

**LASACO ASSURANCE PLC
UN AUDITED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED
30 SEPTEMBER 2025**

LASACO ASSURANCE PLC

Contents	Pages
Corporate Information	i-iii
Results at a glance	iv
Freefloat Status	v
Statement of Corporate Responsibility for the financial statements	vi
Certification By Company Secretary	vii
Certification pursuant to section 60(2) of Investment and Securities Act No 29	viii
Corporate Governance Report	ix-x
Statement of Significant Accounting Policies and notes to the financial statements	1 - 37
Statement of Financial Position	38
Statement of Profit or Loss and Other Comprehensive income	39
Statement of Changes in Equity	40 -41
Statement of Cash Flows	42
Other notes to the financial statements	43- 64

LASACO ASSURANCE PLC
UN AUDITED FINANCIAL STATEMENTS, 30 SEPTEMBER 2025

i

Corporate Information

Directors	Mrs. Olateju Phillips	Chairman
	Mr. Razzaq Abiodun	Managing Director/CEO
	Mr. Rilwan Oshinusi	Deputy Managing Director (Corporate Services)
	Mr. Ademoye Shobo	Executive Director - Technical
	Mr. Ademola Oshodi	Non -executive Director
	Mr. Tobiloba Lawal	Non -executive Director
	Mr. Abiodun Dosunmu	Non -executive Director

Company Secretary Mrs. Gertude Olutekunbi
Plot 16, ACME Road
Ogba Industrial Estate
Ikeja
Lagos State.

Registered Office LASACO House
Plot 16, ACME Road
Ogba Industrial Estate
Ikeja
Lagos State.

Registration Number 31126

Tax Identification Number 02306657-0001

Corporate Head Office LASACO House
Plot 16, ACME Road
Ogba Industrial Estate
Ikeja
Lagos State.
Tel: (234) 01 - 2120557
E-mail: info@lasacoassurance.com
Website: www.lasacoassurance.com

Registrars **APEL Capital & Trust Limited**
8, Alhaji Bashorun Street
Off Norman Williams Crescent,
South West, Ikoyi
Lagos
Telephone: 01- 873928, 7401444-5
Mobile No: 07046126698

Bankers Guaranty Trust Bank Limited
First Bank of Nigeria Limited
Ecobank Nigeria Limited
Zenith Bank Nigeria Plc
United Bank for Africa Plc
Polaris Bank Limited
Sterling Bank Plc

Corporate Information (Cont'd)

Auditor	BDO Professional Services (Chartered Accountants) ADOL House, 15 CIPM Avenue Central Business District Alausa, Ikeja, Lagos. P.O.Box 4929,GPO, Marina Lagos. www.bdo-ng.com
Actuary	Becoda Consulting Ltd 7 Ibiyinka Lorunbe close Victoria Island Lagos Nigeria
Estate Valuers	Oletubo & Co Estate Surveyors & Valuers 9, Arapasanwu Street, off oluwaloimu Off Amore Street, Toyin Street, Ikeja Fola Oyekan & Associates Estate Surveyors & Valuers 13, Ogunlana Drive , Surulere, Lagos
Solicitors	Obioha Jude Idigbe & Co 10 Marina Onikan Lagos. Lawrence Osayemi & Co 38/40 Orlando Martins Street Off Igbosere Road Lagos. Abdulkareem & Abdulkareem 7 Gray Street Behind Yaba Chief Magistrate Court Yaba Lagos.
Reinsurers	African Reinsurers Corporation Continental Reinsurance Corporation SWISS Reinsurance Company WAICA Reinsurance Pool
Our Vision	To be a market leader in Insurance and Financial Services in Nigeria, creating and sustaining an exceptional brand and providing long term value to our Stakeholders.

Corporate Information (Cont'd)

Our Mission	We are committed to be the Insurance and Financial Services Company of choice in Nigeria, providing Products and Services of Superior Quality, using modern tools and a well motivated workforce to create long term value for all our Stakeholders.
Core Values	Excellence Professionalism Integrity Customer Focus Trust Accountability Creativity Teamwork
Quality Policy Statement	LASACO Assurance Plc is committed to delivering Insurance and Financial Services Of Superior Quality, surpassing customers expectations and ensuring strict compliance with regulatory/statutory requirements. We are committed to continually improving the effectiveness of our Quality Management System. We establish measurable goals and objectives at Departmental levels which we review as the need arises ensuring timely, effective implementation of Company strategy.

RESULTS AT A GLANCE

	2025	2024	Changes	
Statement of Financial Position	₦'000	₦'000	₦'000	%
Total assets	<u>42,337,314</u>	<u>31,264,324</u>	11,072,990	35
Total liabilities	<u>20,117,514</u>	<u>18,969,943</u>	1,147,571	6
Shareholders' funds	<u>22,219,800</u>	<u>12,294,381</u>	9,925,419	81
Income Statement	₦'000	₦'000	₦'000	%
Insurance revenue	23,838,482	17,072,174	6,766,308	40
Insurance service expenses	(19,465,005)	(13,541,370)	5,923,635	44
Net expenses from reinsurance contract held	<u>(2,508,295)</u>	<u>(3,178,627)</u>	(670,332)	(21)
Insurance service results	<u>1,865,182</u>	<u>352,177</u>	1,513,005	430
Net Investment results	<u>2,848,388</u>	<u>3,337,123</u>	(488,735)	(15)
Net insurance and investment results	4,713,570	3,689,300	1,024,270	28
Profit before tax	<u>(404,224)</u>	<u>2,274,339</u>	(2,678,563)	(118)

Shareholding Structure/Free Float Status

Description	30-Sept-24		31-Dec-24	
	Unit	Percentage	Unit	Percentage
Issued Share Capital	1,833,585,855	100%	1,833,585,855	100%
Substantial Shareholdings (5% and above)				
Ibile Holdings Ltd	506,949,191	27.65%	506,949,191	27.65%
Canon Properties & Investments Ltd	232,941,185	12.70%	232,941,184	12.70%
Total Substantial Shareholdings	739,890,376	40.35%	739,890,375	40.35%
Directors' Shareholdings (direct and indirect), excluding directors with substantial interests				
Mrs. Teju Phillips (representing Ibile Holdings Ltd)	--	--	--	--
Otunba Akin Doherty (representing Canon Properties & Investment Ltd)	-	-	-	-
Otunba Akin Doherty (Direct)	737,411	0.04%	2,949,645	
Prince Jamiu Adio Saka	250,000.00	0.01%	250,000.00	
Mr Adeniyi Saliu	-	-	-	-
Mr. Razzaq Abiodun (Direct)	746,000	0.04%	746,000	0.04%
Mr. Ademoye Shobo	156,345	0.01%	156,345	0.01%
Total Directors' Shareholdings	1,889,756	0.09%	3,945,645	0.05%
Other Influential Shareholdings				
STANBIC NOM./ AMCON / STERLING BANK PLC	66,865,000	3.65%	66,865,000	3.65%
SNNL/ASSET MGT CORPORATION OF NIG - TRAD	36,799,139	2.01%	36,799,139	2.01%
FIRST PENSION CUSTODIAN	29,188,213	1.59%	29,188,213	1.59%
JOINT HIERS RESOURCES	25,000,000	1.36%	25,000,000	1.36%
CALYX SECURITIES LTD.	22,709,327	1.24%	22,709,327	1.24%
OCEANIC TRUSTEES NOMINEE ACCOUNT	20,693,773	1.13%	20,693,773	1.13%
PYRAMID SECURITIES LIMITED	19,833,571	1.08%	19,833,571	1.08%
Total Other Influential Shareholdings	221,089,023	12.06%	221,089,023	12.06%
Free Float in Units and Percentage	870,716,701	47.49%	868,660,812	47.37%
Free Float in Value	₦ 6,530,375,253.75		₦ 9,468,402,850.80	

Declaration:

LASACO Assurance Plc with a free float percentage of 47.49% as at 30th September 2025, is compliant with The Exchange's free float requirements for companies listed on the Main Board.

Further to the provisions of section 405 of the Companies and Allied Matters Act (CAMA), 2020, we, the Managing Director/CEO and Chief Financial Officer, hereby certify the financial statements of Lasaco Assurance Plc for the year ended 30 September, 2025 as follows:

- (a) That we have reviewed the unaudited financial statements of the Company for the year ended 30 September 2025.
- (b) That 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, in the light of the circumstances under which such statement was made.
- (c) That the audited financial statements and all other financial information included in the statements fairly present, in all material respects, the financial condition and results of operation of the Company as of and for, the year ended 30 September, 2025.
- (d) That we are responsible for establishing and maintaining internal controls and have designed such internal controls to ensure that material information relating to the Company is made known to the officer by other officers of the company, during the year 30 September 2025.
- (e) That we have evaluated the effectiveness of the Company's internal controls within 90 days prior to the date of audited financial statements, and certify that the Company's internal controls are effective as of that date.
- (f) That there were no significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our evaluation, including any corrective action with regard to significant deficiencies and material weaknesses.
- (g) That we have disclosed the following information to the Group and Company's Auditors and Audit Committee:
 - (i) There is no fraud that involves management or other employees who have a significant role in the Company's internal control.
 - (ii) There are no significant deficiencies in the design or operation of internal controls which could adversely affect the Company's ability to record, process, summarise, and report financial data, and have identified for the Company's auditors any material weaknesses in internal controls.



Mr. Razzaq Abiodun
Managing Director/CEO
FRC/2021/004/00000024290



Olubukola Moradeyo
Chief Finance Officer
FRC/2021/PRO/00000024062

LASACO ASSURANCE PLC
UN AUDITED FINANCIAL STATEMENTS, 30 SEPTEMBER, 2025
CERTIFICATION BY COMPANY SECRETARY

vii

In my capacity as Company Secretary, I hereby certify, in terms of the Companies and Allied Matters Act, 2020, that for the period ended 30 September 2025, the Company has lodged all such returns as are required of a Company in terms of this Act, and that all such returns are, to the best of my knowledge and belief, true, correct and up to date.



Gertude Olutekunbi (Mrs.)
Company Secretary
FRC/2015/NBA/00000011389

Lagos, Nigeria

LASACO ASSURANCE PLC
UN AUDITED FINANCIAL STATEMENTS, 30 SEPTEMBER, 2025
CERTIFICATION PURSUANT TO SECTION 60(2) OF INVESTMENT AND SECURITIES ACT NO. 29
OF 2007

viii

We the undersigned hereby certify the following with regards to our Unaudited Financial Statements for the period ended 30 September 2025 that:

- We have reviewed the report;
- To the best of our knowledge, the report does not contain:
 - Any untrue statement of a material fact, or
 - Omit to state a material fact, which would make the statements, misleading in the light of circumstances under which such statements were made;
- To the best of our knowledge, the financial statements and other financial information included in the report fairly present in all material respects the financial condition and results of operations of the Company as of, and for the year presented in the report.
- We:
 - Are responsible for establishing and maintaining internal controls.
 - Have designed such internal controls to ensure that material information relating to the Company is made known to such officers by others within those entries particularly during the year in which the periodic reports are being prepared;
 - Have evaluated the effectiveness of the Company's internal controls as of date within 90 days prior to the report;
 - Have presented in the report our conclusions about the effectiveness of our internal controls based on our evaluation as of that date;
- We have disclosed to the auditors of the Company and audit committee:
 - All significant deficiency in the design or operation of internal controls which would adversely affect the Company's ability to record, process, summarise and report financial data and have identified for the Company's auditor any material weakness in internal controls, and
 - Any fraud, whether or not material, that involves management or other employees who have significant role in the Company's internal controls;
- We have identified in the report whether or not there were significant changes in internal controls or other factors that could significantly affect internal controls subsequent to the date of our evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.



Mr. Razzaq Abiodun
Managing Director/CEO
FRC/2021/004/00000024290



Olubukola Moradeyo
Chief Finance Officer
FRC/2021/PRO/00000024062

In accordance with the general requirements of the Nigerian Code of Corporate Governance 2018 (NCCG Code) and the Securities and Exchange Commission Corporate Governance Guideline (SCGG), we hereby highlight those key principles and practices that form the basis of the high standards of corporate conduct for which LASACO is known for.

At LASACO, we conduct our business activities in accordance with the highest degree of ethical standards of good governance, integrity and in full compliance with the law, while taking into account the interest of stakeholders. We reach out to our employees, business partners, associates and stakeholders at large to secure their commitment and participation in upholding high standards of conduct in the performance of their duties.

The Board of Directors are responsible for setting, reviewing and guiding corporate strategy, major plans of action, risk policy, annual budgets and business plans; setting performance objectives, monitoring implementation and management performance; and overseeing major capital expenditures, acquisitions and investments. In order to fulfill their responsibilities, we ensure that Board members have access to accurate, relevant and timely information and that Board Members devote sufficient time to their responsibilities and duties.

We have completed and submitted the new Financial Reporting Council Template for reporting compliance with Nigerian Code of Corporate Governance 2018 and uploaded it on the NGX Issuers portal.

The Matters Reserved For the Board

The Board of Directors' major performance enhancing and direction-setting responsibilities include the following matters:

- i Strategy formulation, policy thrust and Management policies
- ii Integrity of financial controls and reports
- iii Risk assessment and internal controls
- iv Board and top executive appointments
 - v Creating and sustaining appropriate relationships with all stakeholders
- vi Selection, Performance Appraisal and Remuneration of Executive Directors
- vii Succession Planning
- viii Corporate Responsibility through the approval of relevant policies
- ix Approves and reviews the matters reserved for the Board and the terms of reference for Board
 - x Determines the remuneration for Non-Executive Directors
- xi Sets the procedure for determining the remuneration of the company's Independent Auditors
- xii Nominates members of the Board committees and determines the scope of delegated authority
- xiii Develops and enforces a code of conduct for Non-executive Directors and a binding Statement
- xiv Ensures compliance with all relevant laws and regulations by the Company and its officers.

The Board was made up of Five Non-executive Directors, One being Independent Director and Three Executive Directors. At LASACO, the position of the Chairman is separate and distinct from that of the Managing Director/Chief Executive Officer. The Chairman is a Non-executive Director.

COMMITTEES OF THE BOARD

The Board performs its various duties and responsibilities through Four (4) Committees: the Finance, General Purposes and Investment Committee, the Establishment and Corporate Governance Committee, the Audit, Risk Management and Compliance Committee and the Statutory Shareholders' Audit Committee. All Board Committees make recommendations for consideration and approval by the full Board.

At the management level, a Management Committee presided over by the Managing Director/Chief Executive Officer and comprising the Deputy Managing Directors, General Managers and a Principal Manager meet regularly once in a fortnight.

1) FINANCE, GENERAL PURPOSES AND INVESTMENT COMMITTEE

The Committee was chaired by a Non-executive Director and made up of Three other Non-executive Directors and the three Executive Directors for a total membership of seven (7) members.

The following are the key terms of reference of the Finance and Investment Committee:

- a) To review the Company's operational standards and performance.
- b) To oversee financial reporting, policies and processes as well as compliance level.
- c) To oversee internal controls and compliance within the company.
- d) To oversee capital and operating expenditures, specific projects and their financing within the overall Business Plan and Budget approved by the Board.
- e) To ensure that there are no conflicts of interest by Directors and Top Managers in the Company in the conduct of business.
- f) To proffer suggestions on optimal use of the Company's resources.

Membership

- | | |
|------------------------|---|
| • Mr Tobiloba Lawal | - Chairman |
| Mr Ademola Oshodi | Member |
| Mr. Abiodun Dosunmu | Member |
| • Mr. Razzaq Abiodun | - Managing Director/CEO |
| • Mr. Ademoye Shobo | - ED - Technical |
| • Mr. Riliwan Oshinusi | - Deputy Managing Director (Corporate Services) |

2. THE BOARD NOMINATION, REMUNERATION AND CORPORATE GOVERNANCE COMMITTEE

The Board Nomination, Remuneration, and Governance Committee consist of Four Non-executive Directors, **one** of whom chaired the Committee and were joined by the three Executive Directors.

The Terms of reference of the Board Nomination, Remuneration, and Governance Committee are as follows:

- To define the criteria and the procedure for the appointments and promotion of key officers of the company from manager cadres and above.
- To oversee proper administration of the Board approved Performance based Appraisal and Remuneration System.
- To review from time to time the organizational structure and succession planning proposals of the group and make appropriate recommendations to the full Board
- Oversees the implementation of Board approved Performance Goals and objectives for the Executive Directors and Top Management.

Membership

• Mr Ademola Oshodi	Chairman
• Mr Tobiloba Lawal	Member
• Mr Abiodun Dousnmu	Member
• Mr. Razzaq Abiodun	- Managing Director/CEO
• Mr. Ademoye Shobo	- ED - Technical
• Mr. Rilwan Oshinusi	- Deputy Managing Director (Corporate Services)

3 AUDIT, RISK MANAGEMENT AND COMPLIANCE COMMITTEE

The Audit, Risk Management and Compliance Committee was made up of four non-Executive Directors, were joined by the Three Executive Directors.

The Terms of reference of the Audit, Risk Management and Compliance Committee are as follows:

- The Committee shall be responsible for the review of the integrity of the data and information provided in the Audit and/or Financial Reports.
- To provide oversight functions with regards to both the company's financial with regard to both the company's financial statement and its internal control and risk management functions.
- To review the terms of engagement and recommend the appointment or reappointment and compensation of External Auditors to the Board and the Shareholders.

Membership

• Mr Abiodun Dousnmu	- Chairman
• Mr Ademola Oshodi	- Member
• Mr Tobiloba Lawal	- Member
• Mr. Razzaq Abiodun	- Managing Director/CEO
• Mr. Ademoye Shobo	- ED - Technical
• Mr. Rilwan Oshinusi	- Deputy Managing Director (Corporate Services)

4. THE STATUTORY SHAREHOLDERS' AUDIT COMMITTEE

The Statutory Shareholders Audit Committee was made up of **five(5)** members comprising two representatives of the shareholders who were re-elected at the 2023 Annual General Meeting held on 25th October 2024 for a period of one year till the conclusion of the 2024 Annual General Meeting; and two representatives of the Board of Directors nominated by the Board.

The Chairman of the Audit Committee for 2025 was Mr. Matthew Akinlade, FCA, a Shareholders' representative. The meetings of the Committee were attended by the Company's Internal Audit representatives represented by BDO Professional Services, the Company's Independent External Auditors. The Company Secretary is the Secretary of the Committee.

• Mr. Matthew Akinlade	Shareholders representatives
• Mr. Samuel Olagoke	Shareholder's representatives
• Mrs. Adenike Olatokunbo	Shareholder's representatives
• Prince Jamiu Adio Saka	Director's representatives

The Terms of Reference of the Committee

The following were the terms of reference of the Committee as provided in section 359(6) of the Companies and Allied Matters Act CAP C20 laws of the Federation of Nigeria, 2004:

- Ascertain whether the accounting and reporting policies of the Company are in accordance with legal requirements and agreed ethical practices;
- Review the scope of planning of audit requirements.
- Review the findings on management matters in conjunction with the External Auditors and departmental responses thereon;
- Keep under review the effectiveness of the Company's system of accounting and internal control.
- Make recommendations to the Board with regard to the appointment, removal and remuneration of the External Auditors of the Company.
- Authorize the internal auditor to carry out investigation into activities of the Company which may be of interest or concern to the committee.

POLICIES UPLOADED ON THE WEBSITE INLINE WITH THE NIGERIAN CODE OF CORPORATE GOVERNANCE 2018

- WHISTLE BLOWING
- SECURITY TRADING
- SHAREHOLDERS ENGAGEMENT
- STAKEHOLDERS MANAGEMENT

The following are the significant accounting policies adopted by the Company in the preparation of these financial statements. These accounting policies have been consistently applied for all years presented.

1.0 General Information

- (a) LASACO Assurance Plc (“LASACO” or “the Company”) is a public limited liability Company domiciled in Nigeria. The Company’s registered and Corporate Office is Plot 16, ACME Road, Ogba Industrial Estate, Ikeja Lagos.

The Company was incorporated on 20 December 1979 under the Company Decree of 1968. The Company then, known as Lagos State Assurance Company Limited obtained license as an insurer on 7 July 1980 and commenced business on 1 August 1980. It became a public limited liability Company in 1991 when the Company’s shares were listed on the Nigerian Stock Exchange. The Company secured a life insurance business license from National Insurance Commission (NAICOM) in 2007. The Company then separated the life business and transferred the related assets and liabilities to its subsidiary, LASACO Life Assurance Company Limited. On 1 January 2009 LASACO Life Assurance Co. Ltd commenced business. The Company operates from its corporate office in Lagos and whilst it maintains branches in major cities of the Federation.

The purpose of the merger is to enable the Company operate as a composite Insurance Company as against the group structure in operation before the merger.

The merger process was concluded on 16 December 2014 with conclusion of the Court Ordered Meeting and final Court approval. This is in line with Section 30(1)(b) of the Insurance Act.

All assets and liabilities of LASACO Life Assurance Ltd have been transferred to LASACO Assurance Plc, hence LASACO Life Assurance Co Ltd cease to operate as an Insurance Company and as a subsidiary of LASACO Assurance Plc with effect from 17 December 2014.

(b) Principal activity

The Company is principally engaged in the provision of various classes of insurance such as general accident, fire, motor, engineering, marine, bond insurances and life assurance businesses. The Company also transacts insurance business for aviation, oil & gas and other special risks.

These financial statements were authorized by the Board of Directors on 18th July 2025.

1.1 Summary of Significant Accounting Policies

The principal accounting policies applied in the preparation of these Financial Statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

1.2 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 sufficient capital adequacy ratio and projected liquidity, based on historical experience that short-term obligations will be refinanced in the normal course of the 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 operations of the Company.

1.3 Basis of Preparation and Compliance with International Financial Reporting Standards

The Group’s financial statements for the year ended 31 September 2025 have been prepared in accordance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), Companies and Allied Matters Act, 2020, Insurance Act CAP 117, LFN 2004 and Prudential Guidelines issued by National insurance Commission and Investment and Securities Act 2007.

