HEIRS GENERAL INSURANCE LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

Table of contents	Pages

CORPORATE INFORMATION

Company Registration Number
RC 12411317

Directors

Tony Elumelu CFR	Chairman
Wole Fayemi	Managing Director / Chief Executive Officer
Japhet Duru *	Executive Director - Technical
Henry Egbiki	Independent Non-Executive Director
Salma Yusuf Mohammed	Independent Non-Executive Director
Sonny Iroche	Independent Non-Executive Director
Ibrahim Ajimasu Puri	Independent Non-Executive Director
Dan Okeke	Non-Executive Director
Peter Ashade	Non-Executive Director
Niyi Onifade	Non-Executive Director
Mishabu Yola	Non-Executive Director
Idris Mohammed	Non-Executive Director
Chiugo Ndubisi	Non-Executive Director
Emmanuel Nnorom *	Non-Executive Director

Japhet Duru resigned as Executive Director effective April 15th, 2024
Emmanuel Nnorom (Resigned on June 27th, 2024)

Registered office	107B Ajose Adeogun Street Victoria Island Lagos , Nigeria
Independent Auditor	PricewaterhouseCoopers Landmark Towers 5B Water Corporation road, Victoria Island Lagos Tel: +234 1 271 1700 www.pwc.com/ng
Actuaries	Zamara Ltd 4th Floor, Ibukun House, 70 Adetokunbo Ademola Street Victoria Island Lagos, Nigeria
Company secretary	Blessing Ezemelue 107B Ajose Adeogun Street Victoria Island Lagos, Nigeria
Bankers	United Bank for Africa Plc Providus Bank Ltd Fidelity Bank Union Bank Nova Bank Ecobank FCMB
Tax Consultant	Ijewere and Co.

DIRECTORS' REPORT

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

Incorporation and address

The Company was incorporated on 10 February, 2015 with registration number - RC 12411317 while operational licence with registration number 094 was issued by NAICOM on 25 November, 2020. The company commenced operation on 1 December 2020.

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

Principal Activities

The company is a general insurer that was incorporated to provide non-life insurance services to individuals and businesses. HIL underwrites all classes of general insurance business including vehicles, buildings, oil & gas, power, among others.

Results and dividend

The company's results for the year ended 31 December 2024 are set out in statement of comprehensive income. The profit for the year has been transferred to retained earnings. The summarised results are presented below.

	Year ended 31 December 2024 N'000	Year ended 31 December 2023 N'000
Insurance Revenue	14,324,901	12,059,642
Profit/(loss) before tax for the year	4,900,179	2,400,141

Board of Directors

Tony Elumelu CFR	Chairman
Wole Fayemi	Managing Director / Chief Executive Officer
Japhet Duru (Resigned)	Executive Director - Technical
Niyi Onifade	Non-Executive Director
Dan Okeke	Non-Executive Director
Salma Yusuf Mohammed	Independent Non-Executive Director
Sonny Iroche	Independent Non-Executive Director
Ibrahim Ajimasu Puri	Independent Non-Executive Director
Henry Egbiki	Independent Non-Executive Director
Peter Ashade	Non-Executive Director
Misbahu Yola	Non-Executive Director
Idris Mohammed	Non-Executive Director
Chiugo Ndubisi	Non-Executive Director
Emmanuel Nnorom (Resigned)	Non-Executive Director

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

DIRECTORS' REPORT

Directors' interest in contracts

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

Analysis of company's shares

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

	31 Dec 2024 No. of Shares '000		31 Dec 2023 No. of Shares '00	
Shareholder	**5,000,000**	50%	5,000,000	50%
Heirs Holdings Limited	**2,500,000**	25%	2,500,000	25%
United Capital Plc	**1,500,000**	15%	1,500,000	15%
Africa Prudential Plc	**1,000,000**	10%	1,000,000	10%
AVON HMO Ltd	**10,000,000**	**100%**	**10,000,000**	**100%**

Equity Range Analysis

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

RANGE	%	HOLDERS	%	HOLDINGS
1 - 1,000,000,000	25	1	50%	5,000,000,000
1000000001 - 2,000,000,000	50	2	25%	2,500,000,000
4000000000 - 8,000,000,000	25	1	15%	1,500,000,000
			10%	1,000,000,000
GRAND-TOTAL	**100**	**4**	**100**	**10,000,000,000**

The range of shareholding for the year ended 31 December, 2024 is as follows:

RANGE	%	HOLDERS	%	HOLDINGS
1 - 1,000,000,000	25	1	50%	5,000,000,000
1000000001 - 2,000,000,000	50	2	25%	2,500,000,000
4000000000 - 8,000,000,000	25	1	15%	1,500,000,000
			10%	1,000,000,000
GRAND-TOTAL	**100**	**4**	**100**	**10,000,000,000**

Directors Interests and shareholdings

The interest of directors in the issued share capital of the company as recorded in the register of directors' shareholding and/or as notified by the directors for the purpose of Sections 275 and 276 of the Companies and Allied Matters Act, 2020.

Name	Direct Holding '000	Indirect Holding '000
Tony Elumelu CFR	-	5,000,000
Wole Fayemi	-	-
Henry Egbiki	-	-
Salma Yusuf Mohammed	-	-
Sonny Iroche	-	-
Ibrahim Ajimasu Puri	-	-
Dan Okeke	-	-
Peter Ashade	-	-
Niyi Onifade	-	-
Mishabu Yola	-	-
Idris Mohammed	-	-
Chiugo Ndubisi	-	-

DIRECTORS' REPORT

Details of indirect holdings

Name of Director	Company	Indirect holding '000
Tony Elumelu CFR	Heirs Holdings Limited	5,000,000

Post Balance Sheet Events

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

Acquisition of Own Shares

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

Diversity in Employment

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

During the year under review, our staff diversity analysis are as follows:

	Male	Female	Total HC
Executive Management	2	0	2
Senior Management	8	5	13
Middle Management	35	17	52
Officer	58	22	80
Sub Total	**103**	**44**	**147**

Statement of commitment to maintain positive work environment

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

Employment of physically challenged persons

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

Employee health, safety and welfare

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

DIRECTORS' REPORT

Employee training and involvement

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

Research and Development

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

Property, plant and equipment

Movement in property, plant and equipment during the year is shown in Note 15 to the financial statements. The Directors are of the opinion that the market value of the Company's property, plant and equipment is not less than the carrying value shown in the financial statements as at 31 December 2024.

Audit Committee

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

Director		Role
Henry Egbiki		Independent Director (Chairman)
Salma Yusuf Mohammed		Independent Director
Dan Okeke		Non Executtive Director
Peter Ashade		Non Executtive Director
Misbahu Yola		Non Executtive Director
Idris Mohammed		Non Executtive Director
Emmanuel Nnorom	Resigned on June 27, 2024	Non Executtive Director

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

Auditors:

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

By order of the Board
Blessing Ezemelue
Company Secretary
FRC/2021/002/00000024914

CORPORATE GOVERNANCE REPORT

Introduction

Heirs General Insurance limited (the Company) has in place an effective governance structure that enables the Board of Directors to provide proper and adequate oversight over its businesses and management.

During the year under review, the Company complied with the provisions of the Companies and Allied Matter Act, 2020, the NAICOM Code of Corporate, the FRCN Code of Corporate Governance, the Board Charter, and all applicable rules and regulations.

GOVERNANCE STRUCTURE

The Board consists of 10 members, eight (8) of whom act in Non-Executive capacity.

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

BOARD COMMITTEES

The Board is responsible for developing the Company's strategy and ensuring that its assets are deployed towards the achievement of set targets and satisfaction of stakeholders' expectations. Quarterly, the Board reviews management financial and performance indicators to confirm continuous alignment with the Company's strategic goals and objectives.

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

Chairman and CEO Positions.

The offices of Chairman and MD/CEO are separated, and their respective roles and responsibilities are well defined in the Board Charter. The Chairman is not involved in the day-to-day activities of the Company. He is responsible for the assessment, improvement, development, and effective functioning of the Board and provides leadership in every aspect of its work. The MD/CEO provides leadership to executive management and is charged with the execution of the Company's strategic objectives and reports to the Board on the Company's performance.

b. **Finance, Investment & General Purpose Committee –** The Committee has oversight responsibility to consider and advise the Board of Directors on all aspects of the Company's finances. This includes, among others, annual estimates of income and expenditure and the financial forecasts for the Company; reviewing the periodic management accounts of the Company as well as advising the Board of Directors on the year-end accounts; periodically reviewing and advising the Board on the solvency of Company and the safeguarding of its assets; advising the Board on relevant taxation issues, general borrowings. The Committee also has an oversight for the Company's investment. It presents the Investment Policies and Investment Plans to the Board annually for approval and ensures that investments are made in accordance with the policy. The Committee reviews and approves as appropriate strategic investment. The Committee met on 5 occasions during 2024 and also presented quarterly reports of their activities for the review of the Board.

c. **Audit, Governance & Compliance Committee -** The Committee comprises of only Non-Executive Directors, and is responsible for reviewing quarterly Internal Audit reports as well as the Company's Compliance Report, Governance and Human Resources Report. The Committee also has oversight responsibility to review and report to the Board on matters of corporate governance, Board composition and remuneration; to provide oversight in respect of the company's internal systems for achieving compliance with legal and regulatory requirements, particularly as it pertains to good corporate governance. It establishes the criteria for Board and Board Committee memberships, reviews candidates' qualifications and potential conflict of interest, assesses the contribution of current Directors in connection with their re-nomination and makes recommendations to the Board amongst others. The Committee met 5 times during 2024 and also presented reports of their activities for the review of the Board.

CORPORATE GOVERNANCE REPORT

S/N.	Director	Date of Appointment	Director Status	Committee Chairmen	Committee Membership
1	Tony O. Elumelu CFR	December 1, 2020	Chairman	NIL	NIL
2	Wole Fayemi	April 25 2023	Managing Director/CEO	NIL	ERMC & FIGPC
3	Japhet Duru *	December 1, 2020	Executive Director	NIL	ERMC & FIGPC
4	Henry Egbiki	December 1, 2020	Non-Executive Director	AGCC	AGCC & FIGPC
5	Salma Mohammed	December 1, 2020	Non-Executive Director	NIL	AGCC & ERMC
6	Sonny Ironche	June 27, 2024	Non-Executive Director	NIL	NIL
7	Ibrahim Ajimasu Puri	June 27, 2024	Non-Executive Director	NIL	NIL
8	Dan Okeke	December 1, 2020	Non-Executive Director	FIGPC	AGCC & FIGPC
9	Peter Ashade	December 1, 2020	Non-Executive Director	NIL	AGCC & ERMC
10	Niyi Onifade	December 1, 2020	Non-Executive Director	NIL	ERMC & FIGPC
11	Misbahu Yola	May 11, 2021	Non-Executive Director	ERMC	AGCC & ERMC
12	Idris Mohammed	May 11, 2021	Non-Executive Director	NIL	AGCC & FIGPC
13	Chiugo Ndubusi	February 1, 2023	Non-Executive Director	NIL	AGCC & FIGPC
14	Emmanuel Nnorom *	February 1, 2023	Non-Executive Director	NIL	AGCC & FIGPC

A. Board Meetings

		DATE OF MEETINGS				
S/N.	**Director**	**21-Mar**	**27-Jun**	**20-Aug**	**Feb, 17 2025**	**% Attendance**
1	Tony Elumelu CFR	✓	✓	✓	✓	100%
2	Wole Fayemi	✓	✓	✓	✓	100%
3	Japhet Duru	✓	×	×	×	25%
4	Henry Egbiki	✓	✓	✓	✓	100%
5	Salma Yusuf Mohammed	✓	✓	✓	✓	100%
6	Sonny Ironche	×	×	✓	✓	50%
7	Ibrahim Ajimasu Puri	×	×	✓	✓	50%
8	Niyi Onifade	✓	✓	✓	✓	100%
9	Dan Okeke	✓	✓	✓	✓	100%
10	Peter Ashade	✓	✓	✓	✓	100%
11	Misbahu Yola	✓	✓	✓	✓	100%
12	Idris Mohammed	✓	✓	✓	✓	100%
13	Emmanuel Nnorom	✓	✓	×	×	50%
14	Chiugo Ndubisi	✓	✓	✓	✓	100%

B. Committee Meetings

Audit, Governance and Compliance Committee

The Audit, Governance, and Compliance Committee (AGCC) responsible for ensuring an effective system of financial and internal control are in place, evaluating the independence and performance of external auditors, reviewing the audited financial statements with Management and the External Auditors before presentation to the Board, approving human resources policies and procedures and ensuring proper composition, training and evaluation of board members.

				DATE OF MEETINGS			
S/N.	**Director**	**19-Feb**	**8-May**	**25-Jun**	**6-Aug**	**29-Oct**	**% Attendance**
1	Henry Egbiki	✓	✓	✓	✓	✓	100%
2	Salma Yusuf Mohammed	✓	✓	✓	✓	✓	100%
3	Dan Okeke	✓	✓	✓	✓	✓	100%
4	Peter Ashade	✓	✓	✓	✓	✓	100%
5	Misbahu Yola	✓	✓	✓	✓	✓	100%
6	Idris Mohammed	✓	✓	✓	✓	✓	100%
7	Emmanuel Nnorom	✓	✓	✓	×	×	60%

CORPORATE GOVERNANCE REPORT

Finance, Investment and General-Purpose Committee

The Finance, Investment & General-Purpose Committee (FIPC) is responsible for strategic planning, periodic budgeting and performance monitoring, supervision of assets, investment and financial matters and any matter not falling within the mandate of any other committee.

		DATE OF MEETINGS					
S/N.	Director	14-Feb	2-May	25-Jun	23-Jul	1-Nov	% Attendance
1	Dan Okeke	✓	✓	✓	✓	✓	100%
2	Henry Egbiki	✓	✓	✓	✓	✓	100%
3	Niyi Onifade	✓	✓	✓	✓	✓	100%
4	Idris Mohammed	✓	✓	✓	✓	✓	100%
5	Emmanuel Nnorom *	✓	✓	✓	×	×	60%
6	Chiugo Ndubisi	✓	✓	✓	✓	✓	100%
7	Wole Fayemi	×	✓	✓	✓	✓	100%
8	Japhet Duru *	✓	×	×	×	×	20%

Enterprise Risk Management Committee-

The Enterprise Risk Management Committee (ERMC) is responsible for providing oversight over the process for the identification, assessment of risks and the adequacy of prevention, detection and reporting mechanisms across various business operations (Underwriting, claims, product development) and Information Technology (IT) governance.

		DATE OF MEETINGS				
S/N	Director	16, Feb	May, 7	July, 24	Oct, 30	% Attendance
1	Misbahu Yola	✓	✓	✓	✓	100%
2	Salma Mohammed	✓	✓	✓	✓	100%
3	Peter Ashade	✓	✓	✓	✓	100%
4	Chiugo Ndubusi	×	✓	✓	✓	50%
5	Niyi Onifade	✓	✓	✓	✓	100%
6	Wole Fayemi	✓	✓	✓	✓	100%
7	Japhet Duru	✓	×	×	×	25%

BOARD SELECTION AND APPOINTMENT PROCESS

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

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

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

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

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

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

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

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

CORPORATE GOVERNANCE REPORT

TRAINING AND INDUCTION

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

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

1. Transforming the Insurance Industry,through ESG Principles: Directors Roles
2. Embedding Effective Corporate Governance in the Company
3. Risks & Opportunities in Aviation & Other Special Risks in the Insurance Industry
4. AML/ CFT
5. Insurance Products & Services
6. DSCL Training for the Audit Committee: (1. Stepping up Audit Committee Oversight - Evolving Roles & Responsibilities 2. Accounting Disclosures -Trends & Financial Reporting Requirements. 3. Governance of Risk: Identification, Assessment, Management & Emerging Risk. 4. Business Continuity & Crisis Management. 5. Auditing IT Governance: Process & Methodology. 6. Performance Management: Measuring the effectiveness of the Internal & External Audit functions).

DIRECTORS STANDING FOR RE-ELECTION

The following Directors stood and were re-elected in 2024

1. Misbahu Yola
2. Idris Mohammed
3. Chiugo Ndubisi

GENDER DIVERSITY

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

Corporate Governance and Board Evaluation

The Board of Directors of the Company is cognisant of its responsibilities under the NAICOM Code of Corporate Governance.

BOARD AND GOVERNANCE EVALUATION

In accordance with the National Code of Corporate Governance, the governance practices and activities of the Board were evaluated by the firm of Angela Aneke & Co.

Directors Report.

The Directors present their report on the affairs of Heirs General Insurance Limited (the Company), together with the Audited Financial Statements and Independent Auditor's Report for the period ended December 31, 2024.

Legal Form and Principal Activities

Heirs General Insurance limited was originally incorporated on the 10th day of February 2015 with registration Number- RC 1241317 as a composite insurer. However, in March 2019, the Memorandum and Article of Association was amended to enable the company operate solely as a general insurance company.

The National Insurance Commission issued the operational license with registration number 093 in November 2020. The Company commenced operations as a general insurance company on December 1, 2020.

CORPORATE GOVERNANCE REPORT

RENUMERATION STATEMENT

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

CLAWBACK POLICY

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

SUMMARY OF RISK MANAGEMENT FRAMEWORK

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

STATEMENT OF COMPLIANCE

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

WHISTLE BLOWING POLICY

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

ENVIRONMENT, SUSTAINABILITY AND GOVERNANCE

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

RELATIONSHIP WITH SHAREHOLDERS

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

COMPLAINTS MANAGEMENT POLICY

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

CODE OF CONDUCT & BUSINESS ETHICS

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

COMMUNICATIONS POLICY

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

Fines & Penalties

The company paid the underlisted fines.

		N'000
1	Penalty for implementing shared services arrangement without prior approval of the Commission, in violation of Article 12 of the Prudential Guidelines for Insurance Institutions in Nigeria (2022).	500,000
		500,000

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Companies and Allied Matters Act, 2020 requires the directors to prepare financial statements for each financial year that give a true and fair view of the state of financial affairs of the Company at the end of the period and of its profit or loss. The responsibilities include:

a) ensuring that the Company keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the Company and comply with the requirements of the Companies and Allied Matters Act;

b) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error; and

c) preparing the Company's financial statements using suitable accounting policies supported by reasonable and prudent judgements and estimates that are consistently applied.

The Directors accept responsibility for the financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Financial Reporting Standards and the requirements of the Companies and Allied Matters Act, 2020.

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

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

Tony Elumelu
Chairman
FRC/2013/CIBN/00000002590
2nd May 2025

Wole Fayemi
Managing Director
FRC/2014/CIIN/00000006540
2nd May 2025

STATEMENT OF DIRECTORS' CORPORATE RESPONSIBILITY

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

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

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

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

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

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

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

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

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

Wole Fayemi
Managing Director
FRC/2014/CIIN/00000006540

Kehinde Olorundare
Chief Financial Officer
FRC/2013/ICAN/00000000731

AUDIT COMMITTEE REPORT

In accordance with the provision of Section 404 (4) of the Companies and Allied Matters Act, 2020, the members of the Audit Committee of Heirs General Insurance Limited hereby report as follows:

We have exercised our statutory functions under Section 404(1) of the Companies and Allied Matters Act, 2020 and acknowledge the co-operation of management and staff in the conduct of these responsibilities.

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

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

Mr. Henry Egbiki
Chairman, Audit, Governance & Compliance Committee
FRC/2012/ICAN/00000000158

MEMBERS OF THE BOARD, AUDIT AND COMPLIANCE COMMITTEE

Henry Egbiki	Chairman
Salma Yusuf Mohammed	Member
Dan Okeke	Member
Peter Ashade	Member
Misbahu Yola	Member
Idris Mohammed	Member
Emmanuel Nnorom *	Member

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

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

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

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

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

iv. Heirs General Insurance Limited's external auditor Messrs PricewaterhouseCoopers that audited the financial statements, included in the annual report, has issued an attestation report on management's assessment of the entity's internal control over financial reporting.
The attestation report of Messrs PricewaterhouseCoopers that audited its financial statements will be filed as part of Heirs General Insurance Limited's annual report.

Tony Elumelu	**Wole Fayemi**
Chairman	Managing Director/CEO
FRC/2013/PRO/DIR/003/00000002590	FRC/2014/CIIN/00000006540

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

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

I, Wole Fayemi, certify that:

a) I have reviewed this management assessment on internal control over financial reporting of Heirs General Insurance Limited;

b) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

c) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the entity as of, and for, the periods presented in this report;

d) The entity's other certifying officer and I:

1) are responsible for establishing and maintaining internal controls;

2) have designed such internal controls and procedures, to ensure that material information relating to the entity, is made known to us, particularly during the period in which this report is being prepared;

3) have designed such internal control system, or caused such internal control system to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

4) have evaluated the effectiveness of the entity's internal controls and procedures as of a date within 90 days prior to the report and presented in this report our conclusions about the effectiveness of the internal controls and procedures, as of the end of the period covered by this report based on such evaluation.

e) The entity's other certifying officer and I have disclosed, based on our most recent evaluation of internal control system, to the entity's auditors and the audit committee of the entity's board of directors (or persons performing the equivalent functions):

1) All significant deficiencies and material weaknesses in the design or operation of the internal control system which are reasonably likely to adversely affect the entity's ability to record, process, summarize and report financial information; and

2) Any fraud, whether or not material, that involves management or other employees who have a significant role in the entity's internal control system.

f) The entity's other certifying officer(s) and I have identified, in the report whether or not there were significant changes in internal controls or other facts that could significantly affect internal controls subsequent to the date of their evaluation including any corrective actions with regard to significant deficiencies and material weaknesses.

Wole Fayemi
Managing Director/CEO
FRC/2014/CIIN/00000006540

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

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

I, Kehinde Olorundare, certify that:

a) I have reviewed this Management assessment on internal control over financial reporting of Heirs General Insurance Limited;

b) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

c) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the entity as of, and for, the periods presented in this report;

d) The entity's other certifying officer and I:

1) are responsible for establishing and maintaining internal controls;

2) have designed such internal controls and procedures, or caused such internal controls and procedures to be designed under our supervision, to ensure that material information relating to the entity, and its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

3) have designed such internal control system, or caused such internal control system to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

4) have evaluated the effectiveness of the entity's internal controls and procedures as of a date within 90 days prior to the report and presented in this report our conclusions about the effectiveness of the internal controls and procedures, as of the end of the period covered by this report based on such evaluation.

e) The entity's other certifying officer and I have disclosed, based on our most recent evaluation of internal control system, to the entity's auditors and the audit committee of the entity's board of directors (or persons performing the equivalent functions):

1) All significant deficiencies and material weaknesses in the design or operation of the internal control system which are reasonably likely to adversely affect the entity's ability to record, process, summarize and report financial information; and

2) Any fraud, whether or not material, that involves management or other employees who have a significant role in the entity's internal control system.

f) The entity's other certifying officer(s) and I have identified, in the report whether or not there were significant changes in internal controls or other facts that could significantly affect internal controls subsequent to the date of their evaluation including any corrective actions with regard to significant deficiencies and material weaknesses.

Kehinde Olorundare
Chief Financial Officer
FRC/2013/ICAN/00000000731

CERTIFICATION BY COMPANY SECRETARY

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

Blessing Ezemelue
Company Secretary
FRC/2021/002/00000024914

pwc

Independent practitioner's report

To the Members of Heirs General Insurance Limited

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

Our opinion

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

What we have performed

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

Basis for opinion

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

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

Other matter

We also have audited, in accordance with the International Standards on Auditing, the financial statements of Heirs General Insurance Limited and our report dated 6 May 2025 expressed an unqualified opinion.

Obioma Ubah

INSTITUTE OF CHARTERED ACCOUNTANTS OF NIGERIA
ICAN
0757287

6 May 2025

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

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

Independent auditor's report

To the Members of Heirs General Insurance Limited

Report on the audit of the financial statements

Our opinion

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

What we have audited

Heirs General Insurance Limited's financial statements comprise:

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

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

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

Independence

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

Key audit matters

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

Key audit matter	How our audit addressed the key audit matter
Measurement of Insurance Contract Liabilities – N8.37 billion (refer to notes 3.1.7, 3.23, 17) The Company's insurance contract liabilities comprise the following elements: Liability for Incurred Claims and Liability for Remaining Coverage. IFRS 17 provides the option of using - primarily for short-term contracts - a simplified measurement model known as the Premium Allocation Approach (PAA) for the measurement of the Liability for Remaining Coverage. This approximates the General Measurement Model (GMM) and is similar to the Unearned Premium Reserve approach used in many jurisdictions under IFRS 4. All Heirs General Insurance Limited's portfolio are deemed fully eligible for PAA following a PAA Eligibility testing based on the assessment of coverage period of each contract in the groups being one year or less. The Liability for Remaining Coverage has been determined as Unearned Premium Reserves less Deferred Acquisition Cost plus loss component. The company's best estimate measurement of the Liability for Incurred Claims involved the estimation of ultimate claims based on Gross Earned Premiums and the application of an assumed loss ratio less total reported claims including paid claims. The measurement of liabilities for incurred claims for insurance contracts measured under the PAA involves subjective judgements about estimation of fulfilment cash flows, risk adjustment, and discounting by management. There is no requirement to calculate risk adjustment for liabilities for remaining coverage for PAA. Below, we comment on the most judgmental aspects of the valuation:	We obtained and tested samples of data inputs for all units of accounts and the expense allocation model. With the support of our actuarial experts, we: • assessed the reasonableness of the measurement model used by performing an eligibility test to assess the appropriateness of management's use of the PAA measurement model to value the liabilities of insurance contracts. • assessed the reasonableness of the cash flows used by management. Specifically, we assessed the reasonableness of the premium inflows and ensured it related to contracts within the contract boundary and the estimation of claims payments which was based on a combination of data-driven loss ratios, Incurred but not reported (IBNR)/ Gross Earned Premiums (GEP) ratio as well as the utilisation of the reserves from the last valuation; • reviewed the basis for the discount rate used and checked that this was in line with generally accepted actuarial techniques and local practice; • assessed the reasonableness of the risk adjustment methodology adopted by checking against industry average; • recomputed the discounted Best Estimate Liability to check for adequacy; • recomputed the Unearned Premium Reserve and Deferred Acquisition Costs DAC using the 365th method;

• For liabilities for incurred claims the determination of fulfilment cashflows which comprise estimates of future cash flows, an adjustment to reflect the time value of money and the financial risks related to the future cash flows and a risk adjustment for non-financial risk. • For liabilities for remaining coverage, the determination of Unearned Premium Reserve using the 365th method, Deferred Acquisition Costs and a loss component for onerous contracts.	• checked the appropriate determination of the loss component that relates to the liabilities for remaining coverage. We checked the adequacy of the presentation and disclosure on insurance contract liabilities on the financial statements as well as the required disclosures in line with IFRS 17.

Other information

The directors are responsible for the other information. The other information comprises the Corporate information, Directors' report, Corporate governance report, Statement of directors' responsibilities, Statement of directors' corporate responsibility, Audit committee report, Managements Annual Assessment of, and Report on Heirs General Insurance Limited's Internal Control over Financial Reporting, Chief Executive Officer's Certification of management's assessment on internal control over financial reporting, Chief Financial Officer's Certification of management's assessment on internal control over financial reporting, Certification by company secretary, Value added statement and Four-Year Financial Summary, but does not include the financial statements and our auditor's report thereon.

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

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

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

Responsibilities of the directors and those charged with governance for the financial statements

The directors are responsible for the preparation of the financial statements that give a true and fair view in accordance with IFRS Accounting Standards and the requirements of the Companies and Allied Matters Act, the Financial Reporting Council of Nigeria (Amendment) Act, 2023, and the Insurance Act, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

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

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on other legal and regulatory requirements

The Companies and Allied Matters Act and the Insurance Act require that in carrying out our audit we consider and report to you on the following matters. We confirm that:

i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

ii) the company has kept proper books of account, so far as appears from our examination of those books and returns adequate for our audit have been received from locations not visited by us;

iii) the company's statement of financial position and statement of profit or loss and other comprehensive income are in agreement with the books of account and returns.

In accordance with the requirements of the Financial Reporting Council, we performed a limited assurance engagement and reported on management's assessment of Heirs General Insurance Limited's internal control over financial reporting as of 31 December 2024. The work performed was done in accordance with FRC Guidance on Assurance Engagement Report on Internal Control Over Financial Reporting issued by the Financial Reporting Council of Nigeria, and we have issued an unqualified opinion in our report dated 6 May 2025.

INSTITUTE OF CHARTERED ACCOUNTANTS OF NIGERIA
ICAN
0757288

Obioma Ubah

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

6 May 2025

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

STATEMENT OF MATERIAL ACCOUNTING POLICY

1. General information

These financial statements are the financial statements of Heirs General Insurance Limited ("the Company"). The Company was incorporated on 10th day of February, 2015 with Registration number - RC 12411317. Operational licence with registration number 093 was issued by NAICOM on 25th day of November, 2020 and operations commenced thereafter on 1 December 2020.

The financial statements of the Company for the year ended 31 December 2024 were authorised for issue by the directors of the Heirs General Insurance Limited on 30th April 2025.

2. Basis of Preparation

The following are the significant accounting policies adopted by the Company in the preparation of the financial statement.

2.1.1 Functional and presentation currency

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

2.1.2 Basis of Accounting

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IFRS Accounting Standards") and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC"), in the manner required by the Companies and Allied Matters Act of Nigeria,2020 , the Financial Reporting Council of Nigeria Act, 2011, the Insurance Act 2003, and relevant National Insurance Commission (NAICOM) guidelines and circulars to the extent that they do not conflict with the requirement of IFRS Accounting Standards.

2.1.3 Going Concern

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

2.2 Use of estimates and Judgments

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the 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 significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are described in Note 3.22.

