

HEIRS LIFE ASSURANCE LIMITED
Financial statement for the year ended 31 December 2025

HEIRS LIFE ASSURANCE LIMITED
FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2025
Table of Contents

	Page
Corporate information	3
Directors' report	4
Corporate governance report	8
Independent corporate governance evaluation	12
Independent board evaluation	13
Certification by company secretary	14
Statement of directors' responsibilities	15
Statement of directors' corporate responsibility	16
Audit committee report	17
Management's Annual Assessment of, and Report on Heirs Life Assurance Limited's Internal Control over Financial Reporting	18
Chief Executive Officer's Certification of management's assessment on internal control over financial reporting	19
Chief Financial Officer's Certification of management's assessment on internal control over financial reporting	20
Independent Practitioner's report	21
Independent auditor's report	23
Statement of material accounting policies	28
Statement of financial position	51
Statement of profit or loss and other comprehensive income	52
Statement of changes in equity	53
Statement of cash flows	54
Notes to the financial statements	55
Value added statement	130
Five- year financial summary	131

HEIRS LIFE ASSURANCE LIMITED
FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2025
CORPORATE INFORMATION

Company Registration Number
RC 1561351

Directors

Mr. Tony Elumelu, CFR	Chairman
Mr. Dan Okeke	Vice-Chairman
Mr. Niyi Onifade	MD/CEO
Ms. Adesimbo Ukiri	Non-Executive Director
Dr Suleyman A. Ndanusa	Non Executive Director
Mr. Chiugo Ndubisi	Non Executive Director
Mr. Wole Fayemi	Non Executive Director
Mrs. Callista Azogu	Independent Non-Executive Director
Mr. Olabanjo Oladipo	Executive Director

Registered office	107B Ajose Adeogun Street Victoria Island Lagos, Nigeria
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Independent auditor	PricewaterhouseCoopers FF Millennium Towers 13/14 Ligali Ayorinde Street, Victoria Island, Lagos Tel: +234 1 271 1700 www.pwc.com.ng
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Actuaries	Zamara Consulting Actuaries Nigeria Limited 4th Floor, Ibukun House, 70 Adetokunbo Ademola Street Victoria Island Lagos, Nigeria FRC No. FRC/2021/004/00000024023
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Ag Company secretary	Blessing Ezemelue 107B Ajose Adeogun Street Victoria Island Lagos, Nigeria
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Bankers	United Bank for Africa Plc Providus Bank Ltd Fidelity Bank Union Bank Plc Nova Merchant Bank
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Tax Consultant	Ijewere and Co.
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Tax Identification Number	21254431-0001
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IFRS 17 Implementation Partner (Insurance Contract)	Deloitte Nigeria
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**HEIRS LIFE ASSURANCE LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025
DIRECTORS' REPORT**

The Directors present their report on the affairs of Heirs Life Assurance Limited ("the Company"), together with the audited financial statements and Auditors report for the year ended 31 December 2025.

Incorporation and address

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

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

Principal Activities

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

Results and dividend

The company's results for the year ended 31 December 2025 are set out in statement of profit or loss and other comprehensive income. The profit for the year has been transferred to retained earnings, as such, no dividend has been recommended. The summarised results are presented below.

	Year Ended 31st December N'000 2025	Year Ended 31st December N'000 2024
Insurance Revenue	27,238,899	15,147,394
Profit before tax	7,621,564	5,512,656
Gross Premium Written	70,087,042	33,859,296
Investment Linked Premium	18,507,880	10,363,037

Business review and future developments

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

Directors' interest in contracts

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

Directors' Interest in Shares

The names of the Directors and their interests in the issued share capital of the Company as recorded in the Register of Directors' Shareholdings as at 31 December 2025, are as follows:

HEIRS LIFE ASSURANCE LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025
DIRECTORS' REPORT

DIRECTORS NAME	Number of Ordinary Shares held (2025)	
	Direct	Indirect
Mr. Tony Elumelu	Nil	4,000,000,000
Mr. Dan Okeke	Nil	Nil
Mr. Niyi Onifade	Nil	Nil
Ms. Simbo Ukiri	Nil	Nil
Dr. Sulleyman Abdu Ndanusa	Nil	Nil
Mr. Chiugo Ndubisi	Nil	Nil
Mr. Wole Fayemi	Nil	Nil
Mrs. Callista Azogu	Nil	Nil
Mr. Olabanjo Oladipo	Nil	Nil

Analysis of company's shares

According to the register of members as at 31 December 2025, the shareholding in the Company as well as substantial interests in shares was as follows:

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

Equity Range Analysis

The range of shareholding as at 31 December 2025 is as follows:

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

Post balance sheet events

There were no events after the reporting date which could have a material effect on the state of affairs of the Company as at 31st December, 2025 or the financial performance for the year ended on that date that have not been adequately provided for or disclosed.

Acquisition of own shares

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

Diversity in Employment

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

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

	Male	Female	Total Head Count
Executive Management	2	0	2
Senior Management	4	3	7
Middle Management	27	13	40
Officer	42	21	63
Sub Total	75	37	112

Statement of commitment to maintain positive work environment

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

Employment of physically challenged persons

It is the policy of the Company that there should be no discrimination in considering applications for employment including those from physically challenged persons. All employees whether or not physically challenged are given equal opportunities to develop. There were no physically challenged persons in the employment of the Company as at 31 December 2025.

Employee health, safety and welfare

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

Employee training and involvement

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

Research and Development

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

Corporate Governance Evaluation

Corporate Governance Evaluation was undertaken in respect of the Financial Year 2025 by the firm of Angela Aneke & Company Limited. Based on its work, the firm adjudged the Company's corporate governance practices to be 'Established' and in line with global best practice. It concluded that the corporate governance framework of the Company has considerably applied the principles of the Financial Reporting Council (FRC) Code.

The Board was evaluated in respect of the Financial Year 2025 by the firm of Angela Aneke & Company Limited. The performance of the Board, Board Committees and individual directors were adjudged satisfactory and necessary feedback were communicated to individual directors.

Property, plant and equipment

Movement in property, plant and equipment during the period is shown in Note 16 to the financial statements. The Directors are of the opinion that the market value of the Company's property, plant and equipment is not less than the carrying value shown in the financial statements as at 31 December 2025.

Donations and gifts

The Company made the following donations during the period.

	N'000
Slum2School Africa	1,250
Halifield School	250
Fresh FM	125
Maple Canadian	1,000
Christian Ladies Society	250
Bebisi Heritage Foundation	75
Federal Civil Service	2,101
NAIPE Annual Conference	250
WAICA Sponsorship	2,500
CIIN advocacy support	6,250
The Good Plastic Project (HIG ESG Upcycling Initiative)	3,674
Donation to Chartered Institute Of marketing Registration	1,350
Heirs Life Insurance Retirement Dream	5,194
Sponsorship to Actuarial science & Insurance Association(Unilag Chapter)	550
	<u>24.819</u>

HEIRS LIFE ASSURANCE LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025
DIRECTORS' REPORT

Audit committee

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


Dr Suleyman Abdu Ndanusa	Non-Executive Director (Chairman)
Mr. Dan Okeke	Non-Executive Director
Ms. Simbo Ukiri	Non-Executive Director
Mrs. Callista Azogu	Independent Non-Executive Director

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

Auditors:

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

By order of the Board



Blessing Ezemelue

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

INTRODUCTION

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

GOVERNANCE STRUCTURE

The Board consists of Nine (9) members, Seven (7) of whom act in Non-Executive capacity.

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

BOARD COMMITTEES

The Board discharges its duties through a number of standing committees whose terms of reference are subject to regular reviews. The terms of reference define the purpose of each of the Committees, their composition, frequency of meetings, responsibilities and duties, as well as expected reports to the Board. As at 31 December 2025, the Board oversaw the affairs of the Company through three (3) standing Committees. The Committees are as follows:

- a. **Technical and Risk Committee-** The Committee has oversight responsibility to review and approve the Company's risk management policy including risk appetite and risk strategy, retention levels, classes of insurance, reinsurance and other risk mitigation mechanisms. The Committee also has responsibility for reviewing the adequacy and effectiveness of risk management and controls; and oversees management's process for the identification of significant risks across the Company and the adequacy of prevention, detection and reporting mechanisms amongst others. The Committee met on four (4) occasions during 2025 and also presented quarterly reports of their activities for the review of the Board.
- b. **Finance, Investment & General Purpose Committee** – The Committee has oversight responsibility to consider and advise the Board of Directors on all aspects of the Company's finances. This includes, among others, annual estimates of income and expenditure and the financial forecasts for the Company; reviewing the periodic management accounts of the Company as well as advising the Board of Directors on the year-end accounts; periodically reviewing and advising the Board on the solvency of Company and the safeguarding of its assets; advising the Board on relevant taxation issues, general borrowings. The Committee also has an oversight for the Company's investment. It presents the Investment Policies and Investment Plans to the Board annually for approval and ensures that investments are made in accordance with the policy. The Committee reviews and approves as appropriate strategic investment. The Committee met on four (4) occasions during 2025 and also presented quarterly reports of their activities for the review of the Board.
- c. **Audit, Governance & Compliance Committee** - The Committee comprises of only Non-Executive Directors, and is responsible for reviewing quarterly Internal Audit reports as well as the Company's Compliance Report, Governance and Human Resources Report. The Committee also has oversight responsibility to review and report to the Board on matters of corporate governance, Board composition and remuneration; to provide oversight in respect of the company's internal systems for achieving compliance with legal and regulatory requirements, particularly as it pertains to good corporate governance. It establishes the criteria for Board and Board Committee memberships, reviews candidates' qualifications and potential conflict of interest, assesses the contribution of current Directors in connection with their re-nomination and makes recommendations to the Board amongst others. The Committee met on four (4) occasions during 2025 and also presented reports of their activities for the review of the Board.

COMPOSITION OF THE BOARD AND STANDING COMMITTEES

S/No	Director	Date of Appointment	Director Status	Re-election/Retirement Status	Committee Chairmen	Committee Membership
1	Mr. Tony Elumelu	September 4 2023	Chairman		N/A	N/A
2	Mr. Dan Okeke	December 1, 2020	Vice-Chairman		N/A	FIGPC & AGCC
3	Mr. Niyi Onifade	December 1, 2020	MD/CEO		N/A	TERC & FIGPC
4	Ms. Adesimbo Ukiri	December 1, 2020	Non-Executive Director		TERC	TERC & AGCC
5	Dr Suleyman A. Ndanusa	June 8, 2021	Non Executive Director	Relected on June 30, 2025	AGCC	TERC & AGCC
6	Mr. Chiugo Ndubisi	February 1 2023	Non Executive Director	Relected on June 30, 2025	FIGPC	TERC & FIGPC
7	Mr. Wale Fayemi	December 6 2023	Non Executive Director		N/A	TERC & FIGPC
8	Mrs. Callista Azogu	March 17 2025	Independent Non-Executive Director		N/A	FIGPC & AGCC
9	Mr. Olanajo Oladipo	June 30 2025	Executive Director		N/A	TERC & FIGPC

HEIRS LIFE ASSURANCE LIMITED
 FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025
 CORPORATE GOVERNANCE REPORT

Dates of Board and Board Committee Meetings and Attendance for 2025

A. Board Meetings

S/No	Director	Mar 17, 2025	Jun 30, 2025	Sept 02, 2025	Dec 17, 2025	% Attendance
1	Tony Elumelu	•	•	•	•	100%
2	Dan Okeke	•	•	•	•	100%
3	Niyi Onifade	•	•	•	•	100%
4	Adesimbo Ukiri	•	•	•	•	100%
5	Suleyman A. Ndanusa	•	•	•	Absent	75%
6	Chiugo Nlubisi	•	•	•	•	100%
7	Wale Fayemi	•	•	•	•	100%
8	Callista Azogu	N/A	•	•	•	100%
9	Olabanjo Oladipo	N/A	N/A	•	•	100%

B. Committee Meetings

Audit, Governance and Compliance Committee

S/No	Director	March 11, 2025.	May 22, 2025.	August 04, 2025.	November 05, 2025.	% Attendance
1	Dr. Suleyman Abdu Ndanusa	•	•	•	•	100%
2	Mr. Dan Okeke	•	•	•	•	100%
3	Ms. Adesimbo Ukiri	•	•	•	•	100%
4	Mrs. Callista Azogu	N/A	•	•	•	100%

Finance, Investment and General-Purpose Committee

S/No	Director	March 03, 2025.	May 23, 2025.	August 08, 2025.	November 03, 2025.	% Attendance
1	Mr. Chiugo Nlubisi	•	•	•	•	100%
2	Mr. Niyi Onifade	•	•	•	•	100%
3	Mr. Dan Okeke	•	•	•	•	100%
4	Mr. Wale Fayemi	•	•	•	•	100%
5	Mrs. Callista Azogu	N/A	•	•	•	100%
6	Mr. Olabanjo Oladipo	N/A	N/A	•	•	100%

Technical and Risk Committee-

S/No	Director	Mar 05, 2025	May 19, 2025	Jul 30, 2025	Nov 04, 2025	% Attendance
1	Ms. Adesimbo Ukiri	•	•	•	•	100%
2	Dr. Suleyman Abdu Ndanusa	•	•	•	•	100%
3	Mr. Niyi Onifade	•	•	•	•	100%
4	Mr. Chiugo Nlubisi	•	•	•	•	100%
5	Mr. Wale Fayemi	•	•	•	•	100%
6	Mr. Olabanjo Oladipo	N/A	N/A	•	•	100%

BOARD SELECTION AND APPOINTMENT PROCESS

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

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

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

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

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

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

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

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

TRAINING AND INDUCTION

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

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

- a. AI Governance: The Board's Role in Emerging Technologies
- b. AML/CFT Training
- c. From Insight to Impact Strengthening Board Governance. Advancing Maturity.
- d. Solvency Control & Intervention Framework for Insurance and Reinsurance Companies in Nigeria
- e. 2025 Insurance Directors Training: Navigating The New Insurance Landscape: Strategies for NIIRA 2025 Compliance and Growth
- f. 2025 Insurance Directors' Conference: Navigating the New Insurance Landscape: Strategies for NIIRA 2025 Compliance and Growth

DIRECTORS STANDING FOR RE-ELECTION

In accordance with the Company's Article of Association and S285(1) and (2) of the Companies and Allied Matters Act 2020, Mr. Chlugo Ndubisi and Dr Suleyman Ndanusa stood for re-election in 2025 and were re-elected to the Board accordingly.

