LASACO ASSURANCE PLC
FINANCIAL STATEMENTS
31 DECEMBER 2024

LASACO ASSURANCE PLC

Contents

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
	Otunba Akin Doherty	Non-exceutive Director
	Prince Jamiu Adio Saka	Non-executive Director - retired 25th April 2024
	Mr. Adeniyi Rasaq Saliu	Non-executive Director -retired 12th August 2024
	Mr. Ademola Oshodi	Non -executive Director - appointed 31st December 2024
	Mr. Tobiloba Lawal	Non -executive Director - appointed 30th April 2024
	Mr. Abiodun Dosunmu	Non -executive Director - appointed 4th November 2024

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

	2024	2023	Changes	
Statement of Financial Position	₦'000	₦'000	₦'000	%
Total assets	31,749,256	26,970,480	4,778,776	18
Total liabilities	19,734,253	13,312,910	6,421,343	48
Shareholders' funds	12,015,003	13,657,570	(1,642,567)	(12)

Income Statement	₦'000	₦'000	₦'000	%
Insurance revenue	22,837,711	18,294,062	4,543,649	25
Insurance service expenses	(22,470,838)	(14,949,809)	7,521,029	50
Net expenses from reinsurance contract held	(3,232,213)	(2,845,774)	386,439	14
Insurance service results	(2,865,340)	498,479	(3,363,819)	(675)
Net Investment results	5,430,714	4,289,408	1,141,306	27
Net insurance and investment results	5,844,727	4,787,887	1,056,840	22
Profit before tax	1,539,686	1,680,195	(140,509)	(8)

LASACO ASSURANCE PLC
FINANCIAL STATEMENTS, 31 DECEMBER 2024
REPORT OF THE DIRECTORS

The Directors present their annual reports on the affairs of LASACO Assurance Plc, as at 31 December 2024 together with the financial statements and auditors' report.

1. **Legal form and Principal activity**

The Company was incorporated in December 20, 1979 under the Company Decree of 1968. The Company then, known as Lagos State Assurance Company Limited obtained license as an insurer on July 7, 1980 and commenced business on August 1, 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 January 1, 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.

However,the operations of LASACO Life Company Limited and LASACO Assurance Plc have been merged to become a Composite Insurance Company by a court sanction and an approval from the National Insurance Commission (NAICOM). LASACO Life Assurance Company Limited thus ceased to exist as a Private Company from December, 2014 but now a department under LASACO Assurance Plc.

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.

2. **Operating results**

The following is a summary of the Company's operating results for the year

SUMMARY OF THE RESULT
Comprehensive Income

	2024	**2023**
	N'000	**N'000**
Profit before tax	1,882,174	1,680,195
Income tax expense	(342,488)	(362,574)
Profit for the year	1,539,686	1,317,621
Transfer to statutory contingency reserve	(551,419)	(385,403)
Transfer to retained earnings for the year	988,267	932,218

3. **Dividend**

The Directors did not recommend dividend for the financial year ended 31 December 2024 (2023: nil).

4. **Directors and Directors' Interest**

Directors

No Director has disclosed any declarable interest in any contract with the Company during the period in pursuant to Section 303 of the Companies and Allied Matters Act, 2020.

5. **Directors' interest**

The Directors' interests in the issued share capital of the Company as recorded in the register of members and as advised by the Company's registrars for the purposes of Section 301 of the Companies and Allied Matters Act, 2020 and the listing requirements of the Nigerian Stock Exchange are as follows:

31 December 2024

Name of Director	Direct	Indirect	Total
Mrs. Olateju Phillips	-	506,949,191	506,949,191
Otunba Akin Doherty	737,411	232,941,184	233,678,595
Engineer Sani Ndanusa	-	-	-
Prince Jamiu Adio Saka	250,000	-	250,000
Mr. Adeniyi Rasaq Saliu	-	-	-
Mr. Oluwatobiloba Lawal	-	-	-
Mr. Abiodun Dosunmu	-	-	-
Mr. Razzaq Abiodun	746,000	-	746,000
Mr. Rilwan Oshinusi	-	-	-
Mr. Ademoye Shobo	156,345	-	156,345

31 December 2023

Name of Director	Direct	Indirect	Total
Mrs. Olateju Phillips	-	506,949,191	506,949,191
Otunba Akin Doherty	737,411	232,941,184	233,678,595
Engineer Sani Ndanusa	-	-	-
Prince Jamiu Saka	250,000	-	-
Adeniyi Saliu	-	-	-
Mr. Razzaq Abiodun	746,000	-	-
Mr. Rilwan Oshinusi	-	-	-
Mr. Ademoye Shobo	156,345	-	-

6. **Directors' Responsibilities**

The Directors are responsible for the preparation of the consolidated financial statements which give a true and fair view of the state of affairs of the Company at the end of each financial year and of the income statement for that year and comply with the Insurance Act, 2003, Financial Reporting Council of Nigeria Act (Amendment) 2023, Insurance Act CAP I17, LFN 2004 and section 377 of the Companies And Allied Matters Act, 2020.

7. **Shareholding**

The Registrars have advised that the called up and fully paid up shares of the Company as at 31 December 2024 were beneficially held as follows:

Analysis of shareholders

S/N	ACCT NO	NAME	ADDRESS	HOLDING	%
1	70538	Ibile Holdings Limited	62/64 Campbell Street Lagos P.O. Box 71282 Victoria Island Lagos State Lagos Nig Lagos	506,949,191	27.65%
2	1806	Canon Properties & Investment Limited.	P.O.Box 51549, Falomo Ikoyi, Lagos. Lagos	232,941,184	12.70%
3	Various	SNNL/Asset Mgt Corporation of Nig.	C/O Stanbic Nominees Nig. Ltd. Plot 1712, Idejo Street, off Adeola Odeku St., V/I. Lagos	119,836,682	6.54%

Mrs Olateju Phillips and Prince Jamiu Saka are representing Ibile Holdings on the Board. Otunba Akin Doherty is representing Canon Properties and Investments Limited.
According to the register of members, no shareholder other than the ones mentioned above held more than 5% of the issued share capital of the Company as at 31 December 2024

8. **Directors' interest in contracts**

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

Composition of Directors

The Board of Directors of the Company is currently comprised of the under listed individuals:

Mrs. Olateju Phillips	Chairman
Mr. Razzaq Abiodun	Managing Director/CEO
Mr. Rilwan Oshinusi	Deputy Managing Director(Corporate Services)
Mr. Ademoye Shobo	Executive Director -Technical
Otunba Akin Doherty	Non-exceutive Director
Prince Jamiu Saka	Non-executive Director Retired 25th April 2024
Mr. Adeniyi Rasaq Saliu	Non-executive Director Retired 13th August 2024
Mr Ademola Oshodi	Non - executive Director - Appointed 31st December 2023
Mr . Tobiloba Lawal	Non - executive Director - Appointed 30th April 2024
Mr. Abiodun Dosunmu	Non - executive Director - Appointed 4th April 2024

Retiring Directors

In accordance with Section 285 of the Companies and Allied Matters Act, 2020, Mrs Olateju Phillips will retire by rotation at this Annual General Meeting and being eligible offer herself for re-election.

Records of the Directors Attendance

In accordance with Section 258 (2) of the Companies and Allied Matters Act, 2020, the records of the Directors attendance at Director's meeting in 2020 are available for inspection at the Annual General Meeting.

9. **DONATIONS**

The Company make the following donations during the year ended 31 December 2024 N10.99bn (31 December 2023:N19.5bn).

Purpose	Organisation		Amount
Education support	Sir Rasheed Omokayode Foundation		2,000,000
	Funmi babington Ashaye Foundation		2,000,000
	Rotary International		1,000,000
	Harmony horizon empowerment foundation		500,000
Health	Ifako Ijaiye Corp Member		250,000
Sport	Shamadean Imole Foundation		2,000,000
	Hon Afiini Unity Cup		1,347,000
	Lagos State HOS games		500,000
Charity	Agidingbi Community		1,000,000
	Supportive Pillar Foundation		400,000
	Total		**10,997,000**

10. **EVENTS AFTER THE REPORTING DATE**

There were no significant events after reporting date which could have had a material effect on the consolidated financial statements for the year ended 31 December 2024 which have not been adequately provided for or disclosed in the financial statements.

11. **EMPLOYMENT AND EMPLOYEES**

It is the policy of the Company not to adopt discriminatory criteria for considering applications for employment including those from physically challenged persons. All employees whether or not physically challenged are given equal opportunities to develop their experience and knowledge and to qualify for promotion.

When an employee becomes physically challenged during the course of his or her employment, the Company endeavours to retain the individual for employment in spite of his disability, where this is reasonably possible. As at 31 December 2024 one physically challenged person was in the employment of the Company.

12 **EMPLOYEES INVOLVEMENT, TRAINING AND DEVELOPMENT**

i. **Information dissemination**

"The employees are regularly provided with information on matters that are of concern to them through established channels of communication."

ii. **Consultation with employees**

There are regular consultations between the senior and junior staff unions and Management, particularly on matters affecting staff welfare.

iii. **Encouraging employees' involvement and training**

The Company ensures that employees are informed of matters concerning them through formal and informal fora with an appropriate two-way feedback mechanism. In accordance with the Company's policy of continuous development, in-house training is provided on various aspects of the organisation. In addition, employees are nominated to attend both local and international courses and workshops which are complemented by on-the-job trainings.

iv. **Health, safety at work and welfare of employees**

Health and safety regulations are in force within the Company's premises and employees are aware of existing regulations. The Company gives priority to the health and safety of its employees by ensuring that health and safety procedures are substantially complied with and maintained in its daily operations.

v. **Acquisition of own shares**

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

13. **AUDITORS**

In compliance with Section 33(2) of the Securities and Exchange Commission's Code of Corporate Governance and Section 22(1) of National Insurance Commission 2010 guidelines on the tenure of External Auditors, Messrs BDO Professional Services (Chartered Accountants) has shown willingness to continue in office as the auditors in accordance with Section 401(2) of the Companies and Allied Matters Act, 2020. A resolution will be proposed at the Annual General Meeting to authorize the Directors to determine their remunerations.

By Order of the Board

Gertude Olutekunbi (Mrs.)
Company Secretary
Lagos, Nigeria
FRC/2015/NBA/00000011389
Date: 28th March,2024

Statement of Directors' Responsibilities

In accordance with the provisions of Section 377 of the Companies and Allied Matters Act, 2020 and Sections 24 and 28 of the Banks and Other Financial Institutions Act 1991, the Directors are responsible for the preparation of annual financial statements that give a true and fair view of the financial position at the end of the financial year of the Company and of the operating result for the year then ended.

The responsibilities include ensuring that:

- Appropriate and adequate internal controls are established to safeguard the assets of the Company and to prevent and detect fraud and other irregularities;
- The Company keeps proper accounting records which disclose with reasonable accuracy the financial position of the Company and which ensure that the financial statements comply with the requirements of the International Accounting Standards Board and in compliance with the relevant provisions of the Financial Reporting Council of Nigeria (Amendment) Act, 2023 and with the requirements of the Companies and Allied Matters Act, 2020, Insurance Act, CAP I17 LFN 2004 and Prudential Guidelines issued by National Insurance Commission.
- The Company has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgments and estimates, and that all applicable accounting standards have been followed; and
- The financial statements are prepared on a going concern basis unless it is presumed that the Company will not continue in business.

The Directors accept responsibility for the period's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates in conformity with;

- Insurance Act, CAP I17 LFN 2004
- International Financial Reporting Standards (IFRS) as issued by the International Accountings Standards Board (IASB);
- Companies and Allied Matters Act, 2020;
- Relevant guidelines and circulars issued by the National Insurance Commission (NAICOM); and
- Financial Reporting Council of Nigeria (Amendement) Act, 2023.

The Directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the Company and of its operating result for the year ended 31 December 2024.

The Directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of the financial statements, as well as adequate systems of financial control. Nothing has come to the attention of the Directors to indicate that the Company will not remain a going concern for at least twelve months from the date of this statement.

Signed on behalf of the Directors on 28th March 2025 by:

....	....
Mr. Razzaq Abiodun	**Mrs Olateju Phillips**
Managing Director/CEO	**Chairman, Board of Directors**
FRC/2021/004/00000024290	**FRC/2013/IODN/00000002517**

LASACO ASSURANCE PLC

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Shareholding Structure/Free Float Status

Description	31-Dec-24		31-Dec-23	
	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	0.16%
Prince Jamiu Adio Saka	250,000.00	0.01%	250,000.00	0.01%
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**	**0.22%**
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 47.39% as at 31st December 2024, is compliant with The Exchange's free float requirements for companies listed on the Main Board.

STATEMENT OF CORPORATE RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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 31 December 2024 as follows:

(a) That we have reviewed the audited financial statements of the Company for the year ended 31 December 2024.

(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 31 December 2024.

(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 31 December 2024.

(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	**Mr. Akinwale Sofile**
Managing Director/CEO	**Chief Finance Officer**
FRC/2021/004/00000024290	**FRC/2012/ICAN/00000000494**

In my capacity as Company Secretary, I hereby certify, in terms of the Companies and Allied Matters Act, 2020, that for the year ended 31 December 2024, the Company 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

CERTIFICATION PURSUANT TO SECTION 60(2) OF INVESTMENT AND SECURITIES ACT NO. 29 OF 2007

We the undersigned hereby certify the following with regards to our Audited Financial Statements for the year ended 31 December 2024 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	**Mr. Akinwale Sofile**
Managing Director/CEO	**Chief Finance Officer**
FRC/2021/004/00000024290	**FRC/2012/ICAN/00000000494**

To the members of LASACO Assurance Plc

In accordance with the provisions of Section 404(7) of the Companies and Allied Matters Act, 2020, we the Members of the Audit and Compliance Committee of LASACO Assurance Plc, having carried out our statutory functions under the Act, hereby report as follows:

- We have reviewed the scope and planning of the audit for the year ended 31 December 2024 and we confirm that they were adequate;

- The Company's accounting policies as well as internal control systems conform to legal requirements and ethical practices; and

- We are satisfied with the departmental responses to the External Auditor's findings on management matters for the year ended 31 December 2024.

Finally, we acknowledge and appreciate the co-operation of Management and Staff in the conduct of these duties.

Mr. Matthew Akinlade
Chairman of the Statutory Shareholders Audit Committee
FRC/2013/ICAN/00000002111

Date 28th March 2025

Members of the Audit Committee

Mr. Matthew Akinlade	Chairman	– Shareholders' Representative
Mr. Samson Olagoke	Member	– Shareholders' Representative
Mrs. Adenike Olatokunbo	Member	– Shareholders' Representative
Otunba Akin Doherty	Member	– Board's Representative
Prince Jamiu Adio Saka	Member	- Board's Representative

The Company Secretary/Legal Adviser acted as the Secretary to the Committee.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For a deeper understanding of our strategy, and operational performance and also in compliance with regulatory requirements, we have outlined a Management's Comment and Analysis (MC &A) report as contained hereunder.

All financial information presented in this MC&A, including tabular amounts, is in Naira and is prepared in accordance with International Financial Reporting Standards ("IFRSs").

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

Nature of Business
LASACO Assurance Plc's major activity is Insurance business. LASACO's business portfolio currently include leadership and significant share of key Federal and State Governments Insurance businesses, multinational and private companies underwritng businesses in major sectors of the economy, from heavy Engineering and Construction, Banking and Finance, Manufacturing, Agricuture, Tourism, Life covers to high- tech capital intensive special risks areas of Oil and Gas, and Aerospace.

Business Objective and Strategy
The Company aims to be a market leader in Insurance and Financial Services in Nigeria. By this, the Company's objective is to emerge as one of the top ten Insurance service providers in Nigeria.

To ensure this goal is achieved, LASACO's strategy is to broaden and align service delivery channels along customer segments taking cognizance of the difference between policy administration, product support and customer care to adequately cater for peculiar needs for each segment.

LASACO is set to be a strong, efficient, cost effective and transparent Insurance and Financial services solution provider, investing in business and market segments that consistently offer profitable growth, increase return on our capital, and sustain long term shareholders' value.

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 and statutory requirements.

We are committed to continually improving the effectiveness of our Quality Management System in line with ISO 9001 - 2008 Certification.

We establish measurable goals and objectives at departmental levels which we review as the need arises ensuring timely and effective implementation of Company strategy.

Performance Indicators

Operating Results, Cash flow and Financial Condition (in thousands of Nigerian Naira)

	2024	2023	Change
	₦'000	₦'000	%
Insurance revenue	22,837,711	18,294,062	25
Insurance service result	(2,865,340)	498,479	(675)
Net investment result	8,710,067	4,289,407	103
Net insurance and finance results	5,844,727	4,787,886	22
Operating expenses	(4,389,431)	(3,203,107)	37
Profit before tax	1,882,174	1,680,195	12
Earnings per share (kobo)	84.0	71.9	17

MANAGEMENT'S DISCUSSION AND ANALYSIS (cont'd)

In 2024, the Insurance revenue increased by 25% from N18.2bn to N22.8bn while the insurance service result decreased by 675%.

The net investment result increased by 27%, while the net insurance and investment results increased by 22%.
Profit before tax for the year decreased by 12% from N1.6bn to N1.8bn.

Shareholders' funds increased by 10% from ₦13.billion in 2023 to ₦12.3 billion in 2024 due to increase in insurance contract liabilities.

Liquidity, Capital Resources and Risk Factors
The Company’s cash investment is in accordance with its investments policy and complies with the regulatory requirements. The Company’s investment strategy is influenced by a focus on highly liquid financial instruments such as term deposit, equity and debt instruments.

Forward Looking Statements
Some aspects of the statement above will also apply to the Company’s future outlook. Reference to the Company’s or Management’s budget, estimates, expectations, forecasts, predictions or projections constitute aspect of the “forward-looking statements”. Such statements may also be deduced from the use of conditional or forward-looking terminologies including but not limited to words such as “anticipates”, “believes”, “estimates”, “expects”, “may”, “plans”, “projects”, “should”, “will”, or the adverse variants of such which appear within the body of this document.

Many factors and assumptions may affect the manifestation of the Company’s projections, including, but not limited to, production rate, claims rate, employee turnover, relationships with brokers, agents and suppliers, economic and political conditions, non-compliance with laws or regulations by the Company’s employees, brokers, agents, suppliers, and/or partners, and other factors that are beyond its control.

Without prejudice to the Company, such Forward Looking Statements reflect Management’s current belief and are based on available information which are subject to risks and uncertainties as identified. Therefore, the eventual action and/or outcome could differ materially from those expressed or implied in such forward-looking statements, or could affect the extent to which a particular projection materializes.

The forward-looking statements in this document reflect the Company’s expectations as it was at the time the Company’s Board of Directors approved this document, and are subject to change after this date. The Company does not undertake any obligation to update publicly or to revise any such forward-looking statements, unless required by applicable legislation or regulation.

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 evaluation of the board of Directors for year 2023 has equally commenced in line with the provision of the NCCG code.

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
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
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 during the 2024 financial year. 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.

The Board of LASACO Assurance Plc met nine(9) times during the year. The following are the list of the Directors and their attendance records at the Board meetings:

BOARD OF DIRECTORS

	19/12/24	24/10/24	09/09/24	29/05/24	30/04/24	12/02/24	08/02/24	30/01/24
Mrs. Teju Phillips	P	p	p	p	p	p	**P**	P
Otunba Akin Doherty	P	p	p	p	p	p	**P**	P
Prince Jamiu Saka	N/A	N/A	N/A	N/A	N/A	P	P	P
Mr. Adeniyi Rasaq Saliu	P	p	p	p	p	p	P	P
Mr Ademola Oshodi	N/A	N/A	N/A	P	P	P	P	P
Mr. Tobilola Lawal	P	P	P	P	P	N/A	N/A	N/A
Mr Abiodun Dosunmu	P	P	N/A	N/A	N/A	N/A	N/A	N/A
Mr. Razak Abiodun	p	p	p	p	p	p	P	P
Mr. Rilwan Oshinusi	P	P	P	P	P	P	P	P
Mr Ademoye Shobo	P	P	P	P	P	P	P	P
	P	P	P	P	P	P	**P**	P

KEY: P = Present , **N/A** = Not Applicable

Price Jamiu Adio Saka retired oon 25/04/2024

Mr Adeniyi Saliu retired on 13/08/2024

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

- Otunba Akin Doherty - Chairman
- Prince. Jamiu Saka - Member Retired 25/04/2024
  Mr Ademola Oshodi
- Mr. Adeniyi Rasaq Saliu - Member Retired 13/08/2024
  Mr Tobiloba Lawal
  Mr. Abiodun Dosunmu
- Mr. Razzaq Abiodun - Managing Director/CEO
- Mr. Ademoye Shobo - ED - Technical
- Mr. Riliwan Oshinusi - Deputy Managing Director (Corporate Services)

The Board Finance, General Purposes and Investment Committee met Five (4) times during the period under review. The following table shows the meeting dates and the attendance of the Committee members at such meetings:

ATTENDANCE

DIRECTORS	15/10/24	18/7/24	16/4/24	23/01/24
Otunba Akin Doherty	P	P	P	P
Prince. Jamiu Saka	N/A	N/A	P	P
Mr Ademola Oshodi	P	P	P	P
Mr Tobiloba Lawal	P	P	N/A	N/A
Mr. Abiodun Dosunmu	N/A	N/A	N/A	N/A
Mr. Razzaq Abiodun	P	P	P	P
Mr. Ademoye Shobo	P	P	P	P
Mr. Riliwan Oshinusi	P	P	P	P

KEY: A = Absent **P** = Present

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:

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

Membership

- Mr. Adeniyi Saliu - Chairman Retired 13/08/2024
- Otunba Akin-Doherty - Member
- Prince Jamiu Saka - Member Retired 25/04/2024
- Mr Ademola Oshodi Memebr
- 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)

The Board Nomination, Remuneration, and Governance Committee met four (4) times during the period under review.