1.3.1 Foreign currency translation

(a) Functional and Presentation Currency

The financial statements are presented in Nigerian currency (Naira) which is the Company's functional currency. Except otherwise indicated, financial information presented in Naira have been rounded to the nearest thousand (₦ '000)

(b) Transactions and balances in foreign currencies

Transactions denominated in foreign currencies are recorded in Naira at the rate of exchange ruling at the date of each transaction. Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is included in the profit and loss account. Monetary assets and liabilities denominated in foreign currencies at the statement of financial position date are translated at that date. Exchange gains arising from the revaluation of monetary assets and liabilities are recognized in the income statement while those on non-monetary items are recognized in other comprehensive income. For non-monetary financial assets fair value through other comprehensive income, unrealized exchange differences are recorded directly in equity until the asset is disposed or impaired.

1.3.2 Basis of measurement

The financial statements are prepared on the historical cost basis except for the following:

- Financial instruments at fair value through profit or loss;
- Financial assets classified as FVOCI which are measured at fair value through other comprehensive income;
- Financial assets which are measured at amortised costs;
- Land and building (included in property and equipment) which are measured at fair value through other comprehensive income; and
- Investment properties which are measured at fair value.
- Insurance contract which are measured in line with the requirements of IFRS 17

1.4 Critical Accounting Estimates, Judgments and Assumptions

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. 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 judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions and conditions. Changes in assumptions may have a significant impact on the financial statements in the period the assumptions changed. Management believes that the underlying assumptions are appropriate and that the Company's financial statements therefore present the financial positions and results fairly. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed.

(i) Business model assessment

For financial assets that are held for the purpose of collecting contractual cash flows, the Company has assessed whether the contractual terms of these assets are solely payments of principal and interest on the principal amount outstanding.

(ii) Allowances for credit losses

Judgment is required by management in the estimation of the amount and timing of future cash flows when determining an impairment loss for debt instruments measured at amortised cost and fair value through other comprehensive income. In estimating these cash flows, the Company makes judgments about the borrower's financial situation and value of other collateral (where applicable). These estimates are based on assumptions about a number of factors and actual results may differ, resulting in future changes to the impairment allowance.

A collective assessment of impairment takes into account data from the debt portfolio (such as credit quality, levels of arrears, credit utilisation, loan to collateral ratios etc.), and concentrations of risk and economic data (including levels of unemployment, changes in foreign exchanges, real estate prices indices, country risk and the performance of different individual groups).

These critical assumptions have been applied consistently to all years presented, except as follows:

The Company applied the impairment requirements under IFRS 9 since 1 January 2018 and no changes to the assumptions used for the calculation for allowance for impairment in 2023 using the expected credit loss model.

(iii) Impairment of financial assets

The Company has applied some judgment in carrying out an assessment of whether credit risk on the financial asset has increased significantly since initial recognition and incorporating forward-looking information in the measurement of Expected Credit Losses (ECL).

The impairment requirements of IFRS 9 apply to all debt instruments that are measured at amortised cost. The determination of impairment loss and allowance moves from the incurred credit loss model whereby credit losses are recognised when a defined loss event occurs under IAS 39, to expected credit loss model under IFRS 9, where expected credit losses are recognised upon initial recognition of the financial asset based on expectation of potential credit losses at the time of initial recognition.

Staged Approach to the determination of Expected Credit Losses

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

- Stage 1** The Company recognises a credit loss allowance at an amount equal to the 12 month expected credit losses. This represents the portion of lifetime expected credit losses from default events that are expected within 12 months of the reporting date, assuming that credit risk has not increased significantly after the initial recognition.
- Stage 2** The Company recognises a credit loss allowance at an amount equal to the lifetime expected credit losses (LTECL) for those financial assets that are considered to have experienced a significant increase in credit risk since initial recognition. This requires the computation of ECL based on Lifetime probabilities of default that represents the probability of a default occurring over the remaining lifetime of the financial assets. Allowance for credit losses is higher in this stage because of an increase in credit risk and the impact of a longer time horizon being considered compared to 12 months in stage 1.
- Stage 3** The Company recognises a loss allowance at an amount equal to life-time expected credit losses, reflecting a probability of default (PD) of 100% via the recoverable cash flows for the asset. For those financial assets that are credit impaired. The Company's definition of default is aligned with the regulatory definition. The treatment of the loans and other receivables in stage 3 remains substantially the same as the treatment of impaired financial assets under IAS 39 except for the portfolios of assets purchased or originated as credit impaired.

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

The determination of whether a financial asset is credit impaired focuses exclusively on default risk, without taking into consideration the effect of credit risk mitigants such as collateral or guarantees. Specifically, the financial asset is credit impaired and in stage 3 when: the Company considers the obligor is unlikely to pay its credit obligations to the Company. The termination may include forbearance actions, where a concession has been granted to the borrower or economic or legal reasons that a qualitative indicators of credit impairment; or contractual payments of either principal or interest by the obligor are pass due by more than 90 days.

For financial assets considered to be credit impaired, the ECL allowance covers the amount of loss the Company is expected to suffer. The estimation of ECLs is done on a case by case basis for non-homogenous portfolios, or by applying portfolio based parameters to individual financial assets in this portfolios by the Company's ECL model for homogenous portfolios.

1.5 Judgments, Estimates and Assumptions

The estimates and underlying assumptions are reviewed on an on-going basis. Revision to accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only that period or 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 below:

1.5.1 Income Taxes

Significant estimates are required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain. The Company recognizes liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions.

1.5.2 Retirement Benefits

The present value of the retirement benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. Any changes in these assumptions will impact the carrying amount of gratuity obligations. The assumptions used in determining the net cost (income) for gratuity include the discount rate, rate of return on assets, future salary increments and mortality rates.

The Company determines the appropriate discount rate at the end of the period. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the gratuity obligations. In determining the appropriate discount rate, the Company considers the interest rates of high-quality government bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating the terms of the related gratuity liability. Other key assumptions for gratuity obligations are based in part on current market conditions.

In most cases, no explicit assumptions are made regarding the future rates of claims inflation or loss ratios. Instead, the assumptions used are those implicit in the historical claims development data on which the projections are based. Additional qualitative judgment is used to assess the extent to which past trends may not apply in future, (e.g. to reflect one-off occurrences, changes in external or market factors such as public attitudes to claiming, economic conditions, levels of claims inflation, judicial decisions and legislation, as well as internal factors such as portfolio mix, policy features and claims handling procedures) in order to arrive at the estimated ultimate cost of claims that present the likely outcome from the range of possible outcomes, taking account of all the uncertainties involved.

Similar judgments, estimates and assumptions are employed in the assessment of adequacy of provisions for unearned premium. Judgment is also required in determining whether the pattern of insurance service provided by a contract requires amortisation of unearned premium on a basis other than time apportionment.

1.5.3 Fair Valuation of Investment Properties

The fair value of investment properties is based on the nature, location and condition of the specific asset. The fair value is determined by reference to observable market prices. The fair value of investment property does not reflect the related future benefits from this future expenditure. These valuations are performed annually by external appraisers. Assumptions are made about expected future cash flows and the discounting rates.

1.5.4 Liability for remaining coverage (LRC) and Liability for incurred claims (LIC)

The measurement of a group's liability resulting from the insurance contracts that it issues requires significant use of estimates and judgments. The Company estimates the liability for future insurance contract obligations, taking into account the expected cash flows for fulfilling these contracts. This involves making assumptions about future claim payments, premium income, and discount rates.

1.5.5 Reinsurance contracts

The Company assesses the impact of the reinsurance contracts that it holds on its financial statements, including estimating the expected recoveries from reinsurers. This involves evaluating the terms of reinsurance agreements, the creditworthiness of reinsurers, and the effect on the measurement of reinsurance contract assets and liabilities.

1.5.6 Fulfillment Cash Flows

In estimating its liabilities and assets as it relate to insurance and reinsurance contracts, the company makes significant assumptions relating to the future cash flows that will arise from fulfilling insurance contracts, considering variables such as claims experience, lapses, and policyholder behavior. These estimates require judgment and are influenced by historical data and actuarial projections. The Company incorporates, in an unbiased way, all reasonable and supportable information that is available without undue cost or effort at the reporting date. This information includes both internal and external historical data about claims and other experiences, updated to reflect current expectations of future events. The estimates of future cash flows reflect the Group's view of current conditions at the reporting date, using market variables consistent with observable market prices, where applicable.

1.5.7 Risk adjustment

In the measurement of risk adjustment, the Company makes use of significant judgments including estimations, actuarial projections, and historical data in determining reasonable compensation for bearing non-financial risks as it relates to insurance contracts that its issued. It also employs similar assumptions and methodologies in estimating the expected reinsurance portion or recoverable as it relates to risk adjustment.

1.5.8 IFRS 17 Transition

The measurement of the Company liability for the IFRS 17 transition resulting from the insurance contracts that it issues requires significant use of estimates and judgments. The Company estimates the IFRS 17 transition insurance contract obligations, taking into account the contract's fulfillment cashflows. The Company has applied the full retrospective approach to the transition to all short-term insurance contracts in force at the transition date.

For all groups of insurance and Reinsurance contracts for which the full retrospective approach was impracticable modified retrospective approach was adopted. This involves making assumptions about future claim payments, premium income, and discount rates.

1.5.9 Discount rates

The determination of appropriate discount rates to value future cash flows is critical in the application of IFRS 17. The company considers factors such as the time value of money, credit risks, and liquidity premiums in selecting its discount rates. Significant judgment is used by the Company to ensure that the selected rates reflect the characteristics of the cashflows and the risks associated with insurance contracts.

1.6 Changes in Material Accounting Policies

1.6.1 Material Accounting Policy Information

The Company adopted Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) from 1 January 2023. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements. The amendments require the disclosure of 'material', rather than 'significant', accounting policies. The amendments also guide the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements. Management reviewed the accounting policies and made updates to the information disclosed in Note 2 Material accounting policies (2022: Significant accounting policies) in certain instances in line with the amendments.

2.1 SIGNIFICANT ACCOUNTING POLICIES

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

The accounting policies set out below have been consistently applied to all periods presented in these financial statements.

2.2 CONSOLIDATION

(i) Subsidiaries

The financial statements of the subsidiary is consolidated from the date the Group acquires control, up to the date that such effective control ceases. For the purpose of these financial statements, subsidiaries are entities over which the Group, directly or indirectly, has power to govern the financial and operating policies so as to obtain benefits from their activities.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions (transactions with owners). Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the Group.

Inter- company transactions, balances and unrealised gains on transactions between Companies within the Group are eliminated on consolidation. Unrealised losses are also eliminated in the same manner as unrealised gains, but only to the extent that there is no evidence of impairment. Accounting policies of the subsidiary has been changed where necessary to ensure consistency with the policies adopted by the Group. Investment in the subsidiary in the separate financial statements of the Company entity is measured at cost.

Acquisition - related costs are expensed as incurred.

If the business combination is achieved in stages, fair value of the acquirer's previously held equity interest in the acquiree is re- measured to fair value at the acquisition date through profit or loss.

(ii) Disposal of subsidiaries

On loss of control, the Group derecognises the assets and liabilities of the subsidiary, any controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, that retained interest is accounted for as an equity, accounted investment or as a financial asset under the Amortized Cost or Fair Value Through Other Comprehensive Income category depending on business model intended and the level of influence retained.

2.3 CASH AND CASH EQUIVALENTS

Cash and cash equivalents include notes and coins on hand and highly liquid financial assets with original maturities of less than three months, 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. Due to their short-term nature, the carrying value of cash and cash equivalents approximates their fair value, hence they are carried at fair value in the statement of financial position.

2.4 FINANCIAL ASSETS

In 2018 financial year, the Company has applied IFRS 9 Financial Instruments (as revised in July 2014) and the related consequential amendments to other IFRS Standards that are effective for an annual period that begins on or after 1 January 2018.

2.4.1 Recognition and initial measurement

Financial assets and liabilities, with the exception of other loans and receivables, are initially recognised on the trade date i.e. the date that the Company becomes a party to the contractual provisions of the instruments

This includes regular way trades: purchases or sales of financial assets that requires delivery of assets within the time frame generally established by regulation or convention in the market place. Other loans and receivables are recognised when funds are transferred to the policy holder's accounts.

A financial asset or financial liability is measured initially at fair value or minus, for an item not at fair value through profit or loss, direct and incremental transaction costs that are directly attributable to its acquisition or issue. Transaction costs of financial assets and liabilities carried at fair value through profit or loss are expensed in profit or loss at initial recognition.

2.4.2 Classification and Measurement

Initial measurement of a financial asset or liability shall be at fair value plus transaction costs that are directly attributable to its purchase or issuance. For instruments measured at fair value through profit or loss, transaction costs shall be recognized immediately in profit or loss. Financial assets include placement with banks, treasury bills and equity instruments.

The Company classifies its financial assets into the following categories in line with the provisions of IFRS 9:

- (a) those to be measured at fair value through profit or loss (FVTPL)
- (b) those to be measured at amortised cost ; and
- (c) those to be measured at fair value through other comprehensive income (FVOCI)

The classification depends on the Group's business model (ie business model test) for managing financial assets and the contractual terms of the financial assets cash flows(i.e. solely payments of principal and interest - SPPI test.)

The Company also classifies its financial liabilities as liabilities at fair value through profit or loss and liabilities at amortised cost. Management determines the classification of the financial instruments at initial recognition.

A Classification of Financial Assets**a) Financial assets measured at amortised cost**

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- The asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is determined using the effective interest method and reported in profit or loss as 'Investment income'.

The amortised cost of a financial instrument is defined as the amount at which it was measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation using the 'effective interest method' of any difference between that initial amount and the maturity amount, and minus any loss allowance. The effective interest method is a method of calculating the amortised cost of a financial instrument (or group of instruments) and of allocating the interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts over the expected life of the instrument or, when appropriate, a shorter period, to the instrument's net carrying amount.

NOTES TO THE FINANCIAL STATEMENTS

b) Financial assets measured at FVTPL

Financial assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. The gain or loss arising from changes in fair value of a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is included directly in the profit or loss and reported as 'Net fair value gain/(loss) in the period in which it arises. Interest income from these financial assets is recognised in profit or loss as 'Investment income'.

In addition, the Company may irrevocably designate a debt financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise. This is done on initial recognition of the instrument.

c) Financial assets measured at FVOCI

The Company subsequently measures all equity investments at fair value. For equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in fair value in OCI. This election is made on an investment-by-investment basis at the initial recognition of the instrument. Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments continue to be recognised in profit or loss as dividend income when the Company's right to receive payments is established unless the dividend clearly represents a recovery of part of the cost of the investment. All other financial assets are classified as measured at FVTPL. Changes in the fair value of financial assets at fair value through profit or loss are recognised in Net fair value gain/(loss) in the profit or loss.

Business Model Assessment

The Company assesses the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- 1) The stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management's strategy focuses on earning contractual interest revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realising cash flows through the sale of the assets;
- 2) How the performance of the portfolio is evaluated and reported to management;
- 3) The risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- 4) How managers of the business are compensated e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- 5) The frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Company's stated objective for managing the financial assets is achieved and how cash flows are realised.

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Group's original expectations, the Company does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

Assessment of whether contractual cash flows are solely payments of principal and interest on principal amount outstanding

As a second step of its classification process the Company assesses the contractual terms of financial to identify whether they meet the SPPI test.

‘Principal’ for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortization of the premium/discount). ‘Interest’ is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as profit margin.

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Company applies judgement and considers relevant factors such as the currency in which the financial asset is denominated, and the period for which the interest rate is set.

In contrast, contractual terms that introduce a more than de minimis exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement do not give rise to contractual cash flows that are solely payments of principal and interest on the principal amount outstanding. In such cases, the financial asset is required to be measured at FVTPL.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Company considers:

- contingent events that would change the amount and timing of cash flows;
- leverage features;
- prepayment and extension terms;
- terms that limit the Company’s claim to cash flows from specified assets (e.g. non-recourse asset arrangements); and
- features that modify consideration of the time value of money - e.g. periodical reset of interest rates.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

B. Classification of Financial Liabilities

Financial liabilities shall be classified into one of the following measurement categories:

- a) Fair Value through Profit or Loss (FVTPL)
- b) Amortised cost

(a) Financial Liabilities at fair value through profit or loss

Financial liabilities accounted for at fair value through profit or loss fall into two categories:

Financial liabilities held for trading and financial liabilities designated at fair value through profit or loss on inception

Financial liabilities at fair value through profit or loss shall be financial liabilities held for trading. A financial liability shall be classified as held for trading if it shall be incurred principally for the purpose of repurchasing it in the near term or if it shall be part of a portfolio of identified financial instruments that shall be managed together and for which there shall be evidence of a recent actual pattern of profit-taking. Derivatives shall also be categorized as held for trading unless they shall be designated and effective as hedging instruments. Financial liabilities held for trading also include obligations to deliver financial assets borrowed by a short seller.

Gains and losses arising from changes in fair value of financial liabilities classified as held for trading shall be included in the income statement and shall be reported as ‘Net gains/(losses) on financial instruments classified as held for trading’. Interest expenses on financial liabilities held for trading shall be included in ‘Net interest income’.

Financial Liabilities shall be designated at FVTPL when either the designation eliminates or significantly reduces an accounting mismatch which would otherwise arise or the financial liability contains one or more embedded derivatives which significantly modify the cash flows otherwise required. For liabilities designated at fair value through profit or loss, all changes in fair value shall be recognized in the Consolidated Statement of Income, except for changes in fair value arising from changes in the Company's own credit risk which shall be recognized in OCI. Changes in fair value of liabilities due to changes in the Company's own credit risk, which are recognized in OCI, shall not be subsequently reclassified to the Consolidated Statement of Income upon derecognition/extinguishment of the liabilities.

(b) Financial Liabilities at amortised cost

Financial liabilities that are not classified at fair value through profit or loss fall into this category and shall be measured at amortised cost using the effective interest rate method. Financial liabilities measured at amortised cost shall be debt securities in issue for which the fair value option is not applied, convertible bonds and subordinated debts.

C. Reclassifications

The Company reclassifies financial assets 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 must be significant to the Group's operations.

When reclassification occurs, the Company reclassifies all affected financial assets in accordance with the new business model. Reclassification is applied prospectively from the 'reclassification date'. Reclassification date is 'the first day of the first reporting period following the change in business model. Gains, losses or interest previously recognised are not restated when reclassification occurs.

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Company changes its business model for managing financial assets that are debt instruments. A change in the objective of the Company's business occurs only when the Company either begins or ceases to perform an activity that is significant to its operations (e.g., via acquisition or disposal of a business line).

The following are not considered to be changes in the business model:

- A change in intention related to particular financial assets (even in circumstances of significant changes in market conditions)
- A temporary disappearance of a particular market for financial assets.
- A transfer of financial assets between parts of the entity with different business models.

Financial liabilities are not reclassified after initial classification.

Financial assets under the amortised cost classification (i.e. business model whose objective is to collect the contractual cash flows) can still be held as such even when there are sales within the portfolio as long as the sales are infrequent (even if significant in value) or insignificant in value both individually and in aggregate (even if frequent).

However, if more than an infrequent number of such sales are made out of a portfolio and those sales are more than insignificant in value (either individually or in aggregate), the Company will assess whether and how such sales are consistent with an objective of collecting contractual cash flows.

The Company has defined the following factors which will be considered in concluding on the significance and frequency of sale:

- **Definition of Insignificance:** The Company considers the sale of assets within the BM1 as insignificant if the total sales constitute a value that is less than or equal to 15% of the current amortised cost portfolio per annum or a 5% per quarter subject to a maximum of 15% per annum threshold.

- **Definition of Infrequent:** The Company has decided that any sale not more than once a quarter would be considered as an infrequent sale.

· **Definition of closeness to maturity:** The Company defines close to maturity as instruments with three months to maturity

2.4.3 Modifications of financial assets and financial liabilities

(1) Financial Assets

If the terms of a financial asset are modified, the Company evaluates whether the cash flows of the modified asset are substantially different. If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognised and a new financial asset is recognised at fair value. Any difference between the amortized cost and the present value of the estimated future cash flows of the modified asset or consideration received on derecognition is recorded as a separate line item in profit or loss as 'gains and losses arising from the derecognition of financial assets measured at amortized cost'.

If the cash flows of the modified asset carried at amortised cost are not substantially different, then the modification does not result in derecognition of the financial asset. In this case, the Company recalculates the gross carrying amount of the financial asset as the present value of the renegotiated or modified contractual cash flows that are discounted at the financial asset's original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The amount arising from adjusting the gross carrying amount is recognised as a modification gain or loss in profit or loss as part of impairment loss on financial assets for the period.

In determining when a modification to terms of a financial asset is substantial or not to the existing terms, the Company will consider the following non-exhaustive criteria:

Qualitative criteria

Scenarios where modifications could lead to derecognition of existing financial asset and recognition of a new financial asset, i.e. substantial modification, are:

- Change in frequency of repayments i.e. change of monthly repayments to quarterly or yearly repayments
- Reduction of financial asset's tenor
- Extension of financial asset's tenor
- Reduction in repayment of principals and interest
- Capitalisation of overdue repayments into a new principal amount

On occurrence of any of the above factors, the Company will perform a 10% test (**see below**) to determine whether or not the modification is substantial.

Scenarios where modification will not lead to derecognition of existing financial assets are:

- Change in interest rate

Quantitative criteria

A modification would lead to derecognition of existing financial asset and recognition of a new financial asset, i.e. substantial modification, if:

- The discounted present value of the cash flows under the new terms, including any fees received net of any fees paid and discounted using the original effective interest rate, is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial asset.

A modification would not lead to derecognition of existing financial asset if:

- the discounted present value of the cash flows under the new terms, including any fees received net of any fees paid and discounted using the original effective interest rate, is less than 10 per cent different from the discounted present value of the remaining cash flows of the original financial asset.

If the terms of a financial asset are renegotiated or modified or an existing financial asset is replaced with a new one due to financial difficulties of the borrower, then an assessment is made of whether the financial asset should be derecognised (see below) and ECL measured as follows:

- If the expected restructuring will not result in derecognition of the existing asset, then the expected cash flows arising from the modified financial asset are included in calculating the cash shortfalls from the existing asset.

- If the expected restructuring will result in derecognition of the existing asset, then the expected fair value of the new asset is treated as the final cash flow from the existing financial asset at the time of its derecognition. This amount is included in calculating the cash shortfalls from the existing financial asset that are discounted from the expected date of derecognition to the reporting date using the original effective interest rate of the existing financial asset.