GENDER DIVERSITY

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

BOARD AND GOVERNANCE EVALUATION

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

REMUNERATION STATEMENT

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

CLAWBACK POLICY

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

SUMMARY OF RISK MANAGEMENT FRAMEWORK

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

FINES & PENALTIES

No fines nor penalties were paid during the period

STATEMENT OF COMPLIANCE

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

WHISTLE BLOWING POLICY

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

ENVIRONMENT, SUSTAINABILITY AND GOVERNANCE

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

RELATIONSHIP WITH SHAREHOLDERS

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

COMPLAINTS MANAGEMENT POLICY

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

CODE OF CONDUCT & BUSINESS ETHICS

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

COMMUNICATIONS POLICY

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

March 13th, 2026

Statement by the External Consultants on the Corporate Governance Evaluation of Heirs Life Assurance Limited (“the Company”) for the year ended December 31, 2025.

The Board of Directors of Heirs Life Assurance Limited. (the “Company”) engaged Angela Aneke & Co. Limited to perform a Corporate Governance evaluation for the year ended December 31, 2025, in line with the requirements of Principle 15 of the FRC’s Nigerian Code of Corporate Governance (FRC Code). The agreed scope of services for the evaluation exercise was specified in our letter of engagement.

The criteria for our review and report are benchmarked against the 28 principles of the FRC Code, National Insurance Commission (NAICOM) Corporate Governance Guidelines, the Company’s corporate governance framework and charters, as well as global best practice.

Our methodology included a review of documents provided by the Company, research on global best practice, interviews, and questionnaires, including an online self and peer assessment by members of the Board. Our detailed report has been submitted to the Board of Directors for their adoption and further action.

Heirs Life Assurance has a well-established system of corporate governance underpinned by a Board Governance Charter as well as various policies and charters that guide the governance culture of the Company. The mandates and terms of reference of the Board Committees are clearly defined in the Board Governance Charter and they address the effective monitoring of financial performance, strategy, governance, remuneration, risk management, internal audit and controls, regulatory compliance, and information technology governance. Policies that address risk management, internal control, code of conduct, business ethics, shareholder engagement and disclosures are well established at Heirs Life Assurance.

A framework for managing risk and internal control system is effective at Heirs Life Assurance. The risks the company faces and risk mitigating strategies are effectively monitored and reported to the Board at its quarterly meetings. The internal control function also provides assurance to the Board and its Committees at its quarterly meetings. A whistleblowing framework for reporting illegal and unethical conduct is also in place. In 2025, the Company remained committed to sustainability and acted as a responsible citizen by embarking on several corporate social responsibility activities.

On the basis of our work, we conclude that corporate governance practices at Heirs Life Assurance are effective and are in line with global best practice. The corporate governance framework of the Company has substantially applied the principles of NAICOM Corporate Governance Guidelines and the 28 principles of the FRC Code.

Yours faithfully,
FOR: Angela Aneke & Co. Limited


Angela Aneke
Managing Director

March 13th, 2026

Statement by the External Consultants on the Board Evaluation of Heirs Life Assurance Limited (“the Company”) for the year ended December 31, 2025.

The Board of Directors of Heirs Life Assurance Limited (the “Company”) engaged Angela Aneke & Co. Limited to perform an evaluation of the Board for the year ended December 31, 2025, in line with the requirements of Principle 14 of the Financial Reporting Council’s Nigerian Code of Corporate Governance (FRC Code). The agreed scope of services for the evaluation exercise was specified in our letter of engagement.

The criteria for our review and report are benchmarked against the 28 principles in the FRC Code, the National Insurance Commission (NAICOM) Corporate Governance guidelines, the Company’s corporate governance framework, as well as global best practice.

Our methodology included a review of documents provided by the Company, research on global best practice, interviews, and questionnaires, including an online self and peer assessment by members of the Board. Our detailed report has been submitted to the Board of Directors for their adoption and further action.

The Chairman of the Board provides effective leadership to the Board to ensure that the Company’s strategic objectives are met and plays a lead role in the assessment, improvement, and development of the Board. He also provides guidance to the MD/CEO in the effective discharge of his duties.

Heirs Life Assurance has an effective Board underpinned by a Board Governance Charter. The mandates and terms of reference of the Board Committees are clearly defined in the Board Governance Charter and they address the effective monitoring of financial performance, strategy, governance, remuneration, risk management, internal audit and controls, regulatory compliance, and information technology governance. Furthermore, Directors largely achieved 100% attendance at all the Board and Board Committee meetings held in 2025.

The Board and its Committees are composed of seasoned professionals with a wealth of experience committed to the long-term success of the Company. It is a forward-thinking and cohesive Board, with an appropriate balance of skills and diversity including experience and age. 2025 witnessed the appointment of a female Independent Non-Executive Director and an Executive Director, Technical to further enhance the composition and diversity of the Board. The Board executed its functions of Strategic Direction, Policy Formulation, Decision Making and Oversight within the year objectively and effectively

On the basis of our work, we conclude that the Board of Heirs Life Assurance is effective and continues to demonstrate a commitment to maintaining strong corporate governance in line with global best practice. Its corporate governance framework is established, and the Company has substantially applied the principles of NAICOM Corporate Governance Guidelines and the 28 principles of the FRC Code.

Yours faithfully,
FOR: **Angela Aneke & Co. Limited**


Angela Aneke
Managing Director

HEIRS LIFE ASSURANCE LIMITED
FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2025
CERTIFICATION BY COMPANY SECRETARY

In my opinion as the Company Secretary, I hereby certify, in terms of the Companies and Allied Matters Act 2020, that for year ended 31 December 2025, the Company lodged all such returns as required of a company in terms of the Act, and that all such returns are, to the best of my knowledge and belief, true, correct and up to date.



Blessing Ezemelue

Ag. Company Secretary

FRC/2021/PRO/NBA/002/00000024914

11-Mar-26

HEIRS LIFE ASSURANCE LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025
STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

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

The Directors accept responsibility for the financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Financial Reporting Standards issued by the International Accounting Standards Board ("IFRS Accounting Standards"), Nigeria Insurance Industry Reform Act (NIIRA) 2025 and the requirements of the Companies and Allied Matters Act.

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

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



Tony Elumelu
Chairman
FRC/2013/PRO/DIR/003/00000002590
March 11, 2026



Niyi Onifade
Managing Director/CEO
FRC/2013/PRO/DIR/003/00000002690
March 11, 2026

**HEIRS LIFE ASSURANCE
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025
STATEMENT OF DIRECTORS' CORPORATE RESPONSIBILITY**

In line with the provision of S.405 of CAMA 2020, we have reviewed the audited financial statements of the Company for the year ended 31 December 2025 and based on our knowledge confirm as follows:

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

(II) The audited financial statements and all other financial information included in the statements fairly present, in all material respects, the financial condition and results of operation of the Company as of and for the year ended 31 December 2025.

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

(iv) the Company's internal controls were evaluated within 90 days of the financial reporting date and were effective as of 31 December 2025.

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

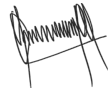
(a) There are no significant deficiencies in the design or operation of the Company's internal controls which could adversely affect the Company's ability to record, process, summarise and report financial data, and have discussed with auditors any weaknesses in the internal controls observed in the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

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

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



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



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

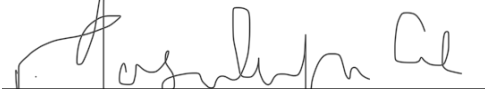
**HEIRS LIFE ASSURANCE LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025
AUDIT COMMITTEE REPORT**

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

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

We are of the opinion that the accounting and reporting policies of the Company are in accordance with legal requirements, and agreed ethical practices and the scope and planning of both the external and internal audits for the year ended 31 December 2025 were satisfactory and reinforce the Company's internal control systems.

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



Dr Suleyman A. Ndanusa
Chairman, Audit, Governance & Compliance Committee
11-Mar-26

MEMBERS OF THE BOARD, AUDIT AND COMPLIANCE COMMITTEE

Dr Suleyman A. Ndanusa	Chairman
Mr. Dan Okeke	Member
Mrs. Adesimbo Ukiri	Member
Mrs. Callista Azogu	Member

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

To comply with the assessment requirements of the FRC Guidance on Management Report on Internal Control Over Financial Reporting issued by the Financial Reporting Council of Nigeria, we hereby make the following statements regarding the Internal Controls of Heirs Life Assurance Limited for the year ended 31 December 2025:

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

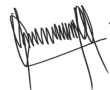
ii. Heirs Life Assurance Limited's management used the Committee of Sponsoring Organization of the Treadway Commission (COSO) Internal Control-Integrated Framework to conduct the required evaluation of the effectiveness of the entity's ICFR;

iii. Heirs Life Assurance Limited's management has assessed that the entity's ICFR as of the end of 31 December 2025 is effective.

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



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




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

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

To comply with the assessment requirements of the FRC Guidance on Management Report on Internal Control Over Financial Reporting issued by the Financial Reporting Council of Nigeria, I hereby make the following statements regarding the internal control over financial reporting of Heirs Life Assurance Limited for the year ended 31 December 2025.

I, Niyi Onifade, certify that:

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


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

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

To comply with the assessment requirements of the FRC Guidance on Management Report on Internal Control Over Financial Reporting issued by the Financial Reporting Council of Nigeria, I hereby make the following statements regarding the internal control over financial reporting of Heirs Life Assurance Limited for the year ended 31 December 2025.

I, Oguche Godwin, certify that:

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



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



Independent practitioner’s report

To the Members of Heirs Life Assurance Limited

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

Our opinion

In our opinion, nothing has come to our attention that the internal control procedures over financial reporting put in place by management of Heirs Life Assurance Limited (“the company”) are not adequate as at 31 December 2025, based on the FRC Guidance on Management Report on Internal Control Over Financial Reporting issued by the Financial Reporting Council of Nigeria.

What we have performed

We have performed an assurance engagement on Heirs Life Assurance Limited’s internal control over financial reporting as of December 31, 2025, based on FRC Guidance on Assurance Engagement Report on Internal Control Over Financial Reporting (“the Guidance”) issued by the Financial Reporting Council of Nigeria. The company’s management is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Managements Annual Assessment of, and Report on Heirs Life Assurance Limited’s Internal Control over Financial Reporting. Our responsibility is to express an opinion on the company’s internal control over financial reporting based on our assurance engagement.

Basis for opinion

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

Definition and Limitations of Internal Control over Financial Reporting

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



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

Other matter

We also have audited, in accordance with the International Standards on Auditing, the financial statements of Heirs Life Assurance Limited and our report dated 18 March 2026 expressed an unqualified opinion.

Obioma Ubah



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

18 March 2026

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



Independent auditor's report

To the Members of Heirs Life Assurance Limited

Report on the audit of the financial statements

Our opinion

In our opinion, Heirs Life Assurance Limited (“the company’s”) financial statements give a true and fair view of the financial position of the company as at 31 December 2025, and of its financial performance and its cash flows for the year then ended in accordance with international financial reporting standards as issued by the International Accounting Standards Board (“IFRS Accounting Standards”) and the requirements of the Companies and Allied Matters Act, the Nigerian Insurance Industry Reform Act, 2025 and the Financial Reporting Council of Nigeria (Amendment) Act, 2023.

What we have audited

Heirs Life Assurance Limited’s financial statements comprise:

- the statement of financial position as at 31 December 2025;
- the statement of profit or loss and other comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of material accounting policies.

Basis for opinion

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

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

Independence

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

Key audit matters

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

PricewaterhouseCoopers
FF Millenium Towers, 13/14 Ligali Ayorinde Street, Victoria Island,
Lagos, Nigeria

Key audit matter	How our audit addressed the key audit matter
<p data-bbox="220 344 829 407"><i>Measurement of Insurance Contract Liabilities- N97.3 billion (refer to notes 3.2, 3.27, 18)</i></p> <p data-bbox="220 453 816 606">The measurement of insurance contract liabilities involves significant judgement, particularly in estimating fulfilment cash flows, determining risk adjustments, assessing the contractual service margin (CSM), and applying appropriate discount rates.</p> <p data-bbox="220 653 821 743">The Company’s insurance contract liabilities comprise the Liability for Remaining Coverage (LRC) and the Liability for Incurred Claims (LIC).</p> <p data-bbox="220 789 846 947">Insurance contracts with a coverage period exceeding one year are measured using the General Measurement Model (GMM), while contracts with a coverage period of one year or less are measured using the Premium Allocation Approach (PAA).</p> <p data-bbox="220 993 846 1150">For PAA contracts, the LRC is measured as the Unearned Premium Reserve (UPR), calculated using the 365th method, which allocates premium revenue evenly over the coverage period. Discounting is not applied, as the LRC primarily represents unearned premiums.</p> <p data-bbox="220 1197 797 1257">For contracts measured under the GMM, the LRC is measured as the fulfilment cash flows plus the CSM.</p> <p data-bbox="220 1304 841 1461">The LIC for PAA contracts comprises reported claims, incurred but not reported (IBNR) claims, and a risk adjustment (RA) to reflect uncertainty in claim settlement patterns. The Company applied the loss ratio method in estimating IBNR.</p> <p data-bbox="220 1507 834 1568">The most significant assumptions applied in measuring insurance contract liabilities include:</p> <ul data-bbox="220 1579 846 1858" style="list-style-type: none"> • GMM contracts: Fulfilment cash flows are estimated as the present value of expected future cash inflows and outflows, adjusted for the time value of money, financial risks, and non-financial risk through the RA, together with the CSM. Key assumptions include projected benefit payments (based on mortality assumptions), discount rates, expense inflation, and directly attributable expense cash flows. 	<p data-bbox="870 344 1425 434">We adopted a combination of controls and substantive approach in assessing the valuation of insurance contract liabilities.</p> <p data-bbox="870 483 1417 606">We evaluated the design and tested the operating effectiveness of relevant controls over the estimation process supporting the valuation of insurance contract liabilities.</p> <p data-bbox="870 653 1425 743">We obtained and tested samples of data inputs for all units of accounts and the expense allocation model.</p> <p data-bbox="870 789 1373 823">With the support of our actuarial experts, we:</p> <ul data-bbox="870 833 1425 1778" style="list-style-type: none"> • assessed the reasonableness of the measurement model used by performing an eligibility test to assess the appropriateness of management’s use of the PAA and GMM measurement model to value the liabilities of insurance contracts; • assessed the reasonableness of the risk adjustment methodology adopted for both GMM and PAA and checked that this was in line with generally accepted actuarial techniques and also in line with the standard; • checked the mortality assumptions used by management in estimating the fulfilment cash flows and comparing the assumptions applied to current economic conditions for reasonableness. • assessed the reasonableness of the methodology used in determining the discount rates and checked that this was in line with generally accepted discounting techniques and local practice; • checked the inflation rates adopted by management to adjust cash flows by comparing the rates to an independent external source for reasonableness and made recommendations; • validated the expense cash flows via review of inputs into the expense allocation workbook used by management and the methodology adopted for the allocation;

