an accounting mismatch') that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases; and
- Managed and whose performance is evaluated on a fair value basis. Information about these financial assets is provided internally on a fair value basis to the Company's key management personnel. The Company's investment strategy is to invest in equity and debt securities and to evaluate them with reference to their fair values. Assets that are part of these portfolios are designated upon initial recognition at fair value through profit or loss.

Financial assets at FVTPL

Financial assets at FVTPL are:

- assets with contractual cash flows that are not solely payments of principal and interest on the principal outstanding (SPPI); or/and
- assets that are held in a business model other than held to collect contractual cash flows or held to collect and sell; or
- assets designated at FVTPL using the fair value option.

These assets are measured at fair value, with any gains/losses arising on remeasurement recognised in profit or loss.

(ii) Debt instruments at amortised cost or at Fair Value Through Other Comprehensive Income (FVTOCI)

The Company assesses the classification and measurement of a financial asset based on the contractual cash flow characteristics of the asset and the Company's business model for managing the asset.

For an asset to be classified and measured at amortised cost or at FVTOCI, its contractual terms should give rise to cash flows that are solely payments of principal and interest on the principal outstanding (SPPI).

For the purpose of SPPI test, principal is the fair value of the financial asset at initial recognition. That principal amount may change over the life of the financial asset (e.g. if there are repayments of principal). Interest consists of consideration for the time value of money, for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as a profit margin. The SPPI assessment is made in the currency in which the financial asset is denominated.

Contractual cash flows that are SPPI are consistent with a basic lending arrangement. Contractual terms that introduce exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement, such as exposure to changes in equity prices or commodity prices, do not give rise to contractual cash flows that are SPPI. An originated or an acquired financial asset can be a basic lending arrangement irrespective of whether it is a loan in its legal form.

An assessment of business models for managing financial assets is fundamental to the classification of a financial asset. The Company determines the business models at a level that reflects how group of financial assets are managed together to achieve a particular business objective. The Company's business model does not depend on management's intentions for an individual instrument, therefore the business model assessment is performed at a higher level of aggregation rather than on an instrument-by-instrument basis.

The Company has more than one business model for managing its financial instruments which reflect how the Company manages its financial assets in order to generate cash flows. The Company's business models determine whether cash flows will result from collecting contractual cash flows, selling financial assets or both.

The Company considers all relevant information available when making the business model assessment. However this assessment is not performed on the basis of scenarios that the Company does not reasonably expect to occur, such as so-called 'worst case' or 'stress case' scenarios. The Company takes into account all relevant evidence available such as:

- how the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way in which those risks are managed; and
- how managers of the business are compensated (e.g. whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected).

At initial recognition of a financial asset, the Company determines whether newly recognised financial assets are part of an existing business model or whether they reflect the commencement of a new business model. The Company reassesses its business models each reporting period to determine whether the business models have changed since the preceding period. For the current and prior reporting period the Company has not identified a change in its business models.

When a debt instrument measured at FVTOCI is derecognised, the cumulative gain/loss previously recognised in (OCI) is reclassified from equity to profit or loss. In contrast, for an equity investment designated as measured at FVTOCI, the cumulative gain/loss previously recognised in OCI is not subsequently reclassified to profit or loss but transferred within equity.

In the current and prior reporting period the Company has applied the fair value option and so has designated debt instruments that meet the amortised cost or FVTOCI criteria as measured at (FVTPL).

(iii) Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. Specifically:

- for financial assets measured at amortised cost that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the 'other income' line item;
- for debt instruments measured at FVTOCI that are not part of a designated hedging relationship, exchange differences on the amortised cost of the debt instrument are recognised in profit or loss in the 'other income' line item. Other exchange differences are recognised in OCI in the investments revaluation reserve;
- for financial assets measured at FVTPL that are not part of a designated hedge accounting relationship, exchange differences are recognised in profit or loss either in 'net trading income', if the asset is held for trading, or in 'net income from other financial instruments at FVTPL' if otherwise held at FVTPL; and
- for equity instruments measured at FVTOCI, exchange differences are recognised in OCI in the investments revaluation reserve.

(iv) Determination of fair value of financial assets

For financial instruments traded in active markets, the determination of fair values of financial assets and financial liabilities is based on the market approach (transaction price paid for an identical or a similar instrument). This includes listed equity securities and quoted debt instruments on major exchanges.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. If the above criteria are not met, the market is regarded as being inactive. For example, a market is inactive when there is a wide bid-offer spread or significant increase in the bid-offer spread or there are few recent transactions.

For all other financial instruments, fair value is determined using valuation techniques. In these techniques, fair values are estimated from observable data in respect of similar financial instruments, using models to estimate the present value of expected future cash flows or other valuation techniques, using inputs (for example, NIBOR yield curve, foreign exchange rates, volatilities and counterparty spreads) existing at the reporting date.

For more complex instruments the company uses internally developed models which are usually based on valuation models and techniques generally recognised as standard within the industry. Valuation models are used primarily to value unlisted debt securities for which markets were or have become illiquid. Some of the inputs to these models may not be market observable and therefore estimated based on assumptions. The impact of financial instruments valuation reflecting non-market observable inputs (Level 3 valuations) is disclosed in the note to the financial statements.

(v) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position only when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

(vi) Impairment

The Company recognises loss allowances for expected credit losses (ECLs) on the following financial instruments that are not measured at FVTPL:

- debt investment securities;
- lease receivables;
- deposit with other financial institutions

No impairment loss is recognised on equity investments.

ECLs are required to be measured through a loss allowance at an amount equal to:

- 12-month ECL, i.e. lifetime ECL that result from those default events on the financial instrument that are possible within 12 months after the reporting date, (referred to as Stage 1); or
- full lifetime ECL, i.e. lifetime ECL that result from all possible default events over the life of the financial instrument, (referred to as Stage 2 and Stage 3).

A loss allowance for full lifetime ECL is required for a financial instrument if the credit risk on that financial instrument has increased significantly since initial recognition. For all other financial instruments, ECLs are measured at an amount equal to the 12-month ECL.

ECLs are a probability-weighted estimate of the present value of credit losses. These are measured as the present value of the difference between the cash flows due to the Company under the contract and the cash flows that the Company expects to receive arising from the weighting of multiple future economic scenarios, discounted at the asset's effective interest rate.

The Company measures ECL on an individual basis, or on a collective basis for debt instruments that share similar economic risk characteristics. The measurement of the loss allowance is based on the present value of the asset's expected cash flows using the asset's original EIR, regardless of whether it is measured on an individual basis or a collective basis.

(vii) Credit-impaired financial assets

A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Credit-impaired financial assets are referred to as Stage 3 assets. Evidence of credit-impairment includes observable data about the following events:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or past due event;
- the lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty having granted to the borrower a concession that the lender would not otherwise consider;
- the disappearance of an active market for a security because of financial difficulties; or
- the purchase of a financial asset at a deep discount that reflects the incurred credit losses.

It may not be possible to identify a single discrete event—instead, the combined effect of several events may have caused financial assets to become credit-impaired. The Company assesses whether debt instruments that are financial assets measured at amortised cost or FVTOCI are credit-impaired at each reporting date. To assess if sovereign and corporate debt instruments are credit impaired, the Company considers factors such as bond yields, credit ratings and the ability of the borrower to raise funding.

A loan is considered credit-impaired when a concession is granted to the borrower due to a deterioration in the borrower's financial condition, unless there is evidence that as a result of granting the concession the risk of not receiving the contractual cash flows has reduced significantly and there are no other indicators of impairment. For financial assets where concessions are contemplated but not granted the asset is deemed credit impaired when there is observable evidence of credit-impairment including meeting the definition of default. The definition of default (see below) includes unlikelihood to pay indicators and a back-stop if amounts are overdue for 90 days or more.

(viii) Definition of default

Critical to the determination of ECL is the definition of default. The definition of default is used in measuring the amount of ECL and in the determination of whether the loss allowance is based on 12-month or lifetime ECL, as default is a component of the probability of default (PD) which affects both the measurement of ECLs and the identification of a significant increase in credit risk.

The Company considers the following as constituting an event of default:

- the borrower is past due more than 90 days on any material credit obligation to the Company; or
- the borrower is unlikely to pay its credit obligations to the Company in full.

The definition of default is appropriately tailored to reflect different characteristics of different types of assets. Overdrafts are considered as being past due once the customer has breached an advised limit or has been advised of a limit smaller than the current amount outstanding.

When assessing if the borrower is unlikely to pay its credit obligation, the Company takes into account both qualitative and quantitative indicators. The information assessed depends on the type of the asset. The Company uses a variety of sources of information to assess default which are either developed internally or obtained from external sources.

(ix) Significant increase in credit risk

The Company monitors all financial assets, issued loan commitments and financial guarantee contracts that are subject to the impairment requirements to assess whether there has been a significant increase in credit risk since initial recognition. If there has been a significant increase in credit risk the Company will measure the loss allowance based on lifetime rather than 12-month ECL. The Company's accounting policy is not to use the practical expedient that financial assets with 'low' credit risk at the reporting date are deemed not to have had a significant increase in credit risk. As a result the Company monitors all financial assets, issued loan commitments and financial guarantee contracts that are subject to impairment for significant increase in credit risk.

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument at the reporting date based on the remaining maturity of the instrument with the risk of a default occurring that was anticipated for the remaining maturity at the current reporting date when the financial instrument was first recognised. In making this assessment, the Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort, based on the Company's historical experience and expert credit assessment including forward-looking.

Multiple economic scenarios form the basis of determining the probability of default at initial recognition and at subsequent reporting dates. Different economic scenarios will lead to a different probability of default. It is the weighting of these different scenarios that forms the basis of a weighted average probability of default that is used to determine whether credit risk has significantly increased.

As a back-stop when an asset becomes 30 days past due, the Company considers that a significant increase in credit risk has occurred and the asset is in stage 2 of the impairment model, i.e. the loss allowance is measured as the lifetime ECL.

(x) Modification and derecognition of financial assets

A modification of a financial asset occurs when the contractual terms governing the cash flows of a financial asset are renegotiated or otherwise modified between initial recognition and maturity of the financial asset. A modification affects the amount and/or timing of the contractual cash flows either immediately or at a future date. In addition, the introduction or adjustment of existing covenants of an existing loan would constitute a modification even if these new or adjusted covenants do not yet affect the cash flows immediately but may affect the cash flows depending on whether the covenant is or is not met (e.g. a change to the increase in the interest rate that arises when covenants are breached).

When a financial asset is modified the Company assesses whether this modification results in derecognition. In accordance with the Company's policy a modification results in derecognition when it gives rise to substantially different terms. To determine if the modified terms are substantially different from the original contractual terms the Company considers the following:

- Qualitative factors, such as contractual cash flows after modification are no longer SPPI, change in currency or change of counterparty, the extent of change in interest rates, maturity, covenants. If these do not clearly indicate a substantial modification, then;
- A quantitative assessment is performed to compare the present value of the remaining contractual cash flows under the original terms with the contractual cash flows under the revised terms, both amounts discounted at the original effective interest.

In the case where the financial asset is derecognised the loss allowance for ECL is remeasured at the date of derecognition to determine the net carrying amount of the asset at that date. The difference between this revised carrying amount and the fair value of the new financial asset with the new terms will lead to a gain or loss on derecognition. The new financial asset will have a loss allowance measured based on 12-month ECL except in the rare occasions where the new loan is considered to be originated-credit impaired. This applies only in the case where the fair value of the new loan is recognised at a significant discount to its revised par amount because there remains a high risk of default which has not been reduced by the modification. The Company monitors credit risk of modified financial assets by evaluating qualitative and quantitative information, such as if the borrower is in past due status under the new terms.

When the contractual terms of a financial asset are modified and the modification does not result in derecognition, the Company determines if the financial asset's credit risk has increased significantly since initial recognition by comparing:

- the remaining lifetime PD estimated based on data at initial recognition and the original contractual terms;
- the remaining lifetime PD at the reporting date based on the modified terms.

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

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain/loss that had been recognised in OCI and accumulated in equity is recognised in profit or loss, with the exception of equity investment designated as measured at FVTOCI, where the cumulative gain/loss previously recognised in OCI is not subsequently reclassified to profit or loss.

On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain/loss allocated to it that had been recognised in OCI is recognised in profit or loss. A cumulative gain/loss that had been recognised in OCI is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts. This does not apply for equity investments designated as measured at FVTOCI, as the cumulative gain/loss previously recognised in OCI is not subsequently reclassified to profit or loss.

(xi) Write-off

Loans and debt securities are written off when the Company has no reasonable expectations of recovering the financial asset (either in its entirety or a portion of it). This is the case when the Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. A write-off constitutes a derecognition event. The Company may apply enforcement activities to financial assets written off. Recoveries resulting from the Company's enforcement activities will result in impairment gains.

(xii) Presentation of allowance for ECL in the statement of financial position

Loss allowances for ECL are presented in the statement of financial position as follows:

- for financial assets measured at amortised cost: as a deduction from the gross carrying amount of the assets;
- for debt instruments measured at FVTOCI: no loss allowance is recognised in the statement of financial position as the carrying amount is at fair value. However, the loss allowance is included as part of the revaluation amount in the investments revaluation reserve;
- for loan commitments and financial guarantee contracts: as a provision.

(xiii) Financial liabilities and equity

Debt and equity instruments that are issued are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

A financial liability is a contractual obligation to deliver cash or another financial asset or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the Company or a contract that will or may be settled in the Company's own equity instruments and is a non-derivative contract for which the Company is or may be obliged to deliver a variable number of its own equity instruments, or a derivative contract over own equity that will or may be settled other than by the exchange of a fixed amount of cash (or another financial asset) for a fixed number of the Company's own equity instruments.

(xiv) Equity instruments

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

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain/loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

3.3 Financial liabilities

Financial liabilities are classified as either financial liabilities 'at FVTPL' or 'other financial liabilities'.

(i) Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is (i) held for trading, or (ii) it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading or contingent consideration that may be paid by an acquirer as part of a business combination may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the Companying is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and IFRS 9 permits the entire hybrid (combined) contract to be designated as at FVTPL.

Financial liabilities at FVTPL are stated at fair value, with any gains/losses arising on remeasurement recognised in profit or loss to the extent that they are not part of a designated hedging relationship. The net gain/loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'net income from other financial instruments at FVTPL' line item in the profit or loss account.

The company does not have any financial liabilities at fair value through profit or loss at the reporting date.

(ii) Other financial liabilities

Other financial liabilities, including borrowings, is initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The EIR is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

(iii) Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

When the Company exchanges with the existing lender one debt instrument into another one with substantially different terms, such exchange is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, the Company accounts for substantial modification of terms of an existing liability or part of it as an extinguishment of the original financial liability and the recognition of a new liability. It is assumed that the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective rate is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability.

3.4. Reinsurance assets

The Company uses facultative and treaty reinsurance to mitigate some of its risk exposures. Reinsurance contracts held are accounted for applying IFRS 17 when they meet the definition of an insurance contract. This includes the condition that the contract must transfer significant insurance risk. The Company uses the Premium Allocation approach to measure reinsurance contracts held as this only applies to group life and credit life.

3.5 Trade receivables

Trade receivables comprise premium receivables. Premium receivables are those for which credit notes issued by brokers are within 30 days, in conformity with the "NO PREMIUM NO COVER" policy.

3.6 Other receivables and prepayments

Other receivables are carried at amortised cost using the effective interest rate less accumulated impairment losses. Prepayments are carried at cost less accumulated amortization and impairment losses.

3.5. Investment property

Investment property comprises investment in land or buildings held primarily to earn rental income or capital appreciation or both.

Investment property is initially recognised at cost including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met; and excludes cost of day to day servicing of an investment property. An investment property is subsequently measured at fair value with any change therein recognised in profit or loss in the period in which they arise.

Fair values are determined individually, on a basis appropriate to the purpose for which the property is intended and with regard to recent market transactions for similar properties in the same location. Fair values are reviewed annually by an independent valuer, registered with the Financial Reporting Council of Nigeria as well as holding a recognised and relevant professional qualification and with relevant experience in the location and category of investment property being valued.

Subsequent expenditure on investment property is capitalized only if future economic benefit will flow to the Company; otherwise they are expensed as incurred.

Investment property is disclosed separately from the property and equipment used for the purposes of the business.

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

3.7 Deferred income tax

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, if the deferred income tax arises from initial recognition of the asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss, it is not recognised. Deferred income tax is determined using the tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax is realizable or the deferred income tax liability is payable.

Deferred income tax assets are recognised to the extent that it is probable that taxable profits will be available against which the temporary differences can be utilised.

Deferred income tax is provided on temporary differences arising from unused tax losses, unutilised capital allowances, except where the Company controls the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is legally enforceable right to offset current tax assets against current tax liabilities and when deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different entities where there is an intention to settle the balances on a net basis.

The tax effects of carry-forwards of unused losses or unused tax credits are recognised as an asset when it is probable that future taxable profits will be available against which these losses can be utilised.

3.8 Intangible assets

Software

Recognition and measurement

Recognition of software acquired is only allowed if it is probable that future economic benefits attributable to the asset 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 are not included but are expensed as incurred.

Internally developed software is capitalized when the Company has the intention and demonstrates the ability to complete the development and use of the software in a manner that will generate future economic benefits, adequate technical, financial and other resources to complete the development and to use or sell the software product are available and can reliably measure the costs to complete the development. The capitalized costs include all costs directly attributable to the development of the software. Internally developed software is stated at capitalized cost less accumulated amortization and impairment. Amortization charge is recognised in profit or loss.

Subsequent measurement

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 expenditure is expensed as incurred. Amortization is recognised 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 three years subject to annual reassessment. Amortisation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

De-recognition

An intangible asset is derecognised when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising from the retirement of the intangible asset is recognised in profit or loss of the year that the asset is derecognised.

3.9 Property and equipment**Recognition and measurement**

All items of property and equipment are initially recognised once they are available for use, at cost and subsequently measured at cost less accumulated depreciation and 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.

Subsequent costs

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to the profit and loss account during the financial period in which they are incurred.

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

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 period, with the effect of any changes in estimate accounted for on a prospective basis. No depreciation is charged on property and equipment until they are brought into use. Depreciation is recognised in profit or loss.

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 of the assets, as follows:

Motor vehicles - 4 years

Furniture and Equipment - 5 years

Computer Equipment - 3 years

De-recognition

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

Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets are considered to be impaired when there exists any indication that the asset's recoverable amount is less than the carrying amount or at a minimum assessed for impairment annually. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are carried at the lowest levels for which there are separately identifiable cash flows (cash generating units). Impairment losses are recognised in profit or loss.

Impairment losses recognised 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 recognised. Reversals of impairment losses are recognised in profit or loss.

3.10 Statutory deposit

Statutory deposits are cash balances held with the Central Bank of Nigeria (CBN) in compliance with the Insurance Act of Nigeria. These deposits are not available for day to day use and are measured at amortised cost and are classified as loans and receivables.

3.11 Life insurance contract liabilities

The life insurance contract liabilities represents the liability due to policy holders at the end of every reporting period. The liability in the life fund account is determined by an actuarial valuation using a liability adequacy test model as set out in note 3.16. The principal actuarial assumptions underlying the measurement of life insurance contract liabilities are disclosed in note 16.

3.12 Investment contract liabilities

The recognition of investment contracts have been set out under note 3.17. Reserve for investment contract liabilities has been taken as the amount standing to the credit of the policy holders at the valuation date.

Actuarial valuation

An actuarial valuation of the life fund is conducted annually to determine the liabilities on the existing policies and the adequacy of the assets representing the insurance fund as at the date of valuation. All surpluses and deficits arising therefrom are charged to profit or loss. Actuarial valuations are done quarterly by the Company's actuary and annually by an external actuary. See note 17 for details of further details on actuarial valuation techniques, methodologies, assumptions etc.

3.13 Trade and other payables**Trade Payables**

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. The fair value of a non-interest bearing liability is its discounted repayment amount. If the effect of discounting is immaterial, the balance is stated at nominal amount.

Other payables

Other payables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method.

3.14 Provisions

A provision is recognised 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.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

3.15 Income tax

Income tax expenses comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

Interest and penalties related to income taxes, including uncertain tax treatments, are accounted for under IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

3.15.1 Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the 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 rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends. Current tax assets and liabilities are offset only if certain criteria are met.

3.15.2 Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Company's financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill (arising in a business combination) or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The current taxes include: Company Income Tax at 30% of taxable profit; Education Tax at 2% of assessable profit; Capital Gain Tax at 10% of chargeable gains; and Information Technology Development levy at 1% of accounting profit. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

3.16 Insurance contracts

The Company issues the following types of contracts that are accounted for in accordance with IFRS 17 Insurance Contracts.

- (a) Individual Life Risk: These are long term contracts measured using the General measurement model. The products include Family plan, Critical illness, Education plan and Term assurance.
- (b) Saving plan: These are long term contracts measured using the Variable fee approach. The products include 2-in-1 savings plan and Short-term saving plan (STS).
- (c) Group risk: These are short term contracts measured using the Premium allocation approach. The products include Group life and Credit life. For credit life, eligibility test was done because 98% of the contract is one year or less while 2% only exceeded one year.

Insurance contracts are those contracts that the Company (the insurer) accepts significant insurance risk from another party (the policy holder) by agreeing to compensate the policy holder or other beneficiary, if a specified uncertain future event (the insured event) adversely affects the policy holder or the other beneficiary. The Company issues insurance contracts with direct participation features that are substantially investment-related service contracts where the return on the underlying items is shared with policyholders. Underlying items comprise specified portfolios of investment assets that determine amounts payable to policyholders. The Company accounts for these policies applying the Variable Fee Approach (VFA).

An insurance contract with direct participation features is defined by the Company as one which, at inception, meets the following criteria:

- the contractual terms specify that the policyholders participate in a share of a clearly identified pool of underlying items;
- the Company expects to pay to the policyholder an amount equal to a substantial share of the fair value returns on the underlying items; and
- the Company expects a substantial proportion of any change in the amounts to be paid to the policyholder to vary with the change in fair value of the underlying items.

All other insurance contracts originated by the Company are insurance contract without direct participation features. The Company accounts for these policies applying the General Model

In the normal course of business, the Company uses reinsurance to mitigate its risk exposures. A reinsurance contract transfers significant risk if it transfers substantially all the insurance risk resulting from the insured portion of the underlying insurance contracts, even if it does not expose the reinsurer to the possibility of a significant loss.

In addition, the Company has short term life insurance contracts which protect the Company's policyholders from the consequences of events (such as death or disability) that would affect the ability of the insured or his/her dependents to maintain their current level of income. Guaranteed benefits paid on occurrence of the specified insurance event are either fixed or linked to the extent of the economic loss suffered by the insured or the beneficiary. The Company accounts for these policies applying the General Model.

Separation of components of insurance contracts

Before the Company accounts for an insurance contract based on the guidance in IFRS 17, it analyses whether the contract contains components that should be separated. IFRS 17 distinguishes three categories of components that have to be accounted for separately:

- cash flows relating to embedded derivatives that are required to be separated;
 - cash flows relating to distinct investment components; and
 - promises to transfer distinct goods or distinct non-insurance services.
- The Company applies IFRS 17 to all remaining components of the contract.

Separating embedded derivatives:

The Company issues insurance contracts that include embedded derivatives.

When the embedded derivative is not closely related to the host insurance contract, it is bifurcated from the host insurance contract and accounted for applying IFRS 9 at fair value through profit or loss (FVTPL).

When the embedded derivative is closely related to the host insurance contract, the embedded derivative is not bifurcated. Instead, it is accounted for applying IFRS 17 together with the host insurance contract.

The Company has not identified any embedded derivative in an insurance contract that is required to be separated from the host contract.

Separating investment components:

The Company issues certain life insurance policies. These include an investment component under which the Company is required to repay to a policyholder in all circumstances, regardless of an insured event occurring. In assessing whether an investment component is distinct and therefore required to be accounted for separately applying IFRS 9, the Company considers if the investment and insurance components are highly interrelated or not.

A contract with equivalent terms to the investment component is sold (or could be sold) separately in the same market or in the same jurisdiction by other entities, including those issuing insurance contracts.

When the investment component meets the definition of an investment contract with discretionary participation features, it is then accounted for applying IFRS 17. In determining whether investment and insurance components are highly interrelated the Company assesses whether the Company is unable to measure one component without considering the other and whether the policyholder is unable to benefit from one component unless the other component is present, i.e. whether cancelling one component also terminates the other. The Company has not identified any distinct investment components.

The Company applies IFRS 17 to account for non-distinct investment components as part of its insurance contracts.

Separating promises to transfer distinct goods or non-insurance services:

After the Company has determined whether to separate embedded derivatives and investment components, it considers the separation of any promise to transfer goods or non-insurance services embedded in the contract.

Level of aggregation of insurance contracts

The Company manages insurance contracts issued by product lines within an operating segment. Insurance contracts within a product line that are subject to similar risks and are managed together are aggregated into a portfolio of contracts. In grouping insurance contracts into portfolios, the Company considers the similarity of risks rather than the specific labelling of product lines. The Company has determined that all contracts within each product line, as defined for Management purposes, have similar risks. Each portfolio is further disaggregated into groups of contracts that are issued within a calendar year (annual cohorts) that aligns with the financial year and are:

(i) contracts that are onerous at initial recognition; (ii) contracts that at initial recognition have no significant possibility of becoming onerous subsequently; or (iii) a group of remaining contracts.

These groups represent the level of aggregation at which insurance contracts are initially recognised and measured. Such groups are not subsequently reconsidered. 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 Company applies significant judgement in determining at what level of granularity the Company has sufficient information to conclude that all contracts within a set will be in the same group. In the absence of such information, the Company assesses each contract individually. The composition of groups established at initial recognition is not subsequently reassessed.

Recognition

Groups of insurance contracts issued are initially recognised from the earliest of the following:

- the beginning of the coverage period of the group of contracts;
- the date when the first payment from a policyholder in the group becomes due; and
- for a group of onerous contracts, when the group becomes onerous. If there is no contractual due date, the first payment from the policyholder is deemed to be due when it is received. Insurance contracts acquired in a business combination or a portfolio transfer are accounted for as if they were entered into at the date of acquisition or transfer.

Investment contracts with DPF are initially recognised at the date the Company becomes a party to the contract. The Company becomes party to a contract when the Company accepts the first payment, which is the date from which the Company has an obligation to provide investment-return or investment-related service.

The Company recognises a group of proportionate reinsurance contracts held from the later of:

- the beginning of the coverage period of the group of reinsurance contracts held; or
- the date of initial recognition of any underlying contract;

If the Company recognises an onerous group of underlying contracts before the beginning of the coverage period of the group of reinsurance contracts held, then the group of proportionate reinsurance contracts held is recognised at the same time as the onerous group of underlying contracts.

The Company recognises a group of non-proportionate reinsurance contracts held from the beginning of the coverage period of the group of reinsurance contracts; this is typically the first period in which premiums are paid or reinsurance recoveries are received.

Reinsurance contracts are to be recognised in full for all underlying insurance contracts expected to be issued that fall within the boundary of the reinsurance contracts held. An insurance contract is derecognised when it is:

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

Measurement of insurance contracts issued*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 will be provided under the contracts.

i. Fulfilment cash flows within contract boundary

The fulfilment cash flows (FCF) are the current estimates of the future cash flows within the contract boundary of a group of contracts that the Company expects to collect from premiums and pay out for claims, benefits and expenses, adjusted to reflect the timing and the uncertainty of those amounts.

The estimates of future cash flows:

- (a) are based on a probability weighted mean of the full range of possible outcomes;
- (b) are determined from the perspective of the Group, provided the estimates are consistent with observable market prices for market variables; and
- (c) reflect conditions existing at the measurement date.

An explicit risk adjustment for non-financial risk is estimated separately from the other estimates. For contracts measured under the PAA, unless the contracts are onerous, the explicit risk adjustment for non-financial risk is only estimated for the measurement of the liability for incurred claims (LIC).