The following table shows the meeting dates and the attendance of the Committee members at such meetings:

DIRECTORS	15/10/24	18/7/24	16/4/24	23/01/24
Mr. Adeniyi Saliu	N/A	P	P	P
Otunba Akin-Doherty	P	P	P	P
Prince Jamiu Saka	N/A	N/A	P	P
Mr Ademola Oshodi	P	P	P	P
Mr Tobiloba Lawal	P	P	N/A	N/A
Mr Abiodun Dousnmu	N/A	N/A	N/A	N/A
Mr. Razzaq Abiodun	P	P	P	P
Mr. Ademoye Shobo	P	P	P	P
Mr. Rilwan Oshinusi	P	P	P	P

KEY: **A** = Absent **P** = Present

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:

a) The Committee shall be responsible for the review of the integrity of the data and information provided in the Audit and/or Financial Reports.

b) 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.

c) To review the terms of engagement and recommend the appointment or reappointment and compensation of External Auditors to the Board and the Shareholders.

Membership

- Prince Jamiu Saka - Chairman Retired 13/08/24
- Otunba Akin-Doherty - Member
- Mr. Adeniyi Saliu - Member
- Mr Ademola Oshodi - Member
- 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)

The Audit, Risk Management and Compliance Committee met four (4) times during the period under review.

The table below shows the meeting dates and the attendance of the Committee members at the meeting:

ATTENDANCE

DIRECTOR	15/10/24	18/7/24	16/4/24	23/01/24
Prince Jamiu Saka	N/A	N/A	P	P
Otunba Akin-Doherty	P	P	P	P
Mr. Adeniyi Saliu	N/A	P	P	P
Mr Ademola Oshodi	P	P	P	P
Mr Tobiloba Lawal	P	P	N/A	N/A
Mr Abiodun Dousnmu	N/A	N/A	N/A	N/A
Mr. Razzaq Abiodun	P	P	P	P
Mr. Ademoye Shobo	P	P	P	P
Mr. Rilwan Oshinusi	P	P	P	P

KEY: **A** = Absent **P** = Present

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 2024 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
• Otunba Akin-Doherty	Director's representatives
• Prince Jamiu Adio Saka	Director's representatives

The Statutory Shareholders Audit Committee met five (5) times during the period under review. The table below shows the meeting dates and the attendance of the Committee members at such meetings:

ATTENDANCE

MEMBERS	19/12/24	18/10/24	19/7/24	18/04/24	25/01/24
Mr. Matthew Akinlade	P	P	P	P	P
Mr. Samuel Olagoke	P	P	P	P	P
Mrs. Adjit Adenike Olatokunbo	P	N/A	N/A	N/A	N/A
Otunba Akin-Doherty	P	P	P	P	P
Pince Jamiu Adio Saka	N/A	N/A	N/A	P	P

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:

a) Ascertain whether the accounting and reporting policies of the Company are in accordance with legal requirements and agreed ethical practices;

b) Review the scope of planning of audit requirements.
c) Review the findings on management matters in conjunction with the External Auditors and departmental responses thereon;
d) Keep under review the effectiveness of the Company's system of accounting and internal control.
e) Make recommendations to the Board with regard to the appointment, removal and remuneration of the External Auditors of the Company.

f) 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

1. WHISTLE BLOWING
2. SECURITY TRADING
3. SHAREHOLDERS ENGEGEMENT
4. STAKEHOLDERS MANAGEMENT

RISK MANAGEMENT DECLARATION

The Board Risk Management Committee of LASACO Assurance Plc hereby declares as follows:

The Company has systems in place for the purpose of ensuring compliance with NAICOM guideline;

The Board is satisfied with the efficacy of the processes and systems surrounding the production of financial information of the Company;

The Company has in place a Risk Management Strategy, developed in accordance with the requirements of NAICOM guideline on Enterprise Risk Management (ERM), setting out its approach to risk management; and

The systems that are in place for managing and monitoring risks, and the risk management framework, are appropriate to the Company, having regard to such factors as the size, business mix and complexity of the Company's operations.

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

Mrs. Olateju Philips
Chairman
FRC/2013/IODN/00000002517

MANAGEMENT ASSESSMENT OF INTERNAL CONTROL OVER FINANCIAL REPORTING

The management of Lasaco assurance Plc (“the Company”) is responsible for establishing and maintaining adequate internal control over financial reporting as required by the Securities and Exchange Act, 2007 and the Financial Reporting Council (Amendment) Act, 2023.

The management of Lasaco Assurance Plc assessed the effectiveness of our internal control over financial reporting of the Company and its subsidiaries (together ”the Group”) as of 31 December 2023 using the criteria outlined in Internal Control—2013 Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (“the COSO Framework”) and by the SEC Guidance on Implementation of Sections 60 – 63 of Investments and Securities Act, 2007.

As of December 31, 2024, the management of Lasaco Assurance Plc did not identify any material weakness.

As a result, management has concluded that, as of December 31, 2024, the Group’s internal control over financial reporting was effective.

The Company’s independent auditor, BDO Professional Services, who audited the consolidated and separate financial statements included in this Annual Report, issued an unmodified conclusion on the effectiveness of the Group’s internal control over financial reporting as of December 31 2024 based on the limited assurance engagement performed by them.

Changes in Internal Control Over Financial Reporting
There were no changes in our internal control over financial reporting that occurred subsequent to the date of our evaluation of the effectiveness of internal control over financial reporting that significantly affected, or are reasonably likely to significantly affect, the Group’s internal control over financial reporting.

Mr. Akinwale Sofile
Chief Finance Officer
FRC/2012/ICAN/00000000494

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

BDO

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INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF LASACO ASSURANCE PLC AND ITS SUBSIDIARY COMPANIES
REPORT ON THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying consolidated and separate financial statements of LASACO Assurance Plc ("the Company") and its Subsidiaries (together "the group), which comprise, the consolidated and separate statements of financial position as at 31 December 2024, the consolidated and separate statements of profit or loss and other comprehensive income, consolidated and separate statements of changes in equity, and consolidated and separate statements of cash flows for the year then ended; and notes to the consolidated and separate financial statements, including a summary of significant accounting policies and other explanatory notes.

In our opinion the accompanying consolidated and separate financial statements give a true and fair view of the Company and its Subsidiaries as at 31 December 2024 and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, issued by the International Accounting Standards Board and in compliance with the relevant provisions of the Financial Reporting Council of Nigeria (Amendment) Act, 2023, the Companies and Allied Matters Act, 2020, Insurance Act CAP I17, LFN 2004 and the Prudential Guidelines issued by National Insurance Commission.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the consolidated and separate Financial Statement paragraph of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to our audit of the financial statements in Nigeria, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the International Ethics Standards Board Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

Revenue recognition

Due to the large number of policies underwritten by the Group and the flow of premium information from the underwriting department to the financial reporting ledger, there is a risk that the revenue recorded in the financial statements may not be completely accounted for.

Response

We have tested the design and implementation of the key controls over revenue recognition, focusing on the flow of information from the underwriting department to the financial reporting ledger. In addition, we performed substantive analytical procedures on the gross and unearned premium balances amongst others.

Valuation of investment properties

The Directors have estimated the Group and Company's investment properties to be N8.1billion (Company: N7.6billion) as at 31 December 2024. Independent external valuation carried out as at 31 December 2024 were obtained in order to support the value in the Group's financial statements. These valuations are based on certain key assumptions and sigificant judgements including capitalisation on rate and fair market rents.

Our response

We ascertained the following

- Evaluated the independent external valuers' competence, capabilities and objectivity
- Assessed the methodologies used and the appropriateness of the key assumptions.
- Checked the accuracy and relevance of the input data used.

Valuation of insurance contracts liabilities.

The Directors have estimated the value of insurance contract liabilities in the Group's financial statements to be N13.83billion for year ended 31 December 2024 based on the actuarial valuation and liability adequacy test carried out by the Actuary.

The valuation has been made on the following key assumptions which were determined by the Actuary:

- Reserves were calculated via a cash flow projection approach, taking into account future premiums, expenses and benefit payments including an allowance for benefits.
- The unexpired premium reserve for general business is calculated on the assumption that risk will occur evenly during the duration of the policy.
- The Group's claim payment approach will be sustained into the future.
- Weighted past average inflation will remain unchanged over the claim projection period.
- Gross claim amount includes all related claim expenses.
- An unexpired premium reserve was included for Group life business, after allowing for acquisition expenses at a ratio of 20% premium.
- An allowance was made for IBNR(Incurred But Not Reported) claims in Group Life to take care of the delay in reporting claims.

Our response

We:

- Evaluated and validated controls over insurance contract liabilities,
- Evaluated the independence,competence, capability, and objectivity of the Actuary.
- Assessed the methodologies used and the appropriateness of the key assumptions,
- Checked the accuracy and relevance of data provided to the Actuary
- Reviewed the result based on the assumptions.
- Obtained management representation of the value of insurance contracts liabilities included in the financial statements

Other Information

The Directors are responsible for the other information. The other information comprises the information included in the Chairman's and Directors' statements, but does not include the financial statements and our auditor's report thereon. Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

Responsibilities of the Directors for the consolidated and separate Financial Statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board, and in compliance with the relevant provisions of the Financial Reporting Council of Nigeria (Amendment) Act, 2023, the Companies and Allied Matters Act, 2020, Insurance Act, CAP I17 LFN 2004, and the Prudential Guidelines issued by National Insurance Commission, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

Those charged with governance are responsible for overseeing the Company and its subsidiaries' financial reporting process.

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

Auditor's responsibilities for the Audit of the consolidated and separate Financial Statements

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

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

* Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

* Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company and its subsidiaries' internal control.

* Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

* Conclude on the appropriateness of directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company and its Subsidiaries' ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated and separated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the Company and its subsidiaries to cease to continue as a going concern.

* Evaluate the overall presentation, structure and content of the Consolidated and Separated financial statements, including the disclosures, and whether the Group and the Company's financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Contravention of laws and regulations

As stated in note 47(b) of these consolidated and separated financial statements, the Company and its Subsidiaries paid the sum of N11,895,161 (Eleven Million, Eight Hundred and Ninety Five Thousand One Hundred and Sixty One Naira Only) to National Insurance Commission for the violation of the Market conduct and Business Practice Guidelines for Insurance Institutions in Nigeria and failure to seek NAICOM approval before appointing Head of Internal audit and sent misleading information to the Commission.

Report on other legal and regulatory requirements

The Companies and Allied Matters Act, 2020 and Insurance Act CAP I17 LFN 2004 require that in carrying out our audit we consider and report to you on the following matters. We confirm that:

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

ii) in our opinion, proper books of account have been kept by the Company and its subsidiaries

iii) the Company and its subsidiaries' statement of financial position, and its statement of profit or loss and other comprehensive income are in agreement with the books of account.

Olusegun Agbana-Anibaba, FCA
FRC/2013/ICAN/000000003667
For: BDO Professional Services
Chartered Accountants

INSTITUTE OF CHARTERED ACCOUNTANTS OF NIGERIA
ICAN
0323522

Lagos, Nigeria
29 March 2025

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 Section30(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 28th March 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 December 2024 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 I17, LFN 2004 and Prudential Guidelines issued by National insurance Commisson 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 re-insurance 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.

Acquistion - 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: purcahses or sales of financial assets that requires delivery of assets within the time frame generally established by regulation or conviction in the market place. Other loans and receivables are recognised when fund are transferred to the policy holder's accounts.

A financial assets 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 transanctions 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 classify 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.

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 asstes changes. The reclassifications 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 valuators 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 petter 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 positionis 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 intial 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 incme on operating lease is recognised on a staright 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 fulfillment 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) <u>New standards, interpretations and amendments adopted from 1 January 2024</u>

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 Liabilites 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 Cfects 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.

LASACO ASSURANCE PLC
CONSONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2024

	NOTES	Group 2024	Group 2023	Company 2024	Company 2023
Assets		**N'000**	**N'000**	**N'000**	**N'000**
Cash and cash equivalents	4	10,345,031	8,713,710	9,603,420	8,713,710
Financial assets:					
- At fair value through profit or loss	5.1	387,680	398,053	387,680	398,053
- At fair value through other comprehensive income	5.2	290,777	290,777	290,777	290,777
- At amortised cost	5.3	1,755,636	4,751,011	1,755,636	4,751,011
Trade receivables	6	1,011,043	676,669	1,011,043	676,669
Reinsurance contract assets	7	3,809,563	2,545,841	3,809,563	2,545,841
Other receivables and prepayments	8	1,368,909	536,044	1,270,344	536,044
Investment properties	9	8,125,379	4,567,754	7,644,379	4,567,754
Investment in subsidiaries	10	-	638,310	1,000,000	638,310
Statutory deposit	11	535,150	535,150	535,150	535,150
Intangible asset	12	311,011	77,591	310,111	77,591
Property, plant and equipment	13	3,809,077	3,239,570	3,809,077	3,239,570
Total assets		**31,749,256**	**26,970,480**	**31,427,180**	**26,970,480**
Liabilities and shareholders' funds					
Liabilities					
Insurance contract liabilities	14	13,834,595	9,749,498	13,834,595	9,749,498
Investment contract liabilities	15	1,434,165	646,777	1,434,165	646,777
Trade payables	16	2,274,818	1,203,081	2,274,818	1,203,081
Other payables and accruals	17	1,226,574	997,036	1,206,163	997,036
Income tax liabilities	19	587,859	340,276	569,776	340,276
Deferred tax liabilities	20	376,242	376,242	376,242	376,242
Total liabilities		**19,734,253**	**13,312,910**	**19,695,759**	**13,312,910**
Equity					
Share capital	21	916,793	916,793	916,793	916,793
Share premium	22	3,690,991	3,690,991	3,690,991	3,690,991
Deposit for shares	23	-	3,500,000	-	3,500,000
Statutory contingency reserve	24	3,568,838	3,017,419	3,568,838	3,017,419
Retained earnings	25	2,546,474	1,558,207	2,262,892	1,558,207
Fair value through other comprehensive income	26	437,340	437,340	437,340	437,340
Assets revaluation reserve	27	854,567	536,820	854,567	536,820
Shareholders' funds		**12,015,003**	13,657,570	11,731,421	**13,657,570**
Total liabilities and shareholders' funds		**31,749,256**	**26,970,480**	**31,427,180**	**26,970,480**
		-		-	-

The financial statements were approved and authorised for issue by the Board of Directors on 28th March 2025 and signed on its behalf by:

....	....	....
Olateju Philips	**Razzaq Abiodun**	Akinwale Sofile
Chairman	**Managing Director/CEO**	**Chief Financial Officer**
FRC/2013/IODN/00000002517	**FRC/2021/004/00000024290**	**FRC/2012/ICAN/00000000494**

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

Auditor's report, pages 1 to 4

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2024

	NOTE	Group 2024 N'000	Group 2023 N'000	Company 2024 N'000	Company 2023 N'000
Insurance revenue	29	22,837,711	18,294,062	22,837,711	18,294,062
Insurance service expenses	30	(22,470,838)	(14,949,809)	(22,470,838)	(14,949,809)
Net expenses from reinsurance contract held	31	(3,232,213)	(2,845,774)	(3,232,213)	(2,845,774)
Insurance service results		**(2,865,340)**	498,479	**(2,865,340)**	**498,479**
Interest revenue calculated using effective interest method	32.1	2,200,307	725,349	2,075,242	725,349
Other investment income	32.2	47,003	73,758	47,003	73,758
Net fair value gain	33	3,189,022	237,702	3,119,272	237,702
Net impairment loss on financial assets	39	(9,686)	(39,598)	(9,686)	(39,598)
Profit/(loss) on investment contract liabilities	37	4,068	370,576	4,068	370,576
Investment result		**5,430,714**	**1,367,787**	**5,235,899**	**1,367,787**
Net finance income(expenses) from Insurance contract	32	5,812	721,374	5,812	721,374
Net finance income (expense)from reinsurance contract held	33	(16,818)	(170,005)	(16,818)	(170,005)
Net foreign exchange gains	34	3,290,359	2,370,252	3,240,711	2,370,252
Net investment results		**8,710,067**	4,289,408	**8,465,604**	**4,289,408**
Net insurance and investment results		**5,844,727**	**4,787,887**	**5,600,264**	**4,787,887**
Other operating income	36	426,878	95,416	301,364	95,416
Operating expenses	38	(4,389,431)	(3,203,107)	(4,321,119)	(3,203,107)
Profit before taxation		**1,882,174**	**1,680,196**	**1,580,509**	**1,680,196**
Income tax	19	(342,488)	(362,574)	(324,405)	(362,574)
Profit after taxation		**1,539,686**	**1,317,622**	**1,256,104**	**1,317,622**
Other Comprehensive income:					
Items within OCI that may be reclasified to the profit or loss:		-		-	-
Items within the OCI that will be be reclassified to the profit or loss:		-			
Revaluation surplus on property,plant and equipment		317,747	280,558	317,747	280,558
Other Comprehensive income		317,747	280,558	**317,747**	**280,558**
Total comprehensive income for the year		1,857,433	1,598,180	1,573,851	1,598,180
Earning per shares		83.97	71.86	68.51	71.86

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

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LASACO ASSURANCE PLC
STATEMENT OF CHANGES IN EQUITY - PARENT
FOR THE YEAR ENDED 31 DECEMBER 2024

	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, 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	-	-	-	-	-	-	1,256,104	1,256,104
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	-	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	551,419	-	317,747	704,685	1,573,851
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	2,262,892	11,731,421
Balance 1 January, 2023	916,793	3,690,991	3,500,000	2,632,016	437,340	256,262	901,027	12,334,429
Total comprehensive income	-	-	-	-	-	-	-	
for the year:	-	-	-	-	-	-	-	
Profit for the year	-	-	-	-	-	-	1,317,621	1,317,621
Transfer to contingency reserve	-	-	-	385,403	-	-	(385,403)	-
Changes in valuation of land and building	-	-	-	-	-	280,558	-	280,558
Fair value gain on FVOCI	-	-	-	-	-	-	-	-
Dividend paid during the year	-	-	-	-	-	-	(275,038)	(275,038)
	-	-	-	-	-	-	-	-
Balance 31 December, 2023	916,793	3,690,991	3,500,000	3,017,419	437,340	536,820	1,558,207	13,657,570

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

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LASACO ASSURANCE PLC
STATEMENT OF CHANGES IN EQUITY - GROUP
FOR THE YEAR ENDED 31 DECEMBER 2024

	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
	916,793	-	3,500,000	2,632,016	-	-	-	7,048,809
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	-	-	-	-	-	-	1,539,686	1,539,686
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	2,546,474	12,015,003

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2024

		Group 2024	Group 2023	Company 2024	Company 2023
Cash flows from operating activities:	**Notes**	**N'000**	**N'000**	**N'000**	**N'000**
Premium received from policy holders		22,503,337	16,205,306	22,503,337	16,205,306
Premium received from deposit administration	15	399,866	328,444	399,866	328,444
Reinsurance premium paid	16(b)	(8,469,430)	(6,725,356)	(8,469,430)	(6,725,356)
Direct claims paid	14.1&14.2	(5,832,601)	(8,947,388)	(5,832,601)	(8,947,388)
Deposit administration withdrawals	15	(404,984)	(382,083)	(404,984)	(382,083)
Claims received from reinsurers	6(d)	1,158,389	1,541,658	1,158,389	1,541,658
Rental income	36	-	325	-	325
Commission received	31.1	-	1,583,060	-	1,583,060
Commission paid	16(b)	(3,439,463)	(2,417,717)	(3,439,463)	(2,417,717)
Deposit received in advance	16	1,791,369	1,027,018	1,791,369	1,027,018
Co-Insurance premium paid		(2,760,753)	-	(2,760,753)	-
Maintenance cost		(2,910,396)	-	(2,910,396)	-
Cash paid to and on behalf of employees		(2,233,481)	(1,692,662)	(2,233,481)	(1,692,662)
Other operating cash payments		(2,338,048)	(2,724,385)	(2,059,182)	(2,724,385)
Company income tax paid	19	(94,905)	(83,062)	(94,905)	(83,062)
Net cash absorbed from operating activities	43	(2,631,100)	(2,286,842)	(2,352,234)	(2,286,842)
Cash flows from investing activities:					
Proceeds from redemption of Bonds	5.3(a)	839,104	1,969,158	839,104	1,969,158
Purchase of Bonds	5.3(a)	-	(846,690)	-	(846,690)
Proceeds from redemption of other amortised cost	5.3(d)	2,148,802	139,472	2,148,802	139,472
Purchase of fixed deposits and treasury bills	5.3(d)	-	(2,348,519)	-	(2,348,519)
Proceeds from sales of assets FVPL	5.1	-	245,861	-	245,861
Acquisition of investment properties	9	(425,250)	(40,500)	(14,000)	(40,500)
Acquisition of intangible assets	12	(293,386)	(4,213)	(293,386)	(4,213)
Additional investment in subsidiaries	10	-	-	(361,690)	-
Proceeds from disposal on invstment property		160,000	-	-	-
Acquisition of property, plant and equipment	13	(811,899)	(134,962)	(811,899)	(134,962)
Proceeds from disposal on property, plant and equipment	40	81,811	11,791	81,811	11,791
Interest income	32.1	2,200,307	464,238	2,075,242	464,238
Dividend Income	32.2	47,003	73,758	47,003	73,758
Net cash outflow from investing activities		**3,946,492**	**(470,606)**	**3,710,987**	**(470,606)**
Cash flows from financing activities					
Dividends paid to equity holders	25	-	(275,038)	-	(275,038)
Net cash outflow from financing activities		-	(275,038)	**-**	**(275,038)**
Net decrease in cash and cash equivalents		1,315,392	(3,032,486)	1,358,753	(3,032,486)
Cash and cash equivalents at beginning of the year		8,713,710	9,375,944	8,713,710	9,375,944
Effect of movements in exchange rates on cash and cash equivalents	34	315,929	2,370,252	(469,043)	2,370,252
Cash and cash equivalents at end of the year		10,345,031	8,713,710	9,603,420	8,713,710
Represented by:					
Cash and cash equivalents at end of the year	4	10,345,031	8,713,710	9,603,420	8,713,710

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

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4 Cash and Cash Equivalents	Group 2024 N'000	Group 2023 N'000	Company 2024 N'000	Company 2023 N'000
Cash - petty cash	-	-	65	-
Balances with Local banks	1,505,845	4788023	1,348,243	4788023
Placement with banks (Note 4(a))	8,871,601	3,980,928	8,287,527	3,980,928
Total cash and cash equivalents	10,377,446	8,768,951	9,635,835	8,768,951
Allowance for credit losses (Note 4(b))	(32,415)	(55,241)	(32,415)	(55,241)
Carrying value of cash and cash equivalents	10,345,031	8,713,710	9,603,420	8,713,710
Current	10,345,031	8,713,710.00	9,603,420	8,713,710
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.