Modification gain or loss shall be included as part of impairment loss on financial assets for each financial period.

(2) Financial liabilities

The Company derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different. This occurs when the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss. If an exchange of debt instruments or modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognised as part of the gain or loss on the extinguishment. If the exchange or modification is not accounted for as an extinguishment (i.e. the modified liability is not substantially different), any costs or fees incurred adjust the carrying amount of the liability and are amortised over the remaining term of the modified liability.

2.4.4 Impairment of financial assets

(a) Overview of the Expected Credit Losses (ECL) principles

The Company recognizes allowance for expected credit losses on the following financial instruments that are not measured at FVTPL:

- cash and cash equivalents.
- Debt instrument at amortised cost.
- Other receivables.
- Statutory deposit.

The instruments mentioned above are all referred to as 'financial instruments' or 'assets'. Equity instruments are not subject to impairment under IFRS 9.

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss or LT ECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss (12m ECL) as outlined.

The 12m ECL is the portion of LT ECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. Both LT ECLs and 12m ECLs are calculated on either an individual basis or a collective basis, depending on the nature of the underlying portfolio of financial instruments.

Loss allowances for accounts receivable are always measured at an amount equal to lifetime ECL. The Company has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument.

Based on the above process, the Company groups its financial instruments into Stage 1, Stage 2, Stage 3 and POCI, as described below:

- Stage 1: When financial assets are first recognised, the Company recognises an allowance based on 12m ECLs. Stage 1 asset also include facilities where the credit risk has improved and the asset has been reclassified from Stage 2.
- Stage 2: When a financial asset has shown a significant increase in credit risk since origination, the Company records an allowance for the LT ECLs. Stage 2 asset also include facilities, where the credit risk has improved and the asset has been reclassified from Stage 3.
- Stage 3: Financial assets considered credit-impaired. The Company records an allowance for the LTECLs.

POCI: Purchased or originated credit impaired (POCI) assets are financial assets that are credit impaired on initial recognition. POCI assets are recorded at fair value at original recognition and interest income is subsequently recognised based on a credit-adjusted EIR. ECLs are only recognised or released to the extent that there is a subsequent change in the expected credit losses.

If, in a subsequent period, credit quality improves and reverses any previously assessed significant increase in credit risk since origination, depending on the stage of the lifetime - stage 2 or stage 3 of the ECL bucket, the Company would continue to monitor such financial assets for a probationary period of 90 days to confirm if the risk of default has decreased sufficiently before upgrading such exposure from Lifetime ECL (Stage 2) to 12-months ECL (Stage 1). In addition to the 90 days probationary period above, the Company will also observe a further probationary period of 90 days to upgrade from Stage 3 to 2. This means a probationary period of 180 days will be observed before upgrading financial assets from Lifetime ECL (Stage 3) to 12-months ECL (Stage 1).

For financial assets for which the Company has no reasonable expectations of recovering either the entire outstanding amount, or a proportion thereof, the gross carrying amount of the financial asset is reduced. This is considered a (partial) derecognition of the financial asset.

(b) The calculation of ECLs

Expected credit losses are probability-weighted estimate of credit losses over the expected life of the financial instrument. Credit losses are the present value of the expected cash shortfalls.

The measurement of the expected credit losses should reflect:

- An unbiased and probability weighted amount
- The time value of money
- Reasonable and supportable information that is available without undue cost or effort.

IFRS 9 does not prescribe a single method for measuring expected credit losses. Rather, it acknowledges that the method used to measure expected credit loss may vary based on the type of the financial asset and the information available.

The Company calculates ECLs based on three probability-weighted scenarios to measure the expected cash shortfalls, discounted at an approximation to the EIR. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive.

The mechanics of the ECL calculations are outlined below and the key elements are as follows:

- **PD:** The Probability of Default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio.
- **EAD:** The Exposure at Default is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments.
- **LGD:** The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD.

When estimating the ECLs, the Company considers three scenarios (a base case, an upside and downside). Each of these is associated with different PDs, EADs and LGDs. When relevant, the assessment of multiple scenarios also incorporates how defaulted assets are expected to be recovered, including the probability that the assets will cure and the value of collateral or the amount that might be received for selling the asset.

Impairment losses and releases are accounted for and disclosed separately from modification losses or gains that are accounted for as an adjustment of the financial asset's gross carrying value.

The mechanics of the ECL method are summarized below:

- **Stage 1:** The 12m ECL is calculated as the portion of LT ECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The Company calculates the 12m ECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-month default probabilities are applied to a forecast EAD and multiplied by the expected LGD and discounted by an approximation to the original EIR. This calculation is made for each of the three scenarios, as explained above.

- **Stage 1:** The 12m ECL is calculated as the portion of LT ECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The Company calculates the 12m ECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-month default probabilities are applied to a forecast EAD and multiplied by the expected LGD and discounted by an approximation to the original EIR. This calculation is made for each of the three scenarios, as explained above.

- **Stage 2:** When an asset has shown a significant increase in credit risk since origination, the Company records an allowance for the LT ECLs. The mechanics are similar to those explained above, including the use of multiple scenarios, but PDs and LGDs are estimated over the lifetime of the instrument. The expected cash shortfalls are discounted by an approximation to the original EIR.

- **Stage 3:** For assets considered credit-impaired, the Company recognizes the lifetime expected credit losses for these assets. The method is similar to that for Stage 2 assets, with the PD set at 100%.

- **POCI:** POCI assets are financial assets that are credit impaired on initial recognition. The Company only recognises the cumulative changes in lifetime ECLs since initial recognition, based on a probability-weighting of the three scenarios, discounted by the credit-adjusted EIR.

(c) Debt instruments measured at fair through OCI

The ECLs for debt instruments measured at FVOCI do not reduce the carrying amount of these financial assets in the statement of financial position, which remains at fair value. Instead, an amount equal to the allowance that would arise if the assets were measured at amortised cost is recognised in OCI as an accumulated impairment amount, with a corresponding charge to profit or loss. The accumulated loss recognised in OCI is recycled to the profit and loss upon derecognition of the assets.

(d) Purchased or originated credit impaired financial assets (POCI)

At each reporting date, the Company assesses whether financial assets carried at amortised cost and debt financial assets carried at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- Significant financial difficulty of the borrower or issuer;
- A breach of contract such as a default or past due event;
- The restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- It is becoming probable that the borrower will enter bankruptcy or other financial reorganization; or
- The disappearance of an active market for a security because of financial difficulties.

An asset that has been renegotiated due to a deterioration in the borrower's condition is usually considered to be credit-impaired unless there is evidence that the risk of not receiving contractual cash flows has reduced significantly and there are no other indicators of impairment.

For POCI financial assets, the Company only recognises the cumulative changes in LT ECL since initial recognition in the loss allowance.

(e) Collateral valuation

To mitigate its credit risks on financial assets, the Company seeks to use collateral, where possible. The collateral comes in various forms: salary/other terminal benefits for the staff loans etc. The Company's accounting policy for collateral assigned to it through its lending arrangements under IFRS 9 is the same as it was under IAS 39. Collateral, unless repossessed, is not recorded on the Company's statement of financial position.

However, the fair value of collateral affects the calculation of ECLs. It is generally assessed, at a minimum, at inception and re-assessed on periodic basis as deemed necessary.

(f) Presentation of allowance for ECL in the statement of Financial position

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

- Financial assets measured at amortised cost: as a deduction from the gross carrying amount of the assets;
- Debt instruments measured at FVOCI: no loss allowance is recognised in the statement of financial position because the carrying amount of the asset is its fair value. However, the loss allowance is disclosed and recognised in the fair value reserve in equity (through OCI).

(g) Write - off

After a full evaluation of a non-performing exposure, in the event that either one or all of the following conditions apply, such exposure is recommended for write-off (either partially or in full):

- continued contact with the customer is impossible;
- recovery cost is expected to be higher than the outstanding debt;
- amount obtained from realization of credit collateral security leaves a balance of the debt; or
- it is reasonably determined that no further recovery on the facility is possible.

All credit facility write-offs require endorsement by the Board Risk Management Committee, as defined by the Company. Credit write-off approval is documented in writing and properly initiated by the Board Risk Management Committee.

A write-off constitutes a derecognition event. The write-off amount is used to reduce the carrying amount of the financial asset. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amount due. Whenever amounts are recovered on previously written-off credit exposures, such amount recovered is recognised as income on a cash basis only.

(h) Forward looking information

In its ECL models, the Company relies on a broad range of forward looking information as economic inputs, such as, GDP growth, Unemployment rates, Inflation rates and crude oil prices.

2.4.6 Fair value measurement - policy applicable for current and comparative periods

'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.

If a market for a financial instrument is not active, then the Company establishes fair value using a valuation technique. The chosen valuation technique makes maximum use of market inputs, relies as little as possible on estimates specific to the Company, incorporates all factors that market participants would consider in setting a price and is consistent with accepted economic methodologies for pricing financial instruments.

The best evidence of the fair value of a financial instrument at initial recognition is the transaction price - i.e. the fair value of the consideration given or received. However, in some cases the initial estimate of fair value of a financial instrument on initial recognition may be different from its transaction price. If this estimated fair value is evidenced by comparison with other observable current market transactions in the same instrument (without modification or repackaging) or based on a valuation technique whose variables include only data from observable markets, then the difference is recognised in profit or loss on initial recognition of the instrument. In other cases, the fair value at initial recognition is considered to be the transaction price and the difference is not recognised in profit or loss immediately but is recognised over the life of the instrument on an appropriate basis or when the instrument is redeemed, transferred or sold, or the fair value becomes observable.

Fair value of fixed income liabilities is not less than the amount payable on demand, discounted from the first date on which the amount could be required to be paid.

2.4.7 Derecognition of financial assets

The Company derecognises a financial assets when the contractual rights to the cash flows from the financial asset expire, or when it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all the risks and rewards of ownership and it does not retain control of the financial asset. Any interest in such derecognised asset financial asset that is created or retained by the Company is recognised as a separate asset or liability. Impaired debts are de-recognised when they are assessed as uncollectible.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset transferred), and consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss.

2.4.8 Derecognition of financial liabilities

The Company de-recognises financial liabilities when, and only when its contractual obligations are discharged or cancelled, or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in profit or loss.

2.4.9 Write off - policy applicable for current and comparative periods

The Company writes off a financial asset (and any related allowances for impairment losses) when the Company's Credit determines that the assets are uncollectible. Financial assets are written off either partially or in their entirety. This determination is reached after considering information such as the occurrence of significant changes in the borrower/issuer's financial position such that the borrower/issuer can no longer pay the obligation, or that proceeds from collateral will not be sufficient to pay back the entire exposure. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to impairment loss on financial assets.

However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amount due.

2.5 TRADE RECEIVABLES

Trade receivables are initially recognized at fair value and subsequently measured at amortized cost less provision for impairment. A provision for impairment is made when there is an objective evidence (such as the probability of solvency or significant financial difficulties of the debtors) that the Company will not be able to collect all the amount due based on the original terms of the invoice. Allowances are made based on an impairment model which consider the loss given default for each customer, probability of default for the sectors in which the customer belongs and emergence period which serves as an impairment trigger based on the age of the debt. Impaired debts are derecognized when they are assessed as uncollectible. 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 previous recognized impairment loss is reversed to the extent that the carrying value of the asset does not exceed its amortized cost at the reversed date. Any subsequent reversal of an impairment loss is recognized in the profit or loss.

2.6 OTHER RECEIVABLES AND PREPAYMENTS

2.6.1 Other receivables

Other receivables are made up of amounts due from parties which are not directly linked to insurance or investment contracts. Other receivables are stated after deductions of amount considered bad or doubtful of recovery. When a debt is deemed not collectible, it is written-off against the related provision or directly to the profit or loss to the extent not previously provided for. Any subsequent recovery of written-off debts is credited to the profit or loss.

2.6.2 Prepayments

Prepayments are carried at cost less amortisation and accumulated impairment losses.

2.7 INVESTMENT PROPERTIES

Investment properties comprises of properties held to earn rental income and/or for capital appreciation. Investment properties are initially measured at cost and subsequently carried at fair value based on valuers hired by the Company. Investment properties are revalued with sufficient regularity by external professional. The valuator's value is determined by discounting expected future cash flows at appropriate market interest rates. Changes in fair value of investment properties are recognised in the statement of comprehensive income as investment surplus. When investment properties become owner-occupied, the Company reclassifies them to owner-occupied properties at a deemed cost equal to the fair value of properties at the date of reclassification. The difference between the carrying value and fair value of the properties at the date of reclassification to investment properties is recognised directly in equity as a revaluation surplus. Investment properties are derecognised when they have either been disposed off or when they are permanently withdrawn from use and no future benefit is expected from their disposal.

2.8 STATUTORY DEPOSIT

Statutory deposit represents 10% of the paid up capital of the Company deposited with the Central Bank of Nigeria (CBN) in pursuant to Section 10(3) of the Insurance Act of Nigeria CAP I17, 2004. This is restricted cash as management does not have access to the balances in its day to day activities. Statutory deposits are measured at cost and interest income earned on the deposit is included in investment income.

2.9 INTANGIBLE ASSETS

Intangible assets comprise computer software licenses, which are with finite lives and are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and amortisation method for an intangible asset with finite useful life are reviewed at every financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortisation period or method as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets is recognised in the profit or loss in the expense category consistent with the function of the intangible asset.

The Company chooses to use the cost model for the measurement after recognition. Amortisation is calculated on a straight line basis over the useful lives as follows:

IES-Online Software

33%

2.10 PROPERTY, PLANT AND EQUIPMENT

(i) Recognition and measurement

Property, plant and equipment are initially recorded at cost. Land is subsequently carried at revalued amount being the fair value at the date of revaluation, while buildings are subsequently carried at revalued amount being the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are made with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting date.

All other property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Any increase in an asset's carrying amount, as a result of revaluation is credited to other comprehensive income and accumulated in Revaluation Surplus within Revaluation reserves in equity. The increase is recognized in profit or loss to the extent that it reverses a decrease of the same asset previously recognised in profit or loss.

(ii) Subsequent costs

The cost of replacing part of an item of property or equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property and equipment are recognized in profit or loss as incurred.

(iii) Depreciation

Depreciation is recognized in Profit or Loss and is provided on a straight-line basis over the estimated useful life of the assets. Depreciation methods, estimated useful lives and residual values are reviewed annually and adjusted when necessary. No depreciation is charged on property, plant and equipment until they are available for use. The average useful lives per class of asset are as follows:

Assets class	Average useful life
Land	- Nil
Building under Construction	- Nil
Buildings	- 2%
Machinery and equipment	- 20%
Motor vehicles	- 20%
Furniture and fittings	- 20%
Computer equipment	- 20%

(iv) De-recognition

An item of property, plant and equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset which is calculated as the difference between the net disposal proceeds and the carrying amount of the asset is included in profit or loss in the period the asset is derecognized.

2.11 TRADE AND OTHER PAYABLES

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. The fair value of a non-interest bearing liability is its discounted repayment amount. If the due date of the liability is less than one year discounting is omitted. Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is more likely than not, that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

2.12 RETIREMENT OBLIGATIONS AND EMPLOYEE BENEFITS

The Company operates the following contribution and benefit schemes for its employees:

(i) Defined contribution pension scheme

The Company operates a defined contribution scheme in line with Pension Reform Act, 2014. The employee and the Company contribute 8.5% and 10% of the employee total emoluments (basic, housing and transport allowances) respectively. The Group's contribution each year is charged against income and is included in staff cost. The Company has no further obligations once the contribution is paid to the respective employee Pension Fund Administrators.

(ii) Defined benefit gratuity scheme

A defined benefit plan is a pension plan that defines the amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation. The liability recognised in the statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the reporting date together with adjustments for unrecognised actuarial gains or losses and past services cost. The Board of directors approved the discontinuation of the defined benefit plan with effect from 23 September 2021 and authorised that qualified staff members as at the date be settled.

2.13 INCOME TAX LIABILITIES

Income tax expense comprises current and deferred tax

(i) Current income tax

Income tax payable is calculated on the basis of the applicable tax law in the respective jurisdiction and is recognized as an expense for the period except to the extent that current tax related to items that are charged or credited in other comprehensive income or directly to equity. In these circumstances, current tax is charged or credited to other comprehensive income or to equity.

(ii) Deferred income tax

Deferred income tax is provided using liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates that have been enacted or substantially enacted by the date of the consolidated statement of financial position and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

The principal temporary differences arise from depreciation of property, plant and equipment, revaluation of certain financial assets and liabilities and in relation to acquisitions on the difference between the fair values of the net assets acquired and their tax base.

However, deferred income tax is not recognized for:

- (a) Temporary differences arising on the initial recognition of goodwill
- (b) Temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss
- (c) Temporary differences related to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future.

Deferred tax assets are recognized when it is probable that future taxable profit will be available against which these temporary differences can be utilized.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities against current tax assets, and they relate to taxes levied by the same tax authority on the same taxable entity or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

2.14 SHARE CAPITAL AND PREMIUM

Ordinary shares are classified as equity when there is no obligation to transfer cash or other assets. Incremental costs directly attributable to the issue of equity instruments are shown in equity as a deduction from the proceeds, net of tax. Share premium accounts for the amount the Company raises in excess of par value.

2.15 CONTINGENCY RESERVE

(a) Non-Life Business

In accordance with section 20(1) of insurance Act 2003, the contingency reserve is credited with the higher of 3% of total premiums, or 20% of the profits. This shall be accumulated until it reaches the amount of the higher of minimum paid-up capital or 50 percent of net premium.

(a) Life Business

In accordance with section 22(1) (b) of Insurance Act 2003, the contingency reserve is credited with the higher of 1% of gross premiums or 10% of net profit.

2.16 RETAINED EARNINGS

Retained earnings are the carried forward recognised income net of expenses plus current period profit or loss attributable to owners of the Company.

2.17 FVOCI RESERVE

FVOCI reserve comprises the cumulative net change in the fair value of the Group's investments categorised as Fair Value Through Other Comprehensive Income (FVTOCI). Net fair value movements are recycled to income statement if an investment categorized as Amortised Cost is either derecognized or impaired.

2.18 OTHER RESERVES - EMPLOYEE BENEFIT ACTUARIAL SURPLUS

Actuarial surplus/deficit on employee benefits represent changes in benefit obligation due to changes in actuarial valuation assumptions or actual experience differing from experience. The gains/losses for the period, net of applicable deferred tax assets/liability on employee benefit obligation, are recognized in other comprehensive income.

2.19 ASSET REVALUATION RESERVES

Subsequent to initial recognition, an item of property and equipment and, in certain circumstances, may be revalued to fair value. However, if such an item is revalued, the whole class of asset to which that asset belongs has to be revalued. The revaluation surplus is recognised in equity, unless it reverses a decrease in the fair value of the same asset which was previously recognised as an expense, in which case it is recognised in income statement. A subsequent decrease in the fair value is charged against this reserve to the extent that there is a credit balance relating to the same asset, with the balance being recognised in profit or loss.

2.20 EARNINGS PER SHARE

Basic earnings per share (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.

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.

2.21 FOREIGN CURRENCY TRANSLATION

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the 'functional currency'). The consolidated financial statements are presented in Nigerian Naira (N), which is the Group's presentation currency.

(b) Transactions and balances

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 period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss.

Foreign exchange gains and losses relating to borrowings and cash and cash equivalents are presented in the income statement within 'finance income or finance cost'. All other foreign exchange gains and losses are presented in the income statement within 'Other operating income' or 'Other operating expenses'.

2.22 INVESTMENT INCOME

Investment income includes interest, rental, and dividend income received. Interest income is accounted for on a time-proportionate basis that takes into account the effective yield on the asset and includes the net income from short term investments. rental income on operating lease is recognised on a straight line basis over the lease term.

Dividend income

Dividend income is recognised in profit or loss when the right to receive the dividend is established.

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- The gross carrying amount of the financial asset; or
- The amortised cost of the financial liability.

When calculating the effective interest rate for financial instruments other than credit-impaired assets, the Company estimates future cash flows considering all contractual terms of the financial instrument, but not expected credit losses. For credit-impaired financial assets, a credit-adjusted effective interest rate is calculated using estimated future cash flows including expected credit losses.

The EIR (and therefore, the amortised cost of the asset) is calculated by taking into account any discount or premium on acquisition, fees and costs that are an integral part of the EIR. The Company recognises interest income using a rate of return that represents the best estimate of a constant rate of return over the expected life of the loan. Hence, it recognises the effect of potentially different interest rates charged at various stages, and other characteristics of the product life cycle (including prepayments, penalty interest and charges).

If expectations regarding the cash flows on the financial asset are revised for reasons other than credit risk. The adjustment is booked as a positive or negative adjustment to the carrying amount of the asset in the balance sheet with an increase or reduction in interest income. The adjustment is subsequently amortised through Interest and similar income in the income statement.

(a) Amortised cost and gross carrying amount

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured on initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initial amount and the maturity amount and, for financial assets, adjusted for any expected credit loss allowance (or impairment allowance before 1 January 2018).

The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any expected credit loss allowance.

(b) Calculation of interest income and expenses

The Company calculates interest income and expense by applying the effective interest rate to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability.

However, for financial asset that have become credit-impaired subsequent to initial recognition and is, therefore, regarded as 'Stage 3', the Company calculates interest income by applying the effective interest rate to the net amortised cost of the financial asset. If the financial assets cures and is no longer credit-impaired, then the Company reverts to calculating interest income on a gross basis.

(b)

For purchased or originated credit-impaired (POCI) financial assets, the Company calculates interest income by calculating the credit-adjusted effective interest rate and applying that rate to the amortised cost of the asset. The credit-adjusted EIR is the interest rate that, at original recognition, discounts the estimated future cash flows (including credit losses) to the amortised cost of the POCI assets. The calculation of interest income does not revert to a gross basis, even if the credit risk of the asset improves.

(c) **Presentation**

Interest income and expenses presented in the profit or loss includes:

- interest on financial assets and financial liabilities measured at amortised cost calculated on an effective interest basis.
- interest on debt instruments measured at FVOCI calculated on an effective interest basis (if any).

Interest income and expense on all assets and liabilities measured at FVTPL are considered to be incidental to the Company's trading operations and are presented together with all other changes in the fair value of trading assets and liabilities in "net fair value gains/(losses)".