The estimates of future cash flows are adjusted using the current discount rates to reflect the time value of money and the financial risks related to those cash flows, to the extent not included in the estimates of cash flows. The discount rates reflect the characteristics of the cash flows arising from the groups of insurance contracts, including timing, currency and liquidity of cash flows. The determination of the discount rate that reflects the characteristics of the cash flows and liquidity characteristics of the insurance contracts requires significant judgement and estimation.

In the measurement of reinsurance contracts held, the probability weighted estimates of the present value of future cash flows include the potential credit losses and other disputes of the reinsurer to reflect the non-performance risk of the reinsurer.

The Company estimates certain FCF at the portfolio level or higher and then allocates such estimates to groups of contracts.

ii Contract boundary

Cash flows are within the boundary of an insurance contract if they arise from the rights and obligations that exist during the period in which the policyholder is obligated to pay premiums or the Group has a substantive obligation to provide the policyholder with insurance coverage or other services. A substantive obligation ends when:

- (a) the Entity has the practical ability to reprice the risks of the particular policyholder or change the level of benefits so that the price fully reflects those risks; or
- (b) both of the following criteria are satisfied:
 - (i) the Company has the practical ability to reprice the contract or a portfolio of contracts so that the price fully reflects the reassessed risk of that portfolio; and
 - (ii) the pricing of premiums related to coverage to the date when risks are reassessed does not reflect the risks related to periods beyond the reassessment date.

In assessing the practical ability to reprice, risks transferred from the policyholder to the Company, such as insurance risk and financial risk, are considered; other risks, such as lapse or surrender and expense risk, are not included.

Riders, representing add-on provisions to a basic insurance policy that provide additional benefits to the policyholder at additional cost, that are issued together with the main insurance contracts form part of a single insurance contract with all the cash flows within its boundary.

iii. Risk adjustment for non-financial risk

The risk adjustment for non-financial risk is applied to the present value of the estimated future cash flows and reflects the compensation the Company requires for bearing the uncertainty about the amount and timing of the cash flows from non-financial risk as the Company fulfils insurance contracts.

For reinsurance contracts held, the risk adjustment for non financial risk represents the amount of risk being transferred by the Company to the reinsurer. Risk adjustments for non-financial risk are determined to reflect the compensation that the individual issuing entity would require for bearing non-financial risk, separately for the non-life and other contracts, and are allocated to groups of contracts based on an analysis of the risk profiles of the groups. Risk adjustments for non-financial risk reflect the diversification benefits from contracts issued by the entity, in a way that is consistent with the compensation that it would require and that reflects its degree of risk aversion, and the effects of the diversification benefits are determined using a correlation matrix technique.

The risk adjustment for non-financial risk is determined using a confidence level technique. To determine the risk adjustments for non-financial risk for reinsurance contracts, the Company applies these techniques both gross and net of reinsurance and derives the amount of risk being transferred to the reinsurer as the difference between the two results. Applying a confidence level technique, the Company estimates the probability distribution of the expected present value of the future cash flows from insurance contracts at each reporting date and calculates the risk adjustment for non-financial risk as the excess of the value at risk at the 75th percentile (the target confidence level) over the expected present value of the future cash flows. The entity has decided not to disaggregate release of RA between Profit or Loss and OCI.

Initial measurement – Groups of contracts not measured under the PAA**Contractual service margin**

The CSM is a component of the carrying amount of the asset or liability for a group of insurance contracts issued representing the unearned profit that the Group will recognise as it provides coverage in the future. At initial recognition, the CSM is an amount that results in no income or expenses (unless a group of contracts is onerous) arising from:

- (a) the initial recognition of the FCF;
- (b) the derecognition at the date of initial recognition of any asset or liability recognised for insurance acquisition cash flows; and
- (c) cash flows arising from the contracts in the group at that date.

A negative CSM at the date of inception means the group of insurance contracts issued is onerous. A loss from onerous insurance contracts is recognised in profit or loss immediately with no CSM recognised on the balance sheet on initial recognition.

For groups of reinsurance contracts held, any net gain or loss at initial recognition is recognised as the CSM unless the net cost of purchasing reinsurance relates to past events, in which case the Company recognises the net cost immediately in profit or loss. For reinsurance contracts held, the CSM represents a deferred gain or loss that the Company will recognise as a reinsurance expense as it receives reinsurance coverage in the future.

For insurance contracts acquired, at initial recognition, the CSM is an amount that results in no income or expenses arising from:

- (a) the initial recognition of the FCF; and
- (b) cash flows arising from the contracts in the group at that date, including consideration received for the contracts as a proxy for the premiums received at the date of acquisition. In a business combination, the consideration received is the fair value of the contracts at that date.

Release of the CSM to profit or loss

The amount of the CSM recognised in profit or loss for services in the period is determined by the allocation of the CSM remaining at the end of the reporting period over the current and remaining expected coverage period of the group of insurance contracts based on coverage units.

The total number of coverage units in a group is the quantity of coverage provided by the contracts in the group over the expected coverage period. The coverage units are determined at each reporting period-end prospectively by considering:

- (a) the quantity of benefits provided by contracts in the group;
- (b) the expected coverage duration of contracts in the group; and
- (c) the likelihood of insured events occurring, only to the extent that they affect the expected duration of contracts in the group. For reinsurance contracts held, the CSM is released to profit or loss as services are received from the reinsurer in the period. Coverage unit applied for the different portfolio are not applicable as all products are currently measured under PAA.

Onerous contracts - Loss component

When adjustments to the CSM exceed the amount of the CSM, the group of contracts becomes onerous and the Company recognises the excess in insurance service expenses and records it as a loss component of the LFRC.

When a loss component exists, the Company allocates the following between the loss component and the remaining component of the LFRC for the respective group of contracts, based on the ratio of the loss component to the FCF relating to the expected future cash outflows:

- (a) expected incurred claims and expenses for the period;
- (b) changes in the risk adjustment for non-financial risk for the risk expired; and
- (c) finance income (expenses) from insurance contracts issued.

The amounts of loss component allocation in a. and b. above reduce the respective components of insurance revenue and are not reflected in insurance service expenses.

Decreases in the FCF in subsequent periods reduce the remaining loss component and reinstate the CSM after the loss component is reduced to zero. Increases in the FCF in subsequent periods increase the loss component.

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, the group itself or the portfolio of insurance contracts to which the group belongs.

The Company estimates, at a portfolio level, insurance acquisition cash flows not directly attributable to the group but directly attributable to the portfolio. The Company 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 to secure a portfolio or group of insurance contracts, such as costs of selling and underwriting, when these costs are incurred before the recognition of the group of insurance contracts to which these costs relate. The Company recognises such an asset for each existing or future group of insurance contracts to which insurance acquisition cash flows are allocated. The related portion of the asset for insurance acquisition cash flows is derecognised and included in the measurement of the fulfilment cash flows of the associated group of contracts when the group is initially recognised. When only some of the insurance contracts expected to be included within the group are 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. The related portion is determined on a systematic and rational allocation method that considers the timing of recognition of the contracts in the group.

At each reporting date, the Company reviews the carrying amounts of the asset for insurance acquisition cash flows to determine whether there is an indication that the asset has suffered an impairment. If any such indication exists, the Company adjusts the carrying amount of the asset so that the carrying amount of the asset does not exceed the expected net cash inflow for the associated future groups of contracts. An impairment loss is recognised in profit or loss for the difference. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the extent the impairment conditions no longer exist or have improved and the cumulative amount of impairment loss reversal does not exceed the impairment loss recognised for the asset in prior years.

Subsequent measurement under the General Model

In estimating the total future fulfilment cash flows, the Company distinguishes between those relating to already incurred claims and those relating to future service.

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 remaining coverage (LRC) as at that date and a current estimate of the liability for incurred claims (LIC).

The LRC represents the Company's obligation to investigate and pay valid claims under existing contracts for insured events that have not yet occurred, amounts that relate to other insurance contract services not yet provided (i.e. provision of investment-return and investment-related services) and investment components and other amounts not related to insurance contract services that have not yet been transferred to the LIC. The LRC is comprised of (a) the fulfilment cash flows relating to future service, (b) the CSM yet to be earned and (c) any outstanding premiums for insurance contract services already provided.

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 the liability for claims incurred but not yet reported. It also includes the Company's liability to pay amounts the Group is obliged to pay the policyholder under the contract. This includes 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 group at the reporting date.

(i) Changes in fulfilment cash flows:

At the end of each reporting period, the Company updates the fulfilment cash flows for both LIC and LRC to reflect the current estimates of the amounts, timing and uncertainty of future cash flows, as well as discount rates and other financial variables.

The Company has an accounting policy choice which calculates changes in fulfilment cash flows at the end of a reporting period for changes in non-financial assumptions, changes in discount rates and financial assumptions. The Company first calculates the changes in discount rates and financial assumptions on the fulfilment cash flows (as expected at the beginning of the period) and then calculate changes on those cash flows from the change in non-financial assumptions. Experience adjustments are the difference between:

- The expected cash flow estimate at the beginning of the period and the actual cash flows for premiums received in the period (and any related cash flows paid such as insurance acquisition cash flows and insurance premium taxes)
- The expected cash flow estimate at the beginning of the period and the actual incurred amounts of insurance service expenses in the period (excluding insurance acquisition expenses)

Experience adjustments relating to current or past service are recognised in profit or loss. For incurred claims (including incurred but not reported) and other incurred insurance service expenses, experience adjustments always relate to current or past service. They are included in profit or loss as part of insurance service expenses. Experience adjustments relating to future service are included in the LRC by adjusting the CSM. The release of the CSM depends on whether the contract does not participate, participates indirectly, or directly participates in the performance of the specified underlying items.

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

(ii) Adjustments to the CSM:

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

- Experience adjustments relating to the premiums received in the period that relate to future service, and any related cash flows such as insurance acquisition cash flows and premium-based taxes measured at the 'locked in' discount rates applicable when the contracts in the group were initially recognised
- The change in the estimate of the present value of expected future cash flows in the liability for remaining coverage, related to non-financial variables, measured at the 'locked in' discount rates applicable when the contracts in the group were initially recognised. All financial variables are locked in at initial recognition
- Changes in the risk adjustment for non-financial risk relating to future service. 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.
- 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. The amount of investment components expected to be payable in the period is measured at the discount rates applicable before it became payable.

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
- Experience adjustments relating to insurance service expenses (excluding insurance acquisition cash flows).

Any further increases in fulfilment cash flows relating to future coverage are recognised in profit or loss as they occur, increasing the loss component of the group 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 group is fully reversed through profit or loss. At the end of the reporting period, the carrying amount of the CSM for a group of insurance contracts without direct participating features 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 the CSM measured at the discount rates determined at initial recognition
- The changes in fulfilment cash flows related to future service, except:
 - Increases in fulfilment cash flows that exceed the carrying amount of the CSM, giving rise to a loss that results in the group of contracts becoming onerous or more onerous
 - Decreases in fulfilment cash flows that reverse a previously recognised loss on a group of onerous contracts
- The effect of any currency exchange differences on the CSM
- The amount recognised as insurance revenue because of the transfer of insurance contract services in the period, determined by the allocation of the CSM remaining at the end of the reporting period over the current and remaining coverage period.

(iii) 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 group. The amount of coverage units in the group is determined by considering the quantity of benefits provided under the contract and the expected coverage period for each contract
- 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 change as insurance contract services are provided, contracts expire, lapse or surrender and new contracts are added to the group. The total number of coverage units depends on the expected duration of the obligations that the Company has from its contracts. These can differ from the legal contract maturity because of the impact of policyholder behaviour and the uncertainty surrounding future insured events.

By determining a number of coverage units, the Company exercises judgement in estimating the likelihood of insured events occurring and policyholder behaviour to the extent that they affect expected period of coverage in the group, the different levels of service offered across periods (e.g. policyholder exercising an option and adding an additional coverage for a previously guaranteed price) and the 'quantity of benefits' provided under a contract.

(iv) Contracts with cash flows not dependent on underlying items

In determining the number of coverage units, the Company applies the following methods:

- For term life (with level or decreasing sum assured) and fixed annuity policies, a method based on the expected coverage period and maximum contractual cover in each period 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 facultative (excess of individual loss) reinsurance contracts held, a straight-line allocation over the passage of time represents the quantity of coverage units over each period. This is because the amount that can be claimed under the contract is the same in each period.
- For term life quota share reinsurance contracts held, a method based on the expected duration and maximum contractual cover expected to be in force in each period is applied.

Initial and subsequent measurement - Groups of contracts measured under the PAA

The Company uses the PAA for measuring contracts with a coverage period of one year or less, or where it reasonably expects that such a simplification would produce a measurement of the liability for remaining coverage that would not differ materially from the one that would be produced by applying the General Measurement Model. The Company measures group life and credit life using the PAA measurement model. On initial recognition of insurance contracts issued, the Company measures the LFRC at the amount of premiums received, less any acquisition cash flows allocated to the group of contracts adjusted for any amounts arising from the derecognition of any prepaid acquisition cash flows asset.

For groups of insurance contracts measured under the PAA that do not contain contracts with a coverage period greater than one year, the Company expenses acquisition cash flows as the costs are incurred. On initial recognition of reinsurance contracts held, the Company measures the remaining coverage at the amount of ceding premiums paid.

The carrying amount of a group of insurance contracts issued at the end of each reporting period is the sum of:

- (a) the LFRC; and
- (b) the LIC, comprising the FCF related to past service allocated to the group at the reporting date.

The carrying amount of a group of reinsurance contracts held at the end of each reporting period is the sum of:

- (a) the remaining coverage; and
- (b) the incurred claims, comprising the FCF related to past service allocated to the group at the reporting date.

For insurance contracts issued, at each of the subsequent reporting dates, the LFRC is:

- (a) increased for premiums received in the period;
- (b) decreased for insurance acquisition cash flows paid in the period (if applicable);
- (c) decreased for the amounts of expected premiums received recognised as insurance revenue for the services provided in the period
- (d) increased for accretion of interest (if applicable); and
- (e) increased for the amortisation of insurance acquisition cash flows in the period recognised as insurance service expenses (if applicable).

For reinsurance contracts held, at each of the subsequent reporting dates, the remaining coverage is:

- (a) increased for ceding premiums paid in the period; and
- (b) decreased for the amounts of ceding premiums recognised as reinsurance expenses for the services received in the period.

The Company does not adjust the LFRC for insurance contracts issued and the remaining coverage for reinsurance contracts held for the effect of the time value of money where, at initial recognition, the entity expects the time between any premium becoming due and providing the related insurance contract services is 1 year or less. If a group of contracts becomes onerous, the Company increases the carrying amount of the LFRC to the amounts of the FCF determined under the GMM with the amount of such an increase recognised in insurance service expenses.

Subsequently, the Company amortises the amount of the loss component within the LFRC by decreasing insurance service expenses. The loss component amortisation is based on the passage of time over the remaining coverage period of contracts within an onerous group. If facts and circumstances indicate that the expected profitability of the onerous group during the remaining coverage has changed, then the Company remeasures the FCF by applying the GMM and reflects changes in the FCF by adjusting the loss component as required until the loss component is reduced to zero.

For a group of contracts to which the premium allocation approach applies the Company does not increase the liability for remaining coverage, it does so only when it recovers the premiums in cash from the intermediary.

Premiums due to the Company for insurance contract services already provided in the period but not yet received at the end of the reporting period are included in the LRC. The carrying amount of the LRC at the end of each subsequent reporting period represents the carrying amount at the start of the reporting period adjusted for the premiums received in the period and the amount recognised as insurance revenue for insurance contract services provided in that period. Applying the PAA, the insurance revenue is measured at the amount allocated from the expected premium receipts excluding any investment component. When facts and circumstances indicate that a group of contracts has become onerous, the Company performs a test for onerousness. If the amount of the fulfilment cash flows exceeds the carrying amount of the LRC, the Group recognises the amount of the difference as a loss in profit or loss and increases the LRC for the corresponding amount.

Insurance acquisition cash flows

Insurance acquisition cash flows arise from the costs of selling, underwriting and starting a group of insurance contracts that are directly attributable to the portfolio of insurance contracts to which the group belongs. These include direct and indirect costs incurred in originating insurance contracts, including cashflows related to unsuccessful efforts to obtain new business. Under the PAA, an entity can choose to immediately expense insurance acquisition cash flows in the P&L when incurred if and only if each insurance contract in a group has a coverage period of one year or less. The Company has opted to expense acquisition cashflows immediately as they are incurred.

Onerous contracts

The Company considers an insurance contract to be onerous if the expected fulfilment cash flows allocated to the contract, 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.

On initial recognition, 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 group'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 the loss component and the LRC excluding the loss component.

For groups of onerous contracts, without direct participating features, the Company uses locked-in discount rates. They are determined at initial recognition to calculate the changes in the estimate of future cash flows relating to future service (both changes in a loss component and reversals of a loss component).

For all issued contracts, other than those accounted for applying the PAA, the subsequent changes in the fulfilment cash flows of the LRC to be allocated are:

- Insurance finance income or expense
- Changes in risk adjustment for non-financial risk recognised in profit or loss representing release from risk in the period
- Estimates of the present value of future cash flows for claims and expenses released from the LRC because of incurred insurance service expenses in the period.

The Company determines the systematic allocation of insurance service expenses incurred based on the percentage of loss component to the total fulfilment cash outflows included in the LRC, including the risk adjustment for nonfinancial risk, excluding any investment component amount.

Reinsurance contracts held*(i) Recognition*

The Company uses facultative and treaty reinsurance to mitigate some of its risk exposures. Reinsurance contracts held are accounted for applying IFRS 17 when they meet the definition of an insurance contract. This 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.

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 determines portfolios in the same way as it determines portfolios of underlying insurance contracts issued. The Company considers that each product line reinsured at the ceding entity level to be a separate portfolio. The Company disaggregates a portfolio of its reinsurance contracts held into three groups of contracts:

- Contracts that on initial recognition have a net gain
- Contracts that, on initial recognition, have no significant possibility of resulting in a net gain subsequently
- Any remaining reinsurance contracts held in the portfolio

In determining the timing of initial recognition of a reinsurance contract held, 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:

- At the start of the coverage period of that group of reinsurance contracts held
- 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.

The boundary of a reinsurance contract held includes cash flows resulting from the underlying contracts covered by the reinsurance contract held. This includes cash flows from insurance contracts that are expected to be issued by the Company in the future if these contracts are expected to be issued within the boundary of the reinsurance contract held. Cash flows are within the boundary of a reinsurance contract held, if they arise from the substantive rights and obligations of the cedant that exist during the reporting period in which the Company is compelled to pay amounts to the reinsurer or has a substantive right to receive services from the reinsurer.

(ii) Reinsurance contracts held measured under the General Model

The Company life reinsurance and the facultative reinsurance contracts held are accounted for applying the measurement requirements of the General Model for estimates of cash flows and discount rates. 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 non-performance 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.

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 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, on initial recognition of an underlying onerous group of insurance contracts or on addition of onerous underlying insurance contracts to a group, the Company establishes a loss recovery component and, as a result, recognises a gain in profit or loss. The amount of the loss recovery component adjusts the CSM of a group of reinsurance contracts held. It is calculated at an amount equal to the loss recognised on the underlying insurance contracts multiplied by the percentage of claims on the underlying insurance contracts the Company expects to recover from the group of reinsurance contracts held. After initial recognition, the carrying amount of the loss-recovery component shall not exceed the portion of the carrying amount of the loss component of the onerous group of underlying insurance contracts that the entity expects to recover from the group of reinsurance contracts held. Reversal of the loss recovery component adjusts the CSM and the risk adjustment of the group of reinsurance contracts held. After establishing a reinsurance loss recovery component, except for further additions of onerous contracts to the underlying groups, its amount is adjusted for:

- Changes in fulfilment cash flows of underlying insurance contracts related to future service and do not adjust the CSM of their respective groups
- Loss recovery component reversals to the extent those reversals are not changes in the fulfilment cash flows of the group of reinsurance contracts held. These adjustments are calculated and presented in profit or loss. The Company adjusts the carrying amount of the CSM of a group of reinsurance contracts held at the end of a reporting period to reflect changes in the fulfilment cash flows applying the same approach as for insurance contracts issued, except when the underlying contract is onerous and the change in the fulfilment cash flows for underlying insurance contracts is recognised in profit or loss by adjusting the loss component. The respective changes in reinsurance contracts held is also recognised in profit and loss (adjusting the loss recovery component).

(iii) Reinsurance contracts held measured under the PAA

Under the PAA, the initial measurement of the asset for remaining coverage 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 group.

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 addition of onerous underlying insurance contracts to a group. The recognition of this gain results in the recognition for the loss recovery component of the asset for the remaining coverage of a group of reinsurance contracts held.

Investment contracts with discretionary participation features

The Company issues investment contracts with discretionary participation features (DPF). These provide the investor with the contractual right to receive a non-discretionary amount and, as a supplement to that amount, additional amounts that are expected to be a significant portion of the total contractual benefits based on the return of a specified pool of underlying items.

The Company recognises investment contracts with DPF at the date when the Group becomes a party to the contract.

The investment contracts with DPF are aggregated in the same manner as insurance contracts. The Company identifies portfolios of such investment contracts with DPF. Within that portfolio, the Company aggregates them based on three expected profitability levels (groups of onerous contracts, groups of contracts that have no significant possibility of becoming onerous subsequently, and groups that are neither onerous nor have no significant possibility of becoming onerous subsequently). Groups only comprise of contracts issued not more than a year apart.

At initial recognition, similar to insurance contracts, the Company estimates the fulfilment cash flows based on the present value of expected future cash flows and a risk adjustment for non-financial risk. Any expected net inflows are accounted for as the initial CSM.

In estimating future cash flows, the Company considers the contract boundary which only includes cash flows if they result from a substantive obligation of the Group to deliver cash at a present or future date.

In estimating the risk adjustment for non-financial risk for investment contracts with DPF, the Company considers other non-financial risks, such as the risks arising from the contract holder behaviour, e.g. lapse risk and expense risk. The Company discounts cash flows using discount rates that reflect the characteristics of the fulfilment cash flows, including the extent of their dependency on the fair value of the underlying items.

The Company allocates the CSM over the group's whole duration period in a systematic way reflecting the transfer of investment services under a contract.

The Company measures investment contracts with DPF under the VFA because they meet the VFA criteria.

Modification and derecognition

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

- If the modified terms were included at contract inception and the Company 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 substantially different contract boundary
- Would be included in a different group of contracts

- The original contract met the definition of an insurance contract with direct participating features, but the modified contract no longer meets the definition

- The original contract was accounted for 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 either the VFA or the General Model, 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 is 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 Company 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)
- Modified and the derecognition criteria are met

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

- Adjusts the fulfilment cash flows 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
- Adjusts 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)
- Adjusts the number of coverage units for expected remaining insurance contract services to reflect the coverage units derecognised from the group, and recognises in profit or loss in the period the amount of CSM based on that adjusted number.

When the Company transfers an insurance contract to a third party and that results in derecognition, 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 fulfilment cash flows and the premium charged by the third party for the transfer.

When the Company derecognises an insurance contract due to modification, it derecognises the original insurance contract and recognises a new one. The Company adjusts the CSM of the group from which the modified 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 Company 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.

Presentation

Portfolios of insurance contracts that are assets and those that are liabilities, and portfolios of reinsurance contracts that are assets and those that are liabilities, are presented separately in the statement of financial position. Any assets or liabilities recognised for cash flows arising before the recognition of the related group of contracts (including any assets for insurance acquisition cash flows under (iii)) are included in the carrying amount of the related portfolios of contracts.

The Company disaggregates amounts recognised in the statement of profit or loss and into (a) an insurance service result, comprising insurance revenue and insurance service expenses; and (b) insurance finance income or expenses.

Income and expenses from reinsurance contracts are presented separately from income and expenses from insurance contracts. Income and expenses from reinsurance contracts, other than insurance finance income or expenses, are presented on a net basis as 'net expenses from reinsurance contracts' in the insurance service result.

(a) Insurance revenue and service expenses

Insurance revenue and insurance service expenses exclude any investment components and are recognised as follows:

i. Insurance revenue – Contracts not measured under the PAA

The Company recognises insurance revenue as it satisfies its performance obligations – i.e. as it provides services under groups of insurance contracts. For contracts not measured under the PAA, the insurance revenue relating to services provided for each year represents the total of the changes in the liability for remaining coverage that relate to services for which the Company expects to receive consideration, and comprises the following items.

- A release of the CSM, measured based on coverage units provided (see 'Release of the CSM' below).
- Changes in the risk adjustment for non-financial risk relating to current services.
- Claims and other insurance service expenses incurred in the year, generally measured at the amounts expected at the beginning of the year. This includes amounts arising from the derecognition of any assets for cash flows other than insurance acquisition cash flows at the date of initial recognition of a group of contracts (see (v)), which are recognised as insurance revenue and insurance service expenses at that date.
- Other amounts, including experience adjustments for premium receipts for current or past services for the life risk segment and amounts related to incurred policyholder tax expenses for the participating segment.

In addition, the Company allocates a portion of premiums that relate to recovering insurance acquisition cash flows to each period in a systematic way based on the passage of time. The Company recognises the allocated amount, adjusted for interest accretion at the discount rates determined on initial recognition of the related group of contracts, as insurance revenue and an equal amount as insurance service expenses.

ii. Insurance revenue – Contracts measured under the PAA

For contracts measured under the PAA, the insurance revenue for each period is the amount of expected premium receipts for providing services in the period. The Company allocates expected premiums equally to each period of related insurance contract services, unless the expected pattern of the release of risk during the coverage period differs significantly from an even basis. In the latter case, expected premium receipts are allocated to the period based on the expected timing of incurred claims and other incurred insurance service expenses.

iii. Loss components

For contracts not measured under the PAA, the Company establishes a loss component of the liability for remaining coverage for onerous groups of insurance contracts. The loss component determines the amounts of fulfilment cash flows that are subsequently presented in profit or loss as reversals of losses on onerous contracts and are excluded from insurance revenue when they occur. When the fulfilment cash flows are incurred, they are allocated between the loss component and the liability for remaining coverage excluding the loss component on a systematic basis.

Changes in fulfilment cash flows relating to future services and changes in the amount of the Company's share of the fair value of the underlying items for direct participating contracts are allocated solely to the loss component. If the loss component is reduced to zero, then any excess over the amount allocated to the loss component creates a new CSM for the group of contracts.

(b) Insurance service expenses

Insurance service expenses arising from insurance contracts are recognised in profit or loss generally as they are incurred. They exclude repayments of investment components and comprise the following items.

- Incurred claims and other insurance service expenses: For some life risk contracts, incurred claims also include premiums waived on death or detection of critical illness.
- Amortisation of insurance acquisition cash flows: For contracts not measured under the PAA, this is equal to the amount of insurance revenue recognised in the year that relates to recovering insurance acquisition cash flows. For contracts measured under the PAA, the Company amortises insurance acquisition cash flows on a straight-line basis over the coverage period of the group of contracts.
- Losses on onerous contracts and reversals of such losses.
- Adjustments to the liabilities for incurred claims that do not arise from the effects of the time value of money, financial risk and changes therein.
- Impairment losses on assets for insurance acquisition cash flows and reversals of such impairment losses.

(c) Net expenses from reinsurance contracts

Net expenses from reinsurance contracts comprise an allocation of reinsurance premiums paid less amounts recovered from reinsurers.

The Company recognises an allocation of reinsurance premiums paid in profit or loss as it receives services under groups of reinsurance contracts. For contracts not measured under the PAA, the allocation of reinsurance premiums paid relating to services received for each period represents the total of the changes in the asset for remaining coverage that relate to services for which the Company expects to pay consideration.

For contracts measured under the PAA, the allocation of reinsurance premiums paid for each period is the amount of expected premium payments for receiving services in the period.