<ul style="list-style-type: none"> • PAA contracts: The LRC is determined based on the UPR, while the LIC represents the present value of expected future cash outflows for incurred claims, including an explicit risk adjustment. 	<ul style="list-style-type: none"> • assessed the reasonableness of the cash flow used by management. For PAA contracts, we assessed the reasonableness of the premium inflows and ensured it related to contracts within the contract boundary and the estimation of claims and benefit payments which was based on data-driven loss ratios. For contracts measured using GMM, we validated the reasonability of the assumptions used to derive the best estimate liabilities; • recomputed the Unearned Premium Reserve on a daily pro-rata (365th) basis to accurately reflect the portion of premiums earned and unearned over the policy term; <p>We checked the adequacy of the presentation and disclosure on insurance contract liabilities on the financial statements as well as the required disclosures in line with IFRS 17.</p>
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Other information

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

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

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

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

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

The directors are responsible for the preparation of the financial statements that give a true and fair view in accordance with IFRS Accounting Standards and the requirements of the Companies and Allied Matters Act, the Financial Reporting Council of Nigeria (Amendment) Act, 2023, and the Nigerian Insurance Industry Reform Act, 2025, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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



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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

Report on other legal and regulatory requirements

The Companies and Allied Matters Act and the Nigerian Insurance Industry Reform Act, 2025 require that in carrying out our audit we consider and report to you on the following matters. We confirm that:

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

In accordance with the requirements of the Financial Reporting Council, we performed a limited assurance engagement and reported on management's assessment of Heirs Life Assurance Limited's internal control over financial reporting as of 31 December 2025. The work performed was done in accordance with FRC Guidance on Assurance Engagement Report on Internal Control Over Financial Reporting issued by the Financial Reporting Council of Nigeria, and we have issued an unqualified opinion in our report dated 18 March 2026.



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

18 March 2026

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

General information

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

The financial statements of the company for the year ended 31 December 2025 were authorised for issue by the directors of the Heirs Life Assurance Limited on 11 March 2026.

1. Going Concern

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

1.1 Material Accounting Policies

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

The financial statements have been prepared in accordance with and comply with International Financial Reporting Standards (IFRSs) as issued by International Accounting Standards Board ("IFRS Accounting Standards"), in the manner required by the Companies and Allied Matters Act of Nigeria 2020, the Financial Reporting Council of Nigeria Amendment Act, 2023, Nigeria Insurance Industry Reform Act 2025, and National Insurance Commission (NAICOM) guidelines and circulars to the extent that they do not conflict with the requirement of IFRS.

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

1.2 Basis of Measurement

The financial statements are prepared on a going concern basis in compliance with IFRS Accounting Standards and the requirements of the Companies and Allied Matter Act 2020, Nigeria Insurance Industry Reform Act, 2025 and regulatory guidelines as pronounced from time to time by National Insurance Commission.

1.3 IFRS9- Financial Instrument: Classification and Measurement

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

1.4 Changes in Accounting Policies

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

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

1.5 Use of estimates and Judgments

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

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

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

1.6 Regulatory authority and financial reporting

The Company is regulated by the National Insurance Commission of Nigeria (NAICOM) under Nigeria Insurance Industry Reform Act (NIRA) 2025 and extant provisions of insurance regulation in Nigeria. The Act specifies certain provisions which have impact on financial reporting as follows:

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

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

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

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

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

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

VII. Section 25 (1) requires an insurance company operating in Nigeria to invest and hold invested in Nigeria assets equivalent to not less than the amount of policy holders' funds in such accounts of the insurer. See note 42 for assets allocation that covers policy holders' funds.

The Financial Reporting Council of Nigeria (Amendment) Act, 2023 which requires the adoption of IFRS by all listed and significant public interest entities provides that in matters of financial reporting, if there is any inconsistency between the FRC Act and other Acts which are listed in section 59(1) of the FRCN Act, the FRCN Act shall prevail. The Financial Reporting Council of Nigeria acting under the provisions of the FRCN Act has promulgated IFRS as the national financial reporting framework for Nigeria. Consequently, the following provisions of the National Insurance Industry Reform Act, 2025 and National Insurance Commission (NAICOM) guidelines which conflict with the provisions of IFRS have not been adopted:

I. Section 20 (1b) which requires the provision of 10 percent for outstanding claims in respect of claims incurred but not reported at the end of the year under review.

II. Section 22(1a) which requires additional 25 percent of net premium to general reserve fund.

1.7 Reporting period

The statement of financial position was prepared as at 31 December 2025 for a twelve months period with comparative figures for the twelve months period to 31 December 2024.

2. Summary of material accounting policies

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

a. Functional and presentation currency

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

b. Basis of accounting

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

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

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

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

c New standards that were effective during the year as at 1 January 2025

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

Title	Key requirements	Effective date
Amendments to IAS 21 – Lack of Exchangeability	In August 2023, the IASB amended IAS 21 to add requirements to help entities to determine whether a currency is exchangeable into another currency, and the spot exchange rate to use when it is not. Prior to these amendments, IAS 21 set out the exchange rate to use when exchangeability is temporarily lacking, but not what to do when lack of exchangeability is not temporary.	1 January 2025

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

(d) New standards that have been issued but are yet to become effective during the year as at 1 January 2025

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

3. Material Accounting Policies

3.1 Foreign currency translation

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

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

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

3.2 IFRS 17 Qualitative Impacts

3.2.1 Scope

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

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

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

3.2.2 Level of aggregation

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

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

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

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

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

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

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

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

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

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

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

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

3.2.3 Recognition

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

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

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

3.2.4 Measurement of insurance contracts issued

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

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

Portfolios	Measurement Models
Protection Policies	General Measurement Model
Annuity Policies	General Measurement Model
Endowment Policies	General Measurement Model
Tripple Pay (Endowment)	General Measurement Model
Heirs Mortgage protection	General Measurement Model
Group Life policies	Premium Allocation Approach
Group Credit Life policies	Premium Allocation Approach
Individual Credit Life policies	Premium Allocation Approach
Group Mortgage Policies	Premium Allocation Approach
Hospital Cash policies	Premium Allocation Approach
Smart School policies	Premium Allocation Approach

3.2.4.1 Measurement on initial recognition for contracts other than PAA

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

Fulfilment cash flows (FCF) within contract boundary

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

Discount Rate

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

The Company measures the time value of money using discount rates that reflect the liquidity characteristics of the insurance contracts and the characteristics of the cash flows, consistent with observable current market prices and exclude the effect of factors that influence such observable market prices but do not affect the future cash flows of the insurance contracts (e.g. credit risk). Expected future cash flows that vary based on the returns on any financial underlying items are discounted at rates that reflect this variability. The company has adopted the NAS yield curve as its discount rate as at December 2025.

Risk adjustment (RA) for non-financial risk

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

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

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

Contractual service margin (CSM)

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

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

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

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

Insurance acquisition cash flows

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

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

3.2.4.2 Subsequent measurement under the general model

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

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

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

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

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

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

Changes in fulfilment cash flows

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

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

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

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

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

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

Recognition of the CSM in profit or loss

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

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

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

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

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

3.2.4.3 Insurance contracts under the Premium Allocation Approach (PAA)

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

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

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

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

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

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

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

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

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

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

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

3.2.4.4 Onerous Contracts

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

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

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

3.2.5 Reinsurance contracts held

3.2.5.1 Recognition

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

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

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

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

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

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

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

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

3.2.5.2 Reinsurance contracts held measured under the general model

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

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

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

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

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

3.2.5.3 Reinsurance contracts held measured under the PAA

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

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

3.2.6 Modification and derecognition

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

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

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

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

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

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

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

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

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

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

3.2.7 Presentation

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

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

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

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

3.2.7.1 Insurance revenue

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

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

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

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

- amounts allocated to the loss component;

- amounts relating to risk adjustment for non-financial risk

- repayments of investment components;

- insurance acquisition expenses;

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

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

- changes that relate to future service that adjust the CSM; and

- amounts allocated to the loss component;

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

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

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

3.2.7.2 Insurance service expense

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

- changes in the LRC related to claims and expenses incurred in the period excluding repayment of investment components;

- changes in the LRC related to claims and expenses incurred in prior periods (related to past service);

- other directly attributable expenses incurred in the period;

- amortisation of insurance acquisition cash flows, which is recognised at the same amount in both insurance service expense and insurance contract revenue; and

- changes in the LRC related to future service that do not adjust the CSM, because they are changes in the loss components of onerous groups of contracts.

3.2.7.3 Income or expenses from reinsurance contracts held

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

- amount recovered from reinsurers; and

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

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

3.2.7.4 Insurance finance income and expenses

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

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

The Company has an accounting policy choice to either present all of the period's insurance finance income or expenses in profit or loss or to split the amount between profit or loss and other comprehensive income (OCI). In considering the choice of presentation of insurance finance income or expenses, the Company considers the assets held for that portfolio and how they are accounted for. The Company will not apply the OCI option and the choice is made at the level of portfolio of insurance contracts and would be applied consistently for every group of contracts within each portfolio.

3.3 Cash and cash equivalents

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

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

3.4 Financial assets and liabilities

3.4.1 Classification

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

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

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

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

3.4.2 Initial recognition

a. Business Model Assessment

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

b. Solely payments of principal and interest

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

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

3.4.3 Subsequent measurement

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

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

b. Financial assets at amortised cost

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

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

c. Trade receivables

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

d. Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are measured at amortized cost using the effective interest method, less any impairment. Loans and receivables on the statement of financial position comprise staff loans and loans to policy holders. Interest of 5% is been charged on loan given to staff

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

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

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

3.4.4 Fair value measurement

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

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

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

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

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

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

3.4.5 De-recognition of financial instruments

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

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

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

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

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

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

3.4.6 Impairment of assets

a. Financial assets carried at amortized cost

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

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

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

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

b. Trade receivables

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

c. Loans and receivables

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

d. Impairment of non-financial assets

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

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

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

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

3.5 Offsetting financial instruments

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

3.6 Other receivables and prepayments

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

3.7 Intangible assets

3.7.1. Software

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

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

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

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

3.8 Property, plant and equipment

3.8.1. Recognition & measurement

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

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

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

3.8.2. Subsequent costs

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

3.8.3. Subsequent measurement

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

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

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

3.8.4. Depreciation

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

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

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

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

The estimated useful life for the assets as follows

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

Capital work-in-progress- Capital work-in-progress is stated at cost and not depreciated. Depreciation on capital work-in-progress commences when the assets are ready for their intended use and have been reclassified to the related asset category

3.8.5. De-recognition

Upon disposal of any item of property and equipment or when no future economic benefits are expected to flow from its use, such items are derecognized from the books.

Gains and losses on disposal of assets are determined by comparing proceeds with their carrying amounts and are recognized in the income statement in the year of de-recognition.

3.9 Statutory deposit

The statutory deposit represents 10% of the paid up capital of the Company deposited with the Central Bank of Nigeria (CBN) as mandated by the Insurance Act 2003. Subsequent to the enactment of the Nigeria Insurance Industry Reform Act 2025, life assurance companies are required to maintain a minimum capital requirement (MCR) of N10 billion and a revised statutory deposit of N1 billion following successful recapitalization. Heirs Life Assurance is currently reviewing and verifying its capital position in line with these requirements. Upon completion of this verification process, the additional sum of N200 million will be remitted to the Central Bank of Nigeria in order to comply with the revised statutory deposit requirement as stipulated under NIIRA 2025. The deposit is measured at cost and interest is paid twice annually at rates determined by the CBN.

3.10 Investment contracts

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

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

3.11 Trade and other payables

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

3.12 Provisions

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

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

3.13 Share capital & reserves

3.13.1 Share capital.

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

3.13.2 Dividend on ordinary shares

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

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

3.14 Contingency reserves/ Asset revaluation reserve

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

3.15 Asset revaluation reserve

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

3.16 Fair value reserve

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

3.17 Earnings per share

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

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

3.18 Contingent liabilities

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

3.19 Investment and other operating income

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

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

3.20 Dividend income

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

3.21 Management and other operating expenses

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

3.22 Hypothecation of Assets

The Company structured its assets to meet the requirements of the Nigeria Insurance Industry Reform Act 2025 and extant provision of insurance laws wherein the policyholders' assets and funds are not co-mingled with assets and funds that belong to shareholders and other funds.

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

3.23 Segment reporting

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

3.24 Leases

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

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

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

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

3.25 Employee benefit

Short-term benefits

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

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

3.26 Income tax

3.26.1 Current tax

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

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

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

3.26.2 Minimum tax

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

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

3.26.3 Deferred taxation

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

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

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

3.27 Critical Accounting Judgement

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

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

3.27.1 Assessment of significance of insurance risk

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

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

3.27.2 Combination of insurance contracts:

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

3.27.3 Contract boundaries

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

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

A substantive obligation to provide services ends when:

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

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

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

3.27.4 Separation of non-insurance components from insurance contracts:

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

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

3.27.5 Separation of insurance components of an insurance contracts:

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

3.27.6 Determination of the contract boundary

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

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

3.27.8 Identification of portfolios

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

3.27.9 Level of aggregation

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

3.27.10 Assessment of directly attributable cash flows

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

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

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

The Company considers that the benefits of diversification occur at an issuing entity level and therefore determines the risk adjustment for non-financial risk at that level. The diversification benefit is then allocated to all groups of insurance contracts for which it has been considered in aggregate. The Company considers that the risk adjustment for non-financial risk allocated to any individual group, as the cost of uncertainty, cannot be negative. Accordingly, when determining the allocation, correlations of non-financial risk between groups are ignored. This is because they have already been considered as part of the diversification benefits in determining the overall group-level risk adjustment. The Company allocates the total entity-level risk adjustment to groups based on the percentage of the group's expected fulfilment cash flows to the total expected fulfilment cash flows.