2.23 SEGMENT REPORTING

An operating segment is a component of the Company that engages in business activities from which it can earn and incur expenses, including revenues and expenses that relate to transaction with any of the Group's other components, whose revenues and operating results are reviewed regularly by Executive Management to make decisions about the resources allocated to each segment and assess its performance, and for which discrete financial information is available. All costs that are directly traceable to the operating segments are allocated to the segment concerned while indirect costs are allocated based on the benefits derived from such costs.

2.24 CONTINGENT LIABILITIES

These are Possible obligations of the Company, the existence of which will only be confirmed by the occurrence or non-occurrence of uncertain future events not wholly within the control of the Company and present obligations of the Company where it is probable that an outflow of economic benefits will be required to settle the obligation or where the amount of the obligation cannot be measured reliably, which are not recognised in the Company's statement of financial position but are disclosed in the notes to the financial statements.

Possible assets of the Company, the existence of which will only be confirmed by the occurrence or non-occurrence of uncertain future events not wholly within the control or the Company, are not recognised in the Company's statement of financial position and are only disclosed in the notes to the financial statements where an inflow of economic benefits is probable.

3 IFRS 17 ACCOUNTING POLICY

A Insurance contracts

Key types of insurance contracts issued, and reinsurance contracts held.

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

- Ø Life insurance
- Ø Non-life insurance

(i) LIFE INSURANCE

For the Life insurance products, the Company offers the following insurance contracts with the indication of IFRS 17 methodologies applied to these contracts:

(a) Individual Life With-profit Policies - These are endowment plans without participating features. The Company accounts for these policies by applying the General Model.

(b) Individual Life Without-profit Policies including:

- Term life insurance contracts providing level or decreasing sum assured coverage for a limited period in exchange for renewable fixed premiums.
- Whole of life assurance contracts. The Company accounts for these policies by applying the General Model.

(c) Annuity Policies including

- Fixed annuity contracts that provide the annuitant with a guaranteed income payout for a limited period.
- Deferred annuity contracts that provide the annuitant with a guaranteed income payout for life, with the first payment due at the end of the deferment period, provided all contractual premiums were paid. The policyholder is entitled to a surrender benefit (a portion of the accumulation balance at a guaranteed interest rate) if premiums are not fully paid. The Company accounts for these policies by applying the General Model.

(d) Life Business - Deposit-based policies. These contracts are individual term assurance plans providing a death benefit with non-distinct investment components. The Company accounts for these policies by applying the General Measurement Model.

(e) Group Life Insurance - The Company issues term assurance plans to provide death benefits to employees of businesses with coverage of one year or less. The Company accounts for these contracts by applying the Premium Allocation Approach (PAA).

(ii) NON - LIFE INSURANCE

The Company issues non-life insurance to individuals and businesses. Non-life insurance products offered include motor, property, marine, fire and personal accident. These products offer protection of the policyholder's assets and indemnification of other parties that have suffered damage due to a policyholder's accident. The Company accounts for these contracts by applying the Premium Allocation Approach (PAA).

Reinsurance contracts

The Company also holds the following types of reinsurance contracts to mitigate risk exposure.

- For the life business, the Company holds quota share reinsurance treaties and accounts for these treaties applying the PAA.
- For non-life, the Company holds facultative (excess of individual loss) reinsurance policies and quota share reinsurance contracts accounted for applying the PAA.

B Definitions and classifications of Insurance Contract

Insurance 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 a contract 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 does not issue any contracts with direct participating features.

C Combining a set or series of contracts.

Sometimes, the Company enters into two or more contracts at the same time with the same or related counterparties to achieve an overall commercial effect. The Company accounts for such a set of contracts as a single insurance contract when this reflects the substance of the contracts. When making this assessment, the Company considers whether:

- The rights and obligations are different when looked at together compared to when looked at individually.
- The Company is unable to measure one contract without considering the other.

D Separating components from insurance and reinsurance contracts

The Company assesses its insurance and reinsurance products to determine whether they contain components which must be accounted for under another IFRS rather than IFRS 17 (distinct non-insurance components). After separating any distinct components, an entity must apply IFRS 17 to all remaining components of the (host) insurance contract. Currently, the Company's products do not include distinct components that require separation. Some term life contracts issued by the Company include a surrender option under which the surrender value is paid to the policyholder on maturity or earlier lapse of the contract. These surrender options have been assessed to meet the definition of a non-distinct investment component in IFRS 17. However, receipts and payments of the investment components are excluded from insurance revenue and insurance expenses. The surrender options are considered non-distinct investment components as the Company is unable to measure the value of the surrender option component separately from the life insurance portion of the contract.

The standard requires an insurer to identify and separate distinct components in certain circumstances. When separated, those components are accounted for under the relevant IFRS (i.e., not under IFRS 17). Investment components that are highly interrelated with the insurance contract of which they form a part are considered non-distinct and are not separately accounted for. However, these non-distinct investment components are excluded from the insurance service results. Paragraph B18 of IFRS 17 states that an entity needs to assess the insurance risk excluding scenarios that have no commercial substance (ie no discernible effect on the economics of the transaction). Hence, to determine if an insurance contract includes an investment component the entity needs to assess whether scenarios in which no payments are made have commercial substance. The entity does not consider a scenario for which no payment is made if that scenario has no commercial substance. For LASACO, none of the products issued currently have distinct investment components. For LASACO deposit-based endowments, unallocated investment income is what covers policy expenses and management expenses as well as guaranteed death benefits. This effectively implies that the investment component in these products is interrelated with the risk component. The investment component for LASACO endowments comprises surrender and maturity benefits payable.

E Level of aggregation

IFRS 17 requires an entity to determine the level of aggregation for applying its requirements. The Company identifies portfolios by aggregating insurance contracts that are subject to similar risks and managed together. In Companying insurance contracts into portfolios, the Company considers the similarity of risks rather than the specific labelling of product lines. The Company has determined that all contracts within each product line, as defined for management purposes, have similar risks. Therefore, when contracts are managed together, they represent a portfolio of contracts. Each portfolio is subdivided into a group 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 cohort contains all contracts that were issued within 12 months. Each cohort is then further disaggregated into three groups of contracts:

- Contracts that are onerous on initial recognition
- Contracts that, on initial recognition, have no significant possibility of becoming onerous subsequently
- Any remaining contracts For the Retail Life business, the determination of whether a contract or a group of contracts is onerous is based on the expectations as at the date of initial recognition, with fulfilment cash flow expectations determined on a probability-weighted basis.

The composition of the group established at initial recognition is not subsequently reassessed. The profitability of a group of contracts is assessed by actuarial valuation models that take into consideration existing and new businesses. For short-term contracts accounted for by applying the PAA, the Company determines that contracts are not onerous on initial recognition unless there are facts and circumstances indicating otherwise. For contracts that are not onerous, the Company assesses, at initial recognition, that there is no significant possibility of becoming onerous subsequently by assessing the likelihood of changes in applicable facts and circumstances.

The Company considers facts and circumstances to identify whether a Company of contracts are onerous based on:

- Significant changes in external conditions including economic or regulatory changes e.g. (PRAN rate review)
- Changes to the organization or processes
- Changes in underwriting and pricing strategies
- Trends in experience and expected variability in cashflows.

This consideration is only required for Liability for Remaining Coverage (LRC) and not Liability for Incurred Claims (LIC) which is already measured at current fulfilment value. Fulfilment cashflows can be estimated at whichever aggregate level is deemed appropriate and then subsequently allocated into IFRS 17 portfolios and groups. The fact that incurred claims of a particular cohort is loss-making does not mean the LRC will be onerous as well. Judgement is applied to determine whether each cohort's LRC will be similar to this incurred experience and hence onerous. For example, actions taken to improve profitability in a historically loss-making cohort may indicate that the cohort will be non-onerous going forward.

All short-term contracts have currently been assessed as having no possibility of becoming onerous. Though the Fire portfolio (non-Life) has historically been loss-making, the portfolio has been showing some improvement post-implementation of PRAN rates and other underwriting strategies such as the removal of some toxic accounts etc. The Company expects that improvements will be sustained in future and therefore the cohort will be non-onerous. In subsequent periods, non-onerous contracts are re-assessed based on the likelihood of prevailing facts and circumstances leading to a significant possibility of becoming onerous. Reinsurance contracts held are assessed for aggregation on an individual contract basis and are assessed separately from insurance contracts. The smallest unit of account is a reinsurance contract, even where this contract covers more than one type of insurance product. However, there are cases where a reinsurance contract covers separate and identifiable product lines which are only included in the same legal document for administrative convenience. These contracts have been separated into different components. An example is the NLIP reinsurance contract covering Auto, Casualty and Employer's Liability Lines. Each reinsured line is managed separately and priced separately so they are treated as separate reinsurance contracts. If two or more reinsurance contracts are written on a particular product line, these may be grouped in the same portfolio as they will be covering risks of the same nature and will be managed together. For example, the Surplus contracts (1&2) on Fire have been grouped as they cover risks of the same nature and can be measured under the same measurement approach (PAA because they have a contract boundary of 1 year). While facultative and excess of loss contracts are in separate groups; though they cover the same risks and are even managed together, differing measurement approaches as well as recognition requirements may apply.

F Recognition

Insurance contracts are recognised as at the date when the first payment is received by the policyholder. As LASACO adheres to the statutory "no premium no cover", the date premium is received from the policyholder will always be earlier or on the same date as the coverage period. This premium receipt date would then be used to separate the group of insurance contracts into yearly cohorts. The contract grouping shall not be reassessed until they are derecognized. As required by the standard, LASACO will recognize contracts from the date at which they are determined to be onerous, if this occurs before premium payment or cover commencement.

G Contract Boundaries

The Company includes in the measurement of a Company of insurance contracts all the future cash flows within the boundary of each contract in the Company. Cash flows are within the boundary of an insurance 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 in which the Company has a substantive obligation to provide the policyholder with insurance contract services.

A substantive obligation to provide insurance contract services ends when:

- The Company has the practical ability to reassess the risks of the particular policyholder and, as a result, can set a price or level of benefits that fully reflect those risks. Or
- Both of the following criteria are satisfied:
 - The Company has the practical ability to reassess the risks of the portfolio of insurance contracts that contain the contract and, as a result, can set a price or level of benefits that fully reflects the risk of that portfolio.

- The pricing of the premiums up to the date when the risks are reassessed does not take into account the risks that relate to periods after the reassessment date.

A liability or asset relating to expected premiums or claims outside the boundary of the insurance contract are not recognized. Such amounts relate to future insurance contracts. For life contracts with renewal periods, the Company assesses whether premiums and related cash flows that arise from the renewed contract are within the contract boundary. The pricing of the renewals is established by the Company by considering all the risks covered for the policyholder by the Company, which the Company would consider when underwriting equivalent contracts on the renewal dates for the remaining service. The Company reassesses the contract boundary of each group at the end of each reporting period.

H Measurement of insurance contracts issued

1 General Model

1.1 Insurance contracts - Initial measurement

The Company measures a Company of contracts on initial recognition as the sum of the expected fulfilment cash flows within the contract boundary and the Contractual Service Margin (CSM) representing the unearned profit in the contracts relating to services that will be provided under the contracts.

Fulfilment cash flows within the contract boundary

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

- Premiums and any additional cash flows resulting from those premiums.
- Reported claims that have not yet been paid, claims incurred but not yet reported, future claims expected to arise from the policy and potential cash inflows from recoveries on future claims covered by existing insurance contracts.
- An allocation of insurance acquisition cash flows attributable to the portfolio to which the issued contract belongs.
- Claim handling costs.
- Costs of providing contractual benefits in kind, such as home and vehicle repair
- Policy administration and maintenance costs including recurring commissions expected to be paid to intermediaries for policy administration services only (recurring commissions that are insurance acquisition cash flows are treated as such in the estimate of future cash flows)

- Transaction-based taxes
- An allocation of fixed and variable overheads directly attributable to the fulfilment of insurance contracts including overhead costs such as accounting, human resources, information technology and support, building depreciation, rent, and maintenance and utilities.
- Costs incurred for performing investment activities that enhance insurance coverage benefits for the policyholder.
- Costs incurred for providing investment-related service and investment-return service to policyholders.
- Other costs specifically chargeable to the policyholder under the terms of the contract.

The Company does not provide investment-return services in respect of contracts that it issues, nor does it perform investment activities for the benefit of policyholders. The Company incorporates, in an unbiased way, all reasonable and supportable information available without undue cost or effort about the amount, timing and uncertainty of those future cash flows. The Company estimates the probabilities and amounts of future payments under existing contracts based on information obtained, including:

- Information about claims already reported by policyholders.
- Other information about the known or estimated characteristics of the insurance contracts
 - Historical data about the Company's own experience, supplemented, when necessary, with data from other sources. Historical data is adjusted to reflect current conditions.
- Current pricing information, when available.

The measurement of fulfilment cash flows includes insurance acquisition cash flows which are allocated as a portion of premium to profit or loss (through insurance revenue) throughout the contract systematically and rationally based on the passage of time. The Company does not elect to accrete interest on insurance acquisition cash flows to be allocated to profit or loss.

Discount Rate

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

The Company measures the time value of money using discount rates that reflect the liquidity characteristics of the insurance contracts and the characteristics of the cash flows, consistent with observable current market prices. They exclude the effect of factors that influence such observable market prices but do not affect the future cash flows of the insurance contracts (e.g., credit risk). In determining discount rates for cash flows, the Company uses the 'bottom-up approach' to estimate discount rates starting from a risk-free rate with similar characteristics, plus an illiquidity premium where applicable.

Risk-free rates are determined by reference to the yields of highly liquid FGN Bonds. The illiquidity premium is determined by reference to observable market rates, including sovereign debt, corporate debt and market swap rates.

Risk adjustment for non-financial risk

The Company measures the compensation it would require for bearing the uncertainty about the amount and timing of cash flows arising from insurance contracts, other than financial risk, separately as an adjustment for non-financial risk. The Company uses the cost of capital method in estimating the risk adjustment. The level of capital and the cost of the capital rate that feed this estimation technique are calibrated from the Company economic capital's approach within which the Company estimates the impact of non-financial risks.

The economic capital approach includes a quantitative measure of the Group's risk appetite which allows a specific measure of the Company's non-financial risk and the degree of its risk aversion for financial reporting purposes. The Company's economical capital approach, and the risk adjustment calculation derived from it, include the benefits of diversification at the issuing entity level. This is allocated to all the group of insurance contracts. Diversification benefits are derived from a study of the negative correlation that exists among the different non-financial variables impacting the cash flows from the portfolios of the Company and resulting in lower economic capital being necessary to absorb the residual level of uncertainty.

Contractual service margin (CSM)

The CSM is a component of the overall carrying amount of a Company of insurance contracts representing unearned profit that the Company will recognize as it provides insurance contract services over the coverage period. At initial recognition, the Company measures the CSM at an amount that, unless a Company of insurance contracts is onerous, results in no gains recognized in profit or loss arising from:

- The expected fulfilment cash flows of the Company.
- The amount of any derecognized asset for insurance acquisition cash flows alloc
- Any other asset or liability previously recognized for cash flows related to the Company.
- Any cash flows that have already arisen on the contracts as of that date.

If a group of contracts is onerous, the Company recognizes a loss on initial recognition. This results in the carrying amount of the liability for the Company being equal to the fulfilment cash flows, and the CSM of the Company being nil.

A loss component is recognized for any loss on initial recognition of the Company of insurance contracts. The Company determines at initial recognition the Company's coverage units. The Company then allocates the Company's CSM based on the coverage units provided in the period. The Company allocates contracts acquired with claims in the settlement phase into an annual group based on the expected profitability of the contracts at the date of acquisition. The Company uses the consideration received or paid as an approximation of premiums to calculate the CSM on initial recognition.

Insurance acquisition cash flows

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

The Company applies judgment in determining the inputs used in the methodology to systematically and rationally allocate insurance acquisition cash flows to a group of insurance contracts. This includes judgements about whether insurance contracts are expected to arise from renewals of existing insurance contracts and, where applicable, the amount to be allocated to the group including future renewals and the volume of expected renewals from new contracts issued in the period. In the current and prior years, the Company did not allocate any insurance acquisition cash flows to future groups of insurance contracts, as it did not expect any renewal contracts to arise from new contracts issued in the period. In the current and prior years, the Company did not identify any facts and circumstances indicating that the assets may be impaired.

Deferred acquisition costs (DAC)

Under IFRS 4, the Company recognised deferred acquisition cash flows separately as assets. Under IFRS 17, insurance acquisition cash flows are allocated to existing and future groups of insurance contracts on a systematic and rational basis. For insurance contracts measured under the GMM, on initial recognition of a group of contracts, the allocated insurance acquisition cash flows decrease the CSM and are thus implicitly deferred within the CSM, leading to a lower amount of CSM amortisation recognised in revenue in future reporting periods as services are rendered.

However, for presentation purposes, directly attributable acquisition costs allocated to a Company of contracts are amortised as an insurance service expense systematically on the basis of the passage of time, with an equal amount recognised as insurance revenue. Under the PAA, the Company recognised insurance acquisition cash flows in the liability for remaining coverage (LRC) and amortised insurance acquisition cash flows as insurance service expenses.

1.2 Insurance contracts - Subsequent Measurement (General Model)

In estimating the total future fulfilment cash flows, the Company distinguishes between those relating to already incurred claims and those relating to future service. At the end of each reporting period, the carrying amount of the Company of insurance contracts will reflect a current estimate of the liability for remaining coverage (LRC) as at that date and a current estimate of the liability for incurred claims (LIC). The LRC represents the Company's obligation to investigate and pay valid claims under existing contracts for insured events that have not yet occurred, amounts that relate to other insurance contract services not yet provided (i.e. provision of investment-return and investment-related services) and investment components and other amounts not related to insurance contract services that have not yet been transferred to the LIC. The LRC is comprised of:

- (a) the fulfilment cash flows relating to future service,

- (b) the CSM yet to be earned and
- (c) any outstanding premiums for insurance contract services already provided.

The LIC includes the Company's liability to pay valid claims for insured events that have already been incurred, other incurred insurance expenses arising from past coverage service and the liability for claims incurred but not yet reported. It also includes the Company's liability to pay amounts the Company is obliged to pay the policyholder under the contract. This includes repayment of investment components when a contract is derecognized. The current estimate of LIC comprises the fulfillment cash flows related to current and past services allocated to the Company at the reporting date.

Changes in fulfillment cash flows

At the end of each reporting period, the Company updates the fulfillment cash flows for both LIC and LRC to reflect the current estimates of the amounts, timing, and uncertainty of future cash flows, as well as discount rates and other financial variables. The Company has an accounting policy choice that calculates changes in fulfillment cash flows at the end of a reporting period for changes in nonfinancial assumptions, changes in discount rates, and financial assumptions. The Company first calculates the changes in discount rates and financial assumptions on the fulfillment cash flows (as expected at the beginning of the period) and then calculates changes in those cash flows from the change in non-financial assumptions. Experience adjustments are the difference between:

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

Experience adjustments relating to current or past service are recognized in profit or loss. For incurred claims (including incurred but not reported) and other incurred insurance service expenses, experience adjustments always relate to current or past service. They are included in profit or loss as part of insurance service expenses. Experience adjustments relating to future service are included in the LRC by adjusting the CSM. The release of the CSM depends on whether the contract does not participate, participates indirectly, or directly participates in the performance of the specified underlying items. At the end of each reporting period, the Company re-estimates the LRC fulfillment cash flows, updating for changes in assumptions relating to financial and non-financial risks.

Adjustments to the CSM

The following changes in fulfilment cash flows are considered to be related to future service and adjust (or 'unlock') the CSM of the Company of insurance contracts:

- Experience adjustments relating to the premiums received in the period that relate to future service, and any related cash flows such as insurance acquisition cash flows and premium-based taxes measured at the 'locked in' discount rates applicable when the contracts in the Company were initially recognized.
- The change in the estimate of the present value of expected future cash flows in the liability for remaining coverage, related to non-financial variables, measured at the 'locked in' discount rates applicable when the contracts in the Company were initially recognized. All financial variables are locked in at initial recognition.
- Changes in the risk adjustment for non-financial risk relating to future service. The Company has elected not to disaggregate the change in the risk adjustment for non-financial risk between:
 - a change related to non-financial risk and
 - the effect of the time value of money and changes in the time value of money.
- Differences between the amount of investment components that were expected to be payable in the period and the amount of investment components that became payable. The amount of investment components expected to be payable in the period is measured at the discount rates applicable before it became payable.

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

- Changes in fulfillment cash flows for the effect of the time value of money and the effect of financial risk and
- Changes in the fulfillment cash flows relating to the LIC.

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

Any further increases in fulfilment cash flows relating to future coverage are recognized in profit or loss as they occur, increasing the loss component of the Company of insurance contracts. Any subsequent decreases in fulfilment cash flows related to future coverage do not adjust the CSM until the loss component of the Company is fully reversed through profit or loss. At the end of the reporting period, the carrying amount of the CSM for a Company of insurance contracts without direct participating features is the carrying amount at the beginning of the period adjusted for:

- The effect of any new contracts added to the Company.
- Interest accreted on the carrying amount of the CSM measured at the discount rates determined at initial
- The changes in fulfilment cash flows related to future service, except:
- Increases in fulfilment cash flows that exceed the carrying amount of the CSM, giving rise to a loss that results in the Company of contracts becoming onerous or more onerous.
- Decreased fulfilment cash flows that reverse a previously recognized loss on a Company of onerous contracts.

- The effect of any currency exchange differences on the CSM
- The amount recognized as insurance revenue because of the transfer of insurance contract services in the period, determined by the allocation of the CSM remaining at the end of the reporting period over the current and remaining coverage period. An amount of the CSM is released to profit or loss in each period during which the insurance contract services are provided. In determining the amount of the CSM to be released in each period, the Company follows three steps:

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

The number of coverage units changes as insurance contract services are provided, contracts expire, lapse or surrender and new contracts are added to the Company. The total number of coverage units depends on the expected duration of the obligations that the Company has from its contracts. These can differ from the legal contract maturity because of the impact of policyholder behaviour and the uncertainty surrounding future insured events. By determining the number of coverage units, the Company exercises judgment in estimating the likelihood of insured events occurring and policyholder behaviour to the extent that they affect the expected period of coverage in the Company, the different levels of service offered across periods, and the 'quantity of benefits' provided under a contract.