STATEMENT OF MATERIAL ACCOUNTING POLICY

2.3 Regulatory authority and financial reporting

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

I. Section 20 (1a) provides that provisions for unexpired risks shall be calculated on a time apportionment basis of the risks accepted in the year;

II. Section 20 (1b) requires provision for outstanding claims to be credited with an amount equal to the total estimated amount of all outstanding claims with a further amount representing 10 percent of the estimated figure for outstanding claims in respect of claims incurred but not reported at the end of the year under review;

III. Sections 21 (1a) and 22 (1b) require maintenance of contingency reserves for general and life businesses respectively at specified rates as set out under statement of changes in equity to cover fluctuations in securities and variation in statistical estimates;

IV. Section 22 (1a) requires the maintenance of a general reserve fund which shall be credited with an amount equal to the net liabilities on policies in force at the time of the actuarial valuation and an additional 25 percent of net premium for every year between valuation date;

V. Section 24 requires the maintenance of a margin of solvency to be calculated in accordance with the Act.

VI. Section 10(3) requires insurance companies in Nigeria to deposit 10 percent of the minimum paid up share capital with the Central Bank of Nigeria.

VII. Section 25 (1) requires an insurance Company operating in Nigeria to invest and hold invested in Nigeria assets equivalent to not less than the amount of policy holders' funds in such accounts of the insurer. See note 50 for assets allocation that covers policy holders' funds.

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

The IBNR was estimated using the loss ratio method. Gross IBNR is compliant with the minimum required threshold of 10% of the LIC.

2.4 Contingency reserves

i. An insurer shall establish and maintain contingency reserves to cover fluctuations in securities and variations in statistical estimates.

ii. The contingency reserves shall be credited with an amount not less than 3 per centum of the total premium or 20 per centum of the net profits (whichever is greater) and the amount shall accumulate until it reaches the amount of the minimum paid-up capital or 50 per centum of the net premiums (whichever is greater).

2.5 Reporting period

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

STATEMENT OF MATERIAL ACCOUNTING POLICY

2.6 Foreign currency translation

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

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

Changes in the fair value of monetary assets denominated in foreign currency classified as available for sale are analyzed between translation differences resulting from changes in the fair value of the security, and other changes in the carrying amount of the security. Translation differences related to changes in amortized cost are recognized in profit or loss.

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

2.7 Changes in Accounting Policies

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

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

2.7.1 New standards that were effective during the year 1 January 2024

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

Title	Key requirements	Effective date
Classification of Liabilities as Current or Non-current and Noncurrent liabilities with covenants – Amendments to IAS 1	Amendments made to IAS 1 Presentation of Financial Statements in 2020 and 2022 clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the entity's expectations or events after the reporting date. Covenants of loan arrangements will not affect classification of a liability as current or non-current at the reporting date if the entity must only comply with the covenants after the reporting date. However, if the entity must comply with a covenant either on or before the reporting date, this needs to be considered in the classification as current or non-current even if the covenant is only tested for compliance after the reporting date.	1-Jan-24
	The amendments require disclosures if an entity classifies a liability as noncurrent and that liability is subject to covenants with which the entity must comply within 12 months of the reporting date. The disclosures include:	
	• The carrying amount of the liability;	
	• Information about the covenants (including the nature of the covenants and when the entity is required to comply with them); and	
	• Facts and circumstances, if any, that indicate that the entity might have difficulty complying with the covenants.	

	The amendments must be applied retrospectively in accordance with the requirements in IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. Special transitional rules apply if an entity had early adopted the 2020 amendments regarding the classification of liabilities as current or non-current.	

STATEMENT OF MATERIAL ACCOUNTING POLICY

Amendment to IFRS 16 – Leases on sales and lease back	In September 2022, the IASB finalised narrow-scope amendments to the requirements for sale and leaseback transactions in IFRS 16 Leases which explain how an entity accounts for a sale and leaseback after the date of the transaction. The amendments specify that, in measuring the lease liability subsequent to the sale and leaseback, the seller-lessee determines 'lease payments' and 'revised lease payments' in a way that does not result in the seller-lessee recognising any amount of the gain or loss that relates to the right of use that it retains. This could particularly impact sale and leaseback transactions where the lease payments include variable payments that do not depend on an index or a rate.	1-Jan-24
Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7	On 25 May 2023, the IASB issued amendments to IAS 7 and IFRS 7 to require specific disclosures about supplier finance arrangements (SFAs). The amendments respond to the investors' need for more information about SFAs to be able to assess how these arrangements affect an entity's liabilities, cash flows and liquidity risk. The new disclosures will provide information about: 1) The terms and conditions of SFAs. 2) The carrying amount of financial liabilities that are part of SFAs, and the line items in which those liabilities are presented. 3) The carrying amount of the financial liabilities in (2), for which the suppliers have already received payment from the finance providers. 4) The range of payment due dates for both the financial liabilities that are part of SFAs, and comparable trade payables that are not part of such arrangements. 5) Non-cash changes in the carrying amounts of financial liabilities in(2). 6) Access to SFA facilities and concentration of liquidity risk with the finance providers. Entities will be required to aggregate the information that they provide about SFAs. However, entities should disaggregate information about terms and conditions that are dissimilar, disclose explanatory information where the range of payment due dates is wide, and disclose the type and effect of non-cash changes that are needed for comparability between periods. The IASB has provided transitional relief by not requiring comparative information in the first year, and also not requiring disclosure of specified opening balances. Further, the required disclosures are only applicable for annual periods during the first year of application. Therefore, the earliest that the new disclosures will have to be provided is in annual financial reports for December 2024 year-ends, unless an entity has a financial year of less than 12 months	1-Jan-24

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

Title	Key requirements	Effective date
Amendments to IAS 21 - Lack of Exchangeability	In August 2023, the IASB amended IAS 21 to add requirements to help entities to determine whether a currency is exchangeable into another currency, and the spot exchange rate to use when it is not. Prior to these amendments, IAS 21 set out the exchange rate to use when exchangeability is temporarily lacking, but not what to do when lack of exchangeability is not temporary.	1-Jan-25

Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7	On 30 May 2024, the IASB issued targeted amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures to respond to recent questions arising in practice, and to include new requirements not only for financial institutions but also for corporate entities. These amendments: (a) clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system; (b) clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion: c) add new disclosures for certain instruments with contractual terms that can change cash flows (such as some financial instruments with features linked to the achievement of environment, social and governance targets); and (d) update the disclosures for equity instruments designated at fair valuethrough other comprehensive income (FVOCI). The amendments in (b) are most relevant to financial institutions, but theamendments in (a), (c) and (d) are relevant to all entities.	1-Jan-26
IFRS 18, 'Presentation and Disclosure in Financial Statements'	This is the new standard on presentation and disclosure in financial statements,which replaces IAS 1, with a focus on updates to the statement of profit or loss. The key new concepts introduced in IFRS 18 relate to: • the structure of the statement of profit or loss with defined subtotals; • requirement to determine the most useful structure summary for presenting expenses in the statement of profit or loss • required disclosures in a single note within the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and • enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general	1-Jan-27
IFRS 19, 'Subsidiaries without Public Accountability: Disclosures	This new standard works alongside other IFRS Accounting Standards. An eligible subsidiary applies the requirements in other IFRS Accounting Standards except for the disclosure requirements; and it applies instead the reduced disclosure requirements in IFRS 19. IFRS 19's reduced disclosure requirements balance the information needs of the users of eligible subsidiaries' financial statements with cost savings for preparers. IFRS 19 is a voluntary standard for eligible subsidiaries. A subsidiary is eligible if: • it does not have public accountability; and • it has an ultimate or intermediate parent that produces consolidated financial statements available for public use that comply with IFRS Accounting Standards.	1 January 2027

3. Material Accounting Policies

3.0 Principal Accounting Policies

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

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

3.1.1 Summary of measurement model

The Company issues the following contacts that are accounted for under IFRS 17 Insurance contract:

→ Bonds Guaranty policies: the Company issues insurance policies to indemnify against all actions, proceedings, damages, costs, claims demands expenses or losses through either an advance payment bond or performance bond with coverage of one year or less.

→ Engineering insurance policies: the Company issues policies to compensate and indemnify against loss, damage or theft of plants, pieces of equipment, vessels and others with coverage of one year or less.

→ Fire insurance policies: the Company issues policies to compensate and indemnify against loss, damage or destruction of plants, buildings, pieces of equipment, or properties due to fire with coverage of one year or less.

→ Motor insurance policies: the Company issues fully comprehensive and third-party liability car insurance policies with coverage of one year or less.

→ General Accident insurance policies: the Company issues policies to compensate and indemnify against loss, damage, or destruction due to an accident, misfortune, or circumstances with coverage of one year or less.

→ Oil and Gas insurance policies: the Company issues insurance policies for Offshore Upstream, owned, operated, leased, chartered property, all risk indemnity against loss, damage or destruction with coverage of one year or less.

→ Marine insurance policies: the Company issues insurance policies for the hull, spaces and pieces of equipment, cargo allied perils risks, with coverage of one year or less.

The Company accounts for all these products by applying the Premium Allocation Approach (PAA);

STATEMENT OF MATERIAL ACCOUNTING POLICY

3.1.2. Definition and classification

Products sold by the Company are classified as insurance contracts when the Company accepts significant insurance risk from a policyholder by agreeing to compensate the policyholder if a specified uncertain future event adversely affects the policyholder.

This assessment is made on a contract-by-contract basis at the contract issue date. In making this assessment, the Company considers all its substantive rights and obligations, whether they arise from contract, law or regulation.

The Company determines whether it contains significant insurance risk, by assessing if an insured event could cause the Company to pay to the policyholder additional amounts that are significant in any single scenario with commercial substance even if the insured event is extremely unlikely or the expected present value of the contingent cash flows is a small proportion of the expected present value of the remaining cash flows from the insurance contract.

The Company assesses, on a contract-by-contract basis, whether participating contracts meet the definition of insurance contracts with direct participation features, which need to satisfy all three of the following criteria:

- the contractual terms specify that the policyholder participates 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 from the underlying items; and
- a substantial proportion of the cash flows that the Company expects to pay to the policyholder should be expected to vary with the cash flows from the underlying items.

In assessing whether the conditions above are met, the Company uses its expectations at the issue date of the contracts.

The Company holds reinsurance contracts to mitigate certain risk exposure. These are quota share reinsurance and facultative reinsurance contracts. A reinsurance contract is an insurance contract issued by a reinsurer to compensate the Company for claims arising from one or more insurance contracts issued by the Company.

3.1.3 Separating components from insurance and reinsurance contracts

No insurance contracts issued by the Company have other components in addition to the provision of the insurance coverage service, such as an investment component, embedded derivatives, etc. for which the company would eed to separate.

3.1.4 Level of aggregation

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

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

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

The Company has opted to adopt annual cohort that aligns with the financial year of the Company.

STATEMENT OF MATERIAL ACCOUNTING POLICY

In determining the appropriate group, the Company measures a set of contracts together using reasonable and supportable information. 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 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.
All groups include only contracts issued within a 12-month period. The composition of groups established at initial recognition is not subsequently reassessed.

For all portfolios accounted for applying the premium allocation approach (PAA), the Company determines that the contracts are not onerous on initial recognition, unless there are facts and circumstances indicating otherwise. The Company assesses the likelihood of changes in applicable facts and circumstances to determine whether contracts not onerous on initial recognition belong to a group with no significant possibility of becoming onerous in the future.

If the facts and circumstances indicate that some contracts are onerous, the Company performs an additional assessment to determine whether some contracts are onerous. In making the assessment, the Company uses information about estimates provided by its internal reporting.
Facts and circumstances referred to in *IFRS 17 Para 18 & 57* , imply that the Company is not required to explicitly test for onerous contracts at initial recognition or in subsequent measurement, unless there is a reason to believe that a group of contracts may be onerous.
The following indicators are what the Company has used to access onerous group of contracts:
- Unfavorable loss ratio or combined ratio
- Inadequate premiums as supported by financial analysis available as part of management information
- Relevant market-wide based information indicating that the portfolio of business the Company is underwriting is unprofitable
- Aggressive underwriting or pricing
- Unfavorable experience trends
- Unfavorable changes in external conditions

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

3.1.5 Recognition

The Company recognizes groups of insurance contracts issued from the earliest of the following dates:
- the beginning of the coverage period of the Company of contracts;
- the date when the first payment from a policyholder in the Company becomes due (in the absence of a contractual due date, this is deemed to be when the first payment is received); and
- when the Company determines that a group of contracts becomes onerous.

The Company recognizes only contracts issued within a one-year period meeting the recognition criteria by the reporting date. Subject to this limit, a group of insurance contracts can remain open after the end of the current reporting period and new contracts are included to the Company when they meet the recognition criteria in subsequent reporting periods until such time that all contracts expected to be included within the Company have been recognised. However, to avoid such overlapping, the Company has aligned it cohort definition to the financial year.

For Investment contracts with discretionary participation features are initially recognised at the date the Company becomes a party to the contract. The Company currently does not issue investment contracts.

STATEMENT OF MATERIAL ACCOUNTING POLICY

3.1.6. Contract boundaries

The Company includes in the measurement of a group of insurance contacts all the future cash flows expected to arise within the boundary of each of the contracts in the Company.

In determining which cash flows fall within a contract boundary, the Company considers its substantive rights and obligations arising from the terms of the contract, and also from applicable laws and regulations. The Company determines that cash flows are within the boundary of a contract if they arise from substantive rights and obligations that exist during the reporting period in which the Company can compel the policyholder to pay the premiums or the Company has a substantive obligation to provide the policyholder with services.
A substantive obligation to provide services ends when:
· the Company has the practical ability to reassess the risks of a particular policyholder and as a result change the price charged or the level of benefits provided for the price to fully reflect the new level of risk; or
· the boundary assessment is performed at a portfolio rather than individual contract level, there are two criteria that both need to be satisfied: The Company must have the practical ability to reprice the portfolio to fully reflect risk from all policyholders' and the Company's pricing must not take into account any risks beyond the next reassessment date.

3.1.7 Measurement of insurance contracts issued

3.1.7.1 Insurance contracts under the premium allocation approach (PAA)

The Company applied the PAA measurement to all groups of insurance contracts with a coverage period of one year or less.
The carrying amount of the LIC is measured similarly to GM however for those claims that the Company expects to be paid within one year or less from the date of incurring, the Company does not adjust future cash flows for the time value of money and the effect of financial risk. However, claims expected to take more than one year to settle are discounted. The Company measures the liability for remaining coverage at the amount of premiums received in cash. As all the issued insurance contracts to which the PAA is applied have coverage of a year or less, the Company applies a policy to amortise insurance acquisition cash flows over the coverage period.

According to IFRS 17 Para 55(a), at initial recognition, the carrying amount of the liability for remaining coverage(LRC) shall be measured as follows:
i)Premiums received, if any, at initial recognition
ii)Minus any insurance acquisition cash flows at the same date
iii)Plus or minus any amount arising from the derecognition at that date of the asset or liability recognized for insurance acquisition cash flows applying IFRS 17 Para 27.
In subsequent measurement, the carrying amount of the liability is the carrying amount at the start of the reporting period:
i)Plus the premiums received in the period;
ii)Minus insurance acquisition cash flows; unless the entity chooses to recognise the payments as an expense applying IFRS 17 Para 59(a);
iii)Plus any amounts relating to the amortization of insurance acquisition cash flows recognised as an expense in the reporting period; unless the entity chooses to recognise insurance acquisition cash flows as an expense applying IFRS 17 Para 59(a);
iv)Plus any adjustment to a financing component, applying IFRS 17 Para 56;
v)Minus the amount recognised as insurance revenue for coverage provided in that period (see IFRS 17 Para B126); and
The carrying amount of the liability for remaining coverage at the end of each subsequent reporting period represents the carrying amount at the start of the reporting period adjusted for the following:
(i) the premiums received in the period and the amount recognised as insurance revenue for insurance contract services provided in that period; and
(ii) any adjustment to a financing component and any investment component paid or transferred to the liability for incurred claims.

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

STATEMENT OF MATERIAL ACCOUNTING POLICY

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

The Company currently has policies where settlement of liability for incurred claims are beyond a year and are discounted for.

Applying the PAA, the Company revenue is measured at the amount allocated from the expected premium receipts excluding any investment component. The allocation is done on the basis of the passage of time unless the expected pattern of release from risk differs significantly from the passage of time, in which case it is recognised on the expected timing of incurred claims and benefits. the Company applies judgement in determining the basis of allocation.

3.1.7.2 Onerous Contracts

If facts and circumstances (e.g unfavourable loss ratio or combined ratio) lead the Company to believe that a group under PAA has become onerous, the Company tests it for onerousness and then the Company will apply the general measurement model to calculate the loss component. If the amount of the fulfilment cash flows exceeds the carrying amount of the liability for remaining coverage under PAA, the Company recognise a loss in profit or loss and increases the liability for remaining coverage for the corresponding amount.
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.

3.1.8 Reinsurance contracts held

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

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

Reinsurance contracts held are accounted for separately from underlying insurance contracts issued and are assessed on an individual contract basis. In aggregating reinsurance contracts held, the Company applies the general approach and disaggregates a portfolio of its reinsurance contracts held into three groups of contracts:
a) contracts that on initial recognition have a net gain;
b) contracts that, on initial recognition, have no significant possibility of resulting in a net gain subsequently; and
c) any remaining reinsurance contracts held in the portfolio.

In determining the timing of initial recognition of a reinsurance contract, the Company assess whether the reinsurance contract's terms provide protection on losses on a proportionate basis. the Company recognizes a group of reinsurance contracts held that provides proportionate coverage:
(i) at the same time as the onerous group of underlying contracts is recognised, or
(ii) for all the other reinsurance contracts held that provide proportionate coverage, at the start of the coverage period of that group of reinsurance contracts; or at the initial recognition of any of the underlying insurance contracts, whichever is later.

The Company recognise a group of non-proportional reinsurance contracts at the earliest of the beginning of the coverage period of the group of reinsurance contracts held or the date the entity recognizes an onerous group of underlying insurance contracts if the entity entered into the related reinsurance contract held in the group of reinsurance contracts held at or before that date.

STATEMENT OF MATERIAL ACCOUNTING POLICY

3.1.8.2 Reinsurance contracts held measured under the PAA

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

3.1.9 Presentation

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

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

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

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

3.1.9.1 Insurance revenue

When applying the PAA, the HGI recognises insurance revenue for the period based on the passage of time by allocating expected premium receipts including premium adjustment of each period if service. As the Company provides insurance services under a group of insurance contracts issued, it reduces its liability for remaining coverage and recognises insurance revenue, which is measured at the amount of consideration the Company expects to be entitled to in exchange for those services.

The portion of premiums that can be seen as recovering those acquisition cash flows will be included in the insurance service expenses in each period. Both amounts are measured on the same basis used for the allocation of the contractual service margin to profit or loss under d) above.

When applying the PAA, the Company recognizes insurance revenue for the period based on the passage of time by allocating expected premium receipts including premium experience adjustments to each period of service and excluding any investment component.

Expense Allocation

Heirs General Insurance Limited categorises the following expenses as directly attributable:

- Insurance acquisition expenses such as commissions which are attributable to the portfolio to which a contract belongs.
- Policy administration and maintenance cost such as premium billing and handling policy endorsements, recurring commissions payable to intermediaries.
- Claim handling costs including legal and loss-adjustors 'fees and internal costs of investigating and processing claims.

Heirs General Insurance Limited categories the following expenses as indirectly attributable:

- Fixed and variable overheads directly attributable to fulfilling insurance contracts such as: Accounting, Human Resources, Information Technology and Support, Rent, Maintenance and Utilities.

Non-direct attributable expenses are allocated across the business units of HGI on an agreed split of expenses which is applied year on year consistently.

Non-attributable overhead expenses are apportioned across portfolios using allocation ratios derived from the proportion of total premiums generated by each portfolio.

All other expenses that do not fall within the category of attributable expenses are considered as "other operational expenses" and do not form part of insurance service expenses. These include expenses such as miscellaneous local taxes, fines and penalties as well as other one-off expenses not likely to recur in future.

3.1.9.2 Insurance service expense

Insurance service expenses arising from insurance contracts issued are recognized in the profit or loss generally as they are incurred. The company's insurance expenses comprises:
• Incurred claims and other insurance service expenses Changes in the LIC related to claims and expenses incurred in the period excluding repayment of investment components.(if any)
•Other directly attributable insurance service expenses incurred in the period.
• Amortisation of insurance acquisition cash flows, which is recognized at the same amount in both insurance service expenses and
insurance contract revenue.
• Loss component of onerous groups of contracts initially recognized in the period

3.1.9.3 Net expenses from reinsurance contracts held.

HGI presents income or expenses from a group of reinsurance contracts held and reinsurance finance income or expenses in profit or loss for the period separately. Income or expenses from reinsurance contracts held are split into the following two amounts:
• Amount recovered from reinsurers.
• An allocation of the premiums paid.
HGI presents cash flows that are contingent on claims as part of the amount recovered from reinsurers. Ceding commissions that are not contingent on claims of the underlying contracts are presented as a deduction in the premiums to be paid to the reinsurer which is then allocated to profit or loss.
HGI establishes a loss recovery component of the asset for the remaining coverage for a group of reinsurance contracts held. This depicts the recovery of losses recognised on the initial recognition of an onerous group of underlying insurance contracts or on addition of onerous underlying insurance contracts to a group. The loss recovery component is then adjusted to reflect:
• Reversals of loss recovery component to the extent those reversals are not changes in the fulfilment cash flows of the group of reinsurance contracts held.
• Allocations of the loss recovery component against the amounts recovered from reinsurers reported in line with the associated reinsured incurred claims or expenses. allocated to profit or loss.

3.1.9.4 Insurance finance income and expenses

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

STATEMENT OF MATERIAL ACCOUNTING POLICY

3.1.9.5 The use of OCI presentation for insurance finance income

The Company has an accounting policy choice to either present all of the period's insurance finance income or expenses in profit or loss or to split the amount between profit or loss and other comprehensive income (OCI). In considering the choice of presentation of insurance finance income or expenses, The Company has chosen to include the entire change in risk adjustment as part of the insurance service result and not disaggregate the change in risk adjustment between the insurance service result and insurance finance income or expense in consistence with the provision of IFRS 17 Para 81.
The Company will not apply the OCI option and the choice is made at the level of portfolio of insurance contracts and would be applied consistently for every group of contracts within each portfolio.

STATEMENT OF MATERIAL ACCOUNTING POLICY

3.2 Cash and cash equivalents

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

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

3.3 Financial assets and liabilities

3.3.1 Classification

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

a) Financial assets at fair value through profit or loss;

b) Amortized cost.

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

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

3.3.2 Initial recognition

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

a. Business Model Assessment

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

b. Solely payments of principal and interest

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

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

STATEMENT OF MATERIAL ACCOUNTING POLICY

3.3.3 Subsequent measurement

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

Financial assets at fair value through profit or loss include financial assets held for trading. Financial assets classified as trading are acquired principally for the purpose of selling in the short term.

These investments are initially recorded at fair value. Subsequent to initial recognition, they are re-measured at fair value, with gains and losses arising from changes in this value recognized in the income statement in the period in which they arise. The fair values of quoted investments in active markets are based on current bid prices. The fair values of unquoted equities, and quoted equities for which there is no active market, are established using valuation techniques corroborated by independent third parties. These may include reference to the current fair value of other instruments that are substantially the same and discounted cash flow analysis.

b. Financial assets at amortized cost

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

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

3.3.4 Trade receivables

Trade receivables arising from insurance contracts are stated after deducting allowance made for specific debts considered doubtful of recovery. Premium receivables are recognized when confirmation of premium is received from insurance brokers and co-insurance in the form of credit notes and are within 30 days, in conformity with the "No premium, No cover" policy. Trade receivables are reviewed at every reporting period for impairment (see note 3(d)(iii) for the accounting policy on impairment of trade receivables).

3.3.5 Loans and receivables

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

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

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

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

3.3.6 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk.

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

STATEMENT OF MATERIAL ACCOUNTING POLICYCY

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

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

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

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

3.3.7 De-recognition of financial instruments

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

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

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

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

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

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

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

3.3.8 Impairment of assets

a. Financial assets carried at amortized cost

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

STATEMENT OF MATERIAL ACCOUNTING POLICYCY

i. Significant financial difficulty of the issuer or debtor;

ii. A breach of contract, such as a default or delinquency in payments;

iii. It is becoming probable that the issuer or debtor will enter bankruptcy or other financial reorganization;

iv. The disappearance of an active market for that financial asset because of financial difficulties; or

v. Observable data indicating that there is a measurable decrease in the estimated future cash flow from a group of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the Company.

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

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

b. Trade receivables

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

c. Loans and receivables

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

d. Impairment of non-financial assets

The Company's non-financial assets with carrying amounts other than investment property are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For intangible assets that have indefinite useful lives or that are available for use, the recoverable amount is estimated each year at the same time.
An impairment loss is recognized if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups. Impairment losses are recognized in profit or loss.

STATEMENT OF MATERIAL ACCOUNTING POLICYCY

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

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

3.3.9 Offsetting financial instruments

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

3.4 Other receivables and prepayments

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

3.5 Intangible assets

3.5.1 Software

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

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

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

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

3.5.2 Property, plant and equipment

3.5.2.1 Recognition & measurement

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

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

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

3.5.2.2 Subsequent costs

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

STATEMENT OF MATERIAL ACCOUNTING POLICYCY

3.5.2.3 Subsequent measurement

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

Land and Building :

Land and buildings are subsequently carried at revalued amounts, being fair value at the date of revaluation less subsequent accumulated depreciation and impairment losses, if any. They are valued on an open market basis by qualified property valuers at each reporting date. Land is however not depreciated.

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

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

3.5.2.4 Depreciation

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

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

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

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

The estimated useful life for the assets as follows

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

Capital work in progress is not depreciated. The Company's capital work in progress relates to capital expenditure on properties to be for the company's activities. Upon completion it is transferred to the relevant asset category. Depreciation methods, useful lives and residual values are reassessed at each

3.5.2.5 De-recognition

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

3.6 Statutory deposit

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

STATEMENT OF MATERIAL ACCOUNTING POLICYCY

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

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

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

3.9 Share capital & reserves

3.9.1 Share capital.

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

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

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

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

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

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

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

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

A contingent asset is a possible asset 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 Group. Contingent assets are never recognizsed but are disclosed in the financial statement when they arise

STATEMENT OF MATERIAL ACCOUNTING POLICYCY

3.14. Investment and other operating income

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

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

3.15 Dividend income

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

3.16 Management and other operating expenses

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

3.17 Hypothecation of Assets

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

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

3.18 Segment reporting

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

3.19 Leases

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

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

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

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

STATEMENT OF MATERIAL ACCOUNTING POLICYCY

3.20 Employee Benefit

Short-term benefits

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

Defined Contribution Plan: The Company operates a defined contributory retirement scheme as stipulated in the Pension Reform Act 2004. Under the defined contribution scheme, the Company pays fixed contributions of 10% to a separate entity – Pension Fund Administrators; employees also pay 8% to the same entity. Once the contributions have been paid, the Company retains no legal or constructive obligation to pay further contributions if the Fund does not hold enough assets to finance benefits accruing under the retirement benefit plan The Company's obligations are recognised in the statement of comprehensive income.

Termination benefits are payable whenever an employee's employment is terminated before the normal retirement date or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Company recognizes termination benefits when it is demonstrably committed either to terminate the employment of current employees according to a detailed formal plan without possibility of withdrawal, or to provide termination benefits as a result of an offer made to encourage voluntarily redundancy if it is probable that the offer will be accepted and the number of acceptances can be estimated. Benefits falling due more than 12 months after balance sheet date are discounted to present value.

Post Employment Benefit :

The Company operates a defined contributory retirement scheme as stipulated in the Pension Reform Act 2014. Under the defined contribution scheme, the Company pays fixed contributions of 10% to a separate entity – Pension Fund Administrators; employees also pay 8% to the same entity. Once the contributions have been paid, the Company retains no legal or constructive obligation to pay further contributions if the Fund does not hold enough assets to finance benefits accruing under the retirement benefit plan. The Company's obligations are recognised in the statement of comprehensive income

3.21 Income tax

a Current tax

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

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

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

b Minimum tax

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

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

c Deferred taxation

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

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

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

STATEMENT OF MATERIAL ACCOUNTING POLICYCY

3.22 Critical Accounting Judgement

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

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

3.22.1 Assessment of significance of insurance risk
The Company applies its judgement in assessing whether a contract transfers to the issuer significant insurance risk.

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

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

3.22.3 Separation of non-insurance components from insurance contracts:
If the Company issues some insurance contracts that have several elements in addition to the provision of the insurance coverage service, such as other goods or services. Some of these elements will 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. However, the Company currently does not have non-insurance components that require separation.

3.22.4 Determination of the contract boundary
The measurement of a group of insurance contracts includes all the future cash flows arising within the contract boundary. In determining which cash flows fall within a contract boundary, the Company considers its substantive rights and obligations arising from the terms of the contract, from applicable law, regulation and customary business practices. Cash flows are considered to be outside of the contract boundary if the Company has the practical ability to reprice existing contracts to reflect their reassessed risks, and if the contract's pricing for coverage up to the date of reassessment only considers the risks until the next reassessment date. the Company applies its judgement in assessing whether it has the practical ability to set a price that fully reflects all the risks in the contract or portfolio.
the Company considers contractual, legal and regulatory restrictions when making its assessment and applies judgement to decide whether these restrictions have commercial substance. See Note 1.G for more details

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

STATEMENT OF MATERIAL ACCOUNTING POLICYCY

3.22.5 Identification of portfolios

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

3.22.6 Level of aggregation:

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

3.22.7 Expected credit loss on financial assets

The measurement of the ECL allowance for financial assets measured at AC and FVOCI is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behavior.