For a group of reinsurance contracts covering onerous underlying contracts, the Company establishes a loss-recovery component of the asset for remaining coverage to depict the recovery of losses recognised:

- on recognition of onerous underlying contracts, if the reinsurance contract covering those contracts is entered into before or at the same time as those contracts are recognised; and
- for changes in fulfilment cash flows of the group of reinsurance contracts relating to future services that result from changes in fulfilment cash flows of the onerous underlying contracts.

The loss-recovery component determines the amounts that are subsequently presented in profit or loss as reversals of recoveries of losses from the reinsurance contracts and are excluded from the allocation of reinsurance premiums paid. It is adjusted to reflect changes in the loss component of the onerous group of underlying contracts, but it cannot exceed the portion of the loss component of the onerous group of underlying contracts that the Group expects to recover from the reinsurance contracts.

(d) Insurance finance income and expenses

Insurance finance income and expenses comprise changes in the carrying amounts of groups of insurance and reinsurance contracts arising from the effects of the time value of money, financial risk and changes therein, unless any such changes for groups of direct participating contracts are allocated to a loss component and included in insurance service expenses. They include changes in the measurement of groups of contracts caused by changes in the value of underlying items (excluding additions and withdrawals). OML has chosen not to disaggregate insurance finance income and expenses between profit or loss and OCI. All insurance finance income and expenses for the period is presented in profit or loss. The Group disaggregates changes in the risk adjustment for non-financial risk between insurance service result and insurance finance income or expenses.

Contracts existing at transition date.

In determining the most practicable transition approach to IFRS 17 the Company considered the factors below:

- The policy term of insurance contracts in force.
- The IFRS 17 measurement method applicable.
- The availability and nature of historic underwriting and investment data in respect of the insurance products considered; and
- The time and effort required to retrieve historic data records and manipulate them into the format required for IFRS 17 calculations.

From the assessment of the long-term policies of the Company, the following are the key items of data required to apply the Full Retrospective Approach from the policy inception date of the oldest policy in force:

The first step in estimating a fair value for insurance contract liabilities would be to consider the approach taken in the limited occasions when market transactions do actually take place. The transactions will usually be required for mergers and acquisitions or transfers of a portfolio of insurance contracts from one insurer to the other. Under these circumstances, the first reference point would be the value of the liabilities on a statutory basis on which adjustments may then be made to arrive at the fair value. Reference may also be made to the basis of the liabilities used in estimating the Market Consistent Embedded Value (MCEV) should this be different from the statutory basis. It is reasonable to assume that the market participant acquiring insurance contract liabilities will be keen to ensure that the value placed on the liabilities includes margins for profit and prudence over and above the value of best estimate liabilities. The market participant may also consider the cost of capital required to hold the insurance liabilities in run off. Given that the market participant acquiring the liabilities would be operating in the same jurisdiction as the seller of the liabilities and would therefore be required to hold statutory liabilities and solvency capital to support the acquired business, it can be argued that the market participant would demand a fair value that is at least equal to the value of the statutory liabilities and the cost of capital.

For this assessment, The Company established the fair value basis as the statutory valuation basis including risk margins and zeroization of negative reserves. The IFRS 17 fulfilment cashflow basis was assumed to be the statutory best estimate basis with a Risk Adjustment calculated based on on the SAM risk margin computations. The Fair Value basis is key in determining the amount of CSM at transition which effectively affects the Net Assets position of the IFRS 17 opening balance at transition.

In determining the most practicable transition approach, On transition date, 1 January 2022, the Company:

- Has identified, recognized and measured each group of insurance contracts as if IFRS 17 had always applied (unless impracticable).
- Has identified, recognized and measured assets for insurance acquisition cash flows as if IFRS 17 had always applied. However, no recoverability assessment was performed before the transition date. At transition date, a recoverability assessment was performed, and no impairment loss was identified.
- Derecognized any existing balances that would not exist had IFRS 17 always applied.
- Recognized any resulting net difference in equity.

In determining the appropriate transition approach, the following were considered:

- the coverage period of the in-force policies
- the availability of historical data and assumptions driving measurement and the ability to obtain these without undue cost and effort.

Full Retrospective approach

On transition to IFRS 17, the Company applied the full retrospective approach unless impracticable to do so. The Company has applied the full retrospective approach on transition to all short-term contracts in force at the transition date. To do this, at the transition date, we have identified, recognized and measured each group of insurance contracts as if IFRS 17 had always applied; and derecognized any existing balances that would not exist had IFRS 17 always applied; and finally recognized any resulting net difference in equity.

Fair Value approach

The Company has applied the fair value approach on transition for individual life contracts as, prior to transition, it grouped contracts from multiple cohorts and years into a single unit for accounting purposes. Obtaining reasonable and supportable information to apply the full retrospective approach was impracticable without undue cost or effort. The Company has determined the CSM of the liability for remaining coverage at the transition date, as the difference between the fair value of the group of insurance contracts and the fulfilment cash flows measured at that date. In determining fair value, the Company has applied the requirements of IFRS 13 Fair Value Measurement, except for the demand deposit floor requirement.

The Company has aggregated contracts issued more than one year apart in determining groups of insurance contracts under the fair value approach at transition as it did not have reasonable and supportable information to aggregate groups into those including only contracts issued within one year.

Significant judgements and estimates*(i) Fulfilment cash flows*

The Company's objective in estimating future cash flows is to determine the expected value of a range of scenarios that reflects the full range of possible outcomes. The cash flows from each scenario are discounted and weighted by the estimated probability of that outcome to derive an expected present value. If there are significant interdependencies between cash flows that vary based on changes in market variables and other cash flows, then the Company uses stochastic modelling techniques to estimate the expected present value. Stochastic modelling involves projecting future cash flows under a large number of possible economic scenarios for market variables such as interest rates and equity returns.

(ii) Estimates of future cash flows

In estimating future cash flows, the Company incorporates, in an unbiased way, all reasonable and supportable information that is available without undue cost or effort at the reporting date. This information includes both internal and external historical data about claims and other experience, updated to reflect current expectations of future events.

The estimates of future cash flows reflect the Company's view of current conditions at the reporting date, as long as the estimates of any relevant market variables are consistent with observable market prices.

Investment guarantees embedded in insurance contracts and investment contracts with discretionary participation features are measured using stochastic modelling techniques because the guarantee does not move symmetrically with different investment return scenarios. The Company's measurement of the investment guarantee reserves incorporates a full range of scenarios representing possible future investment return (or interest rate) environments.

(iii) Discount rates

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 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. They 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.

In determining discount rates for cash flows that do not vary based on the returns of underlying items, the Company uses the 'bottom-up approach' to estimate discount rates starting from the yield curve implied in the fair value of a reference portfolio that closely reflects the duration, currency and liquidity characteristics of the insurance cash flows. Risk free rates are determined by reference to the yield of highly liquid and high grade sovereign securities as published by the Nigerian Actuarial Society (NAS). The yield curve from the reference portfolio is adjusted to exclude the effects of risks present in the cash flows from the financial instruments that are part of the reference portfolio, but not in the insurance contracts cash flows. The Company estimates the discount rate applicable to each group of contracts on initial recognition, which is based on recognised contracts. In the following reporting period, as new contracts are included in the group, the discount rate applicable to the group on initial recognition is revised from the start of the reporting period in which the new contracts are added to the group. The Company re-estimates the discount rate applicable to the group at initial recognition using a weighted average discount rate over the period the contracts in the group are issued.

3.17 Investment contracts

Investment contracts are those contracts that transfer financial risks with no significant insurance risk. Financial risk is the risk of a possible future change in one or more of a specified interest rate, security price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract.

The Company enters into investment contracts with guarantee returns and other businesses of savings nature. Those contracts are recognised as liabilities and are measured at amount payable at each reporting date.

The Company does not have contracts with discretionary participating features.

Finance cost on investment contract liabilities is recognised as an expense in the profit or loss using the effective interest rate.

3.18 Share capital, retained earnings & other reserves*Ordinary share capital and share premium*

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

Preference share capital

The Company's non-redeemable preference shares are classified as equity. They bear zero coupon (no discretionary dividends), but require conversion at a future determinable date.

Retained earnings

This account accumulates profits or losses from operations.

Contingency reserve

The Company maintains contingency reserves in accordance with the provisions of the Insurance Act of Nigeria to cover fluctuations in securities and variations in statistical estimates. For life business, the reserve is calculated at the rate equal to the higher of 1% of gross premiums and 10% of net profit.

Other reserves

Other reserves represent financial instruments that do not meet the definition of financial liabilities and are classified as equity. The instruments neither put the Company under any obligation to deliver cash or other financial assets to another party nor require the exchange of its financial assets or financial liabilities with another party under potentially unfavourable conditions but are to be settled by delivering a fixed number of Company's equity instruments to the other party.

3.19 Earnings/loss per share

The Company presents basic and diluted earnings per share for its ordinary shares. Basic earnings per share are calculated by dividing the profit attributable to ordinary shareholders of the Company by the number of shares outstanding during the year.

Adjusted earnings per share is determined by dividing the profit or loss attributable to ordinary shareholders by the weighted average number of ordinary shares adjusted for the bonus shares issued. Diluted earnings per share is calculated by adjusting the net profit attributable to ordinary shareholders and the weighted average number of shares outstanding for the effects of all dilutive potential ordinary shares.

3.20 Commission earned

Commissions are recognised on ceding business to the re-insurer, and are credited to the profit or loss over the period the service is provided.

3.21 Underwriting expenses

Underwriting expenses are made up of acquisition and maintenance expenses comprising commission and policy expenses and insurance supervision levy.

Underwriting expenses for insurance contracts are recognised as expense when incurred, with the exception of acquisition costs which are recognised on a time apportionment basis in respect of risk.

3.21 Other Operating income

Other operating income comprises realised and unrealised fair value changes, and foreign exchange differences.

3.22 Investment income

Investment income comprises interest income earned on short-term deposits, treasury bills, bonds, income earned on trading of securities, and dividends income. Investment income, other than interest income, is recognised at fair value and on an accrual basis.

Interest income is recognised in profit or loss as it accrues and is calculated 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 recognised as an adjustment to the effective interest rate of the instrument.

3.23 Dividend income

Dividend is recognised when the Company's right to receive the dividend has been established. The right to receive dividend is established when the dividend has been duly declared including approval by the appropriate authority.

3.24 Employee benefits***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 reporting date. The accrual is calculated on an undiscounted basis, using current salary rates.

A provision is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Post employment benefits

The Company operates a defined contributory retirement scheme as stipulated in the Pension Reform Act 2014. The Company and employees contribute 10% and 8% respectively each of the qualifying monthly emoluments in line with the Pension Reform Act. 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 profit or loss.

3.25 Foreign currency translations

The Nigerian Naira is the Company's functional and reporting currency. Foreign currency transactions are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the exchange rate ruling at the reporting date; the resulting foreign exchange gain or loss is recognised in the profit or loss. These exchange rates are NIFEX rate, NAFEX rate or the CBN rate, depending on the rate at which future cash flows from the transactions/balances would be settled if the cash flows occurred at the measurement date.

Unrealized exchange differences on non-monetary financial assets (investments in equity instruments) are a component of the change in their entire fair value. For non-monetary financial instruments available-for-sale, unrealized exchange differences are recorded directly in other comprehensive income and transferred to equity when the asset is sold or becomes impaired.

3.26 Management and other operating expenses

Management and other operating expenses are expenses other than claims and underwriting expenses. They include depreciation expenses and other operating expenses. They are accounted for on an accrual basis.

3.25 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 and the Company operates only one business segment. The Company also currently operates in one geographical segment which is Nigeria and, as such does not have a secondary reporting segment. The Managing Director reviews and presents quarterly operational reports of the Company to the Board for consideration. Accordingly, no further business or geographical segment information is reported.

3.27 Dividends

Dividend distribution to the Company's shareholders is recognised 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.

3.28 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 events which is not recognised 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 of legal claims under arbitration or court process in respect of which a liability is likely to crystallize.

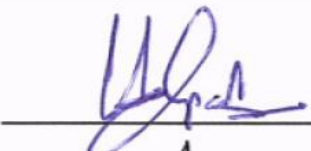
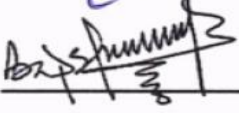
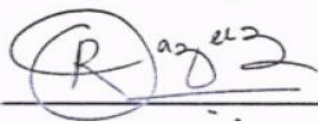
3.29 Expense Allocation

In making these assumptions based on the understanding of business operations and how resources are deployed to each expense lines, the results showed a split of expenses into attributable and non-attributable. Attributable expenses are cost that are directly associated with the running of the business. They comprise of both the technical and some allocated management costs. These expenses are further split into insurance acquisition costs, insurance service ongoing costs and insurance service one-off expense. Non-Attributable expenses are cost that are indirectly associated with the running of the business. They are costs associated with promoting the general company. The expense lines in this category are donations, marketing costs, travel cost, project costs, product development costs, professional and consultant fees.

**Statement of Financial Position
As at 31 December 2024**

		2024	2023
		N'000	N'000
	Note		
ASSETS			
Cash and cash equivalents	7	7,972,734	8,650,570
Financial assets	8	5,549,789	9,587,253
Reinsurance contract assets	10	825,976	384,020
Other receivables and prepayments	11	1,540,790	1,025,482
Intangible assets	12	-	29,896
Property and equipment	13	70,396	157,224
Statutory deposits	15	400,000	400,000
TOTAL ASSETS		16,359,685	20,234,445
LIABILITIES			
Insurance contract liabilities	16	10,655,740	9,778,301
Investment contract liabilities	17	137,277	147,938
Trade payables	18	273,859	399,938
Accruals and other payables	19	1,299,351	2,757,487
Income tax payable	20	11,225	12,624
TOTAL LIABILITIES		12,377,452	13,096,287
EQUITY			
<i>Share capital & reserves:</i>			
Ordinary share capital	21	16,155,460	12,049,140
Preference share capital	21	-	10,266
Share premium	21	-	4,096,054
Contingency reserve	22	502,601	429,861
Retained earnings	23	(12,675,828)	(9,447,163)
TOTAL EQUITY		3,982,233	7,138,158
TOTAL EQUITY AND LIABILITIES		16,359,685	20,234,445

The financial statements were authorised for issue by the Board of Directors on 16 April, 2025 and were signed on its behalf by:

	Uyiosa Akpata (Chairman) FRC/2013/PRO/ICAN/004/00000000643
	Rantimi Ogunleye (Chief Executive Officer) FRC/2012/PRO/DIR/003/00000000526
Additionally certified by:	
	Toyin Azeez (Chief Financial Officer) FRC/2013/PRO/ICAN/001/00000000408

The statement of significant accounting policies and the accompanying notes form an integral part of these financial statements.

Statement of profit or loss and other comprehensive income

		2024	2023
		N'000	N'000
	Note		
Insurance revenue	24	6,422,019	6,113,498
Insurance service expenses	25	(6,974,748)	(7,149,162)
Insurance service result from insurance contracts issued		(552,729)	(1,035,664)
Net income/(expenses) from reinsurance contracts held	26	387,503	(395,276)
Insurance service result		(165,226)	(1,430,939)
Investment income	27	1,957,827	1,636,768
Expected credit loss writeback on assets	32	5,434	1,376
Net fair value gain on financial assets at fair value through profit or loss	28	137,233	21,840
Net impairment charge	33	(570,087)	-
Profit or loss on investment contracts	17	10,661	(6,513)
Net investment result		1,541,068	1,653,471
Net finance expenses from insurance contracts	30(a)	(1,363,573)	(452,818)
Net finance income from reinsurance contracts	30(b)	28,925	33,744
Net insurance finance result		(1,334,648)	(419,073)
Net insurance and investment result		41,194	(196,542)
Other operating income	29	(998,143)	678,543
Other operating and administrative expenses	31	(2,194,041)	(1,067,345)
Loss before income tax expense		(3,150,990)	(585,344)
Income tax expense	20	(4,934)	(11,920)
Loss for the year		(3,155,924)	(597,264)
Other comprehensive income for the year, net of tax			
Items that will not be reclassified subsequently to profit or loss		-	-
Items that may not be reclassified subsequently to profit or loss		-	-
Total comprehensive loss for the year		(3,155,924)	(597,264)
Total comprehensive (loss) attributable to owners of the Company		(3,155,924)	(597,264)
Loss per share - basic (kobo)	34(a)	(20)	(5)
Loss per share - diluted (kobo)	34(b)	(20)	(4)

Statement of Changes in Equity

31 December 2024	Share Capital N'000	Preference Share Capital N'000	Share Premium N'000	Contingency Reserve N'000	Retained Earnings N'000	Total Equity N'000
Balance at 1 January 2024	12,049,140	10,266	4,096,054	429,861	(9,447,163)	7,138,157
Effect of change in accounting policy for: <i>Total comprehensive loss</i>						
Loss for the year	-	-	-	-	(3,155,924)	(3,155,924)
<i>Total comprehensive income for the year</i>	-	-	-	-	(3,155,924)	(3,155,924)
Transfer to contingency reserve (see note 22 & 23)	-	-	-	72,741	(72,741)	-
<i>Transactions with owners</i>						
<i>conversion of preference shares (see note 21)</i>	4,106,320	-	(4,106,320)	-	-	-
Conversion of preference shares	-	(10,266)	10,266	-	-	-
Total transactions with owners	4,106,320	(10,266)	(4,096,054)	-	-	-
Balance at 31 December 2024	16,155,460	0	(0)	502,601	(12,675,828)	3,982,234

31 December 2023	Share Capital N'000	Preference Share Capital N'000	Share Premium N'000	Contingency Reserve N'000	Retained Earnings N'000	Total Equity N'000
Balance at 1 January 2023	10,526,458	14,072	5,614,930	376,553	(8,796,592)	7,735,421
Effect of change in accounting policy for: Loss for the year	-	-	-	-	(597,264)	(597,264)
	10,526,458	14,072	5,614,930	376,553	(9,393,856)	7,138,157

Total comprehensive loss (597,264)

Loss for the year						-
Other comprehensive loss	-	-	-	-	-	-
<i>Total comprehensive loss for the year</i>	-	-	-	-	-	-
Transfer to contingency reserve (see note 22 & 23)	-	-	-	53,307	(53,307)	-
<i>Transactions with owners:</i>						
<i>conversion of preference shares (see note 21)</i>	1,518,876	-	(1,518,876)	-	-	-
Conversion of preference shares	3,806	(3,806)	-	-	-	-
Total transactions with owners	1,522,682	(3,806)	(1,518,876)	-	-	-
Balance at 31 December 2023	12,049,140	10,266	4,096,054	429,861	(9,447,163)	7,138,158

The statement of significant accounting policies and the accompanying notes form an integral part of these financial statements.

Statement of Cash Flows

		2024	2023
	Note	N'000	N'000
Cash flows from operating activities:			
Insurance premium received for insurance contract	16	7,274,064	6,701,403
Amounts received from reinsurers relating to incurred claims	10	727,555	1,188,603
Reinsurance premium paid	10	(810,981)	(1,144,452)
Premium received (now identified)/yet to be matched	18	(126,079)	189,789
Claims paid	16	(5,334,496)	(4,291,227)
Other directly attributable insurance service expenses paid	16	(2,005,646)	(2,575,115)
Insurance acquisition cash flows paid	16	(972,785)	(898,789)
Deposit administration withdrawals	17	(19,049)	-
Other income received	29	78,316	166,008
Other operating cash received/(paid)		(6,313,847)	126,618
Cash received from related parties	11	715,851	110,689
Income tax paid	20	(6,333)	(4,179)
Net cash used in operating activities		(6,793,429)	(430,653)
Cash flows from investing activities:			
Purchase of property and equipment	13(a)	(9,058)	(20,672)
Purchase/ (proceed) from disposal of property and equipment	13(b)	-	-
Proceeds from maturity of investments	8(e)	9,549,613	10,452,525
Acquisition of other investments	8(e)	(5,382,788)	(9,551,614)
Investment income received	27(a)	1,957,827	2,035,802
Net cash flow from investing activities		6,115,594	2,916,041
Net increase in cash and cash equivalents		(677,836)	2,485,388
Cash and cash equivalents at the beginning of the year		8,650,570	6,165,182
Cash and cash equivalents at the end of the year	7	7,972,734	8,650,570

The statement of significant accounting policies and the accompanying notes form an integral part of these financial statements.

Notes to the financial statements - continued**4 Critical accounting estimates and judgments**

The Company makes estimates and assumptions that affect the reported amounts of assets and liabilities within the financial year. Estimates and judgments are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Assumptions and estimation uncertainties

The preparation of financial statements 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 circumstances, the results of which form the basis of making judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions and conditions. The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised thus:

- in the period in which the estimate is revised, if the revision affects only that period, or
- in the period of the revision and future periods, if the revision affects both current and future periods.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year and about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are included in the following notes;

- Note 3.3(i)(vi) - Determination of fair value
- Note 3.3(n)(ii) - Recognition of deferred tax assets, availability of future taxable profits against which carry forward losses can be used
- Note 3.3(a) - Reserves for insurance contract liabilities.

Assessment of significance of insurance risk

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. The application of judgement in this area is aided by the Company's processes to filter contracts where the additional amounts referred to above are more than 5% but less than 10% of the amounts paid if the insured event does not occur. Additional amounts that are less than 5% are considered by the Company as insignificant. A specialist unit conducts all these judgemental classifications under IFRS 17 to maintain consistency across the Company. This assessment is performed after separation of non-closely related derivatives, distinct investment components and promises to transfer distinct goods and non-insurance services.

Notes to the financial statements - continued**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 Group is unable to measure one contract without considering the other.

Consideration whether there are investment components

The Company considers all terms of contracts it issues to determine whether there are amounts payable to the policyholder in all circumstances, regardless of contract cancellation, maturity, and the occurrence or non-occurrence of an insured event. Some amounts, once paid by the policyholder, are repayable to the policyholder in all circumstances. The Company considers such payments to meet the definition of an investment component, irrespective of whether the amount repayable varies over the term of the contract as the amount is repayable only after it has first been paid by the policyholder.

Separation of non-insurance components from insurance contracts

The Company issues some insurance contracts that have several elements in addition to the provision of the insurance coverage service, such as a deposit component, an investment management service, an embedded derivative and other goods or services. Some of these elements need to be separated and accounted for by applying other Standards, while other elements remain within the insurance measurement model. In assessing whether components meet the separation criteria and should be separated, the Company applies significant judgement.

Separation of insurance components of an insurance contract

The Company 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.

Notes to the financial statements - continued**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.

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. Where similar products are issued by different entities within a group, they are considered to be separate portfolios. Despite the oversight provided by management at the group level, the Company determines that these contracts are managed at the local issuing entity level. For some product lines, the Company acquires insurance contracts as part of a business combination or a portfolio transfer. Unlike originally issued contracts, contracts acquired in a settlement phase transfer an insurance risk of adverse claims development. The Company considers such risk to be different from contracts it originally issues and aggregates such contracts in separate portfolios by product line. For investment-linked insurance policies, the Group considers groups of contracts participating in different pools of underlying items to be in different portfolios, because they are subject to different risks from underlying items. However, where different products participate in the same pool of underlying items (e.g. investment-linked insurance policies and investment contracts with discretionary participating features), these are also considered separate portfolios due to different insurance risks.

Level of aggregation

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

Assessment of directly attributable cash

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 Company also allocates fixed and variable overheads fulfilment cash flows directly attributable to the fulfilment of insurance contracts.

Assessment of eligibility for PAA

For reinsurance contracts with a coverage period extending beyond one year, the Company elects to apply the PAA if at the inception of the group, the Company reasonably expects that it will provide a liability for remaining coverage that would not differ materially from the General Model.

The Company exercises judgement in determining whether the PAA eligibility criteria are met at initial recognition.

Notes to the financial statements - continued**Assessment of the eligibility for meeting the criteria for direct participating contracts**

Direct participating contracts are considered to be sufficiently different from other participating contracts due to the enforceable link to the underlying items, the significance of policyholders' share in the pool and the significance of those returns to the overall policyholder payments. The Company assesses whether a contract meets the definition of a direct participating contract using the Company's expectations existing at inception of the contract. This assessment is performed, on a contract-by-contract basis, for all insurance contracts with direct participating features and investment contracts with discretionary participating features (investment contracts with DPF). In assessing the significance of the policyholder's share of returns from the underlying items and the degree of variability in total payments to the policyholder, the Company applies significant judgement. The Company applies significant judgement in determining the policyholder share of returns. The Company considers that variable annual charges applied to the policyholder amount reduce the policyholder share of fair value returns.

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 entity-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.

Notes to the financial statements - continued**(b) 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.

Insurance contract assets and liabilities and reinsurance contract assets and liabilities. By applying IFRS 17 to measurement of insurance contracts issued (including investment contracts with DPF) 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
- Allocation rate for insurance finance income or expenses
- Risk adjustment for non-financial risk
- Allocation of asset for insurance acquisition cash flows to current and future groups of contracts

(i) Fulfilment cash flows

The Company's objective in estimating future cash flows is to determine the expected value of a range of scenarios that reflects the full range of possible outcomes. The cash flows from each scenario are discounted and weighted by the estimated probability of that outcome to derive an expected present value. If there are significant interdependencies between cash flows that vary based on changes in market variables and other cash flows, then the Company uses stochastic modelling techniques to estimate the expected present value. Stochastic modelling involves projecting future cash flows under a large number of possible economic scenarios for market variables such as interest rates and equity returns.

(ii) Estimates of future cash flows

In estimating future cash flows, the Company incorporates, in an unbiased way, all reasonable and supportable information that is available without undue cost or effort at the reporting date. This information includes both internal and external historical data about claims and other experience, updated to reflect current expectations of future events.

The estimates of future cash flows reflect the Company's view of current conditions at the reporting date, as long as the estimates of any relevant market variables are consistent with observable market prices.

Investment guarantees embedded in insurance contracts and investment contracts with discretionary participation features are measured using stochastic modelling techniques because the guarantee does not move symmetrically with different investment return scenarios. The Company's measurement of the investment guarantee reserves incorporates a full range of scenarios representing possible future investment return (or interest rate) environments.

Notes to the financial statements - continued**(iii) Discount rates**

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 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. They 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.

In determining discount rates for cash flows that do not vary based on the returns of underlying items, the Company uses the 'bottom-up approach' to estimate discount rates starting from the yield curve implied in the fair value of a reference portfolio that closely reflects the duration, currency and liquidity characteristics of the insurance cash flows. Risk free rates are determined by reference to the yield of highly liquid and high grade sovereign securities as published by the Nigerian Actuarial Society (NAS). The yield curve from the reference portfolio is adjusted to exclude the effects of risks present in the cash flows from the financial instruments that are part of the reference portfolio, but not in the insurance contracts cash flows.

The Company estimates the discount rate applicable to each group of contracts on initial recognition, which is based on recognised contracts. In the following reporting period, as new contracts are included in the group, the discount rate applicable to the group on initial recognition is revised from the start of the reporting period in which the new contracts are added to the group. The Company re-estimates the discount rate applicable to the group at initial recognition using a weighted average discount rate over the period the contracts in the group are issued.

(c) Expected Credit loss on financial assets**(i) Probability of default:**

PD constitutes a key input in measuring ECL. PD is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

(ii) Loss Given Default:

LGD is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements. See note 3 for more details, including analysis of the sensitivity of the reported ECL to changes in LGD resulting from changes in economic drivers.

(iii) Fair value of unquoted equity financial instruments

The fair value of financial instruments where no active market exists or where quoted prices are not otherwise available are determined by using the income approach. In these cases the fair values are estimated from observable data using valuation models. The models used to determine fair values are validated and periodically reviewed by qualified personnel independent of those that sourced them. All models are certified before they are used, and models are calibrated to ensure that outputs reflect actual data and comparative market prices. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Notes to the financial statements - continued**(d) Liabilities arising from insurance contracts**

The liabilities for life insurance contracts are estimated using appropriate and acceptable base tables of standard mortality according to the type of contract being written. Management make various assumptions such as expense inflation, valuation interest rate, mortality and lapses in estimating the required reserves for life contracts. (See note 16). The sensitivity analysis if any of these parameters changes is included in Note 5.