2 Premium Allocation Approach

Insurance contracts

This is a simplification of the general model. The Company applies the PAA to the measurement of Company life and non-life insurance contracts with a coverage period of each contract in the group of one year or less.

Contracts with a coverage period above one year which are not immediately eligible for the PAA, were subjected to PAA eligibility by assessing the expected LRC cashflows under both the PAA and General Model approaches. However, there is no material difference in the measurement of the liability for remaining coverage between PAA and the general model, therefore, these qualified for PAA.

On initial recognition, the Company measures the carrying amount of the Liability for remaining coverage for insurance contracts held as the premiums received - Gross Written premiums (which will be unearned at the start) less the acquisition costs. The Company has determined that there is no significant financing component in group life and non-life insurance contracts with a coverage period of one year or less. The Company does not discount the liability for remaining coverage to reflect the time value of money and financial risk for such insurance contracts.

At subsequent measurement, the LRC is effectively the unearned premium reserve (UPR) under IFRS 4 less the deferred acquisition costs (DAC). Unlike IFRS 4, DAC will not be presented as an asset under IFRS 17. It is instead reflected in the overall insurance contract liability for remaining coverage, without being identified as a separate component in the balance sheet.

Premium Experience Adjustment : Where premium experience adjustments relate to current/ past service and are treated at the end of the period, this will be immediately recognized in the P&L as insurance revenue.

Insurance acquisition cash flows

Insurance acquisition cash flows arise from the costs of selling, underwriting, and starting a group of insurance contracts that are directly attributable to the portfolio of insurance contracts to which the Company belongs. These include direct and indirect costs incurred in originating insurance contracts, including cashflows related to unsuccessful efforts to obtain new business.

Under the PAA, an entity can choose to immediately expense insurance acquisition cash flows in the P or L when incurred if and only if each insurance contract in a Company has a coverage period of one year or less. LASACO has opted not to expense acquisition cash flows immediately when incurred. Alternatively, an entity can recognize insurance acquisition cash flows in the measurement of liability for remaining coverage (LRC) and amortize insurance acquisition cash flows in the P or L (systematically - in line with earning pattern of premium revenue or passage of time, with the former being the method adopted by LASACO).

The existing IFRS 4 approach is to recognize separate deferred acquisition cost (DAC) assets for costs associated with writing new insurance contracts (e.g., commissions paid to brokers). Under IFRS 17, if acquisition costs are paid before the related insurance group is recognized, an entity shall recognize an asset. These assets are derecognized when the group of insurance contracts are recognized. If insurance acquisition cash flows are expected to be paid after the related group is recognized, then they are included as part of the measurement of insurance contracts (LRC). IFRS 17 allows for the deferral of acquisition costs to smooth out the recognition of profits. Paid acquisition costs are an asset that is amortized (or derecognized) when they are included in the measurement of the related Company of insurance contracts.

LASACO has chosen to defer all insurance acquisition cash flows and recognize them over the coverage period of contracts or groups they are attributed. Therefore, acquisition costs and related revenue are recognized over the same periods and in the same pattern, based on the passage of time. It must be noted that IFRS 17 requires allocation to future renewals if the acquisition cash flows are judged to support future renewals. Also the expensing acquisition costs policy choice only applies to contracts with a coverage period of one year or less. For contracts measured under PAA in the Company, insurance acquisition costs comprise of costs:

- that are directly attributable to individual contracts or groups of contracts in a portfolio belongs; with the costs being allocated to the group on a systematic and rationale method e.g., Activity-Based Costing method or based on GWP proportions or claims cost, etc.

3 Onerous contracts

The Company considers an insurance contract to be onerous if the expected fulfillment cash flows allocated to the contract, any previously recognized acquisition cash flows, and any cash flows arising from the contract at the date of initial recognition in total result in a net cash outflow.

On initial recognition, the onerous assessment is done on an individual contract level assessing future expected cash flows on a probability-weighted basis including a risk adjustment for non-financial risk. Contracts expected on initial recognition to be loss-making are grouped and such groups are measured and presented separately. Once contracts are allocated to a group, they are not reallocated to another group, unless they are substantively modified.

On initial recognition, the CSM of the group of onerous contracts is nil and the group's measurement consists entirely of fulfillment cash flows. A net outflow expected from a group of contracts determined to be onerous is considered to be the group's 'loss component'. It is initially calculated when the group is first considered to be onerous and is recognized at that date in profit or loss. The amount of the group's loss component is tracked for presentation and subsequent measurement. After the loss component is recognized, the Company allocates any subsequent changes in fulfillment cash flows of the LRC on a systematic basis between the loss component and the LRC excluding the loss component. For groups of onerous contracts, without direct participating features, the Company uses locked-in discount rates. They are determined at initial recognition to calculate the changes in the estimate of future cash flows relating to future service (both changes in a loss component and reversals of a loss component). For all issued contracts, other than those accounted for applying the PAA, the subsequent changes in the fulfillment cash flows of the LRC to be allocated are:

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

The Company determines the systematic allocation of insurance service expenses incurred based on the percentage of loss component to the total fulfillment cash outflows included in the LRC, including the risk adjustment for non-financial risk, excluding any investment component amount. For contracts that are measured under PAA, the assumption is that there are no onerous contracts at initial recognition unless facts and circumstances indicate otherwise. If the measurement of the LIC results in a loss-making group, this does not translate to the LRC being onerous. In this case, the group will be assessed as to whether its LRC will be similar to the incurred experience and hence considered to be onerous. For example, actions taken to improve profitability on the fire portfolio which has been historically loss-making may indicate that the LRC will have a different loss experience. If facts and circumstances indicate that a group of contracts is onerous during the coverage period, the onerous liability is calculated as the difference between:

- the carrying amount of the liability for remaining coverage; and
- the FCF that relates to remaining coverage is similar to what is needed under the GMM. This difference is recognized as a loss and shall increase the liability for remaining coverage.

I Measurement of Reinsurance contracts held

I.i Recognition

Proportional reinsurance contracts held will be first recognized on the later of the beginning of the coverage period of the reinsurance contract or the date that the first underlying insurance contract in the treaty is initially recognized. For example, if we enter a surplus fire reinsurance contract on 1 January 2022 and the first fire insurance policy in the treaty is written in February 2022, then the date of recognition of the surplus reinsurance contract will be February 2022. Though the contract agreement is in place in January, cashflows on the contract don't start until February. Non-proportionate reinsurance coverage will be recognized at the beginning of the coverage period of the contract.

I.ii Reinsurance contracts held measured under the PAA

All reinsurance contracts with contract boundaries not exceeding one year are automatically considered to meet PAA eligibility. Most of the Company's Surplus reinsurance contracts are immediately eligible for PAA as they are written on a clean-cut basis. At the end of the period, the reinsurer withdraws from the contract and the reinsurance-held portfolio (including outstanding recoveries and ceded portion of unexpired premiums) is transferred to a new reinsurer. A smaller number of surplus reinsurance contracts and all Facultative contracts are written on an underwriting year basis. This basis extends the contract boundary beyond one year as coverage of contracts ceded to the treaty may continue even after the underwriting year has ended.

Where the reinsurance contracts held to cover a group of onerous underlying insurance contracts, the Company adjusts the carrying amount of the asset for remaining coverage and recognizes a gain when, in the same period, it reports a loss on initial recognition of an onerous group of underlying insurance contracts or on the addition of onerous underlying insurance contracts to a group. The recognition of this gain results in the recognition of the loss recovery component of the asset for the remaining coverage of a group of reinsurance contracts held.

I.iii Reinsurance contracts held measured under the General Model

The Company's quota share life reinsurance and the facultative reinsurance contracts held are accounted for by applying the measurement requirements of the General Model for estimates of cash flows and discount rates. The Company measures the reinsurance contracts held and the underlying insurance contracts issued using consistent assumptions. The Company includes in the estimates of the present value of expected future cash flows for a group of reinsurance contracts held the effect of any risk of non-performance by the reinsurer, including the effects of any collateral and losses from disputes. The effect of the non-performance risk of the reinsurer is assessed at each reporting date. In determining the asset representing the risk adjustment for non-financial risk transferred to the reinsurer, the Company assesses the amount of risk transferred by the Company to the reinsurer by calculating the risk adjustment of the underlying contracts before and after the effect of the reinsurance contracts held. The difference is recognized as the asset representing the risk adjustment reinsured.

On initial recognition, the Company recognizes any net cost or net gain on purchasing the group of reinsurance contracts held as a reinsurance CSM, unless the net cost of purchasing reinsurance coverage relates to events that occurred before the purchase of the group of reinsurance contracts, where the Company recognizes such a cost immediately in profit or loss as an expense as part of insurance service result. For a group of reinsurance contracts held, on initial recognition of an underlying onerous group of insurance contracts or on the addition of onerous underlying insurance contracts to a group, the Company establishes a loss recovery component and, as a result, recognizes a gain in profit or loss. The amount of the loss recovery component adjusts the CSM of a group of reinsurance contracts held. It is calculated at an amount equal to the loss recognized on the underlying insurance contracts multiplied by the percentage of claims on the underlying insurance contracts the Company expects to recover from the group of reinsurance contracts held.

After initial recognition, the carrying amount of the loss-recovery component shall not exceed the portion of the carrying amount of the loss component of the onerous group of underlying insurance contracts that the entity expects to recover from the group of reinsurance contracts held. Reversal of the loss recovery component adjusts the CSM and the risk adjustment of the group of reinsurance contracts held. After establishing a reinsurance loss recovery component, except for further additions of onerous contracts to the underlying group, its amount is adjusted for:

- Changes in fulfillment cash flows of underlying insurance contracts related to future service and do not adjust the CSM of their respective group
- Loss recovery component reversals to the extent those reversals are not changes in the fulfillment cash flows of the group of reinsurance contracts held.

These adjustments are calculated and presented in profit or loss. The Company adjusts the carrying amount of the CSM of a group of reinsurance contracts held at the end of a reporting period to reflect changes in the fulfillment cash flows applying the same approach as for insurance contracts issued, except when the underlying contract is onerous and the change in the fulfillment cash flows for underlying insurance contracts is recognized in profit or loss by adjusting the loss component. The respective changes in reinsurance contracts held are also recognized in profit and loss (adjusting the loss recovery component).

J Modification and Derecognition

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

- If the modified terms were included at contract inception the Company would have concluded that the modified contract:
- Is outside of the scope of IFRS 17
- Results in a different insurance contract due to separating components from the host contract

- Results in a substantially different contract boundary
- Would be included in a different Company of contracts.
- The original contract met the definition of an insurance contract with direct participating features, but the modified contract no longer meets the definition.
- The original contract was accounted for applying the PAA, but the modified contract no longer meets the PAA eligibility criteria for that approach.

If the contract modification meets any of the conditions, the Company performs all assessments applicable at initial recognition, derecognizes the original contract, and recognizes the new modified contract as if it was entered for the first time. If the contract modification does not meet any of the conditions, the Company treats the effect of the modification as changes in the estimates of fulfillment cash flows. For insurance contracts accounted for applying the General Model, a change in the estimates of fulfillment cash flows results in a revised end-of-period CSM (before the current period allocation).

A portion of the revised end-of-period CSM is allocated to the current period, as is the revised CSM amount applied from the beginning of the period but reflecting the change in the coverage units due to the modification during the period. This portion is calculated using updated coverage unit amounts determined at the end of the period and weighted to reflect the fact that the revised coverage existed for only part of the current period.

For insurance contracts accounted for applying the PAA, the Company adjusts insurance revenue prospectively from the time of the contract modification. The Company derecognizes an insurance contract when, and only when the contract is:

- Extinguished (when the obligation specified in the insurance contract expires or is discharged or canceled)
- Modified and the derecognition criteria are met.
- When the Company derecognizes an insurance contract from within a Company of contracts, it:
 - Adjusts the fulfillment cash flows allocated to the Company to eliminate the present value of the future cash flows and risk adjustment for nonfinancial risk relating to the rights and obligations that have been derecognized from the Company.
- Adjusts the CSM of the Company for the change in the fulfillment cash flows (unless it relates to the increase or reversal of the loss component).
- Adjusts the number of coverage units for expected remaining insurance contract services to reflect the coverage units derecognized from the Company and recognizes in profit or loss in the period the amount of CSM based on that adjusted number.

When the Company transfers an insurance contract to a third party and that results in derecognition, the Company adjusts the CSM of the Company from which the contract has been derecognized for the difference between the change in the carrying amount of the Company caused by the derecognized fulfillment cash flows and the premium charged by the third party for the transfer.

When the Company derecognizes an insurance contract due to modification, it derecognizes the original insurance contract and recognizes a new one. The Company adjusts the CSM of the Company from which the modified contract has been derecognized for the difference between the change in the carrying amount of the Company as a result of an adjustment to fulfillment cash flows due to derecognition and the premium the Company would have charged had it entered into a contract with equivalent terms as the new contract at the date of the contract modification, less any additional premium charged for the modification.

K Presentation

The Company has presented separately in the consolidated statement of financial position the carrying amount of portfolios of insurance contracts that are assets and those that are liabilities, and the portfolios of reinsurance contracts held that are assets and those that are liabilities. The Company disaggregates the amounts recognized in the consolidated 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 'net insurance finance income or expenses' sub-total.

The Company has voluntarily included the net insurance finance income or expenses line in another subtotal: net insurance and investment result, which also includes the income from all the assets backing the Group's insurance liabilities. The Company includes any assets for insurance acquisition cash flows recognized before the corresponding group of insurance contracts is recognized in the carrying amount of the related portfolios of insurance contracts issued. The Company separately presents income or expenses from reinsurance contracts held from the expenses or income from insurance contracts issued.

3.1 Insurance Revenue

For the General Model, The Company insurance revenue depicts the provision of services arising from a group of insurance contracts at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those services. Insurance revenue from a group of insurance contracts is therefore, the relevant portion for the period of the total consideration for the contracts, (i.e., the amount of premiums paid to the Company adjusted for financing effect (the time value of money) and excluding any investment components). As the Company provides insurance services under a group of insurance contracts issued, it reduces its LRC and recognizes insurance revenue, which is measured by the amount of consideration the Company expects to be entitled to in exchange for those services.

For groups of insurance contracts measured under the General Model, insurance revenue consists of the sum of the changes in the LRC due to:

- The insurance service expenses incurred in the period measured at the amounts expected at the beginning of the period, excluding:
 - Amounts allocated to the loss component.
 - Repayments of investment components.
 - Amounts that relate to transaction-based taxes collected on behalf of third parties.
 - Insurance acquisition expenses.
 - Amounts relating to risk adjustment for non-financial risk.
- The change in the risk adjustment for non-financial risk, excluding:
 - Changes that relate to future service that adjust the CSM.
 - Amounts allocated to the loss component.
 - The amount of CSM for the services provided in the period.
 - The amount of CSM for the services provided in the period.
- Other amounts, such as experience adjustments for premium receipts that relate to current or past service.

if any Insurance revenue also includes the portion of premiums that relate to recovering those insurance acquisition cash flows included in the insurance service expenses in each period. Both amounts are measured in a systematic way on the basis of the passage of time. For the Premium Allocation Approach (PAA), The insurance revenue for the period is the amount of expected premium receipts (excluding any investment component) allocated to the period. When applying the PAA, the Group 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. At the end of each reporting period, the Company considers whether there was a change in facts and circumstances indicating a need to change, on a prospective basis, the premium receipt allocation due to changes in the expected pattern of claim occurrence.

3.2 Insurance service expenses

Insurance service expenses arising from a Company of insurance contracts issued comprises:

- Changes in the LIC related to claims and expenses incurred in the period excluding repayment of investment components.
- Changes in the LIC related to claims and expenses incurred in prior periods (related to past service)
- Other directly attributable insurance service expenses incurred in the period.
- Amortization 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.
- Changes in the LRC related to future service that do not adjust the CSM, because they are changes in the loss components of onerous group of contracts.

3.3 Income or expenses from reinsurance contracts held.

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

The Company 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 recognized on the initial recognition of an onerous group of underlying insurance contracts or on the addition of onerous underlying insurance contracts to a group. The loss recovery component adjusts the CSM of the group of reinsurance contracts held. The loss recovery component is then adjusted to reflect:

- Changes in the fulfillment cash flows of the underlying insurance contracts that relate to future service and do not adjust the CSM of the respective group to which the underlying insurance contracts belong.
- Reversals of loss recovery component to the extent those reversals are not changes in the fulfillment cash flows of the Company 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.

3.4 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 of a group of insurance contracts and a group of reinsurance contracts held. The use of OCI presentation for insurance finance income and expenses The Company has an accounting policy choice to present all 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).

When considering the choice of presentation of insurance finance income or expenses, the company examines the assets held for that portfolio and how they are accounted for. Currently, the Company presents all the period's insurance finance income or expenses in the profit or loss. The company may reassess its accounting policy choice during the duration of a group of direct participating contracts when there is a change in whether the Group holds the underlying items or no longer holds the underlying items. When such change occurs, the company includes the amount accumulated in OCI by the date of the change as a reclassification adjustment to profit or loss spread across the period of change and future periods based on the method and on assumptions that applied immediately before the date of the change. Comparatives are not restated. When applying the PAA, the Company does not discount the liability for remaining coverage to reflect the time value of money and financial risk for group life and non-life policies with a coverage period of one year or less. For those claims that the company expects to be paid within one year or less from the date of incurrence, the Company does not adjust future cash flows for the time value of money and the effects of financial risks. However, claims expected to take more than one year to settle are discounted by applying the discount rate at the time the incurred claim is initially recognized.

4 New standards, interpretations and amendments

(a) New standards, interpretations and amendments adopted from 1 January 2024

The following amendments are effective for the period beginning 1 January 2024:

- Supplier Finance Arrangements (Amendments to IAS 7 & IFRS 7);
- Lease Liability in a Sale and Leaseback (Amendments to IFRS 16);
- Classification of Liabilities as Current or Non-Current (Amendments to IAS 1); and
- Non-current Liabilities with Covenants (Amendments to IAS 1).

These amendments to various IFRS Accounting Standards are mandatorily effective for reporting periods beginning on or after 1 January 2024.

Supplier Finance Arrangements (Amendments to IAS 7 & IFRS 7)

On 25 May 2023, the IASB issued Supplier Finance Arrangements, which amended IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures.

The amendments require entities to provide certain specific disclosures (qualitative and quantitative) related to supplier finance arrangements. The amendments also provide guidance on characteristics of supplier finance arrangements.

Lease Liability in a Sale and leaseback (Amendments to IFRS 16);

On 22 September 2022, the IASB issued amendments to IFRS 16 – Lease Liability in a Sale and Leaseback (the Amendments).

Prior to the Amendments, IFRS 16 did not contain specific measurement requirements for lease liabilities that may contain variable lease payments arising in a sale and leaseback transaction. In applying the subsequent measurement requirements of lease liabilities to a sale and leaseback transaction, the Amendments require a seller-lessee to determine 'lease payments' or 'revised lease payments' in a way that the seller-lessee would not recognise any amount of the gain or loss that relates to the right of use retained by the seller-lessee.

These amendments had no effect on the financial statements of the Company.

Classification of Liabilities as Current or Non-Current and Non-current Liabilities with Covenants (Amendments to IAS 1)

The IASB issued amendments to IAS 1 in January 2020 Classification of Liabilities as Current or Non-current and subsequently, in October 2022 Non-current Liabilities with Covenants.

The amendments clarify the following:

- An entity's right to defer settlement of a liability for at least twelve months after the reporting period must have substance and must exist at the end of the reporting period.
- If an entity's right to defer settlement of a liability is subject to covenants, such covenants affect whether that right exists at the end of the reporting period only if the entity is required to comply with the covenant on or before the end of the reporting period.
- The classification of a liability as current or non-current is unaffected by the likelihood that the entity will exercise its right to defer settlement.
- In case of a liability that can be settled, at the option of the counterparty, by the transfer of the entity's own equity instruments, such settlement terms do not affect the classification of the liability as current or non-current only if the option is classified as an equity instrument.

These amendments have no effect on the measurement of any items in the financial statements of the Company. However, the classification of certain borrowings has changed from non-current to current as result of the application of the amendments for the current financial year as well as the comparative period.

(b) New standards, interpretations and amendments not yet effective

There are a number of standards, amendments to standards, and interpretations which have been issued by the IASB that are effective in future accounting periods that the Company has decided not to adopt early.

The following amendments are effective for the period beginning 1 January 2025:

- Lack of Exchangeability (Amendment to IAS 21 the Effects of Changes in Foreign Exchange Rates);

The following amendments are effective for the period beginning 1 January 2026:

- Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 Financial instruments and IFRS 7)
- Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7)

The following amendments are effective for the period beginning 1 January 2027:

- IFRS 18 Presentation and Disclosure in Financial Statements
- IFRS 19 Subsidiaries without Public Accountability: Disclosures.

The Company is currently assessing the impact of these new accounting standards and amendments.

IFRS 18 Presentation and Disclosure in Financial Statements, which was issued by the IASB in April 2024 supersedes IAS 1 and will result in major consequential amendments to IFRS Accounting Standards including IAS 8 Basis of Preparation of Financial Statements (renamed from Accounting Policies, Changes in Accounting Estimates and Errors). Even though IFRS 18 will not have any effect on the recognition and measurement of items in the financial statements, it is expected to have a significant effect on the presentation and disclosure of certain items.

These changes include categorisation and sub-totals in the statement of profit or loss, aggregation/disaggregation and labelling of information, and disclosure of management-defined performance measures.

The Company does not expect to be eligible to apply IFRS 19.