3.27.12 Selecting a method of allocation of coverage units

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

3.28 Key sources of estimation uncertainty

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

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

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

3.28.1 Technique for estimation of future cash flows

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

3.28.2 Estimate relating to discounting

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

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

31-Dec-25	1 year	5 years	10 years	20 years	30 years
	19%	17%	16%	15%	15%
31-Dec-24	1 year	5 years	10 years	20 years	30 years
	28%	21%	18%	17%	17%

3.28.3 Estimate relating to Risk Adjustment

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

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

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

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

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

3.28.5 Expenses

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

3.28.5.1 Future maintenance expenses

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

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

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

Type of Business	Current Valuation
Risk business including annuity	N9,750 per policy per p.a.
Savings Business	N5,000 per policy per p.a.
Supplementary benefits	N/A

3.28.5.2 Expense inflation

The above expenses are subject to inflation at 12% per annum. Consumer price inflation at December 2025 was 15.15%. Both the expense inflation and expense assumption will be actively reviewed in subsequent valuations once more experience data and an expense analyses are available.

3.28.6 Mortality

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

3.28.7 Withdrawals

The lapse assumptions were determined from an adjusted pricing basis.

3.29 Liability for Remaining Coverage (LRC)

Management applies judgement in determining the appropriate measurement model and pattern of revenue recognition for insurance contracts.

For insurance contracts measured under the Premium Allocation Approach (PAA), the liability for remaining coverage (LRC) is represented by the unearned premium reserve (UPR). The UPR is calculated using the 365th method, which assumes that insurance coverage is provided evenly over the coverage period. Management has judged that this method appropriately reflects the pattern of insurance service provided. Discounting is not applied to the LRC for PAA contracts, as the coverage period is short and the impact of discounting is not considered material.

For insurance contracts measured under the General Measurement Model (GMM), the LRC is measured as the present value of future fulfilment cash flows, including an explicit risk adjustment for non-financial risk, together with the contractual service margin (CSM). Management applies judgement in estimating the fulfilment cash flows and in determining the release of the CSM over the coverage period to reflect the transfer of insurance services.

3.30 Expected credit loss

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

3.31 Determining the lease term

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

The following factors are normally the most relevant:

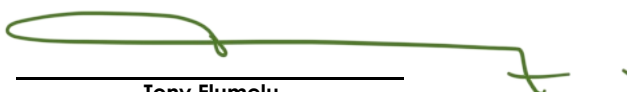
- If there are significant penalties to terminate (or not extend), the Company is typically reasonably certain to extend (or not terminate).
- If any leasehold improvements are expected to have a significant remaining value, the Company is typically reasonably certain to extend (or not terminate).
-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

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

HEIRS LIFE ASSURANCE LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 December 2025
STATEMENT OF FINANCIAL POSITION

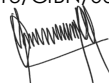
		31 Dec 2025	31 Dec 2024
	NOTES	N'000	N'000
ASSETS			
Cash and cash equivalents	7	1,792,423	840,051
Financial assets - FVTPL	8	124,941,337	59,158,287
Financial assets - Amortized cost	9	2,371,116	2,795,557
Trade receivables	10	-	-
Reinsurance contract Asset	11	698,150	505,679
Insurance Contract assets	12	20	-
Other receivables & prepayments	14	3,899,527	364,887
Right of use asset	13	799,015	941,277
Statutory deposits with CBN	15	800,000	800,000
Property, plant and equipment	16	858,347	614,981
Intangible assets	17	94,821	178,912
TOTAL ASSETS		136,254,756	66,199,631
LIABILITIES			
Insurance contract liabilities	18	97,316,858	39,659,829
Reinsurance contract liabilities	19	81,022	76,433
Investment contract liabilities	22	13,925,451	8,458,884
Other Insurance Contract Liabilities	20	914,613	1,925,425
Provisions & other payables	21	1,148,175	646,624
Lease liability	23	698,160	828,121
Income tax payable	24	203,985	54,273
TOTAL LIABILITIES		114,288,264	51,649,589
EQUITY			
Ordinary share capital	25	8,000,000	8,000,000
Contingency reserve	26	1,627,054	885,409
Retained earnings	27	12,339,438	5,664,633
TOTAL EQUITY		21,966,492	14,550,042
TOTAL EQUITY & LIABILITIES		136,254,756	66,199,631

These financial statements were authorised for issue by the board of directors on the March 11, 2026 and were signed on its behalf by:



Tony Elumelu
Chairman

FRC/2013/CIBN/00000002590



Niyi Onifade

Managing Director/CEO

FRC/2013/PRO/DIR/003/00000002690



Godwin Oguche

Financial Controller

FRC/2024/PRO/ICAN/001/045237

HEIRS LIFE ASSURANCE LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 December 2025
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	31-Dec-25	31-Dec-24
		₦'000	₦'000
Insurance Revenue	28	27,238,899	15,147,394
Insurance service expenses	29	(15,041,415)	(7,618,666)
Insurance service result from insurance contracts issued		12,197,484	7,528,728
Net income/ (expenses) from reinsurance contracts held	30	(144,717)	(193,691)
Insurance service result		12,052,767	7,335,037
Investment income	32	14,161,987	4,459,119
Net gain/(loss) on FVTPL investments	34	10,005,529	(825,115)
Profit/ (Loss) on investment contracts	33	721,723	585,507
Exchange (loss)/Gain	35a	(79,512)	479,703
Net credit impairment writeback/(loss)	36	8,051	(13,208)
Net Investment Income		24,817,778	4,686,006
Net finance Income from insurance contracts issued	31	(20,352,530)	(936,775)
Net finance expenses from reinsurance contracts held	31	(32,518)	25,555
Net insurance finance expenses		(20,385,048)	(911,220)
Net Insurance and Investment Result		16,485,497	11,109,823
Other Income	35b	3,737	21,635
Other operating expenses (Non attributable)	39c	(8,729,663)	(5,528,427)
Finance costs	40	(138,007)	(90,376)
Profit before Tax		7,621,564	5,512,656
Income Tax Expense	24	(205,114)	(55,359)
Profit for the Year		7,416,450	5,457,297
Other comprehensive income / (expense)			
<i>Items reclassified to profit and loss</i>			
Change in fair value of financial assets at fair value through OCI		-	-
<i>Items that will not be reclassified to profit and loss</i>			
Finance income (expenses) from insurance contracts issued		-	-
Finance income (expenses) from reinsurance contracts held		-	-
Other comprehensive income for the year net of tax		-	-
Total comprehensive income for the year		7,416,450	5,457,297

HEIRS LIFE ASSURANCE LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 December 2025
STATEMENT OF CHANGES IN EQUITY

	Note	31 Dec 2025			Total
		Share Capital	Contingency Reserve	Retained Earning	
(All amount are in thousands of Naira)					
Opening balance as at 1 January 2025	25-27	8,000,000	885,409	5,664,633	14,550,042
Profit for the period	27	-	-	7,416,450	7,416,450
Net insurance finance income and expenses					-
Movement in contingency reserve	26	-	741,645	(741,645)	-
Balance as at 31 Dec 2025		8,000,000	1,627,054	12,339,438	21,966,492

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

HEIRS LIFE ASSURANCE LIMITED
 FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 December 2025
 STATEMENT OF CASHFLOWS

	Note	31 December	
		2025	31 December 2024
		N'000	N'000
Cash flows from operating activities:			
Premium received from policyholders	10	68,307,387	32,817,289
Cash received from investment contract liability	23a	18,507,880	10,363,037
Cash withdrawals from investment contract liability	23a	(13,499,134)	(6,026,555)
Unallocated premium	20a	768,843	1,395,038
Fees and commission income	11.1	231,181	196,860
Re-insurance expense paid	11.1,11.2.&19	(902,177)	(742,106)
Claims recoveries	11.1	315,003	186,097
Commission	18.2,18.3 &12.1	(6,143,733)	(3,284,655)
Maintenance expenses paid	39c	(2,464,197)	(1,790,193)
Claims paid	18.2,18.3 & 12.1	(14,441,288)	(6,524,068)
Payment to employees	37	(3,189,775)	(2,268,090)
Other operating cash payment		(5,342,043)	(1,060,388)
Other operating cash receipt	14d&35b	183,868	106,189
Tax paid	24	(55,402)	(19,931)
Statutory deposit		-	-
Net cash outflow used in operating activities		42,276,413	23,348,524
Cash flows from investing activities:			
Interest received	7.8&32	12,295,208	5,153,136
Acquisition of PPE ,Intangible asset & ROU	16&17	(556,195)	(625,818)
Purchases of investment securities	7&8	(88,392,175)	(39,914,975)
Maturities of investment securities	7&8	35,498,695	11,185,031
Dividend Income	7&8	36,550	514
Proceed from sale of Property and Equipment	16&35b	59,007	2,553
Net cashflow from investing activities		(41,058,910)	(24,199,559)
Cash flows from financing activities			
Paid up capital received from shareholders		-	-
Principal elements of lease payment	23	(267,968)	(7,101)
Net cashflow from financing activities		(267,968)	(7,101)
Net increase in cash and cash equivalent		949,534	(858,135)
Cash and cash equivalent, beginning of period		840,524	1,708,094
Net increase in cash and cash equivalent		949,534	(858,134)
Effect of foreign exchange on cash and cash equivalent		4,800	(9,436)
Gross Cash and cash equivalent, end of period	7	1,794,858	840,524

4. Enterprise Risk Management

4.1 Introduction

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

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

4.1.2 Risk Management Overview

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

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

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

4.1.3 Risk Management Strategy

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

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

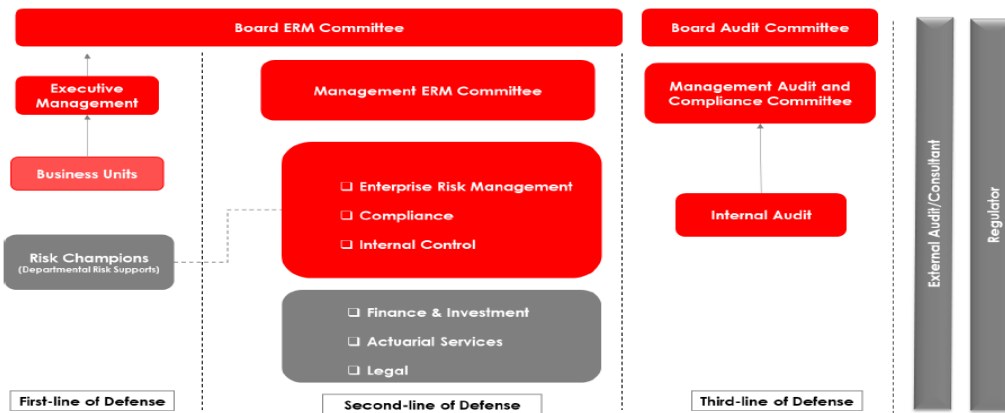
4.1.4 Risk Management Objectives

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

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

4.2 Governance Structure

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



Please see below the stakeholders and their respective responsibilities:

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

4.3 Risk Appetite

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

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

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

4.3.1 Key Risk Performance Areas

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

4.3.2 Risk Management System

Our activities and initiatives to improve our risk management system include:

- i. Risk Technology and Digitization Plan: The business has a designed technology and digitisation plan undergoing implementation. The risk technology aims to enable the business to assess risk objectively and timely to support strategic business decision-making. Pursuing a long-term digital initiative is aimed at delivering an integrated risk management system (IRMS) to manage the risk database for financial and non-financial risk data, analysis, models, and reports. Maintaining an active risk register and risk appetite as well as a workflow system will aid proactive risk management and communication.
- ii. Policies and Processes Plan: The business has simplified the company's risk management processes and policies by consolidating these areas for optimality. HLA continues to develop a customised approach to risk management and embedding proactiveness in risk actions and advocacy. To drive business resilience and continuity, we promote a shift from a reactive risk management culture to a proactive risk management culture.
- iii. People and Culture Plan: Building enhanced risk management cultures, the business has enforced risk ownership and accountability for managing risks identified and implementing relevant controls at the business unit level. Our people are empowered to stay ahead of the risk curves and implement internal controls against disruptions and controllable events under normal and stressed business conditions. To achieve this, we integrate risk management activities into daily and routine business operations to eliminate surprises resulting in financial and/or non-financial loss to the business.
- iv. Governance and Reporting Plan: Strategic risk governance and reporting is an integral aspect of the risk management activities at HLA. To support our risk reporting, monitoring, and communication activities, the business clearly defined the reporting process and channels for effective reporting across the business. The business has instituted the Management Enterprise Risk Management Committee to support technical risk management to advise and support the risk management function for effective reporting to the Board. HLA continues to implement the three lines of defence rule designed by the COSO Enterprise Risk Management Framework as directed by NAICOM.

4.3.3 Risk Identification

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

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

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

4.3.4 Risk Mitigation & Controls

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

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

4.3.5 Risk Monitoring & Reporting

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

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

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

5. Insurance risk

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

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

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

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

5.1 Underwriting risk

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

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

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

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

(i) All alterations to life insurance products must pass through the approvals framework that is part of the governance process. The statutory actuary certifies that new and revised products are financially sound.

(ii) The Company's underwriting strategy seeks to diversify its underwriting risks in terms of type (medical, occupational, and financial) and amount of risk covered. In spite of the difficulty of measuring this at the underwriting stage, the success or failure of a strategy can be determined by the historical consistency of profits emerging from the book of business.

(iii) Prior to issuance, premium rates must be certified by the statutory actuary as being financially sound.

(iv) At least every six months, investigations into mortality and morbidity experience are conducted to ensure that corrective action is taken where necessary.