(e) Impairment for receivables and other financial assets

In accordance with accounting policy on financial assets, the company tests annually whether trade and other receivables have suffered any impairment. The recoverable amounts of trade and other receivables have been determined based on the incurred loss model. These calculations require the use of estimates of future collections.

(e.i) Fair Value of Financial assets at fair value through profit or loss (FVTPL) Impairment for reinsurers/Co-assurer's share of claims

The directors are required to make judgement in selecting an appropriate valuation technique for some financial assets. The significant estimates and judgements applied in determination of fair value of financial assets are shown in the statement of accounting policies note 3.2(i). These assets have been designated at fair value on initial recognition. The Company tests periodically whether share of claims receivables have suffered any impairment. With this policy, all share of claims transactions are paid for immediately but if this is not paid within the period of the policy, the said amount were deemed as impaired.

5 Financial Risk Management**(a) Introduction and Overview**

emPLE Life Assurance Limited ("the Company") recognizes the role of effective and responsible risk management practices in achieving her vision of being one of the leading life assurance companies in Nigeria. This necessitates the need for proper identification, measurement, aggregation and effective management of risks and efficient utilisation of capital to derive an optimal risk and return ratio. The Company has a well-established risk governance structure and an experienced risk team. The Company's risk management framework provides essential tools enabling it to take timely and informed decisions to maximize opportunities and mitigate potential threats.

Company's risk oversight approach

The Company's oversight starts with the strategy setting and business planning process. These plans help the Company articulate its appetite for risk in order to set risk appetite limits for business units to work within.

The Company's risk management division provides a central oversight of risk management across the Company to ensure that the full spectrum of risks facing the Company are properly identified, measured, monitored and controlled in order to minimize adverse outcomes.

The Chief Risk Officer coordinates the process of monitoring and reporting risks across the Company. Internal Audit has the responsibility of auditing the risk management and control function to ensure that all units charged with risk management perform their roles effectively on a continuous basis. Internal Audit also tests the adequacy of internal control and makes appropriate recommendations where there are weaknesses.

Strategy and Business Planning

Risk management is embedded in our business strategy and planning cycle. The inclusion of risk management as one of our strategic priorities serves as evidence to this. By setting the business and risk strategy, we are able to determine appropriate capital allocation and target setting for the Company and each of its businesses.

Risk Appetite

Risk appetite is an articulation and allocation of the risk capacity or quantum of risk the Company is willing to accept in pursuit of its strategy, duly set and monitored by the Management Committee and the Board, and integrated into the Company's strategy, business, risk and capital plans. The Company's risk appetite is reviewed by the Board of Directors annually, at a level that minimises erosion of earnings or capital due to avoidable losses or from frauds and operational inefficiencies.

The Company defines its risk appetite in terms of both volatility of earnings and the maintenance of minimum regulatory capital requirements under stress scenarios. The Company's risk appetite can be expressed in terms of how much variability of return the Company is prepared to accept in order to achieve a desired level of result. It is determined by considering the relationship between risk and return.

(b) Risk Objectives

The broad risk management objectives of the Company are:

- To identify and manage existing and new risks in a planned and coordinated manner with minimum
- To protect against unforeseen losses and ensure stability of earnings;
- To maximize earnings potential and opportunities;
- To maximize stakeholder protection;
- To enhance credit ratings and depositor, analyst, investor and regulator perception; and
- To develop a risk culture that encourages all staff to identify risks and associated opportunities and to respond to them with cost effective actions

Risk Categorization

The Company is exposed to an array of risks through its operations. The Company has identified and categorized its exposure to these broad risks as listed below:

- Credit risk
 - Market risk
 - Liquidity risk
 - Insurance risk
- (i) **Credit risk** : Credit risk is the risk arising from the uncertainty of an obligor's ability to perform its contractual obligations. Considerable credit risks exist in terms of investments in counterparties, brokers and large corporates who are allowed extended payment periods that may default arising from cash flow risks. The credit risk inherent in premium payment are reduced substantially by the "no premium, no cover" regulation. The three sources of credit risk identified are:
- *Direct Default Risk* : The risk that the Company will not receive the cash flows or assets to which it is entitled because a party with which the Company has a bilateral contract defaults on one or more
 - *Downgrade Risk* : The risk that changes in the possibility of a future default by an obligor will adversely affect the present value of the contract with the obligor today.
 - *Settlement Risk* : The risk arising from the lag between the value and settlement dates of securities
- (ii) **Market risk** : This reflects the possibility that the value of the Company's investments will fall as a result of changes in market conditions, whether those changes are caused by factors specific to the individual investment or factors affecting all investments traded in the market. The Company is exposed to this risk
- *Interest rate risk* : The risk that the value of a fixed income security will fall as a result of movement in
 - *Equity price risk* : The risk associated with volatility in the stocks in our investment portfolio
- (iii) **Liquidity risk** : The Company's principal objective in managing our liquidity and our capital resources is to maximize the returns on capital to shareholders, while enabling us to pay claims, pay dividends, pay staff and fulfill our statutory obligations to our regulators and the different tiers of government in the environment in which we operate. Effective and prudent liquidity is a priority across the Company.
- Management monitors the liquidity of the Company on a daily basis and projects the financial needs over a multi-year time horizon through quarterly budget and review process. We believe that the cash flows from the sources of fund available to the Company are sufficient to satisfy the current liquidity requirements of the Company, including under reasonably foreseeable stress scenarios.
- In managing our liquidity (and of course our capital), we seek to:
- Match the profile of our assets and liabilities, taking into account the risks inherent in each line of product;
 - Maintain financial strength to support new business growth whilst still satisfying the requirements of policyholders and regulators;
 - Retain financial flexibility by maintaining strong liquidity; and
 - Allocate liquid resources efficiently to support growth while we pay claims and other commitments promptly.
- (iv) **Insurance risk** : The Company accepts insurance risk through its insurance contracts where it assumes the risk of loss from persons or organisations that are directly subject to the underlying loss. The Company is exposed to the uncertainty surrounding the timing, frequency and severity of claims under these contracts.

The Company manages its risk via its underwriting and reinsurance strategy within an overall risk management framework. Pricing is based on assumptions which have regard to trends and past experience. Exposures are managed by having documented underwriting limits and criteria. Reinsurance is purchased to mitigate the effect of potential loss to the Company from individual large or catastrophic events and also to provide access to specialist risks and to assist in managing capital. Reinsurance policies are written with approved reinsurers on either a proportional or excess of loss treaty basis.

C. Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The key areas of exposure to credit risk for the Company are in relation to its investment portfolio, reinsurance programme and to a lesser extent amount due from policyholders and intermediaries.

The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company predominantly transacts with entities that are rated the equivalent to investment grade and above.

This information is supplied by independent rating agencies where available and if not available the Company uses other publicly available financial information and its own trading records to rate counterparties.

The Company's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the risk management committee annually.

Credit Risk Exposure

The Total Exposures of the company financial assets to credit risks are as follows:

		2024		2023	
	Note	N'000	%	N'000	%
Trade Receivables		-	0%	-	0%
Reinsurance assets	10	825,976	5%	384,020	2%
Other receivables	11	1,228,136	8%	949,790	5%
Cash and cash equivalents (less Cash-in-hand)	7	7,972,734	52%	8,650,570	43%
Financial assets (amortised cost)	8	5,012,777	32%	9,549,613	48%
Statutory deposits	15	400,000	3%	400,000	2%
		15,439,623	100%	19,933,993	100%

Impairment model

Premium debtors are measured at amortized cost, less provision for impaired receivables. Under IFRS, an asset is impaired if the carrying amount is greater than the recoverable amount. With the inception of IFRS 9 which becomes effective for annual periods beginning on/after 1 January 2018, the Expected Credit Losses (ECL) method of impairment calculation was in force.

The Company uses the aging of receivables as the major parameter in calculating impairment. However, based on NAICOM's "No Premium No Cover" guidelines which state that "all insurance covers shall be provided on a strict 'no premium no cover' basis", only cover for which payment has been received shall be booked. However, brokers have a 30 day period to make payments from the date of the credit notes. The Company uses the aging of receivables as the major parameter in calculating impairment.

The impairment requirements of IFRS 9 apply to all debt instruments that are measured at amortised cost or FVOCI, and to off-balance sheet lending commitments such as loan commitments and financial guarantees (hereafter collectively referred to as Financial assets).

The determination of impairment loss and allowance moves from the incurred credit loss to the expected credit loss model under IFRS 9, where provisions are recognised upon initial recognition of the financial asset based on expectation of potential credit losses at the time of initial recognition. Under IFRS 9, The Company first evaluates individually whether objective evidence of impairment exists for loans that are individually significant and then collectively assess the loan and other receivables that are not significant and those which are significant but for which there is no objective evidence of impairment available under the individual assessment.

Staged Approach to the Determination of Expected Credit Losses

IFRS 9 outlines a three-stage model for impairment based on changes in credit quality since initial recognition. These stages are as outlined below:

Stage 1: The Company recognises a credit loss allowance at an amount equal to the 12 month expected credit losses. This represents the portion of lifetime expected credit losses from default events that are expected within 12 months of the reporting date, assuming that credit risk has not increased significantly after the initial recognition.

Stage 2: The Company recognises a credit loss allowance at an amount equal to the lifetime expected credit losses (LTECL) for those financial assets that are considered to have experienced a significant increase in credit risk since initial recognition. This requires the computation of ECL based on Lifetime probabilities of default that represents the probability of a default occurring over the remaining lifetime of the financial assets. Allowance for credit losses is higher in this stage because of an increase in credit risk and the impact of a longer time horizon being considered compared to 12 months in stage 1.

Stage 3: The Company recognises a loss allowance at an amount equal to life-time expected credit losses, reflecting a probability of default (PD) of 100% via the recoverable cash flows for the asset. For those financial assets that are credit impaired. The Company's definition of default is aligned with the regulatory definition. The treatment of the loans and other receivables in stage 3 remains substantially the same as the treatment of impaired financial assets under IAS 39 except for the portfolios of assets purchased or originated as credit impaired.

The Company does not originate or purchase credit impaired loans or receivables

Impairment Methodology**Calculation of Expected Credit Losses**

Calculation of the expected credit loss is based on the key risk parameters of PD, LGD and EAD according to the formula set below:

The calculation of ECL incorporates forward-looking information in all the ECL components. This forward-looking information will impact the various ECL components as follows:

- Probability of default – The PDs will vary during various stages of an economic cycle. It is based on the likelihood that a borrower will default within one year (PD), assessment of the creditworthiness of the counterparty and transformation of 1 Year horizon into lifetime of the asset.
- Loss Given Default – Collateral values will
- Exposure at default – Change in interest rates may affect the EAD e.g. higher interest rates may result in longer terms for loans causing a change in the EAD.

Loss Given Default

The Company applies historical experience to determine the expected loss given default ratios for each class of financial instruments. Where internal historical experience is not available, other sources, e.g. data available from rating companies as well as professional judgments are used to determine the LGD ratios that will apply. Collateral that is held against the financial assets is also considered in determining the LGD.

The Company management has resolved to use the recovery rates as published by Moodys credit analytics for all credit exposures to sovereign denominated in foreign currencies and all corporate exposures.

For sovereign exposures denominated in Naira which are assessed as low credit risk exposures, we have resolved to use LGDs within the range of 5-10% based on the Central banks of Nigeria's Revised Guidance Notes on Credit risk. Section 3.1 of the document addresses exposure to sovereigns and Central banks and states that financial institutions should assign a risk weight of 0% to the following:

- Exposures to Federal Government of Nigeria (FGN) and Central Bank of Nigeria (CBN);
- Instruments issued by other entities backed by express guarantee of the FGN;
- Inter-bank transactions guaranteed by the FGN or CBN; and
- Inter-bank transactions among supervised institutions collateralized by FGN Bonds, Treasury Bills or other similar sovereign bills.

Treatment of loans and other receivables

All loans issued fall within the scope of debt instruments as financial assets. This covers e.g. Inter-company loans, staff loans and mortgages etc.

Estimation of impairment on the loans based on expected loss is done in the three-stage approach with specific consideration for change in credit risk and forward-looking assumptions.

Intercompany loans are considered low credit risk if it meets the required conditions. Estimation and provision for impairment is based on simplified one stage approach. Loans are put in one bucket e.g. stage 1 and assess the 12 month ECL as long as there are no assets for assessed to have had significant increase in credit risk or the initial criteria for categorizing the asset as low risk has changed.

Significant increase in credit risk, default and cure

The Company continuously monitors all assets subject to ECLs. In order to determine whether an instrument or a portfolio of instruments is subject to 12mECL or LTECL, the Company assesses whether there has been a significant increase in credit risk since initial recognition. The Company considers that there has been a significant increase in credit risk when any contractual payments are more than 30 days past due. In addition, the Company also considers a variety of instances that may indicate unlikelihood to pay by assessing whether there has been a significant increase in credit risk. Such events include:

- Internal rating of the counterparty indicating default or near-default
- The counterparty having past due liabilities to public creditors or employees
- The counterparty (or any legal entity within the debtor's group) filing for bankruptcy application/protection
- Counterparty's listed debt or equity suspended at the primary exchange because of rumours or facts about financial difficulties

The Company considers a financial instrument defaulted and, therefore, credit-impaired for ECL calculations in all cases when the counterparty becomes 90 days past due on its contractual payments. The Company may also consider an instrument to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full. In such cases, the Company recognises a lifetime ECL. In rare cases when an instrument identified as defaulted, it is the Company's policy to consider a financial instrument as 'cured' and therefore re-classified out of credit-impaired when none of the default criteria have been present for at least twelve consecutive months.

There has been no significant increase in credit risk or default for financial assets during the year.

Expected credit loss

The Company assesses the possible default events within 12 months for the calculation of the 12mECL. Given the investment policy, the probability of default for new instruments acquired is generally determined to be minimal and the expected loss given default ratio assumed to be 100%. In rare cases where a lifetime ECL is required to be calculated, the probability of default is estimated based on economic scenarios.

Impairment losses on financial investments subject to impairment assessment**Debt instruments measured at amortised cost**

The table below shows the credit quality and the maximum exposure to credit risk based on the Fitch credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances.

	Fitch rating	2024			2023		
		12 month	Long Term	Total	12 month	Long Term	Total
		N'000	N'000	N'000	N'000	N'000	N'000
Cash and cash equivalents (note 7)	AAA	-	-	-	-	-	-
	A+	-	-	-	-	-	-
	B+	-	-	-	-	-	-
	B	-	-	-	-	-	-
	B-	7,972,734	-	7,972,734	8,650,570	-	8,650,570
	Not rated	-	-	-	668	-	-
Total Gross Amount		7,972,734	-	7,972,734	8,651,238	-	8,650,570
ECL		-	-	-	(668)	-	(668)
Total Net Amount after ECL		7,972,734	-	7,972,734	8,650,570	-	8,649,902
Financial assets - Amortised cost (note 8)	AAA	-	-	-	-	-	-
	A+	-	-	-	-	-	-
	B+	-	-	-	-	-	-
	B-	5,020,649	-	5,020,649	9,562,251	-	9,562,251
	Not rated	-	-	-	-	-	-
		-	-	-	-	-	-
Total Gross Amount		5,020,649	-	5,020,649	9,562,251	-	9,562,251
ECL		(7,872)	-	-	(12,638)	-	(12,638)
Total Net Amount after ECL		5,012,777	-	5,020,649	9,549,613	-	9,549,613

Amounts arising from ECL

Inputs, assumptions and techniques used for estimating impairment

When determining whether the credit risk (i.e. Risk of default) on a financial instrument has increased significantly since initial recognition, the Company considers reasonable and supportable information that is relevant and available without undue cost of effort. This includes both qualitative and quantitative information analysis based on the Company's experience, expert credit assessment and forward looking information. The Company primarily identifies whether a significant increase in credit risk has occurred for an exposure by comparing the remaining life time probability of default (PD) as at reporting date with the remaining Life time PD for this point in time that was estimated on initial recognition of the exposure.

Whenever available, the Company monitors changes in credit risk by tracking published external credit ratings. To determine whether published ratings remain up to date and to assess whether there has been a significant increase in credit risk at the reporting date that has not been reflected in the published rating, the group also reviews changes in Bond yields together with available press and regulatory information about issuers.

Where external credit ratings are not available, the Company allocates each exposure to a credit risk grade based on data that is determined to be predictive of the risk of default (including but not limited to the audited financial statement, management accounts and cashflow projections, available regulatory and press information about the borrowers and apply experienced credit judgement. Credit risk grades are defined by using qualitative and quantitative factors that are indicative of the risk of default and are aligned with the external credit rating definition from Moody's and Standards and Poor's.

The Company has assumed that the credit risk of a financial asset has not increased significantly since the initial recognition if the financial asset has low credit risk at reporting date. The company considers a financial asset to have low credit risk when its credit risk rating is equivalent to the globally understood definition of "investment grade". The Company considers this to be B- or higher based on the Moody rating which is equivalent to an internal risk grade of standard grade or higher.

As a back stop, the Company considers that a significant increase in credit risk occurs no later than when the asset is more than 30 days past due. Days past due are determined by counting the numbers of days since the earliest elapsed due date in respect of which full payments has not been received. Due dates are determined without considering any grace period that might be available to the borrower. The Company monitors the effectiveness of the criteria used to identify significant increase in credit risk by regular reviews to confirm that:

- The criteria are capable of identifying significant increase in credit risk before an exposure is in default;
- The criteria do not align with the point in time when the asset becomes 30 days past due;
- The average time between the identification of a significant increase in credit risk and default appears reasonable
- Exposures are not generally transferred from 12- month ECL measurement to credit impaired and
- There is no unwarranted volatility in loss allowance from transfers between 12-month ECL and Lifetime ECL measurement.

Modified financial assets

The contractual terms of a financial asset may be modified for a number of reasons, including changing market conditions and other factors not related to a current or potential credit deterioration of the borrower. An existing financial asset whose terms have been modified may be derecognized and the renegotiated asset recognized as a new financial asset at fair value in accordance with the accounting policies. When the terms of a financial asset are modified and the modification does not result in derecognition, the determination of whether the asset's credit risk has increased significantly reflects a comparison of:

- Its remaining lifetime PD as at the reporting date based on the modified term; with
- The remaining lifetime PD estimated based on data on initial recognition and the original contractual terms.

Definition of default

The Company considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realizing security (if any is held); or the financial asset is more than 90 days past due.

In assessing whether a borrower is in default, the Company considers indicators that are:

- qualitative: e.g. breaches of covenant and the other indicators of financial distress;
- quantitative: e.g. overdue status and non-payment of another obligation of the same issuer to the Group; and
- based on data developed internally and obtained from external sources.

Inputs into the assessment of whether a financial instrument is in default and their significance may vary over time to reflect changes in circumstances.

Incorporation of forward looking information

The Company incorporates forward-looking information into both its assessment of whether the credit risk of an instrument has increased significantly since initial recognition and its measurement of ECL. It formulates a 'base case' view of the future direction of relevant economic variables and a representative range of other possible forecast scenarios based on advice from the Company's Investment and risk committee, economic experts and consideration of a variety of external actual and forecast information. This process involves developing three additional economic scenarios and considering the relative probabilities of each outcome. External information includes economic data and forecasts published by governmental bodies and monetary authorities in the Nigeria, supranational organizations such as the Organisation for Economic Cooperation and Development and the International Monetary Fund, and selected private-sector and academic forecasters.

The base case represents a best estimate and is aligned with information used by the Company for other purposes such as strategic planning and budgeting. The other scenarios represent more optimistic and pessimistic outcomes.

Measurement of ECL

The calculation of the expected credit loss is based on the key risk parameters of Probability of default (PD), Loss given default (LGD) and Exposure at default (EAD)

To determine the Lifetime and 12-month PDs, the Company uses the PD tables supplied by Moodys based on the default history of sovereign and corporate obligors with the same credit rating. The Company adopts the same approach for unrated investments by mapping its internal risk grades to the equivalent external credit ratings. The PDs are recalibrated and adjusted to reflect forward looking information as described below. changes in the rating for counterparties and exposure lead to a change in estimate of the associated PD.

Loss Given Default is the magnitude of the likely loss if there is a default. The Company estimates LGD parameters based on the history of recovery rates of claims against the defaulted counterparties. The LGD for sovereign fixed income exposures are based on publications by Moody's and the models consider the structure, collateral, seniority of claims and recovery cot of any collateral that is integral to the financial asset. For loans secured with properties or asset, loan to value ratios are key parameter in determining LGD. LGDs are calculated one discounted cash flow basis using effective interest rate as the discounting factor.

EAD represents the expected exposure in the event of a default. The Company deprives the EAD from the current exposure to the counterparty and potential changes to the current amount allowed under the contract, including amortisation, and prepayments. The EAD of a financial asset is its gross carrying amount. As described in the accounting policy, and subject to using a maximum of a 12-month PD for financial assets for which credit risk has not significantly increased, the Company measures ECL considering the risk of default over the maximum contractual period (including any borrower's extension options over which it is exposed to credit risk, even if, for risk management purposes, the Company considers a longer period. The modelling of parameter is carried out on an individual basis or collective basis where the assets share same risk characteristics like instrument type, credit risk rating and gradings, collateral type, date of initial recognition or remaining term to maturity or industry. The groupings are subject to regular review to ensure that exposures within a particular group remain appropriately homogeneous.

When ECL are measured using parameters based on collective modelling, a significant input into the measurement of ECL is the external benchmark information that the Company uses to derive the default rates of its portfolios. This includes the PDs provided in the Moody's or Standard and Poor's default study and the LGDs provided in the recovery studies reports provided by the same rating agencies.

An overview of the approach to estimating ECLs is set out in the Summary of significant accounting policies and in the Significant accounting judgements, estimates and assumptions. To ensure completeness and accuracy, the Company obtains the data used from third party sources (Moodys, Standard and Poor's, Economist associate etc.) and its investment team verifies the accuracy of inputs to the Company's ECL models including determining the weights attributable to the multiple scenarios. The following tables set out the key drivers of expected loss and the assumptions used for the Company's base case estimate, ECLs based on the base case, plus the effect of the use of multiple economic scenarios for Nigeria, as at 31 December 2024 and 2023.

The Company has identified and documented key divers of credit risk and ECL for each portfolio of financial instruments and using an anlysis of historical data, has estimated relationships between macro economic variables and credit risk and credit losses. The tables show the values of the key forward looking economic variables/assumptions used in each of the economic scenarios for the ECL calculations. The figures for "subsequent years" represent a long-term average and so are the same for each scenario.

Financial Risk Management cont.d

(d) Credit quality

The following table shows aggregated credit risk exposure (after ECL) for financial assets neither past due nor impaired with external credit ratings (Fitch Rating Inc and Global Credit rating - GCR):

31 December 2024

	Note	AAA N'000	A+ N'000	B+ N'000	B- N'000	B- N'000	Not rated N'000	Carrying amount N'000
Loans and receivables								
Reinsurance assets	10	-	-	-	-	-	825,976	825,976
Receivables	11	-	-	-	-	-	1,228,136	1,228,136
Cash and cash equivalents (less cash-in-hand)	7	-	-	-	7,972,734	-	-	7,972,734
Financial assets (at amortized cost)	8	-	-	-	5,012,777	-	-	5,012,777
Statutory deposits	15	-	-	-	-	400,000	-	400,000
		-	-	-	12,985,511	400,000	2,054,112	15,439,623

31 December 2023

		AAA N'000	A+ N'000	B+ N'000	B- N'000	B- N'000	Not rated N'000	Carrying amount N'000
Loans and receivables								
Reinsurance assets	10	-	-	-	-	-	384,020	384,020
Receivables	11	-	-	-	-	-	949,790	949,790
Cash and cash equivalents (less cash-in-hand)	7	-	-	-	8,650,570	-	-	8,650,570
Financial assets (at amortized cost)	8	-	-	-	9,549,613	-	-	9,549,613
Statutory deposits	15	-	-	-	-	400,000	-	400,000
		-	-	-	18,200,183	400,000	1,333,810	19,933,993

The Company's exposure to credit risk is concentrated in financial instruments (placements, treasury bills, bonds, statutory deposits etc.) which account for 86% (2023: 88%) of total assets.

Financial Risk Management (cont'd)**(e) Market risk management**

Market risk is the risk of adverse changes in the balance sheet or on future earnings whether directly or indirectly, due to fluctuations in the market prices of financial instruments. The Company's risk objectives, policies and processes are aimed at instituting a model that objectively identifies, measures and manages market risks in the Company. The Company's identification, management, control and measurement of market risk is aligned towards the sub-risk categories which include;

1. Interest rate risk
2. Equity price risk
3. Foreign exchange risk

(i) Interest rate risk

Interest rate risk is the exposure of the Company's financial condition to unfavourable movements in interest rates, yield curves and credit spreads. The Company is exposed to interest rate risk through interest bearing assets and liabilities.

The Company's objective for management of interest rate risk on its portfolio is to ensure a higher degree of interest rate mismatch margin stability and lower interest rate risk over an interest rate cycle.

The Company is moderately exposed to interest-rate risk through its conservative investment approach with positions in fixed income and money market instruments. Interest rate risk also exists in policies that carry investment guarantees on early surrender or at maturity, where claim values can become higher than the value of backing assets as a result of rises or falls in interest rates.

A significant portion of the Company's assets relate to its capital rather than liabilities, the value of its interest rate based assets exceeds its interest rate based liabilities.

Interest rate risk is managed principally through monitoring interest rate gaps and sensitivity analysis across all investment portfolios.

(ii) Equity price risk

The Company is exposed to equity price risk by holding investments quoted on the Nigerian Stock Exchange (NSE). The risk that movements in individual equity prices or equity implied volatilities will adversely affect earnings/capital. Equity securities quoted on the NSE are 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's equity securities as at year end amounted to N537million (2023: N37million).

A sensitivity analysis of the Company's exposure to equity securities has not been included as the exposure is not material.

(iii) Foreign exchange risk

Foreign exchange risk is the exposure of the Company's financial condition to adverse movements in exchange rates. The Company is exposed to foreign exchange currency risk primarily through undertaking certain transactions denominated in foreign currency. The Company maintains a bank balance in foreign currency and is thus susceptible to foreign exchange currency risk.

The Board of Directors defines its risk tolerance levels and expectations for foreign exchange risk management and ensures that the risk is maintained at prudent levels.

Foreign exchange risk is quantified using the net balance of assets and liabilities in each currency, and their total sum.

The Company's exposure to foreign exchange risk arose from USD denominated cash and bank balances.

Financial Risk Management (cont'd)**(f) Fair value hierarchy**

The Company's accounting policy on fair value measurements is discussed under note 3.2.

The determination of fair value for financial assets and financial liabilities for which there is no observable market price requires the use of certain valuation techniques.

For financial instruments that trade infrequently and have little price transparency, fair value is less objective, and requires varying degrees of judgment depending on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument.

The Company measures fair value using the following fair value hierarchy that reflects the significance of the inputs used in making the measurement.

Level 1: Quoted market price in an active market for an identical instrument.

Level 2: Valuation techniques based on observable inputs. This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

Level 3: This includes financial instruments, the valuation of which incorporates significant inputs for the asset or liability that is not based on observable market data (unobservable inputs). Unobservable inputs are those not readily available in an active market due to market illiquidity or complexity of the product. These inputs are generally determined based on inputs of a similar nature, historic observations on the level of the input or analytical techniques.