UN AUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2025

		Group	Group	Company	Company
	NOTES	2025	2024	2025	2024
		N'000	N'000	N'000	N'000
Assets					
Cash and cash equivalents	4	16,310,707	10,345,031	15,037,649	9,603,420
Financial assets:					
- At fair value through profit or loss	5.1	266,381	387,680	266,381	387,680
- At fair value through other comprehensive income	5.2	290,777	290,777	290,777	290,777
- At amortised cost	5.3	2,728,171	1,755,636	2,728,171	1,755,636
Trade receivables	6	1,757,333	1,011,043	1,757,333	1,011,043
Reinsurance contract assets	7	7,278,435	3,362,448	7,278,435	3,362,448
Other receivables and prepayments	8	995,049	1,368,909	894,890	1,270,344
Investment properties	9	8,011,568	8,185,379	7,884,443	7,704,379
Investment in subsidiaries	10	-	-	1,000,000	1,000,000
Statutory deposit	11	535,150	535,150	535,150	535,150
Intangible asset	12	310,222	311,011	309,322	310,111
Property, plant and equipment	13	3,853,521	3,711,260	3,853,521	3,711,260
Total assets		42,337,314	31,264,324	41,836,072	30,942,248
Liabilities and shareholders' funds					
Liabilities					
Insurance contract liabilities	14	15,240,994	15,269,897	15,240,994	15,269,897
Other technical liabilities	15	3,158,511	1,728,751	3,158,511	1,728,751
Other payables and accruals	16	990,012	1,226,574	973,287	1,206,163
Income tax liabilities	17	351,755	368,479	322,879	350,396
Deferred tax liabilities	18	376,242	376,242	376,242	408,017
Total liabilities		20,117,514	18,969,943	20,071,913	18,963,224
Equity					
Share capital	19	5,541,793	916,793	5,541,793	916,793
Share premium	20	9,889,303	3,690,991	9,889,303	3,690,991
Statutory contingency reserve	21	4,141,730	3,568,838	4,141,730	3,568,838
Retained earnings	22	1,355,067	2,825,852	899,426	2,542,270
Fair value through other comprehensive income	23	437,340	437,340	437,340	437,340
Assets revaluation reserve	24	854,567	854,567	854,567	822,792
Shareholders' funds		22,219,800	12,294,381	21,764,159	11,979,024
Total liabilities and shareholders' funds		42,337,314	31,264,324	41,836,072	30,942,248

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



.....
Razzaq Abiodun
Managing Director/CEO
FRC/2021/004/00000024290



.....
Olubukola Moradeyo
Chief Finance Officer
FRC/2021/PRO/00000024062

The accompanying notes form an integral part of these financial statements.

UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 SEPTEMBER 2025

	NOTE	Group 2025 N'000	Group 2024 N'000	Company 2025 N'000	Company 2024 N'000
Insurance revenue	25	23,838,482	17,072,174	23,838,482	17,072,174
Insurance service expenses	26	(19,465,005)	(13,541,370)	(19,465,005)	(13,541,370)
Net expenses from reinsurance contract held	27	(2,508,295)	(3,178,627)	(2,508,295)	(3,178,627)
Insurance service results		1,865,182	352,177	1,865,182	352,177
Interest revenue calculated using effective interest method	28.1	2,544,453	807,387	2,446,316	807,387
Other investment income	28.2	96,712	29,479	96,712	29,479
Net fair value gain	29	207,223	436	207,223	436
Investment result		2,848,388	837,302	2,750,251	837,302
Net foreign exchange gains	30		2,499,821		2,499,821
Net investment results		2,848,388	3,337,123	2,750,251	3,337,123
Net insurance and investment results		4,713,570	3,689,300	4,615,433	3,689,300
Other operating income	31	583,562	253,094	194,676	253,094
Operating expenses	32	(5,701,356)	(1,668,055)	(5,383,236)	(1,668,055)
Profit before taxation		(404,224)	2,274,339	(573,127)	2,274,339
Income tax	17	(94,819)	(305,391)	(84,043)	(305,391)
Profit after taxation		(499,043)	1,968,948	(657,170)	1,968,948
Other Comprehensive income:					
Items within OCI that may be reclassified to the profit or loss:		-		-	-
Items within the OCI that will be reclassified to the profit or loss:		-		-	-
Revaluation surplus on property, plant and equipment		-	-	-	-
Other Comprehensive income		-	-	-	-
Total comprehensive income for the year		(499,043)	1,968,948	(657,170)	1,968,948
Earning per shares		(4.50)	17.76	(5.93)	17.76

The accompanying notes form an integral part of these financial statements.

LASACO ASSURANCE PLC
STATEMENT OF CHANGES IN EQUITY - PARENT
FOR THE YEAR ENDED 30 SEPTEMBER 2025

40

	Share capital	Share premium	Deposit for shares	Contingency reserve	FVOCI Reserve	Asset revaluation reserve	Retained earnings	Total equity
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Balance 1 January, 2025	916,793	3,690,991	-	3,568,838	437,340	854,567	2,139,605	11,608,134
Total comprehensive income for the year:								
Profit for the year	-	-	-	-	-	-	(667,287)	(667,287)
Transfer to contingency reserve	-	-	-	572,892	-	-	(572,892)	-
Changes in valuation of gratuity	-	-	-	-	-	-	-	-
Changes in valuation of land and building	-	-	-	-	-	-	-	-
Fair value gain on FVOCI	-	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	572,892	-	-	(1,240,179)	(667,287)
Transactions with owners, recorded directly in equity	4,625,000	6,198,312	-	-	-	-	-	10,823,312
Dividend paid during the year	-	-	-	-	-	-	-	-
Balance 30 September, 2025	5,541,793	9,889,303	-	4,141,730	437,340	854,567	899,426	21,764,159
Balance 1 January, 2024	916,793	3,690,991	3,500,000	3,017,419	437,340	536,820	1,558,207	13,657,570
Total comprehensive income for the year:								
Profit for the year	-	-	-	-	-	-	-	-
Contingency Reserve	-	-	-	551,419	-	-	(551,419)	-
Changes in valuation of land and building	-	-	-	-	-	285,972	-	285,972
Fair value gain on FVOCI	-	-	-	-	-	-	-	-
Dividend paid during the year	-	-	-	-	-	-	-	-
Transactions with owners, recorded directly in	-	-	(3,500,000)	-	-	-	-	(3,500,000)
Balance 31 December 2024	916,793	3,690,991	-	3,568,838	437,340	822,792	2,542,270	11,979,024

The accompanying notes form an integral part of these financial statements.

LASACO ASSURANCE PLC
STATEMENT OF CHANGES IN EQUITY - GROUP
FOR THE YEAR ENDED 30 SEPTEMBER 2025

	Share capital	Share premium	Deposit for shares	Contingency reserve	FVOCI Reserve	Asset revaluation reserve	Retained earnings	Total equity
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Balance 1 January, 2025	916,793	3,690,991	-	3,568,838	437,340	854,567	2,546,474	12,015,003
Total comprehensive income	-	-	-	-	-	-	-	-
for the year:	-	-	-	-	-	-	-	-
Profit for the year	-	-	-	-	-	-	(499,043)	(499,043)
Transfer to contingency reserve	-	-	-	572,892	-	-	(572,892)	-
Changes in valuation of gratuity	-	-	-	-	-	-	-	-
Changes in valuation of land and building	-	-	-	-	-	-	(119,472)	(119,472)
Fair value gain on FVOCI	-	-	-	-	-	-	-	-
Transactions with owners, recorded directly in equity	4,625,000	6,198,312	-	-	-	-	-	10,823,312
Dividend paid during the year	-	-	-	-	-	-	-	-
Balance 30 September 2025	5,541,793	9,889,303	-	4,141,730	437,340	854,567	1,355,067	22,219,800

Balance 1 January, 2024	916,793	3,690,991	3,500,000	3,017,419	437,340	536,820	1,558,207	13,657,570
Total comprehensive income	-	-	-	-	-	-	-	-
for the year:	-	-	-	-	-	-	-	-
Profit for the year	-	-	-	-	-	-	1,819,064	1,819,064
Transfer to contingency reserve	-	-	-	551,419	-	-	(551,419)	-
Changes in valuation of gratuity	-	-	-	-	-	-	-	-
Changes in valuation of land and building	-	-	-	-	-	317,747	-	317,747
Fair value gain on FVOCI	-	-	-	-	-	-	-	-
Transactions with owners, recorded directly in equity	-	-	(3,500,000)	-	-	-	-	(3,500,000)
Dividend paid during the year	-	-	-	-	-	-	-	-
Balance 31 December 2024	916,793	3,690,991	-	3,568,838	437,340	854,567	2,825,852	12,294,381

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 SEPTEMBER 2025**

		Group 2025	Group 2024	Company 2025	Company 2024
	Notes	N'000	N'000	N'000	N'000
Cash flows from operating activities:					
Premium received from policy holders	14.1	26,717,225	19,447,939	26,717,225	19,447,939
Premium received from deposit administration		286,211	639,024	286,211	639,024
Reinsurance premium paid		(11,369,109)	(7,845,388)	(11,369,109)	(7,845,388)
Claims paid and other expenses		(14,441,301)	(2,917,165)	(14,441,301)	(2,917,165)
Deposit administration withdrawals		(321,771)	(298,527)	(321,771)	(298,527)
Claims received from Co Insurers		106,391	1,276,643	106,391	1,276,643
Rental income		23,463	16,100	23,463	16,100
Commission received		1,486,309	1,810,077	1,486,309	1,810,077
Commission paid		(1,366,178)	(1,405,376)	(1,366,178)	(1,405,376)
Deposit received in advance	15	1,537,246	942,425	1,537,246	942,425
Acquisition cost		(6,709,544)	(3,229,258)	(6,709,544)	(3,229,258)
Cash paid to and on behalf of employees	32	(1,059,499)	(853,040)	(1,059,499)	(853,040)
Other operating cash payments	32	(4,375,732)	(2,050,695)	(4,333,903)	(2,050,695)
Company income tax paid	17	(349,039)	(45,670)	(330,939)	(45,670)
Net cash absorbed from operating activities		(9,835,328)	5,487,089	(9,775,399)	5,487,089
Cash flows from investing activities:					
Proceeds from redemption of Bonds		1,077,819	-	1,077,819	-
Purchase of Bonds		-	(55,648)	-	(55,648)
Proceeds from redemption of other amortised cost		3,179,649	2,219,607	2,910,724	2,219,607
Purchase of fixed deposits and treasury bills		(1,827,398)	(857,813)	(1,570,000)	(857,813)
Additional investment in subsidiaries		-	(361,690)	-	(361,690)
Proceeds from disposal on investment property		385,000	-	-	-
Acquisition of property, plant and equipment	13	(699,598)	(25,250)	(699,598)	(25,250)
Proceeds from disposal on property, plant and equipment	13	221,055	-	221,055	-
Interest income	28.1	2,544,453	807,387	2,446,316	807,387
Dividend Income	28.2	96,712	29,479	96,712	29,479
Net cash outflow from investing activities		4,977,692	1,756,072	4,386,316	1,756,072
Cash flows from financing activities					
Dividends paid to equity holders		-	-	-	-
Cash from issue of shares		10,823,312	-	10,823,312	-
Net cash outflow from financing activities		10,823,312	-	10,823,312	-
Net decrease in cash and cash equivalents		5,965,676	7,243,161	5,434,229	7,243,161
Cash and cash equivalents at beginning of the year		10,345,031	8,713,710	9,603,420	8,713,710
Cash and cash equivalents at end of the year		16,310,707	15,956,871	15,037,649	15,956,871
Represented by:					
Cash and cash equivalents at end of the year	4	16,310,707	15,956,871	15,037,649	15,956,871

The accompanying notes form an integral part of these financial statements.

UNAUDITED FINANCIAL STATEMENTS, 30 SEPTEMBER 2025

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4	Cash and Cash Equivalents	Group	Group	Company	Company
		2025	2024	2025	2024
		N'000	N'000	N'000	N'000
	Cash - petty cash	105	-	105	65
	Balances with Local banks	2,612,757	1,505,845	2,244,699	1,348,243
	Placement with banks (Note 4(a))	13,730,260	8,871,601	12,825,260	8,287,527
	Total cash and cash equivalents	16,343,122	10,377,446	15,070,064	9,635,835
	Allowance for credit losses (Note 4(b))	(32,415)	(32,415)	(32,415)	(32,415)
	Carrying value of cash and cash equivalent	16,310,707	10,345,031	15,037,649	9,603,420
	Current	16,310,707	10,345,031	15,037,649	9,603,420
	Non-current	-	-	-	-

Short-term deposits are made for varying periods averaging between 1 - 90 days depending on the immediate cash requirements of the Company. All deposits are subject to an average interest rate of 19%. The carrying amounts disclosed above reasonably approximate fair value at the reporting date.

5 Financial Assets

The Company's financial assets are summarised by categories as follows:

Fair value through profit or loss (Note 5.1)	266,381	398,053	266,381	387,680
Fair value through other comprehensive income	290,777	290,777	290,777	290,777
Financial assets at amortised cost (Note 5.2)	2,728,171	1,755,636	2,728,171	1,755,636
	3,285,329	2,444,466	3,285,329	2,434,093
Current	-	-	-	-
Non-current	3,285,329	2,444,466	3,285,329	2,434,093
	3,285,329	2,444,466	3,285,329	2,434,093

5.1 Financial assets at fair value through profit or loss

Balance at the beginning of the year	387,680	398,053	387,680	532,624
Disposal	(318,105)	-	(318,105)	-
Fair value gain	196,806	(10,373)	196,806	(144,944)
Balance at the end of the year	266,381	387,680	266,381	387,680

(a) Fair value through profit or loss

Management valued the Company's quoted investments at market value which is a reasonable measurement of fair value since the prices of the shares are quoted in an active market. The instruments are measured and evaluated on a fair value basis and fair value is determined by reference to published price quotations in an active market -classified as level 1 in the fair value hierarchy.

5.2 Fair value through other comprehensive income

Equity investments at FVOCI comprise the	Group	Group	Company	Company
Equity securities	2025	2024	2025	2024
Fair value	N'000	N'000	N'000	N'000
Energy & Allied Insurance Pool	119,153	119,153	119,153	119,153
Nigeria Liability Insurance Pool	18,761	18,761	18,761	18,761
WAICA Reinsurance Co. Limited	95,236	95,236	95,236	95,236
Health Care International	57,627	57,627	57,627	57,627
	290,777	290,777	290,777	290,777

(b) Equity instrument measured at fair value through other comprehensive income

Balance at the beginning of the year	290,777	290,777	290,777	290,777
Fair value loss	-	-	-	-
Balance at the end of the year	290,777	290,777	290,777	290,777

(c) Financial assets at fair value through other comprehensive income (FVOCI) comprise:

- Equity securities which are not held for trading, and which the Company has irrevocably elected at initial recognition to recognise as FVOCI. These are strategic investments and the Company considers this classification to be more relevant.

The fair value loss in the carrying amount of financial assets at fair value through other comprehensive income (FVOCI) are recognized in other comprehensive income and accumulated under the heading of "Fair value through other comprehensive income reserve".

5.3 Financial assets at amortised cost

Government Bonds	1,282,525	2,364,701	1,282,525	1,525,597
Fixed deposits and Treasury bills	1,384,780	2,386,310	1,384,780	235,712
Commercial papers	68,375	-	68,375	-
	2,735,680	4,751,011	2,735,680	1,761,309
Allowance for credit losses	(7,509)	(5,673)	(7,509)	(5,673)
	2,728,171	4,751,011	2,728,171	1,755,636

UNAUDITED FINANCIAL STATEMENTS, 30 SEPTEMBER 2025

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

	Group 30 Sept 2025 N'000	Group 30 Sept 2024 N'000	Company 30 Sept 2025 N'000	Company 30 Sept 2024 N'000
6 Trade Receivables				
Amount due from Insurance Brokers	1,527,541	768,218	1,527,541	768,218
Receivables from Coinsurance.	229,792	242,825	229,792	242,825
	<u>1,757,333</u>	<u>1,011,043</u>	<u>1,757,333</u>	<u>1,011,043</u>
(a) Analysis of Trade Receivables				
Current	1,757,333	1,011,043	1,757,333	1,011,043
Non-current	-	-	-	-
(b) Movement in due from Insurance Brokers				
Balance at the beginning of the year	356,296	320,695	356,296	320,695
Gross premium written - Life business Insu	11,020,741	8,015,879	11,020,741	8,015,879
Gross premium written - General business	10,735,581	10,173,846	10,735,581	10,173,846
Premium received during the year	(20,585,077)	(18,154,124)	(20,585,077)	(18,154,124)
Balance at the end of the year	<u>1,527,541</u>	<u>356,296</u>	<u>1,527,541</u>	<u>356,296</u>
	Group 30 Sept 2025 N'000	Group 30 Sept 2024 N'000	Company 30 Sept 2025 N'000	Company 30 Sept 2024 N'000
7 Reinsurance contract Assets				
Asset for remaining coverage	3,676,190	2,051,388	3,676,190	2,051,388
Asset for incurred claims	3,602,245	1,758,175	3,602,245	1,758,175
	<u>7,278,435</u>	<u>3,809,563</u>	<u>7,278,435</u>	<u>3,809,563</u>
Current	7,278,435	3,809,563	7,278,435	3,809,563
Non-current	-	-	-	-

UNAUDITED FINANCIAL STATEMENTS, 30 SEPTEMBER 2025

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

7.1 Reconciliation of reinsurance contract assets - Aggregate

	Assets for remaining coverage		Assets for Incurred claims		30-Sept-25	Assets for remaining coverage		Assets for Incurred claims		30-Sept-24
	Non -Loss component	Loss recovery component	Estimate of present value for future cashflows	Risk adjustment for non financial risks	Total	Non -Loss component	Loss recovery component	Estimate of present value for future cashflows	Risk adjustment for non financial risks	Total
Opening Balance	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Reinsurance contract assets	1,985,332	-	1,756,877	75,615	3,817,824	857,250	-	1,618,978	69,612	2,545,840
Net reinsurance asset	1,985,332		1,756,877	75,615	3,817,824	857,250		1,618,978	69,612	2,545,840
Reinsurance expenses	(7,826,360)	-	-	8,985	(7,817,375)	(5,367,530)	-	-	1,299	(5,366,231)
Amounts recoverable for Incurred claims and other expenses	-	-	4,321,087	-	4,321,087	-	-	2,592,769	-	2,592,769
Changes to amounts recoverable for incurred claims	660,801	-	-	59,501	720,302	-	-	(455,198)	(3,558)	(458,756)
Net income or expense from reinsurance contracts held	(7,165,559)	-	4,321,087	68,486	(2,775,986)	(5,367,530)	-	2,137,571	(2,259)	(3,232,218)
Reinsurance finance income	-	-	-	-	-	-	-	(16,818)	-	(16,818)
Total changes in the statement of comprehensive income	(7,165,559)		4,321,087	68,486	(2,775,986)	(5,367,530)		2,120,753	(2,259)	(3,249,036)
Cash flows in the period:										
Reinsurance premium	8,856,416	-	-	-	8,856,416	6,495,612	-	(824,463)	-	5,671,149
Amounts received	-	-	(2,619,819)	-	(2,619,819)	-	-	(1,158,389)	-	(1,158,389)
Net cash (outflow)/inflow	8,856,416		(2,619,819)	-	6,236,597	6,495,612		(1,982,852)	-	4,512,760
Closing Balance	3,676,189		3,458,145	144,101	7,278,435	1,985,332		1,756,879	67,353	3,809,564

7.2 Reconciliation of general reinsurance contract assets - measured under PAA

	Asset for remaining coverage		Asset for Incurred claims		30-Sept-25	Asset for remaining coverage		Asset for Incurred claims		30-Sept-24
	Non -Loss recovery	Loss recovery	Estimate of present value for future cashflows	Risk adjustment for non financial risks	Total	Non -Loss recovery	Loss recovery	Estimate of present value for future cashflows	Risk adjustment for non financial risks	Total
Opening balance	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Reinsurance contract assets	1,609,518	-	1,037,768	66,058	2,713,344	638,308	-	961,727	69,612	1,669,647
Reinsurance contract assets	1,609,518	-	1,037,768	66,058	2,713,344	638,308	-	961,727	69,612	1,669,647
Reinsurance expense	(4,527,190)	-	-	-	(4,527,190)	(3,597,196)	-	-	-	(3,597,196)
Amounts recoverable for Incurred claims and other expenses	-	-	2,231,002	-	2,231,002	-	-	1,197,228	-	1,197,228
Changes to amounts recoverable for incurred claims	-	-	-	59,501	59,501	-	-	(279,906)	(3,554)	(283,460)
Total Insurance service expenses	-	-	2,231,002	59,501	2,290,503	-	-	917,322	(3,554)	913,768
Reinsurance finance income	-	-	-	-	-	-	-	(16,818)	-	(16,818)
Total changes in the statement of comprehensive income	(4,527,190)	-	2,231,002	59,501	(2,236,687)	(3,597,196)	-	900,504	(3,554)	(2,700,246)
Cash flows in the period:										
Reinsurance premium paid	6,228,100	-	-	-	6,228,100	4,568,406	-	(824,463)	-	3,743,943
Reinsurance received	-	-	(1,239,901)	-	(1,239,901)	-	-	-	-	-
Net cash (outflow)/inflow	6,228,100	-	(1,239,901)	-	4,988,199	4,568,406	-	(824,463)	-	3,743,943
Closing Reinsurance assets	3,310,428	-	2,028,869	125,559	5,464,856	1,609,518	-	1,037,768	66,058	2,713,344

7.3 Reconciliation of group life reinsurance contract assets - measured under PAA

	30-Sept-25					30-Sept-24				
	Assets for remaining coverage		Assets for Incurred claims			Assets for remaining coverage		Assets for Incurred claims		
	Non -Loss component	Loss recovery component	Estimate of present value for future cashflows	Risk adjustment for non financial risks	Total	Non -Loss component	Loss recovery component	Estimate of present value for future cashflows	Risk adjustment for non financial risks	Total
Opening balance	N'000	N'000	N'000	N'000	N'000					
Reinsurance contract assets	375,814	-	719,109	9,557	1,104,480	218,942	-	657,251	-	876,193
Net reinsurance assets	375,814	-	719,109	9,557	1,104,480	218,942	-	657,251	-	876,193
Reinsurance expense	(3,299,170)	-	-	8,985	(3,290,185)	(1,770,334)	-	-	1,299	(1,769,035)
Amounts recoverable for Incurred claims and other expenses	-	-	2,090,085	-	2,090,085	-	-	1,395,541	-	1,395,541
Changes to amounts recoverable for incurred claims	660,801	-	-	-	660,801	-	-	(175,292)	-	(175,292)
Net income or expense from reinsurance contracts held	(2,638,369)	-	2,090,085	8,985	2,750,886	(1,770,334)	-	1,220,249	1,299	(548,786)
Reinsurance finance income	-	-	-	-	-	-	-	-	-	-
Total changes in the statement of comprehensive income	(2,638,369)		2,090,085	8,985	(539,299)	(1,770,334)	-	1,220,249	1,299	(548,786)
Cash flows in the period:										
Reinsurance premium	2,628,316	-	-	-	2,628,316	1,927,206	-	-	-	1,927,206
Reinsurance received	-	-	(1,379,918)	-	(1,379,918)	-	-	(1,158,391)	-	(1,158,391)
Net cash (outflow)/inflow	2,628,316	-	(1,379,918)	-	1,248,398	1,927,206	-	(1,158,391)	-	768,815
Closing Reinsurance contract assets	365,761	-	1,429,276	18,542	1,813,579	375,814	-	719,109	1,299	1,096,222