5.2 Severity of claims

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

5.3 Concentration risks

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

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

	Gross		Reinsurance		Net	
	2025	2024	2025	2024	2025	2024
TERM	126,681	19,604	227	-	126,454	19,604
ENDOWMENT	1,923,117	790,729	-	-	1,923,117	790,729
KEYMAN	25,719	2,190	12,241	403	13,479	1,787
WHOLELIFE	6,853	3,072	327	193	6,526	2,879
ANNUITY	83,270,234	30,917,543	-	-	83,270,234	30,917,543
TRIPLEPAY	10,317,191	6,418,233	-	-	10,317,191	6,418,233
GROUPLIFE	1,154,120	1,116,902	642,994	471,052	511,126	645,850
CREDITLIFE	489,922	387,918	40,730	34,033	449,192	353,886
GROUPMORTGAGE	1,950	1,518	1,631	-	319	1,518
HOSPITAL_CASH	454	1,384	-	-	454	1,384
SMART_SCHOOL	37	46	-	-	37	46
CREDITLIFE_IND	-	203	-	-	-	203
MORTGAGE	578	488	-	-	578	488
Total	97,316,856	39,659,830	698,150	505,681	96,618,707	39,154,150

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

N'000	2025	2024
Nigeria	97,316,858	39,659,830
Rest of Africa	Nil	Nil
Europe	Nil	Nil
USA	Nil	Nil
Others	Nil	Nil

5.3.1 Sources of volatility in the estimation of liabilities exposures

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

5.3.2 Annuity Risk

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

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

5.3.3 Liability Valuation

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

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

Actuarial Valuation of Liabilities		
N'000	2025	2024
Individual Life	12,400,630	7,235,949
Annuity	83,270,234	30,917,543
Group Life	1,645,992	1,506,337
Insurance Contracts	97,316,856	39,659,829
Reinsurance Contracts	81,022	76,433

Actuarial Valuation of Liabilities		
Count	2025	2024
Individual Life	62,525	42,826
Annuity	10,461	2,753
Group Life	1,885	1,625
Insurance Contracts	74,871	47,204

5.3.4 Concentration Risk- Outstanding Claims

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

N'000	2025		2024	
	Gross Liability	Net Reinsurance Asset	Gross Liability	Net Reinsurance Asset
Individual Life	12,400,630	12,387,836	7,235,949	7,236,871
Annuity	83,270,234	83,270,234	30,917,543	30,917,543
Group Life	1,645,992	960,636	1,506,337	999,735

5.4 Valuation Assumptions

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

	31-Dec-25	31-Dec-24
Interest rate	Yield curve (obtained from the Nigerian Actuarial Society - NAS) adjusted with illiquidity premium of 25 basis points	Yield curve (obtained from the Nigerian Actuarial Society - NAS) adjusted with illiquidity premium of 25 basis points
Inflation rate	12.00%	15.65%
Mortality experience (Assurances)	UK's Mortality of Assured Lives A 1967-70 (A6770)	UK's Mortality of Assured Lives A 1967-70 (A6770)
Mortality experience (Annuity)	PA90 Ultimate Mortality Tables with an age rating of -3	PA90 Ultimate Mortality Tables with an age rating of -5
Risk Adjustment	Provision for adverse deviation (pfAD)	Provision for adverse deviation (pfAD)

Per Policy Renewal Expenses

This table outlines the costs associated with renewing different types of policies for 2025 and 2024:

Product Segment	31-Dec-25	31-Dec-24
Endowment	14,444	18,120
Annuity	18,470	22,997
Term	7,308	99
Triple Pay	10,137	10,767
Whole Life	6,244	5,268
Keyman	7,671	34,728
Mortgage	3,974	2,021

5.5 Sensitivity analysis of carrying amounts to changes in assumptions

N'000	Change in assumption	31st Dec 2025			31st Dec 2024		
		Insurance contract liabilities	Reinsurance contract liabilities/(Asset)	Impact on Profit	Insurance contract liabilities	Reinsurance contract liabilities/(Asset)	Impact on Profit
Yield Curve	-1%	100,006,543	343,366	(4,058,934)	41,302,330	405,281	(1,666,416)
Yield Curve	+1%	112,604,735	333,232	17,199,365	46,304,675	446,102	6,627,069
		-	-	-	-	-	-
Mortality	-0.2%	101,841,845	428,125	(5,978,995)	42,445,553	385,055	(2,829,428)
Mortality	+0.2%	93,848,816	261,308	2,180,851	38,913,938	473,738	790,871
		-	-	-	-	-	-
Expenses	-20%	101,907,165	338,607	(5,954,797)	41,742,213	193,179	(2,664,410)
Expenses	+20%	93,855,648	338,447	8,327,864	38,493,918	197,974	588,680
		-	-	-	-	-	-
Laspes	-10%	102,522,494	343,922	(344,458)	42,900,406	422,699	(3,246,637)
Laspes	+10%	93,418,957	333,710	633,643	38,693,525	438,634	976,179

A sensitivity analysis of exposure to insurance risk.

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

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

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

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

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

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

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

5. Capital Adequacy

The Company's capital adequacy framework is guided by the National Insurance Commission (NAICOM) and the provisions of the Nigerian Insurance Industry Reform Act, 2025 (NIIRA 2025). NAICOM's oversight ensures insurers maintain sufficient capital to support underwriting activities, absorb unexpected losses, and protect policyholders.

In July 2025, the NIIRA 2025 was enacted, introducing significantly higher Minimum Capital Requirements (MCR) for insurers and reinsurers in Nigeria. Under the new regime, Life insurance companies minimum capital increased from ₦2 billion to ₦10 billion.

As at the reporting date, the Company's capital base remains above the regulatory minimum thresholds prescribed by the NIIRA 2025. Our capital management strategy has been proactive, incorporating both traditional capital sources (equity, retained earnings) and approved financial instruments, ensuring that capital levels not only meet statutory minima but also align with our internal risk profile using capital adequacy models and stress testing.

Ongoing capital planning ensures robust solvency through adherence to the risk-based capital assessment and NAICOM guidance.

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

Balance Sheet, N'm	YTD 2025	YTD 2024	Changes
Asset	136,255	66,200	106%
Liability	114,288	51,650	121%
Margin	21,966	14,550	51%
Tier 1 Capital	2,000	2,000	0%
Available Capital	21,966	14,550	51%
Capital Adjustment	-	-	0%
Tier 2 Capital	21,966	14,550	51%
Solvency Ratio	1098%	728%	51%

	31-Dec-25 N'000	31-Dec-24 N'000
Ordinary share capital	8,000,000	8,000,000
Contingency reserve	1,627,054	885,409
Retained earnings	<u>12,339,438</u>	<u>5,664,633</u>
Shareholders Fund	<u>21,966,492</u>	<u>14,550,042</u>
Regulatory required capital	2,000,000	2,000,000
Excess capital reserve	<u>19,966,492</u>	<u>12,550,042</u>

5.1 Solvency Margin

Section 24 of the Nigerian Insurance Act 2023 mandates that insurers must maintain a solvency margin. This margin is defined as the excess of the value of admissible assets in Nigeria over liabilities in Nigeria.

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

The solvency margin is as follows:

Solvency Margin	31-Dec-25			31-Dec-24		
	Admissible N'000	Inadmissible N'000	Total N'000	Admissible N'000	Inadmissible N'000	Total N'000
Cash and Cash Equivalents	1,679,347	113,076	1,792,423	701,981	138070	840,051
Treasury Bills	9,071,023	-	9,071,023	17,091,582	-	17,091,582
Placement with Financial Institution	-	949,860	949,860	-	1,345,874	1,345,874
Government Bonds	109,903,173	-	109,903,173	37,204,982	-	37,204,982
Corporate Bonds & Debenture -quoted	202,083	1,225,605	1,427,688	1,445,521	-	1,445,521
Quoted Shares	-	5,960,709	5,960,709	-	4,865,885	4,865,885
Commercial Papers	-	-	-	-	-	-
Other Receivables & Prepayments	167,445	3,732,082	3,899,527	65,239	299,648	364,887
Trade receivable	-	-	-	-	-	-
Reinsurance Contract Assets	698,150	-	698,150	505,679	-	505,679
Insurance Contract Assets	-	20	20	-	-	-
PPE excluding Land and Building	858,347	-	858,347	614,981	-	614,981
Statutory Deposits with CBN	800,000	-	800,000	800,000	-	800,000
Intangible Assets	94,821	-	94,821	178,912	-	178,912
Right of Use Asset	-	799,015	799,015	-	941,277	941,277
Total Admissible Assets (a)	123,474,390	12,780,368	136,254,757	58,608,878	7,590,754	66,199,632
Less: Admissible liabilities						
Insurance Contract Liabilities	97,316,858	-	97,316,858	39,659,829	-	39,659,829
Investment Contract Liabilities	13,925,451	-	13,925,451	8,458,884	-	8,458,884
Reinsurance Contract Liabilities	81,022	-	81,022	76,433	-	76,433
Other Technical Liabilities	914,613	-	914,613	1,925,425	-	1,925,425
Provision and Other Payable	1,148,175	-	1,148,175	646,624	-	646,624
Current income tax	203,985	-	203,985	54,273	-	54,273
Lease Liability	698,160	-	698,160	-	828,121	828,121
Total Admissible Liability (b)	114,288,264	-	114,288,264	50,821,468	828,121	51,649,589
Available Solvency Margin (a-b)	9,186,126	12,780,368	21,966,493	7,787,410	6,762,633	14,550,043
Minimum capital requirement	2,000,000	-	2,000,000	2,000,000	-	2,000,000
Surplus	7,186,126			5,787,410		

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

5.3 Credit Risk Management

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

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

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

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

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

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

Exposure to credit risk

	31-Dec-25 N'000	31-Dec-24 N'000
Cash and cash equivalents	1,792,423	840,051
Financial assets - FVTPL	124,941,337	59,158,287
Financial assets - Amortized cost	2,371,116	2,795,557
Trade receivables	-	-
Reinsurance contract Asset	698,150	505,679
Insurance Contract assets	20	-
Other receivables (Staff Loans and Others)	3,899,527	75,229
Statutory deposit	800,000	800,000
Total assets exposed to credit risk	134,502,573	64,174,803

Geographical Sectors

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

Credit Quality

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

As at 31 December 2025	AAA-A	BBB-B	Unrated	Total
Cash and cash equivalents	51,425	1,740,998	-	1,792,423
Financial assets - FVTPL	-	124,941,337	-	124,941,337
Financial assets - amortized Cost	2,272,416	98,700	-	2,371,116
Trade receivables	-	-	-	-
Reinsurance assets	488,705	209,445	-	698,150
Insurance contract asset	-	-	20	20
Other receivables	-	-	3,899,527	3,899,527
Statutory deposits with CBN	-	800,000	-	800,000
	2,812,546	127,790,480	3,899,547	134,502,573

As at 31 December 2024	AAA-A	BBB-B	Unrated	Total
Cash and cash equivalents	838,512	2,012	-	840,524
Financial assets - FVTPL	4,993,076	54,152,586	-	59,145,662
Financial assets - amortized Cost	2,700,105	95,452	-	2,795,557
Trade receivables	-	-	-	-
Reinsurance assets	353,976	151,704	-	505,680
Insurance contract asset	-	-	-	-
Other receivables	-	-	75,229	75,229
Statutory deposits with CBN	-	800,000	-	800,000
	8,885,669	55,201,754	75,229	64,162,652

Industry Sectors

The company is exposed to various industries as shown below

As at 31 December 2025	Financial institution N'000	Government N'000	Consumer/ other corporate entity N'000	Total N'000
Cash and cash equivalents	1,792,423	-	-	1,792,423
Financial assets - FVTPL	5,960,709	118,881,893	98,735	124,941,337
Financial assets - amortized Cost	2,278,812	92,304	-	2,371,116
Trade receivables	-	-	-	-
Reinsurance assets	698,150	-	-	698,150
Insurance contract asset	-	-	-	-
Other receivables (Staff Loans)	-	-	167,445	167,445
Statutory deposits with CBN	800,000	-	-	800,000
	11,530,095	118,974,197	266,180	130,770,471

As at 31 December 2024	Financial institution N'000	Government N'000	Consumer/ other corporate entity N'000	Total N'000
Cash and cash equivalents	840,051	-	-	840,051
Financial assets - FVTPL	4,865,885	54,188,959	90,817	59,145,661
Financial assets - amortized Cost	2,700,105	95,452	-	2,795,557
Trade receivables	-	-	-	-
Reinsurance assets	505,680	-	-	505,680
Insurance contract asset	-	-	-	-
Other receivables (Staff Loans)	-	-	75,229	75,229
Statutory deposits with CBN	800,000	-	-	800,000
	9,711,722	54,284,411	166,046	64,162,179

5.4 Reinsurance Assets & Credit Quality

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

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

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

As at 31 December 2025	AAA-A	BBB-B	Unrated	Total
	488,705.00	209,445.00	-	698,150.00
As at 31 December 2023	AAA-A	BBB-B	Unrated	Total
	353,976.04	151,704.02	-	505,680.05

5.5 Credit Risk Measurement

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

6 Financial Risk Management

6.1 Market Risk Management

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

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

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

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

6.2 Foreign exchange risks

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

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

Assets	31-Dec-25				
	Total	NGN	USD	EUR	GBP
in thousands of naira					
Cash and cash equivalents	1,792,423	1,786,821	1,731	967	2,904
Financial assets - FVTPL	124,941,337	124,941,337	-	-	-
Financial assets - Amortized cost	2,371,116	1,397,033	974,083	-	-
Trade receivables	-	-	-	-	-
Reinsurance contract Asset	698,150	698,150	-	-	-
Insurance Contract assets	20	20	-	-	-
Other receivables (Staff Loans & Others)	3,899,527	3,899,527	-	-	-
Statutory deposits with CBN	800,000	800,000	-	-	-
Total Financial Assets	134,502,573	133,522,888	975,814	967	2,904
Financial Liabilities					
Insurance contract liabilities	97,316,858	97,316,858	-	-	-
Reinsurance contract liabilities	81,022	81,022	-	-	-
Investment contract liabilities	13,925,451	13,925,451	-	-	-
Other Insurance Contract Liabilities	914,613	914,613	-	-	-
Provisions & other payables	1,148,175	1,148,175	-	-	-
Lease liability	698,160	698,160	-	-	-
Total Financial Liabilities	114,084,279	114,084,279	-	-	-

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

Assets	31-Dec-24				
	Total	NGN	USD	EUR	GBP
<i>in thousands of naira</i>					
Cash and cash equivalents	840,524	829,976	8,922	914	712
Financial assets - FVTPL	59,158,287	59,158,287	-	-	-
Financial assets - Amortized cost	4,149,752	2,795,557	1,354,195	-	-
Trade receivables	-	-	-	-	-
Reinsurance contract Asset	505,679	505,679	-	-	-
Insurance Contract assets	-	0	-	-	-
Other receivables (Staff Loans)	65,239	65,239	-	-	-
Statutory deposits with CBN	800,000	800,000	-	-	-
Total Financial Assets	65,519,481	64,154,738	1,363,117	914	712
Financial Liabilities					
Insurance contract liabilities	39,659,829	39,659,829	-	-	-
Reinsurance contract liabilities	76,433	76,433	-	-	-
Investment contract liabilities	8,581,230	8,458,884	122,346	-	-
Other Insurance Contract Liabilities	1,925,425	1,925,425	-	-	-
Provisions & other payables	646,624	646,624	-	-	-
Lease liability	828,121	828,121	-	-	-
Total Financial Liabilities	51,717,662	51,595,316	122,346	-	-