3.22.8 Recognition of deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

3.22.9 Determining the lease term - IFRS 16

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

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

The lease term is reassessed if an option is actually exercised (or not exercised) or the Company becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and is within the control of the Company.

3.23 Key sources of estimation uncertainty

The following are key estimations that the directors have used in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in financial statements.
By applying IFRS 17 to measurement of insurance contracts issued and reinsurance contracts held, the Company has made estimations in the following key areas. They form part of the overall balances of insurance contract assets and liabilities and reinsurance contract assets and liabilities:
- Future cash flows
- Discount rates
- Risk adjustment for non-financial risk
- Allocation of expenses into attributable and non attributable

3.23.1 Actuarial valuation of insurance contracts liabilities

The Insurance liability Valuation of a general insurance Company is internationally recognised as best practice for insurance companies. The insurance Liability Valuation involves determining best estimates (applying the prescribed methodologies) of Outstanding Claims Liabilities and the premium Liabilities of insurers.

3.23.2 Sensitivity Analysis of carrying amounts to changes in assumptions

The table below analyses how the profit or loss and equity would have increased (decreased) if changes in underwriting risk variables that were reasonably possible at the reporting date had occurred. This analyses presents the sensitivities both before and after risk mitigation by reinsurance and assumes that all other variables remain constant.

STATEMENT OF MATERIAL ACCOUNTING POLICYCY

31-Dec-24	**Profit or loss**			**Equity**	
In thousands of naira	**Gross**	**Net**		**Gross**	**Net**
Ultimate claims (5% increase)	(168,995)	(168,995)	-	(168,995)	(168,995)
Ultimate claims (5% decrease)	168,995	168,995		168,995	168,995

31-Dec-23	**Profit or loss**		**Equity**	
In thousands of naira	**Gross**	**Net**	**Gross**	**Net**
Ultimate claims (5% increase)	(153,772)	(153,772)	(153,772)	(153,772)
Ultimate claims (5% decrease)	153,772	153,772	153,772	153,772

Changes in underwriting risk variables mainly affect the profit or loss and equity as follows.
The effects on profit or loss and equity are presented net of income tax.

Profit or loss	Changes in fulfilment cashflows relating to loss components
	Changes in fulfilment cashflows that are recognised as insurance finance income or expenses in profit or loss
Equity	The effect of profit or loss under (a) above

3.23.3 Estimate relating to discounting

In determining discount rates for different products, the Company used the bottom-up approach for cash flows of contracts of the underlying items. Applying this approach, the Company used the yield curve published by Nigerian Actuarial Society (NAS). However, some characteristics should be considered when deriving a risk-free yield curve:

a) They must be highly liquid assets with high volume of trades, narrow bid-ask spread, which can be quoted for a range of terms/durations
b) They must have minimal credit risk
c) They must have reliable measures – volatility of prices, views of market participants.

HGI adopted the monthly yield curve published by the Nigerian Actuarial Society (NAS).

31-Dec-24

	1 year	**2 years**	**3 years**	**4 years**	**5 years**
Aviation	30%	11%	20%	26%	27%
Bond	30%	11%	20%	26%	27%
Engineering	30%	11%	20%	26%	27%
General Accident	30%	11%	20%	26%	27%
Fire	30%	11%	20%	26%	27%
Motor	30%	11%	20%	26%	27%
Marine	30%	11%	20%	26%	27%
Oil and Gas	30%	11%	20%	26%	27%

STATEMENT OF MATERIAL ACCOUNTING POLICYCY

31-Dec-23

	1 year	2 years	3 years	4 years	5 years
Aviation	13%	14%	15%	16%	16%
Bond	13%	14%	15%	16%	16%
Engineering	13%	14%	15%	16%	16%
General Accident	13%	14%	15%	16%	16%
Fire	13%	14%	15%	16%	16%
Motor	13%	14%	15%	16%	16%
Marine	13%	14%	15%	16%	16%
Oil and Gas	13%	14%	15%	16%	16%

3.23.4 Estimate relating to Risk Adjustment

Considering that HGI is a new business and has limited historical data, the Company has used professional judgment and adopted a 6% risk adjustment factor. The IFRS 17 System (IRIS) implemented by the Company has different methods used in calculating the Risk Adjustment which includes an inbuilt mark model, provision for adverse deviation, and cost of capital approach. Specifically,

• The mark model could not be adopted due to the limited historical claims data.
• Pfad is not appropriate for a general business.
• The Company does not have an economic Capital computation that could have been opted for the cost of capital.

Going forward the Company will calibrate for risk adjustment as appropriate (as enough data is been gathered). Also, the statutory Actuary will support HGI to determine the best approach.

STATEMENT OF FINANCIAL POSITION

	NOTES	31 December 2024 N'000	31 December 2023 N'000
ASSETS			
Cash and Cash Equivalents	7	3,750,181	1,466,208
Financial Assets - FVTPL	8	8,438,278	11,232,385
Financial Assets - Amortised Cost	9	6,324,603	327,769
Trade receivables	10	1,076,250	687,424
Reinsurance Contract Assets	11	3,729,761	1,768,855
Other Receivables & Prepayments	12	719,613	261,460
Right of Use Asset	13	913,840	599,392
Statutory Deposit	14	1,000,000	1,000,000
Property, Plant and Equipment	15	623,119	471,495
Intangible Assets	16	207,301	291,399
Total Assets		**26,782,946**	**18,106,387**
LIABILITIES			
Insurance Contract Liabilities	17	8,373,145	5,121,586
Other technical liabilities	18	70,191	6,003
Provision & Other Payables	19	353,277	195,078
Lease Liability	20	797,418	469,644
Income Tax Payable	21	346,512	24,121
Deferred Taxation	21b	585,666	259,476
Total Liabilities		**10,526,209**	**6,075,908**
EQUITY			
Ordinary Share Capital	22	10,000,000	10,000,000
Contingency Reserve	23	1,628,073	782,821
Retained Earnings (General Reserve)	24	4,628,664	1,247,658
Total Equity		**16,256,737**	**12,030,479**
TOTAL EQUITY & LIABILITIES		**26,782,946**	**18,106,387**

These financial statements were authorised for issue by the board of directors on 2nd May 2025 and were signed on its behalf by :

Tony Elumelu
Chairman
FRC/2013/CIBN/00000002590

Wole Fayemi
MD/CEO
FRC/2014/CIIN/00000006540

Kehinde Olorundare
Chief Finance Officer
FRC/2013/ICAN/00000000731

Statement of profit or loss and Other Comprehensive Income	**Note**	**31-Dec-24**	**31-Dec-23**
		₦'000	**₦'000**
Insurance Revenue	25	14,324,901	12,059,642
Insurance service expenses	26a&b	(11,766,161)	(6,542,496)
Net expenses from reinsurance contract held	27	(2,116,200)	(5,942,182)
Insurance service result		**442,540**	**(425,036)**
Interest revenue calculated using the effective interest method	31	1,425,598	1,213,101
Net fair value gain/(losses) on financial assets at FVTPL	32	336,136	270,467
Net credit impairment losses	34	(14,375)	3,500
Net foreign exchange gain/(losses)	33a	3,981,416	3,016,935
Net Investment Income		**5,728,775**	**4,504,003**
Net finance expenses from insurance contracts issued	28	(519,268)	(316,661)
Net finance income from reinsurance contracts held	28	422,228	151,804
Net insurance finance expenses		**(97,040)**	**(164,857)**
Net Insurance and Investment Result		**6,074,275**	**3,914,110**
Other Income	33b	5,304	3,229
Other operating expenses (Non attributable)	30a	(1,179,400)	(1,517,198)
Profit before Tax		**4,900,179**	**2,400,141**
Income Tax Expense	21	(673,921)	(283,597)
Profit for the Year		**4,226,258**	**2,116,544**
Other comprehensive income / (expense)		-	-
Items reclassified to profit and loss		-	-
Change in fair value of financial assets at fair value through OCI		-	-
Items that will not be reclassified to profit and loss		-	-
Finance income (expenses) from insurance contracts issued		-	-
Finance income (expenses) from reinsurance contracts held		-	-
Tax		-	-
Other comprehensive income for the year net of tax		-	-
Total comprehensive income for the year		**4,226,258**	**2,116,544**

STATEMENT OF CHANGES IN EQUITY

		31 December 2024			
		Share Capital N'000	*Contingency Reserve N'000*	*Retained Earning N'000*	*Total N'000*
Balance at 1 January 2024		10,000,000	782,821	1,247,658	12,030,479
Capital injection during the period	22	-	-	-	-
Total Comprehensive Income:					
Profit for the period	24	-	-	4,226,258	4,226,258
Movement in contigency reserve	24	-	845,252	(845,252)	-
Balance as at 31 December 2024		10,000,000	1,628,073	4,628,664	16,256,737
		-	-	-	-

STATEMENT OF CHANGES IN EQUITY

		31 December 2023			
		Share Capital N'000	*Contingency Reserve N'000*	*Retained Earning N'000*	*Total N'000*
Balance at 1 January 2023 (as previously rereported under IFRS 4)		10,000,000	359,512	(445,577)	**9,913,935**
Impact of adoption of IFRS 17	38	-	-	-	**-**
Capital injection during the period	22	-	-	-	**-**
Balance at 1 January 2023		10,000,000	359,512	(445,577)	**9,913,935**
Total Comprehensive Income:					
Profit for the year	24	-	-	2,116,544	**2,116,544**
Movement in contigency reserve	24	-	423,309	(423,309)	**-**
Balance at 31 December 2023		10,000,000	782,821	1,247,658	**12,030,479**

STATEMENT OF CASH FLOWS

	Note	31 December 2024 N'000	31 December 2023 N'000
Cash flows from operating activities:			
Premium received from policyholders	10b	16,581,509	12,668,840
Re-insurance premium paid	11a	(4,331,752)	(6,460,078)
Commission and other acquisition Expenses paid	17a	(4,031,220)	(2,753,056)
Advanced premium received	18	70,191	6,003
Prepaid reinsurance	11	(27,969)	(17,923)
Claims	17a	(4,108,218)	(2,622,700)
Claims recovery received	11a	676,874	98,114
Tax paid	21a	(25,339)	(5,019)
Payment to employees		(1,901,140)	(527,078)
Other operating expenses cash payments		(3,821,502)	(708,330)
Net cash outflow used in operating activities		**(918,566)**	**(321,227)**
Cash flows from investing activities:			
Interest received	31	1,132,990	1,183,950
Acquisition of property,plant and equipment	15	(358,875)	(298,045)
Acquistion of intangible assets	15	(7,575)	(59,740)
Disposal of asset	15	25,500	-
Purchases of investment securities	9b	(29,441,641)	(28,049,292)
Maturities of investment securities	9b	31,171,521	26,868,002
Net cashflow from investing activities		**2,521,919**	**(355,125)**
Cash flows from financing activities			
Payment for leased property	20	(186,614)	-
Net cashflow from financing activities		**(186,614)**	**-**
Cash and cash equivalent, beginning of year		1,469,395	744,224
Net increase in cash and cash equivalent		1,416,740	(676,352)
Effect of foreign exchange on cash and cash equivalent	33	864,047	1,401,524
Cash and cash equivalent, end of year	7	**3,750,181**	**1,469,395**

NOTES TO THE FINANCIAL STATEMENTS

4 Financial risk management

The Company's operations subject it to a number of financial risks, including credit risk, liquidity risk, and market risk (including foreign exchange risks, interest risk and equity price risks). The entire risk management program of the Company attempts to minimize any negative consequences on the Company's financial performance.

4.1 Responsibility for risk management

Risk management is ultimately the responsibility of the board. The board's enterprise risk management committee has been tasked with evaluating the quality, integrity, and dependability of the Company's risk management systems.

(i) The ERMC provides executive oversight and review of the information presented by the Chief Compliance Officer.

(ii) The Chief Executive Officer is accountable to the board for the management of risks facing the Company and is supported in the management of these risks by business unit executives and line management.

(iii) The Risk Officer acts on behalf of the board and the board ERMC & GC to provide guidance and oversight over the implementation of risk management processes in specialized risk disciplines as well as to coordinate risk reporting at corporate level.

(iv) The asset managers provide specialized guidance to the board ERMC & GC in respect of all investment strategies and the optimization of investment returns and the management of related risks.

(v) The asset managers execute all investment related decisions in accordance with fund mandates and oversight from the board ERMC & GC and the custodianship of all investments vests in nominee accounts managed by assets custodian.

4.2 Credit risk

Credit risk is the risk that one party to a financial instrument may cause the other party financial loss by failing to perform an obligation. The Company accepts credit risk, which is the risk that one party may create a financial loss to the other party by failing to fulfill an agreement. There is no major concentration of credit risk in the Company. All debt investments are public debt investments made in conformity with the Company's goal."
For credit risk that arises from contracts within the scope of IFRS 17, an entity shall disclose:
(a) the amount that best represents its maximum exposure to credit risk at the end of the reporting period, separately for insurance contracts issued and reinsurance contracts held; and
(b) information about the credit quality of reinsurance contracts held that are assets.

Apart from government bonds, there is little rated paper in Nigeria's jurisdictions. Local investments done inside Nigeria's jurisdictions must be carried out with counterparties with strong credit ratings. There is no exposure to leveraged credit instruments, which are instruments in which exposure to a single business or a small group of companies might generate bigger losses throughout the portfolio than the proportionate share of the defaulting firm or entities.

Cash at banks, placements with financial institutions, treasury bills, FGN bonds, trade receivables, statutory deposit, other receivables, and reinsurance assets (i.e. reinsurers' share of insurance liabilities, amounts due from reinsurers for claims already paid) are the sources of the Company's credit risk exposure.

The company's maximum credit risk exposure is as follows:

	31-Dec-24	31-Dec-23
	N'000	N'000
Cash and Cash Equivalents	3,750,181	1,466,208
Financial Assets - FVTPL	8,438,278	11,232,385
Financial Assets - Amortized Cost	6,324,603	327,769
Trade Receivables	1,076,250	687,424
Reinsurance Assets	3,729,761	1,750,933
Other Receivables	257,364	156,800
Statutory Deposits with CBN	1,000,000	1,000,000
	24,576,437	**16,621,519**

Prepayments and WHT receivables were not included in the other receivables & prepayments.

NOTES TO THE FINANCIAL STATEMENTS

Concentration of risks of financial assets with credit risk exposure

(a) Geographical sectors
All credit risk exposures (without taking into account any collateral held or other credit support) are maintained within Nigeria.

(b) Industry sectors

The Company is exposed to various industries as shown below:

	31-Dec-24		
	Financial institution	Others	Total
	N'000	N'000	N'000
Cash and Cash Equivalents	3,750,181	-	3,750,181
Financial Assets - FVTPL*	8,438,278		8,438,278
Financial Assets - Amortized Cost	6,324,603	-	6,324,603
Trade Receivables	-	1,076,250	1,076,250
Reinsurance Assets	-	3,729,761	3,729,761
Other Receivables	-	257,364	257,364
Statutory Deposits with CBN	1,000,000	-	1,000,000
Total	19,513,062	5,063,375	24,576,437

	31-Dec-23		
	Financial institution	Others	Total
	N'000	N'000	N'000
Cash and Cash Equivalents	1,466,208	-	1,466,208
Financial Assets - FVTPL*	11,232,385	-	11,232,385
Financial Assets - Amortized Cost	327,769	-	327,769
Trade Receivables	-	687,424	687,424
Reinsurance Assets	-	1,750,933	1,750,933
Other Receivables	-	156,800	156,800
Statutory Deposits with CBN	1,000,000	-	1,000,000
Total	14,026,362	2,595,157	16,621,519

Prepayments and reinsurance prepaid was not included in the other receivables & prepayments and Reinsurance Assets lines respectively.
Other receivables include staff loan

* Not subject to impairment

Credit quality of financial assets
All of the company's financial assets are current and not past due. External credit ratings can be used to assess the credit quality of the company's financial assets that are neither past due nor impaired (Fitch Ratings Inc.). The danger of default is seen as minimal.

	31-Dec-24				
	AA- to A+	B- to BBB+	C- to CCC+	Unrated	Total
	N'000	N'000	N'000	N'000	N'000
Cash and Cash Equivalents	3,653,152	95,513	1,516	-	3,750,181
Financial Assets - FVTPL*	-	8,438,278	-	-	8,438,278
Financial Assets - Amortized Cost	3,821,337	397,614	2,105,652	-	6,324,603
Trade Receivables	-	-	-	1,076,250	1,076,250
Reinsurance Assets	-	-	-	3,729,761	3,729,761
Other Receivables	-	-	-	257,364	257,364
Statutory Deposits with CBN	-	1,000,000	-	-	1,000,000
Total	7,474,489	9,931,405	2,107,168	5,063,374	24,576,437

NOTES TO THE FINANCIAL STATEMENTS

	31-Dec-23				
	AA- to A+ N'000	B- to BBB+ N'000	C- to CCC+ N'000	Unrated N'000	Total N'000
Cash and Cash Equivalents	1,265,664	200,544	-	-	1,466,208
Financial Assets - FVTPL*	11,232,385	-	-	-	11,232,385
Financial Assets - Amortized Cost	327,769	-	-	-	327,769
Trade Receivables	-	-	-	687,424	687,424
Reinsurance Assets	-	-	-	1,750,933	1,750,933
Other Receivables	-	-	-	156,800	156,800
Statutory Deposits with CBN	1,000,000	-	-	-	1,000,000
Total	13,825,818	200,544	-	2,595,157	16,621,519

Credit quality of financial assets neither past due nor impaired

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to internal credit ratings or to historical information about counterparty default rates:

Internal credit rating system

Ratings Bucket		**Description**		**Rating of scores**	**Probability of default**
AAA	Extremely low score	1	1.00 - 1.99	90-100%	1%
AA	Very low risk	2	2.00- 2.99	80 -89%	1%
A	Low risk	3	3.00 - 3.99	70-79%	1.50%
BBB	Low risk	4	4.00 - 4.99	60 - 69%	2%
BB	Acceptable - Moderately high risk	5	5.00 - 5.99	50 - 59%	4%
B	High risk	6	6.00- 6.99	40-49%	6%
ccc	Very high risk	7	7.00 - 7.99	30- 39%	9%
cc	Extremely high risk	8	8.00 - 8.99	10-29%	13%
cc	High likelihood of default	9	9.00 - 9.99	0-9%	
D	Default risk	10			
D	Sub- Standard				25%
D	Doubtful				50%
D	Lost				100%

Management of credit risk

The Board of Directors is responsible for oversight of the Entity's credit risk, including formulating credit policies for the entity, covering collateral requirements, credit assessment, risk grading and reporting, documentary and legal procedures, and compliance with regulatory and statutory requirements.

Credit Risk Measurement

The Entity operational measurements for credit risk are in conformity with the impairment under the applicable reporting standard IFRS 9, and are based on losses that are expected to be incurred at the date of statement of financial position, that is the "expected loss model" rather than "incurred losses".

The Entity has developed models to support the quantification of the credit risk. These rating and scoring models are in use for all Financial Instruments and form the basis for measuring default risks. In measuring credit risk at a counterparty level, the company considers three components: (i) the "probability of default" (PD) by the clients or counterparty on its contractual obligations; (ii) current exposures to the counterparty and its likely future development, from which the company derives the 'Exposure at default' (EAD) and (iii) the likely recovery ratio on the defaulted obligations (the 'Loss Given Default') (LGD). The models are reviewed regularly to monitor their robustness relative to actual performance and amended when necessary for effectiveness.

For debt securities, external ratings such as GCR, Moody's Agusto & co, Fitch, S&P ratings or their equivalents are used by Risk Management department for managing of the credit risk exposures as supplemented by the Entity's own assessment through the use of internal rating tools.

NOTES TO THE FINANCIAL STATEMENTS

4.3 Insurance risk

The risk, under any insurance contract, is the possibility that the insured event occurs and the uncertainty of the amount of the resulting claim. By the very nature of an insurance contract, this risk is random and therefore unpredictable. The Company manages its insurance risk by means of established internal procedures that include underwriting authority levels, pricing policy, approved reinsurers list and monitoring.

Heirs Insurance is exposed to underwriting risk through the insurance contracts that are underwritten. The risks within the underwriting risk category are associated with both the perils covered by the specific lines of insurance including General Accident, Motor, Fire, Marine and Aviation, Oil and Gas and Bonds insurance, as well as the specific processes associated with the conduct of the insurance business. The various subsets of underwriting risks are listed below;

4.3.1 Underwriting risk

Underwriting is the process by which an insurer appraises a risk being presented by the proposer and decides 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. Heirs General Insurance underwriting process is subjected to periodic risk assessment reviews by enterprise risk management, internal audit and a peer review process to ensure its continued effectiveness.

The Company has a Management Risk Management Committee and Enterprise Risk Management Committee that reviews all risks undertaken by the company and sufficiently mitigates the risk that the company is unduly exposed in any of its portfolios.

In addition, there is a process for assessing brokers' procedures and systems to ensure that the quality of information provided to Heirs General Insurance is of a suitable standard; and in the case of reinsurers, reviews of ceding companies to ensure that reinsurance assumed is in accordance with treaties.

4.3.1.1 Underwriting Process Risk:

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

4.3.1.2 Mispricing Risk:

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

4.3.1.3 Individual risk:

This includes the identification of the risk inherent in an insured property (movable or unmovable), we shall ensure surveys are performed and reviewed as at when due and that risks are adequately priced.

4.3.1.4 Claims Risk (for each peril):

Risk that many more claims occur than expected or that some claims that occur are much larger than expected claims resulting in unexpected losses to the Company. The underwriting risk assessment shall also determine the likelihood of a claim arising from an insured risk by considering various factors and probabilities, determined by information obtained from the insured party, historical information on similar risks and available external data.

4.3.1.5 Concentration risk (including geographical risk):

This includes identification of the concentration of risks insured by Heirs General Insurance. HGI utilizes data analysis, software and market knowledge to determine the concentration of its risks by insurance class, geographic location, exposure to a client or business. The assessment of the concentration risk is consistent with the overall risk appetite as established by the Company.

4.4 Credit risk

The Company's assets are exposed to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. The Company's maximum exposure to credit risk is reflected in the carrying amounts of financial assets on the statement of financial position. The main sources of the Company's incoming cash flows are the amounts of receivables from brokers and reinsurers. The Company manages the credit risk arising from such sources by aging and monitoring the receivables. The Company conducts the review of current and non-current receivables on a monthly basis and monitors the progress in the process of collection of the premiums in accordance with the procedure stated in the Company's internal control policy. The non-current receivables are checked and assessed for impairment.

The overdue premiums are considered by the Company on case by case basis. If an overdue premium is recognized by the Company as uncollectible, a notification is sent to the broker and the insurance agreement is cancelled from the date of notification. The premium related to the period from the beginning of insurance cover until the date of cancellation of the insurance agreement is considered a bad debt, and further steps right up to legal actions are planned with regard to that bad debt.

Other areas where the Company is exposed to credit risk are:
- amounts due from reinsurers for the insurance risks ceded;
- amounts due from insurance intermediaries.
- amounts of deposits held in banks and correspondent accounts

Heirs General Insurance is exposed to the following categories of credit risk;

Direct Default Risk - risk that HGI will not receive the cash flows or assets to which it is entitled because brokers, clients and other debtors which HGI has a bilateral contract default on their obligations.

Concentration Risk: This is the exposure to losses due to excessive concentration of business activities to individual counterparties, groups of individual counterparties or related entities, counterparties in specific geographical locations, industry sectors, specific products etc

Counterparty Risk: This is the risk that a counterparty is not able or willing to meet its financial obligations to the Company's as they fall due.

HGI shall therefore ensure the establishment of principles, policies and processes and structure for the management of credit risk.

The Company's credit risk appetite shall be in line with its strategic objectives, available resources and the provisions of NAICOM Operational Guidelines. In setting this appetite/tolerance limits, Heirs General Insurance takes into consideration its corporate solvency level, risk capital and liquidity level , credit ratings, level of investments, reinsurance and coinsurance arrangements, and nature and categories of its clients.

"No premium no cover policy"
As a result of the growing challenges arising from huge levels of outstanding premium reported in the financial statements of insurance Companies, a revised guideline dated 1 January 2013 was issued by NAICOM on Insurance premium collection and remittance in which it was specified that there shall be no outstanding premium in the books of any insurer as covers granted on credit are not recognised by the law.

In compliance with this policy, all insurance policies written during the year were provided on a strict "no premium no cover basis". HGI exposure to credit risk arising from premium is limited to transactions with brokers who have a 30-day credit period within which to remit outstanding premiums. We consider our credit exposure in this regard to be low.

Concentration of credit risk
Reinsurance is ceded across all geographic regions in which the Group operates. The Group does not have a significant concentration of credit risk with any single reinsurer.

4.4 Liquidity risk

Liquidity risk is the risk that the firm will not have the financial resources to satisfy its commitments when they come due, or that it will have to meet the obligations at an exorbitant cost. This risk might be caused by misalignments in the timing of cash flows. In severe cases, a shortage of liquidity may result in decreases in the statement of financial position and asset sales, as well as an inability to meet policyholder promises. The risk that the Company will be unable to do so is inherent in all insurance operations and can be influenced by a variety of institution-specific and market-wide events such as credit events, merger and acquisition activity, systemic shocks, and natural catastrophes, among others.
For liquidity risk arising from contracts within the scope of IFRS 17, an entity shall disclose:
(a) a description of how it manages the liquidity risk.
(b) separate maturity analyses for portfolios of insurance contracts issued that are liabilities and portfolios of reinsurance contracts held that are liabilities that show, as a minimum, net cash flows of the portfolios for each of the first five years after the reporting date and in aggregate beyond the first five years. An entity is not required to include in these analyses liabilities for remaining coverage measured applying paragraphs 55–59 and paragraphs 69–70A. The analyses may take the form of:
(i) an analysis, by estimated timing, of the remaining contractual undiscounted net cash flows; or
(ii) an analysis, by estimated timing, of the estimates of the present value of the future cash flows.
(c) the amounts that are payable on demand, explaining the relationship between such amounts and the carrying amount of the related portfolios of contracts, if not disclosed applying (b) of this paragraph.

All policyholder funds are invested in appropriate assets in order to fulfill policyholders' reasonable benefit expectations, which include the assumption that funds would be available to pay out benefits as required under the policy contract. The carrying amount in the statement of financial position is used to determine the value of policyholders' liabilities and the assets that support them.

Liquidity risk
Liquidity risk is the potential loss arising from the Group's inability to meet its obligations as they fall due or to fund increases in assets without incurring unacceptable cost or losses. Liquidity risk is not viewed in isolation, because financial risks are not mutually exclusive and liquidity risk is often triggered by consequences of other risks such as insurance claim risk, credit, market and operational risks.

Sources of Liquidity Risk

Our liquidity risk exposure depends on the occurrence of other risks. Some of the factors that could lead to liquidity risks are:
- Reputational loss or rating downgrade, leading to inability to generate funds;
- Failure of insurance brokers and clients to meet their premium payment obligation as and when due;
- Lack of timely communication between Finance &Investment Division and Claims Department resulting in mismatch of funds;
- Investment in volatile securities; and
- Frequency and severity of major and catastrophic claims.

Liquidity Risk Management Strategy
- Maintain a good and optimum balance between having sufficient stock of liquid assets, profitability and investment needs;
- Continues asset liability matching;
- Ensure strict credit control and an effective management of account receivables;
- Develop and continuously update the contingency funding plan;
- Adhere to the liquidity risk control limits; and
- Communicate to all relevant staff on the liquidity risk management objectives and control limits.

Liquidity Risk Appetite/Tolerance
Our liquidity risk appetite is defined using the following parameters:
- Liquidity gap limits;
- Scenario and Sensitivity Analysis
- Liquidity Ratios such as claims ratio
- Receivable to capital ratio
- Retention rate
- Re-insurance receipts to ceded premium ratio
- Solvency margin
- Maximum exposure for single risk to capital ratio

NOTES TO THE FINANCIAL STATEMENTS

4.5 Market risks

The Company is exposed to market risk through the use of financial instruments and specifically to foreign exchange risks and equity price risks.
An entity shall disclose information about sensitivities to changes in risk variables arising from contracts within the scope of IFRS 17. To comply with this requirement, an entity shall disclose:
(a) a sensitivity analysis that shows how profit or loss and equity would have been affected by changes in risk variables that were reasonably possible at the end of the reporting period:
i) for each type of market risk—in a way that explains the relationship between the sensitivities to changes in risk variables arising from insurance contracts and those arising from financial assets held by the entity.

4.6 Foreign exchange risks

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

The Company's exposure to foreign exchange risk is limited to balances in domiciliary accounts, receivables and payables. Changes in exchange rates relative to these foreign currency balances have material impact in the financial statements.

Heirs General Insurance Limited has investment in foreign exchange to hedge the risk of volatility of foreign currency in the occurrence of claims in foreign currency.