	Group 31 December 2024 N'000	Group 31 December 2023 N'000	Company 31 December 2024 N'000	Company 31 December 2023 N'000
(a) **Short-term deposits**				
Balance at the beginning of the year	3,980,928	3,698,809	3,698,809	3,698,809
Additions during the year	5,172,792	1,805,476	4,588,718	1,805,476
Liquidation during the year	-	(1,991,293)	-	(1,991,293)
Interest earned (Note 32.1)	-	464,238	-	464,238
Interest earned on placement for policy holders (Note 37)	-	3,698	-	3,698
Interest earned on placement for annuity (Note	-	-	-	-
Balance at the end of the year	9,153,720	3,980,928	8,287,527	3,980,928
(b) **Allowance for credit losses**				
Balance at the beginning of the year	55,241	16,715	55,241	16,715
Allowance of credit losses (Note 38)	(22,826)	38,526	(22,826)	38,526
Balance at the end of the year	32,415	55,241	32,415	55,241

5 **Financial Assets**

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

Fair value through profit or loss (Note 5.1)	387,680	398,053	387,680	398,053
Fair value through other comprehensive income (Note 5.2)	290,777	290,777	290,777	290,777
Financial assets at amortised cost (Note 5.3)	1,755,636	4,751,011	1,755,636	4,751,011
	2,434,093	5,439,841	2,434,093	5,439,841
Current	-	-	-	-
Non- current	2,434,093	5,439,841.00	2,434,093	5,439,841
	2,434,093	5,439,841.00	2,434,093	5,439,841

5.1 **Financial assets at fair value through profit or loss**

Balance at the beginning of the year	532,624	532,624	532,624	532,624
Fair value (loss)/gain during the year (Note 33)	(144,944)	111,290	(144,944)	111,290
Disposal	-	(245,861)	-	(245,861)
Balance at the end of the year	387,680	398,053	387,680	398,053

(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 following individual investments:

	Group	Group	Company	Company
Equity securities	**2024**	**2023**	**2024**	**2023**
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**

Bonds (Note 5.3(a))	1,519,924	2,364,701	1,519,924	2,364,701
Fixed deposits and Treasury bills (Note 5.3(d))	235,712	2,386,310	235,712	2,386,310
	1,755,636	4,751,011	1,755,636	4,751,011

(a) **Bonds**

Balance at the beginning of the year	2,364,701	3,294,621	2,364,701	3,294,621
Purchases during the year	-	846,690	-	846,690
Accrued interest capitalised (Note 32.1)	-	199,089	-	199,089
Repayment during the year	(839,104)	(1,969,158)	(839,104)	(1,969,158)
	1,525,597	2,371,242	1,525,597	2,371,242
Allowance for credit losses (Note 5.3(e))	(5,673)	(6,541)	(5,673)	(6,541)
Balance at the end of the year	**1,519,924**	**2,364,701**	**1,519,924**	**2,364,701**

(b) **Breakdown of the bonds**

	Maturity date	Coupon Rate	**Frequency**	2024 **N'000**	2023 **N'000**
Federal Goverment Bond	March 2025	13.53%	Half yearly	158,862	569,065
Federal Goverment Bond	Feb-28	13.98%	Half yearly	906,603	956,636
Lagos State Bond	Dec-30	12.50%	Half yearly	43,003	448,000
Lagos State Bond	December 2033	15.25%	Half yearly	48,003	291,000
Lagos State Bond	December 2031	13.00%	Half yearly	369,126	50,000
Federal Goverment savings Bond	March 2026	13.47%	Quarterly		50,000
				1,525,597	2,364,701

(c) The bonds were issued at par with no discount and they are redeemable at par on their respective due dates. Based on all these facts, management is of the opinion that the fair values of these bonds are equal to their face values.

		Group	Group	Company	Company
		31 December 2024	31 December 2023	31 December 2024	31 December 2023
(d)	**Fixed deposits and Treasury bills**	N'000	N'000	N'000	N'000
	Balance at the beginning of the year	2,386,349	139,591	2,386,349	139,591
	Additions during the year	-	2,348,519	-	2,348,519
	Liquidation during the year	(2,148,802)	(139,472)	(2,148,802)	(139,472)
	Interest earned (Note 32.1)	-	-	-	-
	Interest earned on treasury for annuity	-	37,711	-	37,711
		237,547	2,386,349	237,547	2,386,349
	Allowance for credit losses	(1,835)	(39)	(1,835)	(39)
	Balance at the end of the year	**235,712**	**2,386,310**	**235,712**	**2,386,310**
(e)	**Allowance for credit losses on financial assets at amortised cost:**				
	Balance at the beginning of the year	6,580	2,301	6,580	2,301
	Movement during the year	928	4,279	928	4,279
	Balance at the end of the year	**7,508**	**6,580**	**7,508**	**6,580**
	Further analysis of Allowance for credit losses				
	Bond	5,673	6,541	5,673	6,541
	Fixed deposit and Treasury bill	1,835	39	1,835	39
		7,508	**6,580**	**7,508**	**6,580**
6	**Trade Receivables**				
	Amount due from Insurance Brokers (Note 6(b))	768,218	356,296	768,218	356,296
	Receivables from Coinsurance and reinsurance companies (Note 6(c))	242,825	320,373	242,825	320,373
		1,011,043	676,669	1,011,043	676,669
(a)	**Analysis of Trade Receivables**				
	Current	1,011,043	676,669.00	1,011,043	676,669
	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 Insurance contract	9,028,670	8,015,879	9,028,670	8,015,879
	Gross premium written - General business Insurance contract	15,371,083	10,173,846	15,371,083	10,173,846
	Premium received during the year	(23,987,831)	(18,154,124)	(23,987,831)	(18,154,124)
	Balance at the end of the year	**768,218**	356,296	**768,218**	**356,296**
(c)	**Receivables from coinsurance and reinsurance companies**				
	Receivable from coinsurance companies	29,380	320,373	29,380	320,373
	Receivable from reinsurance companies	213,445	-	213,445	-
		242,825	**320,373**	**242,825**	**320,373**
(d)	**Movement in receivables from coinsurance and reinsurance companies**				
	Balance at the beginning of the year	320,373	127,122	320,373	127,122
	Amounts recoverable for Incurred claims	2,845,543	1,734,909	2,845,543	1,734,909
	Claims received from reinsurers & co-insurers	(2,923,091)	(1,541,658)	(2,923,091)	(1,541,658)
	Balance at the end of the year	**242,825**	**320,373**	**242,825**	**320,373**

(e) The Company's policy in line with the provisions of "No Premium, No Cover" on impairment of trade receivables recognizes trade receivables from Brokers only. Such receivables should not exceed a period of 30 days.

(f) Trade receivables are receivables from insurance contracts as at the year end from brokers, Co-insurers and Reinsurers. The receivables have been collected subsequent to the year ended 31 December 2024.

		Group	Group	Company	Company
		31 December 2024	31 December 2023	31 December 2024	31 December 2023
7	**Reinsurance contract Assets**	N'000	N'000	N'000	N'000
	Asset for remaining coverage	2,051,388	857,250	2,051,388	857,250
	Asset for incurred claims	1,758,175	1,688,591	1,758,175	1,688,591
		3,809,563	2,545,841	**3,809,563**	**2,545,841**
	Current	3,809,563	2,545,841	3,809,563	2,545,841
	Non-current	-	-	-	-

7.1 Reconciliation of reinsurance contract assets - Aggregate

	Assets for remaining coverage		Assets for Incurred claims		31-Dec-24	Assets for remaining coverage		Assets for Incurred claims		31-Dec-23
	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	857,250	-	1,618,978	69,612	2,545,840	999,549	-	1,355,991	23,992	2,379,532
Deferred commission	-	-	-	-	-	(68,232)	-	-	-	(68,232)
Net reinsurance asset	857,250		1,618,978	69,612	2,545,840	931,317		1,355,991	23,992	2,311,300
Reinsurance expenses	(5,367,530)	-	-	1,299	(5,366,231)	5,149,705	-	-	-	5,149,705
Amounts recoverable for Incurred claims and other expenses	-	-	2,592,769	-	2,592,769	-	-	(2,613,856)	-	(2,613,856)
Changes to amounts recoverable for incurred claims	-	-	(455,198)	(3,558)	(458,756)	-	-	262,986	46,938	309,924
Net income or expense from reinsurance contracts held	(5,367,530)	-	2,137,571	(2,259)	(3,232,218)	5,149,705	-	(2,350,870)	46,938	2,845,773
Reinsurance finance income	-		(16,818)	-	(16,818)	90,410		(259,097)	(1,318)	(170,005)
Total changes in the statement of comprehensive income	(5,367,530)		2,120,753	(2,259)	(3,249,036)	5,240,115		(2,609,967)	45,620	2,675,768
Cash flows in the period:		2,051,388	1,758,175	3,809,563						
Reinsurance premium	6,495,612		(824,463)	-	5,671,149	(5,314,183)	2,052,685	-	-	(3,261,498)
Amounts received	-		(1,158,389)	-	(1,158,389)	-		2,872,956	-	2,872,956
Net cash (outflow)/inflow	6,495,612		(1,982,852)	-	4,512,760	(5,314,183)		2,872,956	-	(2,441,227)
Closing Balance	**1,985,332**		**1,756,879**	**67,353**	**3,809,564**	**857,249**		**1,618,980**	**69,612**	**2,545,841**

7.2 Reconciliation of general reinsurance contract assets - measured under PAA

	Asset for remaining coverage		Asset for Incurred claims		31-Dec-24	Asset for remaining coverage		Asset for Incurred claims		31-Dec-23
	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**					
Reinsurance contract assets	638,308	-	961,727	69,612	1,669,647	757,088	-	734,259	15,662	1,507,009
Reinsurance contract assets	638,308	-	961,727	69,612	1,669,647	757,088	-	734,259	15,662	1,507,009
Reinsurance revenue	(3,597,196)	-	-	-	(3,597,196)	3,100,426	-	-	-	3,100,426
Amounts recoverable for Incurred claims and other expenses	-	-	1,197,228	-	1,197,228	-	-	(1,161,566)	-	(1,161,566)
Changes to amounts recoverable for incurred claims	-	-	(279,906)	(3,554)	(283,460)	-	-	227,468	53,950	281,418
Total Insurance service expenses	-	-	917,322	(3,554)	913,768	3,100,426	-	(934,098)	53,950	2,220,278
Reinsurance finance income	-	-	(16,818)	-	(16,818)	69,930	-	(92,710)	-	(22,780)
Total changes in the statement of comprehensive income	**(3,597,196)**	**-**	**900,504**	**(3,554)**	**(2,700,246)**	**3,170,356**	**-**	**(1,026,808)**	**53,950**	**2,197,498**
Cash flows in the period:										
Reinsurance premium paid	4,568,406	-	(824,463)	-	3,743,943	(3,289,136)	-	-	-	(3,289,136)
Amounts received	-	-	-	-	-	-	-	1,254,276	-	1,254,276
Net cash (outflow)/inflow	**4,568,406**	**-**	**(824,463)**	**-**	**3,743,943**	**(3,289,136)**	**-**	**1,254,276**	**-**	**(2,034,860)**
Closing Reinsurance assets	**1,609,518**	**-**	**1,037,768**	**66,058**	**2,713,344**	**638,308**	**-**	**961,727**	**69,612**	**1,669,647**

7.3 **Reconciliation of group life reinsurance contract assets - measured under PAA**	**Assets for remaining coverage**		**Assets for Incurred claims**		**31 Decmber 2024**	**Assets for remaining coverage**		**Assets for Incurred claims**		**31 Decmber 2023**
	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	218,942	-	657,251	-	876,193	174,229	-	621,732	8,330	804,291
Net reinsurance assets	218,942	-	657,251	-	876,193	174,229	-	621,732	8,330	804,291
Reinsurance revenue	(1,770,334)	-	-	1,299	(1,769,035)	2,049,279	-	-	-	**2,049,279**
Amounts recoverable for Incurred claims and other expenses	-	-	1,395,541	-	1,395,541	-	-	(1,452,290)	-	(1,452,290)
Changes to amounts recoverable for incurred claims	-	-	(175,292)	-	(175,292)	-	-	35,519	(7,012)	28,507
Net income or expense from reinsurance contracts held	-	-	1,220,249	-	1,220,249	2,049,279	-	(1,416,771)	(7,012)	625,496
Reinsurance finance income	-	-	-	-	-	20,480	-	(166,387)	(1,318)	(147,225)
Total changes in the statement of comprehensive income	**(1,770,334)**		**1,220,249**	**1,299**	**(548,786)**	**2,069,759**		**(1,583,158)**	**(8,330)**	**478,271**
Cash flows in the period:										
Reinsurance premium	1,927,206	-	-	-	1,927,206	(2,025,047)	-	-	-	(2,025,047)
Amounts received	-	-	(1,158,391)	-	(1,158,391)	-	-	1,618,678	-	1,618,678
Net cash (outflow)/inflow	**1,927,206**	-	**(1,158,391)**	**-**	**768,815**	**(2,025,047)**	-	**1,618,678**	**-**	**(406,369)**
Closing Reinsurance contract assets	**375,814**	**-**	**719,109**	**1,299**	**1,096,222**	**218,941**	**-**	**657,252**	**-**	**876,193**

		Group 2024	Group 2023	Company 2024	Company 2023
8	**Other receivables and prepayments**	**N'000**	**N'000**	**N'000**	**N'000**
	Prepaid rent (Note 8(a))	64,128	93,866	64,128	93,866
	Staff Loan (Note 8(b))	98,704	119,008	98,704	119,008
	Other prepayment	80,965	-	80,965	-
	Policy Loan	7,520	12,039	7,520	12,039
	Interest receivable	918,130	48,683	918,130	48,683
	Deposit for Land	30,000	30,000	30,000	30,000
	Stock Brokers' current accounts	21,838	21,894	21,838	21,894
	Other receivables (Note 8(c))	147,665	210,554	49,100	210,554
		1,368,950	536,044	1,270,385	536,044
	Impairment of other assets (Note 8(e))	(41)	-	(41)	-
		1,368,909	536,044	1,270,344	536,044
	Current	1,368,909	536,044	1,270,344	536,044
	Non-Current	-	-	-	-
		1,368,909	536,044	1,270,344	536,044
(a)	**Prepaid rent**	**N'000**	**N'000**	**N'000**	**N'000**
	Balance at the beginning of the year	93,866	64,128	93,866	64,128
	Rent paid during the year	21,225	58,838	21,225	58,838
	Amortised rent during the year (Note 37(b))	(50,963)	(29,100)	(50,963)	(29,100)
	Balance at the end of the year	64,128	93,866	64,128	93,866
(b)	**Staff loans**	**N'000**	**N'000**	**N'000**	**N'000**
	Balance at the beginning of the year	119,008	1,500	119,008	1,500
	Additions during the year	-	140,000	-	140,000
	Repayment during the year	(20,304)	(22,435)	(20,304)	(22,435)
	Balance at the end of the year	98,704	119,065	98,704	119,065
	Expected credit loss (Note 8(d))	(57)	(57)	-	(57)
		98,647	119,008	98,704	119,008
(c)	**Other receivables**	**N'000**	**N'000**	**N'000**	**N'000**
	Sundry debtors	42,799	68,248	-	68,248
	Other loan	55,766	-	-	-
	SUBEB/LG fund	49,100	142,867	49,100	142,867
	Expected credit loss (Note 5(g))	-	(561)	-	(561)
		147,665	210,554	49,100	210,554
(d)	**Expected credit loss on staff loans**	**N'000**	**N'000**	**N'000**	**N'000**
	Balance at the beginning of the year	-	-	4,357	-
	Allowance of credit loss during the year	57	57	(4,357)	57
	Balance at the end of the year	57	57	-	57

	Group 2024	Group 2023	Company 2024	Company 2023
(f) **Expected credit loss on other receivables**	**N'000**	**N'000**	**N'000**	**N'000**
Balance at the beginning of the year	197	197	197	197
Allowance of credit loss during the year (Note 38)	364	364	-	364
Balance at the end of the year	561	561	197	561

9 **Investment Properties**	**N'000**	**N'000**	**N'000**	**N'000**
Balance at the beginning of the year	4,567,754	4,400,842	4,567,754	4,400,842
Additions during the year	557,650	40,500	14,000	40,500
Disposal during the year	(132,400)	-	-	-
Fair value gain (Note 34)	3,132,375	126,412	3,062,625	126,412
Balance at the end of the year	8,125,379	4,567,754	7,644,379	4,567,754

(a) **Carrying amount of investment properties**	**Status of Title**	**Balance at the begining of the year**	**Additions**	**Fair value changes**	**Carrying amount**
		N'000	**N'000**	**N'000**	**N'000**
Building At Custom Street Kakawa/Marina CBD Lagos Island	Certificate of Occupancy	2,200,000	5,000	695,000	2,900,000
Plot A1, Block G, CBD CIPM Road Alausa Lagos	Perfected	1,673,000	-	1,988,000	3,661,000
2 Plots of Land at Aponloju Close Off Engr. Adetoro Road Lekki (Ojomu Family Land)	Deed of Assignment	64,000	9,000	37,000	110,000
Block 8 Plot 2 & 3 River View Devt Scheme Ii Isheri, Ogun State	Deed of Assignment	44,000	-	16,000	60,000
Landed Property At Chume Nwosu Street, Off Badore Ajah, Lagos	Deed of Assignment	50,000	-	20,000	70,000
3 Plots Of Land At Okun Alfa Beach, Lekki Peninsula, Lekki Phase 1	Deed of Assignment	90,000	-	-	90,000
Block 24, Flats 1, 2 & 5 MKO Abiola Gardens, Alausa Ikeja, Lagos	LSDDC Letter of Allocation	135,000	-	60,000	195,000
Plot 122, Association Avenue, Dolphin Estate, Ikoyi, Lagos	Title Deed	105,000	-	145,000	250,000
4 Plots Of Land And 5 Blocks Of Flat At Next Estate, Mowe Ogun State	Deed of Assignment	86,754	-	11,625	98,379
Flat 1, 2, 3, 4, 7 & 8 Cluster 2 Choice Estate Abijo, GRA Ibeju Lekki, Lagos	Letter of Allocation	120,000	-	90,000	210,000
		4,567,754	14,000	3,062,625	7,644,379

(b) Investment properties are held at fair value which has been determined based on valuations performed by independent valuation experts, Fola Oyekan & Associates and Oletubo & Co (Estate Surveyors & Valuers) as at 31 December 2024. The Valuers Fola Oyekan and Oletubo are registered with Financial Reporting Council of Nigeria with registration Number FRC/2012/NIESV/00000000450 and FRC/2013 /NIESV/ 00000001693 respectively.

(c) The valuers are the industry specialists in valuing these types of investment properties. The fair value is supported by market evidence and represents the amount at which the assets could be exchanged between knowledgeable, willing buyers and knowledgeable, willing seller in an arm's length transaction at the date of valuation, in accordance with standards issued by International Valuation Standards Committee. Valuations are performed on an annual basis and the fair value gains and losses are recorded within the statement of comprehensive income.

(d) This is an investment in land and building held primarily for generating income or capital appreciation and occupied substantially for use in the operations of the Company. This is carried in the statement of financial position at their market value.

(e) Additions to investment properties during the year ended 31 December 2024 relates to remedial work and construction of fence land on Okun Alfa Beach, Lekki Peninsula, Lekki Phase 1.

10 Investment in Subsidiaries			**2024 N'000**	**2023 N'000**
	Lasaco Properties	**Lasaco Trading & Investment Ltd**	**Total**	**Total**
Balance as at 1 January 2024	319,155	319,155	638,310	638,310
Additions during the year	180,845	180,845	361,690	-
Balance , end of year	500,000	500,000	1,000,000	638,310

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

11 Statutory deposit	**2024** N'000	**2023** 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.

12 Intangible assets	**Group 2024**	**Group 2023**	**Company 2024**	**Company 2023**
Cost	**N'000**	**N'000**	**N'000**	**N'000**
At 1 January	124,611	120,398	124,611	120,398
Addition	293,386	4,213	292,486	4,213
31 December	**417,997**	124,611	**417,097**	**124,611**
Amortisation				
At 1 January	47,020	14,128	47,020	14,128
Amortisation during the year	59,966	32,892	59,966	32,892
31 December	**106,986**	47,020	**106,986**	**47,020**
Carrying amount:				
31 December	**311,011**	**77,591**	**310,111**	**77,591**

The existing intangible asset of the Company was a software named "IES' used in posting the business transactions of the Company. The additions to intangible asset of the Company was the purchase of IFRS 17 software. The cost is amortized over the period of three years which is in line with the Company's policy.