6.3 Interest rate risks

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

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

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

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

Financial Assets	31 Dec 2025		
	Carrying Amount N'000	Fixed interest N'000	Non-interest bearing N'000
Cash and cash equivalents	1,792,422	1,209,710	582,713
Financial assets - FVTPL	124,941,337	118,980,628	5,960,709
Financial assets - Amortized cost	2,371,116	2,371,116	-
Trade receivables	-	-	-
Reinsurance contract Asset	698,150	-	698,150
Insurance Contract assets	20	-	20
Other receivables (Staff Loans & Others)	3,899,527	167,445	3,732,082
Statutory deposit	800,000	800,000	-
Total Financial Assets	134,502,573	123,528,899	10,973,674
Financial Liabilities			
Insurance contract liabilities	97,316,858	-	97,316,858
Reinsurance contract liabilities	81,022	-	81,022
Investment contract liabilities	13,925,451	13,925,451	-
Other Insurance Contract Liabilities	914,613	-	914,613
Provisions & other payables	1,148,175	-	1,148,175
Lease liability	698,160	-	698,160
Total Financial Liabilities	114,084,279	13,925,451	100,158,828
Net Exposures	20,418,294	109,603,448	(89,185,154)

	31 Dec 2024		
	Carrying Amount N'000	Fixed interest N'000	Non-interest bearing N'000
Financial Assets			
Cash and cash equivalents	840,524	519,815	320,709
Financial assets - FVTPL	59,145,661	54,279,776	4865885
Financial assets - Amortized cost	2,795,557	2,795,557	-
Trade receivables	-	-	-
Reinsurance contract Asset	505,680	-	505,680
Insurance Contract assets	-	-	-
Other receivables (Staff Loans& others)	75,229	65,239	9,990
Statutory deposit	800,000	800,000	-
Total Financial Assets	64,162,651	58,460,387	5,702,264
Financial Liabilities			
Insurance contract liabilities	39,659,829	-	39,659,829
Reinsurance contract liabilities	76,433	-	76,433
Investment contract liabilities	8,458,884	8,458,884	-
Other Insurance Contract Liabilities	1,925,425	-	1,925,425
Provisions & other payables	646,624	-	646,624
Lease liability	828,121	-	828,121
Total Financial Liabilities	51,595,316	8,458,884	43,136,432
Net Exposures	12,567,335	50,001,503	(37,434,168)

6.4 Equity and commodity price risk

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

6.5 Liquidity Risk Management

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

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

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

In addition to general liquidity management under the prudential regime, the National Insurance Commission (NAICOM) has introduced specific regulatory requirements governing the annuity business, a material line for long-term life insurers. These requirements are intended to ensure robust asset-liability matching (ALM), effective liquidity management and the long-term sustainability of annuity obligations to policyholders.

The Company has implemented a comprehensive liquidity management framework for its annuity portfolio, aligned with both the general prudential guidelines and the specific annuity regulatory requirements.

To date, the Company remains fully compliant with the annuity liquidity requirements and reporting deadlines prescribed by NAICOM. Where necessary, we have instituted contingency funding plans and liquidity buffers specifically earmarked for annuity obligations, reinforcing our

6.5.1 Maturity analysis (contractual undiscounted cashflow basis)

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

The amounts disclosed in the table are the contractual undiscounted cash flows as of 31 December 2025:

	Carrying amount	Gross nominal	0 - 3 months	3 - 6 months	6 - 9 months	9 months - 1 year	>1 year
	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Cash and cash equivalents	1,792,423	1,813,878	1,813,878				
Financial assets at amortised cost	2,371,116	2,722,766	93,000	1,026,905	196,706	-	1,406,155
Financial assets at fair value through profit or loss	124,941,337	249,708,825	16,474,202	5,188,672	5,330,402	6,052,422	216,663,127
Other receivables	-	-					
Other receivables	-	-					
Statutory deposit	800,000	800,000	-	-	-	-	800,000
Total financial assets	129,904,876	255,045,469	18,381,080	6,215,577	5,527,108	6,052,422	218,869,282
Investment contract liabilities	13,925,451	13,925,451					13,925,451
Trade payables	914,613	914,613	914,613				
Other payables and accruals	1,148,175	1,148,175	1,148,175				
Lease liability	698,160	698,160					698,160
Total financial liabilities	16,686,399	16,686,399	2,062,788	-	-	-	14,623,611
Net Financial Asset	113,218,477	238,359,070	16,318,292	6,215,577	5,527,108	6,052,422	204,245,671

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

	Carrying amount	Gross nominal	0 - 3 months	3 - 6 months	6 - 9 months	9 months - 1 year	>1 year
	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Cash and cash equivalents	840,051	848,867	848,867	-	-	-	-
Financial assets at amortised cost	2,795,557	3,537,524	104,774	1,439,658	0	106,436	1,886,655
Financial assets at fair value through profit or loss	59,158,287	115,194,144	14,245,583	7,319,715	2,019,725	217,002,299	89,439,093
Trade receivables	-	-	-	-	-	-	-
Other receivables	-	-	-	-	-	-	-
Statutory deposit	800,000	800,000	-	-	-	-	800,000
Total financial assets	63,593,895	120,380,535	15,199,224	8,759,373	2,019,725	2,276,465	92,125,748
Investment contract liabilities	8,458,884	8,458,884	-	-	-	-	8,458,884
Trade payables	1,925,425	1,925,425	1,925,425	-	-	-	-
Other payables and accruals	646,624	646,624	646,624	-	-	-	-
Lease Liabilities	828,121	828,121	-	-	-	-	828,121
Total financial liabilities	11,859,054	11,859,054	2,572,049	-	-	-	9,287,005
Net Financial Asset	51,734,841	108,521,481	12,627,175	8,759,373	2,019,725	2,276,465	82,838,743

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

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

Gross of Reinsurance

PORTFOLIO	Year 1	Year 2	Year 3	Year 4	Year 5	Total - >Undiscounted IBNR+OCR
GROUP (CREDIT & MORTGAGE)	23,390,702	15,593,802	19,492,252	11,695,351	7,796,901	77,969,008
INDIVIDUAL CREDIT LIFE	42,063	28,042	35,053	21,032	14,021	140,211
GROUP LIFE	105,061,741	70,041,161	87,551,451	52,530,871	35,020,580	350,205,804
HOSPITAL CASH	150,046	100,031	125,039	75,023	50,015	500,154
SMART SCHOOL	10,414	6,942	8,678	5,207	3,471	34,712
Total	128,654,966	85,769,978	107,212,473	64,327,484	42,884,988	428,849,889

Net of Reinsurance

PORTFOLIO	Year 1	Year 2	Year 3	Year 4	Year 5	Total - >Undiscounted IBNR+OCR
GROUP (CREDIT & MORTGAGE)	23,390,702	15,593,802	19,492,252	11,695,351	7,796,901	77,969,008
INDIVIDUAL CREDIT LIFE	42,063	28,042	35,053	21,032	14,021	140,211
GROUP LIFE	40,261,741	26,841,161	33,551,451	20,130,871	13,420,580	134,205,804
HOSPITAL CASH	150,046	100,031	125,039	75,023	50,015	500,154
SMART SCHOOL	10,414	6,942	8,678	5,207	3,471	34,712
Total	63,854,966	42,569,978	53,212,473	31,927,484	21,284,988	212,849,889

6.5.3 Asset and Liability Management (ALM)

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

HEIRS LIFE ASSURANCE LIMITED
 FINANCIAL STATEMENT FOR THE YEAR ENDED 31 December 2025
 NOTES TO THE FINANCIAL STATEMENT

	Year ended 31-Dec-25 N'000	Year ended 31-Dec-24 N'000
7 Cash and cash equivalents		
Cash & bank balances - Local	579,546	310,160
Cash & bank balances - Foreign	5,602	10,549
Placements with banks	1,209,710	519,815
Cash and cash equivalent (Gross)	1,794,858	840,524
Provision for expected credit losses (ECL) allowance	(2,435)	(473)
Cash and cash equivalent (Net)	1,792,423	840,051
7b Cash and cash equivalent for cashflow purpose include:		
Cash & bank balances - Local	579,546	310,160
Cash & bank balances - Foreign	5,602	10,549
Placements with banks	1,209,710	519,815
Cash and cash equivalent	1,794,858	840,524
***The cash and cash equivalent of N1,794,857 excludes provision for ECL.		
Placement with banks are held for less than 90 days		
8 Investment Securities valued at FVTPL		
Treasury bills (see note 8a)	9,071,023	17,091,582
FGN bonds (see note 8b)	109,810,870	37,110,003
Corporate bonds (see note 8c)	98,735	90,817
Quoted Equity	5,960,709	4,865,885
	124,941,337	59,158,287
Treasury bills		
Current	-	-
Non Current	9,071,023	17,091,582
	9,071,023	17,091,582
FGN Bonds		
Non Current	109,810,870	37,110,003
Movement in Investment Securities valued at FVTPL		
Opening balance	59,158,287	28,741,038
Additions	85,169,657	38,273,216
Fair value gain/(loss)	10,005,529	(825,114)
Interest Income	14,423,721	4,656,298
Interest Received	(12,061,667)	(4,543,716)
Maturities	(31,754,190)	(7,143,434)
	124,941,337	59,158,287
8a Treasury bills movement		
Opening balance	17,091,582	4,259,912
Additions	14,901,904	17,208,463
Fair value gain	168,819	2,332,857
Interest income	2,482,318	-
Maturities	(25,573,600)	(6,709,650)
Treasury bills as at 31 December	9,071,023	17,091,582
8b FGN bond movement		
Opening balance	37,110,003	24,383,507
Additions	70,267,753	16,058,839
Fair value gain/(loss)	8,733,967	(3,011,141)
Interest Income	11,928,903	4,643,762
Interest Received	(12,049,166)	(4,531,180)
Maturities	(6,180,590)	(433,784)
Balance as at 31 December	109,810,870	37,110,003
8c Corporate bond movement		
Opening balance	90,817	97,619
Additions	-	-
Fair value gain/(loss)	7,918	(6,802)
Interest Income	12,500	12,536
Interest received	(12,501)	(12,536)
Bond as at 31 December	98,735	90,817
Non Current	98,735	90,817
8d Quoted equity		
Opening balance	4,865,885	-
Additions	-	5,005,914
Fair Value Gain/ (Loss)	1,094,824	(140,029)
Disposal	-	-
Balance as at 31 December	5,960,709	4,865,885

	Year ended 31-Dec-25 N'000	Year ended 31-Dec-24 N'000
9 Investments carried at amortised cost		
Money market placement (see note 9a)	974,083	1,354,195
Corporate Bond (see note 9b)	1,328,953	1,380,146
Investment in State Bonds	92,304	95,452
Provision for expected credit losses (ECL) allowance (see note 9e)	(24,224)	(34,236)
	<u>2,371,116</u>	<u>2,795,557</u>
Non Current	<u>2,371,116</u>	<u>2,795,557</u>
Movement in amortised cost is as follows		
Opening Balance	2,795,557	4,540,097
Additions	3,222,518	1,641,759
Interest income	353,202	496,797
Interest received	(233,541)	(317,904)
Maturities/Principal Repayment	(3,744,504)	(4,041,598)
Exchange Gain	(32,128)	489,139
ECL	10,012	(12,734)
	<u>2,371,116</u>	<u>2,795,557</u>
9a Money market placement		
Opening Balance	1,354,195	765,170
Additions	3,222,518	1,099,122
Interest income	145,345	114,375
Interest received	(24,541)	(102,833)
Maturities	(3,691,305)	(1,010,778)
Exchange Gain	(32,128)	489,139
Placements as at 31 December	<u>974,083</u>	<u>1,354,195</u>
9b Corporate bond		
Opening Balance	1,380,146	1,405,647
Additions	-	-
Interest income	193,532	200,194
Interest received	(194,725)	(200,695)
Principal repayment	(50,000)	(25,000)
Corporate bond as at 31 December	<u>1,328,953</u>	<u>1,380,146</u>
9c State Bonds		
Opening Balance	95,452	95,452
Additions	-	-
Interest income	14,325	14,376
Interest received	(14,274)	(14,376)
Principal repayment	(3,199)	-
State Bonds as at 31 December	<u>92,304</u>	<u>95,452</u>
9d Movement in total expected credit losses		
Opening Balance	(34,709)	(21,502)
Charged during the year (see note 37)	8,050	(13,207)
Closing balance	<u>(26,659)</u>	<u>(34,709)</u>
Break-down of expected credit losses		
Expected Credit Loss on Investment held at		(34,236)
Amortization cost	(24,224)	
Expected Credit Loss on Cash and Cash Equivalent	(2,435)	(473)
	<u>(26,659)</u>	<u>(34,709)</u>

10 **Trade receivables**

Gross Trade Receivables

Opening Trade Receivable	65,698	148,937
Gross Premium written	70,087,042	33,859,296
Gross Premium Received	(68,307,387)	(32,817,289)
Allocated Premium during the year	(1,779,655)	(1,125,245)
Current	<u>65,698</u>	<u>65,698</u>

Impairment on trade Receivables

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

Net Trade Receivables

	<u>-</u>	<u>-</u>
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	Year ended 31-Dec-25 N'000	Year ended 31-Dec-24 N'000
11 Reinsurance contract Assets*		
Contracts Measured Under GMM*:		
Asset for Remaining Coverage:		
-Excluding loss component	621	596
-Loss component	12,173	-
Asset for Remaining Coverage:	<u>-</u>	<u>-</u>
	<u>12,794</u>	<u>596</u>
Contracts Measured Under PAA:		
Asset for Remaining Coverage:		
-Excluding loss component	451,489	269,720
-Loss component	-	-
Asset for Incurred Claims		
- Present Value of future cashflows	216,000	219,160
- Risk Adjustment	17,867	16,204
	<u>685,356</u>	<u>505,084</u>
Total Reinsurance Contract Asset	<u>698,150</u>	<u>505,680</u>
Current	62,197	140,628
Non-Current	635,954	365,051
Total Reinsurance Contract Asset	<u>698,150</u>	<u>505,680</u>