The table below analyses financial instruments measured at fair value at the end of the year, by the level in the fair value hierarchy into which the fair value measurement is categorised:

31 December 2024					
	Note	Level 1 N'000	Level 2 N'000	Level 3 N'000	Total N'000
Assets					
Equity securities - at fair value through P/L	8	535,828	-	1,184	537,012
Total financial assets measured at fair value		535,828	-	1,184	537,012

31 December 2023					
	Note	Level 1 N'000	Level 2 N'000	Level 3 N'000	Total balance N'000
Assets					
Equity securities - at fair value through P/L	8	36,456	-	1,184	37,640
Total financial assets measured at fair value		36,456	-	1,184	37,640

Financial Risk Management (cont'd)

The table below analyses financial instruments not measured at fair value at the end of the year.

As at 31 December 2024

	Note	Carrying amount N'000	Fair value N'000
Assets			
Cash and cash equivalents	7	7,972,734	8,211,916
Financial assets	8(b)	5,549,789	5,716,283
Reinsurance assets	10	825,976	850,755
Receivables	11	1,228,136	1,264,980
Statutory deposit	15	400,000	400,000
Total value of financial assets not measured at fair value		15,976,635	16,443,934
Liabilities			
Other payables - financial	19	268,841	276,906
Trade payables	18	273,859	282,075
Investment contract liabilities	17	137,277	141,395
Total value of financial liabilities not measured at fair value		679,977	700,376

As at 31 December 2023

	Note	Carrying amount N'000	Fair value N'000
Assets			
Cash and cash equivalents	7	8,650,570	8,910,087
Financial assets	8(b)	9,549,613	9,836,101
Reinsurance assets	10	384,020	395,541
Receivables	11	949,790	978,284
Statutory deposit	15	400,000	400,000
Total value of financial assets not measured at fair value		19,933,993	20,520,013
Liabilities			
Other payables - financial	19	158,434	163,187
Trade payables	18	399,938	411,936
Investment contract liabilities	17	147,938	152,376
Total value of financial liabilities not measured at fair value		706,310	727,499

(g) Underwriting risk

Underwriting is the process in which an insurer appraises an insurance risk being presented by the proposer and deciding whether or not to accept the risk and the consideration (premium) to receive. Weaknesses in the systems and controls surrounding the underwriting process can expose an insurer to the risk of unexpected losses which may threaten the capital adequacy of the insurer. The Company's underwriting process is subject to internal audit.

The Company also has a process for assessing brokers' procedures and systems to ensure that the quality of information provided to the Company is of a suitable standard; and in the case of reinsurers, audits of ceding companies to ensure that reinsurance assumed is in accordance with treaties.

The government through the Nigeria Content Bill has empowered insurers to underwrite 70 per cent risks in the country, which has also paved the way for insurers to improve their operations. The factors that the Company uses to classify risks is highly objective, clearly related to the likely cost of providing coverage, practical to administer, consistent with applicable laws, and designed to protect the long-term viability of the insurance program.

Financial Risk Management (cont'd)

Underwriting process risk – This is risk from exposure to financial losses related to the selection and acceptance of risks to be insured.

Mispricing risk – Risk that insurance premiums will be too low to cover the Company's expenses related to underwriting, claim handling and administration.

Brokers' underwriting risk – This is the risk that brokers may:

(I) Be inadequately trained to assess the risk and offer professional advice to the client.

(II) Fail to remit premium collected to the Insurer.

The following factors constitute the basis for the Company's underwriting risk appetite:

- Risks not understood are not underwritten;
- The Company does not underwrite unquantifiable risks;
- Extreme caution is taken when underwriting risks with low safety standards or businesses with excessively high risk profile;
- Businesses and opportunities that can create systemic risk exposure are adequately evaluated;
- The Company exercises caution when underwriting discrete (one-off) risks, particularly where there is no requisite experience or know-how;
- The Company ensures compliance with NAICOM's guideline on KYC.

The Company develops own products through research, products and the guidance of an actuarial team. The Company ensures that its marketing team interacts with its customers in order to get constructive feedback. These feedbacks guide us in developing products that meet their individual / corporate needs. The limits, standard and exposure are guided by prudent underwriting procedure and reinsurance treaties.

Financial Risk Management (cont'd)

Underwriting responsibilities:

The underwriting unit has the following responsibilities:

- Ensure adherence to reinsurance strategy and delegated limits;
- Manage risk appetite by adhering to delegated authority standards;
- Ensure compliance with the underwriting plan, policies and manuals and implement correct sign-off process for variations;
- Manage underwriting risk exposure and ensure high quality policy standards;
- To put in place, records of all exposures in the different lines of insurance business;
- Demonstrate skills and capability in executing underwriting activities;
- Review the suitability of cover and contract terms, and ensure that all words used are correct, appropriate and authorized.

The overall strategy motive that form the basis for the Company's underwriting policies is to achieve growth in gross written premium/market share and also to price (underwrite) risks to ensure that the Company makes a targeted return on equity.

Risk pricing processes

Good and prudent pricing is a key element of an insurance underwriting process. Stakeholders and decision takers in underwriting are sensitised about the profit implications of underwriting pricing decisions. It is important to know that appropriate pricing is necessary to maintain the quality of insurance portfolio in terms of risk underwritten. Although all risks can be priced, but not all risks should be underwritten.

Risk reporting and monitoring

There is regular reporting and monitoring for each class of insurance business. This is to evaluate the level of performance of each insurance portfolio. The level of information reported ranges from a profit or loss account to reporting on risk segments. Some of the elements reported are listed below:

- Gross premium written;
- Types of risks written;
- Lines of business written
- Policy volume

Risk monitoring activities include:

- Peer review processes established within the underwriting department;
- Risk management and control review

(h) Insurance risk

The risk of loss or adverse changes in the value of insurance liability due to inadequate pricing and/or reserving assumptions. It occurs due to the uncertainty of the timing and amount of future cash flows arising under insurance contracts. The timing is specifically influenced by future mortality, longevity, morbidity, persistency and expenses about which assumptions are made in order to place a value on the liabilities. Deviations from assumptions will result in actual cash flows differing from those projected in the policyholder liability calculations. As such, each assumption represents a source of uncertainty.

Financial Risk Management (cont'd)***Insurance premium rating******(a) Group life products***

Underwriting on Corporate business is much less stringent than for individual business, as there is typically less scope for anti-selection. The main reason for this is that participation in the corporate schemes is normally compulsory and members have limited choice in the level of the benefits.

Company's policies are priced using standard mortality tables. The price for an individual scheme is adjusted for the following risk factors:

- Gender structure; and
- Industry.

For large schemes, a scheme's past experience is a crucial input in setting rates for the scheme. The larger the scheme the more weight is given to the scheme's past experience. Rates are guaranteed for one year and reviewable at the renewal of the policy.

Mortality and morbidity risks

The risk that actual experience in respect of the rates of mortality and morbidity may vary from what is assumed in pricing and valuation, depending on the terms of different products. The material classes of business most affected by these risks are discussed below:

(a) Group life products

Employee benefit products provide life cover to members of a Company, such as employees of companies or members of trade unions.

An aggregate stop-loss reinsurance agreement is in place to ensure that the Company's exposure to the aggregate mortality risk is managed and limited to a specified limit.

In addition, there is a catastrophe reinsurance treaty in place for both Corporate business and individual business. Such a treaty is particularly important for the Corporate life business as there are considerably more concentrations of risks compared to individual business.

Claims management risk

This is the risk that the insurer may be unable to manage the settlement process by which insurers fulfil their contractual obligation to policyholders. All insurers should have in place a claims management policy and procedure for ensuring that claims are handled fairly and promptly. In establishing and maintaining effective claims handling systems and procedures, the Company considers the following factors:

- Appropriate systems and controls are maintained to ensure that all liabilities or potential liabilities notified to the insurer are recorded promptly and accurately. Accordingly, the systems and controls in place ensure that a proper record is established for each notified claim;
- Suitable controls are maintained to ensure that estimates for reported claims and additional estimates are appropriately made on consistent basis and are properly categorized;
- Regular reviews of the actual outcome of the estimates made is carried out to check for inconsistencies and to ensure that procedures remain appropriate. The reviews include the use of statistical techniques to compare the estimates with the eventual cost of settling the claims, after deducting the amounts already paid at the time the estimates were made;
- A functional system is in place to ensure that claim files without activity are reviewed on a regular basis;
- Appropriate systems and procedures are in place to assess the validity of notified claims by reference to the underlying contracts of insurance and reinsurance treaties;
- Suitable systems are adopted to accommodate the use of suitable experts such as loss adjusters, lawyers, actuaries, accountants etc. as and when appropriate, and to monitor their use; and

Financial Risk Management (cont'd)

- Appropriate procedures are in place to identify and handle large or unusual claims, including system to ensure that senior management are involved from the outset in the processing of claims that are significant because of their size or nature.

(i) Claims experience risk

In terms of the short-term insurance contracts held by the Company, the claims experience risk for these policies is that the number of claims and/or the monetary claim amounts are worse than that assumed in the pricing basis.

The Company manages this risk by charging premiums which are appropriate to the risks under the insurance contracts.

Under the short-term insurance products, the Company also holds a concentration risk, which is the risk of a large number of claims from a single event or in a particular geographical area. This risk is reduced by diversification over a large number of uncorrelated risks, as well as taking out catastrophe reinsurance.

(j) Reinsurance risk

This is the risk of inadequate reinsurance cover which may be triggered by a situation such as the insolvency of a reinsurer, omission to cede risk to the treaty, wrong cession to the treaty, assumption of risks without reinsurance cover and acceptance of risks above automatic capacity and non-payment of reinsurance premium as and when due. The Company ensures that it maintains adequate reinsurance arrangements and treaties in respect of the classes or category of insurance business. The Company has in place a documented policy stating:

- Systems for the selection of reinsurance brokers and other reinsurance advisers;
- Systems for selecting and monitoring reinsurance programmes;
- Clearly defined managerial responsibilities and controls.

Financial Risk Management (cont'd)

(k) A summary of the Company's interest rate gap position on non-trading portfolios is as follows:

Interest rate gap analysis

31 December 2024		Re-pricing period				
	Note	Carrying amount N'000	Gross Nominal N'000	1 -3 months N'000	3-12 months N'000	Above 12 months N'000
Assets						
Placements with financial institutions	7	4,176,090	4,176,090	4,176,090	-	-
Financial assets	8(b)	5,012,777	5,012,777	-	1,247,649	3,765,128
Statutory deposits	15	400,000	400,000	-	-	400,000
		9,588,867	9,588,867	4,176,090	1,247,649	4,165,128
Liabilities						
Investment contract liabilities	17	137,277	137,277	-	-	137,277
Total interest re-pricing gap		9,451,590	9,451,590	4,176,090	1,247,649	4,027,851

31 December 2023		Re-pricing period				
		Carrying amount N'000	Gross Nominal N'000	1 -3 months N'000	3-12 months N'000	Above 12 months N'000
Assets						
Placements with financial institutions	7	7,871,082	7,871,750	7,871,750	-	-
Financial assets	8(b)	9,549,613	9,549,613	-	2,376,838	7,172,775
Statutory deposits	15	400,000	400,000	-	-	400,000
		17,820,695	17,821,363	7,871,750	2,376,838	7,572,775
Liabilities						
Investment contract liabilities	17	147,938	147,938	-	-	147,938
Total interest re-pricing gap		17,672,757	17,673,425	7,871,750	2,376,838	7,424,837

(l) Sensitivity analysis

The sensitivity analysis below have been determined based on the exposure to interest rates on non-trading portfolios at the balance sheet date. A 1% increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

						2024	2023
						₦'000	₦'000
<i>Rate sensitive assets:</i>							
Placements with financial institutions		7				4,176,090	7,871,750
Treasury bills with maturity of less than 90 days		7(b)				-	-
Financial assets (Treasury bills)		8(b)				5,012,777	9,549,613
Statutory deposits		15				400,000	400,000
						9,588,867	17,821,363
<i>Rate sensitive liabilities:</i>							
Investment contract liabilities		17				137,277	147,938
						137,277	147,938
31 December 2024							
		Interest rate				100 bp	100 bp
		Base				Increase	
		₦'000	Average rate	+1%	-1%	₦'000	Decrease ₦'000
Interest income - placements	27	833,984	7%	8%	6%	917,382	750,586
Interest income - treasury bills and bonds	27	1,108,929	8%	9%	7%	1,219,821	998,036
Interest income - statutory deposits	27	14,915	3.7%	5%	3%	16,407	13,424
Interest expense	17(a)	(234,812)	5%	6%	4%	(258,294)	(211,331)
Net interest income		1,723,015				1,895,316	1,550,715
Impact on interest income						172,301	(172,300)

31 December 2023

		Base N'000	Interest rate			100 bp Increase N'000	100 bp Decrease N'000
			Average rate	+1%	-1%		
Interest income - placements	27	855,395	7%	8%	6%	940,934	769,855
Interest income - treasury bills and bonds	27	754,901	8%	9%	7%	830,391	679,411
Interest income - statutory deposits	27	22,269	6%	7%	5%	24,496	20,042
Interest expense	17(a)	(234,812)	5%	6%	4%	(258,294)	(211,331)
Net interest income		1,397,752				1,537,527	1,257,977
Impact on interest income						139,775	(139,775)

Concentration Risk

The concentration of insurance by the location of the underlying risk is summarised below by reference to liabilities.

	Gross		Reinsurance		Net	
	31-Dec-24 N'000	31-Dec-23 N'000	31-Dec-24 N'000	31-Dec-23 N'000	31-Dec-24 N'000	31-Dec-23 N'000
- Within Nigeria	10,655,740	9,778,301	825,976	384,020	10,271,720	9,394,281
- Outside Nigeria	-	-	-	-	-	-
Total	10,655,740	9,778,301	825,976	384,020	10,271,720	9,394,281

The concentration of life insurance by type of contract is summarised below by reference to liabilities.

	Gross		Reinsurance		Net	
	31-Dec-24	31-Dec-23	31-Dec-24	31-Dec-23	31-Dec-24	31-Dec-23
Liability for Remaining Coverage						
Group Life	1,298,643	774,382	130,260	20,000	1,168,383	754,382
Credit Life	693,677	371,795	143,195	92,200	550,482	279,595
Individual Life	1,553,244	2,210,703	-	-	-	2,210,703
Savings	2,843,008	3,082,509	-	-	-	3,082,509
	6,388,572	6,439,389	273,455	112,201	1,718,864	6,327,188
Liability for Incurred Claims						
Group Life	3,896,876	2,921,985	405,183	147,122	3,491,694	2,774,863
Credit Life	370,293	416,928	147,337	124,697	222,956	292,230
Individual Life	-	-	-	-	-	-
Savings	-	-	-	-	-	-
	4,267,170	3,338,913	552,520	271,819	3,714,649	3,067,094
Total	10,655,741	9,778,302	825,976	384,020	5,433,514	9,394,282

Financial Risk Management (cont'd)**Maturity analysis of financial assets and liabilities**

The following table shows the undiscounted maturity analysis of the Company's financial assets and liabilities and on the basis of their earliest possible contractual maturity. The gross nominal inflow/(outflow) disclosed in the table is the contractual, undiscounted cash flow on the financial liability or commitment.

Residual contractual maturities of financial assets and liabilities

31 December 2024		Carrying amount	Gross Nominal	1 - 3 months	3-12 months	Above 12 months
	Note	₦'000	₦'000	₦'000	₦'000	
Assets						
Cash and cash equivalents	7	7,972,734	7,972,734	7,972,734	-	-
Financial assets	8	5,012,777	5,012,777	-	1,247,649	3,765,128
Reinsurance assets	10	825,976	825,976	170,830	-	655,146
Receivables	11	1,228,136	2,087,160	2,087,160	-	-
		15,039,623	15,898,647	10,230,724	1,247,649	4,420,274
Liabilities						
Investment contract liabilities	17	137,277	137,277	-	-	137,277
Trade payables	18	273,859	273,859	273,859	-	-
Other payables (financial)	19	268,841	268,841	268,841	-	-
		679,977	679,977	542,700	-	137,277
Gap (asset - liabilities)		14,359,646	15,218,670	9,688,024	1,247,649	4,282,997
Cumulative liquidity gap		14,359,646	15,218,670	9,688,024	10,935,673	15,218,670

31 December 2023		Carrying amount	Gross nominal	1 - 3 months	3-12 months	Above 12 months
		₦'000	₦'000	₦'000	₦'000	
Assets						
Cash and cash equivalents	7	8,650,570	8,651,238	8,651,238	-	-
Financial assets	8	9,549,613	9,549,613	-	2,376,838	7,172,775
Reinsurance assets	10	384,020	384,020	174,922	-	209,098
Receivables	11	949,790	1,238,727	1,238,727	-	-
		19,533,993	19,823,598	10,064,887	2,376,838	7,381,873
Liabilities						
Investment contract liabilities	17	147,938	147,938	-	-	147,938
Trade payables	18	399,938	399,938	399,938	-	-
Other payables (financial)	19	158,434	158,434	158,434	-	-
		706,310	706,310	558,372	-	147,938
Gap (asset - liabilities)		18,827,683	19,117,288	9,506,515	2,376,838	7,233,935
Cumulative liquidity gap		18,827,683	19,117,288	9,506,515	11,883,353	19,117,288

Notes to the financial statements - continued

6 Capital management

Capital is actively managed with a focus on capital efficiency and effective risk management. The Company's objective with respect to capital management is to ensure that the Company is properly capitalised and funded at all times, having regard to its regulatory needs, prudent management and the needs of all stakeholders.

The Capital structure of the Company consists of equity attributable to equity holders of the Company, comprising issued capital, reserves and retained earnings. Reinsurance is also used as part of capital management. The Company also has 0% coupon preference shares which are mandatorily convertible to ordinary shares on a set date (see Note 21).

The capital adequacy of the Company is reviewed regularly to meet regulatory requirements and standard of international best practices in order to adopt and implement decisions necessary to maintain the capital at a level that ensures the realization of the business plan with a certain safety margin.

The Company undertakes regular monitoring of capital adequacy and the application of regulatory capital by deploying internal systems based on the guidelines provided by the National Insurance Commission (NAICOM).

Regulatory capital requirements

NAICOM requires that the Company maintains a minimum capital base of N2 billion. The Company's adjusted capital was N2.4 billion as at 31 December 2024 (2023: N6.1 billion) as shown below. Based on this, the Company has met the minimum capital adequacy requirement applicable to a Life Insurance business.

The table below sets out the capital that is managed by the Company on a regulatory basis:

	2024	2023
	N'000	N'000
Shareholders fund as per statement of financial position	3,982,233	7,138,158
Less adjustments for deferred tax assets and other receivables and prepayments (inadmissible assets)	(1,541,974)	(1,025,482)
Capital resources on a regulatory basis	2,440,259	6,112,676

The details of the Company's capital structure are shown in the statement of financial position on page 27 of the financial statements.

The Company also employed an actuary in determining the valuation of life insurance contract liabilities. The results of the valuation done as at year end are presented below:

	Notes	2024	2023
		N'000	N'000
Net life insurance contract liabilities:			
Unearned premium	16	1,887,349	1,146,177
Liability for remaining coverage	16	4,501,223	5,293,212
Liability for incurred claims	16	4,267,170	3,338,913
		10,655,741	9,778,302
Gross Liability		10,655,741	9,778,302
Reinsurance contract assets	10	(825,976)	(384,020)
Net liability (see note 16(a))		9,829,765	9,394,282

Notes to the financial statements - continued

The Company's solvency position is as follows:

Solvency margin computation

	31-Dec-24			31-Dec-23
Admissible Assets	Admissible N'000	Inadmissible N'000	Total N'000	Admissible N'000
Cash and cash equivalents	7,972,734	-	7,972,734	8,650,570
Financial assets				9,587,253
<i>Quoted Equity</i>	535,827	-	535,827	
<i>Unquoted Equity</i>		1,184	1,184	
<i>Government Bond</i>	1,911,130		1,911,130	
<i>Corporate Bond</i>	509,989		509,989	
<i>Treasury Bills</i>	2,035,752		2,035,752	
<i>Commercial Papers</i>	555,907		555,907	
Trade receivables	-	-	-	-
Reinsurance assets	825,976	-	825,976	384,020
Other receivables and prepayments	-	1,540,790	1,540,790	-
Intangible assets	-	-	-	29,896
Property and equipment	70,396	-	70,396	157,224
Statutory deposit	400,000	-	400,000	400,000
	14,817,710	1,541,974	16,359,685	19,208,963
Less: Admissible liabilities				
Insurance liabilities	10,655,740	-	10,655,740	9,778,301
Investment contract liabilities	137,277	-	137,277	147,938
Trade payables	273,859	-	273,859	399,938
Accruals and other payables	1,299,351	-	1,299,351	2,757,487
Income tax payable	11,225	-	11,225	12,624
	12,377,452	-	12,377,452	13,096,287
Solvency margin (A-B)	2,440,258	1,541,974	3,982,233	6,112,676
Minimum paid up capital	2,000,000			2,000,000
15% of Net Premium (N4,313,745)	647,062			
Surplus	440,258			4,112,676

The Company's solvency margin of N2.44 billion (2023: N6.11 billion) is above the minimum capital of N2,000,000,000 (2023: N2,000,000,000) prescribed by the Insurance Act of Nigeria.

The actuary reported that the liabilities under the Company's life policies, in respect of business carried on in Nigeria did not exceed the amount of the Life insurance and Deposit administration funds as at 31 December 2024.

Notes to the financial statements - continued

7 Cash and cash equivalents

Cash and cash equivalents comprise:

Cash in hand
Balances held with banks in Nigeria
Placements with financial institutions (see (a) below)

	2024	2023
	N'000	N'000
Cash in hand	-	-
Balances held with banks in Nigeria	3,796,644	779,488
Placements with financial institutions (see (a) below)	4,176,090	7,871,082
	7,972,734	8,650,570
(a) Bank placements	4,176,090	7,871,750
ECL adjustment (see (b) below)	-	(668)
	4,176,090	7,871,082

Placements with financial institutions comprises term deposits with maturity of less than 90 days from the value date of the instruments.

- (b) Movement in ECL adjustments on cash and cash equivalents is detailed below
- At 1 January
- Movement for the year (see 32(b))
- At 31 December

	668	43
	(668)	625
	-	668

Maturity profile of cash and cash equivalents

Less than 3 months
Non-current

	2024	2023
	N'000	N'000
Less than 3 months	7,972,734	8,650,570
Non-current	-	-
	7,972,734	8,650,570

8 Financial assets

The Company's financial assets are summarised below by measurement category in the table below.

Investment securities - Fair value through profit or loss (FVTPL) (see (b) below)

Investment securities - Amortised cost (see (a) below)

	2024	2023
	N'000	N'000
Investment securities - Fair value through profit or loss (FVTPL) (see (b) below)	537,012	37,640
Investment securities - Amortised cost (see (a) below)	5,012,777	9,549,613
	5,549,789	9,587,253

- (a) Maturity profile of other financial assets

Greater than 3 months less than 12 months
Non-current

	1,247,649	2,376,838
	3,765,128	7,172,775
	5,012,777	9,549,613

- (b) Investment securities - FVTPL

Quoted equity securities
Unquoted equity securities

	535,828	36,456
	1,184	1,184
	537,012	37,640

Movement in quoted equity securities at fair value through profit or loss (FVTPL)

Balance, at 1 January

Additions during the year

Fair value gain on equity securities (see note 29)

Balance, 31 December

	36,456	14,616
	362,139	-
	137,233	21,840
	535,828	36,456

Equity securities classified as FVTPL are designated upon initial recognition. There were no financial assets measured at FVTPL that are either past due or impaired.

- (c) Investment securities - Amortised Cost

Debt securities - Fixed interest: Federal Government of Nigeria Treasury Bills

Debt securities - Fixed interest: Federal Government of Nigeria Bonds

Investment securities- Commercial papers

	2,035,752	2,120,627
	2,428,990	7,441,624
	555,907	-
	5,020,649	9,562,251
	(7,872)	(12,638)
	5,012,777	9,549,613

Expected Credit Losses (IFRS 9)

Notes to the financial statements (cont'd)

	2024	2023
(d) Reconciliation of ECL adjustment		
Balance, at 1 January	12,638	14,639
(Writeback) during the year	(4,766)	(2,001)
Balance at 31 December	7,872	12,638

(e) Movement in investment securities at amortised cost:

Balance, at 1 January	9,549,613	10,452,525
Proceeds from maturity of investments	(9,549,613)	(10,452,525)
Additions during the year	5,020,649	9,562,251
ECL adjustment for the year	(7,872)	(12,638)
Balance, 31 December	5,012,777	9,549,613

9 Premium receivables

Balance, at 1 January	-	-
Gross premium written during the year (see note 16)	7,274,064	6,701,403
Premium received during the year	(7,274,064)	(6,701,403)
Balance at 31 December	-	-

10 Reinsurance Contract Assets - Summary

Asset remaining coverage - ARC:

ARC: Excluding Loss Components

Loss components

Total - Asset remaining coverage

Asset Incurred Claims - AIC:

Incurred claims / PV of future cash flows

Risk Adjustment - PAA

Total - Asset Incurred Claims

Total Reinsurance contract Assets

Dec-24 N'000	Dec-23 N'000
Reinsurance Contracts Held	
146,460	112,201
126,995	-
273,455	112,201
540,626	265,968
11,894	5,851
552,520	271,819
825,976	384,020

Reconciliation of Reinsurance contracts held, as at December 31 2024

Dec-24

Reinsurance Contracts Measured Under PAA

Aggregated

Reinsurance contract assets as of January 1, 2024

Reinsurance contract liabilities as of January 1, 2024

Net Reinsurance contracts as of January 1, 2024**Changes in the statement of profit or loss**

Reinsurance expenses (see note 25)

Amounts recovered from reinsurersAmounts recoverable for claims and other expenses incurred in the period
(see note 25)Changes in amounts recoverable arising from changes in liability for incurred
claims (see note 25)

Recoveries and reversals of recoveries of losses on onerous contracts

Net expenses from reinsurance contracts held

Finance income from reinsurance contracts recognised in profit or loss

Total Changes in the statement of profit or loss**Cash flows**

Reinsurance premiums paid

Amounts received from reinsurers relating to incurred claims

Total cash flows**Non-cash flow items**

Reinsurance Premiums Payable

Total Non-Cash flow

Reinsurance contracts assets as of December 31, 2024

Reinsurance contract liabilities as of December 31, 2024

Net Reinsurance contracts as of December 31, 2024

Assets for Remaining coverage component	Amounts recoverable on incurred claims		Total	
Excluding loss recovery component	Loss Component	Estimates of PV of future cashflows	Risk adjustment for non- financial risk	
N'000	N'000	N'000	N'000	N'000
112,202	-	265,968	5,851	384,021
-	-	-	-	-
112,202	-	265,968	5,851	384,021
(785,109)	-	-	-	(785,109)
-	-	-	-	-
-	-	233,742	7,917	241,659
-	-	806,514	(2,555)	803,959
	126,995			126,995
(785,109)	126,995	1,040,256	5,362	387,503
-	-	28,244	680	28,925
(785,109)	126,995	1,068,500	6,042	416,428
-	-	-	-	-
1,047,351	-	-	-	1,047,351
-	-	(793,842)	-	(793,842)
1,047,351	-	(793,842)	-	253,509
(227,983)	-	-	-	(227,983)
(227,983)	-	-	-	(227,983)
146,460	126,995	540,626	11,894	825,976
-	-	-	-	-
146,460	126,995	540,626	11,894	825,976

Dec-24

**Reinsurance Contracts Measured Under PAA
Group Life**Reinsurance contract assets as of January 1, 2024
Reinsurance contract liabilities as of January 1, 2024**Net Reinsurance contracts as of January 1, 2024****Changes in the statement of profit or loss**

Reinsurance expenses (see note 25)

Amounts recovered from reinsurersAmounts recoverable for claims and other expenses incurred in the period
(see note 25)Changes in amounts recoverable arising from changes in liability for incurred
claims (see note 25)