	Group 30-Sept 2025 N'000	Group 30-Sept 2024 N'000	Company 30-Sept 2025 N'000	Company 30-Sept 2024 N'000
8 Other receivables and prepayments				
Prepaid rent (Note 8(a))	31,425	64,128	31,425	64,128
Staff Loan (Note 8(b))	60,550	98,704	60,550	98,704
Other prepayment	2,640	80,965	2,640	80,965
Policy Loan	7,520	7,520	7,513	7,520
Interest receivable	18,789	918,130	18,789	918,130
Deposit for Land	30,000	30,000	30,000	30,000
Stock Brokers' current accounts	21,790	21,838	21,790	21,838
Other receivables (Note 8(c))	822,376	147,665	722,224	49,100
	995,090	1,368,950	894,931	1,270,385
Impairment of other assets (Note 8(e))	(41)	(41)	(41)	(41)
	995,049	1,368,909	894,890	1,270,344
Current	995,049	536,044	894,890	536,044
Non-Current	-	-	-	-
	995,049	536,044	894,890	536,044
(a) Prepaid rent	N'000	N'000	N'000	N'000
Balance at the beginning of the year	39,273	93,866	39,273	93,866
Rent paid during the year	36,711	21,225	36,711	21,225
Amortised rent during the year	(44,588)	(50,963)	(44,588)	(50,963)
Balance at the end of the year	31,425	64,128	31,396	64,128
(b) Staff loans	N'000	N'000	N'000	N'000
Balance at the beginning of the year	98,704	119,008	98,704	119,008
Additions during the year	3,200	-	3,200	-
Repayment during the year	(41,354)	(20,304)	(41,354)	(20,304)
Balance at the end of the year	60,550	98,704	60,550	98,704
Expected credit loss (Note 8(d))	(57)	(57)	(57)	(57)
	60,493	98,647	60,493	98,647
(c) Other receivables	N'000	N'000	N'000	N'000
Sundry debtors	822,376	42,799	715,724	-
Other loan	-	55,766	6,500	-
SUBEB/LG fund	-	49,100	-	49,100
Expected credit loss (Note 5(g))	-	-	-	-
	822,376.00	147,665	722,224	49,100
9 Investment Properties				
Balance at the beginning of the year	8,363,004	4,567,754	7,644,379	4,567,754
Additions during the year	240,064	557,650	240,064	14,000
Disposal during the year	(591,500)	(132,400)	-	-
Fair value gain (Note 34)	-	3,192,375	-	3,122,625
Balance at the end of the year	8,011,568	8,185,379	7,884,443	7,704,379

			2024	
10 Investment in Subsidiaries			N'000	N'000
	Lasaco Properties	Lasaco Trading & Investment Ltd	Total	Total
Balance as at 1 January 2025	500,000	500,000	1,000,000	1,000,000
Additions during the year	-	-	-	-
Balance , end of year	500,000	500,000	1,000,000	1,000,000

LASACO Assurance Plc owned approximately 100 percent holdings in LASACO Properties Limited. The subsidiary fully commenced operations in January 2024. The sum of NGN500million represents the capital injected into the Company by LASACO Assurance Plc.

LASACO Assurance Plc owned approximately 90 percent holdings in LASACO Trading and Investment Limited. The subsidiary commenced full operations in January 2024. The sum of NGN500 million represents the capital injected into the Company by LASACO Assurance Plc.

The financial statement of the two subsidiaries have been consolidated with the Financial Statement of the parent Company - Lasaco Assurance Plc

	2025	2024
11 Statutory deposit	N'000	N'000
Non life Business	320,150	320,150
Life Business	215,000	215,000
	535,150	535,150
Current	-	-
Non-Current	535,150	535,150

Statutory deposit represents the amount deposited with the Central Bank of Nigeria in accordance with Section 9(1) and Section 10(3) of the Insurance Act 2003. This is restricted cash as management does not have access to the balances in its day to day activities. Statutory deposits are measured at amortised cost.

	Group	Group	Company	Company
	2025	2024	2025	2024
12 Intangible assets	N'000	N'000	N'000	N'000
Cost				
At 1 January	417,997	124,611	417,097	124,611
Addition	104,024	293,386	104,024	293,386
30 Sept	522,021	417,997	521,121	417,997
Amortisation				
At 1 January	106,986	47,020	106,986	47,020
Amortisation during the year	104,813	59,966	104,813	59,966
30 Sept	211,799	106,986	211,799	106,986
Carrying amount:				
30 Sept	310,222	311,011	309,322	311,011

13 Property, plant and equipment

			Furniture fittings & Equipment	Motor Vehicles	Total
Cost/Valuation	Land	Building			
<u>Cost</u>	N'000	N'000	N'000	N'000	N'000
At 1 January 2024	329,940	1,529,199	1,305,591	1,894,077	5,058,807
Additions	-	-	149,190	564,892	714,082
Reclassification	-	-	-	-	-
Disposals	-	-	(37,738)	(251,505)	(289,243)
Asset revaluation	162,060	133,140	-	-	295,200
At 31 December 2024	492,000	1,662,339	1,417,043	2,207,464	5,778,846
At 1 January 2025	492,000	1,662,339	1,417,043	2,207,464	5,778,846
Additions	-	-	125,923	573,675	699,598
Disposals	-	-	(1,180)	(219,875)	(221,055)
Asset revaluation	-	-	-	-	-
At 30 Sept 2025	492,000	1,662,339	1,541,786	2,561,264	6,257,389
<u>Accumulated depreciation</u>					
At 1 January 2024	-	-	876,099	943,138	1,819,237
Charge for the year	-	22,547	187,687	283,393	493,627
Disposals	-	-	(33,302)	(189,429)	(222,731)
Asset revaluation	-	(22,547)	-	-	(22,547)
At 31 December 2024	-	-	1,030,484	1,037,102	2,067,586
At 1 January 2025	-	-	1,030,484	1,037,102	2,067,586
Charge for the year	-	24,210	139,400	318,987	482,597
Disposals	-	-	(389)	(145,926)	(146,315)
Asset revaluation	-	-	-	-	-
At 30 September 2025	-	24,210	1,169,495	1,210,163	2,403,868
<u>Carrying amounts at:</u>					
30 September 2025	492,000	1,638,129	372,291	1,351,101	3,853,521
31 December 2024	492,000	1,662,339	386,559	1,170,362	3,711,260

	Group 30-Sept 2025 N'000	Group 30-Sept 2024 N'000	Company 30-Sept 2025 N'000	Company 30-Sept 2024 N'000	
14 Insurance Contract Liabilities					
Insurance contracts measured under PAA	17,704,971	13,054,119	12,966,228	7,469,948	
Insurance contracts measured under GMM	1,576,022	780,476	2,274,766	7,799,945	
	19,280,993	13,834,595	15,240,994	15,269,893	1,199,999
14.1 Reconciliation of Insurance Contract Liabilities - Aggregate (PAA and GMM)			15,240,993.00	(1.00)	1,200,000.00

	Liabilities for remaining coverage component		Liabilities for incurred claims		30-Sept-25	Liabilities for remaining coverage component		Liabilities for incurred claims		31-Dec-24
	Non -Loss component	Loss component	Estimate of present value of future cashflows	Risk adjustment for non financial risks	Total	Non -Loss component	Loss component	Estimate of present value of future cashflows	Risk adjustment for non financial risks	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Opening balance	6,709,852	455,725	7,828,403	275,916	15,269,896	5,284,254	-	4,836,105	275,916	10,396,275
Insurance contract liabilities										
Net Insurance Contracts	6,709,852	455,725	7,828,403	275,916	15,269,896	5,284,254	-	4,836,105	275,916	10,396,275
Insurance Revenue	(23,838,482)	-	-	-	(23,838,482)	(22,799,885)	-	-	(37,826)	(22,837,711)
Insurance Service Expenses:										
Incurred claims	-	-	8,513,800	138,603	8,652,403	-	(19,169)	13,694,458	-	13,675,289
Insurance acquisition cashflows	3,791,316	-	-	-	3,791,316	3,458,720	-	-	-	3,458,720
Changes relates to future service	-	1,055	-	-	1,055	-	427,342	2,940,221	90,269	3,457,832
Changes relates to past service	-	-	846,442	276,022	1,122,464	-	427,342	170,668	-	598,010
Total Insurance service expenses	3,791,316	1,055	9,360,242	414,625	13,567,238	3,458,720	835,515	16,805,347	90,269	21,189,851
Insurance service results	(20,047,166)	1,055	9,360,242	414,625	(10,271,244)	(19,341,165)	835,515	16,805,347	52,443	(1,647,860)
Insurance finance expenses	(34,665)	-	-	-	(34,665)	149,282	(81,745)	(155,092)	-	(87,555)
Total changes in the statement of comprehensive income	(20,081,831)	1,055	9,360,242	414,625	(10,305,909)	(19,191,883)	753,770	16,650,255	52,443	(1,735,415)
Cash flows in the period:										
Premiums received	26,717,225	-	-	-	26,717,225	24,399,742	-	-	-	24,399,742
Insurance acquisition cash flows paid	(6,709,544)	-	-	-	(6,709,544)	(3,458,721)	-	-	-	(3,458,721)
Claims paid and other expenses	-	-	(9,025,295)	-	(9,025,295)	-	-	(14,227,324)	(186,408)	(14,413,732)
Net cash inflow/(outflow)	20,007,681	-	(9,025,295)	-	10,982,386	20,941,021	-	(14,227,324)	(186,408)	6,527,289
Closing Insurance contract liabilities	6,635,702	456,780	8,163,350	690,541	15,240,994	7,033,392	835,515	7,259,036	141,951	15,188,148

14.1.1 Reconciliation of General Insurance Contract Liabilities - measured under PAA

General business

	Liabilities for remaining coverage		Liabilities for incurred claims		30-Sept-25	Liabilities for remaining coverage		Liabilities for incurred claims		31-Dec-24
	Non loss component	Loss component	Estimate of present value of future cashflows	Risk adjustment	Total	Non loss component	Loss component	Estimate of present value of future cashflows	Risk adjustment	Total
Opening balance	N'000	N'000	N'000	N'000	N'000					
Insurance contract liabilities	4,177,210	-	4,306,125	267,967	8,751,302	2,607,953	-	2,454,993	177,698	5,240,644
Less: Deferred acquisition cost	-	-	-	-	-	-	-	-	-	-
Net Insurance contract liabilities	4,177,210	-	4,306,125	267,967	8,751,302	2,607,953	-	2,454,993	177,698	5,240,644
Insurance Revenue	(14,233,650)	-	-	-	(14,233,650)	(13,801,827)	-	-	-	(13,801,827)
Insurance service expenses:										
Incurred claims	-	-	6,381,083	18,083	6,399,166	-	-	8,638,350	-	8,638,350
Amortization of insurance acquisition cashflows	2,565,001	-	-	-	2,565,001	2,482,376	-	-	-	2,482,376
Adjustments to liabilities for incurred claims	-	-	3,485,384	-	3,485,384	-	-	1,311,940	90,269	1,402,209
Other insurance service expenses	-	-	-	-	-	-	-	-	-	-
Losses and reversals of losses on onerous contracts	-	-	-	-	-	-	-	-	-	-
Total Insurance service expenses	2,565,001	-	9,866,467	18,083	12,449,551	2,482,376	-	9,950,290	90,269	12,522,935
Insurance service results	(11,668,649)	-	9,866,467	18,083	(1,784,099)	(11,319,451)	-	9,950,290	90,269	(1,278,892)
Insurance finance expenses	-	-	-	-	-	-	(81,745)	(155,092)	-	(236,837)
Total changes in the statement of comprehensive income	(11,668,649)	-	9,866,467	18,083	(1,784,099)	(11,319,451)	(81,745)	9,795,198	90,269	(1,515,729)
Cash flows in the period:										
Premiums received	15,422,827	-	-	-	15,422,827	15,371,084	-	-	-	15,371,084
Insurance acquisition cash flows paid	(2,565,001)	-	-	-	(2,565,001)	(2,482,376)	-	-	-	(2,482,376)
Other insurance service expenses	-	-	-	-	-	-	-	-	-	-
Claims paid	-	-	(12,395,250)	-	(12,395,250)	-	-	(7,944,065)	-	(7,944,065)
Net cash inflow/(outflow)	12,857,826	-	(12,395,250)	-	462,576	12,888,708	-	(7,944,065)	-	4,944,643
Closing Insurance contract liabilities	5,366,387	-	1,777,342	286,050	7,429,779	4,177,210	(81,745)	4,306,126	267,967	8,669,558

14.1.2 Reconciliation of Group life Insurance Contract Liabilities - measured under PAA

	30-Jun-25					31-Dec-24				
	Liabilities for remaining coverage		Liabilities for incurred claims			Liabilities for remaining coverage		Liabilities for incurred claims		
	Non loss component	Loss component	Estimate of present value of future cashflows	Risk adjustment	Total	Non loss component	Loss component	Estimate of present value of future cashflows	Risk adjustment	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Opening balance										
Insurance contract liabilities	1,366,602	-	2,875,824	60,393	4,302,819	1,018,621	-	2,479,330	98,218	3,596,169
Less: Deferred acquisition cost	-	-	-	-	-	-	-	-	-	-
Net Insurance Contracts liabilities	1,366,602	-	2,875,824	60,393	4,302,819	1,018,621	-	2,479,330	98,218	3,596,169
Insurance Revenue	(9,407,500)	-	-	-	(9,407,500)	(8,763,440)	-	-	-	(8,763,440)
Insurance Service Expenses:						152,728				
Incurred claims	-	-	4,625,381	52,900	4,678,281	-	-	4,699,032	-	4,699,032
Amortization of insurance acquisition cashflows	1,226,315	-	-	-	1,226,315	976,344	-	-	-	976,344
Adjustments to liabilities for incurred claims	-	-	816,061	-	816,061	-	-	1,590,455	-	1,590,455
Other insurance service expenses	-	-	-	-	-	-	-	-	-	-
Losses and reversals of losses on onerous contracts	-	-	-	-	-	-	-	-	-	-
Total Insurance Service expenses	1,226,315	-	5,441,442	52,900	6,720,657	976,344	-	6,289,487	-	7,265,831
Insurance service results	(8,181,185)	-	5,441,442	52,900	(2,686,843)	(7,787,096)	-	6,289,487	-	(1,497,609)
Insurance finance expenses	-	-	-	-	-	-	-	-	-	-
Total changes in the statement of comprehensive income	(8,181,185)	-	5,441,442	52,900	(2,686,843)	(7,787,096)	-	6,289,487	-	(1,497,609)
Cash flows in the period:										
Premiums received	11,008,187	-	-	-	11,008,187	9,013,205	-	-	-	9,013,205
Insurance acquisition cash flows paid	-	-	-	-	-	-	-	-	-	-
Acquisition expenses paid	(1,226,315)	-	-	-	(1,226,315)	(976,345)	-	-	-	(976,345)
Claims and other expenses paid	-	-	(5,861,399)	-	(5,861,399)	-	-	(5,832,601)	-	(5,832,601)
Net cash inflow/(outflow)	9,781,872	-	(5,861,399)	-	3,920,473	8,036,860	-	(5,832,601)	-	2,204,259
Closing Insurance contract liabilities	2,967,289	-	2,455,867	113,293	5,536,449	1,268,385	-	2,936,216	-	4,302,819

14.1.3 Reconciliation of Insurance Contract Liabilities - Investment link GMM measurement

	Liabilities for remaining coverage		Liabilities for incurred claims		30-Jun-25	Liabilities for remaining coverage		Liabilities for incurred claims		31-Dec-24
	Non loss component	Loss component	Estimate of present value of future cashflows	Risk adjustment		Non loss component	Loss component	Estimate of present value of future cashflows	Risk adjustment	
	N'000	N'000	N'000	N'000	N'000					
Opening balance	807,954	627,342	-	-	1,435,296	684,826	-	-	-	684,826
Insurance contract liabilities										
Net Insurance contract liabilities	807,954	627,342	-	-	1,435,296	684,826	-	-	-	684,826
Insurance Revenue	(67,620)	-	-	-	(67,620)	(71,689)	-	-	-	(71,689)
Insurance service expenses:										
Incurred claims	-	-	176,294	67,620	243,914	-	-	170,668	-	170,668
Amortization of insurance acquisition cashflows	-	-	-	-	-	-	-	-	-	-
Changes related to future service	-	-	-	-	-	-	427,342	-	-	427,342
Changes related to past service	-	-	-	-	-	-	-	-	-	-
Total Insurance service expenses	-	-	176,294		243,914	-	427,342	170,668	-	598,010
Investment components	328,884	-	(328,884)	67,620	67,620	289,636	-	(289,636)	-	-
Insurance service results	261,264	-	(152,590)	67,620	176,294	217,947	427,342	(118,968)	-	526,321
Insurance finance expenses	-	-	-	-	-	89,779	-	-	-	89,779
Total changes in comprehensive income	261,264	-	(152,590)	67,620	176,294	307,726	427,342	(118,968)	-	616,100
Cash flows in the period:										
Premiums received	286,211	-	-	-	286,211	15,402	-	-	-	15,402
Insurance acquisition cash flows paid	-	-	-	-	-	-	-	-	-	-
Claims paid and expenses paid	-	-	(321,779)	-	(321,779)	-	-	118,968	-	118,968
	-	-	-	-	-	-	-	-	-	-
Net cash inflow/(outflow)	286,211		(321,779)	-	(35,568)	15,402		118,968	-	134,370
Closing Insurance contract liabilities	1,355,429	627,342	(474,369)	67,620	1,576,022	1,007,954	427,342	-	-	1,435,296

Liabilities for remaining coverage		Liabilities for incurred claims		30-Jun-25	Liabilities for remaining coverage		Liabilities for incurred claims		31-Dec-24
Non loss component	Loss component	Estimate of present value of future cashflows	Risk adjustment	Total	Non loss component	Loss component	Estimate of present value of future cashflows	Risk adjustment	Total
N'000	N'000	N'000	N'000	N'000					
747,668	-	-	-	747,668	852,393	-	-	-	852,393
-	-	-	-	-	-	-	-	-	-
747,668	-	-	-	747,668	852,393	-	-	-	852,393
(123,435)	-	-	-	(123,435)	(164,582)	-	-	-	(164,582)
-	-	77,741	-	77,741	-	-	183,019	-	183,019
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	77,741	-	77,741	-	-	183,019	-	183,019
(123,435)	-	77,741	-	(45,694)	(164,582)	-	183,019	-	18,437
44,893	-	-	-	44,893	59,857	-	-	-	59,857
(78,542)	-	77,741	-	(801)	(104,725)	-	183,019	-	78,294
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	(77,741)	-	-	-	-	(183,019)	-	(183,019)
-	-	(77,741)	-	(77,741)	-	-	(183,019)	-	(183,019)
669,126	-	-	-	669,126	747,668	-	-	-	747,668

LASACO ASSURANCE PLC
UN-AUDITED FINANCIAL STATEMENTS, 30 JUNE 2024
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

14.1.5 Reconciliation of individual life insurance contract liabilities- GMM measurement

	Liabilities for remaining coverage				Insurance contract Liabilities- June 30 2025	Liabilities for remaining coverage		Liabilities for incurred claims		Insurance contract Liabilities December 2024
	Non - onerous	Onerous	Non - onerous	Onerous		Non - onerous	Onerous	Non - onerous	Onerous	
Opening insurance contract assets	-	-	-	-	-	-	-	-	-	-
Opening insurance contract liabilities	4,426	28,383	-	-	32,809	22,244	-	-	-	22,244
Net opening balance	4,426	28,383	-	-	32,809	22,244	-	-	-	22,244
Insurance revenue	(6,277)	-	-	-	(6,277)	(17,516)	-	-	-	(17,516)
Insurance service expenses	-	-	-	-	-	-	-	-	-	-
Incurred claims and other expenses	-	-	-	4,150	4,150	-	-	-	3,390	3,390
Acquisition expenses	-	-	-	-	-	-	-	-	-	-
Changes related to future service	-	1,055	-	-	1,055	-	28,383	-	-	28,383
Changes related to past service	-	-	-	-	-	-	-	-	-	-
Total Insurance service expenses	(6,277)	1,055	-	4,150	(1,072)	(17,516)	28,383	-	3,390	14,257
Investment components	-	-	-	-	-	-	-	-	-	-
Insurance service result	(6,277)	1,055	-	4,150	(1,072)	(17,516)	28,383	-	3,390	14,257
Insurance finance expenses	1,329	-	-	-	1,329	(355)	-	-	-	(355)
Total change in comprehensive income	(4,948)	1,055	-	4,150	257	(17,871)	28,383	-	3,390	13,902
					-					-
Premiums received	701	-	-	-	701	53	-	-	-	53
Claims and expenses paid	-	-	-	(4,150)	(4,150)	-	-	-	(3,390)	(3,390)
Acquisition costs paid	-	-	-	-	-	-	-	-	-	-
Total cash flows	701	-	-	(4,150)	(3,449)	53	-	-	-	53
					-					-
Closing insurance contract assets	-	-	-	-	-	-	-	-	-	-
Closing insurance contract liabilities	179	29,438	-	-	29,618	4,426	28,383	-	-	32,809
Net closing balance	179	29,438	-	-	29,618	4,426	28,383	-	-	32,809

14.2 The age analysis of liability for outstanding claims (excluding IBNR) as at 30 Sept 2025 is as follows:

	Pending substantiating documents	Related to awaiting adjusters' report	Discharge Voucher not returned by clients	2025 'Total	2024 'Total
	N'000	N'000	N'000	N'000	N'000
sept					
0 - 90 days	1,716,079	211,415	558,469	2,485,963	2,399,137
91 - 180 days	623,086	12,412	351,321	986,819	946,724
181 - 270 days	177,454	92,130	88,918	358,502	377,582
270 - 365 days	78,560	51,771	56,908	187,239	97,679
365 days and above	21,560	-	-	21,560	33,981
	<u>2,616,739</u>	<u>367,728</u>	<u>1,055,616</u>	<u>4,040,083</u>	<u>3,855,103</u>

14.2.1 The age analysis of liability for outstanding claims (excluding IBNR) as at 30 Sept 2025 is as follows:

General Business

	Pending substantiating documents	Related to awaiting adjusters' report	Discharge Voucher not returned by clients	2025 'Total	2024 'Total
	N'000	N'000	N'000	N'000	N'000
0 - 90 days	535,051	211,415	52,314	798,780	1,858,015
91 - 180 days	157,285	12,412	116,523	286,220	635,709
181 - 270 days	82,776	92,130	52,314	227,220	255,601
270 - 365 days	78,560	51,771	56,908	187,239	97,679
365 days and above	21,560	-	-	21,560	33,981
	<u>875,232</u>	<u>367,728</u>	<u>278,059</u>	<u>1,521,019</u>	<u>2,880,985</u>

There are total number of 417 outstanding claims for Non Life as at the year ended 30 Sept 2025. 204 outstanding claims are pending substantiating documents while 134 outstanding claims are awaiting adjusters' report. 79 discharged vouchers are being awaited.