13 Property, plant and equipment

Cost/Valuation	Land	Building	Furniture fittings & Equipment	Motor Vehicles	Total
Cost	N'000	N'000	N'000	N'000	N'000
At 1 January 2023	244,400	1,320,953	1,255,119	1,911,382	4,731,854
Additions	-	4,580	54,882	75,500	134,962
Reclassification	-	-	-	-	-
Disposals	-	-	(4,410)	(92,805)	(97,215)
Asset revaluation (Note 27)	85,540	203,666	-	-	289,206
At 31 December 2023	329,940	1,529,199	1,305,591	1,894,077	5,058,807
At 1 January 2024	329,940	1,529,199	1,305,591	1,894,077	5,058,807
Additions	-	-	152,035	659,864	811,899
Disposals	-	-	(37,738)	(251,505)	(289,243)
Asset revaluation (Note 27)	162,060	133,140	-	-	295,200
At 31 December 2024	**492,000**	**1,662,339**	**1,419,888**	**2,302,436**	**5,876,663**
Accumulated depreciation					
At 1 January 2023	-	-	709,221	742,800	1,452,021
Charge for the year	-	22,525	171,287	293,143	486,955
Disposals	-	-	(4,409)	(92,805)	(97,214)
Asset revaluation (Note 27)	-	(22,525)	-	-	(22,525)
At 31 December 2023	-	-	876,099	943,138	1,819,237
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 (Note 27)	-	(22,547)	-	-	(22,547)
At 31 December 2024	-	-	1,030,484	1,037,102	2,067,586
Carrying amounts at:					
31 December 2024	492,000	1,662,339	389,404	1,265,334	3,809,077
31 December 2023	329,940	1,529,199	429,492	950,939	3,239,570

(i) Land and building were professionally valued as at 31 December 2024 by Messrs Fola Oyekan & Associates (Estate Surveyors and Valuers) with FRC/2012/NIESV/00000000450 based on their open market values. The revised value of the land and building were N492,000,000 and N1,662,339,000 respectively resulting in a gain on revaluation of N317,747,000.00 which has been credited to the property, plant, and equipment revaluation account.

(ii) The re-valued property is the Company's Head Office building located at Plot 16, Acme Road, Ogba Industrial Estate, Ikeja, Lagos.
(iii) The Company had no capital commitments as at the statement of financial position date (2023: Nil). As at the reporting date land is being carried at revalued amount.
(iv) No impairment loss was recognised on the Company's property plant and equipment at the end of the year (31 December 2023:Nil).

	Group	Group	Company	Company
	2024	2023	2024	2023
14 Insurance Contract Liabilities	N'000	N'000	N'000	N'000
Insurance contracts measured under PAA	13,054,119	8,836,811	13,054,119	8,836,811
Insurance contracts measured under GMM	780,476	912,687	780,476	912,687
	13,834,595	9,749,498	13,834,595	9,749,498

Becoda Consulting Limited, an actuarial service organization carry out the valuation of Insurance Contract Liabilities for the reporting year. Mr. Benjamin Awunor, a professional actuary registered with the Financial Reporting Council of Nigeria with registration number FRC/2015/PRO/NAS/004/00000012946, authorized the actuarial valuation reports.

14.1 Reconciliation of Insurance Contract Liabilities - Aggregate (PAA and GMM)

	Liabilities for remaining coverage component		Liabilities for incurred claims		31-Dec-24	Liabilities for remaining coverage component		Liabilities for incurred claims		31-Dec-23
	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
Opening balance	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Insurance contract liabilities	4,637,478	-	4,836,105	275,916	9,749,499	4,758,602	-	3,462,611	49,582	8,270,795
Less: Deferred acquisition cost	-	-	-	-	-	(155,541)	-	-	-	(155,541)
Net Insurance Contracts	4,637,478	-	4,836,105	275,916	9,749,499	4,603,061	-	3,462,611	49,582	8,115,254
Insurance Revenue	(22,728,196)	-	-	(37,826)	(22,766,022)	(18,294,062)	-	-	-	(18,294,062)
Insurance Service Expenses:										
Incurred claims	-	-	13,489,842	-	13,489,842	-	-	6,644,711	-	6,644,711
Ammortization of insurance acquisition cashflows	3,458,720	-	-	-	3,458,720	2,374,383	-	-	-	2,374,383
Changes to liabilities for incurred claims	-	-	2,968,603	90,269	3,058,872	-	-	2,269,134	226,979	2,496,113
Other insurance service expenses	-	-	-	-	-	-	-	3,434,602	-	3,434,602
Losses and reversals of losses on onerous contracts	-	-	-	-	-	-	-	-	-	-
	3,458,720	-	16,458,445	90,269	20,007,434	2,374,383	-	12,348,447	226,979	14,949,809
Insurance service results	(19,269,476)	-	16,458,445	52,443	(2,758,588)	(15,919,679)	-	12,348,447	226,979	(3,344,253)
Insurance finance expenses	59,502	-	(155,092)	-	(95,590)	174,911	-	(895,640)	(645)	(721,374)
Total changes in the statement of comprehensive income	(19,209,974)	-	16,303,353	52,443	(2,854,178)	(15,744,768)	-	11,452,807	226,334	(4,065,627)
Cash flows in the period:										
Premiums received	24,384,342	-	-	-	24,384,342	18,153,471	-	-	-	18,153,471
Insurance acquisition cash flows paid	(2,482,375)	-	-	-	(2,482,375)	(2,374,284)	-	-	-	(2,374,284)
Other insurance service expenses	(976,345)	-	(23,270)	-	(999,615)	-	-	(1,131,928)	-	(1,131,928)
Claims paid	-	-	(13,780,059)	(183,019)	(13,963,078)	-	-	(8,947,388)	-	(8,947,388)
Net cash inflow/(outflow)	20,925,622	-	(13,803,329)	(183,019)	6,939,274	15,779,187	-	(10,079,316)	-	5,699,871
Closing Insurance contract liabilities	**6,353,126**	**-**	**7,336,129**	**145,340**	**13,834,595**	**4,637,480**	**-**	**4,836,102**	**275,916**	**9,749,497**

14.1.1 **Reconciliation of General Insurance Contract Liabilities - measured under PAA**

General business	Liabilities for remaining coverage		Liabilities for incurred claims		31-Dec-24	Liabilities for remaining coverage		Liabilities for incurred claims		31-Dec-23
	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	2,607,953	-	2,454,993	177,698	5,240,644	2,627,831	-	1,840,104	24,433	4,492,368
Less: Deferred acquisition cost	-	-	-	-	-	(69,948)	-	-	-	(69,948)
Net Insurance contract liabilities	2,607,953	-	2,454,993	177,698	5,240,644	2,557,883	-	1,840,104	24,433	4,422,420
Insurance Revenue	(13,801,827)	-	-	-	(13,801,827)	(10,497,544)	-	-	-	(10,497,544)
Insurance service expenses:										
Incurred claims	-	-	8,638,350	-	8,638,350	-	-	2,006,077	-	2,006,077
Ammortization of insurance acquisition cashflows	2,482,376	-		-	2,482,376	1,557,978	-	-	-	1,557,978
Adjustments to liabilities for incurred claims	-	-	1,311,940	90,269	1,402,209	-	-	862,026	153,265	1,015,291
Other insurance service expenses	-		-	-	-			1,836,479	-	1,836,479
Losses and reversals of losses on onerous contracts	-	-	-	-	-	-	-	-	-	-
Total Insurance service expenses	**2,482,376**	**-**	**9,950,290**	**90,269**	**12,522,935**	**1,557,978**	**-**	**4,704,582**	**153,265**	**6,415,825**
Insurance service results	(11,319,451)	-	9,950,290	90,269	(1,278,892)	(8,939,566)	-	4,704,582	153,265	(4,081,719)
Insurance finance expenses	-	-	(155,092)	-	(155,092)	403,270		(247,137)	-	156,133
Total changes in the statement of comprehensive income	(11,319,451)	-	9,795,198	90,269	(1,433,984)	(8,536,296)	-	4,457,445	153,265	(3,925,586)
Cash flows in the period:										
Premiums received	15,371,084	-	-	-	15,371,084	10,144,246	-	-	-	10,144,246
Insurance acquisition cash flows paid	(2,482,376)	-	-	-	(2,482,376)	(1,557,880)	-	-	-	(1,557,880)
Other insurance service expenses	-	-	-	-	-			(800,971)		(800,971)
Claims paid	-	-	(7,944,065)	-	(7,944,065)	-	-	(3,041,587)	-	(3,041,587)
Net cash inflow/(outflow)	12,888,708		(7,944,065)	-	4,944,643	8,586,366		(3,842,558)	-	4,743,808
Closing Insurance contract liabilities	**4,177,210**	**-**	**4,306,126**	**267,967**	**8,751,303**	**2,607,953**	**-**	**2,454,991**	**177,698**	**5,240,642**

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

	Liabilities for remaining coverage		**Liabilities for incurred claims**		**31-Dec-24**	**Liabilities for remaining coverage**		**Liabilities for incurred claims**		**31-Dec-23**
	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	1,116,838	-	2,381,112	98,218	3,596,168	989,085	-	1,622,507	25,149	2,636,741
Less: Deferred acquisition cost	-	-	-	-	-	(85,593)	-	-	-	(85,593)
Net Insurance Contracts liabilities	**1,116,838**	**-**	**2,381,112**	**98,218**	**3,596,168**	**903,492**	**-**	**1,622,507**	**25,149**	**2,551,148**
Insurance Revenue	(8,763,440)	-	-	(37,826)	(8,801,266)	(7,900,055)	-	-	-	(7,900,055)
Insurance Service Expenses:										
Incurred claims	-	-	4,699,032	-	4,699,032	-	-	4,533,759	-	4,533,759
Ammortization of insurance acquisition cashflows	976,344	-	-	-	976,344	816,405	-		-	816,405
Adjustments to liabilities for incurred claims	-	-	1,628,281	-	1,628,281	-	-	1,407,108	73,714	1,480,822
Other insurance service expenses			-	-	-			1,598,123	-	1,598,123
Losses and reversals of losses on onerous contracts	-	-	-	-	-	-	-	-	-	-
Total Insurance Service expenses	**976,344**	**-**	**6,327,313**	**-**	**7,303,657**	**816,405**	**-**	**7,538,990**	**73,714**	**8,429,109**
Insurance service results	(7,787,096)	-	6,327,313	(37,826)	(1,497,609)	(7,083,650)	-	7,538,990	73,714	529,054
Insurance finance expenses	-	-	-	-	-	119,865	-	(648,503)	(645)	(529,283)
Total changes in the statement of comprehensive income	(7,787,096)	-	6,327,313	(37,826)	(1,497,609)	(6,147,380)	-	14,429,477	146,783	8,428,880
Cash flows in the period:										
Premiums received	9,013,205	-	-	-	9,013,205	7,993,537	-	-	-	7,993,537
Insurance acquisition cash flows paid	-	-	-	-	-	(816,405)	-	-	-	(816,405)
Acquisition expenses paid	(976,345)	-	-	-	(976,345)	-	-	(330,957)	-	(330,957)
Claims paid	-	-	(5,832,601)	-	(5,832,601)	-	-	(5,800,926)	-	(5,800,926)
Net cash inflow/(outflow)	8,036,860	-	(5,832,601)	-	2,204,259	7,177,132	-	(6,131,883)	-	1,045,249
Closing Insurance contract liabilities	**1,366,602**	**-**	**2,875,824**	**60,392**	**4,302,818**	**1,116,839**	**-**	**2,381,111**	**98,218**	**3,596,168**

14.1.3 Reconciliation of Individual Insurance Contract Liabilities - measured under GMM

	Liabilities for remaining coverage		Liabilities for incurred claims		31-Dec-24	Liabilities for remaining coverage		Liabilities for incurred claims		31-Dec-23
	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	60,294	-	-	-	60,294	375,287	-			375,287
Less: Deferred acquisition cost	-	-	-	-	-		-	-	-	-
Net Insurance contract liabilities	60,294	-	-	-	60,294	375,287	-	-	-	375,287
Insurance Revenue	1,653	-	-	-	1,653	22,310	-	-	-	22,310
Insurance service expenses:										
Incurred claims	-	-	(30,559)	-	(30,559)	-	-	104,875	-	104,875
Ammortization of insurance acquisition cashflows	-	-		-	-		-	-	-	-
Changes related to future service	-	-	28,382		28,382	-	-	-	-	-
Other insurance service expenses	-			-	-				-	-
Losses and reversals of losses on onerous contracts	-	-		-	-	-	-	-	-	-
	-	-	(2,177)	-	(2,177)	-	-	104,875	-	104,875
Insurance service results	1,653	-	(2,177)	-	(524)	22,310	-	104,875	-	127,185
Insurance finance expenses	(355)	-	-	-	(355)	(348,224)			-	(348,224)
Total changes in the statement of comprehensive income	1,298	-	(2,177)	-	(879)	(325,914)	-	104,875	-	(221,039)
Cash flows in the period:										
Premiums received	53	-	-	-	53	10,921	-	-	-	10,921
Insurance acquisition cash flows paid		-	-	-	-		-	-	-	-
Other insurance service expenses	-	-	(23,270)	-	(23,270)					-
Claims paid	-	-	(3,389)	-	(3,389)	-	-	(104,875)	-	(104,875)
Net cash inflow/(outflow)	53		(26,659)	-	(26,606)	10,921		(104,875)	-	(93,954)
Closing Insurance contract liabilities	**61,645**	**-**	**(28,836)**	**-**	**32,809**	**60,294**	**-**	**-**	**-**	**60,294**

14.1.4 Reconciliation of Annuity Insurance Contract Liabilities - measured under GMM

	Liabilities for remaining coverage		Liabilities for incurred claims		31-Dec-24	Liabilities for remaining coverage		Liabilities for incurred claims		31-Dec-23
	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	852,393	-	-	-	852,393	766,399	-	-	-	766,399
Less: Deferred acquisition cost	-	-	-	-	-		-	-	-	-
Net Insurance contract liabilities	852,393	-	-	-	852,393	766,399	-	-	-	766,399
Insurance Revenue	(164,582)	-	-	-	(164,582)	81,227	-	-	-	81,227
Insurance service expenses:										
Incurred claims	-	-	183,019	-	183,019	-	-	-	-	-
Ammortization of insurance acquisition cashflows	-	-		-	-		-	-	-	-
Adjustments to liabilities for incurred claims	-	-			-	-	-	-	-	-
Other insurance service expenses	-			-	-				-	-
Losses and reversals of losses on onerous contracts	-	-		-	-	-	-	-	-	-
	-	-	183,019	-	183,019	-	-	-	-	-
Insurance service results	(164,582)	-	183,019	-	18,437	81,227	-	-	-	81,227
Insurance finance expenses	59,857	-	-	-	59,857	-			-	-
Total changes in the statement of comprehensive income	(104,725)	-	183,019	-	78,294	81,227	-	-	-	81,227
Cash flows in the period:										
Premiums received	-	-	-	-	-	4,767	-	-	-	4,767
Insurance acquisition cash flows paid		-	-	-	-		-	-	-	-
Other insurance service expenses	-	-		-	-					-
Claims paid	-	-	-	(183,019)	(183,019)	-	-	-	-	-
Net cash inflow/(outflow)	-		-	(183,019)	(183,019)	4,767		-	-	4,767
Closing Insurance contract liabilities	**747,668**	**-**	**183,019**	**(183,019)**	**747,668**	**852,393**	**-**	**-**	**-**	**852,393**

14.1.5 Reconciliation of individual life and annuity insurance contract liabilities by measurement components - aggregate

	Liabilities for remaining coverage			Contractual service margin	Insurance contract Liabilities- December 2024	Liabilities for remaining coverage			Contractual service margin	Insurance contract Liabilities December 2023
	Non - onerous	Onerous								
Opening insurance contract assets	-	-	-	-	-	-	-	-	-	-
Opening insurance contract liabilities	912,687	-	-	-	912,687	1,121,816	-	-	19,870	1,141,686
Net opening balance	912,687	-	-	-	912,687	1,121,816	-	-	19,870	1,141,686
Insurance revenue	(162,929)	-		-	(162,929)	(15,688)	-	-	-	(15,688)
Insurance service expenses	-	-			-	-				-
Incurred claims and other expenses	-	-		152,460	152,460	(101,589)			130,545	28,956
Acquisition expenses	-	-		-	-					-
Changes related to future service	-	-		28,382	28,382	-				-
Changes related to past service	-	-		-	-	-			90,269	90,269
Total Insurance service expenses	(162,929)	-		180,842	17,913	(117,277)	-	-	220,814	103,537
Investment components	-	-		-	-	-	-	-	-	-
Insurance service result	(162,929)	-		180,842	17,913	(117,277)			220,814	103,537
Insurance finance expenses	59,502	-		-	59,502	(284,056)			(64,168)	(348,224)
Total change in comprehensive income	(103,427)	-		180,842	77,415	(401,333)	-	-	156,646	(244,687)
					-					-
Premiums received	53	-		-	53	15,688				15,688
Claims and expenses paid	-	-		(209,678)	(209,678)	-				-
Acquisition costs paid	-	-		-	-	-				-
Total cash flows	53	-		(209,678)	(209,625)	15,688	-	-	-	15,688
					-					-
Closing insurance contract assets	-	-		-	-					-
Closing insurance contract liabilities	809,313	-		(28,836)	780,477	736,171	-	-	176,516	912,687
Net closing balance	809,313	-	-	(28,836)	780,477	736,171				

14.3 The age analysis of liability for outstanding claims (excluding IBNR)as at 31 December 2023 is as follows:

	Pending substantiating documents	Related to awaiting adjusters' report	Discharge Voucher not returned by clients	2024 'Total	2023 'Total
	N'000	N'000	N'000	N'000	N'000
0 - 90 days	941,790	680,667	776,680	2,399,137	944,510
91 - 180 days	281,521	222,786	442,417	946,724	573,491
181 - 270 days	178,950	92,130	106,502	377,582	372,107
270 - 365 days	45,908	51,771	-	97,679	127,453
365 days and above	33,981	-	-	33,981	35,667
	1,482,150	1,047,354	1,325,599	3,855,103	2,053,228

14.3.1 The age analysis of liability for outstanding claims (excluding IBNR) as at 31 December 2024 is as follows:

General Business

	Pending substantiating documents	Related to awaiting adjusters' report	Discharge Voucher not returned by clients	2024 'Total	2023 'Total
	N'000	N'000	N'000	N'000	N'000
0 - 90 days	621,678	680,667	555,670	1,858,015	610,766
91 - 180 days	126,812	222,786	286,111	635,709	362,897
181 - 270 days	101,341	92,130	62,130	255,601	260,445
270 - 365 days	45,908	51,771	-	97,679	75,489
365 days and above	33,981	-	-	33,981	25,480
	929,720	1,047,354	903,911	2,880,985	1,335,077

There are total number of 407 outstanding claims for Non Life as at the year ended 31 December 2024. 121 outstanding claims are pending substantiating documents while 207 outstanding claims are awaiting adjusters' report. 79 discharged vouchers are being awaited.

The age analysis of liability for outstanding claims (excluding IBNR) as at 31 December 2024 is as follows:

Group Life

	Pending substantiating documents	Related to awaiting adjusters report	Discharge Voucher not returned by clients	2024 'Total	2023 'Total
	N'000	N'000	N'000	N'000	N'000
0 - 90 days	320,112	-	221,010	541,122	421,232
91 - 180 days	154,709	-	156,306	311,015	287,829
181 - 270 days	77,609	-	44,372	121,981	126,748
270 - 365 days	-	-	-	-	18,111
365 days and above	-	-	-	-	-
	552,430	-	421,688	974,118	853,920

There are total number of 265 outstanding claims for Life busines as at the year ended 31 December 2024. 125 outstanding claims are pending substantiating documents while Nil claims are awaiting adjusters' report and discharged vouchers not returned by clients are 140.

	Group 2024	Group 2023	Company 2024	Company 2023
15 Investment Contract Liabilities	N'000	N'000	N'000	N'000
Balance at the beginning of the year	646,777	1,067,294	646,777	1,067,294
Deposit during the year	399,866	328,444	399,866	328,444
Withdrawal during the year	(404,984)	(382,083)	(404,984)	(382,083)
	641,659	1,013,655	641,659	1,013,655
Guaranteed interest (Note 36)	-	4,316	-	4,316
Actuarial adjustment on investment contract liabilities (Note 36)	792,506	(371,194)	792,506	(371,194)
Balance at the end of the year	**1,434,165**	**646,777**	**1,434,165**	**646,777**
Current	1,434,165	646,777	1,434,165	646,777
Non-current	-	-	-	-

	Group	Group	Company	Company
	2024	**2023**	**2024**	**2023**
16 Trade Payables	**N'000**	**N'000**	**N'000**	**N'000**
Premium payable (Note 16(b))	454,076	165,947	454,076	165,947
Commission payables (Note 16(c))	29,373	10,116	29,373	10,116
Premium Deposit (Note 16(c))	1,791,369	1,027,018	1,791,369	1,027,018
	2,274,818	1,203,081	2,274,818	1,203,081
Current	2,274,818	1,203,081	2,274,818	1,203,081
Non - current	-	-	-	-

(a) Trade payable represents premium payable to both Coinsurance and Reinsurance companies. The carrying amounts disclosed above approximate fair value at the reporting date. The carrying amount disclosed above reasonably approximates fair value at the reporting date. All amounts are payable within one year.

(b) Premium payable	**N'000**	**N'000**	**N'000**	**N'000**
Reinsurance premium payable	447,118	158,681	447,118	158,681
Co-Insurance premium payable	6,958	7,266	6,958	7,266
	454,076	165,947	454,076	165,947
Movement in premium payable	**N'000**	**N'000**	**N'000**	**N'000**
Balance at the beginning of the year	165,947	323,016	165,947	323,016
Premium ceded to reinsurance & facultative	8,757,559	6,568,287	8,757,559	6,568,287
Reinsurance premium paid during the year	(8,469,430)	(6,725,356)	(8,469,430)	(6,725,356)
	454,076	165,947	454,076	165,947
(c) Movement in commission payable	**N'000**	**N'000**	**N'000**	**N'000**
Balance at the beginning of the year	10,116	53,450	10,116	53,450
Acquisition cost	3,458,720	2,374,383	3,458,720	2,374,383
Commission paid	(3,439,463)	(2,417,717)	(3,439,463)	(2,417,717)
	29,373	10,116	29,373	10,116

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

17 Other Payables and Accruals	**N'000**	**N'000**	**N'000**	**N'000**
17.1 Accruals (Note 17(a))	587,788	249,064	587,788	249,064
Unclaimed Dividend payable (Note 17(b))	567,518	518,429	567,518	518,429
Other creditors (Note 17(c))	59,499	77,670	39,088	77,670
SUBEB/LG managed fund	-	142,867	-	142,867
Payable on Cooperative scheme	11,769	9,006	11,769	9,006
	1,226,574	997,036	1,206,163	997,036

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

(a) Accruals	**N'000**	**N'000**	**N'000**	**N'000**
Audit fees	7,150	7,150	16,500	7,150
Bonus	-	-	-	-
Reinsurance M & D	-	-	137,475	-
NAICOM Levy	161,827	161,827	243,995	161,827
Other Consultancy fees	-	-	20,587	-
Retirement benefits	-	-	118,695	-
Payable for Corporate gifts	80,087	80,087	50,536	80,087
	249,064	249,064	587,788	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.