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

		2024		
Financial Assets	**Total N'000**	**Naira**	**US Dollar**	**Euro**
Cash and Cash Equivalents	3,750,181	712,425	3,012,602	25,154
Financial Assets - FVTPL*	8,438,278	7,602,892	835,386	
Financial Assets - Amortised Cost	6,324,603	856,107	5,468,496	-
Trade Receivables	1,076,250	572,498	503,729	23
Reinsurance Assets	3,729,761	3,586,475	143,286	-
Other Receivables	257,364	257,364		
Statutory Deposits with CBN	1,000,000	1,000,000	-	-
Total	**24,576,437**	**14,587,761**	**9,963,499**	**25,177**

NOTES TO THE FINANCIAL STATEMENTS

Financial Liabilities				
Insurance Contract Liabilities	8,373,145	7,454,196	918,949.0	-
Other technical liabilities	70,191	70,191	-	-
Payables	353,277	353,277	-	-
Total	**8,796,613**	**7,877,664**	**918,949**	**-**

		2023		
Financial Assets	**Total N'000**	**Naira**	**US Dollar**	**Euro**
Cash and Cash Equivalents	1,466,208	986,373	466,888	12,947
Financial Assets - FVTPL	11,232,385	6,451,824	4,780,561	-
Financial Assets - Amortized Cost	327,769	327,769	-	-
Trade Receivables	687,424	562,857	124,567	-
Reinsurance Contract Assets	1,750,933	1,454,253	296,680	
Other Receivables	156,800	156,800	-	-
Statutory Deposits with CBN	1,000,000	1,000,000	-	-
Total	**16,621,519**	**10,939,876**	**5,668,696**	**12,947**

Financial Liabilities				
Insurance Contract Liabilities	5,121,586	4,338,036	783,550	
Other technical liabilities	6,003	6,003	-	-
Payables	195,078	195,078	-	-
Total	**5,322,666**	**4,539,116**	**783,550**	**-**

NOTES TO THE FINANCIAL STATEMENTS

4.7 Interest rate risks

The Company is exposed to interest rate risk as a result of variations in market interest rates. The interest-bearing assets and liabilities of the company subject it to interest rate risk. The Company controls interest rate risk by integrating financial assets with maturities of less than 12 months in its portfolio of financial assets. Short-term bank deposits, treasury bills, and bonds are examples of such financial assets.

All policyholder funds are invested in appropriate assets in order to fulfill policyholders' reasonable benefit expectations, which include the assumption that funds would be available to pay out benefits as required under the policy contract. The carrying amount in the statement of financial position is used to determine the value of policyholders' liabilities and the assets that support them.

	31 December 2024		
	Carrying amount	**Fixed Interest**	**Non-interest**
	N'000	**N'000**	**N'000**
Cash and Cash Equivalents	3,750,181	-	3,750,181
Financial Assets - FVTPL	8,438,278	8,438,278	-
Financial Assets - Amortized Cost	6,324,603	6,324,603	-
Trade Receivables	1,076,250	-	1,076,250
Reinsurance Contract Assets	3,729,761	-	3,729,761
Other Receivables	257,364	158,441	98,923
Statutory Deposits with CBN	1,000,000	1,000,000	-
Total	**24,576,437**	**15,921,322**	**8,655,115**
Financial Liabilities			
Insurance Contract Liabilities	8,373,145		8,373,145
Other technical liabilities	70,191	-	70,191
Other Payables	353,277	-	353,277
Total	**8,796,613**	**-**	**8,796,613**
Net exposure	**15,779,824**	**15,921,322**	**(141,497)**

	31 December 2023		
Financial Assets	**Carrying amount**	**Fixed Interest**	**Non-interest bearing**
	N'000	**N'000**	**N'000**
Cash and Cash Equivalents	1,466,208	580,039	886,169
Financial Assets - FVTPL*	11,232,385	11,232,385	-
Financial Assets - Amortised Cost	327,769	327,769	-
Trade Receivables	687,424		687,424
Reinsurance Contract Assets	1,750,933		1,750,933
Other Receivables	156,800	146,145	10,655
Statutory Deposit	1,000,000	1,000,000	-
Total	**16,621,519**	**13,286,338**	**3,335,182**

NOTES TO THE FINANCIAL STATEMENTS

Financial Liabilities			
Insurance Contract Liabilities	5,121,586	-	5,121,586
Other technical liabilities	6,003	-	6,003
Payables	195,078	-	195,078
Total	**5,322,667**	**-**	**5,322,667**
Net exposure	**11,298,852**	**13,286,338**	**(1,987,485)**

NOTES TO THE FINANCIAL STATEMENTS

5 Capital management

Heirs General Insurance Limited seeks to optimise the structure and sources of capital to ensure that it consistently maximises returns to the shareholders and policyholders.
The Company's approach to managing capital involves managing assets, liabilities and risks in a coordinated way, assessing shortfalls between reported and required capital level on a regular basis and taking appropriate actions to influence the capital position of the company in the light of changes in economic conditions and risk characteristics. An important aspect of the company's overall capital management process is the setting of target risk adjusted rates of return, which are aligned to performance objectives and ensure that the company is focused on the creation of value for shareholders.

The Company's primary source of capital includes its equity shareholders' funds. Heirs Insurance Limited also utilizes adequate and efficient reinsurance arrangements to protect shareholders' funds by reducing the need for further funding following unfavorable events such as catastrophes or large claims through treaty and facultative reinsurance arrangements.

The Company's monthly management accounts are subjected to models which simulate the actuarial process so that the board is continually aware of the actuarial consequences of the Company's financial results. This process, inter alia, ensures that the maintenance of regulatory minimum capital is constantly monitored.

The Company has developed a framework to identify the risks and quantify their impact on the economic capital. The framework estimates how much capital is required to reduce the risk of insolvency to a remote degree of probability. The framework has also been considered in assessing the capital requirement.

Insurance industry regulator measures the financial strength of non-life insurers using a solvency margin model. This test compares insurers' capital against the risk profile. Section 24 (1) of the Insurance Act, 2003 requires that an insurer shall in respect of its business other than its general insurance business, maintain at all times a margin of solvency being the excess of the value of its admissible assets in Nigeria over its liabilities in Nigeria. The solvency margin shall not be less than 15 percent of the gross premium income less reinsurance premiums paid out during the year under review or the minimum paid-up capital which ever is greater. During the year, the Company has complied with this capital requirement. The regulator has the authority to request more extensive reporting and can place restrictions on the operations of any entity in the Company if it falls below this requirement as deemed necessary.

The Company is required to maintain a minimum regulatory capital base of N3 billion by NAICOM as at 31 December 2023. The Company has complied with this requirement as the total capital base was N10 billion as at 31 December 2023. It is a risk-based capital measure that is intended to provide a reasonable confidence level that insurers will be able to meet their existing liabilities. This report indicate that the Company holds sufficient assets over liabilities to absorb any unforeseen circumstances and hence protect its solvency and the interests of the policyholders.

	31-Dec-24	31-Dec-23
	N'000	N'000
Maximum Regulatory Capital	3,000,000	3,000,000
Maximum authorized capital	3,000,000	3,000,000
Paid up share capital	10,000,000	10,000,000

Regulatory Framework on minimum capital requirement
The insurance industry regulator measures the financial strength of Non-life Insurers using a Solvency Margin model. The National Insurance Commission (NAICOM) generally expects Non-life insurers to comply with this capital adequacy requirement. Section 24 of the Insurance Act 2003 defines the solvency margin of a Non-life insurer as the difference between the admissible assets and liabilities, and this shall not be less than 15% of the net premium income (gross income less reinsurance premium paid), or the minimum capital base (₦3 billion) for Non-life business.

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

The key objectives of the Company's capital management programme are as follows:

(i) To maintain an optimal level of capital in the most cost efficient way. This is achieved through balancing the needs of the regulators and the policyholders;

(ii) To manage the levels of capital across the Company to keep them in line with the long term capital requirements of the Company;

(iii) That the level of capital reflects the Company's risk appetite;

(iv) To optimise the level of capital, the investment of capital and the future use of the capital for the benefits of all stakeholders; and

(iv) To ensure that there is sufficient capital available for profitable business growth.

NOTES TO THE FINANCIAL STATEMENTS

4.3.2 INSURANCE RISK

The risk in any insurance contract is the possibility of the insured event occurring and the uncertainty of the amount of the resulting claim. Because of the nature of an insurance contract, this risk is random and thus unpredictable.

The primary risk that the Company confronts under its insurance contracts is that actual claims and benefit payments exceed the carrying amount of the insurance obligations for a portfolio of insurance contracts where the theory of probability is used to pricing and provisioning. This might happen if the frequency or severity of claims and compensation is higher than expected. Insurance events are unpredictable, and the actual number and quantity of claims and payouts will differ from year to year compared to the level established using statistical methodologies.

According to past experience, the larger the portfolio of identical insurance contracts, the lower the relative unpredictability around the projected outcome. Furthermore, a more diverse portfolio is less likely to be impacted by a change in any subset of the portfolio. The company has created its insurance underwriting approach to diversify the types of insurance risks taken and to obtain a sufficiently broad population of risks within each of these categories to lessen the unpredictability of the expected outcome. A lack of risk diversification in terms of kind and quantity of risk is one of the factors that aggravates insurance risk. The nature and management of these hazards are summarized in this section.

4.3.2.1 Underwriting Risk

Underwriting risk relates mainly to the uncertainty that the insured event will occur. The nature of an insurance contract is that the timing and size of claims are uncertain and therefore unpredictable. These include; Aviation, Oil & Gas (Energy), Engineering, Fire, General Accident, Motor, Marine Cargo & Hull. Volatility may result from large concentrations of risk or from charging inadequate premiums relative to the severity or incidence of the risk accepted. Inadequate policy wording may fail to protect the insurer from claims that were not envisaged when the product was priced. Insurance events are random and the actual number and amount of underwriting benefits will vary from the best estimates established from statistical techniques and taking cognisance of past experience. The company manages these risks through its underwriting strategy, reinsurance arrangements and claims handling processes.

The following policies and practices are used by the Company as part of its underwriting strategy to mitigate underwriting risk:

(i) All insurance product additions and alterations are required to pass through the approvals framework that forms part of the governance process. The statutory actuary approves the financial soundness of new and revised products.

(ii) The Company's underwriting strategy aims to ensure that the underwriting risks are well diversified in terms of type (medical, occupational, financial) and amount of risk covered. Whilst this is difficult to measure at underwriting stage, the success or failure of the strategy may be measured by the historical stability of profits emerging from the book of business.

(iii) Premium rates are required to be certified by the statutory actuary as being financially sound, prior to issuance.

(v) The right to re-rate premiums is retained as far as possible, although this is limited by competitive pressure.

(vi) Investigations into claim experience are conducted at least half yearly to ensure that corrective action is taken where necessary.

4.3.2.2 Severity of claims

The company manages these risks through its underwriting strategy, adequate reinsurance arrangements and proactive claims handling and investigations. Underwriting limits are in place to enforce appropriate risk selection criteria. The reinsurance arrangements include treaty and excess of loss coverage, it helps to mitigate the company's risk of total net insurance losses, increases our underwriting capacity, reduces our exposures to catastrophic risk and gives us an opportunity of benefit from the reinsurers' expertise. The company has specialized claims departments that deal with the risk reduction associated with claims. All claims are investigated and adjusted by this unit. Individual claims are evaluated quarterly and amended to reflect the most recent information on the underlying facts, contractual terms and circumstances, and other considerations. To decrease its exposure to unpredictability, the company aggressively monitors and seeks early claim settlements.

NOTES TO THE FINANCIAL STATEMENTS

4.3.2.3 Concentration risks

The concentration of insurance risk before and after reinsurance by class of business in relation to the type of insurance risk accepted is summarised below, with reference to the carrying amount of the estimated insurance liabilities (gross and net of reinsurance) arising from insurance contracts:
An entity shall disclose information about concentrations of risk arising from contracts within the scope of IFRS 17, including a description of how the entity determines the concentrations, and a description of the shared characteristic that identifies each concentration (for example, the type of insured event, industry, geographical area, or currency).
Concentrations of financial risk might arise, for example, from interest-rate guarantees that come into effect at the same level for a large number of contracts.
Concentrations of financial risk might also arise from concentrations of nonfinancial risk; for example, if an entity provides product liability protection to pharmaceutical companies and also holds investments in those companies.

The company monitors concentrations of insurance risk by product and sector. An analysis of concentrations of insurance risk at 31 December 2024 and 2023 for premium received is set out below:

(a)	By Product	2024			2023		
		Insurance contracts issued	Reinsurance contracts held	Net	Insurance contracts issued	Reinsurance contracts held	Net
		N'000	N'000	N'000	N'000	N'000	N'000
	Aviation	234,801	-	234,801	296,835	37,145	259,690
	Bond	618,463	184,882	433,581	348,089	122,747	225,341
	Engineering	305,275	217,319	87,955	401,524	195,385	206,139
	Fire	1,242,607	678,196	564,411	657,836	247,664	410,172
	General Accident	625,779	526,782	98,996	519,588	181,277	338,311
	Motor	1,784,854	227,178	1,557,675	986,602	69,540	917,062
	Marine	693,566	383,757	309,809	314,543	169,538	145,005
	Oil and Gas	2,867,802	1,511,646	1,356,155	1,596,570	727,637	868,934
		8,373,146	**3,729,761**	**4,643,384**	**5,121,586**	**1,750,933**	**3,370,653**
		8,373,145	3,729,761.00				

(b)	By Sector	2024			2023		
		Insurance contracts issued	Reinsurance contracts held	Net	Insurance contracts issued	Reinsurance contracts held	Net
	Aviation and Transportation	414,801	-	414,801	476,835	37,145	439,690
	Energy	2,867,802	1,511,646	1,356,155	1,596,570	727,637	868,934
	Financial Services	1,278,634	501,255	777,379	757,409	174,468	582,940
	IT and Telecoms	1,388,231	544,220	844,011	822,330	189,423	632,907
	Manufacturing	1,533,811	713,153	820,658	812,269	354,188	458,080
	Retail	284,354	73,932	210,422	241,701	62,842	178,859
	Other Corprate Organizations	371,820	264,140	107,680	146,699	98,576	48,123
		8,139,453	**3,608,346**	**4,531,107**	**4,853,812**	**1,644,279**	**3,209,533**

4.3.2.4 Sources of uncertainty in the estimation of future claim payments.

Claims on non-life insurance contracts are payable on a claims-occurrence basis. The Company is liable for all insured events that occurred during the term of the contract. There are several variables that affect the amount and timing of cash flows from these contracts. These mainly relate to the inherent risks of the business activities carried out by individual contract holders and the risk management procedures adopted. The reserves held for these contracts comprises a provision for Incurred but not Reported (IBNR), a provision for reported claims not yet paid and a provision for unearned premiums at the end of the reporting period.

Reinsurance Agreements

Reinsurance is allowed for in the valuation by having gross and reinsurance ceded records in the policy files. For IFRS compliance purposes all reserves were reported gross of reinsurance, with the value of the reinsurance asset calculated and reported separately.

NOTES TO THE FINANCIAL STATEMENTS

4.3.2.5 Valuation methods

Heirs General Insurance Limited is faced with data limitation being its second year in operation, a statistical analysis could not be used in estimation of the claims reserve as at 31 December 2024 (i.e. using such methods as Chain Ladder and Bornhuetter Ferguson). This was mainly because the data provided was not sufficient to carry out full actuarial projection.

As a result, we applied a factor on the current incurred loss ratios based on industry and peer loss ratios to compute the Gross IBNR.

Overall, the approach taken to compute the IBNR is as summarised below.

A loss assumption, derived using this method earlier mentioned, was applied to this Gross Earned Premium for the last 1 year per class of business.

The claims paid and the LIC as at 31 December 2024 were then subtracted from this ultimate amount to come up with the Gross IBNR.

The net IBNR was then obtained by applying suitable 1-year recovery ratios per class of business.

4.3.2.5.1 Enterprise Risk Management

Culture and Philosophy
Our risk management philosophy and culture represent our shared values, purpose and practice of how we consider risk in our day-to-day operations across all levels. As insurers, we anticipate risks and in advance, respond proactively. We regard every one of our employees as a risk manager and we all take individual and collective ownership of the risk management responsibilities. We weigh the risk and reward inherent in our daily transactions and pursue those that support value creation to all stakeholders. We have zero tolerance for infractions of laws and regulations.

4.3.2.5.2 Operational Risk Management

(a) Operational risk

Operational Risk is the risk of loss resulting from inadequate and /or failed internal processes, people and systems or from external events, including legal risk and any other risks that is deemed fit on an ongoing basis but exclude reputation and strategic risk. Operational risk exists in all products and business activities. Operational risk is considered a critical risk faced by the Company.
The company proactively identifies, assesses and manages all operational risks by aligning the people, technology and processes with best risk management practices towards enhancing stakeholders' value and sustaining industry leadership. Operational risks are identified by the assessment covering risks facing each business unit and risks inherent in processes, activities and products.

Heirs General Insurance manages its exposure to operational and other non-financial risks using the operational risk management model which involves the process of identification, assessment, response and control, reporting and monitoring of risks. Risk Champions at business unit and operational levels are responsible for identifying operational risks which arise in their area of the business.

- To provide clear and consistent direction in all operations of the Company.
- To provide a standardized framework and appropriate guidelines for creating and managing all operational risk exposures.
- To enable the Company identify and analyze events (both internal and external) that impact on its business.
- To put in place sound disaster recovery plan and actions for the Company.

The techniques employed by the company in its measurements include the following: Risk Control Self Assessment (RCSA): Key Risk Indicators (KRIs) and the Risk Register. These tools have been quite useful in the identification, measurement and analyses of operational risk in the Company. These are subject to review from time to time.

Training and sensitization on operational risk is carried out on an ongoing basis across the company.

There was no significant operational risk incidence during the financial year.

NOTES TO THE FINANCIAL STATEMENTS

Models for risk collation and analysis are deployed across the organisation to identify and assess risks. The operational risk models assist the company in implementing risk policies as it relates to the following:

Loss Incident Reporting – Loss incidents are reported to Enterprise Risk Management team by all operational units within the company. All staff are encouraged to report operational risk events as they occur in their respective business spaces whether these risks crystallize into actual losses or not.

Risk and Control Self Assessments (RCSA) – This is a qualitative risk identification tool deployed across the company. All departments are required to complete the Risk Self-Assessment process at least once a year. A risk-based approach has been adopted for the frequency of RCSAs to be conducted in the company. These assessments enable risk profiling and risk mapping of prevalent operational risks company-wide. A detailed risk register classifying key risks identified and controls for implementation is also developed and maintained from this process.

Integrated Risk and Control System (IRCS) – This is a coordinated approach of assessing risk and control using a unified framework.

Objectives of Insurance Risk:
• Reduced functional redundancies between the 1st, 2nd and 3rd line of defence
• Reduced control over-laps/closure of control gaps using cost benefit approach as appropriate
• New and simplified approach to scope and assess risk and controls
• Transparent, consistent and integrated risk reporting to the Board
• A single repository of risk and control data accessible to all stakeholders (local, regional and group)
• One approach to conduct enterprise wide risk and control assessment

Qualitative judgment takes into account changes to legal/ regulatory environment, business model, products, political and economic environment, processes, systems or internal control system (internal and external factors). Top risks shall also cover emerging risks (forward looking approach)
Top Risk Assessment process includes:
• Analyze a potential list of top risks from research, internal/external loss data, climate change etc.
• Workshop facilitated and organized by the risk function, discussion, documentation of top risk description, evaluations, changes and rationales
• Identification and agreement of actions
• Sign-off by risk owner, Risk Committee, Board
• Tracking of key risk indicators (KRIs) and mitigating actions on quarterly basis
across the company. A comprehensive KRI dashboard is in place and it is supported by specific KRIs for key departments. Medium – High risk trends are reported in the monthly and quarterly operational risk status reports circulated to Management and key stakeholders.

Health and Safety procedures – The Company strive to entrench global best practices for ensuring the health and safety of all staff, customers and every visitor to the company's premises. A Health Safety & Environment policy which complies with international standard is implemented across the company to ensure the environment where the company operates is safe for everyone. Health related incidents are recorded company-wide for identification of causal factors and implementation of appropriate mitigants to forestall recurrence. As a result, fire drills are conducted and monitored. Training and sensitization on operational risk is carried out on an ongoing basis across the company. There was no material operational risk incidence during the financial year.

(b) Strategic risk

Strategic risk examines the impact of design and implementation of business models and decisions, on earnings and capital as well as the responsiveness to industry changes. This responsibility is taken seriously by the Board and Executive management of the Company and deliberate steps are taken to ensure that the right models are employed and appropriately communicated to all decision makers in the Company. The execution, processes and constant reviews ensures that strategic objectives are achieved. This has essentially driven the Company's sound Insurance culture and performance record to date.

(c) Legal risk

Legal risk is defined as the risk of loss due to defective contractual arrangements, legal liability (both criminal and civil) incurred during operations by the inability of the organisation to enforce its rights, or by failure to address identified concerns to the appropriate authorities where changes in the law are proposed.

NOTES TO THE FINANCIAL STATEMENTS

The Company manages this risk by monitoring new legislation, creating awareness of legislation amongst employees, identifying significant legal risks as well as assessing the potential impact of these.

Legal risks management in the Company is also being enhanced by appropriate product risk review and management of contractual obligations via well documented Service Level Agreements and other contractual documents.

The Company also has a team of well experienced professionals who handle legal issues across the Company.

(d) Reputational risk

It is recognised that the Company's reputation may suffer adversely due to bad publicity, non-compliance with regulatory rules and legislation, which may lead to a significant drop in new business and/or a significant increase in the number of lapses and/or withdrawals. The Company also strives to maintain quality customer services and procedures and business operations that enable compliance with regulatory rules and legislation in order to minimize the risk of a drop in the reputation of the Company. The Company did not record any issue with major reputational effect in the financial year.

(e) Regulatory risk

The Company manages the regulatory risk which it is potentially exposed to by monitoring new regulatory rules and applicable laws, and the identification of significant regulatory risks. The Company strives to maintain appropriate procedures, processes and policies that enable it to comply with applicable regulation.

The Company has continued to maintain zero tolerance posture for any regulatory breaches in all its area of operations. The strengthening of Compliance during the financial year has further enhanced the process of management of regulatory risk across the Company.

(f) Persistency risk

Persistency risk relates to the risk that policyholders may withdraw their benefits and terminate their contracts prior to the contractual maturity date of the contract. Expenses such as commission and acquisition expenses are largely incurred at the outset of the contract. These upfront costs are expected to be recouped over the term of a contract from fees and charges from the contract. Therefore, if the contract is terminated before the contractual date, expenses might not have been fully recovered, resulting in losses being incurred.

(g) Expense risk

There is a risk that the Company may experience a loss due to actual expenses being higher than those assumed when pricing and valuing policies. This may be due to inefficiencies, higher than expected inflation, lower than expected volumes of new business or higher than expected terminations resulting in smaller in-force policies. To manage this risk, the Company performs expense investigations annually and sets pricing and valuation assumptions to be in-line with the actual expenses experience, with allowance for inflation.

The Company's exposure to unexpected increases in the inflation rate is expected to be minimal due to the short-term nature of the business and their ability to review premium rates at renewals (typically on an annual basis).

(h) Business Volume Risk

There is a risk the Company may not sell sufficient volumes of new business to meet the expenses associated with distribution and administration. A significant portion of the new business acquisition costs are variable and relate directly to sales volumes.

(i) Capital Adequacy Risk

There is a risk that the capital held by the Company to back its insurance liabilities may prove to be inadequate on a regulatory solvency basis. This may then lead to intervention by the Regulator and may further lead to a fall in the reputation of the Company (see Reputational risk above for further details). At an extreme, the Regulator may require the Company not to write new businesses. This will have a further negative impact on the Company.

This risk is monitored and assessed by performing annual valuations on the insurance liabilities performed by an independent valuation actuary, calculating the Outstanding Claims Reported (OCR), Incurred But Not Reported (IBNR) and contingency reserve, monitoring any regulatory rules applying to the assets and the adequacy of the assets to back the liabilities and adopting an investment strategy which is aimed at investing in admissible assets and maintaining adequate capital. Refer to solvency margin sheet for computation.

In addition, sensitivity and scenario analysis are performed to assess the Company capital adequacy under various scenarios and to ensure that the Company will remain financially sound under some stressed economic conditions.

NOTES TO THE FINANCIAL STATEMENTS

(j) Model risk

There is a risk that the Company may suffer a loss if the model used to calculate the insurance liabilities does not project expected cash flows under the insurance contracts accurately. The expected cash flow projections may be inaccurate either due to the model itself being incorrect, inappropriate to the policies being valued or inaccurate and/or the underlying assumptions used in the model being inappropriate.

The Company makes use of an independent valuation actuary to value its liabilities. The models being used to value the liabilities are, therefore, not internal to the Company but belong to an external third party. The model risk underlying the use of third party models are addressed by:

· Regular actual versus expected cash flow investigations to assess the appropriateness of the external models; and

. Detailed investigations performed annually to ensure the integrity of the data used in the valuation process.

Sustainability Report

The Company is committed to sustainable development and the responsible stewardship of resources. This implies developing solutions that link economic success with social responsibility, which requires balancing short and long term goals and interests and integrating economic, environmental and social considerations into business decisions across the board.

The Environmental and Social Management System

Heirs General Insurance has incorporated the environment and social facets of risk management, as an ancillary function to mainstream insurance risk underwriting, we remain passionate and dedicated to managing the potential Environmental & Social risks of our business and applying the appropriate standards in the review of our business operations and those of our clients, as well as in our relationship with the communities in which we operate.

Our Environmental and Social risk management framework constitutes an integral part of our robust corporate governance, social responsibility and enterprise risk management strategies. Our obligation to uphold environmental and social sustainability considers the occupational and community health, safety and security concerns of the businesses we underwrite and advocates social responsiveness amongst our clients in relation to these risks. We are taking a more serious look at the environmental and social impacts and risks potentially associated with our business activities as we strive to retain our standards and the delicate balance between ensuring viable competitiveness and delivering on our corporate social responsibilities. This is evident in our constant improvement of the ESMS tools and processes we use to ensure that it continues to function efficiently and effectively, we put other identified E&S risk that emerge in the course of the year into consideration as well as ensure that changes in relevant environmental standards are reflected.

The management of E&S risks is governed by its Environmental & Social Management System (ESMS) framework- which consists of a policy, a set of procedures to identify, assess and manage environmental and social risks in our clients' operations and the assignment of administering such responsibility by the Enterprise Risk Management (ERM) unit

In addition, through our Environmental & Social Management System processes, we evaluate our clients' current capabilities in managing identified environmental & social risks that could arise in the cause of their business operations and we offer advisory services and also assist in developing E&S framework as value- added service.

The management of E&S risks is governed by its Environmental & Social Management System (ESMS) framework-this is a policy, set of procedures to identify, assess and manage environmental and social risks in our clients' operations and the assignment of administering such responsibility to the Enterprise Risk Management (ERM) unit. A significant contribution we are making to socioeconomic development is in creating awareness by training and building the capacity of our employees in the subject of sustainability .

The Company's Internal Control and Risk Management systems ensure that material errors or inconsistencies in the financial statements are identified and corrected. The Company's internal control framework is patterned after the Committee of Sponsoring Organizations of the Treadway Commission's (COSO) Framework.

NOTES TO THE FINANCIAL STATEMENTS

COSO defines internal control as "a process effected by an entity's Board of Directors, Management and other personnel, to provide reasonable assurance regarding the achievement of objectives" in three categories--effectiveness and efficiency of operations; reliability of financial reporting; and compliance with applicable laws and regulations. The scope of internal control therefore extends to policies, plans, procedures, processes, systems, activities, functions, projects, initiatives, and endeavors of all types at all levels of the Company.

The Internal Control and Risk Management systems comprise the following areas:
• Control Environment
• Risk Assessment
• Control Activities
• Information and Communication
• Monitoring

Control Environment

The Company's Senior Management has set up control structure to ensure control activities are defined at every business area. Examples of the Company's control activities include the following:

Top Management Reviews
• Internal Audit Reports eliciting control weaknesses are presented periodically to Management and Board Audit Committee.
• Preparation of financial statements on a monthly basis for Management review.
• Monthly and quarterly profitability review, where the Company's financial performance is reviewed and compared with set budgets.
• Quarterly reports of the Chief Risk Officer to the Board, eliciting the existing and potential risks facing the Company and the mitigants deployed

Activity Control
Control functions are embedded within each business area for self-checking of activities within the areas (for instance, transactions call over for timely detection of errors is carried out by all posting units).

Physical Controls
There are policies guiding access to the Company's physical and financial assets, access control, use of overrides etc.

Compliance with Limits
The Company sets internal limits guiding its trading book activities, liquidity and interest rate gaps, credit concentration limits. The limits are monitored on a daily basis by an independent unit outside the business areas.

Approval and Authorisation Limits

• There are segregation of duties; no officer can start and conclude transactions
• Limits exist for credit and expense approvals. Transactions are approved at appropriate levels.

Verifications and Reconciliations
All internal ledgers are regularly proofed and reconciled; exception reports are generated.

Whistle Blowing
The Company has instituted a strong whistle blowing culture among staff and also created awareness among its stakeholders. The whistle blowing platform is accessible to all and the aim is primarily to ensure that all cases of irregularities are made known and addressed by the Company.

Information and Communication/ Monitoring

The Company's Management understands the need for a timely, reliable and accurate information flow within the Company, for effective decision making and enhanced financial reporting. Every activity of the Company is codified in the Company's Standard Operating Procedure (SOP), which outlines the process flow and specifies the duties and responsibilities of every officer in relation to the activity. The SOP further highlights requirement for reporting, the frequency of reporting as well as those within the organization to whom the report would be directed to.

NOTES TO THE FINANCIAL STATEMENTS

The following are some of the generic internal reports used by Management for decision making and monitoring purposes:

- FINSTAT- Financial Statements Report
- MPR- Monthly Profitability Report
- BPR- Business Profitability Report
- ECR- Expense Control Report

Regulatory Requirements under IFRS Regime

The insurance sector in Nigeria adopted the International Financial Reporting Standards (IFRS) on January 01, 2012, as part of a measure to improve reporting practices, transparency, and disclosure in line with international best practices in the sector. The National Insurance Commission has issued a roadmap for the adoption of IFRS 17 insurance contracts for the insurance industry in Nigeria. This includes the performance of gap analysis and impact assessment, design desired state and develop new architecture, implementation of new process and system, review and adoption of IFRS 17.