Recoveries and reversals of recoveries of losses on onerous contracts

Net expenses from reinsurance contracts held

Finance income from reinsurance contracts recognised in profit or loss

Total Changes in the statement of profit or loss**Cash flows**

Reinsurance premiums paid

Amounts received from reinsurers relating to incurred claims

Total cash flows**Non-cash flow items**

Reinsurance Premiums Payable

Total Non-Cash flow

Reinsurance contracts assets as of December 31, 2024

Reinsurance contract liabilities as of December 31, 2024

Net Reinsurance contracts as of December 31, 2024

Dec-24

**Reinsurance Contracts Measured Under PAA
Credit Life**Reinsurance contract assets as of January 1, 2024
Reinsurance contract liabilities as of January 1, 2024**Net Reinsurance contracts as of January 1, 2024****Changes in the statement of profit or loss**

Reinsurance expenses (see note 25)

Amounts recovered from reinsurersAmounts recoverable for claims and other expenses incurred in the period
(see note 25)Changes in amounts recoverable arising from changes in liability for incurred
claims (see note 25)

Recoveries and reversals of recoveries of losses on onerous contracts

Net expenses from reinsurance contracts held

Finance income from reinsurance contracts recognised in profit or loss

Total Changes in the statement of profit or loss**Cash flows**

Reinsurance premiums paid

Amounts received from reinsurers relating to incurred claims

Total cash flows**Non-cash flow items**

Reinsurance Premiums Payable

Total Non-Cash flow

Reinsurance contracts assets as of December 31, 2024

Reinsurance contract liabilities as of December 31, 2024

Net Reinsurance contracts as of December 31, 2024

Assets for Remaining coverage component		Amounts recoverable on incurred claims			Total
Group Life		Group Life			
Excluding loss recovery component	Loss Component	Estimates of PV of future cashflows	Risk adjustment for non-financial risk		
₦'000	₦'000	₦'000	₦'000		₦'000
20,001	-	143,955	3,167		167,123
-	-	-	-		-
20,001	-	143,955	3,167		167,123
(585,633)		-	-		(585,633)
-	-	-	-		-
	-	233,742	7,917		241,659
-		723,254	(2,728)		720,526
	54,139				54,139
(585,633)	54,139	956,996	5,189		442,445
		23,065	366		23,431
(585,633)	54,139	980,061	5,555		454,122
-					-
810,981	-	-	-		810,981
	-	(727,555)	-		(727,555)
810,981	-	(727,555)	-		83,426
(169,228)	-	-	-		(169,228)
(169,228)	-	-	-		(169,228)
76,121	54,139	396,461	8,722		535,443
-	-	-	-		-
76,121	54,139	396,461	8,722		535,443

Assets for Remaining coverage component		Amounts recoverable on incurred claims			Total
Credit Life		Credit Life			
Excluding loss recovery component	Loss Component	Estimates of PV of future cashflows	Risk adjustment for non-financial risk		
₦'000	₦'000	₦'000	₦'000		₦'000
92,200	-	122,013	2,684		216,898
-	-	-	-		-
92,200	-	122,013	2,684		216,898
(199,477)			-		(199,477)
-	-		-		-
-	-				-
-	-	83,260	173		83,433
	72,856				72,856
(199,477)	72,856	83,260	173		(43,188)
		5,179	314		5,494
(199,477)	72,856	88,439	487		(37,694)
236,370		-	-		236,370
-	-	(66,287)	-		(66,287)
236,370	-	(66,287)	-		170,084
(58,755)	-	-	-		(58,755)
(58,755)	-	-	-		(58,755)
70,339	72,856	144,166	3,172		290,533
-	-	-	-		-
70,339	72,856	144,166	3,172		290,533

Reconciliation of Reinsurance contracts held, as at December 31 2023
Dec-23

Reinsurance Contracts Measured Under PAA

Aggregated

Reinsurance contract assets as of January 1, 2023

Reinsurance contract liabilities as of January 1, 2023

Net opening balance

Changes in the statement of profit or loss

Reinsurance expenses

Amounts recovered from reinsurers

Amounts recoverable for claims and other expenses incurred in the period
(see note 25)

Changes in expected recoveries on past claims

Net expenses from reinsurance contracts held

Finance income from reinsurance contracts recognised in profit or loss

Total Changes in the statement of profit or loss

Cash flows

Reinsurance Premiums paid

Amounts received from reinsurers relating to incurred claims

Total cash flows

Non-cash flow items

Reinsurance Premiums Payable

Total Non-Cash flow

Reinsurance contracts assets as of December 31, 2023

Reinsurance contract liabilities as of December 31, 2023

Net Reinsurance contracts as of December 31, 2023

Assets for Remaining coverage component	Amounts recoverable on incurred claims		Total	
Excluding loss recovery component	Loss Component	Estimates of PV of future cashflows	Risk adjustment for non- financial risk	
N'000	N'000	N'000	N'000	N'000
158,886	-	757,474	16,664	933,024
-	-	-	-	-
158,886	-	757,474	16,664	933,024
Reinsurance expenses	(1,047,815)	-	-	(1,047,815)
Amounts recovered from reinsurers	-	-	-	-
Amounts recoverable for claims and other expenses incurred in the period (see note 25)	-	259,890	(13,411)	246,479
Changes in expected recoveries on past claims	-	403,462	2,598	406,060
				-
Net expenses from reinsurance contracts held	(1,047,815)	663,353	(10,813)	(395,276)
Finance income from reinsurance contracts recognised in profit or loss		33,744	-	33,744
Total Changes in the statement of profit or loss	(1,047,815)	697,097	(10,813)	(361,531)
Cash flows	-			
Reinsurance Premiums paid	1,144,452	-	-	1,144,452
Amounts received from reinsurers relating to incurred claims	-	(1,188,603)	-	(1,188,603)
Total cash flows	1,144,452	(1,188,603)	-	(44,151)
Non-cash flow items				
Reinsurance Premiums Payable	(143,321)	-	-	(143,321)
Total Non-Cash flow	(143,321)	-	-	(143,321)
Reinsurance contracts assets as of December 31, 2023	112,202	265,968	5,851	384,020
Reinsurance contract liabilities as of December 31, 2023	-	-	-	-
Net Reinsurance contracts as of December 31, 2023	112,202	265,968	5,851	384,020

Dec-23

**Reinsurance Contracts Measured Under PAA
Group Life & Credit Life**

Reinsurance contract assets as of January 1, 2023

Reinsurance contract liabilities as of January 1, 2023

Net opening balance**Changes in the statement of profit or loss**

Reinsurance expenses

Amounts recovered from reinsurersAmounts recoverable for claims and other expenses incurred in the period
(see note 25)

Changes in expected recoveries on past claims

Net expenses from reinsurance contracts held

Finance income from reinsurance contracts recognised in profit or loss

Total Changes in the statement of profit or loss**Cash flows**

Reinsurance Premiums paid

Amounts received from reinsurers relating to incurred claims

Total cash flows**Non-cash flow items**

Reinsurance Premiums Payable

Total Non-Cash flow

Reinsurance contracts assets as of December 31, 2023

Reinsurance contract liabilities as of December 31, 2023

Net Reinsurance contracts as of December 31, 2023

Assets for Remaining coverage component		Amounts recoverable on incurred claims				Total
Group Life	Credit Life	Group Life	Credit Life	Group Life	Credit Life	
Excluding loss recovery component	Excluding loss recovery component	Estimates of PV of future cashflows	Risk adjustment for non-financial risk	Estimates of PV of future cashflows	Risk adjustment for non-financial risk	
N'000	N'000	N'000	N'000	N'000	N'000	N'000
105,452	53,433	753,544	16,578	3,930	86	933,024
-	-	-	-	-	-	-
105,452	53,433	753,544	16,578	3,930	86	933,024
(952,069)	(95,746)	-	-	-	-	(1,047,815)
-	-	-	-	-	-	-
-	-	259,890	(13,411)	-	-	246,479
-	-	267,043	-	136,419	2,598	406,060
-	-	-	-	-	-	-
(952,069)	(95,746)	526,934	(13,411)	136,419	2,598	(395,276)
-	-	32,450	-	1,294	-	33,744
(952,069)	(95,746)	559,384	(13,411)	137,713	2,598	(361,531)
-	-	-	-	-	-	-
1,009,939	134,513	-	-	-	-	1,144,452
-	-	(1,168,973)	-	(19,630)	-	(1,188,603)
1,009,939	134,513	(1,168,973)	-	(19,630)	-	(44,151)
(143,321)	-	-	-	-	-	(143,321)
(143,321)	-	-	-	-	-	(143,321)
20,001	92,200	143,955	3,167	122,013	2,684	384,020
-	-	-	-	-	-	-
20,001	92,200	143,955	3,167	122,013	2,684	384,020

11 Other receivables and prepayments

Receivables from related parties (see (a) below)

Reinsurance recoverable on paid claims*

Other receivables (see (b) below)

Impairment of recoverables on processed and paid claims

ECL impairment (see (c) below)

Impairment for asset receivables

Prepayments (see (d) below)

* This relates to receivable from co-insurers on paid claims

(a) Movement in receivables from related parties.

Balance at 1 January

Repayment in the year

Balance at 31 December

2024	2023
N'000	N'000
-	715,851
170,831	174,922
1,916,329	347,954
2,087,160	1,238,727
(157,276)	(157,276)
(131,661)	(131,661)
(570,087)	-
1,228,136	949,790
312,654	75,693
1,540,790	1,025,482
715,851	605,162
(715,851)	110,689
-	715,851

(b) Other receivables	2024	2023
Sundry debtors	1,894,072	319,364
Receivable from financial institutions	22,257	28,590
	1,916,329	347,954
ECL impairment	(701,748)	(131,661)
	1,214,581	216,293
<i>Cash-in-transit: Access Bank</i>	970,000	-
<i>Other Financial Institutions</i>	29,301	88,373
<i>Withholding tax receivables</i>	193,110	99,006
<i>Legacy debt receivable from Aquila Leasing</i>	131,661	131,661
<i>Investment-in-transit - Parthian Capital</i>	570,000	-
	1,894,072	319,040
<i>Provision for impairment: Investment-in-transit - Parthian Capital</i>	(570,000)	-
<i>Provision for impairment - Legacy debt receivable from Aquila Leasing</i>	(131,661)	(131,661)
	(701,661)	(131,661)
	1,192,411	187,379

(c) Reconciliation of impairment	2024	2023
	N'000	N'000
<i>Balance at 1 January</i>	(131,661)	(131,661)
<i>Writeback/(charge) during the year</i>	(570,000)	-
<i>Balance at 31 December</i>	(701,661)	(131,661)

- (d) Prepayments comprise prepaid rent charges, vehicle insurance, employee group life insurance, subscriptions, internet bandwidth charges as well as employee benefits (club/professional subscriptions, accommodation, etc.).

Prepayment	2024	2023
	N'000	N'000
Prepaid expenses	312,654	75,693
Group life insurance premium	-	-
	312,654	75,693

(e) Maturity profile of other receivables and prepayments	2024	2023
	N'000	N'000
Within 12 months	1,540,790	1,025,482
After 12 months	-	-
	1,540,790	1,025,482

12 Intangible assets

Computer software:	2024	2023
Cost	N'000	N'000
<i>Balance at 1 January</i>	32,407	32,407
<i>Additions during the year:</i>		
<i>Work in progress (see note (a) below)</i>	(29,896)	-
<i>Balance 31 December</i>	2,511	32,407
Accumulated amortisation:		
<i>Balance at 1 January</i>	(2,511)	(2,511)
<i>Charge for the year (see note 32)</i>	-	-
<i>Balance 31 December</i>	(2,511)	(2,511)
<i>Balance 31 December</i>	-	29,896

- (a) The N29m reversal in work-in-progress asset was due to a microsoft D365 application sitting in WIP which is now expensed as IT costs.
- No leased assets are included in the above intangible assets (2023: Nil)
 - The Company had no capital commitments contracted or authorized as at 31 December 2024 (2023: nil)
 - In the opinion of the Directors, the market value of the Company's intangible asset is not less than the value shown in the financial statements.
 - There was no item of intangible asset that has been pledged as security for borrowings as at year end (2023: nil)
 - Both additions during the year are still Work in Progress hence no accumulated amortization on both

Notes to the financial statements - continued

13 Property and equipment

(a) As at 31 December 2024

	Motor Vehicles	Furniture and Equipment	Computer Equipment	Total
Cost:	₦'000	₦'000	₦'000	₦'000
Balance at 1 January	276,168	137,337	140,225	553,730
Additions	-	-	9,058	9,058
Disposals	(66,618)	(2,686)	(2,283)	(71,587)
Balance at 31 December	209,550	134,651	147,000	491,202
Accumulated Depreciation				
Balance at 1 January	187,098	112,611	96,797	396,506
Charge for the year	43,783	7,699	15,304	66,786
Disposals	(40,258)	(5)	(2,222)	(42,486)
Balance at 31 December	190,623	120,305	109,878	420,806
Net book value				
Balance at 1 January	89,070	24,726	43,428	157,224
Balance at 31 December	18,927	14,346	37,122	70,396

(b) As at 31 December 2023

	Motor Vehicles	Furniture and Equipment	Computer Equipment	Total
Cost:	₦'000	₦'000	₦'000	₦'000
Balance at 1 January	301,168	137,337	119,553	558,058
Additions	-	-	20,672	20,672
Transfers (see note (vii) below)	-	-	-	-
Disposals	(25,000)	-	-	(25,000)
Balance at 31 December	276,168	137,337	140,225	553,730
Accumulated Depreciation:				
Balance at 1 January	142,964	103,185	82,036	328,184
Charge for the year	59,221	9,426	14,761	83,408
Disposals	(15,087)	-	-	(15,087)
Balance at 31 December	187,098	112,611	96,797	396,506
Carrying Amount:				
Balance at 1 January	158,204	34,152	37,517	229,874
Balance at year end	89,070	24,726	43,428	157,224

- No leased assets are included in the above property and equipment account (2023: Nil)
- The Company had no capital commitments contracted or authorized as at 31 December 2024 (2023: nil)
- There were no capitalized borrowing costs related to the acquisition of property and equipment during the year ended 31 December 2024 (2023: nil).
- In the opinion of the Directors, the market value of the Company's property and equipment is not less than the value shown in the financial statements.
- There was no item of property and equipment that has been pledged as security for borrowings as at year end (2022: nil)
- An impairment review was conducted and no impairment was required.
- Transfers refer to assets which were previously classified as Computer equipment but not classified appropriately as Furniture and equipment.
- The Company made a loss of N29.1 million (2023: N9.9 million gain) from the disposal of assets as at year end. This is as shown below:

	2024 ₦'000	2023 ₦'000
Sales proceeds	-	-
Net book value	(29,101)	(9,913)
(Loss) on disposal	(29,101)	(9,913)

The loss on disposal relates to asset that was disposed of at a nil value as part of exit entitlement

Notes to the financial statements - continued

14 Deferred taxation

- (a) Analysis of unrecognized deferred tax asset as at year end is as follows

At year end, the deferred tax assets have not been recognized due to the uncertainty around future taxable profit against which the tax asset can be utilized in the foreseeable future.

The analysis of unrecognized deferred tax assets is as follows:

	Dec-24				Dec-23			
	PPE	Exchange difference	Losses	Total	PPE	Exchange difference	Losses	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Expected balance as at 1 January	(203,611)	56,355	(4,092,363)	(4,239,619)	(175,789)	(199,585)	(3,914,796)	(4,290,170)
Movement in the year by difference	(35,367)	(126,927)	(168,545)	(330,839)	(27,822)	255,940	(936,393)	(708,276)
Expected balance as at 31 December	(238,978)	(70,572)	(4,260,908)	(4,570,458)	(203,611)	56,355	(4,851,189)	(4,998,445)

Unrelieved losses are allowed to be carried forward indefinitely as stipulated in the Finance Act 2020.

Movement in unrecognized deferred tax assets

Balance at 1 January

Additional tax credit during the year

Balance at 31 December

2024	2023
N'000	N'000
(4,998,445)	(4,998,445)
427,988	-
(4,570,458)	(4,998,445)

15 Statutory Deposits

This represents amounts deposited with the Central Bank of Nigeria (CBN) pursuant to Section 10 (3) of the Insurance Act of Nigeria, CAP I17, LFN 2004. The deposits are not available for use by the Company in the normal course of day to day business.

Statutory deposits

Within 12 months

After 12 months

2024	2023
N'000	N'000
400,000	400,000
-	-
400,000	400,000
400,000	400,000

16 Insurance Contract Liability - Summary

Liability for remaining coverage (LRC):

LRC Excluding Loss Components

Loss components

Total - Liability for remaining coverage

Liability for Incurred Claims (LIC):

Incurred claims / PV of future cash flows

Risk Adjustment - PAA

Total - Liability for Incurred Claims

Total Insurance Contract Liability

Dec-24 N'000	Dec-23 N'000
Insurance Contracts Issued	
4,959,501	5,212,186
1,312,933	1,238,122
6,272,434	6,450,308
4,030,972	3,256,117
352,334	71,875
4,383,306	3,327,992
10,655,740	9,778,301

The following table shows the reconciliation from the opening to the closing balances of the net liability for the remaining coverage and the liability for incurred claims for insurance contracts measured as at December 2024

(a) Dec-24

Aggregated

Insurance contract assets as at 1 January
Insurance contract liabilities as at 1 January
Net Opening Balance (PAA+GMM+VFA)

Changes in the statement of profit or loss

Insurance revenue (see note 24)

Contracts under the VFA
Contracts under the GMM
Contracts under the PAA

Insurance revenue

Insurance service expenses

Other directly attributable insurance service expenses
Incurred claims
Losses and reversals of losses on onerous contracts

Insurance acquisition cash flows

Amortisation of insurance acquisition cash flows

Insurance service result

Insurance finance income or expenses from insurance contracts
recognised in profit or loss

Total Changes in the statement of profit or loss

Investment components excluded from insurance result

Cash flows

Premiums received
Insurance acquisition cash flows
Claims paid
Other insurance service expenses paid

Total cash flows

Net closing balance

Liability for remaining coverage		Liability for incurred claims		Total
Excluding loss component	Loss Component	Estimates of PV of future cashflows	Risk adjustment for non-financial risk	
N'000	N'000	N'000	N'000	N'000
5,212,186	1,238,122	3,256,118	71,874	9,778,301
5,212,186	1,238,122	3,256,118	71,874	9,778,301
-	-	-	-	-
(648,417)	-	-	-	(648,417)
(317,550)	-	-	-	(317,550)
(5,456,052)	-	-	-	(5,456,052)
(6,422,019)	-	-	-	(6,422,019)
-	-	1,458,968	-	1,458,968
-	-	4,376,614	273,090	4,649,704
-	(68,291)	-	-	(68,291)
-	-	-	-	-
934,368	-	-	-	934,368
934,368	(68,291)	5,835,581	273,090	6,974,748
(5,487,651)	(68,291)	5,835,581	273,090	552,730
367,165	143,102	845,936	7,370	1,363,573
(5,120,486)	74,811	6,681,517	280,460	1,916,303
(1,433,479)	-	1,433,479	-	-
7,274,064	-	-	-	7,274,064
(972,785)	-	-	-	(972,785)
-	-	(5,334,496)	-	(5,334,496)
-	-	(2,005,646)	-	(2,005,646)
6,301,279	-	(7,340,143)	-	(1,038,863)
4,959,501	1,312,933	4,030,972	352,334	10,655,740

a(i) Dec-24

PAA - Aggregated**Group life and Credit Life**

Opening liabilities

Net opening balance**Changes in the statement of profit or loss***Insurance revenue*

Contracts under the fair value approach

Other contracts

Insurance revenue*Insurance service expenses*

Other directly attributable insurance service expenses

Incurred claims

Losses and reversals of losses on onerous contracts

Insurance acquisition cash flows

Amortisation of insurance acquisition cash flows

Insurance service resultInsurance finance income or expenses from insurance contracts
recognised in profit or loss**Total Changes in the statement of profit or loss****Cash flows**

Premiums received

Insurance acquisition cash flows

Claims and other insurance service expenses paid

Total cash flows**Net closing balance**

	Liability for remaining coverage		Liability for incurred claims		Total
	Excluding loss component	Loss Component	Estimates of PV of future cashflows	Risk adjustment for non-financial risk	
	N'000	N'000	N'000	N'000	N'000
Opening liabilities	1,348,186	-	3,065,029	71,874	4,485,089
Net opening balance	1,348,186	-	3,065,029	71,874	4,485,089
Changes in the statement of profit or loss					
<i>Insurance revenue</i>	-	-	-	-	-
Contracts under the fair value approach	-	-	-	-	-
Other contracts	(5,456,052)	-	-	-	(5,456,052)
Insurance revenue	(5,456,052)	-	-	-	(5,456,052)
<i>Insurance service expenses</i>					
Other directly attributable insurance service expenses	-	-	1,376,104	-	1,376,104
Incurred claims	-	-	4,376,614	273,090	4,649,704
Losses and reversals of losses on onerous contracts	-	485,011	-	-	485,011
Insurance acquisition cash flows	-	-	-	-	-
Amortisation of insurance acquisition cash flows	731,200	-	-	-	731,200
	731,200	485,011	5,752,718	273,090	7,242,019
Insurance service result	(4,724,852)	485,011	5,752,718	273,090	1,785,967
Insurance finance income or expenses from insurance contracts recognised in profit or loss	(625,919)	-	793,614	7,370	175,065
Total Changes in the statement of profit or loss	(5,350,771)	485,011	6,546,332	280,460	1,961,032
Cash flows					
Premiums received	6,279,511	-	-	-	6,279,511
Insurance acquisition cash flows	(769,617)	-	-	-	(769,617)
Claims and other insurance service expenses paid	-	-	(5,696,526)	-	(5,696,526)
Total cash flows	5,509,894	-	(5,696,526)	-	(186,632)
Net closing balance	1,507,309	485,011	3,914,835	352,334	6,259,489

GMM & VFA - Aggregated

Individual Life Risk & Savings

Opening liabilities

Insurance contract liabilities as at 1 January

Changes in the statement of profit or loss

Insurance revenue

Amounts relating to changes in liabilities for remaining

Expected incurred claims

Expected other insurance service expenses

Change in risk adjustment for non-financial risk for risk expired

CSM recognised for services provided

Recovery of insurance acquisition cash flows

*Insurance revenue**Insurance service expenses*

Other directly attributable insurance service expenses

Incurred claims

Losses and reversals of losses on onerous contracts

Amortisation of insurance acquisition cash flows

Insurance service result

Finance expenses from insurance contracts in profit or loss

Total changes in the statement of profit or loss

Investment components excluded from insurance result

Cash flows

Premiums received

Acquisition Cashflows paid

Claims and other insurance service expenses paid

Total cash flows

Net closing balance

Liability for remaining coverage		Liability for incurred claims	Total
Excluding Loss Component	Loss Component		
3,864,001	1,238,122	191,089	5,293,211
3,864,001	1,238,122	191,089	5,293,211
-	-	-	-
-	-	-	-
-	-	-	-
119,365	-	-	119,365
-	-	-	-
6,644	-	-	6,644
(888,808)	-	-	(888,808)
(203,168)	-	-	-
(965,967)	-	-	(965,967)
-	-	82,864	82,864
-	-	-	-
-	(553,302)	-	(553,302)
203,168	-	-	203,168
203,168	(553,302)	82,864	(267,270)
(762,799)	(553,302)	82,864	(1,233,237)
993,084	143,102	52,322	1,188,508
230,285	(410,200)	135,186	(44,729)
(1,433,479)	-	1,433,479	-
-	-	-	-
994,553	-	-	994,553
(203,168)	-	-	(203,168)
-	-	(1,643,616)	(1,643,616)
791,386	-	(1,643,616)	(852,230)
3,452,193	827,922	116,137	4,396,252

The following table shows the reconciliation from the opening to the closing balances of the net liability for the remaining coverage and the liability for incurred claims for insurance contracts measured under PAA.

a(ii) Dec-24

PAA/Group Life	Liability for remaining coverage		Liability for incurred claims		Total
	Excluding loss component	Loss Component	Estimates of PV of future cashflows	Risk adjustment for non-financial risk	
	N'000	N'000	N'000	N'000	N'000
Opening liabilities	937,973	-	2,695,494	62,900	3,696,367
Net opening balance	937,973	-	2,695,494	62,900	3,696,367
Changes in the statement of profit or loss					
<i>Insurance revenue</i>	-	-	-	-	-
Contracts under the fair value approach	-	-	-	-	-
Other contracts	(4,782,081)	-	-	-	(4,782,081)
Insurance revenue	(4,782,081)	-	-	-	(4,782,081)
<i>Insurance service expenses</i>					
Other directly attributable insurance service expenses	-	-	1,342,569	-	1,342,569
Incurred claims	-	-	3,575,095	252,474	3,827,569
Losses and reversals of losses on onerous contracts	-	234,758	-	-	234,758
Insurance acquisition cash flows	-	-	-	-	-
Amortisation of insurance acquisition cash flows	658,464	-	-	-	658,464
	658,464	234,758	4,917,663	252,474	6,063,360
Insurance service result	(4,123,617)	234,758	4,917,663	252,474	1,281,279
Insurance finance income or expenses from insurance contracts recognised in profit or loss	(625,919)	-	779,959	6,386	160,426
Total Changes in the statement of profit or loss	(4,749,536)	234,758	5,697,623	258,860	1,441,705
Cash flows					
Premiums received	5,533,912	-	-	-	5,533,912
Insurance acquisition cash flows	(658,464)	-	-	-	(658,464)
Claims and other insurance service expenses paid	-	-	(4,818,000)	-	(4,818,000)
Total cash flows	4,875,447	-	(4,818,000)	-	57,447
Net closing balance	1,063,885	234,758	3,575,116	321,760	5,195,519

a(ii)

PAA/Credit Life	Liability for remaining coverage				Liability for incurred claims	Total
	Excluding loss component	Loss Component	Estimates of PV of future cashflows	Risk adjustment for non-financial risk		
	₦'000	₦'000	₦'000	₦'000		₦'000
Opening liabilities	410,212	-	369,535	8,974		788,722
Net opening balance	410,212	-	369,535	8,974		788,722
Changes in the statement of profit or loss						
<i>Insurance revenue</i>	-	-	-	-		-
Contracts under the fair value approach	-	-	-	-		-
Other contracts	(673,971)	-	-	-		(673,971)
Insurance revenue	(673,971)	-	-	-		(673,971)
<i>Insurance service expenses</i>	-	-	-	-		-
Other directly attributable insurance service expenses	-	-	33,535	-		33,535
Incurred claims	-	-	801,519	20,616		822,135
Losses and reversals of losses on onerous contracts	-	250,253	-	-		250,253
Insurance acquisition cash flows	-	-	-	-		-
Amortisation of insurance acquisition cash flows	72,736	-	-	-		72,736
	72,736	250,253	835,054	20,616		1,178,659
Insurance service result	(601,235)	250,253	835,054	20,616		504,688
Insurance finance income or expenses from insurance contracts recognised in profit or loss	-	-	13,655	984		14,639
Total Changes in the statement of profit or loss	(601,235)	250,253	848,709	21,600		519,327
Cash flows						
Premiums received	745,599	-	-	-		745,599
Insurance acquisition cash flows	(111,153)	-	-	-		(111,153)
Claims and other insurance service expenses paid	-	-	(878,526)	-		(878,526)
Total cash flows	634,446	-	(878,526)	-		(244,079)
Net closing balance	443,424	250,253	339,719	30,574		1,063,970

The following table shows the reconciliation from the opening to the closing balances of the net liability for the remaining coverage and the liability for incurred claims for policies measured under GMM contracts.

a(iii)