	Group 2024 N'000	Group 2023 N'000	Company 2024 N'000	Company 2023 N'000
Balance at the beginning of the year	518,429	518,429	518,429	518,429
Refund from Registrar	49,089	-	49,089	-
Balance at the end of the year	567,518	518,429	567,518	518,429

(c) Other creditors include the following:	**N'000**	**N'000**	**N'000**	**N'000**
Paye-As-You-Earn (PAYE)	28,846	25,646	28,846	25,646
Withholding tax	-	5,556	-	5,556
Value added tax	-	9,812	-	9,812
National Housing Fund	10,242	9,891	10,242	9,891
Pension payable	-	26,360	-	26,360
Others	20,411	405	-	405
	59,499	77,670	39,088	77,670

19 Taxation

(a) Per Statement of Financial Position	**N'000**	**N'000**	**N'000**	**N'000**
Balance at the beginning of the year	340,276	278,249	340,276	278,249
Income tax for the year	284,251	70,181	272,751	70,181
Education Tax	39,336	42,693	35,770	42,693
Information Technology Development Levy	18,822	32,055	15,805	32,055
Police fund Levy	79	160	79	160
Payment during the year	(94,905)	(83,062)	(94,905)	(83,062)
Balance at the end of the year	587,859	340,276	569,776	340,276

	Group 2024	Group 2023	Company 2024	Company 2023
(b) Per Income Statement	**N'000**	**N'000**	**N'000**	**N'000**
Income tax	222,722	-	211,222	-
Minumum tax	61,529	63,760	61,529	63,760
Education Tax	39,336	42,693	35,770	42,693
Police fund Levy	79	84	79	84
Minumum tax	-	6,421	-	6,421
Police fund Levy	-	76	-	76
Deferred tax (Note 20 (i))	-	217,485	-	217,485
	323,666	330,519	308,600	330,519
Information Technology Levy	18,822	16,802	15,805	16,802
Underprovision - Information Technology Levy	-	15,253	-	15,253
	342,488	362,574	324,405	362,574

(c) Profit before tax differs from the theoretical amount that would arise using the basic tax rate as follows:

	N'000	N'000
Profit before income tax	1,580,509	1,680,195
Tax calculated at the corporate tax rate	474,153	504,059
Effect of:		
Effect of other income not exempted from taxation	(3,122,498)	(3,043,624)
Effect of expenses that are not deductible in determining taxation profit	3,169,717	2,971,082
Total loss as per income tax computations	(306,700)	(430,469)
National Information Tech Dev Fund Levy paid	(3,450)	(4,585)
Tertiary education tax	35,770	42,693
Minimum tax	61,529	63,760
Balancing Charge	-	3,537
Effect of Deferred tax	-	217,485
NITDA levy	15,805	16,802
Police Fund Levy	79	84
Underprovision	-	21,750
Total income tax expense in income statement	324,405	362,574
Effective tax rate	0.21	0.22

(i) The tax rate used for the 2024 and 2023 reconciliation above is the corporate tax rate of 30% and 3% for tertiary education tax payable by corporate entities in Nigeria on taxable profits under tax laws in the Country, for the year ended 31 December 2024.

(ii) Tax charge for the year is based on minimum tax determined in accordance with the provisions of Companies Income Tax Act (CITA), CAP C21 LFN 2004 (as amended).

(d) Information Technology Development Levy

The Nigeria Information Technology Development Agency (NITDA) Act was signed into Law on 24 April, 2007. Section 12 (2a) of the Act stipulates that, specified Companies contribute 1% of their profit before tax to the Nigerian Information Technology Development Agency. In line with the Act, the Company has provided for NITDA levy at the specified rate.

	Group	Group	Company	Company
20 Deferred Taxation	**2024**	**2023**	**2024**	**2023**
i) Deferred tax Liabilities	**N'000**	**N'000**	**N'000**	**N'000**
Balance at the beginning of the year	376,242	127,584	376,242	127,584
Charge for the year (Note 19(b))	-	217,485	-	217,485
Assets revaluation reserve (Note 27)	-	31,173	-	31,173
Balance at the end of the year	376,242	376,242	376,242	376,242

As a result of the accelerated rate of capital allowance, the carrying amount of the Company's property, plant, and equipment at the statement of financial position date exceeded their corresponding tax written-down value by N1,260,821,585 (2023: N1,260,821585) resulting in deferred tax liabilities of N378,246,476 (2023: N378,246,476.00) and deferred tax assets of N626,125,914 (2023: N626,125,9140) resulting from capital allowance and fiscal loss. Unrealised foreign exchange gain of N1,431,891,000 reported during the year (2023: N1.431,891,000) resulted in deferred tax liabilities of N465,364,575 (2023: N465,364,575).

	Opening balance as at 1 January 2024	Recognized in net income	Recognized in OCI	Recognised directly in equity	Closing Balance at 31 December 2024
Deferred tax liabilities	N'000	N'000	N'000	N'000	N'000
Defered tax on revaluation surplus on property, plant and equipment	158,757			-	158,757
Difference between carrying value of PPE and TWDV	378,246			-	378,246
Unrealised foreign exchange gains	465,365			-	465,365
Total	1,002,368				1,002,368
Deferred tax assets					
Unutilised capital allowances	(626,126)			-	(626,126)
Fiscal losses C/fwd	-			-	-
Sub total	(626,126)			-	(626,126)
Deferred tax liabilities	376,242	-	-	-	376,242

	Group	Group	Company	Company
21 Share Capital				
Issued and fully paid	**000**	**000**	**000**	**000**
Value				
Ordinary shares of 50k each	N916,793	N916,793	N916,793	N916,793
Number				
Ordinary shares of 50k each	1,833,586	1,833,586	1,833,586	1,833,586

22 Share Premium	**N'000**	**N'000**	**N'000**	**N'000**
Balance at the beginning of the year	3,690,991	940,612	3,690,991	940,612
Transfer on share reconstruction (Note 21)	-	2,750,379	-	2,750,379
Balance at the end of the year	3,690,991	3,690,991	3,690,991	3,690,991

23 **Deposit for shares**	**2024 N'000**	**2023 N'000**
Balance at the beginning of the year	3,500,000	3,500,000
Transfer to share offer account	(3,500,000)	-
Balance at the end of the year	-	3,500,000

The N3.5bn in deposit for shares have been transferred to the share issue account for the allotment of shares to Ibile Holdings . The Company concluded the issuance of 9,250,000,000 units of shares at 50k each in October 2024 by way of private placement. The approval for the shares was received form Security and Exchange Commission on December 31, 2024. The shares were subsequently allotted in January 2025.

24 **Statutory contingency reserve**	**Group 2024 N'000**	**Group 2023 N'000**	**Company 2024 N'000**	**Company 2023 N'000**
Balance at the beginning of the year	3,017,419	2,632,016	3,017,419	2,632,016
Transfer from revenue reserve (Note 25)	551,419	385,403	551,419	385,403
Balance at the end of the year	3,568,838	3,017,419	3,568,838	3,017,419

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.

25 **Retained earnings**	**Group 2024 N'000**	**Group 2023 N'000**	**Company 2024 N'000**	**Company 2023 N'000**
Balance at the beginning of the year	1,558,207	901,027	1,558,207	901,027
Profit for the year	1,539,686	1,317,621	1,256,104	1,317,621
Transfer to contingency reserves (Note 24)	(551,419)	(385,403)	(551,419)	(385,403)
Dividend paid	-	(275,038)	-	(275,038)
Balance at the end of the year	2,546,474	1,558,207	2,262,892	1,558,207

26 **Fair value through other comprehensive income reserve**	**N'000**	**N'000**	**N'000**	**N'000**
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	437,340	437,340	437,340	437,340

(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 2024	Group 2023	Company 2024	Company 2023
27 Asset revaluation reserve	**N'000**	**N'000**	**N'000**	**N'000**
Balance at the beginning of the year	536,820	256,262	536,820	256,262
Accumulated depreciation (Note 13)	22,547	22,525	22,547	22,525
Revaluation surplus (Note 13)	295,200	289,206	295,200	289,206
Revaluation surplus/(loss)	854,567	567,993	854,567	567,993
Transferred to deferred tax (Note 20)	-	(31,173)	-	(31,173)
Balance at the end of the year	854,567	536,820	854,567	536,820

(i) The revaluation surplus was N317 million (2023:N312 million) on property plant and equipment during the year ended 31 December 2024.

29 Insurance revenue

	31st December 2024 N'000				31st December 2023 N'000			
	Contract measured under GMM	Contract measured under PAA		Total	Contract measured under GMM	Contract measured under PAA		Total
	Ind. Life and annuity	Group Life Insurance contract	General buisness ins. contract	**Total**	Ind. life	Group Life Insurance contract	General buisness ins. contract	**Total**
Expected benefits incurred	126,389	8,763,440	13,801,827	22,691,656	117,279	7,900,000	10,497,544	18,514,823
Expected expenses incurred	44,122	-	-	44,122	-	-	-	-
Loss component systematic allocation	(19,167)			(19,167)	-	-	-	-
Changes in risk adjustment	53,910	37,826	-	91,736	(130,546)	-	-	**(130,546)**
CSM recognised for the year	29,364	-	-	29,364	(90,270)	-	-	**(90,270)**
Insurance revenue	**234,618**	**8,801,266**	**13,801,827**	**22,837,711**	(103,537)	**7,900,000**	**10,497,544**	**18,294,007**

		Group 2024	Group 2023	Parent 2024	Parent 2023
30	**Insurance service expenses**	**N'000**	**N'000**	**N'000**	**N'000**
	Insurance service expenses - contracts measured under the PAA (Note 30.1)	21,677,204	14,844,934	**21,677,204**	14,844,934
	Insurance service expenses - contracts measured under the GMM (Note 30.2)	793,634	104,875	793,634	104,875
		22,470,838	14,949,809	22,470,838	**14,949,809**
30.1	***Insurance service expenses from contracts measured under the PAA***	**N'000**	**N'000**	**N'000**	**N'000**
	Incurred claims	10,195,234	6,539,836	10,195,234	6,539,836
	Incurred fulfilment expenses	3,142,147	2,926,804	3,142,147	2,926,804
	Amortisation of acquisition expenses	3,460,721	2,374,383	3,460,721	2,374,383
	Changes in Libilities for incurred claims	2,936,927	2,496,113	2,936,927	2,496,113
	Changes in risk adjustment related to LIC	90,268	-	90,268	-
	other management expenses	1,851,907	507,798	1,851,907	507,798
		21,677,204	**14,844,934**	**21,677,204**	**14,844,934**
30.2	***Insurance service expenses from contracts measured under the - GMM***	**N'000**	**N'000**	**N'000**	**N'000**
	Incurred claims	**138,648**	98,112	138,648	**98,112**
	Incurred fuffilment expenses	**218,429**	45,871	218,429	**45,871**
	Loss component : systematic allocation	**(19,169)**	(76,541)	(19,169)	(76,541)
	Loss component : losses and reversal of losses	**455,726**	23,412	455,726	23,412
	other management expenses	-	14,021	-	14,021
		793,634	104,875	793,634	104,875
31	**Net income or expenses from reinsurance contract held**	**N'000**	**N'000**	**N'000**	**N'000**
	Expected recovery for claims	5,367,530	4,985,227	5,367,530	4,985,227
	Reinsurance RA allocation	(1,299)	164,476	(1,299)	164,476
	Reinsurance CSM allocation	-	-	-	-
	Allocation of reinsurer Insurance Revenue	**5,366,231**	5,149,703	**5,366,231**	**5,149,703**
	Amounts recoverable for claims	(2,592,770)	(2,522,872)	(2,592,770)	(2,522,872)
	changes in BEL related to reinsurance LIC	455,198	218,942	455,198	218,942
	changes in RA related to reinsurance LIC	3,554	-	3,554	-
	Amounts recoverable from reinsurer	(2,134,018)	(2,303,930)	(2,134,018)	(2,303,930)
	Net income or expense from reinsurance contracts held	**3,232,213**	2,845,773	**3,232,213**	**2,845,773**
32	**Insurance Finance income/Expenses**	**N'000**	**N'000**	**N'000**	**N'000**
	Unwind of discount on FCFs: LRC	**174,827**	174,911	**174,827**	**174,911**
	Unwind of discount on FCFs: LIC	**-**	-	**-**	-
	Effect of change in economic assumptions: LRC	**55,693**	(895,640)	**55,693**	-
	Effect of change in economic assumptions: LIC	**(155,093)**	-	**(155,093)**	**(895,640)**
	Interest accretion on CSM	**13,475**	-	**13,475**	**-**
	Effect of change in Discount rate assumptions: LRC	**(94,714)**	(645)	**(94,714)**	**(645)**
	Net Finance expenses from Insurance contract	**(5,812)**	(721,374)	**(5,812)**	(721,374)

		Group 2024	Group 2023	Company 2024	Company 2023
33	Reinsurance Finance Income/Expenses	N'000	N'000	N'000	N'000
	Interest accreted to reinsurance contracts (locked-in rates)	-	-	-	(90,410)
	Impacting of discounting Reinsurance LIC	(16,818)	259,097	(16,818)	259,097
	Change in financial assumptions through OCI	-	-	-	-
	Changes in non-performance risk of reinsurer	-	1,318	-	1,318
	Net foreign exchange income or expense	-	-	-	-
	Net Finance icome from reinsurance contracts	(16,818)	260,415	(16,818)	170,005
34	**Investment Income**	N'000	N'000	N'000	N'000
	Interest revenue calculated using effective interest method (Note 32.1)	2,200,307	725,349	2,075,242	725,349
	Other investment income (Note 32.2)	47,003	73,758	47,003	73,758
		2,247,310	799,107	2,122,245	799,107
34.1	**Interest revenue calculated using effective interest method**	N'000	N'000	N'000	N'000
	Interest from fixed deposit - annuity investments	40,588	37,711	40,588	37,711
	Interest on bonds	207,787	199,089	207,787	199,089
	Interest from statutory deposit	62,816	24,311	62,816	24,311
		311,191	261,111	311,191	261,111
	Interest earned on fixed deposits	1,838,866	464,238	1,713,801	464,238
	Interest earned on treasury bills	50,250	-	50,250	-
		2,200,307	725,349	2,075,242	725,349
34.2	**Other investment income**	N'000	N'000	N'000	N'000
	Dividend income	47,003	75,758	47,003	75,758
34.3	**Investment Income distribution**	N'000	N'000	N'000	N'000
	Attributable to Annuity fund holders	-	55,076	-	55,076
	Attributable to Policy holders	-	401,264	-	401,264
	Attributable to Share holders	1,143,743	342,767	1,018,678	342,767
		1,143,743	799,107	1,018,678	799,107
33	**Fair value gains**				
	Investment properties	N'000	N'000	N'000	N'000
	Fair value gain (Note 9)	3,132,376	126,412	3,062,626	126,412
	Financial assets at fair value through profit or loss:		-	-	
	Fair value gain/(loss) (Note 5.1)	56,646	111,290	56,646	111,290
	Profit on disposal of financial assets	-	-	-	-
		3,189,022	237,702	3,119,272	237,702
34	**Net foreign exchange gain**	N'000	N'000	N'000	N'000
	Exchange gain on foreign currency denominate cash and cash equivalent	1,801,972	527,474	1,801,972	527,474
	Exchange gain on fixed deposits above 90 days	1,488,387	1,842,778	1,438,739	1,842,778
		3,290,359	2,370,252	3,240,711	2,370,252

The foreign exchange gains were a result of the revaluation of the currency in 2024. The Company revalued its deposits and domiciliary account balances hence the exchange gain of N3.2bn (2023: N2.3bn).

		Group 2024	Group 2023	Company 2024	Company 2023
36	**Other Income**	N'000	N'000	N'000	N'000
	Profit on sale of property,plant and equipment (Note 40)	15,299	11,790	15,299	11,790
	Profit from sales of Investment properties	27,600	-	-	
	Facility management fees	95,905	-	-	-
	Rental Income	16,500	15,325	16,500	15,325
	SUBEB funds management fee	-	68,206	-	68,206
	Other sundry income	271,574	95	269,565	95
		426,878	95,416	301,364	95,416
37	**Profit/(loss) on investment contract liabilities**	N'000	N'000	N'000	N'000
	Interest income	11,678	3,698	11,678	3,698
	Commission paid	(7,610)	-	(7,610)	-
	Actuarial adjustment on investment contract liabilities (Note 15)	-	371,194	-	371,194
	Guaranteed interest	-	(4,316)	-	(4,316)
		4,068	370,576	4,068	370,576

		Group	Group	Company	Company
		2024	2023	2024	2023
		N'000	N'000	N'000	N'000
38	**Management Expenses**				
	Employee benefit expenses (Note 38(b))	2,233,481	1,184,862	2,233,481	1,184,862
	Other management expenses (Note 38(c))	739,784	907,133	671,472	907,133
	Directors expenses (Note 40)	559,966	395,484	559,966	395,484
	AGM expenses	42,110	35,105	42,110	35,105
	Auditors' fees	16,500	12,261	16,500	12,261
	Share issued expenses	-	16,975	-	16,975
	Reconstruction expenses	-	1,750	-	1,750
	Insurance levy	243,997	129,690	243,997	129,690
	Amortisation	59,966	32,892	59,966	32,892
	Depreciation	493,627	486,955	493,627	486,955
		4,389,431	3,203,107	4,321,119	3,203,107

a	**Employee benefit expenses**	N'000	N'000	N'000	N'000
	Salaries and Wages	1,897,578	908,148	1,897,578	908,148
	Medical Expenses	54,239	27,886	54,239	27,886
	Staff Training	125,816	87,397	125,816	87,397
	Nigeria Social Insurance Trust Fund & ITF	64,602	44,019	64,602	44,019
	Employers' Pension Contribution	91,246	566,670	91,246	566,670
		2,233,481	1,634,120	2,233,481	1,634,120
	Gratuity (Note 18(a))	-	58,540	-	58,540
		2,233,481	1,692,660	2,233,481	1,692,660
c	**Other Management Expenses**				
	Travelling expenses	51,560	64,474	51,560	64,474
	Asset maintenance	40,733	110,734	40,733	110,734
	Levies and Subscriptions	65,170	56,194	65,170	56,194
	Bank charges	67,450	36,632	41,780	36,632
	Electricity	45,112	75,115	45,112	75,115
	Internet subscrition	74,342	72,667	74,342	72,667
	Advertising/ publicity	52,776	60,209	52,776	60,209
	Office expenses	49,985	33,976	32,790	33,976
	Professional fees	45,112	110,441	45,112	110,441
	Office rent (Note 8(a))	50,963	29,100	50,963	29,100
	Fines and Penalties	11,895	9,086	11,895	9,086
	Insurance of assets	45,890	57,224	45,890	57,224
	Fuelling expenses	101,107	72,883	75,660	72,883
	Others	37,689	118,950	37,689	118,950
		739,784	**907,685**	**671,472**	**907,685**

39	Net impairment (loss)/gain on financial assets	N'000	N'000	N'000	N'000
	(Allowance)/write back of credit losses - Cash (Note 3(b))	9,335	(38,526)	9,335	(38,526)
	(Allowance)/write back of credit losses - Financial assets at amortised cost (Note 4.3(e))	(688)	(4,279)	(688)	(4,279)
	(Allowance)/write back of credit losses - Staff loan (Note 8(d))	(16)	(57)	(16)	(57)
	Allowance of credit losses - other receivables (Note 8(e))	1,055	(364)	1,055	(364)
	Write back of credit losses - other assets (Note 8(e))	-	3,628	-	3,628
		9,686	(39,598)	9,686	(39,598)

40	**Profit on disposal of Property, plant and Equipment**	N'000	N'000	N'000	N'000
	Cost (Note 13)	289,243	97,215	289,243	97,215
	Accumulated depreciation (Note 13)	(222,731)	(97,214)	(222,731)	(97,214)
	Carrying amount	66,512	1	66,512	1
	Sales proceeds	81,811	11,791	81,811	11,791
	Carrying amount (as above)	(66,512)	1	(66,512)	1
		15,299	11,792	15,299	11,792

	Group 2024 N'000	Group 2023 N'000	Company 2024 N'000	Company 2023 N'000
41 **Supplementary profit and loss information**				
(a) Profit before taxation is arrived at after charging:				
Amortisation of intangible asset (Note 12)	59,966	32,892	59,966	32,892
Depreciation of property, plant and equipment (Note 13)	493,627	486,955	493,627	486,955
Auditors' fees (Note 38)	16,500	12,261	16,500	12,261
Directors' expenses (Note 38)	559,966	395,484	559,966	395,484
and after crediting/charging:				
Profit on disposal of property,plant and equipment (Note 40)	15,299	11,792	15,299	11,792
Gain on investment properties (Note 33)	3,062,626	126,412	3,062,626	126,412
Foreign exchange gain (Note 34)	3,240,711	2,370,252	3,240,711	2,370,252

(b) BDO Professional Services was appointed to carry out only the Statutory audit of financial statements of the Company. No non -audit service was carried out during the year

(c) **Staff Costs**

The average number of persons employed (excluding Directors) in the financial year and staff costs were as follows:

	Number	Number	Number	Number
Managerial	34	36	34	36
Senior	90	92	90	92
Junior	14	14	14	14
	138	142	138	142

Employees Remunerated at Higher Rates

The number of employees in receipt of emoluments excluding allowance and pension within the following ranges were:

N - N	Group 2024 Number	Group 2023 Number	Parent 2024 Number	Parent 2023 Number
500,001 - 1,000,000	-			-
1,000,001 - 2,000,000	15	15	15	15
2,000,001 - 3,000,000	23	23	23	23
3,000,001 - 4,000,000	23	23	23	23
4,000,001 - 5,000,000	32	32	32	32
5,000,001 - Above	45	49	45	49
	138	142	138	142

Chairman's and Directors' Emoluments

Aggregate emoluments of the directors were:	N'000	N'000	N'000	N'000
Directors Fees	17,000	17,000	17,000	17,000
Executive compensation	162,560	162,560	162,560	162,560
Other directors expenses	559,966	320,120	559,966	320,120
	739,526	499,680	739,526	499,680

The number of Directors excluding the Chairman whose emoluments were within the following ranges were:

N - N	Number	Number	Number	Number
Below - 10,000,000				-
10,000,001 - 20,000,000	5	5	5	5
20,000,001 and Above	3	3	3	3
	8	8	8	8

The Highest paid Director earned N64million in 2024 (2023:N64m)

42 **Basic/Diluted earnings per ordinary share**

Basic/Diluted earnings per share is calculated by dividing the results attributable to shareholders by the weighted average number of ordinary shares in issue and ranking for dividend.