The Company adheres to this regulation in its totality as the Company's system and processes are designed to recognize only covers for which premium has been received. Where we have receivable within the provision of the guidelines in the case of Brokers, other Insurance Companies and Reinsurers, we keep such in our books in line with the prescribed duration of 30 days and ensure credit notes are received.

NOTES TO THE FINANCIAL STATEMENTS

6 Maturity analysis (contractual undiscounted cashflow basis)

The table below analyses the Company's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Undiscounted contractual cash flows- 31-Dec-2024						
	Carrying amount	**Gross nominal**	**0 - 3 months**	**3 - 6 months**	**6 - 12 months**	**1 - 5 years**	**>5 year**
	N'000	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**
Other technical liabilities	70,191	70,191	70,191	-	-	-	-
Other payables and accruals	353,277	353,277	353,277	-	-	-	-
Total financial liabilities	**423,467**	**423,467**	**423,467**	**-**	**-**	**-**	**-**
Cash and cash equivalents	3,750,181	3,750,181	3,750,181	-	-	-	-
Financial assets at amortised cost	6,324,603	6,343,171	1,032,376	5,301,140	9,655	-	-
Financial assets at fair value through	8,438,278	8,438,278		835,386	7,602,892	-	-
Trade receivables	1,076,250	1,076,250	1,076,250	-	-	-	-
Other receivables	257,364	259,748	104,281	14,971	19,181	121,315	-
Statutory deposit	1,000,000	1,000,000	-	-	-	-	1,000,000
Total financial assets	**20,846,675**	**20,867,628**	**5,963,088**	**6,151,497**	**7,631,728**	**121,314**	**1,000,000**
Net financial assets	**20,423,208**	**20,444,161**	**5,539,621**	**6,151,497**	**7,631,728**	**121,314**	**1,000,000**

	Undiscounted contractual cash flows- 31-Dec-2023						
	Carrying amount	**Gross nominal**	**0 - 3 months**	**3 - 6 months**	**6 - 12 months**	**1 - 5 years**	**>5 year**
	N'000	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**
Other technical liabilities	6,003	6,003	6,003	-	-		-
Other payables and accruals	195,078	195,078	195,078	-	-	-	-
Total financial liabilities	**201,081**	**201,081**	**201,081**	**-**	**-**	**-**	**-**
Cash and cash equivalents	1,466,208	1,469,395	1,469,395	-		-	-
Financial assets at amortised cost	327,769	330,571	-	111,531	219,040	-	
Financial assets at fair value through profit or loss	11,232,385	11,232,385	-	-	-	11,232,385	-
Trade receivables	687,423	687,423	687,423	-	-	-	-
Other receivables	156,800	157,391	-	6,005	23,776	127,609	-
Statutory deposit	1,000,000	1,000,000	-	-	-	-	1,000,000
Total financial assets	**14,870,585**	**14,877,165**	**2,156,818**	**117,536**	**242,816**	**11,359,994**	**1,000,000**
Net financial assets	**14,669,505**	**14,676,086**	**1,955,738**	**117,536**	**242,816**	**11,359,994**	**1,000,000**

NOTES TO THE FINANCIAL STATEMENTS

		31 December 2024	31 December 2023
		N'000	N'000
7	***Cash and cash equivalents***		
	Cash & bank balances - Local	712,425	406,340
	Cash & bank balances - Domiciliary	3,037,756	479,735
	*Placements with banks**	-	583,320
	Provision for expected credit losses (ECL) allowance	-	(3,187)
		3,750,181	**1,466,208**

**There was no placement within 90 days, hence ECL was reveresed/written back*
**During the year a total of NGN 144,456,647 was realised from interest income from investment within 90 days*

**A total of NGN 864,047,810 was realised as exchange gain from domicillary bank account*

		31 December 2024	31 December 2023
7b	***Cash and cash equivalents***		
	Current Asset	3,750,181	1,466,208
	Non Current	-	-
7c	*For cashflow purposes, cash and cash equivalents includes:*		
	Cash & bank balances - Local	712,425	406,340
	Cash & bank balances - Domiciliary	3,037,756	479,735
	*Placements with banks**	-	583,320
		3,750,181	**1,469,395**
8	***Financial Assets - FVTPL***		
	Financial Assets carried at fair value through profit or loss (FVTPL)	8,438,278	11,232,385
		8,438,278	**11,232,385**
8a(i)	***Financial Assets - FVTPL***		
	Eurobond (FGN)	835,386	11,232,385
	Treasury Bill (FGN)	4,626,765	-
	Equity (UBA)	2,921,280	-
	Equity (GTBank)	54,847	-
		8,438,278	**11,232,385**
9	**Financial Assets - Amortized Cost**		
	Gross amount	6,343,173	330,571
	Provision for expected credit losses (ECL) allowance (See note 9a(iii)	(18,570)	(2,802)
	Closing balance	**6,324,603**	**327,769**
	Investment carried at amortised cost are placements in financial instituitions above 90days		
9a(i)	***Investments carried at amortised cost***		
	Financial Institutions		
	Ecobank	2,105,652	
	FCMB	293,960	
	Providus	106,458	
	Access Bank	15,764	
	UCAP Asset	2,009,412	330,571
	UCAP Wealth MGT	1,811,925	
	Provision for expected credit losses (ECL) allowance (See note 9a(i))	(18,570)	(2,802)
	Closing balance	**6,324,602**	**327,769**
9a (ii)	*Movement in expected credit losses(ECL) on Cash & Cash equivalent*		
	Opening balance	(3,187)	-
	Charge during the period		(3,187)
	Reversal/Write back during the period	3,187	
	Closing balance	**-**	**(3,187)**
9a (iii)	*Movement in expected credit losses(ECL) on investment at amortised cost*	**Stage 1**	
	Opening balance	(2,802)	(6,851)
	Charge during the period	(15,768)	4,049
	Closing balance	**(18,570)**	**(2,802)**

NOTES TO THE FINANCIAL STATEMENTS

		31 December 2024	31 December 2023
		N'000	N'000
9a (iv)	*Investment at amortised cost below 90 days*	-	300,857
	Investment at amortised cost above 90 days	6,324,603	(754,110)
		6,324,603	**(453,254)**

9b ***Movement in Financial Assets during the year***

Movement in Financial Assets	**FVTPL**	**Amortised Cost**	**Total**
As at 31st December 2024	**N'000**	**N'000**	**N'000**
Opening balance	11,232,385	330,571	11,562,956
Additions	10,691,432	18,750,209	29,441,641
Accrued Interest	4,928	287,680	292,608
Interest received into account	131,880	881,403	1,013,283
Disposal/Maturities	(14,298,283)	(16,873,238)	(31,171,521)
Fair value changes	336,136	-	336,136
Exchange gain	339,800	2,966,547	3,306,347
	8,438,278	**6,343,173**	**14,781,451**
Provision for ECL allowance			
Opening balance	-	(2,802)	(2,802)
charge for the year	-	(15,768)	(15,768)
Closing balance	**8,438,278**	**6,324,603**	**14,762,881**

Movement in Financial Assets	**FVTPL**	**Amortised Cost**	**Total**
As at 31st December 2023	**N'000**	**N'000**	**N'000**
Opening balance	7,374,165	1,111,593	8,485,758
Additions	10,947,537	17,101,755	28,049,292
Accrued Interest	14,381	1,137,038	1,151,419
Interest received into account		(1,122,267)	(1,122,267)
Disposal/Maturities	(7,374,165)	(19,493,837)	(26,868,002)
Fair value changes	270,467		270,467
Exchange gain		1,596,289	1,596,289
	11,232,385	**330,571**	**11,562,956**
Provision for ECL allowance	-	(2,802)	(2,802)
Closing balance	**11,232,385**	**327,769**	**11,560,154**

		31 December 2024	31 December 2023
10	***Trade receivables***	**N'000**	**N'000**
	Due from brokers	1,076,250	687,424
	Due from insurance companies	-	-
	Due from policyholders	-	-
	Due from broker for management fees on coninsurance	-	-
	Total	**1,076,250**	**687,424**

		31 December 2024		31 December 2023	
10b	***Age analysis of premium receivable***	***Policy Count***	**N'000**	***Policy Count***	**N'000**
	Within 14 days	*50*	250,378	*123*	169,740
	Within 15-30 days	*340*	825,872	*289*	517,684
	Within 31-90 days				
	Within 91-180 days				
	Above 180 days				
		390	**1,076,250**	**412**	**687,424**

	31 December 2024	31 December 2023
Movement on premium receivables	**N'000**	**N'000**
Opening balance	687,424	1,374,117
Gross written premium during the year	16,968,669	11,963,281
Premium deposit received in the previous period	(6,003)	(225)
Effect of FX on premium receivables	7,671	19,121
Premium received during the year	(16,581,509)	(12,668,870)
Balance as at 31st December (IFRS17)	**1,076,250**	**687,424**

Trade receivables represent premium receivable due from brokers which are within 30 days in line with the NAICOM guidelines

NOTES TO THE FINANCIAL STATEMENTS

		31 December 2024	31 December 2023
		N'000	N'000
11	***Reinsurance contract Assets***		
	Reinsurance Contract Assets (excluding insurance acquisition cashflows assets and other pre-recognition cash flows)	3,940,967	8006960
	Reinsurance deferred acquistion income cashflow	(211,206)	(258,105)
	Other prerecognition cash flow	-	-
	Reinsurance payable	-	-
		3,729,761	**7,748,855**
11a	***Reinsurance contract Assets***		
	Asset for Remaining Coverage (ARC)		
	Excluding loss component	823,480	580,115
	Loss component	-	-
		823,480	**580,115**
	Asset for Incurred claims (AIC)		
	Estimate of present value of future cash flows	2,741,775	1,105,055
	Risk adjustment for non-financial risk	164,506	65,763
		2,906,281	**1,170,818**
	Reinsurance Contract Assets - ARC+AIC	**3,729,761**	**1,750,933**
	M&D Reinsurance Premium	**27,969**	**17,923**

* Deposit of M&D is reclassified from reinsurance contract assets to other receivables and prepayment in current year in order to reflect only reinsurance contracts that relates to the reporting year.

*Refer to Note 37 for the reinsurance contract assets per portfolio

11a Reconciliation of the asset for remaining coverage and the asset for incurred claims (Entity Level)

The following table shows the reconciliation from the opening to the closing balances of the net asset for the remaining coverage and the assets for incurred claims recoverable from reinsurance contract assets for the Company. The coverage period of reinsurance contracts held for insurance contracts issued by the Company under the general business have either a coverage period of one year or less.

31 December 2024	**Asset for Remaining Coverage**		**Asset for Incurred claims**		
	Excl. Loss Recovery Component	Loss Recovery Component	Estimates of Present Value of Future Cash Flows	Risk Adjustment for Non-financial risk	**Total**
	N'000	**N'000**	**N'000**	**N'000**	**N'000**
Opening Reinsurance Contract Liabilities	-	-	-	-	-
Opening Reinsurance Contract Assets	580,115	-	1,105,055	65,763	1,750,933
Net opening balance	**580,115**	**-**	**1,105,055**	**65,763**	**1,750,933**
Allocation of reinsurance premuims paid	**4,106,309**	**-**	**-**	**-**	**4,106,309**
Opening prepaid M&D reinsurance					**-**
Amount Recovered from reinsurer					
Recoveries on incurred claims	-	-	2,412,464	144,686	2,557,151
Other incurred reinsurance service expenses	-	-	-	-	-
Changes in expected recoveries on past claims	-	-	(512,760)	(54,281)	(567,041)
Changes in the loss recovery component	-	-	-	-	-
Reinsurance Service expenses	**-**	**-**	**1,899,704**	**90,406**	**1,990,110**
Net expenses from Reinsurance Contracts Held	**4,106,309**	**-**	**(1,899,704)**	**(90,406)**	**2,116,200**
Insurance Finance Income or Expense					
Net finance expenses from RCH	-	-	213,189	(8,338)	204,851
Effect of movements in exchange rates	-	-	(627,079)	-	(627,079)
Total amounts recognised in comprehensive income	**4,106,309**	**-**	**(2,313,594)**	**(98,744)**	**1,693,971**
Cash flows					
Commissions received	-	-	-	-	-
Claims recovered	-	-	(676,874)	-	(676,874)
Premiums paid	4,331,752	-	-	-	4,331,752
Total cash flows	**4,331,752**	**-**	**(676,874)**	**-**	**3,654,877**
Outstanding amounts transferred to LIC at end of cover	-	-	-	-	**-**
Items reported in the SOFP (Non cashflow items)					
M&D premium paid in the previous period	17,923				17,923
Net closing balance	**823,480**	**-**	**2,741,775**	**164,506**	**3,729,761**
Closing Reinsurance Contract Liabilities	-	-	-	-	-
Closing Reinsurance Contract Assets	823,480	-	2,741,775	164,506	3,729,761
Net closing balance	**823,480**	**-**	**2,741,775**	**164,506**	**3,729,761**

31 December 2023	**Asset for Remaining Coverage**		**Asset for Incurred claims**		
	Excl. Loss Recovery Component	Loss Recovery Component	Estimates of Present Value of Future Cash Flows	Risk Adjustment for Non-financial risk	**Total**
	N'000	**N'000**	**N'000**	**N'000**	**N'000**
Opening Reinsurance Contract Liabilities	-	-	-	-	-
Opening Reinsurance Contract Assets	607,527	-	523,968	31,438	1,162,933
Net opening balance	**607,527**	**-**	**523,968**	**31,438**	**1,162,933**
Allocation of reinsurance premuims paid	**(6,543,538)**	**-**	**-**	**-**	**(6,543,538)**
Opening prepaid M&D reinsurance					**16,413**
Amount Recovered from reinsurer					
Recoveries on incurred claims and other incurred reinsurance serv	-	-	1,116,548	65,763	1,182,311
Changes in expected recoveries on past claims	-	-	(546,912)	(34,043)	(580,955)
Changes in the loss recovery component	-	-	-	-	-
Reinsurance Service expenses	**-**	**-**	**569,636**	**31,720**	**601,356**
Net expenses from Reinsurance Contracts Held	**(6,543,538)**	**-**	**569,636**	**31,720**	**(5,942,182)**
Insurance Finance Income or Expense					
Net finance expenses from RCH	-	-	9,876	2,605	12,481
Effect of movements in exchange rates	39,634	-	99,689	-	139,323
Total amounts recognised in comprehensive income	**(6,503,904)**	**-**	**679,200**	**34,325**	**(5,790,379)**
Cash flows					
Commissions received	-	-	-	-	-
Claims recovered	-	-	(98,114)	-	(98,114)
Premiums paid	6,460,078	-	-	-	6,460,078
Total cash flows	**6,460,078**	**-**	**(98,114)**	**-**	**6,361,965**
Net closing balance	**563,701**	**-**	**1,105,055**	**65,763**	**1,750,933**
Closing Reinsurance Contract Liabilities	(0)	-	-	-	(0)
Closing Reinsurance Contract Assets	580,115	-	1,105,055	65,763	1,750,933
Net closing balance	**580,115**	**-**	**1,105,055**	**65,763**	**1,750,933**
Check		-	(0.00)	-	(0.00)

***Refer to Note 37B for the reconciliation per portfolio**

NOTES TO THE FINANCIAL STATEMENTS

		31 December 2024 N'000	31 December 2023 N'000
12	***Other receivables & prepayments***		
	Prepayments	384,839	94,853
	Staff Loan	160,826	146,735
	Shared service and others	148,364	20,462
	M&D Premium	27,969	
	Allowance for impairment on other receivables	(2,385)	(591)
		719,613	**261,460**
	Prepayment		
	Prepaid rent	13,363	1,911
	Prepaid IT expenses	319,982	89,452
	Health insurance	51,495	836
	Closing balance	**384,840**	**92,199**

** Prepayments consist of prepaid rent, prepaid IT expenses and health insurance*

		31 December 2024 N'000	31 December 2023 N'000
	Staff loan		
	Opening Balance	146,735	70,255
	Addition	161,564	139,090
	Recovered	(147,474)	(62,610)
	Closing balance	**160,825**	**146,735**
	Shared service and others		
	Heirs life (Shared service salaries) - IT Dept.	62,131	10,656
	Heirs life (Shared service salaries) - Customer Service Dept.	32,465	-
	Cash advance	4,327	-
	Withholding Tax credit notes	21,770	9,806
	NIID Deposit - Nigeria Insurance Industry Database (Motor Insurance)	27,671	
	Closing balance	**148,364**	**20,462**

*** Other receivables consist of withholding tax credit notes, balances due from Heirs Life Assurance and cash advances*

		31 December 2024 N'000	31 December 2023 N'000
12a	***Movement in ECL on Other receivable***		
	Opening balance	*591*	*42*
	Charge during the year	*1,794*	*591*
	Reversal during the year		
	Write-off during the year		
	Closing balance	**2,385**	**591**

		Buildings	
13	***Right of use asset***		
	Opening balance	876,630	876,630
	Addition to Right of use	449,247	-
	Balance as at 31 December	**1,325,877**	**876,630**

Additions to right of use and payment relate to newly leased properities during the year.

	Accumulated depreciation		
	Opening balance	(277,237)	(178,813)
	Charge for the year	(134,800)	(98,424)
	Balance as at 31 December	**(412,037)**	**(277,237)**
	Carrying amount:		
	Opening balance	599,393	697,816
	Balance as at 31 December	**913,840**	**599,393**
	Non current	**913,840**	**599,393**

NOTES TO THE FINANCIAL STATEMENTS

	31 December 2024 N'000	31 December 2023 N'000
14 Statutory deposits		
Deposits with CBN	**1,000,000**	**1,000,000**
Current	1,000,000	1,000,000

This represents amounts deposited with the Central Bank of Nigeria (CBN) pursuant to the Insurance Act. The deposits are not available for use by the Company in the normal course of day to day business. As required in the insurance Act, N4Billion was refunded to the company leaving N1billion representing 10% of the paid up share capital

NOTES TO THE FINANCIAL STATEMENTS

15 *Property and equipment*

Cost:	*Motor vehicles*	*Computer Equipment*	*Office Furniture & Fittings*	*Office Equipment*	*Total*
	N'000	*N'000*	*N'000*	*N'000*	*N'000*
Opening balance	*279,749*	*96,966*	*256,632*	*56,171*	*689,517*
Additions during the year	*285,100*	*58,560*	*7,141*	*8,075*	*358,875*
Disposal during the year	*(25,500)*	*-*	*-*	*-*	*(25,500)*
Balance as at 31 Dec 2024	***539,349***	***155,525***	***263,773***	***64,246***	***1,022,892***

**During the year a transfer of advance payment for furnitiure and fittings in prepayment was made to Property and equipment when it was ready for use.*

Accumulated Depreciation:					
Opening balance	*82,908*	*42,243*	*76,978*	*15,893*	*218,022*
Charge for the year	*94,987*	*25,886*	*52,244*	*10,366*	*183,483*
Disposal during the year	*(1,731)*	*-*	*-*	*-*	*(1,731)*
Balance as at 31 Dec 2024	***176,164***	***68,129***	***129,222***	***26,259***	***399,774***
Carrying Amount:					
Opening balance	***196,841***	***54,723***	***179,654***	***40,278***	***471,495***
Balance as at 31 Dec 2024	***363,185***	***87,397***	***134,551***	***37,987***	***623,119***

Cost:	*Motor vehicles*	*Computer Equipment*	*Office Furniture &*	*Office Equipment*	*Total*
	N'000	*N'000*	*N'000*	*N'000*	*N'000*
Opening balance	*123,849*	*71,357*	*169,443*	*26,823*	*391,472*
Additions during the year	*155,900*	*25,609*	*87,189*	*29,348*	*298,045*
Transfers during the year		*-*		*-*	*-*
Balance as at 31 Dec 2023	***279,749***	***96,966***	***256,632***	***56,171***	***689,517***
Accumulated Depreciation:					
Opening balance	*32,638*	*22,972*	*37,752*	*9,245*	*102,607*
Charge for the year	*50,270*	*19,271*	*39,227*	*6,648*	*115,415*
Balance as at 31 Dec 2023	***82,908***	***42,243***	***76,978***	***15,893***	***218,022***
Carrying Amount:	*91,211*	*48,385*	*131,692*	*17,578*	*288,865*
Balance as at 31 Dec 2023	***196,841***	***54,723***	***179,654***	***40,278***	***471,495***

16 *Intangible assets*

	31st December 2024			***31st December 2023***		
	Software	***Work in progress***	***Total***	***Software***	***Work in progress***	***Total***
Period	***N'000***	***N'000***	***N'000***	***N'000***	***N'000***	***N'000***
Opening balance	*452,436*	*12,390*	*464,826*	*405,085*	*-*	*405,085*
Additions during the year	*7,575*		*7,575*	*47,350*	*12,390*	*59,740*
Balance as at 31 Dec 2024	***460,011***	***12,390***	***472,401***	***452,436***	***12,390***	***464,826***
Accumulated Amortisation						
Opening balance	*173,427*	*-*	*173,427*	*85,019*	*-*	*85,019*
Charge for the year	*91,673*	*-*	*91,673*	*88,409*	*-*	*88,409*
Balance as at 31 Dec 2024	***265,100***	***-***	***265,100***	***173,427***	***-***	***173,427***
Carrying Amount:						
Opening balance	***279,009***	***12,390***	***291,399***	***320,066***	***-***	***320,066***
Closing balance	***194,911***	***12,390***	***207,301***	***279,009***	***12,390***	***291,399***

	31 December 2024	**31 December 2023**
	N'000	**N'000**
17 *Insurance Contract Liabilities*		
Liability for Remaining Coverage		
Excluding loss component	4,726,033	2,610,088
Loss component	-	-
	4,726,033	***2,610,088***
Liability for Incurred Claims		
Estimate of present value of future cash flows	3,440,672	2,370,135
Risk adjustment for non-financial risk	206,440	141,362
	3,647,112	***2,511,498***
Insurance Contract Assets - LRC+LIC	**8,373,145**	**5,121,586**
Current	4,726,033	1,521,004
Non- Current	3,647,112	3,600,582
Total insurance contract liabilities	**8,373,145**	**5,121,586**

***Refer to Note 37 for the insurance contract liabilities per portfolio**

17aa Reconciliation of the liability for remaining coverage and the liability for incurred claims (Entity Level)

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 under general business measured under PAA. As discussed in Note 3.1.7, the coverage period for the insurance contracts issued by the Company have coverage periods of one year or less or a coverage period of more than one year but have been assessed as qualifying for measurement under PAA.

31-Dec-2024	**Liabilities for Remaining Coverage**		**Liabilities for Incurred claims**		**Total**
	Excluding Loss component	Loss Component	Estimates of Present Value of Future cashflows	Risk Adjustment for Non Financial Risks	
	N'000	**N'000**	**N'000**	**N'000**	**N'000**
Opening Insurance Contract Liabilities	2,610,088	-	2,370,135	141,362	5,121,586
Opening Insurance Contract Assets	-	-	-	-	-
Net opening balance	**2,610,088**	**-**	**2,370,135**	**141,362**	**5,121,586**
Changes in the statement of profit or loss and OCI					
Insurance revenue					
Contracts under the modified retrospective approach	-	-	-	-	0
Contracts under the fair value approach	-	-	-	-	-
Other contracts	(14,324,901)	-	-	-	(14,324,901)
Total Insurance revenue - All Transition Methods	**(14,324,901)**	**-**	**-**	**-**	**(14,324,901)**
Insurance Service expenses					
Incurred claims	-	-	3,173,460	206,440	3,379,901
Other directly attributable expenses	-	-	-	-	-
Changes that relate to past service - adjustments to the LIC	-	-	1,503,949	(159,286)	1,344,663
Losses on onerous contracts and reversal of those losses	-	-	-	-	-
Insurance acquisition cashflows amortisation	3,503,398	-	-	-	3,503,398
Insurance Service expenses	**3,503,398**	**-**	**4,677,409**	**47,154**	**8,227,962**
Insurance Service result	**(10,821,503)**	**-**	**4,677,409**	**47,154**	**(6,096,940)**
Insurance Finance Income or Expense					
The effect of and changes in time value of money and financial risk	-	-	(169,893)	17,924	(151,970)
Foreign exchange differences on changes in the carrying amount of groups of insurance contracts	-	-	671,238	-	671,238
Total amounts recognised in comprehensive income	**(10,821,503)**	**-**	**5,178,754**	**65,078**	**(5,577,671)**
Investment components	**-**	**-**	**-**	**-**	**-**
Cash flows					
Premiums received	16,581,509	-	-	-	16,581,509
Other directly attributable expense paid					
Claims expense paid	-	-	(4,108,218)	-	(4,108,218)
Insurance acquisition cashflows deducted	(4,031,220)	-	-	-	(4,031,220)
Total cash flows	**12,550,288**	**-**	**(4,108,218)**	**-**	**8,442,070**
Items reported in the SOFP (Non cash flow items)					
Premium deposit received in the previous period relatig to insurance contract initially recognised during the year 2/3	6,003				6,003
Effect of foreign exchange loss on premium receivables as at 31st December	(7,671)				(7,671)
Impact of premium receivable on insurance contract issued	388,828				388,828
Total non cash flow items	**387,160**				**387,160**
Outstanding amounts transferred to LIC at end of cover	-	-	-	-	-
Net closing balance	**4,726,033**	**-**	**3,440,671**	**206,440**	**8,373,145**
Closing Insurance Contract Liabilities	4,726,033	-	3,440,672	206,440	8,373,145
Closing Insurance Contract Assets	-	-	-	-	-
Net closing balance	**4,726,033**	**-**	**3,440,672**	**206,440**	**8,373,145**

31-Dec-2023		**Aggregated**			-
	Liabilities for Remaining Coverage		**Liabilities for Incurred claims**		**Total**
	Excluding Loss component	Loss Component	Estimates of Present Value of Future cashflows	Risk Adjustment for Non Financial Risks	
	N'000	**N'000**	**N'000**	**N'000**	**N'000**
Opening Insurance Contract Liabilities	2,585,612	-	1,084,061	64,872	3,734,545
Opening Insurance Contract Assets	-	-	-	-	-
Net opening balance	**2,585,612**	**-**	**1,084,061**	**64,872**	**3,734,545**
Changes in the statement of profit or loss and OCI					
Insurance revenue					
Contracts under the modified retrospective approach	-	-	-	-	0
Contracts under the fair value approach	-	-	-	-	-
Other contracts	(12,059,642)	-	-	-	(12,059,642)
Total Insurance revenue - All Transition Methods	**(12,059,642)**	**-**	**-**	**-**	**(12,059,642)**
Insurance Service expenses					
Incurred claims	-	-	3,456,598	141,362	3,597,960
Other directly attributable expenses					
Changes that relate to past service - adjustments to the LIC	-	-	(1,131,405)	(70,247)	(1,201,652)
Losses on onerous contracts and reversal of those losses	-	-	-	-	-
Insurance acquisition cashflows amortisation	2,764,815	-	-	-	2,764,815
Insurance Service expenses	**2,764,815**	**-**	**2,325,192**	**71,115**	**5,161,122**
Insurance Service result	**(9,294,828)**	**-**	**2,325,192**	**71,115**	**(6,898,520)**
Insurance Finance Income or Expense					
The effect of and changes in time value of money and financial risk	-	-	20,619	5,375	25,994
Foreign exchange differences on changes in the carrying amount of groups of insurance contracts	109,078	-	181,589	-	290,667
Total amounts recognised in comprehensive income	**(9,185,750)**	**-**	**2,527,400**	**76,490**	**(6,581,859)**
Investment components	**-**	**-**	**-**	**-**	**-**
Cash flows					
Premiums received	11,963,281	-	-	-	11,963,281
Claims and other directly attributable expenses paid	-	-	(1,241,327)	-	(1,241,327)
Insurance acquisition cashflows deducted	(2,753,056)	-	-	-	(2,753,056)
Total cash flows	**9,210,226**	**-**	**(1,241,327)**	**-**	**7,968,899**
Outstanding amounts transferred to LIC at end of cover	-	-	-	-	**-**
Net closing balance	**2,610,088**	**-**	**2,370,135**	**141,362**	**5,121,585**
Closing Insurance Contract Liabilities	2,610,088	-	2,370,135	141,362	5,121,586
Closing Insurance Contract Assets	0	-	-	-	0
Net closing balance	**2,610,088**	**-**	**2,370,135**	**141,362**	**5,121,586**

***Refer to Note 37A for the reconciliation per portfolio**

AGE ANALYSIS OF OUTSTANDING CLAIMS AS AT 31ST DEC 2024

Note17b

S/N	Days	No of Claimants	Amount
1	0-90 days	160	496,398,399
2	91-180 days	113	319,772,538
3	181-270 days	61	76,740,063
4	271-365 days	74	237,511,884
5	Above 365 days	342	2,310,249,534
	TOTAL	**750**	**3,440,672,418**

Reasons	***0 - 90 days***		***91 - 180 days***		***181 - 270 days***		***271 - 365 days***		***Above 365 days***		***Total***	
	Qty	***N***	***Qty***	***N***	***Qty***	***N***	***Qty***	***N***	***Qty***	***N***	***Qty***	***N***
Discharge Voucher signed and retured to policy holder	-	-	-	-	-	-	-	-	-	-	-	-
Discharge Voucher not yet signed	9	3,508,312	3	44,985,621	3	6,613,665	1	42,642,000	1	93,650	17	67,843,248
Claim reported but incomplete documentation	148	491,465,087	108	272,206,917	58	74,459,279	71	189,844,884	316	2,289,955,884	701	3,297,265,863
claim reported but being adjusted							1	5,000,000	3	5,500,000	4	10,500,000
claim repudiated	-	-	-	-	-	-	-	-	-	-	***10***	***29,660,000***
Awaiting adjuster's final report	1	900,000	1	2,000,000							2	2,900,000
Litigation Awarded	-	-	-	-	-	-	-	-	-	-	-	-
Awaiting Lead Insurer Instruction	1	25,000					1	25,000	22	14,700,000	24	14,750,000
Third Party Liability Outstanding	-	-	-	-	-	-	-	-	-	-	-	-
Adjuster Fee payable	1	500,000	1	580,000							2	1,080,000
Etc.	-	-	-	-	-	-	-	-	-	-	-	-
Total	***160***	***496,398,399***	***113***	***319,772,538***	***61***	***76,740,063***	***74***	***237,511,884***	***342***	***2,310,249,534***	***760***	***3,423,999,111***