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

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

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

31-Dec-25

	Asset for remaining coverage		Asset for incurred claims on contract not measured under PAA	Asset for incurred claims on contract measured under PAA		Total
	Excluding loss recovery component	Loss recovery component		Present value of future cashflows	Risk Adjustment	
	№'000	№'000	№'000	№'000	№'000	№'000
Opening Reinsurance Contract Liabilities	(46)	-	-	-	-	(46)
Opening Reinsurance Contract Assets	270,316	-	-	219,160	16,204	505,680
Net reinsurance contract assets / (liabilities) opening balance	270,271	-	-	219,160	16,204	505,635
Allocation of reinsurance premiums	(494,006)	-	-	-	-	(494,006)
Amounts recoverable from reinsurers for incurred claims	-	12,173	-	311,843	1,663	325,678
Amounts recoverable for incurred claims and other expenses	-	(1,180)	-	266,617	7,159	272,596
Changes to amounts recoverable for incurred	-	-	-	45,226	(5,497)	39,729
Net income or expense from reinsurance contracts held	(494,006)	12,173	-	311,843	1,663	(168,328)
Reinsurance finance income	288	-	-	-	-	288
Total changes in the statement of comprehensive income	(493,718)	12,173	-	311,843	1,663	(168,040)
Cash flows	-	-	-	-	-	-
Premiums paid	906,738	-	-	-	-	906,738
Commission received	(231,181)	-	-	-	-	(231,181)
Claims recovered	-	-	-	(315,003)	-	(315,003)
Total cash flows	675,557	-	-	(315,003)	-	360,555
Other movements	-	-	-	-	-	-
Net reinsurance contract assets / (liabilities) closing balance	452,110	12,173	-	216,000	17,867	698,149
Closing Reinsurance Contract Liabilities	-	-	-	-	-	-
Closing Reinsurance Contract Assets	452,110	12,173	-	216,000	17,867	698,149
Net reinsurance contract assets / (liabilities) closing balance	452,110	12,173	-	216,000	17,867	698,149

31-Dec-24

	Asset for remaining coverage		Asset for incurred claimson contract not measured under PAA	Asset for incurred claims on contract measured under PAA		Total
	Excluding loss recovery component	Loss recovery component		Present value of future cashflows	Risk Adjustment	
	№'000	№'000	№'000	№'000	№'000	№'000
Opening Reinsurance Contract Liabilities	0	-	-	(0)	-	-
Opening Reinsurance Contract Assets	88,280	-	-	175,520	14,518	278,318
Net reinsurance contract assets / (liabilities) opening balance	88,280	-	-	175,520	14,518	278,318
Allocation of reinsurance premiums	(356,509)	-	-	-	-	(356,509)
Amounts recoverable from reinsurers for incurred claims	-	-	-	229,737	1,686	231,423
Amounts recoverable for incurred claims and other expenses	-	-	-	353,433	16,601	370,035
Changes to amounts recoverable for incurred	-	-	-	(123,696)	(14,916)	(138,612)
Net income or expense from reinsurance contracts held	(356,509)	-	-	229,737	1,686	(125,086)
Reinsurance finance income	537	-	-	-	-	537
Total changes in the statement of comprehensive income	(355,971)	-	-	229,737	1,686	(124,549)
Cash flows	-	-	-	-	-	-
Premiums paid	734,868	-	-	-	-	734,868
Commission received	(196,860)	-	-	-	-	(196,860)
Claims recovered	-	-	-	(186,097)	-	(186,097)
Total cash flows	538,008	-	-	(186,097)	-	351,911
Other movements	-	-	-	-	-	-
Net reinsurance contract assets / (liabilities) closing balance	270,316	-	-	219,160	16,204	505,680
Closing Reinsurance Contract Liabilities	-	-	-	-	-	-
Closing Reinsurance Contract Assets	270,316	-	-	219,160	16,204	505,680
Net reinsurance contract assets / (liabilities) closing balance	270,316	-	-	219,160	16,204	505,680

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

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

31-Dec-25	Asset for remaining coverage		Asset for incurred claims		Total #’000
	Excluding loss recovery component	Loss recovery component	Present Value of Cashflows	Risk Adjustment	
	#’000	#’000	#’000	#’000	
Opening Reinsurance Contract Liabilities	-	-	-	-	-
Opening Reinsurance Contract Assets	269,721	-	219,160	16,204	505,084
Net reinsurance contract assets / (liabilities) opening balance	269,721	-	219,160	16,204	505,084
Allocation of reinsurance premiums	(492,112)	-	-	-	(492,112)
Amounts recoverable from reinsurers for incurred claims	-	-	311,843	1,663	313,505
Amounts recoverable for incurred claims and other expenses	-	-	266,617	7,159	273,776
Changes to amounts recoverable for incurred claims	-	-	45,226	(5,497)	39,729
Loss-recovery on onerous underlying contracts and adjustment	-	-	-	-	-
Reinsurance investment components	-	-	-	-	-
Net income or expense from reinsurance contracts held	(492,112)	-	311,843	1,663	(178,606)
Reinsurance finance income	-	-	-	-	-
Foreign Currency Movements	-	-	-	-	-
Total changes in the statement of comprehensive income	(492,112)	-	311,843	1,663	(178,606)
Cash flows	-	-	-	-	-
Cash flows	-	-	-	-	-
Premiums paid	905,061	-	-	-	905,061
Commission received	(231,181)	-	-	-	(231,181)
Claims recovered	-	-	(315,003)	-	(315,003)
Total cash flows	673,880	-	(315,003)	-	358,878
Net reinsurance contract assets / (liabilities) closing balance	451,489	-	216,000	17,867	685,356
Closing Reinsurance Contract Liabilities	-	-	-	-	-
Closing Reinsurance Contract Assets	451,489	-	216,000	17,867	685,356
Net reinsurance contract assets / (liabilities) closing balance	451,489	-	216,000	17,867	685,356

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

HEIRS LIFE ASSURANCE LIMITED
 FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2025
 NOTES TO THE FINANCIAL STATEMENTS

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

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

31-Dec-25

	GROUPLIFE				
	Asset for remaining coverage		Asset for incurred claims		Total
	Excluding loss recovery component	Loss recovery component	Present Value of Cashflows	Risk Adjustment	
N'000	N'000	N'000	N'000	N'000	
Opening Reinsurance Contract Liabilities	-	-	-	-	-
Opening Reinsurance Contract Assets	235,688	-	219,160	16,204	471,052
Net reinsurance contract assets / (liabilities) opening balance	235,688	-	219,160	16,204	471,052
Allocation of reinsurance premiums	(463,938)	-	-	-	(463,938)
Amounts recoverable from reinsurers for incurred claims	-	-	310,599	1,663	312,262
Amounts recoverable for incurred claims and other expenses	-	-	265,373	7,159	272,533
Changes to amounts recoverable for incurred claims	-	-	45,226	(5,497)	39,729
Loss-recovery on onerous underlying contracts and adjustments	-	-	-	-	-
Reinsurance investment components	-	-	-	-	-
Net income or expense from reinsurance contracts held	(463,938)	-	310,599	1,663	(151,677)
Reinsurance finance income	-	-	-	-	-
Foreign Currency Movements	-	-	-	-	-
Total changes in the statement of comprehensive income	(463,938)	-	310,599	1,663	(151,677)
Cash flows					
Premiums paid	850,343	-	-	-	850,343
Commission received	(212,965)	-	-	-	(212,965)
Claims recovered	-	-	(313,759)	-	(313,759)
Total cash flows	637,378	-	(313,759)	-	323,619
Other movements					
Net reinsurance contract assets / (liabilities) closing balance	409,128	-	216,000	17,867	642,994
Closing Reinsurance Contract Liabilities	-	-	-	-	-
Closing Reinsurance Contract Assets	409,128	-	216,000	17,867	642,994
Net reinsurance contract assets / (liabilities) closing balance	409,128	-	216,000	17,867	642,994

31-Dec-24

	GROUPLIFE				
	Asset for remaining coverage		Asset for incurred claims		Total
	Excluding loss recovery component	Loss recovery component	Present Value of Cashflows	Risk Adjustment	
N'000	N'000	N'000	N'000	N'000	
Opening Reinsurance Contract Liabilities	-	-	-	-	-
Opening Reinsurance Contract Assets	34,395	-	175,520	14,518	224,433
Net reinsurance contract assets / (liabilities) opening balance	34,395	-	175,520	14,518	224,433
Allocation of reinsurance premiums	(303,312)	-	-	-	(303,312)
Amounts recoverable from reinsurers for incurred claims	-	-	229,737	1,686	231,423
Amounts recoverable for incurred claims and other expenses	-	-	370,035	-	370,035
Changes to amounts recoverable for incurred claims	-	-	(140,298)	1,686	(138,612)
Loss-recovery on onerous underlying contracts and adjustments	-	-	-	-	-
Reinsurance investment components	-	-	-	-	-
Net income or expense from reinsurance contracts held	(303,312)	-	229,737	1,686	(71,889)
Reinsurance finance income	-	-	-	-	-
Foreign Currency Movements	-	-	-	-	-
Total changes in the statement of comprehensive income	(303,312)	-	229,737	1,686	(71,889)
Cash flows					
Premiums paid	618,203	-	-	-	618,203
Commission received	(113,598)	-	-	-	(113,598)
Claims recovered	-	-	(186,097)	-	(186,097)
Total cash flows	504,605	-	(186,097)	-	318,508
Other movements					
Net reinsurance contract assets / (liabilities) closing balance	235,688	-	219,160	16,204	471,052
Closing Reinsurance Contract Liabilities	-	-	-	-	-
Closing Reinsurance Contract Assets	235,688	-	219,160	16,204	471,052
Net reinsurance contract assets / (liabilities) closing balance	235,688	-	219,160	16,204	471,052

	CREDITLIFE				
	Asset for remaining coverage		Asset for incurred claims		Total
	Excluding loss recovery component	Loss recovery component	Present Value of Cashflows	Risk Adjustment	
N'000	N'000	N'000	N'000	N'000	
Opening Reinsurance Contract Liabilities	(23,469)	-	-	-	(23,469)
Opening Reinsurance Contract Assets	57,502	-	-	-	57,502
Net reinsurance contract assets / (liabilities) opening balance	34,033	-	-	-	34,033
Allocation of reinsurance premiums	(28,559)	-	-	-	(28,559)
Amounts recoverable from reinsurers for incurred claims	-	-	1,243	-	1,243
Amounts recoverable for incurred claims and other expenses	-	-	1,243	-	1,243
Changes to amounts recoverable for incurred claims	-	-	-	-	-
Loss-recovery on onerous underlying contracts and adjustments	-	-	-	-	-
Reinsurance investment components	-	-	-	-	-
Net income or expense from reinsurance contracts held	(28,559)	-	1,243	-	(27,316)
Reinsurance finance income	-	-	-	-	-
Foreign Currency Movements	-	-	-	-	-
Total changes in the statement of comprehensive income	(28,559)	-	1,243	-	(27,316)
Cash flows					
Premiums paid	51,534	-	-	-	51,534
Commission received	(16,277)	-	-	-	(16,277)
Claims recovered	-	-	(1,243)	-	(1,243)
Total cash flows	35,257	-	(1,243)	-	34,013
Other movements					
Net reinsurance contract assets / (liabilities) closing balance	40,730	-	-	-	40,730
Closing Reinsurance Contract Liabilities	(24,522)	-	-	-	(24,522)
Closing Reinsurance Contract Assets	65,252	-	0	-	65,252
Net reinsurance contract assets / (liabilities) closing balance	40,730	-	0	-	40,730

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

	GROUPMORTGAGE					GROUPMORTGAGE					
	Asset for remaining coverage		Asset for incurred claims			Total	Asset for remaining coverage		Asset for incurred claims		Total
	Excluding loss recovery component	Loss recovery component	Present Value of Cashflows	Risk Adjustment	Excluding loss recovery component		Loss recovery component	Present Value of Cashflows	Risk Adjustment		
₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000		
Opening Reinsurance Contract Liabilities	-	-	-	-	-	-	-	-	-	-	
Opening Reinsurance Contract Assets	-	-	-	-	-	-	-	-	-	-	
Net reinsurance contract assets / (liabilities) opening balance	-	-	-	-	-	-	-	-	-	-	
Allocation of reinsurance premiums	386	-	-	-	386	-	-	-	-	-	
Amounts recoverable from reinsurers for incurred claims	-	-	-	-	-	-	-	-	-	-	
Amounts recoverable for incurred claims and other expenses	-	-	-	-	-	-	-	-	-	-	
Changes to amounts recoverable for incurred claims	-	-	-	-	-	-	-	-	-	-	
Loss-recovery on onerous underlying contracts and adjustments	-	-	-	-	-	-	-	-	-	-	
Reinsurance investment components	-	-	-	-	-	-	-	-	-	-	
Net income or expense from reinsurance contracts held	386	-	-	-	386	-	-	-	-	-	
Reinsurance finance income	-	-	-	-	-	-	-	-	-	-	
Foreign Currency Movements	-	-	-	-	-	-	-	-	-	-	
Total changes in the statement of comprehensive income	386	-	-	-	386	-	-	-	-	-	
Cash flows											
Premiums paid	3,184	-	-	-	3,184	-	-	-	-	-	
Commission received	(1,938)	-	-	-	(1,938)	-	-	-	-	-	
Claims recovered	-	-	-	-	-	-	-	-	-	-	
Total cash flows	1,245	-	-	-	1,245	-	-	-	-	-	
Other movements											
Net reinsurance contract assets / (liabilities) closing balance	1,631	-	-	-	1,631	-	-	-	-	-	
Closing Reinsurance Contract Liabilities	-	-	-	-	-	-	-	-	-	-	
Closing Reinsurance Contract Assets	1,631	-	-	-	1,631	-	-	-	-	-	
Net reinsurance contract assets / (liabilities) closing balance	1,631	-	-	-	1,631	-	-	-	-	-	