The age analysis of liability for outstanding claims (excluding IBNR) as at Sept 30 2025 is as follows:

	Pending substantiating documents	Related to awaiting adjusters' report	Discharge Voucher not returned by clients	2025 'Total	2024 'Total
	N'000	N'000	N'000	N'000	N'000
0 - 90 days	1,181,028	-	506,155	1,687,183	541,122
91 - 180 days	465,801	-	234,798	700,599	311,105
181 - 270 days	94,678	-	36,604	131,282	121,981
270 - 365 days	-	-	-	-	-
365 days and above	-	-	-	-	-
	<u>1,741,507</u>	<u>-</u>	<u>777,557</u>	<u>2,519,064</u>	<u>974,208</u>

There are total number of 371 outstanding claims for Life business as at the period ended 30th September, 2025. 231 outstanding claims are pending substantiating documents while Nil claims are awaiting adjusters' report and discharged vouchers not returned by clients are 140.

	Group	Group	Company	Company
	2025 N'000	2024 N'000	2025 N'000	2024 N'000
15 Other technical liabilities				
Premium payable to co Insurers	1,263,603	924,655	1,263,603	924,655
Commission payables	357,662	298,911	357,662	298,911
Premium Deposit (Note 16(c))	1,537,246	1,478,900	1,537,246	1,478,900
	<u>3,158,511</u>	<u>2,702,466</u>	<u>3,158,511</u>	<u>2,702,466</u>
Current	3,158,511	2,702,466	3,158,511	2,702,466
Non - current	-	-	-	-

(a) Premium deposit represents payment received in advance from clients in respect of future insurance contracts.

16 Other Payables and Accruals

16.1 Accruals (Note 16(a))	264,434	249,064	264,434	249,064
Unclaimed Dividend payable (Note 16(b))	412,839	518,429	412,839	518,429
Other creditors (Note 16(c))	101,751	77,670	85,026	77,670
SUBEB/LG managed fund	184,097	142,867	184,097	142,867
PENSION CONTRIBUTION	26,891	9,006	26,891	9,006
	<u>990,012</u>	<u>997,036</u>	<u>973,287</u>	<u>997,036</u>

The carrying amount disclosed above reasonably approximates fair value at the reporting date. All amounts are payable within one year.

UN AUDITED FINANCIAL STATEMENTS, 30TH SEPTEMBER, 2025

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

	Group 30-Sept 2025 N'000	Group 30-Sept 2024 N'000	Company 30-Sept 2025 N'000	Company 30-Sept 2024 N'000
(a) Accruals				
Audit fees	-	7,150	-	7,150
Bonus	-	-	-	-
Reinsurance M & D	-	-	-	-
NAICOM Levy	-	161,827	264,434	161,827
Other Consultancy fees	-	-	-	-
Retirement benefits	-	-	-	-
Payable for Corporate gifts	-	80,087	-	80,087
	-	249,064	264,434	249,064

(b) Unclaimed Dividend Payable

This represents Unclaimed Dividend returned to the Company by Apel Capital & Trust Limited for investment as required by Securities and Exchange Commission.

(b) Dividend payable

Balance at the beginning of the year	518,429	518,429	518,429	518,429
Transfer to SEC	(105,590)	-	(105,590)	-
Balance at the end of the year	412,839	518,429	412,839	518,429

(c) Other creditors include the following:

	N'000	N'000	N'000	N'000
Paye-As-You-Earn (PAYE)	24,465	25,646	24,465	25,646
Withholding tax	12,060	5,556	12,060	5,556
Value added tax	34,570	9,812	34,570	9,812
National Housing Fund	9,891	9,891	9,891	9,891
Pension payable	-	26,360	-	26,360
Others	20,765	405	4,040	405
	101,751	77,670	85,026	77,670

17 Taxation**(a) Per Statement of Financial Position**

	N'000	N'000	N'000	N'000
Balance at the beginning of the year	569,775	340,276	569,775	340,276
Income tax for the year	94,819	272,751	84,043	272,751
Education Tax	-	35,770	-	35,770
Information Technology Development Levy	-	16,405	-	16,405
Police fund Levy	-	79	-	79
Payment during the year	(312,839)	(94,905)	(330,939)	(94,905)
Balance at the end of the year	351,755	570,376	322,879	570,376

	Group	Group	Company	Company
	2025	2024	2025	2024
	N'000	N'000	N'000	N'000
(b) Per Income Statement				
Income tax	94,819	211,222	84,043	211,222
Minumum tax	-	61,529	-	61,529
Education Tax	-	35,770	-	35,770
Police fund Levy	-	79	-	79
Minumum tax	-	-	-	-
Police fund Levy	-	-	-	-
	94,819	308,600	84,043	308,600
Information Technology Levy	-	16,405	-	16,405
Underprovision - Information Technology Levy	-	-	-	-
	<u>94,819</u>	<u>325,005</u>	<u>84,043</u>	<u>325,005</u>
	Group	Group	Company	Company
	2025	2024	2025	2024
	N'000	N'000	N'000	N'000
18 Deferred Taxation				
i) Deferred tax Liabilities				
Balance at the beginning of the year	376,242	127,584	376,242	127,584
Charge for the year	-	217,485	-	217,485
Assets revaluation reserve	-	31,173	-	31,173
Balance at the end of the year	<u>376,242</u>	<u>376,242</u>	<u>376,242</u>	<u>376,242</u>
	Group	Group	Company	Company
	2025	2024	2025	2024
	N'000	N'000	N'000	N'000
19 Share Capital				
Issued and fully paid ordinary shares of 50k each	N'000	N'000	N'000	N'000
Balance as at 1 January 2025	916,793	916,793	916,793	916,793
Issued during the period	4,625,000	-	4,625,000	-
Balance, at end of period	<u>5,541,793</u>	<u>916,793</u>	<u>5,541,793</u>	<u>916,793</u>
Number				
Ordinary shares of 50k each	<u>11,083,586</u>	<u>1,833,586</u>	<u>11,083,586</u>	<u>1,833,586</u>
Number of shares in issue	N'000	N'000	N'000	N'000
Balance as at 1 January 2025	1,833,586	1,833,586	1,833,586	1,833,586
Issued during the period	9,250,000	-	9,250,000	-
Balance, at end of period	<u>11,083,586</u>	<u>1,833,586</u>	<u>11,083,586</u>	<u>1,833,586</u>
20 Share Premium	N'000	N'000	N'000	N'000
Balance at the beginning of the year	3,690,991	3,690,991	3,690,991	3,690,991
Share issue during the year	6,198,312	-	6,198,312	-
Balance at the end of the year	<u>9,889,303</u>	<u>3,690,991</u>	<u>9,889,303</u>	<u>3,690,991</u>

	Group 2025 N'000	Group 2024 N'000	Company 2025 N'000	Company 2024 N'000
21 Statutory contingency reserve				
Balance at the beginning of the year	3,568,838	3,017,419	3,568,838	3,017,419
Transfer from retained earnings (Note 22)	572,892	551,419	572,892	551,419
Balance at the end of the year	<u>4,141,730</u>	<u>3,568,838</u>	<u>4,141,730</u>	<u>3,568,838</u>

Statutory contingency reserve is calculated in accordance with the Insurance Act, a contingency reserve is credited with the greater of 3% of total premiums or 20% of profits for general business and 1% of total premiums or 10% of profits for life business. This shall accumulate until it reaches the amount of greater of minimum paid-up capital or 50 percent of net premium.

During the current year, this is calculated based on 3% and 1% of the gross premium for general and life businesses respectively.

	Group 2025 N'000	Group 2024 N'000	Company 2025 N'000	Company 2024 N'000
22 Retained earnings				
Balance at the beginning of the year	2,427,002	1,558,207	2,139,605	1,558,207
Profit for the year	(499,043)	1,819,064	(667,287)	1,256,104
Transfer to contingency reserves (Note 21)	(572,892)	(551,419)	(572,892)	(551,419)
Dividend paid	-	-	-	-
Balance at the end of the year	<u>1,355,067</u>	<u>2,825,852</u>	<u>899,426</u>	<u>2,262,892</u>

Fair value through other comprehensive income

	N'000	N'000	N'000	N'000
23 reserve				
Balance at the beginning of the year	437,340	437,340	437,340	437,340
Fair value loss during the year (Note 4.2(b))	-	-	-	-
Balance at the end of the year	<u>437,340</u>	<u>437,340</u>	<u>437,340</u>	<u>437,340</u>

- (a) The fair value reserve shows the effect from the fair value measurement of financial instruments of the category available for sale. Any gains or losses are not recognised in the comprehensive income statement until the asset has been sold or impaired.

	Group 2025 N'000	Group 2024 N'000	Company 2025 N'000	Company 2,024 N'000
24 Asset revaluation reserve				
Balance at the beginning of the year	854,567	536,820	854,567	536,820
Accumulated depreciation (Note 13)	-	22,547	-	22,547
Revaluation surplus (Note 13)	-	295,200	-	295,200
Revaluation surplus/(loss)	854,567	854,567	854,567	854,567
Transferred to deferred tax (Note 20)	-	-	-	-
Balance at the end of the year	<u>854,567</u>	<u>854,567</u>	<u>854,567</u>	<u>854,567</u>

25 Insurance revenue	30 SEPT 2025	30 SEPT 2024 N'000			
	Individual life	Individual life	Investment link	General business ins. contract	Total
	N'000	N'000	N'000	N'000	N'000
Expected benefits incurred	2,257	-	-	10,985,672	17,060,120
Expected expenses incurred	3,012	164	-	-	164
Loss component systematic allocation	-	-	-	-	-
Changes in risk adjustment	73	205	-	-	205
CSM recognised for the year	935	11,685	-	-	14,118
Insurance revenue	6,277	12,054	-	10,985,672	17,074,607

	Group 2025	Group 2024	Parent 2025	Parent 2024
	N'000	N'000	N'000	N'000
26 Insurance service expenses				
Incurred claims	7,506,790	6,099,064	7,506,790	6,099,064
Incurred fulfilment cash flows	3,824,579	2,804,326	3,824,579	2,804,326
Amortisation of acquisition expenses	3,815,340	4,629,636	3,815,340	4,629,636
Changes in Liabilities for incurred claims	(911,540)	-	(911,540)	-
Changes in risk adjustment related to LIC	(9,853)	-	(9,853)	-
Experience adjustment to LIC	5,239,689	-	5,239,689	-
	19,465,005	13,533,026	19,465,005	13,533,026

Net income or expenses from reinsurance contract held	N'000	N'000	N'000	N'000
Expected recovery for claims	(7,826,361)	(6,035,311)	(7,826,361)	(6,035,311)
Reinsurance RA allocation	-	-	-	-
Reinsurance CSM allocation	-	-	-	-
Allocation of reinsurer Insurance Revenue	(7,826,361)	(6,035,311)	(7,826,361)	(6,035,311)
Amounts recoverable for claims	4,321,087	2,019,939	4,321,087	2,019,939
changes in BEL related to reinsurance LIC	946,464	886,641	946,464	886,641
changes in RA related to reinsurance LIC	50,515	(49,896)	50,515	(49,896)
Amounts recoverable from reinsurer	5,318,066	2,856,684	5,318,066	2,856,684
Net income or expense from reinsurance	(2,508,295)	(3,178,627)	(2,508,295)	(3,178,627)

28 Investment Income	N'000	N'000	N'000	N'000
Interest revenue calculated using effective interest method	2,544,453	807,387	2,446,316	807,387
Other investment income (Note 28.2)	96,712	29,479	96,712	29,479
	2,641,165	836,866	2,543,028	836,866

28.1 Interest revenue calculated using effective interest method	N'000	N'000	N'000	N'000
Interest from fixed deposit	2,263,207	628,627	2,165,070	628,627
Interest on bonds	171,049	159,009	171,049	159,009
Interest from statutory deposit	110,197	19,751	110,197	19,751
	2,544,453	807,387	2,446,316	807,387

28.2 Other investment income	N'000	N'000	N'000	N'000
Dividend income	96,712	29,479	96,712	29,479

	Group 2025 N'000	Group 2024 N'000	Company 2025 N'000	Company 2024 N'000
29 Fair value gains				
<i>Investment properties</i>				
Fair value gain	-	-	-	-
<i>Financial assets at fair value through p</i>				
Fair value gain	-	436	-	436
Profit on disposal of financial assets	207,223	-	207,223	-
	<u>207,223</u>	<u>436</u>	<u>207,223</u>	<u>436</u>
30 Net foreign exchange gain				
Exchange gain on foreign currency denom	-	749,946	-	749,946
Exchange gain on fixed deposits above 90	-	1,749,875	-	1,749,875
	<u>-</u>	<u>2,499,821</u>	<u>-</u>	<u>2,499,821</u>
31 Other Income				
Profit on sale of property, plant and equip	-	-	-	-
Profit from sales of Investment properties	7,000	-	-	-
Facility management fees	51,886	-	-	-
Rental Income	23,463	16,100	23,463	16,100
SUBEB funds management fee	45,459	-	45,459	-
Other sundry income	455,754	236,994	125,754	236,994
	<u>583,562</u>	<u>253,094</u>	<u>194,676</u>	<u>253,094</u>
32 Management Expenses				
Employee benefit expenses	1,059,499	528,971	1,059,499	528,971
Other management expenses	2,652,913	415,319	2,334,793	415,319
Directors expenses	1,137,077	320,667	1,137,077	320,667
Auditors' fees	-	7,250	-	7,250
Insurance levy	264,436	148,115	264,436	148,115
Amortisation	104,814	3,532	104,814	3,532
Depreciation	482,617	244,201	482,617	244,201
	<u>5,701,356</u>	<u>1,668,055</u>	<u>5,383,236</u>	<u>1,668,055</u>
a Employee benefit expenses				
Salaries and Wages	779,481	427,866	779,481	427,866
Medical Expenses	35,402	15,960	35,402	15,960
Staff Training	154,739	42,770	154,739	42,770
Nigeria Social Insurance Trust Fund & ITF	20,427	-	20,427	-
Employers' Pension Contribution	69,450	42,375	69,450	42,375
	<u>1,059,499</u>	<u>528,971</u>	<u>1,059,499</u>	<u>528,971</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>1,059,499</u>	<u>528,971</u>	<u>1,059,499</u>	<u>528,971</u>

35 Hypothecation

The Company is exposed to a range of financial risks through its financial assets, financial liabilities, reinsurance assets and insurance liabilities. In particular, the key financial risk is that in the long term its investment proceeds will not be sufficient to fund the obligations arising from its insurance contracts, in response to the risk, the Company's assets and liabilities are allocated as follows:

	Policy Holders' Fund					Shareholders' Fund	
	Non-Life	Life				TOTAL	TOTAL FUNDS
AS AT 30 SEPTEMBER 2025							
	N'000	N'000	N'000	N'000		N'000	
COMPANY							
Cash and cash equivalents	1,143,157	1,782,987	336,150	1,292,720	4,555,014	10,482,635	15,037,649
Financial Assets:							
- At fair value through profit or loss	266,381				266,381		266,381
- At amortised cost		857,110	425,415	1,445,646	2,728,171		2,728,171
- At fair value through other comprehensive income						290,777	290,777
Investment in Subsidiaries						1,000,000	1,000,000
Trade receivables	819,951	937,382			1,757,333	-	1,757,333
Reinsurance contract assets	5,464,856	1,813,579			7,278,435	-	7,278,435
Other receivables and prepayments	-	-			-	894,890	894,890
Investment property	7,576,065	308,379			7,884,444	(1)	7,884,443
Statutory deposit	-				-	535,150	535,150
Intangible assets	-				-	309,322	309,322
Property, plant and equipment	-				-	3,853,521	3,853,521
Total Assets	15,270,410	5,699,437	761,565	2,738,366	24,469,778	17,366,294	41,836,072
Liabilities:							
Insurance contract liabilities	7,429,779	5,566,067	669,126	1,576,022	15,240,994		15,240,994
Other technical liabilities	-	-	-	-	-	3,158,511	3,158,511
Other payables and accruals	-	-	-	-	-	973,287	973,287
Income tax liabilities	-	-	-	-	-	322,879	322,879
Deferred tax liabilities	-	-	-	-	-	376,242	376,242
Total Liabilities	7,429,779	5,566,067	669,126	1,576,022	15,240,994	4,830,919	20,071,913
Related Companies Loans							
Assets Cover	7,840,631	133,370	92,439	1,162,344	9,228,784	12,535,375	21,764,159

36 Capital Management Policy

The Company's objectives with respect to capital management are to maintain a capital base that is structured to exceed regulatory stipulations and to best utilize capital allocations.

Insurance industry regulator measures the financial strength of Composite insurers using a solvency margin model, NAICOM generally expect composite insurers to comply with this capital adequacy requirement. This test compares insurers' capital against the risk profile. The regulator stipulates that insurers should produce a minimum solvency margin of 100%. During the year, the Company has consistently exceeded this minimum. The regulator has the authority to request more extensive reporting and can place restrictions on the Company's operations if the Company falls below this requirement as deemed necessary.

The Company further developed an internal capital adequacy model that assesses the risk of assets, policy liabilities and other exposures by applying various factors. The model calculates the capital required for each class of the broad risks identified by the Company and aggregates through co-variance methodology that considers the relationship between these risk categories.

The Company's objectives when managing capital are as follows:

- To ensure that capital is, and will continue to be, adequate for the safety, soundness and stability of the Company;
- To generate sufficient capital to support the Company's overall business strategy;
- To ensure that the Company meets all regulatory capital ratios and the prudent buffer required by the Board;
- To ensure that the average return on capital over a 3 -5 years performance cycle is sufficient to satisfy the expectations of investors;
- To maintain a strong risk rating;
- To ensure that capital allocation decisions are optimal, considering the return on economic and regulatory capital;
- To determine the capital required to support each business activity based on returns generated on capital to facilitate growth/expansion of existing businesses (i.e. capital allocation);
- To establish the efficiency of capital utilization.

(a) Minimum Capital Requirement

The Company complied with the minimum capital requirement of N5billion for Composite operations. This is shown under Shareholders' Fund in the Statement of Financial Position.

(b) Solvency Status

The Company met the criteria for solvency margin as stated in section 24(1) of the Insurance Act, CAP I17, LFN 2004, the solvency margin maintained is N12,829,032

(c) Capital Adequacy Test

Based on the capital adequacy calculation below, Lasaco Assurance Plc has a surplus of N1 billion.

	2025 N'000	N'000
Shareholders' fund as per Statement of Financial Position		21,764,159
Less:		
Intangible Assets	(309,322)	
Deferred tax liability	(376,242)	
		(685,564)
Capital base		21,078,595

Management uses regulatory capital ratios to monitor its capital base. Based on the capital base computed above, the Company's capital base is above the minimum capital requirement of N5 billion specified by NAICOM.

(d) DETERMINATION OF SOLVENCY MARGIN	2025 N'000	In admissible N'000	2025 Admissible N'000	'2024 N'000
ASSETS				
Cash and Cash equivalents	15,037,649	-	15,037,649	9,603,420
Treasury Bills	1,384,780	-	1,384,780	235,712
Placement with Financial Institutions	68,375	-	68,375	-
Government Bonds	1,275,016	-	1,275,016	1,519,924
Corporate bond & Debenture - quoted	-	-	-	-
Corporate bond & Debenture - Unquoted	-	-	-	-
Quoted shares	266,381	-	266,381	387,680
Unquoted shares	290,777	(290,777)	-	290,777
Mortgage loans	60,550	-	60,550	98,663
Loan to policy holders	7,513	-	7,513	7,520
Loan to staff	-	-	-	-
Other loan and Invested assets	-	-	-	-
Premium receivables	1,757,333	-	1,757,333	1,011,043
Other receivables & prepayments	826,827	(826,827)	-	-
Reinsurance contract assets	7,278,435	-	7,278,435	3,362,448
Insurance contract assets	-	-	-	-
Investments in Associates	-	-	-	-
Investment in subsidiaries	1,000,000	-	1,000,000	1,000,000
Investment properties	7,884,443	(2,884,443)	5,000,000	4,875,379
Property, Plant & Equipment	3,853,521	-	3,853,521	1,556,921
Statutory Deposits	535,150	-	535,150	535,150
Other asset - Intangible assets	309,322	-	309,322	310,111
Total assets	41,836,072	(4,002,047)	37,834,025	24,794,748
Liabilities				
Insurance contract liabilities	15,240,994	-	15,240,994	15,269,897
Other technical liabilities	3,158,511	-	3,158,511	1,728,751
Provision and other payables	973,287	-	973,287	1,206,163
Other financial liabilities	-	-	-	-
Tax payable	322,879	-	322,879	350,396
Other Liabilities - Deferred tax	376,242	(376,242)	-	-
Total	20,071,913	(376,242)	19,695,671	18,555,207
Available solvency margin (a)			18,138,354	6,239,541
b. Minimum Capital required			5,000,000	5,000,000
Surplus(deficit) a-b			13,138,354	1,239,541
Level of Solvency			363%	125%