NOTES TO THE FINANCIAL STATEMENTS

		31 December 2024 N'000	31 December 2023 N'000
18	**Trade payables**		
	Prepaid premium	70,191	6,003
		70,191	***6,003***
19	***Provision & other payables***		
	Audit fees	*46,645*	*35,820*
	Actuarial fees	*16,600*	*8,000*
	Withholding Tax	*11,571*	*3,289*
	Value Added Tax	*18,646*	*41*
	NAICOM levy	*176,976*	*107,173*
	Staff payables	*2,246*	*405*
	PAYE and Pension	*4,744*	*24,384*
	ITF	*16,902*	*10,136*
	NSITF and NHF	*1,088*	*2,425*
	*Other payables**	*57,859*	*3,404*
		353,277	***195,078***
	Current	***353,277***	***195,078***

**Other payable consist of accrued expenses payable to vendors on IT, administrative and other office expenses*

		31 December 2024 N'000	31 December 2023 N'000
20	***Lease liability***		
	Opening balance	*469,644*	*418,539*
	Additions during the period	*450,000*	*-*
	Interest expense on lease for the period	*63,799*	*51,105*
	Lease payment	*(186,614)*	*-*
	Balance as at 31 Dec 2024	***797,418***	***469,644***
20a	***Amounts recognised in statement of profit or loss***		
	Depreciation on Right of use	*(134,801)*	*(98,424)*
	Interest expense on Lease liability	*63,799*	*(51,105)*
20b	***Maturity analysis of lease liability***		
	Within 12 months	*488,414*	*34,881*
	After 12 months	*309,004*	*434,763*
	Lease liability	***797,418***	***469,644***

21 *Income taxes*

Income tax based on the taxable profit/loss for the year		*(347,731)*	*(24,121)*
Deferred tax charge/ (credit) recognised in profit or loss	*see note 21b*	*(326,190)*	*(259,476)*
Income tax expense for the year		***(673,921)***	***(283,597)***

21a *Current Tax Liabilities*

Balance at 1 January	*24,121*	*5,019*
Income tax expense	*347,731*	*24,121*
Payment during the year	*(25,339)*	*(5,019)*
Balance as at 31 December	***346,512***	***24,121***

The following rates where applied to arrived at the tax for the 2024 YOA

Company Income Tax	*(194,313)*	**-**
NITD Levy @ 1% of PBT	*(49,002)*	***(24,007)***
Police Trust Fund @ 0.005% of PBT	*(245)*	***(120)***
Tertiary Education tax (TEF) @ 3%	*(104,171)*	
Deffered tax	*(326,190)*	
	(673,922)	***(24,127)***

21b *Deferred Taxation*

Movement in deferred tax liability during the year

Balance at 1 January	*259,476*	*-*
Recognized during the year	*326,190*	*259,476*
Balance as at 31 December	***585,666***	***259,476***

Deferred Tax is recognized on unrealized exchange gains from foereign currency

22 *Ordinary Share Capital*

Balance at the beginning of the period	*10,000,000*	*10,000,000*
Issued share capital during the period	*-*	*-*
Balance as at 31 December	*(10,000,000)*	*10,000,000*

23 *Contingency reserve*

Opening balance	*782,821*	*359,512*
movement from retained earnings	*845,252*	*423,309*
Closing balance	***1,628,073***	***782,821***

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 an amount of not less than 3% of the gross premium or 20% of the net profits (whichever is greater)

24 *Retained earning*

Opening Retained earnings	*1,247,658*	*(445,577)*
Profit for the period	*4,226,258*	*2,116,544*
Movement to Contingency reserve	*(845,252)*	*(423,309)*
Closing retained earnings	***4,628,664***	***1,247,658***

	REVENUE ACCOUNT	AVIATION N'000 AVIATION	BOND N'000 BOND	ENGINEERING N'000 ENGINEERING	FIRE N'000 FIRE	GENERAL_ACCIDENT N'000 GENERAL_ACCIDENT	MOTOR N'000 MOTOR	MARINE N'000 MARINE	OIL_AND_GAS N'000 OIL_AND_GAS	Total N'000 Total
25	**Insurance Revenue**									
	31 December 2024									
	Insurance revenue from contracts not measured under the PAA	-	-	-	-	-	-	-	-	-
	Insurance revenue from contracts measured under the PAA	85,076	662,783	682,131	2,514,314	1,308,659	3,349,782	1,093,408	4,628,747	14,324,901
	Total Insurance Revenue	85,076	662,783	682,131	2,514,314	1,308,659	3,349,782	1,093,408	4,628,747	14,324,901
	31 December 2023									
	Insurance revenue from contracts not measured under the PAA	-	-	-	-	-	-	-	-	-
	Insurance revenue from contracts measured under the PAA	4,921,629	482,082	517,977	1,688,538	727,076	1,370,512	588,982	1,762,846	12,059,642
	Total Insurance Revenue	4,921,629	482,082	517,977	1,688,538	727,076	1,370,512	588,982	1,762,846	12,059,642
26a	**Insurance Service Expenses**									
	31 December 2024									
	Incurred claims	183,227	227,561	148,327	570,194	319,103	442,690	127,916	1,360,883	3,379,901
	Changes that relate to past service - adjustments to the LIC	(1,675)	(183,991)	(151,228)	514,848	78,967	186,782	(80,971)	981,931	1,344,663
	Losses on onerous contracts and reversal of the losses	-	-	-	-	-	-	-	-	-
	Insurance acquisition cash flows amortisation	72,402	195,350	176,479	716,675	358,934	831,103	319,902	832,554	3,503,398
	Insurance Service Expenses (See note 17a)	253,954	238,919	173,578	1,801,717	757,003	1,460,575	366,848	3,175,367	8,227,962
26b	**Other directly attributable expenses**	175,914	212,798	117,434	651,377	329,830	1,244,872	313,011	492,963	3,538,199
	Total Insurance Service Expenses as per Income statement	**429,868**	**451,717**	**291,012**	**2,453,094**	**1,086,833**	**2,705,448**	**679,858**	**3,668,330**	**11,766,161**
	31 December 2023									
	Incurred claims	232,708	202,664	227,754	243,870	679,024	710,267	141,188	1,160,484	3,597,960
	Other directly attributable expenses	431,421	40,386	141,886	194,614	126,444	79,746	83,800	283,077	1,381,374
	Changes that relate to past service - adjustments to the LIC	(107,893)	(112,982)	(55,174)	(201,965)	(208,942)	(282,301)	(35,904)	(196,492)	(1,201,652)
	Losses on onerous contracts and reversal of the losses	-	-	-	-	-	-	-	-	-
	Insurance acquisition cash flows amortisation	1,252,476	102,456	138,675	399,810	186,587	207,159	142,656	334,995	2,764,815
	Total Insurance Service Expenses	1,808,712	232,525	453,141	636,329	783,114	714,871	331,740	1,582,064	6,542,496
27	**Net Income (expenses) from Reinsurance Contracts held**									
	31 December 2024									
	Reinsurance expenses - contracts not measured under the PAA	-	-	-	-	-	-	-	-	-
	Reinsurance expenses - contracts measured under the PAA	146,526	(148,909)	(279,539)	(865,345)	(389,350)	(182,552)	(405,001)	(1,982,139)	(4,106,309)
	Other incurred directly attributable expenses	-	-	-	-	-	-	-	-	-
	Claims recovered	8,339	207,434	47,047	181,509	586,888	164,850	75,473	1,285,612	2,557,151
	Movement in Loss Recovery Component adjustment to Reinsurance CSM/ARC (PAA)	-	-	-	-	-	-	-	-	-
	Changes that relate to past service - adjustments to incurred claims	(203,112)	(57,793)	(84,849)	283,637	85,260	66,835	(91,246)	(565,774)	(567,041)
	Total net income (expenses) from reinsurance contracts held	(48,247)	733	(317,341)	(400,199)	282,798	49,133	(420,775)	(1,262,301)	(2,116,199)
	Total Insurance Service Result	(393,040)	211,799	73,779	(338,979)	504,624	693,468	(7,225)	(301,884)	442,542
	31 December 2023									
	Reinsurance income (expenses) - contracts not measured under the PAA	-	-	-	-	-	-	-	-	-
	Reinsurance income (expenses) - contracts measured under the PAA	(3,444,527)	(138,007)	(256,220)	(1,143,312)	(339,303)	(45,080)	(267,019)	(910,070)	(6,543,538)
	Other incurred directly attributable expenses	-	-	-	-	-	-	-	-	-
	Claims recovered	185,673	73,106	116,741	50,453	112,805	114,387	92,012	437,134	1,182,311
	Movement in Loss Recovery Component adjustment to Reinsurance CSM/ARC (PAA)	-	-	-	-	-	-	-	-	-
	Changes that relate to past service - adjustments to incurred claims	(30,927)	(86,692)	(28,905)	(110,846)	(93,189)	(135,075)	(6,926)	(88,394)	(580,955)
	Total net income (expenses) from reinsurance contracts held	(3,289,782)	(151,593)	(168,384)	(1,203,705)	(319,688)	(65,769)	(181,932)	(561,330)	(5,942,182)
	Total Insurance Service Result	(176,865)	97,964	(103,547)	(151,496)	(375,725)	589,872	75,309	(380,548)	(425,036)

28 Analysis of net insurance finance expenses by product line

	AVIATION N'000	BOND N'000	ENGINEERING N'000	FIRE N'000	GENERAL_ACCIDENT N'000	MOTOR N'000	MARINE N'000	OIL_AND_GAS N'000	Total N'000
31 December 2024									
Finance income (expenses) from insurance contracts issued									
Interest accreted	(11,823)	(9,785)	(17,408)	34,231	(2,312)	9,084	(4,430)	20,600	**18,157**
Effect of changes in interest rates and other financial assumptions	12,764	16,942	15,807	6,593	4,432	4,104	5,589	67,581	**133,813**
Foreign exchange differences	(91,797)	-	-	-	-	-	-	(579,442)	**(671,238)**
Finance income (expenses) from insurance contracts issued	(90,856)	7,157	(1,601)	40,824	2,120	13,188	1,160	(491,261)	**(519,268)**
Finance income (expenses) from reinsurance contracts held									
Interest accreted	27,970	731	15,781	(12,249)	(12,899)	(9,975)	6,740	(153,869)	**(137,770)**
Effect of changes in interest rates and other financial assumptions	(9,361)	(6,111)	(9,759)	(2,298)	(1,600)	(448)	(4,639)	(32,866)	**(67,081)**
Change of risk of non-performance of reinsurer	-	-	-	-	-	-	-	-	**-**
Foreign exchange differences	-	-	-	-	-	-	-	627,079	**627,079**
Finance income (expenses) from reinsurance contracts held	77	(5,380)	6,022	(14,547)	(14,500)	(10,423)	2,101	440,345	**422,228**
Net finance expense from insurance contracts issued	(90,779)	1,777	4,421	26,277	(12,379)	2,766	3,261	(50,916)	**(97,040)**
31 December 2023									
Finance income (expenses) from insurance contracts issued									
Interest accreted	(1,889)	(2,190)	166	(7,435)	(7,498)	(10,839)	(383)	4,075	**(25,994)**
Effect of changes in interest rates and other financial assumptions	-	-	-	-	-	-	-	-	**-**
Foreign exchange differences	(48,100)	-	-	-	-	-	-	(242,567)	**(290,667)**
Finance income (expenses) from insurance contracts issued	(49,988)	(2,190)	166	(7,435)	(7,498)	(10,839)	(383)	(238,492)	**(316,661)**
Finance income (expenses) from reinsurance contracts held									
Interest accreted	(642)	2,810	(329)	4,370	3,488	5,768	(688)	(2,297)	**12,481**
Effect of changes in interest rates and other financial assumptions	-	-	-	-	-	-	-	-	**-**
Change of risk of non-performance of reinsurer	-	-	-	-	-	-	-	-	**-**
Effect of changes in FCF at current rates when CSM is unlocked at lock	-	-	-	-	-	-	-	-	**-**
Foreign exchange differences	-	-	-	-	-	-	-	139,323	**139,323**
Finance income (expenses) from reinsurance contracts held	(642)	2,810	(329)	4,370	3,488	5,768	(688)	137,026	**151,804**
Net finance expense from insurance contracts issued	(50,631)	620	(163)	(3,064)	(4,010)	(5,071)	(1,071)	(101,467)	**(164,858)**

NOTES TO THE FINANCIAL STATEMENTS

		31 December 2024 N'000	31 December 2023 N'000
29	***Staff Cost***		
	Staff Salary	*1,871,493*	*1,100,768*
	Other HR Cost	*17,276*	*10,184*
		1,888,769	***1,110,952***
30	***Management expenses***		
	Travel & Entertainment	*222,992*	*137,972*
	Administration	*509,069*	*304,829*
	Director's Fee and Other Expenses	*309,307*	*183,888*
	Depreciation of Fixed Assets	*183,483*	*115,415*
	Amortisation of Intangibles	*91,673*	*88,409*
	Interest expense on Lease liability	*63,799*	*51,105*
	Depreciation on Right of use	*134,800*	*98,424*
	Auditors Remuneration	*49,450*	*36,000*
	Legal & Professional Fees	*82,827*	*39,460*
	Marketing & Advertising	*228,533*	*180,674*
	IT Expenses	*461,823*	*174,738*
	Finance Cost	*38,711*	*44,850*
	Other Operating Expenses	*452,363*	*331,854*
	Other pre-incorporation expenses	-	-
		2,828,830	***1,787,618***
	Total expense/cost incurred	***4,717,599***	***2,898,570***
30a	***Expenses Classification***		
	Attributable Expenses	*3,538,199*	*1,381,372*
	Non- attributable Expenses	*1,179,400*	*1,517,198*
		4,717,599	***2,898,570***
31	***Investment income***		
	Interest Received (Current Accounts)	*2,326*	*2,211*
	Accrued interest on Financial Assaets	*292,608*	
	Interest received from Financial Assets	*1,013,284*	*1,152,952*
	Investment income on statutory deposits	*117,380*	*60,149*
		1,425,598	***1,215,312***
32	***Fair value Loss on Financial Asset***		
	Fair value loss on Financial Asset	*336,136*	*270,467*
		336,136	***270,467***
33a	***Foreign Exchange gain/(loss)***		
	Foreign Exchange gain/ loss on Cash	*864,048*	*1,401,524*
	Foreign Exchange gain/loss on Investments	*3,306,347*	*1,596,289*
	Foreign Exchange gain/loss on Trade receivables	*7,671*	*19,121*
	Foreign Exchange gainloss on Trade payable	*(196,650)*	-
		3,981,416	***3,016,935***

			31 December 2024 N'000	31 December 2023 N'000
33b	***Other Income***			
	Gain / Loss on Asset Disposal		1,731	-
	Staff payment in lieu of notice		675	4
	Interest on staff loan		2,898	3,225
			5,304	**3,229**

The ECL changes in the period is charged to SOCI and closing balance to SFP

34	***Impairment charges***			
i	*ECL on investment less than 90 days*	*See note 8a(i)*	3,187	**3,187**
ii	*ECL on investment carried at amortised cost*	*See note 8a(ii)*	(15,768)	(4,049)
iii	*ECL charges on other receivables*		(1,794)	549
	Total Impairment charges		**(14,375)**	**(3,500)**

35 ***Related party transactions***

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

TRANSACTIONS

(a) *With Key Management Personnel:*
The Company's key management personnel and immediate family members are also considered to be related parties. The definition of related parties includes the close family members of key management personnel and any entity over which key management personnel have been identified as the directors of the Company.

		2024	2023
(b)	***Gross Written Premium:***		
	Heirs Holding	2,148	2,558
	Heirs Life Assurance Ltd (Premium Received)	21,091	8,251
	Heirs Oil and Gas	110,452	130,158
	Heirs Insurance Brokers	2,148	2,346,553
	United Capital Plc	40,970	39,402
	Africa Prudential Plc	9,871	9,983
	Avon HMO	17,728	20,406
		204,409	2,557,311
(c)	*Life Insurance Policy*		
	Heirs Life Assurance Ltd (Premium Paid)	35,778	4,879
		35,778	4,879
(d)	*Medical Expenses to:*		
	Avon	184,889	30,176
		184,889	30,176
(e)	*Other Receivables*		
	Heirs Life Assurance Limited	94,596	9,945
	Loan to key management personnel	-	-
		94,596	9,945
(f)	*Fixed Deposit*		
	United Capital Asset Mgt	2,009,412	
	United Capital Wealth Mgt	1,811,925	
		3,821,337	

NOTES TO THE FINANCIAL STATEMENTS

	31 December 2024	31 December 2023
	N'000	N'000
36	2024	2023
Analysis of staff	***Number***	***Number***
Senior Management	10	11
Middle Management	35	35
Other staff members	58	31
	103	**77**

a *Number of Employees (excluding Non Executive Directors) in each range of emoluments.*

	Numbers	***Numbers***
N500,000 - N9,999,999	16	42
N10,000,000 - N19,999,999	42	26
Above N20,000,000	45	9
	103	**77**

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

	2024		***2023***	
b *Analysis of staff cost*	%		%	
Senior management	0.25	472,192	29%	316,726
Middle management	0.42	793,283	54%	598,966
Other staff members	0.33	623,294	18%	195,260
	1.00	**1,888,769**	**100%**	**1,110,952**

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

	1,888,769	-	
c *Directors' Emoluments*		***2024***	***2023***
Remuneration paid to the directors of the Company was as follows:		***N'000***	***N'000***
Chairman		21,500	22,000
Non-Executive Directors/Independent Director		172,250	161,300
		193,750	**183,300**

37 Insurance contract liabilities and reinsurance contract assets by Portfolio

The table below sets out the carrying amounts of portfolios of insurance and reinsurance contract assets and liabilities at the end of reporting date, per class of business.

31 December 2024	**AVIATION**	**BOND**	**ENGINEERING**	**FIRE**	**GENERAL_ACCIDENT**	**MOTOR**	**MARINE**	**OIL_AND_GAS**	**Total**
	₦'000	**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**
Insurance Contract assets	-	-	-	-	-	-	-	-	-
Insurance Contract liabilities	(234,801)	(618,463)	(305,275)	(1,242,607)	(625,779)	(1,784,854)	(693,566)	(2,867,802)	(8,373,146)
Reinsurance Contract assets	-	184,882	217,319	678,196	526,782	227,178	383,757	1,511,646	3,729,761
ReinsuranceContract liabilities	-	-	-	-	-	-	-	-	-

31 December 2023	**AVIATION**	**BOND**	**ENGINEERING**	**FIRE**	**GENERAL_ACCIDENT**	**MOTOR**	**MARINE**	**OIL_AND_GAS**	**Total**
	₦'000	**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**
Insurance Contract assets	-	-	-	-	-	-	-	-	-
Insurance Contract liabilities	(296,835)	(348,089)	(401,524)	(657,836)	(519,588)	(986,602)	(314,543)	(1,596,570)	(5,121,586)
Reinsurance Contract assets	37,145	122,747	195,385	247,664	181,277	69,540	169,538	727,637	1,750,933
ReinsuranceContract liabilities	-	-	-	-	-	-	-	-	-

Maturity Analysis of Insurance Contract Liability and Reinsurance Contract Asset (contractual undiscounted cashflow basis)

31 December 2024	**AVIATION**	**BOND**	**ENGINEERING**	**FIRE**	**GENERAL_ACCIDENT**	**MOTOR**	**MARINE**	**OIL_AND_GAS**	**TOTAL**
	₦'000	**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**
Insurance Contract Liabilities									
Within one year	(128,622)	(185,342)	(233,605)	(646,005)	(607,791)	(1,044,053)	(209,811)	(554,281)	(3,609,512)
Within two to five years	(106,179)	(433,121)	(71,669)	(596,602)	(17,988)	(740,801)	(483,755)	(2,313,520)	(4,763,634)
Total Insurance Contract Liabilities	**(234,801)**	**(618,463)**	**(305,275)**	**(1,242,607)**	**(625,779)**	**(1,784,854)**	**(693,566)**	**(2,867,802)**	**(8,373,146)**
Reinsurance Contract Assets									
Within one year	-	101,373	108,006	360,529	333,733	554,232	103,912	178,428	1,740,212
Within two to five years	-	83,509	109,313	317,667	193,050	(327,053)	279,845	1,333,219	1,989,550
Total Reinsurance Contract Assets	**-**	**184,882**	**217,319**	**678,196**	**526,782**	**227,178**	**383,757**	**1,511,646**	**3,729,761**
Net Insurance Contract Liabilities	**(234,801)**	**(433,581)**	**(87,955)**	**(564,411)**	**(98,996)**	**(1,557,675)**	**(309,809)**	**(1,356,155)**	**(4,643,384)**

37A Reconciliation of the liability for remaining coverage and the liability for incurred claims per Portfolio

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 under general business measured under PAA. As discussed in Note 3.1.7, the coverage period for the insurance contracts issued by the Company have coverage periods of one year or less or a coverage period of more than one year but have been assessed as qualifying for measurement under PAA.

	31 December 2024					31 December 2023				
	AVIATION					AVIATION				
	Liabilities for Remaining Coverage		Liabilities for Incurred claims		Total	Liabilities for Remaining Coverage		Liabilities for Incurred claims		Total
	Excluding Loss component	Loss Component	Estimates of Present Value of Future cashflows	Risk Adjustment for Non Financial Risks		Excluding Loss component	Loss Component	Estimates of Present Value of Future cashflows	Risk Adjustment for Non Financial Risks	
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Opening Insurance Contract Liabilities	45,056	-	237,603	14,176	296,835	1,073,606	-	97,590	5,684	1,176,880
Opening Insurance Contract Assets	-	-	-	-	-	-	-	-	-	-
Net opening balance	**45,056**	**-**	**237,603**	**14,176**	**296,835**	**1,073,606**	**-**	**97,590**	**5,684**	**1,176,880**
Changes in the statement of profit or loss and OCI						-	-	-	-	-
Insurance revenue						-	-	-	-	-
Contracts under the modified retrospective approach					-	-	-	-	-	-
Contracts under the fair value approach					-	-	-	-	-	-
Contract under the full retrospective approach	(85,076)				(85,076)	(4,921,629)	-	-	-	(4,921,629)
Total Insurance revenue - All Transition Methods	**(85,076)**	**-**	**-**	**-**	**(85,076)**	**(4,921,629)**	**-**	**-**	**-**	**(4,921,629)**
Insurance Service expenses						-	-	-	-	-
Incurred claims			169,214	14,014	183,227	-	-	218,532	14,176	232,708
Other directly attributable expenses			175,914		175,914	-	-	431,421	-	431,421
Changes that relate to past service - adjustments to the LIC			14,299	(15,974)	(1,675)	-	-	(101,738)	(6,155)	(107,893)
Losses on onerous contracts and reversal of those losses		-			-	-	-	-	-	-
Insurance acquisition cashflows amortisation	72,402				72,402	1,252,476	-	-	-	1,252,476
Insurance Service expenses	**72,402**	**-**	**359,427**	**(1,960)**	**429,868**	**1,252,476**	**-**	**548,215**	**8,022**	**1,808,712**
Insurance Service result	**(12,673.9)**	**-**	**359,427**	**(1,960)**	**344,793**	**(3,669,153)**	**-**	**548,215**	**8,022**	**(3,112,917)**
Insurance Finance Income or Expense						-	-	-	-	-
The effect of and changes in time of time value of money a	-	-	(2,739)	1,797	(941)	-	-	1,418	471	1,889
Foreign exchange differences on changes in the carrying amount of groups of i		-	91,797	-	91,797	10,539	-	37,561	-	48,100
Total amounts recognised in comprehensive income	**(12,674)**	**-**	**448,485**	**(163)**	**435,648**	**(3,658,614)**	**-**	**587,193**	**8,493**	**(3,062,928)**
Investment components	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Cash flows										
Premiums received	33,193				33,193	3,835,750	-	-	-	3,835,750
Claims expenses paid			(276,614)		(276,614)	-	-	(15,759)	-	(15,759)
Other directly attributable expenses paid			(175,914)		(175,914)	-	-	(431,421)	-	(431,421)
Insurance acquisition cashflows deducted	(58,523)				(58,523)	(1,205,686)	-	-	-	(1,205,686)
Total cash flows	**(25,330)**	**-**	**(452,528)**	**-**	**(477,858)**	**2,630,064**	**-**	**(447,180)**	**-**	**2,182,883**
Outstanding amounts transferred to LIC at end of cover					-	-	-	-	-	-
Net closing balance	**7,052**	**-**	**233,559**	**14,014**	**254,625**	**45,056**	**-**	**237,603**	**14,176**	**296,835**
Closing Insurance Contract Liabilities	9,093	-	233,559	14,014	256,666	45,056	-	237,603	14,176	296,835
Closing Insurance Contract Assets	(2,041)	-	-	-	(2,041)	-	-	-	-	-
Net closing balance	**7,052**	**-**	**233,559**	**14,014**	**254,624**	**45,056**	**-**	**237,603**	**14,176**	**296,835**
	0	-	(0.00)	(0.00)	(0.23)	(0)	-	(0.00)	-	0.00
	(0)									

	BOND					BOND				
	Liabilities for Remaining Coverage		Liabilities for Incurred claims		Total	Liabilities for Remaining Coverage		Liabilities for Incurred claims		Total
	Excluding Loss component	Loss Component	Estimates of Present Value of Future cashflows	Risk Adjustment for Non Financial Risks		Excluding Loss component	Loss Component	Estimates of Present Value of Future cashflows	Risk Adjustment for Non Financial Risks	
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Opening Insurance Contract Liabilities	148,202	-	188,572	11,314	348,089	238,911	-	101,899	6,114	346,924
Opening Insurance Contract Assets	-	-	-	-	-	-	-	-	-	-
Net opening balance	**148,202**	**-**	**188,572**	**11,314**	**348,089**	**238,911**	**-**	**101,899**	**6,114**	**346,924**
Changes in the statement of profit or loss and OCI						-	-	-	-	-
Insurance revenue						-	-	-	-	-
Contracts under the modified retrospective approach					-	-	-	-	-	-
Contracts under the fair value approach					-	-	-	-	-	-
Contract under the full retrospective approach	(662,783)				(662,783)	(482,082)	-	-	-	(482,082)
Total Insurance revenue - All Transition Methods	**(662,783)**	**-**	**-**	**-**	**(662,783)**	**(482,082)**	**-**	**-**	**-**	**(482,082)**
Insurance Service expenses						-	-	-	-	-
Incurred claims			216,346	11,215	227,561	-	-	191,350	11,314	202,664
Other directly attributable expenses			212,798		212,798	-	-	40,386	-	40,386
Changes that relate to past service - adjustments to the LIC			(171,242)	(12,749)	(183,991)	-	-	(106,361)	(6,621)	(112,982)
Losses on onerous contracts and reversal of those losses		-			-	-	-	-	-	-
Insurance acquisition cashflows amortisation	195,350				195,350	102,456	-	-	-	102,456
Insurance Service expenses	**195,350**	**-**	**257,901**	**(1,534)**	**451,717**	**102,456**	**-**	**125,375**	**4,694**	**232,525**
Insurance Service result	**(467,433.4)**	**-**	**257,901**	**(1,534)**	**(211,066)**	**(379,626)**	**-**	**125,375**	**4,694**	**(249,557)**
Insurance Finance Income or Expense						-	-	-	-	
The effect of and changes in time of time value of money a	-	-	(8,591)	1,435	(7,157)	-	-	1,684	507	2,190
Foreign exchange differences on changes in the carrying amount of groups of i		-	-	-	-	-	-	-	-	-
Total amounts recognised in comprehensive income	**(467,433)**	**-**	**249,310**	**(100)**	**(218,223)**	**(379,626)**	**-**	**127,059**	**5,200**	**(247,367)**
Investment components	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Cash flows						-	-	-	-	-
Premiums received	982,489				982,489	371,984	-	-	-	371,984
Claims expenses paid		-	38,176		(38,176)	-	-	-	-	-
Other directly attributable expenses paid			(212,798)		(212,798)	-	-	(40,386)	-	(40,386)
Insurance acquisition cashflows deducted	(265,440)				(265,440)	(83,067)	-	-	-	(83,067)
Total cash flows	**717,049**	**-**	**(250,973)**	**-**	**466,076**	**288,917**	**-**	**(40,386)**	**-**	**248,531**
Outstanding amounts transferred to LIC at end of cover					-	-	-	-	-	-
Net closing balance	**397,818**	**-**	**186,909**	**11,215**	**595,942**	**148,202**	**-**	**188,572**	**11,314**	**348,088**
Closing Insurance Contract Liabilities	499,749	-	186,909	11,215	697,873	148,202	-	188,572	11,314	348,089
Closing Insurance Contract Assets	(101,931)	-	-	-	(101,931)	-	-	-	-	-
Net closing balance	**397,818**	**-**	**186,909**	**11,215**	**595,942**	**148,202**	**-**	**188,572**	**11,314**	**348,089**
	(0)	-	(0.00)	0.00	0.3	-	-	-	-	0.31

(0)