		N'000	N'000	N'000
Net profit attributable to ordinary shareholders for basic and diluted EPS	₦ 1,539,686	₦ 1,317,621	1,256,104	₦ 1,317,622
Weighted average number of ordinary shares for EPS	1,833,586	1,833,586	1,833,586	1,833,586
Basic Earnings Per Share (kobo)	83.97	71.9	68.5	71.9
Diluted Basic Earnings Per Share (kobo)	83.97	71.9	68.5	71.9

There have been no other transaction involving ordinary shares or potential ordinary shares between the reporting date and date of completion of these financial statements.

Related party disclosures

Related parties include the Board of Directors, the Managing Director, Duputy Managing Director, Finance Director, close family members and companies which are controlled by these individuals

Transactions with key management personnel

The Company's key management personnel and persons connected with them are also considered to be related parties for disclossure purposes. The definition of key management includes close members of family and entity over which control can be exercised. The key management personnel have been identified as the executive directors of the Company. Close members of family are those members who may be expected to influence or be influenced by that individual in their dealings with Lasaco Assurance Plc.

Other related party	Premium N'000	Claims N'000	Relationship
Lagos State Government	2,098,451	1,654,980	Indirect shareholding

		Note	Group 2024 N'000	Group 2023 N'000	Parent 2024 N'000	Parent 2023 N'000
43	**Cash flow from operating activities**					
	Operating profit before tax		1,882,174	1,680,195	1,580,509	1,680,195
	Adjustment for non-operating items:					
	Depreciation - Property, plant & equipment	13	493,627	486,955	493,627	486,955
	Amortisation - Intangible assets	12	59,966	32,892	59,966	32,892
	Write back of expected credit losses	39	9,686	39,598	9,686	39,598
	Guaranteed interest	37	-	4,316	-	4,316
	Actuarial adjustment on investment contract liabilities (Note 15)	37	(792,506)	(371,194)	(792,506)	(371,194)
	(Profit)/loss on disposal of property and equipment	40	(15,299)	(11,790)	(15,299)	(11,790)
	Net foreign exchange gain	34	(3,290,359)	(2,370,252)	(3,240,711)	(2,370,252)
	Fair value gain on investment properties	33	(3,132,376)	(126,412)	(3,062,626)	(126,412)
	Fair value loss/(gian) on quoted investment	33	(56,646)	(111,290)	(56,646)	(111,290)
	Accrued interest capitalised on bonds	5.3(a)	(207,787)	(199,089)	(207,787)	(199,089)
	Interest earned on fixed deposits	4(a)	(1,133,520)	(501,949)	(750,541)	(501,949)
	Interest earned on treasury bills	5.3(d)	(50,250)	-	(50,250)	-
	Dividend income	34.2	(47,003)	(73,758)	(47,003)	(73,758)
	Cash flow before changes in working capital		(6,280,293)	(1,521,778)	(6,079,581)	(1,521,778)
	Changes in operating assets and liabilities					
	Increase in amount due from Insurance Brokers		(411,922)	(35,601)	(411,922)	(35,601)
	Decrease in receivable from Coinsurance companies		(29,380)	127,122	(29,380)	127,122
	(Increase)/decrease in receivable from reinsurance companies		106,928	(320,373)	106,928	(320,373)
	(Increase)/decrease in Reinsurance assets		(1,262,423)	(234,539)	(1,262,423)	(234,539)
	(Increase)/decrease in other receivables and prepayments		(832,865)	(324,177)	(734,300)	(324,177)
	Increase/(decrease in Insurance contract liabilities		4,085,097	1,634,244	4,085,097	1,634,244
	Decrease in investment contract liabilities		787,388	(53,639)	787,388	(53,639)
	(Decrease)/increase in trade payables		1,071,737	(1,085,949)	1,071,737	(1,085,949)
	(Decrease)/increase in other payables		229,538	(389,090)	209,127	(389,090)
	Net cash (outflow)/inflow from operating activities		(2,536,195)	(2,203,780)	(2,257,329)	(2,203,780)
	Tax paid		(94,905)	(83,062)	(94,905)	(83,062)
	Net Cash flow absorbed in operating activities		(2,631,100)	(2,286,842)	(2,352,234)	(2,286,842)

44 **Capital Commitments**

The were no capital commitments at 31 December 2024 (2023: Nil)

45 **Contingent liabilities**

There were no material contingent liabilities as at 31 December 2024 (2023: Nil).

46 **Comparative Figures**

Where necessary, comparative figures have been adjusted to conform with changes in the presentation of the current year financial statements.

47 **Contingencies and commitments**

(a) **Legal Proceedings**

The Company operates in the insurance industry and is subject to legal proceeding in the normal course of business. While it is not practicable to forecast or determine the final results of all pending or threatened legal proceedings, management does not believe that such proceedings (including litigation) will have a material effect on its results and financial position.

(b) **Regulations**

The Company is also subject to insurance solvency regulations in all the territories where it operates and has complied with all these solvency regulations. There are no contingencies associated with the Company's compliance or lack of compliance with such regulations.

Regulators	Description of penalty	Number of times	Year on contravention	Amount of penalty (N)
NGX	Late filling of 2024 audited financial statement	1	2024	8,700,000
Security and exchange commission	Late filling of 2024 audited financial statement	1	2024	2,375,000
National Insurance Commission	Late filling of 1st quarter 2024 returns		2024	820,161

48 **Events after the reporting year**

The company issued 9,250,000,000 ordinary shares of 50k each at N1.20 in October 2024 through a private placement which was fully subscribed. The value ofthe offer was N11,100,000,000.00 . The allotment of the offer was done and approved by Securities and Exchange Commission of 31st December, 2024. The net proceeds of the offer was N10, 823,312,062. This was received by the Company in January 2025.

The new shares alloted were credited to the CSCS statement of all the subcribers in January 2025 when the shares were listed on the Nigerian Stock Exchange.

49 Segment information

The Company is organised into two operating segments. These segments distribute their products through various forms of brokers, agencies and direct marketing programs. These segments and their respective operations are as follows:

Non-Life: This segments covers the protection of customers' assets (particularly their properties, both for personal and commercial business) and indemnification of other parties that have suffered damage as a result of customers' accidents. All contracts in this segment are short-term in nature. Revenue in this segment is derived primarily from insurance premium, investment income, net realized gains on financial assets, and net fair value gains on financial assets at fair value through profit or loss.

Life: This segment covers the protection of the Company's customers against the risk of premature death, disability, critical illness and other accidents. Revenue from this segment is derived primarily from insurance premium,investment income, net realized gains on financial assets and net fair value gains on financial assets at fair value through profit and loss.

49.1 Segment profit or loss and other comprehensive income

	31-Dec-24			31-Dec-23		
	Non-Life N'000	**Life N'000**	**Total N'000**	**Non-Life N'000**	**Life N'000**	**Total N'000**
Insurance revenue	13,801,827	9,035,884	22,837,711	10,497,544	7,796,518	18,294,062
Insurance service expenses	(13,680,201)	(8,790,637)	(22,470,838)	(6,415,825)	(8,533,984)	(14,949,809)
Net expenses from reinsuarnce contract held	(2,683,428)	(548,785)	(3,232,213)	(2,220,278)	(625,495)	(2,845,773)
Insurance service result	**(2,561,802)**	**(303,538)**	**(2,865,340)**	**1,861,441**	**(1,362,961)**	**498,479**
						-
Interest revenue calculated using effective interest method	1,656,300	418,942	2,075,242	442,721	282,628	725,349
Other Investment income	46,992	11	47,003	73,748	10	73,758
Net fair value gain on financial assets at fair value through P or L	3,014,233	105,038	3,119,271	233,298	4,404	237,702
Net impairment loss/gain on financial assets	(8,260)	(1,427)	(9,687)	(3,289)	(36,309)	(39,598)
Profit/(loss) on investment contract liabilities	-	4,068	4,068	-	370,576	370,576
Investment results	**4,709,265**	**526,632**	**5,235,897**	**746,478**	**621,309**	**1,367,787**
Insurance Finance income(expenses)	155,093	(149,281)	5,812	(178,913)	-	(178,913)
Reinsurance Finance income(expnses)	(16,818)	-	(16,818)	-	730,281	730,281
Net foreighn exchange gain	2,068,199	1,172,512	3,240,711	1,431,891	938,361	2,370,252
Net Investment result	6,915,739	1,549,863	8,465,602	1,999,456	2,289,951	4,289,407
Net Insurance and Investment results	**4,353,937**	**1,246,325**	**5,600,262**	**3,860,897**	**926,990**	**4,787,886**
Other operating income	295,997	5,367	301,364	95,381	35	95,416
Operating expenses	(2,700,283)	(1,620,836)	(4,321,119)	(2,377,096)	(826,011)	(3,203,107)
Profit before taxation	**1,949,651**	**(369,144)**	**1,580,507**	**1,579,182**	**101,014**	**1,680,195**
Income tax	(250,664)	(73,740)	(324,404)	(344,503)	(18,071)	(362,574)
Profit after taxation	**1,698,987**	**(442,884)**	**1,256,103**	**1,234,679**	**82,943**	**1,317,621**

49.2 Segment Statement of financial Position	2024 Non-Life	2024 Life	2024 Elimination of Inter Company balances	2024 Total	'2023 Non-Life	'2023 Life	'2023 Elimination of Inter Company balances	'2023 Total
Assets	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**
Cash and cash equivalents	7,075,141	2,528,280	-	9,603,421	7,827,897	885,813	-	8,713,710
Financial Assets:								
- At fair value through profit or loss	379,050	8,630	-	387,680	392,837	5,216	-	398,053
- At amortised cost	1,419,749	335,886	-	1,755,635	1,797,352	2,953,659	-	4,751,011
- At fair value through other comprehensive income	227,342	63,437	-	290,779	227,340	63,437	-	290,777
Trade receivables	646,032	365,012	-	1,011,044	256,591	420,078	-	676,669
Reinsurance contract assets	2,713,341	1,096,222	-	3,809,563	1,669,649	876,192	-	2,545,841
Other receivables and prepayments	1,217,468	4,930,674	(4,877,799)	1,270,343	472,941	2,787,005	(2,723,902)	536,044
Investment property	7,336,000	308,379		7,644,379	4,361,000	206,754		4,567,754
Investment in subsidary	3,000,000	-	(2,000,000)	1,000,000	2,638,310	-	(2,000,000)	638,310
Statutory deposit	320,150	215,000	-	535,150	320,150	215,000	-	535,150
Intangible assets	310,111	-	-	310,111	77,591	-	-	77,591
Property, plant and equipment	3,669,343	139,734	-	3,809,077	3,047,531	192,039	-	3,239,570
Total assets	**28,313,727**	**9,991,254**	**(6,877,799)**	**31,427,182**	**23,089,189**	**8,605,193**	**(4,723,902)**	**26,970,480**
Liabilities and shareholders' equity								
Liabilities								
Insurance contract liabilities	8,751,301	5,083,295	-	13,834,596	5,240,643	4,508,855	-	9,749,498
Investment contract liabilities	-	1,434,165	-	1,434,165	-	646,777	-	646,777
Trade payables	1,483,765	791,053	-	2,274,818	803,196	399,885	-	1,203,081
Other payables and accruals	5,982,236	101,727	(4,877,799)	1,206,164	3,633,343	87,595	(2,723,902)	997,036
Income tax liabilities	397,803	171,973	-	569,776	230,119	110,157	-	340,276
Deferred tax liabilities	360,666	15,576	-	376,242	360,666	15,576	-	376,242
Total liabilities	**16,975,771**	**7,597,789**	**(4,877,799)**	**19,695,761**	**10,267,967**	**5,768,845**	**(2,723,902)**	**13,312,910**
Shareholders' equity								
Share capital	916,793	2,000,000	(2,000,000)	916,793	916,793	2,000,000	(2,000,000)	916,793
Share premium	3,690,991	-	-	3,690,991	3,690,991	-	-	3,690,991
Deposit for shares	-	-	-	-	3,500,000	-	-	3,500,000
Contingency reserves	2,968,866	599,972	-	3,568,838	2,507,734	509,685	-	3,017,419
Retained earnings	2,597,481	(335,888)	-	2,262,891	1,359,627	198,580	-	1,558,207
FVOCI reserves	309,257	128,083	-	437,340	309,257	128,083	-	437,340
Revaluation reserves	854,568	-	-	854,568	536,820	-	-	536,820
Total equity	**11,337,956**	**2,392,167**	**(2,000,000)**	**11,731,421**	**12,821,222**	**2,836,348**	**(2,000,000)**	**13,657,570**
Total liabilities and shareholders' equity	**28,313,727**	**9,989,956**	**(6,877,799)**	**31,427,182**	**23,089,189**	**8,605,193**	**(4,723,902)**	**26,970,480**

50 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 DECEMBER 2024		Life	Annuity	DA	Total		
	N'000	N'000	N'000	N'000		N'000	
COMPANY							
Cash and cash equivalents	4,830,212	2,722,656	527,943	724,565	8,805,376	1,539,655	**10,345,031**
Financial Assets:	-				-		
- At fair value through profit or loss	379,050	8,630	-	-	387,680	-	**387,680**
- At amortised cost	-	247,544	422,071	892,849	1,562,464	193,172	**1,755,636**
- At fair value through other comprehensive income	-	-	-		-	290,777	**290,777**
Investment in Subsidairies							**-**
Trade receivables	646,031	365,012			1,011,043	-	**1,011,043**
Reinsurance assets	2,713,341	1,096,222			3,809,563	-	**3,809,563**
Other receivables and prepayments	-	-			-	1,368,909	**1,368,909**
Investment property	2,900,000	308,379			3,208,379	4,917,000	**8,125,379**
Statutory deposit	-				-	535,150	**535,150**
Intangible assets	-				-	**311,011**	**311,011**
Property, plant and equipment	-				-	3,809,077	**3,809,077**
Total Assets	**11,468,634**	**4,748,443**	**950,014**	**1,617,414**	**18,784,505**	**12,964,751**	**31,749,256**
Liabilities:							
Insurance contract liabilities	8,751,301	4,335,627	747,668	-	13,834,596	-	**13,834,596**
Investment contract liabilities	-	-	-	1,434,165	1,434,165	-	**1,434,165**
Trade payables	-	-	-	-	-	2,274,818	**2,274,818**
Other payables and accruals	-	-	-	-	-	1,226,574	**1,226,574**
Income tax liabilities	-	-	-	-	-	587,859	**587,859**
Deferred tax liabilities	-	-	-	-	-	376,242	**376,242**
Total Liabilities	**8,751,301**	**4,335,627**	**747,668**	**1,434,165**	**15,268,761**	**4,465,493**	**19,734,254**
Related Companies Loans							
Assets Cover	**2,717,333**	**412,816**	**202,346**	**183,249**	**3,515,744**	**8,499,258**	**12,015,002**

51 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 N6,009,505,000.

(c) Capital Adequacy Test

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

	2024	
	N'000	N'000
Shareholders' fund as per Statement of Financial Position		12,015,003
Less:		
Intangible Assets	(311,011)	
Deferred tax liability	(376,242)	
		(687,253)
Capital base		11,327,750

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	2024 N'000	Inadmissible N'000	2024 Admissible N'000	'2023 N'000
ASSETS				
Cash and cash equivalents	9,603,420	-	9,603,420	8,713,710
Financial assets				
-FVTPL	387,680	-	387,680	398,053
-FVOCI	290,777	-	290,777	290,777
-Amortised Cost	1,755,636	-	1,755,636	4,751,011
Trade receivables	1,011,043	-	1,011,043	676,669
Reinsurance contract assets	3,809,563	-	3,809,563	2,545,841
Other receivables	1,270,344	(1,171,640)	98,704	119,008
Investment in subsidiaries	1,000,000	-	1,000,000	638,310
Investment in properties	7,644,379	(2,772,179)	4,872,200	1,666,666
Statutory deposit	535,150	-	535,150	535,150
Property, plant and equipment	3,809,077	(2,154,339)	1,654,738	1,380,431
Intangible assets	310,111	-	310,111	77,591
Admissible assets	31,427,180	(6,098,158)	25,329,022	21,793,217
LIABILITIES				
Insurance contract liabilities	13,834,595	-	13,834,595	9,749,498
Investment contract liabilities	1,434,165	-	1,434,165	646,777
Trade payables	2,274,818	-	2,274,818	1,203,081
Other payables and accruals	1,206,163	-	1,206,163	997,036
Income tax liabilities	569,776	-	569,776	340,276
Deferred tax liabilities	376,242	(376,242)	-	-
Admissible liabilities	19,695,759	(376,242)	19,319,517	12,936,668
Solvency margin			6,009,505	8,856,549
Minimum share capital			5,000,000	5,000,000
Surplus in solvency margin			1,009,505	3,856,549
Percentage of solvency			120%	177%

The Company's capital requirement ratio and Solvency margin is above the requirements of the Insurance Act CAP I17, LFN 2004.

52 Financial Risk Management

Credit risk

The Company is exposed to the following categories of credit risk:

Direct Default Risk – the risk of non- receipt of the cash flows or assets to which it is entitled because brokers, clients and other debtors default on their obligations.

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

Counterparty Risk – this is the risk that a counterparty is not able or willing to meet its financial obligations as they fall due.

The Company therefore ensures the establishment of principles, policies and processes and structure for the management of credit risk.

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

The credit risk management governance structure comprises the board of Directors, Executive Risk Management ERM Committee, management risk committee, technical operations department, risk management department and the internal audit department.

The Board risk Committee has the responsibility of ensuring that an appropriate, adequate and effective system of risk management and internal control which addresses credit control is established and maintained.

RISK MANAGEMENT FRAMEWORK

The Credit Risk Management process involves the identification, measurement, mitigation and control, monitoring and reporting credit risk.

The credit control unit identifies the credit risk by, amongst other functions assessing/evaluating the repayment capacity of clients/counterparties, credit policyholders, insurance brokers, etc. The evaluation entails the analysis of counterparties’ financial statements cash flow, management experience and other client risk factors.

An internal credit rating scale is in place to measure the counterparty credit risk. All clients and counterparties that are to be granted credit shall be rated using the Company’s risk-rating model.

The risk model comprises:

Client/counterparty risk rating: This evaluates a client's ability to meet its credit obligations, through analysis of its financial statements, cash flow statement, management capabilities and other client related risk factors.

Transaction risk rating: This defines the risk of a specific credit line by overlaying the counterparty risk rating with an analysis of factors such as credit structure and collaterals (e.g. guarantees, and equitable and legal mortgages).

The following risk mitigation and control activities are in place to effectively manage exposures to default risk: client evaluation, credit analysis, credit limit setting, credit approval, Security management and provision for impairment.

The quality and performance of credit portfolios is monitored to identify early signs of decline in credit quality. Such activities include the review of ageing report, credit portfolio quality and delinquency management.

A Company credit risk policy which sets out the assessment and determination of what constitutes credit risk for the Company. Compliance with the policy is monitored and exposures and breaches are reported to the Company risk committee. The policy is regularly reviewed for pertinence and for changes in the risk environment.

Net exposure limits are set for each counterparty or Company of counterparties, geographical and industry (i.e., limits are set for investments and cash deposits).

Reinsurance is placed with counterparties that have a good credit rating and concentration of risk is avoided by following policy guidelines in respect of counterparties' limits that are set each year by the board of directors and are subject to regular reviews. At each reporting date, management performs an assessment of creditworthiness of reinsurers and updates the reinsurance purchase strategy, ascertaining suitable allowance
for impairment.

The Company sets the maximum amounts and limits that may be advanced to corporate counterparties by reference to their long–term credit ratings.

The credit risk in respect of customer balances incurred on non–payment of premiums or contributions will only persist during the grace period specified in the policy document or trust deed until expiry, when the policy is either paid up or terminated. Commission paid to intermediaries is netted off against amounts receivable from them to reduce the risk of doubtful debts.

Impairment assessment (Policy applicable from 1 January 2018)
The Company's ECL assessment and measurement method is set out below.
Significant increase in credit risk, default and cure

Financial Risk Management continued

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

The Company's process to assess changes in credit risk is multi-factor and has three main elements (or 'pillars'):
• quantitative element (i.e. reflecting a quantitative comparison of PD at the reporting date and PD at initial recognition);
• a qualitative element; and
• 'backstop' indicators

Quantitative elements

The quantitative element is the primary indicator of significant increases in credit risk, with the qualitative element playing a secondary role. The quantitative element is calculated based on the change in lifetime PDs by comparing:
• the remaining lifetime PD as at the reporting date; with
• the remaining lifetime PD for this point in time that was estimated based on facts and circumstances at the time of initial recognition of the exposure (adjusted where relevant for changes in prepayment expectations)

Definition of default

A default is considered to have occurred with regard to a particular obligor when either or both of the two following events have taken place.

• The Company considers that the obligor is unlikely to pay its credit obligations to the Company in full, without recourse by the insurer to actions such as realising security (if held).

• The obligor is past due more than 90 days on any material credit obligation to the Company.