Insurance Contracts measured under GMM

Individual Life Risk

Opening liabilities

Insurance contract liabilities as at 1 January

Changes in the statement of profit or loss

Insurance revenue

Amounts relating to changes in liabilities for remaining

Expected incurred claims

Expected other insurance service expenses

Change in risk adjustment for non-financial risk for risk expired

CSM recognised for services provided

Recovery of insurance acquisition cash flows

Insurance revenue

Insurance service expenses

Other directly attributable insurance service expenses

Incurred claims

Losses and reversals of losses on onerous contracts

Amortisation of insurance acquisition cash flows

Insurance service result

Finance expenses from insurance contracts in profit or loss

Total changes in the statement of profit or loss

Investment components excluded from insurance result

Cash flows

Premiums received

Acquisition Cashflows paid

Claims and other insurance service expenses paid

Total cash flows

Net closing balance

	Liability for remaining coverage		Liability for incurred claims	Total
	Excluding Loss Component	Loss Component		
Opening liabilities	1,519,343	720,629	(29,270)	2,210,703
Insurance contract liabilities as at 1 January	1,519,343	720,629	(29,270)	2,210,703
Changes in the statement of profit or loss	-	-	-	-
Insurance revenue	-	-	-	-
Amounts relating to changes in liabilities for remaining	-	-	-	-
Expected incurred claims	(134,693)	-	-	(134,693)
Expected other insurance service expenses	-	-	-	-
Change in risk adjustment for non-financial risk for risk expired	9,404	-	-	9,404
CSM recognised for services provided	(169,209)	-	-	(169,209)
Recovery of insurance acquisition cash flows	(23,052)	-	-	(23,052)
Insurance revenue	(317,550)	-	-	(317,550)
Insurance service expenses	-	-	-	-
Other directly attributable insurance service expenses	-	-	(27,874)	(27,874)
Incurred claims	-	-	-	-
Losses and reversals of losses on onerous contracts	-	(638,336)	-	(638,336)
Amortisation of insurance acquisition cash flows	23,052	-	-	23,052
	23,052	(638,336)	(27,874)	(643,158)
Insurance service result	(294,498)	(638,336)	(27,874)	(960,708)
Finance expenses from insurance contracts in profit or loss	194,298	85,993	52,322	332,613
Total changes in the statement of profit or loss	(100,200)	(552,343)	24,448	(628,095)
Investment components excluded from insurance result	-	-	-	-
Cash flows	-	-	-	-
Premiums received	70,989	-	-	70,989
Acquisition Cashflows paid	(23,052)	-	-	(23,052)
Claims and other insurance service expenses paid	-	-	(77,300)	(77,300)
Total cash flows	47,937	-	(77,300)	(29,363)
Net closing balance	1,467,080	168,287	(82,122)	1,553,244

The following table shows the reconciliation from the opening to the closing balances of the net liability for the remaining coverage and the liability for incurred claims for policies measured under VFA contracts.

a(iv)	Insurance Contracts measured under VFA		Total	
	Liability for remaining coverage		Liability for incurred claims	
	Excluding Loss Component	Loss Component		
	2,344,658	517,492	220,358	3,082,508
Opening liabilities				
Net Opening Balance	2,344,658	517,492	220,358	3,082,508
Changes in the statement of profit or loss	-	-	-	-
Insurance revenue	-	-	-	-
Amounts relating to changes in liabilities for remaining	-	-	-	-
Expected incurred claims	254,058	-	-	254,058
Expected other insurance service expenses	-	-	-	-
Change in risk adjustment for non-financial risk	(2,760)	-	-	(2,760)
CSM recognised for services provided	(719,599)	-	-	(719,599)
Recovery of insurance acquisition cash flows	(180,115)	-	-	(180,115)
Insurance revenue	(648,417)	-	-	(648,417)
Insurance service expenses	-	-	-	-
Other directly attributable insurance service expenses	-	-	110,738	110,738
Incurred claims	-	-	-	-
Losses and reversals of losses on onerous contracts	-	85,034	-	85,034
Amortisation of insurance acquisition cash flows	180,115	-	-	180,115
Investment Component	-	-	-	-
	180,115	85,034	110,738	375,887
Insurance service result	(468,301)	85,034	110,738	(272,529)
Finance expenses from insurance contracts in profit or loss	798,786	57,109	-	855,895
Total changes in the statement of profit or loss	330,485	142,143	110,738	583,366
Investment components excluded from insurance result	(1,433,479)	-	1,433,479	-
Cash flows	-	-	-	-
Premiums received	923,564	-	-	923,564
Acquisition Cashflows paid	(180,115)	-	-	(180,115)
Claims and other insurance service expenses paid	-	-	(1,566,316)	(1,566,316)
Total cash flows	743,449	-	(1,566,316)	(822,867)
	-	-	-	-
Net closing balance	1,985,113	659,635	198,259	2,843,008

The following table shows the reconciliation from the opening to the closing balances of the net insurance contract liability analysed by components - estimates of the present value of future for December 2024

a(v)

cash flows, risk adjustment and CSM for VFA - Savings

31-Dec-24

	Contractual service margin					
	Estimates of present value of future cashflows	Risk adjustment for non-financial risk	Contracts under modified retrospective approach	Contracts under fair value approach	Other contracts	Total
Opening balance	2,975,179	11,168	-	96,162	-	3,082,509
Changes in the income statement						
CSM recognised for services provided				(719,599)		(719,599)
Release of risk adjustment for the risk expired		4,051			-	4,051
Experience adjustments	(234,304)				-	(234,304)
Changes that relate to current services	(234,304)	4,051	-	(719,599)		(949,852)
Contracts initially recognised in the year	495,526	1,071		787	-	497,384
Experience Adjustments	(397,333)	(16,290)		786,136	-	372,513
Changes in estimates that adjust the CSM	(236,972)	7,950		36,448	-	(192,575)
Adjustments to liabilities for incurred claims	-	-				
Changes that relate to future services	(138,779)	(7,270)	-	823,371	-	677,322
Insurance service result	(373,083)	(3,219)	-	103,772		(272,530)
Insurance finance income/(expense)	855,895					855,895
Total changes in the income statement	482,812	(3,219)	-	103,772		583,366
Cash flows						
Premiums received	923,564					923,564
Claims & Other Expenses Paid	(1,566,316)					(1,566,316)
Acquisition Cash Flows Paid	(180,115)					(180,115)
Total cash flows (insurance contracts)	(822,867)	-	-	-		(822,867)
Net closing balance	2,635,124	7,950	-	199,934		2,843,007

The following table shows the reconciliation from the opening to the closing balances of the net insurance contract liability analysed by components - estimates of the present value of future for December 2024

a(vi)

cash flows, risk adjustment and CSM for GMM - Individual life

31-Dec-24

	<u>Contractual service margin</u>					
	Estimates of present value of future cashflows	Risk adjustment for non-financial risk	Contracts under modified retrospective approach	Contracts under fair value approach	Other contracts	Total
Opening balance	1,701,747	26,542	-	482,414	-	2,210,703
Changes in the income statement						
CSM recognised for services provided				(169,209)		(169,209)
Release of risk adjustment for the risk expired		17,432			-	17,432
Experience adjustments	(193,829)				-	(193,829)
Changes that relate to current services	(193,829)	17,432	-	(169,209)		(345,605)
Contracts initially recognised in the year	246,823	1,719		77	-	248,619
Experience Adjustments	(647,982)	(48,997)		210,918	-	(486,061)
Changes in estimates that adjust the CSM	(1,098,534)	7,170		713,702	-	(377,662)
Adjustments to liabilities for incurred claims	-	-				
Changes that relate to future services	(1,499,693)	(40,107)	-	924,696	-	(615,105)
Insurance service result	(1,693,522)	(22,675)	-	755,487		(960,710)
Insurance finance income/(expense)	193,258	3,303		136,053		332,613
Total changes in the income statement	(1,500,264)	(19,372)	-	891,540		(628,097)
Cash flows						
Premiums received	70,989					70,989
Claims & Other Expenses Paid	(77,300)					(77,300)
Acquisition Cash Flows Paid	(23,052)					(23,052)
Total cash flows (insurance contracts)	(29,363)	-	-	-		(29,363)
Net closing balance	172,120	7,169	-	1,373,954		1,553,243

The following table provides an analysis of insurance contracts initially recognised in the period - GMM

	Profitable contracts issued	Onerous contracts issued	Total insurance contracts issued
Insurance acquisition cashflows	452	3,351	3,803
Claims and other insurance service expenses payable	325	(45,857)	(45,532)
Estimate of present value of cash outflows	43	327,574	327,617
Estimate of present value of cash outflows	820	285,069	285,889
Estimate of present value of cash inflows	(39,066)	-	(39,066)
Risk adjustment for non-financial risk	-	1,719	1,719
Contractual service margin	-	77	77
Income / Losses recognised on initial recognition	(39,066)	1,796	(37,270)
Total Gross Contracts	(38,246)	286,864	248,619

The following table provides an analysis of insurance contracts initially recognised in the period - VFA

	Profitable contracts issued	Onerous contracts issued	Total insurance contracts issued
Insurance acquisition cashflows	75,352	(37,676)	37,676
Claims and other insurance service expenses payable	426	108,152	108,578
Estimate of present value of cash outflows	2,521	372,361	374,882
Estimate of present value of cash outflows	78,299	442,836	521,135
Estimate of present value of cash inflows	(25,610)	-	(25,610)
Risk adjustment for non-financial risk	-	1,071	1,071
Contractual service margin	-	787	787
Income / Losses recognised on initial recognition	(25,610)	1,858	(23,752)
Total Gross Contracts	52,689	444,694	497,383

The following table shows an analysis of the expected recognition of the CSM remaining at the end of reporting for GMM

Individual life					
	below 1 year	In 1-3 years	In 4-5 years	> 5 years	Total
CSM Remaining	1,248,235	1,026,038	837,820	294	3,112,387
CSM Recognised	125,719	320,303	249,754	678,178	1,373,954

The following table shows an analysis of the expected recognition of the CSM remaining at the end of reporting for VFA

Savings					
	below 1 year	In 1-3 years	In 4-5 years	> 5 years	Total
CSM Remaining	200,045	82,232	51,124	70,592	403,992
CSM Recognised	117,702	31,108	16,011	35,113	199,934

The following table shows the reconciliation from the opening to the closing balances of the net liability for the remaining coverage and the liability for incurred claims for insurance contracts measured as at December 2023

Dec-23						
(b)	Aggregated	Liability for remaining coverage		Liability for incurred claims		Total
		Excluding loss component	Loss Component	Estimates of PV of future cashflows	Risk adjustment for non-financial risk	
		N'000	N'000	N'000	N'000	N'000
	Opening liabilities	5,956,273	474,479	2,859,648	62,912	9,353,313
	Net opening balance	5,956,273	474,479	2,859,648	62,912	9,353,313
	Changes in the statement of profit or loss					
	<i>Insurance revenue (see note 24)</i>	-	-	-	-	-
	Contracts under the VFA	(631,054)	-	-	-	(631,054)
	Contracts under the GMM	(199,034)	-	-	-	(199,034)
	Contracts under the PAA	(5,283,410)	-	-	-	(5,283,410)
	Insurance revenue	(6,113,499)	-	-	-	(6,113,499)
	<i>Insurance service expenses</i>					
	Incurred claims and other insurance service expenses	-	-	2,797,855	(35,528)	2,762,326
	Adjustments to liabilities for incurred claims	-	-	2,764,412	37,171	2,801,583
	Losses and reversals of losses on onerous contracts	-	686,214	-	-	686,214
	Insurance acquisition cash flows	-	-	-	-	-
	Amortisation of insurance acquisition cash flows	899,039	-	-	-	899,039
		899,039	686,214	5,562,267	1,642	7,149,162
	Insurance service result	(5,214,459)	686,214	5,562,267	1,642	1,035,663
	Insurance finance income or expenses from insurance contracts recognised in profit or loss	237,989	77,429	130,079	7,320	452,817
	Total Changes in the statement of profit or loss	(4,976,470)	763,643	5,692,346	8,962	1,488,480
	Investment components excluded from insurance result	(1,570,231)	-	1,570,466	-	-
	Cash flows					
	Premiums received	6,701,404	-	-	-	6,701,404
	Insurance acquisition cash flows	(898,789)	-	-	-	(898,789)
	Claims and other insurance service expenses paid	-	-	(4,291,227)	-	(4,291,227)
				(2,575,115)		(2,575,115)
	Total cash flows	5,802,614	-	(6,866,342)	-	(1,063,728)
	Net closing balance	5,212,186	1,238,122	3,256,117	71,874	9,778,301

b(i) PAA/Group Life

	Liability for remaining coverage		Liability for incurred claims		Total
	Excluding loss component	Loss Component	Estimates of PV of future cashflows	Risk adjustment for non-financial risk	
	N'000	N'000	N'000	N'000	N'000
Opening liabilities	758,059	-	2,721,514	59,873	3,539,447
Net opening balance	758,059	-	2,721,514	59,873	3,539,447
Changes in the statement of profit or loss					
<i>Insurance revenue</i>	-	-	-	-	-
Contracts under the fair value approach	-	-	-	-	-
Other contracts	(4,570,458)	-	-	-	(4,570,458)
Insurance revenue	(4,570,458)	-	-	-	(4,570,458)
<i>Insurance service expenses</i>					
Incurred claims and other insurance service expenses	-	-	1,186,223	(33,081)	1,153,142
Adjustments to liabilities for incurred claims	-	-	2,503,222	29,131	2,532,353
Losses and reversals of losses on onerous contracts	-	-	-	-	-
Insurance acquisition cash flows	-	-	-	-	-
Amortisation of insurance acquisition cash flows	683,016	-	-	-	683,016
	683,016	-	3,689,445	(3,949)	4,368,511
Insurance service result	(3,887,443)	-	3,689,445	(3,949)	(201,947)
Insurance finance income or expenses from insurance contracts recognised in profit or loss			125,433	6,976	132,409
Total Changes in the statement of profit or loss	(3,887,443)	-	3,814,878	3,027	(69,538)
Cash flows					
Premiums received	4,586,781	-	-	-	4,586,781
Insurance acquisition cash flows	(508,531)	-	-	-	(508,531)
Claims and other insurance service expenses paid	-	-	(3,851,791)	-	(3,851,791)
Total cash flows	4,078,249	-	(3,851,791)	-	226,458
Net closing balance	948,866	-	2,684,601	62,900	3,696,367

b(ii)

PAA/Credit Life	Liability for remaining coverage		Liability for incurred claims		Total
	Excluding loss component	Loss Component	Estimates of PV of future cashflows	Risk adjustment for non-financial risk	
	N'000	N'000	N'000	N'000	N'000
Opening liabilities	421,295	-	138,134	3,039	562,468
Net opening balance	421,295	-	138,134	3,039	562,468
Changes in the statement of profit or loss	-	-	-	-	-
<i>Insurance revenue</i>	-	-	-	-	-
Contracts under the fair value approach	-	-	-	-	-
Other contracts	(712,952)	-	-	-	(712,952)
Insurance revenue	(712,952)	-	-	-	(712,952)
<i>Insurance service expenses</i>	-	-	-	-	-
Incurred claims and other insurance service expenses	-	-	325,221	(2,448)	322,774
Adjustments to liabilities for incurred claims	-	-	261,190	8,039	269,229
Losses and reversals of losses on onerous contracts	-	-	-	-	-
Insurance acquisition cash flows	-	-	-	-	-
Amortisation of insurance acquisition cash flows	78,865	-	-	-	78,865
	78,865	-	586,412	5,592	670,868
Insurance service result	(634,088)	-	586,412	5,592	(42,084)
Insurance finance income or expenses from insurance contracts recognised in profit or loss	-	-	4,646	344	4,990
Total Changes in the statement of profit or loss	(634,088)	-	591,058	5,936	(37,094)
Cash flows	-	-	-	-	-
Premiums received	663,453	-	-	-	663,453
Insurance acquisition cash flows	(66,428)	-	-	-	(66,428)
Claims and other insurance service expenses paid	-	-	(333,675)	-	(333,675)
Total cash flows	597,024	-	(333,675)	-	263,349
Net closing balance	384,232	-	395,516	8,974	788,722

The following table shows the reconciliation from the opening to the closing balances of the net liability for the remaining coverage and the liability for incurred claims for policies measured under GMM Contracts.

b(iii) GMM/ Individual Life	Liability for remaining coverage		Liability for incurred claims		Total
	Excluding Loss Component	Loss Component	Estimates of PV of future cashflows	Risk adjustment for non-financial risk	
Opening liabilities	1,530,766	308,878	-	-	1,839,644
Net Opening Balance	1,530,766	308,878	-	-	1,839,644
Changes in the statement of profit or loss	-	-	-	-	-
<i>Insurance revenue</i>	-	-	-	-	-
Amounts relating to changes in liabilities for remaining	-	-	-	-	-
Expected incurred claims	(137,182)	-	-	-	(137,182)
Expected other insurance service expenses	-	-	-	-	-
Change in risk adjustment for non-financial risk	(13,779)	-	-	-	(13,779)
CSM recognised for services provided	(48,073)	-	-	-	(48,073)
Other amounts relating to changes in liabilities for remaining coverage	-	-	-	-	-
Recovery of insurance acquisition cash flows	-	-	-	-	-
Insurance revenue	(199,034)	-	-	-	(199,034)
<i>Insurance service expenses</i>	-	-	-	-	-
Incurred claims and other insurance service expense	-	-	344,228	-	344,228
Adjustments to liabilities for incurred claims	-	-	-	-	-
Changes that relate to future service- Losses and reversal of losses on onerous contracts	-	363,637	-	-	363,637
Amortisation of insurance acquisition cash flows	45,306	-	-	-	45,306
Investment Component	-	-	-	-	-
	45,306	363,637	344,228	-	753,171
Insurance service result	(153,728)	363,637	344,228	-	554,137
Net Finance Income/(expenses) from Insurance	-	-	-	-	-
Finance expenses from insurance contracts in profit or loss	115,216	48,114	-	-	163,330
Total changes in the statement of profit or loss	(38,512)	411,751	344,228	-	717,467
Investment components excluded from insurance result			234		
Cash flows	-	-	-	-	-
Premiums received	80,509	-	-	-	80,509.00
Acquisition Cashflows paid	(37,383)	-	-	-	(37,383)
Claims and other insurance service expenses paid	-	-	(389,769)	-	(389,769)
Total cash flows	43,126	-	(389,769)	-	(346,643)
	-	-	-	-	-
Net closing balance	1,535,380	720,629	(45,307)	-	2,210,468

The following table shows the reconciliation from the opening to the closing balances of the net liability for the remaining coverage and the liability for incurred claims for policies measured under VFA contracts.

b(iv)

VFA/ Savings	Liability for remaining		Liability for incurred claims		Total
	Excluding Loss Component	Loss Component	Estimates of PV of future cashflows	Risk adjustment for non-financial risk	
Opening liabilities	3,246,154	165,601	-	-	3,411,755
Net Opening Balance	3,246,154	165,601	-	-	3,411,755
Changes in the statement of profit or loss	-	-	-	-	-
<i>Insurance revenue</i>	-	-	-	-	-
Amounts relating to changes in liabilities for remaining	-	-	-	-	-
Expected incurred claims	(497,209)	-	-	-	(497,209)
Expected other insurance service expenses	-	-	-	-	-
Change in risk adjustment for non-financial risk for risk	(15,104)	-	-	-	(15,104)
CSM recognised for services provided	(118,742)	-	-	-	(118,742)
Other amounts relating to changes in liabilities for remaining coverage	-	-	-	-	-
Recovery of insurance acquisition cash flows	-	-	-	-	-
Insurance revenue	(631,054)	-	-	-	(631,054)
<i>Insurance service expenses</i>	-	-	-	-	-
Incurred claims and other insurance service expense	-	-	942,182	-	942,182
Adjustments to liabilities for incurred claims	-	-	-	-	-
Changes that relate to future service- Losses and reversal of losses on onerous contracts	-	322,577	-	-	322,577
Amortisation of insurance acquisition cash flows	91,853	-	-	-	91,853
Investment Component	-	-	-	-	-
	91,853	322,577	942,182	-	1,356,612
Insurance service result	(539,201)	322,577	942,182	-	725,558
Finance expenses from insurance contracts in profit or loss	122,773	29,315	-	-	152,088
Total changes in the statement of profit or loss	(416,428)	351,892	942,182	-	877,646
Investment components excluded from insurance result	(1,570,231)	-	1,570,231	-	-
Cash flows	-	-	-	-	-
Premiums received	1,370,662	-	-	-	1,370,662.00
Acquisition Cashflows paid	(286,446)	-	-	-	(286,446.00)
Claims and other insurance service expenses paid	-	-	(2,291,106)	-	(2,291,106)
Total cash flows	1,084,216	-	(2,291,106)	-	(1,206,890)
	-	-	-	-	-
Net closing balance	2,343,709	517,493	221,307	-	3,082,508

The following table shows the reconciliation from the opening to the closing balances of the net insurance contract liability analysed by components - estimates of the present value of future as at December 2023

cash flows, risk adjustment and CSM for GMM

31-Dec-23

	Contractual service margin					
	Estimates of present value of future cashflows	Risk adjustment for non-financial risk	Contracts under modified retrospective approach	Contracts under fair value approach	Others	Total
Opening balance	1,199,673	33,570	-	606,634	-	1,839,878
Changes in the income statement						
CSM recognised for services provided				(48,073)		(48,073)
Release of risk adjustment for the risk expired		(13,779)			-	(13,779)
Experience adjustments	193,357				-	193,357
Changes that relate to current services	193,357	(13,779)	-	(48,073)		131,505
Contracts initially recognised in the year	380,453	1,265		3,909	-	385,628
Changes in estimates that adjust the CSM	(298,135)	(25,286)		150,221	-	(173,200)
Experience adjustments	482,074	26,541		(298,409)	-	210,207
Changes that relate to future services	-	-				
	564,392	2,521	-	(144,279)	-	422,634
Insurance service result						
	757,749	(11,258)	-	(192,352)		554,139
Insurance finance income/(expense)						
Total changes in the income statement	90,969	4,230		68,132		163,330
Cash flows	848,718	(7,029)	-	(124,220)		717,469
Premiums received						
Insurance acquisition cash flows paid	80,509					80,509
Insurance claims paid, including investment components	(389,769)					(389,769)
Other expenses paid	(37,383)					(37,383)
Total cash flows (insurance contracts)	(346,644)	-	-	-		(346,644)
Net closing balance	1,701,747	26,542	-	482,414		2,210,703

The following table provides an analysis of insurance contracts initially recognised in the period

	Profitable contracts issued	Onerous contracts issued	Total insurance contracts issued
Insurance acquisition cashflows	-		-
Claims and other insurance service expenses payable	-	267,334	267,334
Estimate of present value of cash outflows	-		-
Estimate of present value of cash outflows	-	267,334	267,334
Estimate of present value of cash inflows	-	(47,434)	(47,434)
Risk adjustment for non-financial risk	-	1,891	1,891
Contractual service margin	-	-	-
Income / Losses recognised on initial recognition	-	221,790	221,790

i **Aging analysis of Outstanding claims**

Age analysis of outstanding claims at the end of the period is shown below:

	Dec-24		Dec-23	
	No. of Claimants	Amount (N'000)	No. of Claimants	Amount (N'000)
Days				
1 0-90	284	656,073	435	450,354
2 91-180	238	305,553	191	226,338
3 181-270	186	179,658	121	191,763
4 271-365	306	193,197	208	124,255
5 above 365	1348	1,146,598	823	796,259
Total	2,362	2,481,080	1,778	1,788,969

Age analysis of outstanding claims by reason of being outstanding as at Dec 2024:

	0-90days	91-180 days	181-270days	271-365days	above 365days	Total
Status (all figures in N'000)	(Qty)/N'000	(Qty)/N'000	(Qty)/N'000	(Qty)/N'000	(Qty)/N'000	(Qty)/N'000
1 Awaiting supporting Documentation	(284)/656,073	(238)/305,552	(184)/178,506	(303)/192,887	(1,353)/1,148,061	(2,362)/2,481,080
2 Being Adjusted	-	-	-	-	-	-
3 Awaiting settlement decision	-	-	-	-	-	-
4 Claims awaiting payment	-	-	-	-	-	-
5 Under dispute	-	-	-	-	-	-
Total	(284)/656,073	(238)/305,55	(186)/179,658	(306)/193,197	(1,348)/1,146,598	(2,362)/2,481,080

Age analysis of outstanding claims by reason of being outstanding as at Dec 2023:

	0-90days	91-180 days	181-270days	271-365days	above 365days	Total
Status (all figures in N'000)	(Qty)/N'000	(Qty)/N'000	(Qty)/N'000	(Qty)/N'000	(Qty)/N'000	(Qty)/N'000
1 Awaiting supporting Documentation	(435)/450,354	(191)/226,33	(121)/191763	(208)/124,255	(823)/796259	(1,778)/1,788,969
2 Being Adjusted	-	-	-	-	-	-
3 Awaiting settlement decision	-	-	-	-	-	-
4 Claims awaiting payment	-	-	-	-	-	-
5 Under dispute	-	-	-	-	-	-
Total	(435)/450,354	(191)/226,33	(121)/191763	(208)/124,255	(823)/796259	(1,778)/1,788,969

17 Investment Contract Liabilities**Liability for remaining coverage****Balance as at January**

Contribution in the year

Withdrawal in the year

Interest credited

Net Impact

Closing balance as at December

Dec-24	Dec-23
Savings	
147,938	141,425
-	-
(19,049)	-
8,388	6,513
(10,661)	6,513
137,277	147,938

Actuarial valuation

The latest available actuarial valuation of the life business funds was as at 31 December 2024. The actuarial value of the net liability of the fund was N9.9billion (2023: N9.5billion) (comprising insurance contract liabilities - N10.655billion (2023: N9.778billion) net of reinsurance assets of N825million (2023: N384million) (see note 10 and 16).

The valuation of the Company's life business fund as at 31 December 2024 was carried out by:

Nikhil Dodhia (FRC/2021/004/00000024023)

Zamara, a recognized firm of actuaries. The valuation was done based on the following principles:

- (i) The exercise covered insurance contracts issued for the retail life and corporate portfolios classes of business. Corporate class of business comprises of group life and credit life policies. The IFRS 17 quality assurance was based on data and resources available at the time of undertaking this exercise.
- (ii) We used assumptions made by emPLE Life in selecting measurement methods, allocating items of actual experience, such as expenses and investment income across the Company's products and IFRS 17 groups. For this assessment, groups of risk assurance contracts were valued under GMM due to the longterm nature of the contracts. The Savings Assurances (2 in 1 Savings and Short-term Savings) were valued under VFA as they are saving contracts with varying investment returns and risk benefit.
- (iii) No assets were established in respect of Deferred acquisition costs.

18 Trade payables

Unmatched premium (see (a) below)

2024	2023
273,859	399,938
273,859	399,938

(a) Movement in unmatched premium during the year*Balance at 1 January*

399,938 210,149

Movement during the year (see (i) below)

(126,079) 189,789

*Balance at 31 December***273,859 399,938****(i) unmatched premium in Dec 2024**

Premium written in the year

(399,938) -

7,274,064 6,701,403

Matched premium in the year

(7,000,205) (6,511,614)

(126,079) 189,789**Notes to the financial statements (cont'd)****18 Trade payables cont.d**

Maturity profile of trade payables

Within 12 months

After 12 months

2024	2023
N'000	N'000
273,859	399,938
-	-
273,859	399,938

19 Accruals and other payables

Accruals and other payables comprise:

Financial

Professional fees (see b(i) below)

268,841	158,434
268,841	158,434

Non-Financial

National housing fund

8,472 6,457

Office rent

Staff short term incentive (see (a) below)

- 120,825

Pension payable

220 325

PAYE and FIRS payables

60,930 60,956

Sundry creditors (see b(iii) below)

851,393 2,329,380

NAICOM levy payable

72,709 66,924

Withholding tax payable

22,490 3,141

VAT and stamp duty payable

14,296 11,045

1,030,510	2,599,053
------------------	------------------

Total

1,299,351	2,757,487
------------------	------------------

Maturity profile of accruals and other payables:

Within 12 months

1,276,861 2,754,346

After 12 months

22,490 3,141

1,299,351	2,757,487
------------------	------------------

(a) The movement in staff short term incentive during the year is as follows:

Balance at 1 January

Additions

Payments

Balance 31 December

2024	2023
N'000	N'000
120,825	65,103
-	120,825
(120,825)	(65,103)
-	120,825

The staff short term incentive represents amount due to all the employees on the variable pay scheme introduced in 2011 for countries under Old Mutual Africa Holdings, OMAH (Nigeria included). The distributable pool amount is based on the performance of the group and each country gets a share of the pool based on its contribution to the performance for the year. The amount of the country's share of the pool is distributed among the employees based on their role and performance for the period.