ENGINEERING

	Liabilities for Remaining Coverage		Liabilities for Incurred claims		Total	Liabilities for Remaining Coverage		Liabilities for Incurred claims		Total
	Excluding Loss component	Loss Component	Estimates of Present Value of Future cashflows	Risk Adjustment for Non Financial Risks		Excluding Loss component	Loss Component	Estimates of Present Value of Future cashflows	Risk Adjustment for Non Financial Risks	
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Opening Insurance Contract Liabilities	215,024	-	175,943	10,557	401,524	111,694	-	49,762	2,986	164,442
Opening Insurance Contract Assets	-	-	-	-	-	-	-	-	-	-
Net opening balance	**215,024**	**-**	**175,943**	**10,557**	**401,524**	**111,694**	**-**	**49,762**	**2,986**	**164,442**
Changes in the statement of profit or loss and OCI						-	-	-	-	-
Insurance revenue						-	-	-	-	-
Contracts under the modified retrospective approach					-	-	-	-	-	-
Contracts under the fair value approach					-	-	-	-	-	-
Contract under the full retrospective approach	(682,131)				(682,131)	(517,977)	-	-	-	(517,977)
Total Insurance revenue - All Transition Methods	**(682,131)**	**-**	**-**	**-**	**(682,131)**	**(517,977)**	**-**	**-**	**-**	**(517,977)**
Insurance Service expenses						-	-	-	-	-
Incurred claims			141,017	7,310	148,327	-	-	217,197	10,557	227,754
Other directly attributable expenses			117,434		117,434	-	-	141,886	-	141,886
Changes that relate to past service - adjustments to the LIC			(139,333)	(11,895)	(151,228)	-	-	(51,941)	(3,233)	(55,174)
Losses on onerous contracts and reversal of those losses		-			-	-	-	-	-	-
Insurance acquisition cashflows amortisation	176,479				176,479	138,675	-	-	-	138,675
Insurance Service expenses	**176,479**	**-**	**119,118**	**(4,585)**	**291,012**	**138,675**	**-**	**307,142**	**7,323**	**453,141**
Insurance Service result	**(505,652.6)**	**-**	**119,118**	**(4,585)**	**(391,120)**	**(379,303)**	**-**	**307,142**	**7,323**	**(64,837)**
Insurance Finance Income or Expense						-	-	-	-	-
The effect of and changes in time of time value of money a	-	-	262	1,338	1,601	-	-	(413)	247	(166)
Foreign exchange differences on changes in the carrying amount of groups of i		-	-	-	-	-	-	-	-	-
Total amounts recognised in comprehensive income	**(505,653)**	**-**	**119,380**	**(3,247)**	**(389,519)**	**(379,303)**	**-**	**306,729**	**7,571**	**(65,002)**
Investment components	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Cash flows						-	-	-	-	-
Premiums received	644,150				644,150	643,615	-	-	-	643,615
Claims expenses paid		-	56,060		(56,060)	-	-	(38,662)	-	(38,662)
Other directly attributable expenses paid			(117,434)		(117,434)	-	-	(141,886)	-	(141,886)
Insurance acquisition cashflows deducted	(172,454)				(172,454)	(160,982)	-	-	-	(160,982)
Total cash flows	**471,695**	**-**	**(173,494)**	**-**	**298,202**	**482,632**	**-**	**(180,548)**	**-**	**302,084**
Outstanding amounts transferred to LIC at end of cover					**-**	-	**-**	**-**	**-**	**-**
Net closing balance	**181,067**	**-**	**121,830**	**7,310**	**310,206**	**215,024**	**-**	**175,943**	**10,557**	**401,524**
Closing Insurance Contract Liabilities	231,229	-	121,830	7,310	360,369	215,024	-	175,943	10,557	401,524
Closing Insurance Contract Assets	(50,162)	-	-	-	(50,162)	-	-	-	-	-
Net closing balance	**181,067**	**-**	**121,830**	**7,310**	**310,207**	**215,024**	**-**	**175,943**	**10,557**	**401,524**
	(0)	-	0.00	(0.00)	0.20					

FIRE

	Liabilities for Remaining Coverage		Liabilities for Incurred claims		Total	Liabilities for Remaining Coverage		Liabilities for Incurred claims		Total
	Excluding Loss component	Loss Component	Estimates of Present Value of Future cashflows	Risk Adjustment for Non Financial Risks		Excluding Loss component	Loss Component	Estimates of Present Value of Future cashflows	Risk Adjustment for Non Financial Risks	
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Opening Insurance Contract Liabilities	514,498	-	135,224	8,113	657,836	260,535	-	182,154	10,929	453,618
Opening Insurance Contract Assets	-	-	-	-	-	-	-	-	-	-
Net opening balance	**514,498**	**-**	**135,224**	**8,113**	**657,836**	**260,535**	**-**	**182,154**	**10,929**	**453,618**
Changes in the statement of profit or loss and OCI						-	-	-	-	-
Insurance revenue						-	-	-	-	-
Contracts under the modified retrospective approach					-	-	-	-	-	-
Contracts under the fair value approach					-	-	-	-	-	-
Contract under the full retrospective approach	(2,514,314)				(2,514,314)	(1,688,538)	-	-	-	(1,688,538)
Total Insurance revenue - All Transition Methods	**(2,514,314)**	**-**	**-**	**-**	**(2,514,314)**	**(1,688,538)**	**-**	**-**	**-**	**(1,688,538)**
Insurance Service expenses						-	-	-	-	-
Incurred claims			541,048	29,146	570,194	-	-	235,757	8,113	243,870
Other directly attributable expenses			651,377		651,377	-	-	194,614	-	194,614
Changes that relate to past service - adjustments to the LIC			523,990	(9,142)	514,848	-	-	(190,130)	(11,835)	(201,965)
Losses on onerous contracts and reversal of those losses		-			-	-	-	-	-	-
Insurance acquisition cashflows amortisation	716,675				716,675	399,810	-	-	-	399,810
Insurance Service expenses	**716,675**	**-**	**1,716,416**	**20,004**	**2,453,094**	**399,810**	**-**	**240,241**	**(3,721)**	**636,329**
Insurance Service result	**(1,797,638.5)**	**-**	**1,716,416**	**20,004**	**(61,219)**	**(1,288,728)**	**-**	**240,241**	**(3,721)**	**(1,052,209)**
Insurance Finance Income or Expense						-	-	-	-	-
The effect of and changes in time of time value of money a	-	-	(41,853)	1,029	(40,824)	-	-	6,529	906	7,435
Foreign exchange differences on changes in the carrying amount of groups of i		-	-	-	-	-	-	-	-	-
Total amounts recognised in comprehensive income	**(1,797,639)**	**-**	**1,674,563**	**21,032**	**(102,043)**	**(1,288,728)**	**-**	**246,770**	**(2,816)**	**(1,044,774)**
Investment components	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Cash flows						-	-	-	-	
Premiums received	2,772,943				2,772,943	1,960,598	-	-	-	1,960,598
Claims expenses paid		-	672,648		(672,648)	-	-	(99,086)	-	(99,086)
Other directly attributable expenses paid			(651,377)		(651,377)	-	-	(194,614)	-	(194,614)
Insurance acquisition cashflows deducted	(794,264)				(794,264)	(417,906)	-	-	-	(417,906)
Total cash flows	**1,978,679**	**-**	**(1,324,025)**	**-**	**654,654**	**1,542,691**	**-**	**(293,700)**	**-**	**1,248,991**
Outstanding amounts transferred to LIC at end of cover					**-**	-	**-**	**-**	**-**	**-**
Net closing balance	**695,539**	**-**	**485,762**	**29,146**	**1,210,446**	**514,498**	**-**	**135,224**	**8,113**	**657,836**
Closing Insurance Contract Liabilities	885,238	-	485,762	29,146	1,400,146	514,498	-	135,224	8,113	657,836
Closing Insurance Contract Assets	(189,700)	-	-	-	(189,700)	-	-	-	-	-
Net closing balance	**695,539**	**-**	**485,762**	**29,146**	**1,210,446**	**514,498**	**-**	**135,224**	**8,113**	**657,836**
	-	-	0.00	-	-	-	-	-	-	-
	0									

	GENERAL_ACCIDENT					GENERAL_ACCIDENT				
	Liabilities for Remaining Coverage		**Liabilities for Incurred claims**		**Total**	**Liabilities for Remaining Coverage**		**Liabilities for Incurred claims**		**Total**
	Excluding Loss component	Loss Component	Estimates of Present Value of Future cashflows	Risk Adjustment for Non Financial Risks		Excluding Loss component	Loss Component	Estimates of Present Value of Future cashflows	Risk Adjustment for Non Financial Risks	
	N'000	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**
Opening Insurance Contract Liabilities	242,039	-	261,839	15,710	519,588	171,878	-	188,446	11,307	371,632
Opening Insurance Contract Assets	-	-	-	-	-	-	-	-	-	-
Net opening balance	**242,039**	**-**	**261,839**	**15,710**	**519,588**	**171,878**	**-**	**188,446**	**11,307**	**371,632**
Changes in the statement of profit or loss and OCI						-	-	-	-	-
Insurance revenue						-	-	-	-	-
Contracts under the modified retrospective approach					-	-	-	-	-	-
Contracts under the fair value approach					-	-	-	-	-	-
Contract under the full retrospective approach	(1,308,659)				(1,308,659)	(727,076)	-	-	-	(727,076)
Total Insurance revenue - All Transition Methods	**(1,308,659)**	**-**	**-**	**-**	**(1,308,659)**	**(727,076)**	**-**	**-**	**-**	**(727,076)**
Insurance Service expenses						-	-	-	-	-
Incurred claims			302,432	16,671	319,103	-	-	663,314	15,710	679,024
Other directly attributable expenses			329,830		329,830	-	-	126,444	-	126,444
Changes that relate to past service - adjustments to the LIC			96,669	(17,702)	78,967	-	-	(196,698)	(12,244)	(208,942)
Losses on onerous contracts and reversal of those losses		-			-	-	-	-	-	-
Insurance acquisition cashflows amortisation	358,934				358,934	186,587	-	-	-	186,587
Insurance Service expenses	**358,934**	**-**	**728,931**	**(1,032)**	**1,086,833**	**186,587**	**-**	**593,060**	**3,467**	**783,114**
Insurance Service result	**(949,725.3)**	**-**	**728,931**	**(1,032)**	**(221,826)**	**(540,489)**	**-**	**593,060**	**3,467**	**56,038**
Insurance Finance Income or Expense						-	-	-	-	-
The effect of and changes in time of time value of money a	-	-	(4,112)	1,992	(2,120)	-	-	6,561	937	7,498
Foreign exchange differences on changes in the carrying amount of groups of i		-	-	-	-	-	-	-	-	-
Total amounts recognised in comprehensive income	**(949,725)**	**-**	**724,819**	**960**	**(223,946)**	**(540,489)**	**-**	**599,621**	**4,404**	**63,536**
Investment components	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Cash flows						-	-	-	-	-
Premiums received	1,417,828				1,417,828	801,996	-	-	-	801,996
Claims expenses paid		-	378,984		(378,984)	-	-	(399,785)	-	(399,785)
Other directly attributable expenses paid			(329,830)		(329,830)	-	-	(126,444)	-	(126,444)
Insurance acquisition cashflows deducted	(391,512)				(391,512)	(191,347)	-	-	-	(191,347)
Total cash flows	**1,026,316**	**-**	**(708,814)**	**-**	**317,502**	**610,649**	**-**	**(526,229)**	**-**	**84,421**
Outstanding amounts transferred to LIC at end of cover					**-**	**-**	**-**	**-**	**-**	**-**
Net closing balance	**318,629**	**-**	**277,844**	**16,671**	**613,144**	**242,039**	**-**	**261,839**	**15,710**	**519,588**
Closing Insurance Contract Liabilities	420,129	-	277,844	16,671	714,644	242,039	-	261,839	15,710	519,588
Closing Insurance Contract Assets	(101,500)	-	-	-	(101,500)	-	-	-	-	-
Net closing balance	**318,629**	**-**	**277,844**	**16,671**	**613,144**	**242,039**	**-**	**261,839**	**15,710**	**519,588**
	(0)	-		0.00	0.42					
	(0)									

	MOTOR									
	Liabilities for Remaining Coverage		**Liabilities for Incurred claims**		**Total**	**Liabilities for Remaining Coverage**		**Liabilities for Incurred claims**		**Total**
	Excluding Loss component	Loss Component	Estimates of Present Value of Future cashflows	Risk Adjustment for Non Financial Risks		Excluding Loss component	Loss Component	Estimates of Present Value of Future cashflows	Risk Adjustment for Non Financial Risks	
	N'000	**N'000**	**N'000**	**N'000**		**N'000**	**N'000**	**N'000**	**N'000**	**N'000**
Opening Insurance Contract Liabilities	729,199	-	242,833	14,570	986,602	330,699	-	254,610	15,277	600,586
Opening Insurance Contract Assets	-	-	-	-	-	-	-	-	-	-
Net opening balance	**729,199**	**-**	**242,833**	**14,570**	**986,602**	**330,699**	**-**	**254,610**	**15,277**	**600,586**
Changes in the statement of profit or loss and OCI						-	-	-	-	-
Insurance revenue						-	-	-	-	-
Contracts under the modified retrospective approach					-	-	-	-	-	-
Contracts under the fair value approach					-	-	-	-	-	-
Contract under the full retrospective approach	(3,349,782)				(3,349,782)	(1,370,512)	-	-	-	(1,370,512)
Total Insurance revenue - All Transition Methods	**(3,349,782)**	**-**	**-**	**-**	**(3,349,782)**	**(1,370,512)**	**-**	**-**	**-**	**(1,370,512)**
Insurance Service expenses						-	-	-	-	-
Incurred claims			419,564	23,126	442,690	-	-	695,697	14,570	710,267
Other directly attributable expenses			1,244,872		1,244,872	-	-	79,746	-	79,746
Changes that relate to past service - adjustments to the LIC			203,199	(16,417)	186,782	-	-	(265,759)	(16,542)	(282,301)
Losses on onerous contracts and reversal of those losses		-			-	-	-	-	-	-
Insurance acquisition cashflows amortisation	831,103				831,103	207,159	-	-	-	207,159
Insurance Service expenses	**831,103**	**-**	**1,867,636**	**6,709**	**2,705,448**	**207,159**	**-**	**509,684**	**(1,972)**	**714,871**
Insurance Service result	**(2,518,679.4)**	**-**	**1,867,636**	**6,709**	**(644,335)**	**(1,163,353)**	**-**	**509,684**	**(1,972)**	**(655,641)**
Insurance Finance Income or Expense						-	-	-	-	-
The effect of and changes in time of time value of money a	-	-	(15,036)	1,847	(13,188)	-	-	9,573	1,266	10,839
Foreign exchange differences on changes in the carrying amount of groups of i		-	-	-	-	-	-	-	-	-
Total amounts recognised in comprehensive income	**(2,518,679)**	**-**	**1,852,600**	**8,556**	**(657,523)**	**(1,163,353)**	**-**	**519,257**	**(707)**	**(644,802)**
Investment components	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Cash flows						-	-	-	-	-
Premiums received	4,067,532				4,067,532	1,766,502	-	-	-	1,766,502
Claims expenses paid		-	465,123		(465,123)	-	-	(451,289)	-	(451,289)
Other directly attributable expenses paid			(1,244,872)		(1,244,872)	-	-	(79,746)	-	(79,746)
Insurance acquisition cashflows deducted	(927,464)				(927,464)	(204,650)	-	-	-	(204,650)
Total cash flows	**3,140,069**	**-**	**(1,709,995)**	**-**	**1,430,073**	**1,561,852**	**-**	**(531,035)**	**-**	**1,030,817**
Outstanding amounts transferred to LIC at end of cover					**-**	-	**-**	**-**	**-**	**-**
Net closing balance	**1,350,588**	**-**	**385,438**	**23,126**	**1,759,152**	**729,199**	**-**	**242,833**	**14,570**	**986,602**
Closing Insurance Contract Liabilities	1,572,655	-	385,438	23,126	1,981,219	729,199	-	242,833	14,570	986,602
Closing Insurance Contract Assets	(222,067)	-	-	-	(222,067)	-	-	-	-	-
Net closing balance	**1,350,588**	**-**	**385,438**	**23,126**	**1,759,152**	**729,199**	**-**	**242,833**	**14,570**	**986,602**
	0	-	(0.00)	-	(0.20)	0	-	0.00	(0.00)	-
	0									

	MARINE					MARINE				
	Liabilities for Remaining Coverage		Liabilities for Incurred claims		Total	Liabilities for Remaining Coverage		Liabilities for Incurred claims		Total
	Excluding Loss component	Loss Component	Estimates of Present Value of Future cashflows	Risk Adjustment for Non Financial Risks		Excluding Loss component	Loss Component	Estimates of Present Value of Future cashflows	Risk Adjustment for Non Financial Risks	0
	N'000	N'000	N'000	N'000		N'000	N'000	N'000	N'000	N'000
Opening Insurance Contract Liabilities	204,877	-	103,459	6,208	314,543	155,925	-	32,382	1,943	190,250
Opening Insurance Contract Assets	-	-	-	-	-	-	-	-	-	-
Net opening balance	**204,877**	**-**	**103,459**	**6,208**	**314,543**	**155,925**	**-**	**32,382**	**1,943**	**190,250**
Changes in the statement of profit or loss and OCI						-	-	-	-	-
Insurance revenue						-	-	-	-	-
Contracts under the modified retrospective approach					-	-	-	-	-	-
Contracts under the fair value approach					-	-	-	-	-	-
Contract under the full retrospective approach	(1,093,408)				(1,093,408)	(588,982)	-	-	-	(588,982)
Total Insurance revenue - All Transition Methods	**(1,093,408)**	**-**	**-**	**-**	**(1,093,408)**	**(588,982)**	**-**	**-**	**-**	**(588,982)**
Insurance Service expenses						-	-	-	-	-
Incurred claims			121,399	6,518	127,916	-	-	134,980	6,208	141,188
Other directly attributable expenses			313,011		313,011	-	-	83,800	-	83,800
Changes that relate to past service - adjustments to the LIC			(73,976)	(6,995)	(80,971)	-	-	(33,800)	(2,104)	(35,904)
Losses on onerous contracts and reversal of those losses		-			-	-	-	-	-	-
Insurance acquisition cashflows amortisation	319,902				319,902	142,656	-	-	-	142,656
Insurance Service expenses	**319,902**	**-**	**360,433**	**(477)**	**679,858**	**142,656**	**-**	**184,980**	**4,104**	**331,740**
Insurance Service result	**(773,506.2)**	**-**	**360,433**	**(477)**	**(413,550)**	**(446,325)**	**-**	**184,980**	**4,104**	**(257,241)**
Insurance Finance Income or Expense						-	-	-	-	-
The effect of and changes in time of time value of money a	-	-	(1,947)	787	(1,160)	-	-	222	161	383
Foreign exchange differences on changes in the carrying amount of groups of i		-	-	-	-	-	-	-	-	-
Total amounts recognised in comprehensive income	**(773,506)**	**-**	**358,486**	**310**	**(414,710)**	**(446,325)**	**-**	**185,203**	**4,265**	**(256,858)**
Investment components	-	-	-	-	-	-	-	-	-	-
Cash flows						-	-	-	-	-
Premiums received	1,530,249				1,530,249	630,594	-	-	-	630,594
Claims expenses paid		-	40,303		(40,303)	-	-	(30,326)	-	(30,326)
Other directly attributable expenses paid			(313,011)		(313,011)	-	-	(83,800)	-	(83,800)
Insurance acquisition cashflows deducted	(417,979)				(417,979)	(135,317)	-	-	-	(135,317)
Total cash flows	**1,112,270**	**-**	**(353,314)**	**-**	**758,956**	**495,277**	**-**	**(114,126)**	**-**	**381,151**
Outstanding amounts transferred to LIC at end of cover					-	-	-	-	-	-
Net closing balance	**543,641**	**-**	**108,631**	**6,518**	**658,789**	**204,877**	**-**	**103,459**	**6,208**	**314,543**
Closing Insurance Contract Liabilities	698,214	-	108,631	6,518	813,363	204,877	-	103,459	6,208	314,543
Closing Insurance Contract Assets	(154,574)	-	-	-	(154,574)	-	-	-	-	-
Net closing balance	**543,641**	**-**	**108,631**	**6,518**	**658,789**	**204,877**	**-**	**103,459**	**6,208**	**314,543**
	0	-	0.00	-	(0.49)					
	0									

	OIL_AND_GAS					OIL_AND_GAS				
	Liabilities for Remaining Coverage		Liabilities for Incurred claims		Total	Liabilities for Remaining Coverage		Liabilities for Incurred claims		Total
	Excluding Loss component	Loss Component	Estimates of Present Value of Future cashflows	Risk Adjustment for Non Financial Risks		Excluding Loss component	Loss Component	Estimates of Present Value of Future cashflows	Risk Adjustment for Non Financial Risks	
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Opening Insurance Contract Liabilities	511,193	-	1,024,663	60,714	1,596,570	242,362	-	177,218	10,633	430,213
Opening Insurance Contract Assets	-	-	-	-	-	-	-	-	-	-
Net opening balance	**511,193**	**-**	**1,024,663**	**60,714**	**1,596,570**	**242,362**	**-**	**177,218**	**10,633**	**430,213**
Changes in the statement of profit or loss and OCI						-	-	-	-	-
Insurance revenue						-	-	-	-	-
Contracts under the modified retrospective approach					-	-	-	-	-	-
Contracts under the fair value approach					-	-	-	-	-	-
Contract under the full retrospective approach	(4,628,747)				(4,628,747)	(1,762,846)	-	-	-	(1,762,846)
Total Insurance revenue - All Transition Methods	**(4,628,747)**	**-**	**-**	**-**	**(4,628,747)**	**(1,762,846)**	**-**	**-**	**-**	**(1,762,846)**
Insurance Service expenses						-	-	-	-	-
Incurred claims			1,262,441	98,442	1,360,883	-	-	1,099,770	60,714	1,160,484
Other directly attributable expenses			492,963		492,963	-	-	283,077	-	283,077
Changes that relate to past service - adjustments to the LIC			1,050,343	(68,412)	981,931	-	-	(184,978)	(11,514)	(196,492)
Losses on onerous contracts and reversal of those losses		-			-	-	-	-	-	-
Insurance acquisition cashflows amortisation	832,554				832,554	334,995	-	-	-	334,995
Insurance Service expenses	**832,554**	**-**	**2,805,747**	**30,030**	**3,668,330**	**334,995**	**-**	**1,197,869**	**49,200**	**1,582,064**
Insurance Service result	**(3,796,193.8)**	**-**	**2,805,747**	**30,030**	**(960,417)**	**(1,427,851)**	**-**	**1,197,869**	**49,200**	**(180,782)**
Insurance Finance Income or Expense						-	-	-	-	-
The effect of and changes in time of time value of money and financial risk	-	-	(95,879)	7,698	(88,181)	-	-	(4,956)	881	(4,075)
Foreign exchange differences on changes in the carrying amount of groups of insurance contracts		-	579,442	-	579,442	98,539	-	144,029	-	242,567
Total amounts recognised in comprehensive income	**(3,796,194)**	**-**	**3,289,309**	**37,728**	**(469,156)**	**(1,329,312)**	**-**	**1,336,942**	**50,081**	**57,711**
Investment components	-	-	-	-	-	-	-	-	-	-
Cash flows						-	-	-	-	-
Premiums received	5,520,284				5,520,284	1,952,243	-	-	-	1,952,243
Claims expenses paid		-	2,180,310		(2,180,310)	-	-	(206,419)	-	(206,419)
Other directly attributable expenses paid			(492,963)		(492,963)	-	-	(283,077)	-	(283,077)
Insurance acquisition cashflows deducted	(1,003,584)				(1,003,584)	(354,100)	-	-	-	(354,100)
Total cash flows	**4,516,700**	**-**	**(2,673,273)**	**-**	**1,843,427**	**1,598,143**	**-**	**(489,496)**	**-**	**1,108,647**
Outstanding amounts transferred to LIC at end of cover					-	-	-	-	-	-
Net closing balance	**1,231,699**	**-**	**1,640,699**	**98,442**	**2,970,841**	**511,193**	**-**	**1,024,663**	**60,714**	**1,596,570**
Closing Insurance Contract Liabilities	1,499,075	-	1,640,699	98,442	3,238,216	511,193	-	1,024,663	60,714	1,596,570
Closing Insurance Contract Assets	(267,376)	-	-	-	(267,376)	0	-	-	-	0
Net closing balance	**1,231,699**	**-**	**1,640,699**	**98,442**	**2,970,841**	**511,193**	**-**	**1,024,663**	**60,714**	**1,596,570**
	(0)	-	(0.00)	-	-					

37B Reconciliation of the asset for remaining coverage and the asset for incurred claims per Portfolio

The following table shows the reconciliation from the opening to the closing balances of the net asset for the remaining coverage and the assets for incurred claims recoverable from reinsurance. The coverage period of reinsurance contracts held for insurance contracts issued by the Group under the general business have either a coverage period of one year or less.

AVIATION

	31 December 2024					31 December 2023				
	Remaining Coverage		**Incurred claims**		**Total**	**Remaining Coverage**		**Incurred claims**		**Total**
	Excl. Loss Recovery Component N'000	Loss Recovery Component N'000	Estimates of Present Value of Future Cash Flows N'000	Risk Adjustment for Non-financial risk N'000	**N'000**	Excl. Loss Recovery Component	Loss Recovery Component	Estimates of Present Value of Future Cash Flows	Risk Adjustment for Non-financial risk	**N'000**
Opening Reinsurance Contract Liabilities	-	-	-	-	-	-	-	-	-	-
Opening Reinsurance Contract Assets	(146,526)	-	173,274	10,396	37,145	168,688	-	27,894	1,674	198,255
Net opening balance	**(146,526)**	**-**	**173,274**	**10,396**	**37,145**	**168,688**	**-**	**27,894**	**1,674**	**198,255**
Allocation of reinsurance premuims paid	**(146,526)**				**(146,526)**	**(3,444,527)**				**(3,444,527)**
Amount Recovered from reinsurer										
Recoveries on incurred claims			7,914	425	8,339			175,276	10,396	185,673
Other incurred reinsurance service expenses					-					
Changes in expected recoveries on past claims			(191,397)	(11,715)	(203,112)			(29,115)	(1,812)	(30,927)
Changes in the loss recovery component		-			-		-			-
Reinsurance Service expenses	**-**	**-**	**(183,484)**	**(11,290)**	**(194,773)**	**-**	**-**	**146,161**	**8,584**	**154,746**
Net expenses from Reinsurance Contracts Held	**(146,526)**	**-**	**183,484**	**11,290**	**48,247**	**(3,444,527)**	**-**	**146,161**	**8,584**	**(3,289,782)**
Insurance Finance Income or Expense										
Net finance expenses from RCH	-	-	(17,291)	(1,318)	(18,609)	-	-	(781)	139	(642)
Effect of movements in exchange rates	-	-	-	-	-	-	-	-	-	-
Total amounts recognised in comprehensive incom	**(146,526)**	**-**	**166,193**	**9,972**	**29,638**	**(3,444,527)**	**-**	**145,380**	**8,723**	**(3,290,424)**
Cash flows										
Commissions received	-				-	(1,038,197)				(1,038,197)
Claims recovered			-		-			-		-
Premiums paid	-				-	4,167,511				4,167,511
Total cash flows	**-**	**-**	**-**	**-**	**-**	**3,129,314**	**-**	**-**	**-**	**3,129,314**
Net closing balance	**0**	**-**	**7,081**	**425**	**7,506**	**(146,526)**	**-**	**173,274**	**10,396**	**37,145**
Closing Reinsurance Contract Liabilities	-	-	7,081	-	7,081		-	-	-	-
Closing Reinsurance Contract Assets	-	-	-	425	425	(146,526)	-	173,274	10,396	37,145
Net closing balance	**-**	**-**	**7,081**	**425**	**7,506**	**(146,526)**	**-**	**173,274**	**10,396**	**37,145**
	(0)	-	0	(0)	0	(0)	-	0	-	0

BOND

	31 December 2024					31 December 2023				
	Remaining Coverage		**Incurred claims**		**Total**	**Remaining Coverage**		**Incurred claims**		**Total**
	Excl. Loss Recovery Component N'000	Loss Recovery Component N'000	Estimates of Present Value of Future Cash Flows N'000	Risk Adjustment for Non-financial risk N'000	**N'000**	Excl. Loss Recovery Component	Loss Recovery Component	Estimates of Present Value of Future Cash Flows	Risk Adjustment for Non-financial risk	**N'000**
Opening Reinsurance Contract Liabilities	-	-	-	-	-	-	-	-	-	-
Opening Reinsurance Contract Assets	50,644	-	68,022	4,081	122,747	42,792	-	78,188	4,691	125,672
Net opening balance	**50,644**	**-**	**68,022**	**4,081**	**122,747**	**42,792**	**-**	**78,188**	**4,691**	**125,672**
Allocation of reinsurance premuims paid	**148,909**				**148,909**	**(138,007)**				**(138,007)**
Amount Recovered from reinsurer										
Recoveries on incurred claims			98,606	5,111	103,717			69,024	4,081	73,106
Other incurred reinsurance service expenses					-					
Changes in expected recoveries on past claims			(53,194)	(4,599)	(57,793)			(81,612)	(5,080)	(86,692)
Changes in the loss recovery component		-			-		-			-
Reinsurance Service expenses	**-**	**-**	**45,412**	**513**	**45,924**	**-**	**-**	**(12,588)**	**(999)**	**(13,586)**
Net expenses from Reinsurance Contracts Held	**148,909**	**-**	**(45,412)**	**(513)**	**102,984**	**(138,007)**	**-**	**(12,588)**	**(999)**	**(151,593)**
Insurance Finance Income or Expense										
Net finance expenses from RCH	-	-	5,897	(517)	5,380	-	-	2,422	389	2,810
Effect of movements in exchange rates	-	-	-	-	-	-	-	-	-	-
Total amounts recognised in comprehensive incom	**148,909**	**-**	**(39,515)**	**(1,030)**	**108,364**	**(138,007)**	**-**	**(10,166)**	**(610)**	**(148,783)**
Cash flows										
Commissions received	-				-	(42,624)				(42,624)
Claims recovered			(21,695)		(21,695)			-		-
Premiums paid	143,312				143,312	188,483				188,483
Total cash flows	**143,312**	**-**	**(21,695)**	**-**	**121,617**	**145,858**	**-**	**-**	**-**	**145,858**
Net closing balance	**45,046**	**-**	**85,842**	**5,111**	**136,000**	**50,644**	**-**	**68,022**	**4,081**	**122,747**
Closing Reinsurance Contract Liabilities	(18,130)	-	-	-	(18,130)	0	-	-	-	0
Closing Reinsurance Contract Assets	63,176	-	85,842	5,111	154,130	50,644	-	68,022	4,081	122,747
Net closing balance	**45,046**	**-**	**85,842**	**5,111**	**136,000**	**50,644**	**-**	**68,022**	**4,081**	**122,747**
	-	-	-	-	-	0	-	(0)	-	(0)