The elements to be taken as indications of unlikeliness to pay include:

Qualitative elements

In general, qualitative factors that are indicative of an increase in credit risk are reflected in PD models on a timely basis and thus are included in the quantitative assessment and not in a separate qualitative assessment. However, if it is not possible to include all current information about such qualitative factors in the quantitative assessment, they are considered separately in a qualitative assessment as to whether there has been a significant increase in credit risk. If there are qualitative factors that indicate an increase in credit risk that have not been included in the calculation of PDs used in the quantitative assessment, the Company recalibrates the PD or otherwise adjusts its estimate when calculating ECLs.

Backstop indicators

Instruments which are more than 30 days past due or have been granted forbearance are generally regarded as having significantly increased in credit risk and may be credit-impaired. There is a rebuttable presumption that the credit risk has increased significantly if contractual payments are more than 30 days past due; this presumption is applied unless the Company has reasonable and supportable information demonstrating that the credit risk has not increased significantly since initial recognition.

Expected credit losses

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

Amounts arising from ECL

Inputs, assumptions and techniques used for estimating impairment.

When determining whether the credit risk (i.e. Risk of default) on a financial instrument has increased significantly since initial recognition, the Company considers reasonable and supportable information that is relevant and available without undue cost of effort, This includes both qualitative and quantitative information analysis based on the Company's experience, expert credit assessment and forward looking information. The Company primarily identifies whether a significant increase in credit risk has occurred for an exposure by using days past due and assessing other information obtained externally.

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

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

The Company has assumed that the credit risk of a financial asset has not increased significantly since the initial recognition if the financial asset has low credit risk at reporting date. The Company considers a financial asset to have low credit risk when its credit risk rating is equivalent to the globally understood definition of "investment grade".

Financial Risk Management continued

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

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

Modified financial assets

The contractual terms of a financial asset may be modified for a number of reasons, including changing market conditions and other factors not related to a current or potential credit deterioration of the borrower. An existing financial asset whose terms have been modified may be derecognized and the renegotiated asset recognized as a new financial asset at fair value in accordance with the accounting policies. When the terms of a financial asset are modified and the modification does not result in derecognition, the determination of whether the asset’s credit risk has increased significantly reflects a comparison of:
- Its risk of default occuring at the reporting date based on the modified term; with
- The risk of default occuring estimated based on data on initial recognition and the original contractual terms.

53 Analysis of inputs to the ECL model under multiple economic scenarios

An overview of the approach to estimating ECLs is set out in Note 1.4 Significant accounting judgements, estimates and assumptions. To ensure completeness and accuracy, the Company obtains the data used from third party sources (Central Bank of Nigeria, Trading Economies). The following tables set out the key drivers of expected loss and the assumptions used for the Company's base case estimate, ECLs based on the base case, plus the effect of the use of multiple economic scenarios as at 31 December 2023 and 31 December 2024.

The tables show the values of the key forward looking economic variables/assumptions used in each of the economic scenarios for the ECL calculations. The figures for "Subsequent years" represent a long-term average and so are the same for each scenario.

Key drivers	ECL scenario	Assigned probability	2023	2024	2025	2026
31-Dec-23						
Inflation Rate	**Upturn**	81%	38.05	39.1	40.26	39.4
	Base-case	77%	42.65	42.5	43.63	42.88
	Downturn	9%	44.2	45.63	46.76	45.97
Unemployment Rate	**Upturn**	10%	31.56	31	32	38
	Base-case	81%	34	34.2	34.75	37.94
	Downturn	9%	33.17	34.75	36.08	33.23
Crude oil Price (USD per barrel)	**Upturn**	10%	58.78	63.59	65.93	65.93
	Base-case	81%	54.76	60.16	62.5	62.5
	Downturn	9%	53.45	54.95	57.3	57.3

01-Jan-24	**ECL scenario**	**Assigned probability**	**2022**	**2023**	**2024**	**2025**
Inflation Rate	**Upturn**	10%	16.1	15.8	15.76	15.77
	Base-case	77%	12.25	10	11	10.85
	Downturn	13%	12.12	10.79	11.79	11.64
Unemployment Rate	**Upturn**	10%	31.5	30.98	30.98	30.98
	Base-case	77%	33	33	33	33
	Downturn	13%	33.23	33.23	33.23	33.23
Crude oil Price (USD per barrel)	**Upturn**	10%	58.45	59.68	65.93	65.93
	Base-case	77%	55.17	56.25	62.5	62.5
	Downturn	13%	50.78	51.05	57.3	57.3

The following tables outline the impact of multiple scenarios on the allowance:

31 December 2024 **In thousand of Nigerian Naira**		Cash and cash equivalents	Debt Instruments at amortised cost	Other receivables
Upside	10%	6,278	2,115	827
Base	80%	32,458	19,442	450
Downside	11%	4,140	3,258	64
Total		42,876	24,815	1,341

1 January 2024 **In thousand of Nigerian Naira**	Cash and cash equivalents	Debt Instruments at amortised cost	Other receivables
Upside	4,215	1,876	74
Base	28,754	18,665	328
Downside	3,458	2,170	75
Total	36,427	22,711	477

Exposure to credit risk

The tables below show the maximum exposure to credit risk by class of financial assets.

In thousand of Nigerian Naira	Note	**2024**	**2023**
Cash and cash equivalents	4	10,345,031	8,713,710
Debt instrument at amortised cost	5.3	1,755,636	4,751,011
Other receivable(excluding prepayment)	8	1,223,816	412,178
Carrying amount		13,324,483	13,876,899

The amount reported above is gross exposure recognised on cash and cash equivalents, debt instruments at amortised cost and other receivables.
Other receivables excluding prepayment N1.2bn (2023:N412million) out of which N30 million relate to deposit for land as these are not financial instruments.

In measuring credit risk of other receivables to various counterparties, the Company considers the character and capacity of the obligor to pay or meet contractual obligations, current exposures to the counter party/obligor and its likely future developments, credit history of the counterparty/obligor; and the likely recovery ratio in case of default obligations. The Company’s policy is to lend principally on the basis of staff’s repayment capacity through quantitative and qualitative evaluation.

Analysis of risk Concentration
The Company's concentrations of risk are managed by client/counterparty, and industry sector. The maximum credit exposure to any client or counterparty as of 31 December 2024 was N10.3bn (2023: N5.20 Billion).

The following table shows the risk concentration by industry for the components of the statement of financial position.

Industry analysis

31 December 2024 In thousand of Nigerian Naira	**Financial services**	**Government**	**Others**	**Total**
Cash and cash equivalents	10,345,031	-	-	10,345,031
Debt instruments at amortised cost	-	1,755,636	-	1,755,636
Other receivable(excluding prepayment)	-	-	1,223,816	1,223,816
	10,345,031	1,755,636	1,223,816	13,324,483

31 December 2023 In thousand of Nigerian Naira	**Financial services**	**Government**	**Others**	**Total**
Cash and cash equivalents	8,713,710	-	-	8,713,710
Debt instruments at amortised cost	2,386,310	2,364,701	-	4,751,011
Other receivable(excluding prepayment)	-	-	412,178	412,178
	11,100,020	2,364,701	412,178	13,876,899

54 RISK MANAGEMENT FRAMEWORK

The operations of the Company are subject to regulatory requirements within Nigeria. Such regulations not only prescribe approval and monitoring of activities, but also impose certain restrictive reserves (e.g., contingency reserve, limits on recognition of revaluation reserves for solvency purposes and distribution to shareholders of actuarial surpluses) to minimise the risk of default and insolvency on the part of insurance companies and to meet unforeseen liabilities as they arise.

The principal technique of the Company's Assets and Liabilities matching ALM is to match assets to the liabilities arising from insurance and investment contracts by reference to the type of benefits payable to contract holders. For each distinct category of liabilities, a separate portfolio of assets is maintained.

The Company's ALM is integrated with the management of the financial risks associated with the Company's other financial assets and liabilities not directly associated with insurance and investment liabilities. An integral part of the insurance risk management policy is to ensure, in each year, sufficient cash flow is available to meet liabilities arising from insurance and investment contracts.

Insurance Risk
The principal risk the Company faces under insurance contracts is that the actual claims and benefit payments or the timing thereof, differ from expectations. This is influenced by the frequency of claims, severity of claims, actual benefits paid and subsequent development of long-term claims. Therefore, the objective of the Company is to ensure that sufficient reserves are available to cover these liabilities.

The risk exposure is mitigated by diversification across a large portfolio of insurance contracts and geographical areas. The variability of risks is also improved by careful selection and implementation of underwriting strategy guidelines, as well as the use of reinsurance arrangements.

The Company purchases reinsurance as part of its risks mitigation programme. Reinsurance ceded is placed on both a proportional and non-proportional basis. The majority of proportional reinsurance is quota-share reinsurance which is taken out to reduce the overall exposure of the Company to certain classes of business. Non-proportional reinsurance is primarily excess-of-loss reinsurance designed to mitigate the Company's net exposure to catastrophe losses. Retention limits for the excess-of-loss reinsurance vary by product line and territory.

Amounts recoverable from reinsurers are estimated in a manner consistent with the outstanding claims provision and are in accordance with the reinsurance contracts. Although the Company has reinsurance arrangements, it is not relieved of its direct obligations to its policyholders and thus a credit exposure exists with respect to ceded insurance, to the extent that any reinsurer is unable to meet obligations assumed under such reinsurance agreements. The Company's placement of reinsurance is diversified such that it is neither dependent on a single reinsurer nor are the operations of the Company substantially dependent upon any single reinsurance contract. The Company's retention limit is presently =N=10million on any one life (Subject to change from time to time).

Underwriting risk appetite is defined based on underwriting objectives, business acceptance guidelines, retention guidelines, net retention capacity, annual treaty capacity, regulatory guidelines, other operational considerations and the judgement of the board and senior management.

Each year, as part of the planning process, the Executive Risk Management (ERM) committee and senior management review the underwriting strategy of core insurance businesses taking into account profit, growth and risk appetite considerations. The review is carried out for each major class of business and approved by the committee.

55 RISK MANAGEMENT FRAMEWORK

Life Insurance Contracts

Life insurance contracts offered by the Company include: whole life and term assurance; Whole life and term assurance are conventional regular premium products whereas lump sum benefits are payable in the event of death or permanent disability.

Death benefits of endowment products are subject to a guaranteed minimum amount. The maturity value usually depends on the investment performance of the underlying assets.

Mortality risk – risk of loss arising due to policyholders' death experience being different from expected;
Morbidity risk – risk of loss arising due to policyholder health experience being different from expected;
Longevity risk – risk of loss arising due to the annuitant living longer from expected;
Investment return risk – risk of loss arising from actual returns being different from expected;
Expense risk – risk of loss arising from expense experience being different from expected
Policyholder decision risk – risk of loss arising due to policyholder experiences (lapses and surrenders) being different from expected.

These risks do not vary significantly in relation to the location of the risk insured by the Company, type of risk insured or by industry.

The Company's underwriting strategy is designed to ensure that risks are well diversified in terms of type of risk and level of insured benefits. This is largely achieved through diversification across industry sectors and geography, the use of medical screening in order to ensure that pricing takes account of current health conditions and family medical history, regular review of actual claims experience and product pricing, as well as detailed claims handling procedures. Underwriting limits are in place to enforce appropriate risk selection criteria. For example, the Company has the right not to renew individual policies, it can impose deductibles and it has the right to reject the payment of fraudulent claims. Insurance contracts also entitle the Company to pursue third parties for payment of some or all costs. The Company further enforces a policy of actively managing and promptly pursuing claims, in order to reduce its exposure to unpredictable future developments that can negatively impact the Company.

For contracts when death or disability is the insured risk, the significant factors that could increase the overall frequency of claims are epidemics, widespread changes in lifestyle and natural disasters, resulting in earlier or more claims than expected. Company's wide reinsurance limit of N10,000,000 (ten million naira) on any single life insured is in place.

The insurance risk described above is also affected by the contract holder's right to pay reduced premiums or no future premiums, to terminate the contract completely or to exercise guaranteed annuity options. As a result, the amount of insurance risk is also subject to contract holders' behaviour.

Key Assumptions

Material judgment is required in determining the liabilities and in the choice of assumptions. Assumptions in use are based on past experience, current internal data, external market indices and benchmarks which reflect current observable market prices and other published information. Assumptions and prudent estimates are determined at the date of valuation and no credit is taken for possible beneficial effects of voluntary withdrawals. Assumptions are further evaluated on a continuous basis in order to ensure realistic and reasonable valuations.

The key assumptions to which the estimation of liabilities is particularly sensitive are as follows:

Mortality and morbidity rates

- Assumptions are based on standard industry and national tables, according to the type of contract written and the territory in which the insured person resides. They reflect recent historical experience and are adjusted when appropriate to reflect the Company's own experiences. An appropriate, but not excessive, prudent allowance is made for expected future improvements. Assumptions are differentiated by sex, underwriting class and contract type.

- An increase in rates will lead to a larger number of claims (and claims could occur sooner than anticipated), which will increase the expenditure and reduce profits for the shareholders.

Longevity

Assumptions are based on standard industry and national tables, adjusted when appropriate to reflect the Company's own risk experience. An appropriate but not excessive prudent allowance is made for expected future improvements. Assumptions are differentiated by sex, underwriting class and contract type.

An increase in longevity rates will lead to an increase in the number of annuity payments made, which will increase the expenditure and reduce profits for the shareholders.

- **Investment return**

  The weighted average rate of return is derived based on a model portfolio that assumed to back liabilities, consistent with the long-term asset allocation strategy. These estimates are based on current market returns as well as expectations about future economic and financial developments.

  An increase in investment return would lead to a reduction in expenditure and an increase in profits for the shareholders.

- **Expenses**

  Operating expenses assumptions reflect the projected costs of maintaining and servicing in-force policies and associated overhead expenses. The current level of expenses is taken as an appropriate expense base, adjusted for expected expense inflation if appropriate.

  An increase in the level of expenses would result in an increase in expenditure thereby reducing profits for the shareholders.

- **Lapse and surrender rates**

  Lapses relate to the termination of policies due to non-payment of premiums. Surrenders relate to the voluntary termination of policies by policyholders. Policy termination assumptions are determined using statistical measures based on the Company's experience and vary by product type, policy duration and sales trends. An increase in lapse rates early in the life of the policy would tend to reduce profits for shareholders, but later increases are broadly neutral in effect.

Life insurance liabilities are determined as the sum of the discounted value of the expected benefits and future administration expenses directly related to the contract, less the discounted value of the expected theoretical premiums that would be required to meet these future cash outflows. Discount rates are based on current industry risk rates, adjusted for the Company's own risk exposure.

A decrease in the discount rate will increase the value of the insurance liability and therefore reduce profits for the shareholders.

Non-life insurance contracts (which comprise general insurance)

The Company principally issues the following types of general insurance contracts: motor, fire, marine and aviation, Oil and Gas, General Accidents, bonds etc.
Risks under non-life insurance policies usually cover twelve months duration.

For general insurance contracts, the most significant risks arise from climate changes, natural disasters and terrorist activities. For longer term claims that take some years to settle, there is also inflation risk. For healthcare contracts the most significant risks arise from lifestyle changes, epidemics and medical science and technology improvements.

These risks do not vary significantly in relation to the location of the risk insured by the Company, type of risk insured and by industry.

The above risk exposure is mitigated by diversification across a large portfolio of insurance contracts and geographical areas. The variability of risks is improved by careful selection and implementation of underwriting strategies, which are designed to ensure that risks are diversified in terms of type of risk and level of insured benefits. This is largely achieved through diversification across industry sectors and geography.

Furthermore, strict claim review policies to assess all new and ongoing claims, regular detailed review of claims handling procedures and frequent investigation of possible fraudulent claims are all policies and procedures put in place to reduce the risk exposure of the Company. The Company further enforces a policy of actively managing and promptly pursuing claims, in order to reduce its exposure to unpredictable future developments that can negatively impact the business. Inflation risk is mitigated by taking expected inflation into account when estimating insurance contract liabilities.

The Company has also limited its exposure by imposing maximum claim amounts on certain contracts as well as the use of reinsurance arrangements in order to limit exposure to catastrophic events (e.g., flood damage)

The purpose of these underwriting and reinsurance strategies is to limit exposure to catastrophies based on the Company's risk appetite as decided by the Board. The overall aim is currently to restrict the impact of a single catastrophic event to approximately 40% of shareholders' equity on a gross basis and 10% on a net basis. In the event of such a catastrophe, counterparty exposure to a single reinsurer is estimated not to exceed 2% of shareholders' equity. The Board may decide to increase or decrease the maximum tolerances based on market conditions and other factors.

TABLE 1

The table below sets out the concentration of non-life insurance contract liabilities by type of contract:

	31-Dec-24			31-Dec-23		
	Gross Insurance contract liabilities	Reinsurance Contract liabilities	Net Insurance contract liabilities	Gross Insurance contract liabilities	Reinsurance Contract liabilities	Net Insurance Contract liabilities
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Motor	771,663	27,539	744,124	973,930	69,724	904,206
Fire	1,490,548	677,899	812,649	1,056,090	491,751	564,339
General accident	1,135,057	426,736	708,321	900,788	374,238	526,550
Marine	818,614	402,396	416,218	588,543	207,771	380,772
Aviation	308,303	73,026	235,277	-	-	-
Engineering	1,366,523	416,643	949,880	734,835	204,555	530,280
Bond	694,376	303,109	391,267	306,998	138,446	168,552
Oil and gas	2,166,218	385,996	1,780,222	679,458	183,161	496,297
Total	**8,751,302**	**2,713,344**	**6,037,958**	**5,240,642**	**1,669,646**	**3,570,996**

Key assumptions

The principal assumption underlying the liability estimates is that the Company's future claims development will follow a similar pattern to past claims development experience. This includes assumptions in respect of average claim costs, claim handling costs, claim inflation factors and claim numbers for each accident year. Additional qualitative judgments are used to assess the extent to which past trends may not apply in the future, for example: one-off occurrence, changes in market factors such as public attitude to claiming, economic conditions, as well as internal factors such as portfolio mix, policy conditions and claims handling procedures.

Judgment is further used to assess the extent to which external factors such as judicial decisions and government legislation affect the estimates. Other key circumstances affecting the reliability of assumptions include variation in interest rates, delays in settlement.

Sensitivities

The non-life insurance claim liabilities are sensitive to the key assumptions that follow. It has not been possible to quantify the sensitivity of certain assumptions such as legislative changes or uncertainty in the estimation process.

The following analysis is performed for reasonably possible movements in key assumptions with all other assumptions held constant, showing the impact on gross and net liabilities, profit before tax and equity. The correlation of assumptions will have a significant effect in determining the ultimate claims liabilities, but to demonstrate the impact due to changes in assumptions, assumptions had to be changed on an individual basis. It should be noted that movements in these assumptions are non-linear.

Claims development table

The following tables show the estimates of cumulative incurred claims, including both claims notified and incurred but not reported IBNR for each successive accident year at each reporting date, together with cumulative payments to date.