(b) Explanations on accruals and other payables

(i) **Professional fees**

This represents expenses incurred in Nigeria on actuarial, tax advisory, legal, audit, and other professional services during the year by the Company that were yet to be settled as at year end.

(ii) **Sundry accruals**

This includes accrual for locally incurred software license & maintenance (Internet) costs - Nil (2022: Nil) and ITF - Nil (2022: Nil).

(iii) **Sundry creditors**

This represents accruals for Old Mutual Life Insurance Company (South Africa) Limited <OMLASCA> support services (N2.3b) and provision for IT project implementation such as system process automation & maintenance (N29m).

19 Accruals and other payables cont.d

(c) The movement in VAT payable during the year is as follows:

	2024	2023
Balance at 1 January	11,045	11,045
Additions	25,549	22,298
Payments	(22,298)	(22,298)
Balance at 31 December	14,296	11,045

20 Income tax payable

(a) The movement in this account during the year was as follows:

Balance at 1 January	12,624	4,883
Charge for the year (see (b) below)	4,934	11,920
Payment during the year	(6,333)	(4,179)
Balance at 31 December	11,225	12,624

(b) The tax charge for the year comprises:

Minimum tax	4,934	7,076
Information technology levy	-	4,820
Police fund levy	-	24
Current tax charge for the year	4,934	11,896

(c) Reconciliation of effective tax rate

	2024		2023	
	Tax Rate	N'000	Tax Rate	N'000
Loss before minimum Tax		(3,150,990)		(588,096)
Income tax using the domestic corporation tax rate	30%	(945,297)	30%	(176,429)
Income from non-shareholders fund	20%	(622,588)	107%	(631,544)
Loss for the year	-55%	1,748,335	-120%	704,895
Non-deductible expenses	-7%	226,241	-38%	221,678
Tax exempt income	13%	(406,941)	20%	(119,426)
Minimum tax Adjustment	0%	4,934	-2%	11,920
Underprovision in prior year income tax	0%	-	0%	-
Investment allowance	0%	-	0%	-
Changes in unrecognised deferred tax asset	0%	-	0%	-
Effective tax rate/income tax	-0.15%	4,684	-1.89%	11,094

21 Share Capital

	2024	2023
	N'000	N'000
(a) Authorized share capital:		
Ordinary Share		
11,000,000 (2023: 11,000,000) ordinary shares of N1 each (see (i) below)	10,984,500	10,984,500
15,500,000 (2023: 15,500,000) preference shares of N1 each	15,500	15,500
	11,000,000	11,000,000
(i) Movement in authorized ordinary share capital during the year is as follows:		
Balance at 1 January at N1.00 each	10,984,500	10,984,500
Additions during the year at N1.00 each	-	-
Balance at 31 December	10,984,500	10,984,500
(b) Issued and fully paid share capital:		
(i) <i>Ordinary share</i>		
Balance at 1 January at N1.00 each	12,049,140	10,526,458
Conversion of preference shares	4,106,320	1,522,682
Conversion at N1.00 each (note (b) (iii) below)	-	-
Balance at 31 December	16,155,460	12,049,140
(ii) Issued and fully paid share capital:		
<i>Convertible preference shares</i>		
Balance at 1 January	10,266	14,072
Conversion of preference shares	(10,266)	(3,806)
Converted shares (note (b) (iii) below)	-	-
Balance at 31 December	-	10,266
Total issued and fully paid share capital	16,155,460	12,059,406

- (iii) The preference shares were subscribed to by Old Mutual West Africa Company Limited at a cost of N400 per share (including a share premium of N399). These shares are mandatorily convertible to 400 ordinary shares for each preference share on the dates set out below.

On January 1, 2020, 3,027,420 preference shares were converted to 1,210,968,000 ordinary shares valued at N1.00 per share. On July 15, 2021, 40,139 preference shares of N1.000 each were issued at N400 per share. On January 1, 2023, 3,806,706 preference shares were converted to 1,522,682 ordinary shares.

The outstanding preference shares are convertible on the following dates:

Issue dates					Number of pref. shares	Share premium	Conversion dates	Equivalent Ordinary shares
December 2018					750,000	299,250,000	1 Jan. 2022	300,000,000
August 2019					3,056,706	1,219,625,694	1 Jan. 2023	1,222,682,400
July 2020					2,376,410	948,187,590	1 Jan. 2024	950,564,000
December 2020					7,849,250	3,131,850,750	1 Jan. 2024	3,139,700,000
July 2021					40,139	16,015,461	1 Jan. 2024	16,055,600

- (c) Share premium

Preference share

Balance at 1 January

Conversion of preference shares

Converted to ordinary shares

Balance at 31 December

	2024	2023
	N'000	N'000
	4,096,054	5,614,930
	(4,096,054)	(1,518,876)
	-	-
	4,096,054	

22 Statutory contingency reserve

The statutory contingency reserve is prescribed under Section 21 (1&2) of the Insurance Act. The Company is mandated to maintain a statutory contingency reserve to cover for the fluctuations in securities and variations in statistical estimates.

The statutory contingency reserve is credited with an amount of not less than 1% of the gross premium or 10% of the net profits (whichever is greater) and the amount shall accumulate until it reaches the amount of the minimum paid-up capital.

The movement in this account during the year was as follows:

Balance at 1 January

Transfer from profit or loss (see note 23 below)

Balance at 31 December

	2024	2023
	N'000	N'000
	429,861	376,553
	72,741	53,307
	502,601	429,861

23 Retained earnings

The movement in this account during the year is as follows:

At 1 January

Transfer from profit and loss accounts

IFRS 17 opening transition adjustment

Transfer to contingency reserve (see note 22 above)

Balance at 31 December

	2024	2023
	N'000	N'000
	(9,447,163)	(8,796,592)
	(3,155,924)	(597,264)
	-	-
	(72,741)	(53,307)
	(12,675,828)	(9,447,163)

Notes to the financial statements - continued

24 Analysis of insurance revenue (see note 16(a))

31 Dec 2024					
	Group life	Credit Life	Individual Life Risk	Life Savings	Total
Contracts measured under the PAA	4,782,081	673,971	-	-	5,456,052
Expected claims incurred and other insurance services incurred			134,693	(254,058)	(119,365)
Change in the risk adjustment for non-financial risk	-	-	(9,404)	2,760	(6,644)
Amount of CSM recognised in profit or loss	-	-	169,209	719,599	888,808
Recovery of insurance acquisition cash flows	-	-	23,052	180,115	203,168
<i>Contracts not measured under the PAA (see note 16)</i>	-	-	317,551	648,416	965,967
<i>Contracts measured under the PAA (see note 16)</i>	4,782,081	673,971	-	-	5,456,052
Total Insurance revenue	4,782,081	673,971	317,551	648,416	6,422,019

Analysis of insurance revenue (see note 16(b))

31 Dec 2023					
	Group life	Credit Life	Individual Life	Life Savings	Total
Contracts measured under the PAA	4,570,458	712,952	-	-	5,283,410
Expected insurance service expenses incurred in the period			137,182	497,209	634,391
Change in the risk adjustment for non-financial risk	-	-	13,779	15,104	28,883
Amount of CSM recognised in profit or loss	-	-	48,073	118,742	166,815
<i>Contracts not measured under the PAA (see note 16)</i>			199,034	631,054	830,088
<i>Contracts measured under the PAA (see note 16)</i>	4,570,458	712,952	-	-	-
Total Insurance revenue	4,570,458	712,952	199,034	631,054	6,113,498

25 Analysis of Insurance service expenses

31 Dec 2024					
	Group life	Credit Life	Individual Life	Savings	Total
Other directly attributable insurance service expenses (see note 16)	(1,342,569)	(33,535)	27,874	(110,738)	(1,458,968)
Incurred claims (see note 16)	(3,827,569)	(822,135)	-	-	(4,649,704)
Losses and reversal of losses on onerous contracts (see note 16)	(234,758)	(250,253)	638,336	(85,034)	68,291
Amortisation of insurance acquisition cash flows (see note 16)	(658,464)	(72,736)	(23,052)	(180,115)	(934,368)
Insurance service expenses	(6,063,360)	(1,178,659)	643,158	(375,887)	(6,974,748)

Analysis of Insurance service expenses

31 Dec 2023					
	Group life	Credit Life	Life Risk	Life Savings	Total
Incurred claims & Other insurance service expenses	(1,153,142)	(296,793)	(360,265)	(941,233)	(2,751,433)
Losses and reversal of losses on onerous contracts	-	-	(363,637)	(322,577)	(686,214)
Adjustments to liabilities for incurred claims	(2,543,246)	(269,229)	-	-	(2,812,476)
Amortisation of insurance acquisition cash flows	(672,123)	(104,845)	(29,270)	(92,802)	(899,039)
Insurance service expenses	(4,368,511)	(670,868)	(753,172)	(1,356,611)	(7,149,162)

Notes to the financial statements - continued

31 Dec 2024

Net income/(expenses) from reinsurance contracts held

26	Allocation of reinsurance premiums (see note 10)	(585,633)	(199,477)		(785,109)
	Amounts recoverable for claims and other expenses incurred in the period (see note 10)	241,659	-	-	241,659
	Changes in amounts recoverable arising from changes in liability for incurred claims (see note 10)	720,526	83,433	-	803,959
	Recoveries and reversals of recoveries of losses on onerous contracts (see note 10)	54,139	72,856	-	126,995
	Net income/(expenses) from reinsurance contracts held	430,691	(43,188)	-	387,503

31 Dec 2023

Net income/(expenses) from reinsurance contracts held

	Allocation of reinsurance premiums (see note 10)	(952,069)	(95,746)	-	(1,047,815)
	Amounts recoverable for claims and other expenses incurred in the period (see note 10)	259,890	(13,411)	-	246,479
	Changes in amounts recoverable arising from changes in liability for incurred claims (see note 10)	267,043	139,017	-	406,060
	Net income/(expenses) from reinsurance contracts held	(425,136)	29,860	-	(395,276)

Investment income

27		2024	2023
		N'000	N'000
	Interest income on cash and cash equivalents	833,984	855,395
	Interest income on treasury bills	569,587	36,600
	Interest income on bonds	539,342	718,301
	Dividend income	-	4,203
	Interest income on statutory deposit	14,915	22,269
		1,957,827	1,636,768

Investment income attributable to policyholders and shareholders for the year 2024 and 2023 respectively are as follows:

31 December 2024

	Policyholder	Shareholder	Total
	N'000	N'000	N'000
Interest income on cash and cash equivalents	638,677	195,307	833,984
Interest income on treasury bills	501,661	67,926	569,587
Interest income on bonds	399,299	140,043	539,342
Dividend income	-	-	-
Interest income on statutory deposit	-	14,915	14,915
	1,539,638	418,190	1,957,827

31 December 2023

	Policyholder	Shareholder	Total
	N'000	N'000	N'000
Interest income on cash and cash equivalents	581,321	274,073	855,395
Interest income on treasury bills	36,600	-	36,600
Interest income on bonds	407,879	310,422	718,301
Dividend income	-	4,203	4,203
Interest income on statutory deposit	-	22,269	22,269
	1,025,800	610,968	1,636,768

(a)	Interest income received	2024	2023
		N'000	N'000

Notes to the financial statements - continued

Interest receivable (opening balance) (note 8b)	-	-
Interest income	1,957,827	2,035,802
Interest receivable (closing balance) (note 8b)	-	-
interest income received	1,957,827	2,035,802

28 Net fair value gain on financial assets at fair value through profit or loss

	2024	2023
	N'000	N'000
Fair value gain on equity securities (see note 8(a))	137,233	21,840
	137,233	21,840

29 Other operating income/(expense)

Other income	78,316	166,008
Foreign exchange (loss)/gain - (see (a) below)	(1,047,358)	522,448
(Loss)/gain on disposal of property and equipment	(29,101)	(9,913)
	(998,143)	678,543

29(a) The foreign exchange loss of N1.04b majorly arose from the settlement of revalued Old mutual group costs which were fx denominated.

30 Finance expenses/Income

	2024	2023
	N'000	N'000
30(a) Finance expenses from insurance contracts		
Effect of differences between current rates and locked-in rates when measuring changes in estimates	(136,053)	(247,286)
Interest accreted to insurance contract	(1,052,455)	(212,052)
Due to changes in interest rates and other financial assumptions	(175,065)	6,521
Total Net Insurance Finance Expense (see (i) below)	(1,363,573)	(452,818)

(i) Insurance finance expenses comprise the change in the carrying amount of the group of insurance contracts arising from:

- The effect of the time value of money and changes in the time value of money.
- The effect of financial risk and changes in financial risk.

Insurance finance expenses in the table above includes amounts recognised in the profit or loss

30(b) Net Finance income from reinsurance contracts held

	2024	2023
	N'000	N'000
Interest accreted to reinsurance contracts	29,242	34,513
Effect of changes in interest rates and other financial assumption	(317)	(769)
Total Net Finance income from reinsurance contracts held (see (i) below)	28,925	33,744

Reinsurance finance income comprises the change in the carrying amount of groups of reinsurance contracts held arising from:

- (i)
 - The effect of the time value of money and changes in the time value of money.
 - The effect of financial risk and changes in financial risk.

Reinsurance finance income in the table above includes amounts recognised in both profit or loss.

31 Management expenses

	2024	2023
	N'000	N'000
Employee benefit expense (see (a) below)	1,419,707	977,702
Depreciation of property and equipment (see note 13)	66,786	83,408
Audit fees (see note 31b)	36,914	39,531
Professional fees	141,347	43,963
Directors' fees and expenses	87,092	99,065
Advertising and marketing	296,538	112,198
Rental and administrative expenses	529,296	253,114
Employee recruitment, training and development costs	59,330	20,631
Mass marketing project related expenses	967,573	1,599,592
Travel and entertainment	37,761	34,738
Computer cost	372,959	170,763
Bank charges	72,832	31,338
Actuarial Fees	5,659	24,500
Contract Service Costs	105,893	84,235
Withholding taxes	-	67,682
	4,199,687	3,642,460

Attributable expenses	2,005,646	2,575,115
Non Attributable expenses	2,194,041	1,067,346
Total Management Expenses	4,199,687	3,642,460

(a) Employee benefit expense

Wages and salaries	1,279,623	759,436
Staff medical & Group Life expenses	52,457	37,958
Group life insurance	0	0
Pension costs – defined contribution plans	87,627	59,483
Other employee benefits	-	120,825
	1,419,707	977,702

(b) Audit fees

The auditors were not engaged for any non-audit services during the year. The audit fees - N37m (2023 - N39m) represents fees paid for the statutory audit of the company for the year.

Included in professional fees include fees paid (N6m) to the auditors for ICFR assurance services rendered in line with the requirements for the FRCN Guidelines on ICFR reporting.

Notes to the financial statements - continued

	2024	2023
32 Expected Credit Loss		
Investment at amortised cost; change in ECL (see note 8(c))	(4,766)	(2,001)
Bank Placements; change in ECL (see note 7(b))	(668)	625
	(5,434)	(1,376)
	2024	2023
33 Impairment		
Impairment of assets receivables (see note 33a)	570,087	-
(a) This relates to investment assets that were not settled by the counterparty as at 31 December 2024.		
34 Loss per share		
(a) Loss per share		
Loss per share is calculated by dividing the loss attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year. Diluted earnings per share is computed by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding after adjusting the effects of all dilutive ordinary shares, of which there are no potentially dilutive ordinary shares in the books of the Company as at 31 December 2024.		
	2024	2023
Loss attributable to the company's equity holders (N'000)	(3,155,924)	(597,264)
Weighted average number of ordinary shares in issue ('000)	16,155,460	12,049,140
Loss per share (kobo per share)	(20)	(5)

Notes to the financial statements - continued

(b) Diluted earnings per share

The calculation of diluted earnings per share has been based on the following loss attributable to ordinary shareholders and weighted-average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares.

	2024	2023
Loss attributable to the company's equity holders (N'000)	(3,155,924)	(597,264)
<i>In thousands of shares</i>		
Weighted average number of ordinary shares in issue (basic)	16,155,460	12,049,140
Effect of conversion of convertible preference shares	0.00	4,106,320
Weighted average number of ordinary shares in issue (diluted)	16,155,460	16,155,460
Diluted loss per share (kobo per share)	(20)	(4)

35 Hypothecation of insurance assets

Assets allocation was done in accordance with NAICOM guidelines in force to meet the minimum requirement of Section 26 (1) (c) of the Insurance Act of Nigeria for hypothecation of investments representing the

31 December 2024

	Note	Policy holders N'000	Share holders N'000	Total N'000
Assets				
Cash and cash equivalents	7	5,352,785	2,619,949	7,972,734
Financial assets:				
<i>Quoted Equity</i>		-	535,827	535,827
<i>Unquoted Equity</i>			1,184	
<i>Government Bond</i>		1,810,575	100,555	1,911,130
<i>Corporate Bond</i>		509,989		509,989
<i>Treasury Bills</i>		2,035,752		2,035,752
<i>Commercial Papers</i>		555,907		555,907
Trade receivables	9	-	-	-
Reinsurance assets	10	825,976	-	825,976
Other receivables and prepayments	11	-	1,540,790	1,540,790
Intangible assets	12	-	-	-
Property and equipment	13	-	70,396	70,396
Deferred tax assets	14	-	-	-
Statutory deposits	15	-	400,000	400,000
		11,090,984	5,268,701	16,358,500
Liabilities				
Insurance contract liabilities	16	10,655,740	-	10,655,740
Investment contract liabilities	17	137,277	-	137,277
Trade payables	18	-	273,859	273,859
Accruals and other payables	19	-	1,299,351	1,299,351
Income tax payable	20	-	11,225	11,225
		10,793,017	1,584,435	12,377,452
SURPLUS/(DEFICIT)		297,967	3,684,266	3,981,048

Notes to the financial statements - continued

31 December 2023		Policy holders	Share holders	Total
	Note	₦'000	₦'000	₦'000
Assets				
Cash and cash equivalents	7	5,152,785	3,497,785	8,650,570
Financial assets	8	6,062,223	3,525,030	9,587,253
Trade receivables	9	-	-	-
Reinsurance assets	10	384,020	-	384,020
Other receivables and prepayments	11	-	1,025,482	1,025,482
Intangible assets	12	-	29,896	29,896
Property and equipment	13	-	157,224	157,224
Deferred tax assets	14	-	-	-
Statutory deposits	15	-	400,000	400,000
		11,599,028	8,635,417	20,234,445
Liabilities				
Insurance contract liabilities	16	9,778,301	-	9,778,301
Investment contract liabilities	17	147,938	-	147,938
Trade payables	18	-	399,938	399,938
Accruals and other payables	19	-	2,757,487	2,757,487
Income tax payable	20	-	12,624	12,624
		9,926,239	3,170,049	13,096,288
SURPLUS		1,672,789	5,465,368	7,138,157

Notes to the financial statements - continued

36 Related parties

(a) *Transactions with key management personnel*

The Company's key management personnel, and persons connected with them, are also considered to be related parties for disclosure purposes. The definition of key management includes close members of family of key management personnel and any entity over which key management personnel exercise control. The key management personnel have been identified as the executive committee members, executive and non-executive Directors of the Company. Close members of family are those family members who may be expected to influence, or be influenced by that individual in their dealings with the Company.

(b) *Key management personnel compensation*

The compensation of key management personnel comprise:

	2024	2023
	N'000	N'000
Short term employees' benefits	211,507	46,352
Post employment benefits	-	-
	211,507	46,352

(c) *Key management personnel and director transactions*

The Company did not earn premium income from any director during the year as no insurance cover was provided to any director and key management personnel.

(d) *Other related party transactions and balances*

During the year, the Company provided insurance services to entities related to key management personnel of the Company and related entities within the group. All the transactions with the related parties were conducted at arm's length. Related parties and related party transactions during the period include:-

			Due from/(Due to)		Income/(Expense)	
			31-Dec-24	31-Dec-23	31-Dec-24	31-Dec-23
Name of related party	Relationship	Nature of transaction	N'000	N'000	N'000	N'000
Ecobank Nigeria Limited	Parent company of minority shareholder	Bank account balance		716,542	-	-
Ecobank Nigeria Limited	Parent company of minority shareholder	Placements		1,722,109	-	-
Ecobank Nigeria Limited	Parent company of minority shareholder	Interest income on placements	-	-		121,626
EDC Securities Limited	Subsidiary of minority shareholder	Placements	1,243,847	1,093,104	1,935	
EDC Securities Limited	Subsidiary of minority shareholder	Interest income on placements	-	-		143,056
Old Mutual West Africa Company Limited	Holding company	Receivable	-	715,851	-	-
Old Mutual General Insurance Company Nigeria	Subsidiary of majority shareholder	Receivable	-	-	-	-

Notes to the financial statements - continued

37 Staff information

(a) Staff and Directors' analysis:

i. Employees earning more than N1,000,000 per annum, including executive Directors, whose duties were wholly or mainly discharged in Nigeria, received emoluments (excluding pension contribution and other allowances) in the following ranges:

	2024	2023
	Number	Number
below 1,000,000	-	-
N1,000,001 – N2,000,001	-	-
N2,000,001 – N3,000,001	7	7
N3,000,000 – N4,000,001	13	9
N4,000,001 – N5,000,001	10	5
N5,000,001 – N10,000,001	13	13
Above N10,000,001	24	24
	67	58

ii. The average number of full time persons employed by the Company during the year was as follows:

	2024	2023
	Numbers	Numbers
Management staff	8	10
Non management staff	59	48
	67	58

(b) Directors' remuneration:

i. Remuneration paid to the Directors of the Company (excluding pension contribution and certain benefits) was as follows:

	2024	2023
	₦'000	₦'000
Non executive directors' fees	88,212	99,065

ii. The Directors' remuneration shown above (excluding pension contributions and other allowances) includes:

	2024	2023
	₦'000	₦'000
Chairperson	24,707	20,267

iii. The emoluments of all other Directors fell within the following range:

	Number	Number
N200,001 - N500,000	-	-
N500,001 - N5,000,000	-	-
N5,000,001 - N10,000,000	-	-
N10,000,001 - N20,000,000	4	4
	4	4

38 Contravention of laws and regulations

There were no contravention of laws and regulations that affected the company in the year under review (2023: Nil).

41 Contingent liabilities, litigation and claims

The Company is currently involved in two mediated cases carried over from the previous years totaling N129.8m filed against Aquila Leasing Limited (Aquila) and Resort savings & Loans Plc (Resort). With regards to Aquila, the Company entered into Terms of Settlement for the payment of N69.8Million in 24 instalments of N2,911,792.77. The Company has received two instalments.

With regards to Resort Savings and Loans Limited, Resort is currently in liquidation and under management by the Nigeria Deposit Insurance Corporation (NDIC) following the revocation of its license by the Central Bank of Nigeria. As a creditor of Resort Savings, the business has submitted its claim in the sum of N60million to the NDIC for settlement. NDIC acknowledged the Company's letter and gave assurances that an investigation would be carried out into the claim, and feedback would be provided. There has been no further communication from NDIC.

42 Events after the reporting period:

There were no events after the reporting date which could have material effect on the financial position of the entity at at 31 December 2024 and profit or loss and other comprehensive income attributable to equity shareholders on that date which have not been adequately adjusted for or disclosed.

OTHER NATIONAL DISCLOSURES

Other National Disclosures

Statement of Value Added
For the year ended 31 December 2024

	2024		2023	
	₦'000	%	₦'000	%
Insurance revenue	6,422,019	(385)	6,113,498	1,291
Investment income	1,957,827	(117)	1,636,768	346
Other income	(1,003,577)	60	156,095	33
Claims incurred, net commissions and operating expenses	(9,043,576)	542	(7,432,991)	(1,570)
Value Added	(1,667,308)	100	473,370	100
Applied as follows:				
Employee benefit expense	1,419,707	(85)	977,702	207
Government taxes	4,934	(0)	11,920	3
Consumed in the business:				
Depreciation of property, plant and equipment	83,408	(5)	81,012	17
To augment contingency reserve	53,307	(3)	53,307	11
To augment/(deplete) retained earnings reserve	(3,228,665)	194	(650,571)	(137)
Value Added	(1,667,308)	100	473,370	100

Other National Disclosures

Financial Summary

For the year ended

	31-Dec-24	31-Dec-23	31-Dec-22	31-Dec-21	31-Dec-20
	N'000	N'000	N'000	N'000	N'000
ASSETS					
Cash and cash equivalents	7,972,734	8,650,570	6,165,182	2,845,923	5,582,388
Other financial assets	5,549,789	9,587,253	10,468,325	12,721,954	6,931,047
Reinsurance assets	825,976	384,020	933,024	804,499	801,775
Other receivables and prepayments	1,540,790	1,025,482	881,653	682,140	310,502
Intangible assets	-	29,896	29,896	29,896	-
Property and equipment	70,396	157,224	229,874	209,873	24,038
Statutory deposits	400,000	400,000	400,000	400,000	400,000
TOTAL ASSETS	16,359,685	20,234,444	19,107,954	17,694,285	14,049,749
LIABILITIES					
Insurance contract liabilities	10,655,740	9,778,301	9,353,313	4,510,527	3,870,289
Investment contract liabilities	137,277	147,938	141,425	4,464,897	3,804,440
Trade payables	273,859	399,938	210,149	117,101	288,568
Accruals and other payables	1,299,351	2,757,487	1,662,762	593,660	558,951
Income tax payable	11,225	12,624	4,883	2,088	1,838
TOTAL LIABILITIES	12,377,452	13,096,287	11,372,532	9,688,273	8,524,086
EQUITY AND LIABILITIES					
Share capital & reserves:					
Share capital	16,155,460	12,049,140	10,526,458	10,526,458	6,997,458
Preference share capital	-	10,266	14,072	14,072	14,032
Share premium	-	4,096,054	5,614,930	5,614,930	5,598,914
Contingency reserve	502,601	429,861	376,553	322,585	267,399
Retained earnings	(12,675,828)	(9,447,163)	(8,796,592)	(8,472,032)	(7,352,138)
TOTAL EQUITY	3,982,233	7,138,157	7,735,421	8,006,012	5,525,664
TOTAL EQUITY AND LIABILITIES	16,359,685	20,234,444	19,107,954	17,694,285	14,049,749
Profit or loss account					
	31-Dec-24	31-Dec-23	31-Dec-22	31-Dec-21	31-Dec-20
	N'000	N'000	N'000	N'000	N'000
Gross premium written		-	-	4,384,911	3,798,527
Insurance revenue	6,422,019	6,113,498	5,854,036		
Net premium income		-	-	3,607,391	2,643,872
Loss before income tax expense	(3,150,990)	(585,344)	(943,125)	(1,009,047)	(731,868)
Income tax expense	(4,934)	(11,920)	(3,924)	(55,661)	(1,583)
Loss for the year	(3,155,924)	(597,264)	(947,049)	(1,064,708)	(733,451)
Transfer to contingency reserve	72,741	53,307	53,969	55,186	43,754
Transfer to retained earnings	(3,083,184)	(543,956)	(893,080)	(1,009,522)	(689,697)
Loss per share - basic (kobo)	(20)	(9)	(10)	(10)	(42)
Loss per share - diluted (kobo)	(20)	(6)	(7)	(6)	(42)