ENGINEERING

	Remaining Coverage		Incurred claims		Total
	Excl. Loss Recovery Component N'000	Loss Recovery Component N'000	Estimates of Present Value of Future Cash Flows N'000	Risk Adjustment for Non-financial risk N'000	N'000
Opening Reinsurance Contract Liabilities	-	-	-	-	-
Opening Reinsurance Contract Assets	80,245	-	108,623	6,517	195,385
Net opening balance	**80,245**	**-**	**108,623**	**6,517**	**195,385**
Allocation of reinsurance premuims paid	**279,539**				**279,539**
Amount Recovered from reinsurer					
Recoveries on incurred claims			44,452	2,595	47,047
Other incurred reinsurance service expenses					-
Other incurred reinsurance service expenses					-
Changes in expected recoveries on past claims			(77,506)	(7,344)	(84,849)
Changes in the loss recovery component		-			-
Reinsurance Service expenses	**-**	**-**	**(33,054)**	**(4,749)**	**(37,802)**
Net expenses from Reinsurance Contracts Held	**279,539**	**-**	**33,054**	**4,749**	**317,341**
Insurance Finance Income or Expense					
Net finance expenses from RCH	-	-	(5,196)	(826)	(6,022)
Effect of movements in exchange rates	-	-	-	-	-
Total amounts recognised in comprehensive incom	**279,539**	**-**	**27,858**	**3,922**	**311,319**
Cash flows					
Commissions received	-				-
Claims recovered			(37,513)		(37,513)
Premiums paid	270,791				270,791
Total cash flows	**270,791**	**-**	**(37,513)**	**-**	**233,278**
Net closing balance	**71,497**	**-**	**43,252**	**2,595**	**117,344**
Closing Reinsurance Contract Liabilities	500	-	-	-	500
Closing Reinsurance Contract Assets	70,997	-	43,252	2,595	116,844
Net closing balance	**71,497**	**-**	**43,252**	**2,595**	**117,344**
	(0)	-	(0)	-	(0)

ENGINEERING

	Remaining Coverage		Incurred claims		Total
	Excl. Loss Recovery Component	Loss Recovery Component	Estimates of Present Value of Future Cash Flows	Risk Adjustment for Non-financial risk	N'000
Opening Reinsurance Contract Liabilities	-	-	-	-	-
Opening Reinsurance Contract Assets	55,604	-	26,070	1,564	83,237
Net opening balance	**55,604**	**-**	**26,070**	**1,564**	**83,237**
Allocation of reinsurance premuims paid	**(256,220)**				**(256,220)**
Amount Recovered from reinsurer					
Recoveries on incurred claims			110,223	6,517	116,741
Other incurred reinsurance service expenses					
Other incurred reinsurance service expenses					
Changes in expected recoveries on past claims			(27,211)	(1,694)	(28,905)
Changes in the loss recovery component		-			-
Reinsurance Service expenses	**-**	**-**	**83,012**	**4,824**	**87,836**
Net expenses from Reinsurance Contracts Held	**(256,220)**	**-**	**83,012**	**4,824**	**(168,384)**
Insurance Finance Income or Expense					
Net finance expenses from RCH	-	-	(459)	130	(329)
Effect of movements in exchange rates	-	-	-	-	-
Total amounts recognised in comprehensive incom	**(256,220)**	**-**	**82,554**	**4,953**	**(168,713)**
Cash flows					
Commissions received	(91,319)				(91,319)
Claims recovered			-		-
Premiums paid	372,180				372,180
Total cash flows	**280,861**	**-**	**-**	**-**	**280,861**
Net closing balance	**80,245**	**-**	**108,623**	**6,517**	**195,385**
Closing Reinsurance Contract Liabilities	0	-	-	-	0
Closing Reinsurance Contract Assets	80,245	-	108,623	6,517	195,385
Net closing balance	**80,245**	**-**	**108,623**	**6,517**	**195,385**
	(0)	-	(0)	-	(0)

FIRE

	Remaining Coverage		Incurred claims		Total
	Excl. Loss Recovery Component N'000	Loss Recovery Component N'000	Estimates of Present Value of Future Cash Flows N'000	Risk Adjustment for Non-financial risk N'000	N'000
Opening Reinsurance Contract Liabilities	-	-	-	-	-
Opening Reinsurance Contract Assets	197,715	-	47,122	2,827	247,664
Net opening balance	**197,715**	**-**	**47,122**	**2,827**	**247,664**
Allocation of reinsurance premuims paid	**865,345**				**865,345**
Amount Recovered from reinsurer					
Recoveries on incurred claims			171,184	10,326	181,509
Other incurred reinsurance service expenses					-
Changes in expected recoveries on past claims			286,823	(3,186)	283,637
Changes in the loss recovery component		-			-
Reinsurance Service expenses	**-**	**-**	**458,007**	**7,140**	**465,147**
Net expenses from Reinsurance Contracts Held	**865,345**	**-**	**(458,007)**	**(7,140)**	**400,199**
Insurance Finance Income or Expense					
Net finance expenses from RCH	-	-	14,905	(358)	14,547
Effect of movements in exchange rates	-	-	-	-	-
Total amounts recognised in comprehensive incom	**865,345**	**-**	**(443,102)**	**(7,498)**	**414,745**
Cash flows					
Commissions received	-				-
Claims recovered			(318,132)		(318,132)
Premiums paid	794,229				794,229
Total cash flows	**794,229**	**-**	**(318,132)**	**-**	**476,098**
Net closing balance	**126,599**	**-**	**172,092**	**10,326**	**309,016**
Closing Reinsurance Contract Liabilities	(67,405)	-	-	-	(67,405)
Closing Reinsurance Contract Assets	194,004	-	172,092	10,326	376,421
Net closing balance	**126,599**	**-**	**172,092**	**10,326**	**309,016**
	-	-	0	-	-

FIRE

	Remaining Coverage		Incurred claims		Total
	Excl. Loss Recovery Component	Loss Recovery Component	Estimates of Present Value of Future Cash Flows	Risk Adjustment for Non-financial risk	N'000
Opening Reinsurance Contract Liabilities	0	-	-	-	-
Opening Reinsurance Contract Assets	134,870	-	99,973	5,998	240,842
Net opening balance	**134,870**	**-**	**99,973**	**5,998**	**240,842**
Allocation of reinsurance premuims paid	**(1,143,312)**				**(1,143,312)**
Amount Recovered from reinsurer					
Recoveries on incurred claims			47,626	2,827	50,453
Other incurred reinsurance service expenses					
Changes in expected recoveries on past claims			(104,351)	(6,495)	(110,846)
Changes in the loss recovery component		-			-
Reinsurance Service expenses	**-**	**-**	**(56,725)**	**(3,668)**	**(60,393)**
Net expenses from Reinsurance Contracts Held	**(1,143,312)**	**-**	**(56,725)**	**(3,668)**	**(1,203,705)**
Insurance Finance Income or Expense					
Net finance expenses from RCH	-	-	3,873	497	4,370
Effect of movements in exchange rates	-	-	-	-	-
Total amounts recognised in comprehensive incom	**(1,143,312)**	**-**	**(52,852)**	**(3,171)**	**(1,199,334)**
Cash flows					
Commissions received	(434,317)				(434,317)
Claims recovered			-		-
Premiums paid	1,640,474				1,640,474
Total cash flows	**1,206,157**	**-**	**-**	**-**	**1,206,157**
Net closing balance	**197,715**	**-**	**47,122**	**2,827**	**247,664**
Closing Reinsurance Contract Liabilities	(0)	-	-	-	(0)
Closing Reinsurance Contract Assets	197,715	-	47,122	2,827	247,664
Net closing balance	**197,715**	**-**	**47,122**	**2,827**	**247,664**
	0	-	(0)	(0)	(0)

	GENERAL_ACCIDENT					GENERAL_ACCIDENT				
	Remaining Coverage		**Incurred claims**		**Total**	**Remaining Coverage**		**Incurred claims**		**Total**
	Excl. Loss Recovery Component N'000	Loss Recovery Component N'000	Estimates of Present Value of Future Cash Flows N'000	Risk Adjustment for Non-financial risk N'000	**N'000**	Excl. Loss Recovery Component	Loss Recovery Component	Estimates of Present Value of Future Cash Flows	Risk Adjustment for Non-financial risk	**N'000**
Opening Reinsurance Contract Liabilities	-	-	-	-	-	0	-	-	-	-
Opening Reinsurance Contract Assets	81,077	-	94,529	5,672	181,277	108,151	-	84,048	5,043	197,242
Net opening balance	**81,077**	**-**	**94,529**	**5,672**	**181,277**	**108,151**	**-**	**84,048**	**5,043**	**197,242**
Allocation of reinsurance premuims paid	**389,350**				**389,350**	**(339,303)**				**(339,303)**
Amount Recovered from reinsurer										
Recoveries on incurred claims			278,114	15,330	293,444			107,133	5,672	112,805
Other incurred reinsurance service expenses					-					
Changes in expected recoveries on past claims			91,651	(6,391)	85,260			(87,728)	(5,461)	(93,189)
Changes in the loss recovery component		-			-		-			-
Reinsurance Service expenses	**-**	**-**	**369,764**	**8,939**	**378,704**	**-**	**-**	**19,405**	**211**	**19,616**
Net expenses from Reinsurance Contracts Held	**389,350**	**-**	**(369,764)**	**(8,939)**	**10,646**	**(339,303)**	**-**	**19,405**	**211**	**(319,688)**
Insurance Finance Income or Expense										
Net finance expenses from RCH	-	-	15,219	(719)	14,500	-	-	3,070	418	3,488
Effect of movements in exchange rates	-	-	-	-	-	-	-	-	-	-
Total amounts recognised in comprehensive incom	**389,350**	**-**	**(354,546)**	**(9,658)**	**25,145**	**(339,303)**	**-**	**22,475**	**629**	**(316,200)**
Cash flows										
Commissions received	-				-	(99,513)				(99,513)
Claims recovered			(193,571)		(193,571)			(11,994)		(11,994)
Premiums paid	310,128				310,128	411,742				411,742
Total cash flows	**310,128**	**-**	**(193,571)**	**-**	**116,557**	**312,229**	**-**	**(11,994)**	**-**	**300,235**
Net closing balance	**1,855**	**-**	**255,503**	**15,330**	**272,688**	**81,077**	**-**	**94,529**	**5,672**	**181,277**
Closing Reinsurance Contract Liabilities	(35,685)	-	-	-	(35,685)	0	-	-	-	0
Closing Reinsurance Contract Assets	37,540	-	255,503	15,330	308,373	81,077	-	94,529	5,672	181,277
Net closing balance	**1,855**	**-**	**255,503**	**15,330**	**272,688**	**81,077**	**-**	**94,529**	**5,672**	**181,277**
	(0)	-	0	-	-	0	-	(0)	-	(0)

	MOTOR					MOTOR				
	Remaining Coverage		**Incurred claims**		**Total**	**Remaining Coverage**		**Incurred claims**		**Total**
	Excl. Loss Recovery Component N'000	Loss Recovery Component N'000	Estimates of Present Value of Future Cash Flows N'000	Risk Adjustment for Non-financial risk N'000	**N'000**	Excl. Loss Recovery Component	Loss Recovery Component	Estimates of Present Value of Future Cash Flows	Risk Adjustment for Non-financial risk	**N'000**
Opening Reinsurance Contract Liabilities	-	-	-	-	-	-	-	-	-	-
Opening Reinsurance Contract Assets	41,444	-	26,505	1,590	69,540	(4,488)	-	121,826	7,310	124,648
Net opening balance	**41,444**	**-**	**26,505**	**1,590**	**69,540**	**(4,488)**	**-**	**121,826**	**7,310**	**124,648**
Allocation of reinsurance premuims paid	**182,552**				**182,552**	**(45,080)**				**(45,080)**
Amount Recovered from reinsurer										
Recoveries on incurred claims			156,238	8,612	164,850			112,797	1,590	114,387
Other incurred reinsurance service expenses					-					
Changes in expected recoveries on past claims			68,627	(1,792)	66,835			(127,160)	(7,915)	(135,075)
Changes in the loss recovery component		-			-		-			-
Reinsurance Service expenses	**-**	**-**	**224,865**	**6,820**	**231,685**	**-**	**-**	**(14,364)**	**(6,325)**	**(20,689)**
Net expenses from Reinsurance Contracts Held	**182,552**	**-**	**(224,865)**	**(6,820)**	**(49,133)**	**(45,080)**	**-**	**(14,364)**	**(6,325)**	**(65,769)**
Insurance Finance Income or Expense										
Net finance expenses from RCH	-	-	10,624	(202)	10,423	-	-	5,163	606	5,768
Effect of movements in exchange rates	-	-	-	-	-	-	-	-	-	-
Total amounts recognised in comprehensive incom	**182,552**	**-**	**(214,241)**	**(7,021)**	**(38,710)**	**(45,080)**	**-**	**(9,201)**	**(5,719)**	**(60,001)**
Cash flows										
Commissions received	-				-	(16,111)				(16,111)
Claims recovered			(97,216)		(97,216)			(86,120)		(86,120)
Premiums paid	179,102				179,102	107,123				107,123
Total cash flows	**179,102**	**-**	**(97,216)**	**-**	**81,885**	**91,012**	**-**	**(86,120)**	**-**	**4,893**
Net closing balance	**37,994**	**-**	**143,530**	**8,612**	**190,135**	**41,444**	**-**	**26,505**	**1,590**	**69,540**
Closing Reinsurance Contract Liabilities	(14,542)	-	-	-	(14,542)	1.25874E-11	-	-	-	0
Closing Reinsurance Contract Assets	52,536	-	143,530	8,612	204,677	41,444	-	26,505	1,590	69,540
Net closing balance	**37,994**	**-**	**143,530**	**8,612**	**190,135**	**41,444**	**-**	**26,505**	**1,590**	**69,540**
	0	-	0	-	0	(0)	-	(0)	0	(0)

	MARINE					MARINE				
	Remaining Coverage		**Incurred claims**		**Total**	**Remaining Coverage**		**Incurred claims**		**Total**
	Excl. Loss Recovery Component N'000	Loss Recovery Component N'000	Estimates of Present Value of Future Cash Flows N'000	Risk Adjustment for Non-financial risk N'000	**N'000**	Excl. Loss Recovery Component	Loss Recovery Component	Estimates of Present Value of Future Cash Flows	Risk Adjustment for Non-financial risk	**N'000**
Opening Reinsurance Contract Liabilities	-	-	-	-	-	-	-	-	-	-
Opening Reinsurance Contract Assets	78,518	-	85,868	5,152	169,538	46,262	-	6,247	375	52,883
Net opening balance	**78,518**	**-**	**85,868**	**5,152**	**169,538**	**46,262**	**-**	**6,247**	**375**	**52,883**
Allocation of reinsurance premuims paid	**405,001**				**405,001**	**(267,019)**				**(267,019)**
Amount Recovered from reinsurer										
Recoveries on incurred claims			71,627	3,846	75,473			86,860	5,152	92,012
Other incurred reinsurance service expenses					-					
Changes in expected recoveries on past claims			(85,441)	(5,805)	(91,246)			(6,520)	(406)	(6,926)
Changes in the loss recovery component		-			-		-			-
Reinsurance Service expenses	**-**	**-**	**(13,814)**	**(1,960)**	**(15,774)**	**-**	**-**	**80,340**	**4,746**	**85,086**
Net expenses from Reinsurance Contracts Held	**405,001**	**-**	**13,814**	**1,960**	**420,775**	**(267,019)**	**-**	**80,340**	**4,746**	**(181,932)**
Insurance Finance Income or Expense										
Net finance expenses from RCH	-	-	(1,448)	(653)	(2,101)	-	-	(719)	31	(688)
Effect of movements in exchange rates	-	-	-	-	-	-	-	-	-	-
Total amounts recognised in comprehensive incom	**405,001**	**-**	**12,366**	**1,306**	**418,673**	**(267,019)**	**-**	**79,621**	**4,777**	**(182,620)**
Cash flows										
Commissions received	-				-	(107,414)				(107,414)
Claims recovered			(8,748)		(8,748)			-		-
Premiums paid	437,807				437,807	406,688				406,688
Total cash flows	**437,807**	**-**	**(8,748)**	**-**	**429,059**	**299,274**	**-**	**-**	**-**	**299,274**
Net closing balance	**111,324**	**-**	**64,754**	**3,846**	**179,924**	**78,518**	**-**	**85,868**	**5,152**	**169,538**
Closing Reinsurance Contract Liabilities	(71,782)	-	-	-	(71,782)	(0)	-	-	-	(0)
Closing Reinsurance Contract Assets	183,106	-	64,754	3,846	251,706	78,518	-	85,868	5,152	169,538
Net closing balance	**111,324**	**-**	**64,754**	**3,846**	**179,924**	**78,518**	**-**	**85,868**	**5,152**	**169,538**
	(0)	-	-	-	(0)	(0)	-	(0)	-	(0)

	OIL_AND_GAS					OIL_AND_GAS				
	Remaining Coverage		**Incurred claims**		**Total**	**Remaining Coverage**		**Incurred claims**		**Total**
	Excl. Loss Recovery Component N'000	Loss Recovery Component N'000	Estimates of Present Value of Future Cash Flows N'000	Risk Adjustment for Non-financial risk N'000	**N'000**	Excl. Loss Recovery Component	Loss Recovery Component	Estimates of Present Value of Future Cash Flows	Risk Adjustment for Non-financial risk	**N'000**
Opening Reinsurance Contract Liabilities	-	-	-	-	-	-	-	-	-	-
Opening Reinsurance Contract Assets	196,998	-	501,113	29,526	727,637	55,647	-	79,723	4,783	140,154
Net opening balance	**196,998**	**-**	**501,113**	**29,526**	**727,637**	**55,647**	**-**	**79,723**	**4,783**	**140,154**
Allocation of reinsurance premuims paid	**1,982,139**				**1,982,139**	**(910,070)**				**(910,070)**
Amount Recovered from reinsurer										
Recoveries on incurred claims			1,585,644	98,442	1,684,086			407,608	29,526	437,134
Other incurred reinsurance service expenses					-					
Changes in expected recoveries on past claims			(552,324)	(13,450)	(565,774)			(83,214)	(5,180)	(88,394)
Changes in the loss recovery component		-			-		-			-
Reinsurance Service expenses	**-**	**-**	**1,033,320**	**84,992**	**1,118,312**	**-**	**-**	**324,394**	**24,346**	**348,740**
Net expenses from Reinsurance Contracts Held	**1,982,139**	**-**	**(1,033,320)**	**(84,992)**	**863,827**	**(910,070)**	**-**	**324,394**	**24,346**	**(561,330)**
Insurance Finance Income or Expense										
Net finance expenses from RCH	-	-	190,478	(3,744)	186,735	-	-	(2,693)	396	(2,297)
Effect of movements in exchange rates	-	-	(627,079)	-	(627,079)	39,634	-	99,689	-	139,323
Total amounts recognised in comprehensive incom	**1,982,139**	**-**	**(1,469,921)**	**(88,736)**	**423,483**	**(870,436)**	**-**	**421,390**	**24,743**	**(424,304)**
Cash flows										
Commissions received	-				-	(5,194)				(5,194)
Claims recovered			-		-			-		-
Premiums paid	2,214,306				2,214,306	1,016,980				1,016,980
Total cash flows	**2,214,306**	**-**	**-**	**-**	**2,214,306**	**1,011,786**	**-**	**-**	**-**	**1,011,786**
Net closing balance	**429,165**	**-**	**1,971,034**	**118,262**	**2,518,460**	**196,998**	**-**	**501,113**	**29,526**	**727,637**
Closing Reinsurance Contract Liabilities	(4,161)	-	-	-	(4,161)	-	-	-	-	-
Closing Reinsurance Contract Assets	433,326	-	1,971,034	118,262	2,522,621	196,998	-	501,113	29,526	727,637
Net closing balance	**429,165**	**-**	**1,971,034**	**118,262**	**2,518,460**	**196,998**	**-**	**501,113**	**29,526**	**727,637**

NOTES TO THE FINANCIAL STATEMENTS

39 Solvency Margin

	31 December 2024			31 December 2023		
	Total	Inadmissible	Admissible	Total	Inadmissible	Admissible
	N'000	N'000	N'000	N'000	N'000	N'000
Cash and Cash Equivalents	3,750,181	(2,903,116)	847,065	1,466,208	-	1,466,208
Treasury Bills	4,626,765	-	4,626,765			-
Placement with Financial Institutions	6,324,602	(3,821,337)	2,503,265	327,769		327,769
Governments Bonds	835,386	-	835,386	11,232,385		11,232,385
Quoted Shares	2,976,127	-	2,976,127			
Loan to Staff	160,826	-	160,826			
Premium Receivables	1,076,250	-	1,076,250	687,424	-	687,424
Other Receivables & Prepayments	558,787	(558,787)	-	261,460	114,724	146,735
Reinsurance Contract Assets	3,729,761	-	3,729,761	1,768,855	-	1,768,855
Right of Use Asset	913,840	(913,840)	-	697,816	697,816	-
Statutory Deposits with CBN	1,000,000	-	1,000,000	1,000,000	-	1,000,000
Property, Plant and Equipment	623,119	-	623,119	471,495	-	471,495
Intangible Assets	207,301	-	207,301	291,399	-	291,399
Other Assets			-			
Total Admissible Assets (a)	**26,782,945**	**(8,197,080)**	**18,585,865**	**18,204,811**	**812,540**	**17,392,270**
Less: Admissible liabilities						
Liabilities						
Insurance Contract Liabilities	8,373,145	-	8,373,145	5,121,586	-	5,121,586
Other Technical Liabilities	70,191	-	70,191	6,003	-	6,003
Provisions & Other Payables	353,277	-	353,277	195,078	-	195,078
Lease Liability	797,418	(797,418)	-	469,644	469,644	-
Income Tax Payable	346,512		346,512	24,122		24,122
Deferred Taxation	585,666	(585,666)	-	259,476		
Total Liabilities (b)	**10,526,209**	**(1,383,084)**	**9,143,125**	**6,075,909**	**469,644**	**5,346,789**
Avialable Solvency Margin (Total Admissible Assets Minus Admissible Liabilities)	**9,442,740**			**12,045,481**		
Required Solvency Margin: Higher of						
15% of net premium income or	1,287,076			1,199,586		
Minimum capital requirement	3,000,000			3,000,000		
Level of Solvency (Available Solvency/Required Solvency*100)	**315%**			**402%**		
Solvency Margin (a-b)	**9,442,740**	**-**	**-**	**12,045,481**	**-**	**-**
Gross premium income	14,324,901			12,059,642		
Less: Reinsurance expenses	(5,744,392)			(4,062,402)		
Net premium income	**8,580,509**			**7,997,240**		
Subject to higher of:						

NOTES TO THE FINANCIAL STATEMENTS

40 HYPOTHECATION

	31 December 2024			31 December 2023		
	Policy Holders Fund - Insurance Contract	Share Holders Fund	Total	Policy Holders Fund - Insurance Contract	Share Holders Fund	Total
	N'000	N'000	N'000	N'000	N'000	N'000
Cash and Cash Equivalents	3,400,181	350,000	3,750,181	600,000	866,208	1,466,208
Financial Assets - FVTPL	1,300,000	7,269,187	8,438,278	2,929,704	8,302,681	11,232,385
Financial Assets - Amortized Cost	2,503,266	3,821,337	6,324,603	223,027	104,742	327,769
Trade Receivables		1,076,250	1,076,250		687,424	687,424
Reinsurance Assets	3,729,761	0	3,729,761	1,768,855		1,768,855
Right of Use Asset		913,840	913,840		599,392	599,392
Other Receivables & Prepayments		719,613	719,613		261,460	261,460
Statutory Deposits with CBN		1,000,000	1,000,000		1,000,000	1,000,000
Property, Plant and Equipment		623,119	623,119		471,495	471,495
Intangible Assets		207,301	207,301		291,399	291,399
TOTAL ASSETS	**10,933,208**	**15,980,647**	**26,782,946**	**5,521,586**	**12,584,801**	**18,106,387**
Liabilities						
Trade Payables	-	70,191	70,191	-	6,003	6,003
Provisions & Other Payables	-	353,277	353,277	-	195,078	195,078
Insurance Contract Liabilities	8,373,145	-	8,373,145	5,121,586	-	5,121,586
Lease Liability	-	797,418	797,418	-	469,644	469,644
Income Tax Payable	-	346,512	346,512	-	24,121.01	24,121
TOTAL LIABILITIES	8,373,145	1,567,398	9,940,543	5,121,586	694,847	5,816,434
SURPLUS	**2,560,063**	**14,413,249**	**16,842,403**	**400,001**	**11,889,953**	**12,289,954**

OTHER NATIONAL DISCLOSURE

VALUE ADDED STATEMENT

	31 December 2024	%	31 December 2023 N'000	%
Insurance Service Result	14,324,901	201%	12,059,642	320%
Investment Income & commissions income	5,728,775	80%	4,504,003	120%
Other Income/Expenses	5,304	0%	3,229	0%
Claims incurred, commissions paid and operating expenses	(13,979,401)	-196%	(12,649,535)	-336%
Other Service alllocated / allocated	1,048,324	15%	(151,318)	-4%
Value added	**7,127,903**	**85%**	**3,766,021**	**100%**
Applied to pay:				
Employee benefit expense	1,888,769	26%	1,110,952	29%
Government taxes	673,921	9%	283,597	8%
Retained in the business:				
Depreciation of property and equipment	183,483	3%	115,415	3%
Depreciation expense on right-of-use asset	63,799	1%	51,105	1%
Amortisation of intangible assets	91,673	1%	88,409	2%
Profit/Loss accumulated in the business	4,226,258	59%	2,116,544	56%
Value added	**7,127,903**	**100%**	**3,766,021**	**100%**

FOUR-YEAR FINANCIAL SUMMARY

STATEMENT OF FINANCIAL POSITION

	31 December 2024	31 December 2023	31 December 2022 Restated	1 January 2022 Restated
ASSETS	**N'000**	**N'000**	**N'000**	**N'000**
Cash and Cash Equivalents	3,750,181	1,466,208	744,224	667,981
Financial Assets - FVTPL	8,438,278	11,232,385	7,374,165	6,410,730
Financial Assets - Amortised Cost	6,324,603	327,769	1,104,741	1,375,398
Trade receivables	1,076,250	687,424	1,374,117	158,521
Reinsurance Contract Assets	3,729,761	1,768,855	1,179,346	409,920
Other Receivables & Prepayments	719,613	261,460	185,566	287,116
Right of Use Asset	913,840	599,392	697,816	703,689
Statutory Deposit	1,000,000	1,000,000	1,000,000	1,000,000
Property, Plant and Equipment	623,119	471,495	288,865	192,255
Intangible Assets	207,301	291,399	320,066	183,205
Total Assets	**26,782,946**	**18,106,387**	**14,268,906**	**11,388,815**
LIABILITIES				
Insurance Contract Liabilities	8,373,145	5,121,586	3,734,545	1,697,214
Reinsurance Contract Liabilities	-	-	-	-
Other technical liabilities	70,191	6,003	255	97,259
Provision & Other Payables	353,277	195,078	196,613	104,385
Lease Liability	797,418	469,644	418,539	362,514
Income Tax Payable	346,512	24,121	5,019	-
Deferred Taxation	585,666	259,476	-	-
Total Liabilities	**10,526,209**	**6,075,908**	**4,354,971**	**2,261,372**
EQUITY				
Ordinary Share Capital	10,000,000	10,000,000	10,000,000	10,000,000
Contingency Reserve	1,628,073	782,821	1,247,658	104,878
Retained Earnings (General Reserve)	4,628,664	1,247,658	12,030,479	(977,435)
	16,256,737	**12,030,479**	**23,278,137**	**9,127,443**
TOTAL EQUITY & LIABILITIES	**26,782,946**	**18,106,387**	**27,633,108**	**11,388,815**

Statement of Comprehensive Income

	31 December 2024	31 December 2023	31 December 2022 Restated	1 January 2022 Restated
	N'000	N'000	N'000	
Insurance Revenue	14,324,901	12,059,642	6,805,222	21,112,942
Profit/(loss) before tax	4,900,179	2,400,141	791,511	(862,102)
Income tax expense/credit	(673,921)	(283,597)	(5,019)	-
Profit/(loss) after tax	**4,226,258**	**2,116,544**	**786,491**	**(862,102)**