Incremental Chain Ladder (Table of claims paid (Attritional and Large Loss))

General Accident

	Incremental Chain ladder-Yearly Projections (₦'000)											
Accident year	1	2	3	4	5	6	7	8	9	10	11	12
2008	26,739	39,289	13,122	8,205	1,452	335	121	-	309	-	-	-
2009	7,682	29,806	12,565	16,820	3,025	331	949	359	-	-	-	-
2010	40,837	32,063	24,121	4,326	4,198	3,937	1,098	-	-	11	-	-
2011	7,543	61,235	9,051	1,742	1,521	2,359	323	524	-	12	-	-
2012	14,973	30,804	12,670	5,089	5,418	93	745	8	-	-	-	-
2013	16,660	21,748	13,072	6,160	2,221	4,378	2,823	472	429	5	-	-
2014	12,094	30,515	11,509	9,175	1,164	1,327	1	1	-	-	-	-
2015	15,366	22,666	5,873	4,693	860	93	1	-	-	-	-	-
2016	26,889	32,477	9,155	754	9,176	1,082	365	20	-	-	-	-
2017	33,231	46,992	14,626	66,043	26,776	14	-	-	-	-	-	-
2018	62,923	35,907	84,910	51,303	4,505	322	-	-	-	-	-	-
2019	50,075	148,160	26,803	5,925	1,124	-	-	-	-	-	-	-
2020	75,391	81,950	18,509	6,239	-	-	-	-	-	-	-	-
2021	74,116	55,264	10,106	-	-	-	-	-	-	-	-	-
2022	70,141	54,226	-	-	-	-	-	-	-	-	-	-
2023	97,225	-	-	-	-	-	-	-	-	-	-	-

Fire

	Incremental Chain ladder-Yearly Projections (₦'000)											
Accident year	1	2	3	4	5	6	7	8	9	10	11	12
2008	18,226	22,885	4,198	30	120	-	-	-	-	-	-	-
2009	371	2,426	2,254	-	-	-	-	-	-	-	-	-
2010	20,216	3,804	6,026	-	-	-	-	-	-	-	-	-
2011	3,068	7,547	22,065	643	-	32	-	-	-	-	-	-
2012	3,271	81,229	26,436	-	8	-	-	-	-	-	-	-
2013	66,259	36,758	20,556	7,027	65	-	-	-	-	-	-	-
2014	3,800	27,094	18,987	3,372	123	-	-	-	-	-	-	-
2015	11,748	65,749	347	-	-	-	-	-	-	-	-	-
2016	28,566	7,249	900	1,150	12	-	-	-	-	-	-	-
2017	19,369	14,333	1,024	1,029	-	95	-	-	-	-	-	-
2018	20,856	7,272	3,523	457	819	-	-	-	-	-	-	-
2019	54,521	47,904	43,036	2,186	46	-	-	-	-	-	-	-
2020	56,014	215,430	37,984	9,839	-	-	-	-	-	-	-	-
2021	75,112	87,239	15,756	-	-	-	-	-	-	-	-	-
2022	183,641	117,588	-	-	-	-	-	-	-	-	-	-
2023	133,218	-	-	-	-	-	-	-	-	-	-	-

Motor

	Incremental Chain ladder-Yearly Projections (₦'000)											
Accident year	1	2	3	4	5	6	7	8	9	10	11	12
2008	78,282	52,822	8,191	-	-	-	-	-	-	-	-	-
2009	47,015	52,572	4,282	9	-	-	-	-	-	-	-	-
2010	49,041	34,345	1,025	-	-	-	-	-	-	-	-	-
2011	58,021	15,494	3,012	-	-	20	-	-	-	-	-	-
2012	31,476	37,076	38	-	20	-	-	-	-	-	-	-
2013	41,757	15,497	1,642	1,011	826	2,777	-	-	-	-	-	-
2014	43,931	18,096	980	320	-	-	-	-	-	-	-	-
2015	34,555	5,959	237	-	455	-	-	-	-	-	-	-
2016	39,626	11,485	314	-	-	-	-	-	-	-	-	-
2017	65,120	20,244	-	-	-	73	-	-	-	-	-	-
2018	69,063	25,872	342	-	55	249	-	-	-	-	-	-
2019	66,606	18,957	899	1,690	227	-	-	-	-	-	-	-
2020	66,596	30,302	5,189	2,692	-	-	-	-	-	-	-	-
2021	90,738	76,031	10,766	-	-	-	-	-	-	-	-	-
2022	135,369	89,703	-	-	-	-	-	-	-	-	-	-
2023	181,440	-	-	-	-	-	-	-	-	-	-	-

Oil & Gas

Expected Loss Ratio Method Table

Gross Earned Premium (N' 000)	Gross Earned Premium (N' 000)	Gross Earned Premium (N' 000)	at 31 December 2023 (N'000)	Discounted	receivable(excluding prepayment)	creditors include the following:	Paye-As-You-Earn (PAYE)	National Housing Fund
2008	1,840	596	-	596	32%	32%	596	-
2009	205	19,323	-	19,323	9429%	9429%	19,323	-
2010	511,507	280,832	9,978	290,810	57%	57%	290,810	9,978
2011	942,027	551,493	410	551,903	59%	59%	551,903	410
2012	1,257,612	467,604	1,229	468,834	37%	37%	468,834	1,229
2013	2,045,285	129,670	6,569	136,239	7%	7%	136,239	6,569
2014	1,266,128	44,567	70,276	114,843	9%	9%	114,843	70,276
2015	2,401,711	10,529	47,481	58,010	2%	2%	58,010	47,481
2016	1,949,639	676,263	11,734	687,997	35%	35%	687,997	11,734
2017	2,213,034	1,494,950	12,802	1,507,752	68%	68%	1,508,858	13,909
2018	2,509,444	574,253	12,254	586,507	23%	24%	599,054	24,801
2019	1,854,728	59,488	1,434	60,922	3%	4%	79,470	19,981
2020	1,494,696	10,027	-	10,027	1%	2%	32,447	22,420
2021	1,226,608	11,365	300	11,665	1%	3%	39,963	28,598
2022	1,242,332	32,431	492	32,923	3%	5%	66,563	34,132
2023	1,375,259	16,610	14,837	31,447	2%	8%	104,232	87,622
Total			**1,065,036**					**379,141**
							Discounted	**333,589**

Engineering

Expected Loss Ratio Method Table

Gross Earned Premium (N' 000)	Gross Earned Premium (N' 000)	Gross Earned Premium (N' 000)	at 31 December 2023 (N'000)	Discounted	receivable(excluding prepayment)	creditors include the following:	Paye-As-You-Earn (PAYE)	National Housing Fund
2008	25,746	-	-	-	0%	0%	-	-
2009	27,818	12,762	-	12,762	46%	46%	12,762	-
2010	55,856	375	-	375	1%	1%	375	-
2011	89,959	633	64	697	1%	1%	697	64
2012	82,083	1,885	50	1,935	2%	2%	1,935	50
2013	120,852	8,596	359	8,955	7%	7%	8,955	359
2014	96,181	64,871	1,037	65,909	69%	69%	65,909	1,037
2015	120,525	7,602	211	7,813	6%	6%	7,813	211
2016	90,738	14,469	294	14,762	16%	16%	14,762	294
2017	182,828	41,306	1,705	43,011	24%	24%	43,011	1,705
2018	277,618	47,242	670	47,912	17%	17%	47,912	670
2019	260,549	133,743	35,358	169,101	65%	65%	170,404	36,661
2020	405,738	499,228	300	499,528	123%	124%	503,585	4,357
2021	474,989	67,126	167	67,293	14%	16%	77,277	10,152
2022	607,284	226,255	15,970	242,225	40%	44%	268,502	42,247
2023	908,886	38,174	75,835	114,009	13%	24%	213,653	175,479
Total			**5,200**					**273,285**
							Discounted	**238,296**

Bond

Expected Loss Ratio Method Table

Gross Earned Premium (N' 000)	Gross Earned Premium (N' 000)	Gross Earned Premium (N' 000)	Total O/s as at 31st December 2023 (N'000)	Discounted	Other receivable(excluding prepayment)	Other creditors include the following:	Paye-As-You-Earn (PAYE)	National Housing Fund
2008	0	-	-	-			-	-
2009	0	-	-	-			-	-
2010	0	-	-	-			-	-
2011	101,429	-	-	-	0%	0%	-	-
2012	107,035	3,546	-	3,546	3%	3%	3,546	-
2013	178,832	27,913	100	28,013	16%	16%	28,013	100
2014	107,922	-	-	-	0%	0%	-	-
2015	75,570	-	100	100	0%	0%	100	100
2016	94,924	-	-	-	0%	0%	-	-
2017	143,416	-	-	-	0%	0%	-	-
2018	285,542	-	-	-	0%	0%	-	-
2019	245,178	-	5,000	5,000	2%	2%	5,000	5,000
2020	196,067	29,658	-	29,658	15%	15%	29,658	(4)
2021	387,954	-	-	-	0%	0%	-	-
2022	518,863	-	-	-	0%	3%	12,972	12,972
2023	520,717	-	-	-	0%	6%	29,795	29,795
Total			5,200					47,966
							Discounted	45,424

Marine

Expected Loss Ratio Method Table

Gross Earned Premium (N' 000)	Gross Earned Premium (N' 000)	Gross Earned Premium (N' 000)	Total O/s as at 31st December 2023 (N'000)	Discounted	Other receivable(excluding prepayment)	Other creditors include the following:	Paye-As-You-Earn (PAYE)	National Housing Fund
2008	-	974	7,347	8,321	24%	24%	7,347	-
2009	-	8,222	4,878	13,100	93%	93%	4,878	-
2010	-	292	16,416	16,708	90%	90%	16,416	-
2011	-	16,416	-	16,416	0%	0%	-	-
2012	-	2,736	5,389	8,126	6%	6%	5,389	-
2013	314	5,732	4,432	10,165	5%	5%	4,432	314
2014	-	5,891	15,174	21,066	13%	13%	15,174	-
2015	202	14,878	9,848	24,726	17%	17%	9,848	202
2016	-	3,181	8,807	11,988	11%	11%	8,807	-
2017	-	9,182	10,944	20,126	10%	10%	10,944	-
2018	10,386	11,218	95,843	107,061	70%	70%	95,843	10,386
2019	8,832	98,569	78,956	177,525	41%	41%	78,956	8,832
2020	20,189	58,758	47,662	106,420	16%	21%	61,616	34,143
2021	6,748	28,059	39,717	67,776	13%	20%	59,186	26,217
2022	48,420	48,681	110,267	158,948	29%	36%	134,683	72,836
2023	187,519	128,786	268,507	397,293	63%	70%	298,709	217,721
Total			724,188					370,651
							Discounted	314,200

Aviation

Expected Loss Ratio Method Table

Gross Earned Premium (N' 000)	Gross Earned Premium (N' 000)	Gross Earned Premium (N' 000)	31st December 2023 (N'000)	Discounted	receivable(excluding prepayment)	creditors include the following:	Paye-As-You-Earn (PAYE)	National Housing Fund
2008	-	-	-	-	0%	0%	-	-
2009	8,451	-	-	-	0%	0%	-	-
2010	14,147	-	-	-	0%	0%	-	-
2011	13,109	8,843	-	8,843	67%	67%	8,843	-
2012	17,365	1,128	-	1,128	6%	6%	1,128	-
2013	19,582	12,916	-	12,916	66%	66%	12,916	-
2014	20,668	11,198	1,005	12,203	59%	59%	12,203	1,005
2015	14,599	5,778	3,030	8,808	60%	60%	8,808	3,030
2016	18,982	29,820	6,513	36,333	191%	191%	36,333	6,513
2017	26,292	2,176	9,333	11,509	44%	44%	11,509	9,333
2018	18,712	9,351	1,406	10,757	57%	60%	11,289	1,937
2019	36,995	11,709	4,423	16,132	44%	47%	17,444	5,735
2020	61,666	260	15,004	15,263	25%	30%	18,347	18,087
2021	237,907	7,366	3,078	10,443	4%	9%	22,339	14,973
2022	257,295	88,876	6,430	95,306	37%	45%	116,976	28,100
2023	282,151	5,827	8,878	14,705	5%	29%	81,161	75,333
Total			**59,098**					164,047
							Discounted	143,773

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: foreign exchange rates (currency risk), market interest rates (interest rate risk) and market prices (price risk).

A Company market risk policy sets out the assessment and determination of what constitutes market risk for the Company. Compliance with the policy is monitored and exposures and breaches are reported to the Company risk committee. The policy is reviewed regularly for pertinence and for changes in the risk environment.

Guidelines are set for asset allocation and portfolio limit structure, to ensure that assets back specific policy holders' liabilities and that assets are held to deliver income and gains for policy holders which are in line with expectations of the policy holders.

The Company is active in money and capital market instruments, and investments in these instruments are basically for liquidity and held-to-maturity purposes. Therefore, the values of assets in the investment portfolio are at risk due to volatility in security prices, interest rates, and other market and economic variables.

There is a very strict control over hedging activities (e.g., equity derivatives are only permitted to be held to facilitate portfolio management or to reduce investment risk).

A sound market/investment risk management framework is implemented in order to minimize possible losses to capital and earnings arising from volatilities in market factors. The Company stipulates diversification benchmarks by type of instrument and geographical area.

Investment risk is the risk of loss (partial or full) of the principal amount and/or expected returns due to changes in the market variables. Investment risk is managed effectively and on a proactive basis by developing and implementing investment risk management strategies, policies and processes.

Investment in money, capital and other markets would expose a Company to the following sources of Investment risks:

Capital Risk
This is the risk that the Company will lose all or part of the principal amount invested. For example, if the Company invests ₦10 million into the stock market, it faces a capital risk on the entire ₦10 million or part of it.

Portfolio Risk:
This is the risk that the investment portfolio will perform "poorly" because of poor choice of investments in the portfolio.

Inflation risk:

The risk that inflation will outpace investment returns over time and erode the purchasing power of invested funds.

Liquidity Risk:
It is the risk that an investment asset cannot be sold when the need arises. The Company will be exposed to liquidity risk, when there is the need to sell an investment, and the investment cannot be liquidated due to insufficient secondary market or lack of sufficients demand for such a security. Liquidity risk is the current and future risk arising from the inability to meet our financial obligations when they become due.

Credit or Default Risk
Credit risk is created by the possibility of loss due to a counter party's or issuer's default, or inability to meet contractual payment terms. Higher quality bonds, including government bonds face the lowest credit risk.

Event Risk:
Event Risk is the risk of regulatory changes or other external occurrences that are significant, unanticipated and external, which impact negatively on the value of a security.

Market Risk:
This is the risk that the value of an investment will diminish due to unfavourable changing market conditions. A stock will rise or fall in price in response to investors' sentiments or changes in the fortunes of the Company or its industry

Interest rate risk:
This is the risk of exposures to the volatility of interest rates. It is the risk of the value or future cash flows of financial instruments being affected by changes in interest rates.

Floating rate instruments expose the Company to cash flow interest risk, whereas fixed interest rate instruments expose the Company to fair value interest risk. The Company's interest risk policy requires it to manage interest rate risk by maintaining an appropriate mix of fixed and variable rate instruments. The policy also requires it to manage the maturities of interest bearing financial assets and interest bearing financial liabilities.

The Company has no significant concentration of interest rate risk.
The Company's exposure to interest rate risk and a sensitivity analysis for financial liabilities is disclosed in the financial statements.

Currency risk:
This is the risk of the fair value of financial instruments being affected by changes in foreign exchange rates.

The Company's principal transactions are carried out in naira and its exposure to foreign exchange risk is minimal. The Company's financial assets are primarily denominated in the same currencies as its insurance and investment contract liabilities. This mitigates the foreign currency exchange rate risk. Thus, the main foreign exchange risk arises from recognised assets and liabilities denominated in currencies other than those in which insurance and investment contract liabilities are expected to be settled.

The Company has no significant concentration of currency risk.

Price risk

Equity price risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Company's equity price risk exposure relates to financial assets and financial liabilities whose values will fluctuate as a result of changes in market prices, principally investment securities not held for the account of unit-linked business.

The Company has no significant concentration of price risk.
The Company will adopt a top down approach for defining its investment appetite. This is reviewed by senior management and approved by the Board Investment Committee (BIC) to ensure amongst other things that the investment risk assumed is commensurate with its strategy.

The following investment risk appetite statements guide the Company:-

- Except as waived by BIC after proper feasibility study, investment/trading transactions that do not fall within our target market and defined risk appetite are not undertaken, no matter how profitable the transactions may be.

- The Company does not enter into any transaction that is illegal, unethical or contravenes any applicable laws, regulations, or professional code of conduct, or is capable of damaging our corporate image or that of our key officers.

- Business is not transacted with any organisation with perceived likelihood of failure or that shows signs of going concern challenges.

  A cautious and prudent approach is adopted in engaging in investment and trading activities.

- The strategic management of the Company's investment portfolio is the fundamental responsibility of the Board Investment Committee (BIC) and senior management. The investment management team is responsible for implementing our policies by executing trade and investment decisions.

  In accordance with section 6(2) of the NAICOM guidelines (which is subject to future amendments), the Company shall invest in any of the following categories of investment assets:

- Bonds, bills and other securities issued or guaranteed by the Federal Government of Nigeria and the Central Bank of Nigeria.
- Bankers acceptance and commercial papers guaranteed by issuing bank.
- Quoted equities of not more than 50% of shareholders's fund.
- Unquoted equities not more than 20% of shareholders' fund.
- Property for Non-life insurance, not more than 35% of shareholders' fund.

  In measuring investment risk, the following approaches, which are detailed in the Risk Management Framework, are used:

- Volatility
- Value at risk (VAR)
- Sensitivity analysis
- Stress testing
- Scenario testing

Investment risk exposures are mitigated by:

- Setting internal investment risk control limits
- Complying with legal investment limits
- Establishing Investment Approval Limits
- Diversification, in order to smoothen out unsystematic risk events in our portfolios
- Clear separation of duties between the unit that initiates and executes trade, and the units that accounts for trade transactions and handles transaction settlement.

The risk management department is responsible for monitoring investment risk exposures while the financial control department provides relevant information to the risk management department for investment risk monitoring.

Operational risks

Operational risk is the risk of loss arising from system failure, human error, fraud or external events. When controls fail to perform, operational risks can cause damage to reputation, have legal or regulatory implications or can lead to financial loss. The Company cannot expect to eliminate all operational risks, but by initiating a rigorous control framework and by monitoring and responding to potential risks, the Company is able to manage the risks. Controls include effective segregation of duties, access controls, authorisation and reconciliation procedures, staff education and assessment processes, including the use of internal audit. Business risks such as changes in environment, technology and the industry are monitored through the Company’s strategic planning and budgeting process.

56 FINANCIAL ASSETS AND LIABILITIES

Accounting classification measurement basis and fair values

The table below sets out the Company's classification of each class of financial assets and liabilities, and their fair values.

	Amortised cost ₦'000	FVTPL assets ₦'000	FVOCI assets ₦'000	Other assets ₦'000	Other financial liabilities at amortised cost ₦'000	Total carrying amount ₦'000	Fair value amount ₦'000
31 December 2024							
Cash and cash equivalents	10,345,031	-	-	-	-	10,345,031	10,345,031
Financial assets	1,755,636	387,680	290,777	-	-	2,434,093	2,434,093
Trade receivables	-	-	-	1,011,043	-	1,011,043	1,011,043
Other receivables excluding prepayments	-	-	-	1,223,816	-	1,223,816	1,223,816
	12,100,667	**387,680**	**290,777**	**2,234,859**	**-**	**15,013,983**	**15,013,983**
Insurance contract liabilities	-	-	-	-	13,834,595	13,834,595	13,834,595
Investment contract liabilities	-	-	-	-	1,434,165	1,434,165	1,434,165
Trade and other payables	-	-	-	-	3,501,392	3,501,392	3,501,392
	-	**-**	**-**	**-**	**18,770,152**	**18,770,152**	**18,770,152**
31 December 2023							
Cash and cash equivalents	8,713,710	-	-	-	-	8,713,710	8,713,710
Financial assets	4,751,011	398,053	290,777	-	-	5,439,841	5,439,841
Trade receivables	-	-	-	676,669	-	676,669	676,669
Other receivables excluding prepayments	-	-	-	412,178	-	412,178	412,178
	13,464,721	**398,053**	**290,777**	**1,088,847**	**-**	**15,242,398**	**15,242,398**
Insurance contract liabilities	-	-	-	-	9,749,498	9,749,498	9,749,498
Investment contract liabilities	-	-	-	-	646,777	646,777	646,777
Trade and other payables	-	-	-	-	2,916,635	2,916,635	2,916,635
	-	**-**	**-**	**-**	**13,312,910**	**13,312,910**	**13,312,910**

STATEMENT OF VALUE ADDED

	2024 N'000	%	2023 N'000	%
Premium, investment and other income	31,995,348		22,678,885	
Commissions, claims paid and other operational costs	(28,011,075)		(18,786,183)	
Value Added	3,984,273	100	3,892,702	100
DISTRIBUTED AS FOLLOWS:				
EMPLOYEES				
Staff costs	2,233,481	56	1,692,660	43
GOVERNMENT				
Taxation	(342,488)	(9)	362,574	9
ASSET REPLACEMENT				
Depreciation and amortisation	553,593	14	519,847	13
CONTRACTION/EXPANSION -				
Shareholder's interest	-	-	-	-
Profit after taxation	1,539,686	40	1,317,621	34
Value added	3,984,273	100	3,892,702	100

The value added statement represents the distribution of the wealth created by the Company through the use of its assets and the efforts of the employees. This statement shows the allocation of the wealth between employees, shareholders, government and that were retained for the future creation of more wealth.

	IFRS 17				IFRS 4
	2024	2023	2022	2021	2020
Assets	₦'000	₦'000	₦'000	₦'000	₦'000
Cash and cash equivalents	10,345,031	8,713,710	9,414,470	9,438,005	5,411,672
Financial assets	2,434,093	5,439,841	4,255,312	4,906,130	5,593,687
Trade receivables	1,011,043	676,669	447,817	346,199	116,600
Reinsurance assets	3,809,563	2,545,841	2,311,302	3,274,813	2,920,493
Deferred acquisition cost	-	-	-	-	395,982
Other receivables & prepayments	1,368,909	536,044	208,660	300,013	295,615
Investment properties	8,125,379	4,567,754	4,400,842	3,604,045	3,192,700
Investment in subsidiaries	-	638,310	638,310	-	-
Statutory deposit	535,150	535,150	535,150	535,150	535,150
Intangible assets	311,011	77,591	106,270	19	519
Property, plant and equipment	3,809,077	3,239,570	3,279,833	2,117,783	2,074,320
Total Assets	31,749,256	26,970,480	25,597,966	24,522,157	20,536,738
Liabilities and equity					
Insurance contract liabilities	13,834,595	9,749,498	8,115,254	9,533,463	8,272,556
Investment contract liabilities	1,434,165	646,777	1,067,294	1,076,506	926,561
Trade payables	2,274,818	1,203,081	2,289,030	652,015	847,083
Other payables and accruals	1,226,574	997,036	1,386,126	828,870	594,183
Retirement benefit obligations	0	-	-	1,456,211	1,606,020
Income tax liabilities	587,859	340,276	278,249	253,427	388,993
Deferred tax liabilities	376,242	376,242	127,584	105,310	99,110
Total liabilities	19,734,253	13,312,910	13,263,537	13,905,802	12,734,506
Equity					
Issued share capital	916,793	916,793	916,793	916,793	3,667,172
Share premium	3,690,991	3,690,991	3,690,991	3,690,991	940,612
Deposit for shares	-	3,500,000	3,500,000	3,500,000	400,000
Contingency reserve	3,568,838	3,017,419	2,632,016	2,331,577	2,078,397
Retained earnings	2,546,474	1,558,207	901,027	(22,623)	844,860
FVOCI reserves	437,340	437,340	437,340	437,340	458,098
Revaluation reserve	854,567	536,820	256,262	55,801	-
Reserve on actuarial valuation of gratuity	-	-	-	(293,524)	(586,907)
Total equity	12,015,003	13,657,570	12,334,429	10,616,355	7,802,232
Total liabilities and equity	31,749,256	26,970,480	25,597,966	24,522,157	20,536,738

	IFRS 17				IFRS 4
	2024	2023	2022	2021	2020
	₦'000	₦'000	₦'000	₦'000	₦'000
Insurance service result	22,837,711	498,479	2,297,399	-	-
Underwriting profit	-	-	-	1,975,929	1,975,929
Profit before taxation	1,882,174	1,680,195	1,579,296	696,436	696,436
Taxation	(342,488)	(362,574)	(61,683)	(17,079)	(17,079)
Profit after taxation	1,539,686	1,317,621	1,517,613	679,357	679,357
Net fair value gain on financial assets FVOCI	-	-	-	-	-
Gain/(loss) on revaluation reserve	317,747	280,558	200,461	(695,812)	(695,812)
Actuarial loss on gratuity	-	-	-	(266,688)	(266,688)
Total comprehensive income/(loss) for the year	**1,857,433**	**1,598,179**	**1,718,074**	**(283,143)**	**(283,143)**
Earnings per share(kobo):					
- Actual and Adjusted	84.0	71.9	9.3	4.3	10