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

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

31-Dec-25

	Asset for remaining coverage			Total #000
	Excluding loss recovery component	Loss recovery component	Asset for incurred claims	
	#000	#000	#000	
Opening Reinsurance Contract Liabilities	(46)	-	-	(46)
Opening Reinsurance Contract Assets	596	-	-	596
Net reinsurance contract assets / (liabilities) opening balance	550	-	-	550
Allocation of reinsurance premiums	(1,895)	-	-	(1,895)
Amounts recoverable from reinsurers for incurred claims	-	12,173	-	12,173
Amounts recoverable for incurred claims and other expenses	-	-	-	-
Changes to amounts recoverable for incurrec	-	-	-	-
Net income or expense from reinsurance contracts held	(1,895)	12,173	-	10,278
Reinsurance finance income	288	-	-	288
Total changes in the statement of comprehensive income	(1,606)	12,173	-	10,567
Cash flows	-	-	-	-
Premiums paid	1,677	-	-	1,677
Commission received	-	-	-	-
Claims recovered	-	-	-	-
Total cash flows	1,677	-	-	1,677
Other movements	-	-	-	-
Net reinsurance contract assets / (liabilities) closing balance	621	12,173	-	12,794
Closing Reinsurance Contract Liabilities	-	-	-	-
Closing Reinsurance Contract Assets	621	12,173	-	12,794
Net reinsurance contract assets / (liabilities) closing balance	621	12,173	-	12,794

31-Dec-24

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

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

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

	31-Dec-25				31-Dec-24			
	TERM		Asset for incurred claims	Total	TERM		Asset for incurred claims	Total
	Asset for remaining coverage	Excluding loss recovery component			Loss recovery component	Asset for remaining coverage		
	₩'000	₩'000	₩'000	₩'000	₩'000	₩'000	₩'000	
Opening Reinsurance Contract Liabilities	(46)	-	-	(46)	-	-	-	-
Opening Reinsurance Contract Assets	-	-	-	-	-	-	-	-
Net reinsurance contract assets / (liabilities) opening balance	(46)	-	-	(46)	-	-	-	-
Allocation of reinsurance premiums	2			2	-	-	-	-
Amounts recoverable from reinsurers for incurred claims								
Amounts recoverable for incurred claims and other expens	-	-	-	-	-	-	-	-
Changes to amounts recoverable for incurred claims	-	-	-	-	-	-	-	-
Loss-recovery on onerous underlying contracts and adjustments	-	-	-	-	-	-	-	-
Reinsurance investment components	-	-	-	-	-	-	-	-
Net income or expense from reinsurance contracts held	2	-	-	2	-	-	-	-
Reinsurance finance income	5	-	-	5	-	-	-	-
Foreign Currency Movements	-	-	-	-	-	-	-	-
Total changes in the statement of comprehensive income	7	-	-	7	-	-	-	-
Cash flows								
Premiums paid	265	-	-	265	-	-	-	-
Commission received	-	-	-	-	-	-	-	-
Claims recovered	-	-	-	-	-	-	-	-
Total cash flows	265	-	-	265	-	-	-	-
Other movements								
Net reinsurance contract assets / (liabilities) closing balance	227	-	-	227	-	-	-	-
Closing Reinsurance Contract Liabilities	-	-	-	-	-	-	-	-
Closing Reinsurance Contract Assets	227	-	-	227	-	-	-	-
Net reinsurance contract assets / (liabilities) closing balance	227	-	-	227	-	-	-	-

	KEYMAN				KEYMAN			
	Asset for remaining coverage		Asset for incurred claims	Total	Asset for remaining coverage		Asset for incurred claims	Total
	Excluding loss recovery component	Loss recovery component			Excluding loss recovery component	Loss recovery component		
	₩'000	₩'000	₩'000	₩'000	₩'000	₩'000	₩'000	
Opening Reinsurance Contract Liabilities	-	-	-	-	-	-	-	-
Opening Reinsurance Contract Assets	403	-	-	403	1,210	-	-	1,210
Net reinsurance contract assets / (liabilities) opening balance	403	-	-	403	1,210	-	-	1,210
Allocation of reinsurance premiums	(1,679)			(1,679)	(2,938)			(2,938)
Amounts recoverable from reinsurers for inc	-	12,173	-	12,173	-	-	-	-
Amounts recoverable for incurred claims and other expenses	-	(1,180)	-	(1,180)	-	-	-	-
Changes to amounts recoverable for incurred claims	-	-	-	-	-	-	-	-
Loss-recovery on onerous underlying contracts and adjustments	-	13,353	-	13,353	-	-	-	-
Reinsurance investment components	-	-	-	-	-	-	-	-
Net income or expense from reinsurance contracts held	(1,679)	12,173	-	10,494	(2,938)	-	-	(2,938)
Reinsurance finance income	183	-	-	183	502	-	-	502
Foreign Currency Movements	-	-	-	-	-	-	-	-
Total changes in the statement of comprehensive income	(1,495)	12,173	-	10,678	(2,436)	-	-	(2,436)
Cash flows								
Premiums paid	1,160	-	-	1,160	1,629	-	-	1,629
Commission received	-	-	-	-	-	-	-	-
Claims recovered	-	-	-	-	-	-	-	-
Total cash flows	1,160	-	-	1,160	1,629	-	-	1,629
Net reinsurance contract assets / (liabilities) closing balance	68	12,173	-	12,241	403	-	-	403
Closing Reinsurance Contract Liabilities	-	-	-	-	-	-	-	-
Closing Reinsurance Contract Assets	68	12,173	-	12,241	403	-	-	403
Net reinsurance contract assets / (liabilities) closing balance	68	12,173	-	12,241	403	-	-	403

	WHOLELIFE				WHOLELIFE			
	Asset for remaining coverage Excluding loss recovery component R'000	Loss recovery component R'000	Asset for incurred claims R'000	Total R'000	Asset for remaining coverage Excluding loss recovery component R'000	Loss recovery component R'000	Asset for incurred claims R'000	Total R'000
Opening Reinsurance Contract Liabilities	-	-	-	-	-	-	-	-
Opening Reinsurance Contract Assets	193	-	-	193	37	-	-	37
Net reinsurance contract assets / (liabilities) opening balance	193	-	-	193	37	-	-	37
Allocation of reinsurance premiums	(218)			(218)	(32)			(32)
Amounts recoverable from reinsurers for incurred claims	-	0	-	0	-	-	-	-
Amounts recoverable for incurred claims and other expenses		(0)	-	(0)		-	-	-
Changes to amounts recoverable for incurred claims			-	-			-	-
Loss-recovery on onerous underlying contracts and adjustments		0		0		-		-
Reinsurance investment components	-	-	-	-	-	-	-	-
Net income or expense from reinsurance contracts held	(218)	0	-	(218)	(32)	-	-	(32)
Reinsurance finance income	100	-	-	100	35	-	-	35
Foreign Currency Movements	-	-	-	-	-	-	-	-
Total changes in the statement of comprehensive income	(118)	0	-	(118)	3	-	-	3
Cash flows								
Premiums paid	252			252	152			152
Commission received	-			-	-			-
Claims recovered								
Total cash flows	252	-	-	252	152	-	-	152
Other movements								
Net reinsurance contract assets / (liabilities) closing balance	327	0	-	327	193	-	-	193
Closing Reinsurance Contract Liabilities	-	-	-	-	-	-	-	-
Closing Reinsurance Contract Assets	327	0	-	327	193	-	-	193
Net reinsurance contract assets / (liabilities) closing balance	327	0	-	327	193	-	-	193

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

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

31-Dec-25

	Estimates of present value of future cashflows R'000	Risk adjustment for non-financial risk R'000	Contractual service margin R'000	Total R'000
Opening Reinsurance Contract Liabilities	68	-	(113)	(46)
Opening Reinsurance Contract Assets	(1,261)	(54)	1,911	596
Net reinsurance contract assets/(liabilities) opening balance	(1,194)	(54)	1,798	550
Changes that relate to current service	-	-	-	-
Contractual service margin recognised for services received	-	-	2,452	2,452
Risk adjustment recognized for the risk expired	-	21	-	21
Experience adjustments	(4,367)	-	-	(4,367)
	(4,367)	21	2,452	(1,895)
Changes that relate to future service	-	-	-	-
Contracts initially recognised in the period	14,814	(102)	(14,711)	-
Changes in estimates that adjust the contractual service margin	3,547	123	(3,670)	-
Changes in estimates that do not adjust the contractual service margin	-	-	12,173	12,173
	18,361	20	(6,208)	12,173
Changes that relate to past service	-	-	-	-
Changes in amounts recoverable arising from changes in liabilities	-	-	-	-
Net income or expense from reinsurance contracts held	13,993	41	(3,756)	10,278
Reinsurance finance income	4,497	(48)	(4,161)	288
Foreign Currency Movements	-	-	-	-
Total changes in the statement of comprehensive income	18,491	(6)	(7,918)	10,567
Cash flows	-	-	-	-
Premiums paid	1,677	-	-	1,677
Commission received	-	-	-	-
Claims recovered	-	-	-	-
Total cash flows	1,677	-	-	1,677
Net reinsurance contract assets/(liabilities) closing balance	18,974	(61)	(6,120)	12,794
Closing Reinsurance Contract Liabilities	-	-	-	-
Closing Reinsurance Contract Assets	18,974	(61)	(6,120)	12,794
Net reinsurance contract assets/(liabilities) closing balance	18,974	(61)	(6,120)	12,794

31-Dec-24

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

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

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

	31-Dec-25				31-Dec-24			
	TERM		Contractual service margin	Total	TERM		Contractual service margin	Total
	Estimates of present value of future cashflows	Risk adjustment for non-financial risk			Estimates of present value of future cashflows	Risk adjustment for non-financial risk		
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Opening Reinsurance Contract Liabilities	68	-	(113)	(46)	-	-	-	
Opening Reinsurance Contract Assets	-	-	-	-	-	-	-	
Net reinsurance contract assets/(liabilities) opening balance	68	-	(113)	(46)	-	-	-	
Changes that relate to current service								
Contractual service margin recognised for services received	-	-	30	30	-	-	-	
Risk adjustment recognized for the risk expired	-	-	-	-	-	-	-	
Experience adjustments	(28)	-	-	(28)	-	-	-	
	(28)	-	30	2	-	-	-	
Changes that relate to future service								
Contracts initially recognised in the period	-	-	-	-	-	-	-	
Changes in estimates that adjust the contractual service margin	(241)	-	241	-	-	-	-	
Changes in estimates that do not adjust the contractual service margin	-	-	-	-	-	-	-	
	(241)	-	241	-	-	-	-	
Changes that relate to past service								
Changes in amounts recoverable arising from changes in liability for incurred claims	-	-	-	-	-	-	-	
Net income or expense from reinsurance contracts held	(269)	-	271	2	-	-	-	
Reinsurance finance income	15	-	(10)	5	-	-	-	
Foreign Currency Movements	-	-	-	-	-	-	-	
Total changes in the statement of comprehensive income	(254)	-	261	7	-	-	-	
Cash flows								
Premiums paid	265	-	-	265	-	-	-	
Commission received	-	-	-	-	-	-	-	
Claims recovered	0	-	-	-	-	-	-	
Total cash flows	265	-	-	265	-	-	-	
Net reinsurance contract assets/(liabilities) closing balance	79	-	148	227	-	-	-	
Closing Reinsurance Contract Liabilities	-	-	-	-	-	-	-	
Closing Reinsurance Contract Assets	79	-	148	227	-	-	-	
Net reinsurance contract assets/(liabilities) closing balance	79	-	148	227	-	-	-	

	KEYMAN				KEYMAN			
	TERM		Contractual service margin	Total	TERM		Contractual service margin	Total
	Estimates of present value of future cashflows	Risk adjustment for non-financial risk			Estimates of present value of future cashflows	Risk adjustment for non-financial risk		
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Opening Reinsurance Contract Liabilities	-	-	-	-	-	-	-	
Opening Reinsurance Contract Assets	(1,231)	-	1,634	403	(674)	-	1,884	
Net reinsurance contract assets/(liabilities) opening balance	(1,231)	-	1,634	403	(674)	-	1,884	
Changes that relate to current service								
Contractual service margin recognised for services received	-	-	2,420	2,420	-	(1,613)	(1,613)	
Risk adjustment recognized for the risk expired	-	-	-	-	-	-	-	
Experience adjustments	(4,099)	-	(4,099)	(4,099)	(1,325)	-	(1,325)	
	(4,099)	-	2,420	(1,679)	(1,325)	-	(1,613)	
Changes that relate to future service								
Contracts initially recognised in the period	14,781	-	(14,781)	-	(3,422)	-	3,422	
Changes in estimates that adjust the contractual service margin	3,599	-	(3,599)	-	2,776	-	(2,776)	
Changes in estimates that do not adjust the contractual service margin	-	-	12,173	12,173	-	-	-	
	18,379	-	(6,206)	12,173	(646)	-	646	
Changes that relate to past service								
Changes in amounts recoverable arising from changes in liability for incurred claims	-	-	-	-	-	-	-	
Net income or expense from reinsurance contracts held	14,281	-	(3,786)	10,494	(1,971)	-	(967)	
Reinsurance finance income	4,401	-	(4,217)	183	(215)	-	717	
Foreign Currency Movements	-	-	-	-	-	-	502	
Total changes in the statement of comprehensive income	18,681	-	(8,004)	10,678	(2,186)	-	(2,436)	
Cash flows								
Premiums paid	1,160	-	-	1,160	1,629	-	1,629	
Commission received	-	-	-	-	-	-	-	
Claims recovered	0	-	-	-	0	-	-	
Total cash flows	1,160	-	-	1,160	1,629	-	1,629	
Net reinsurance contract assets/(liabilities) closing balance	18,610	-	(6,369)	12,241	(1,231)	-	1,634	
Closing Reinsurance Contract Liabilities	-	-	-	-	-	-	-	
Closing Reinsurance Contract Assets	18,610	-	(6,369)	12,241	(1,231)	-	1,634	
Net reinsurance contract assets/(liabilities) closing balance	18,610	-	(6,369)	12,241	(1,231)	-	1,634	

	WHOLELIFE				WHOLELIFE			
	Estimates of present value of future cashflows #000	Risk adjustment for non-financial risk #000	Contractual service margin #000	Total #000	Estimates of present value of future cashflows #000	Risk adjustment for non-financial risk #000	Contractual service margin #000	Total #000
Opening Reinsurance Contract Liabilities	-	-	-	-	-	-	-	-
Opening Reinsurance Contract Assets	(30)	(54)	277	193	(123)	(1)	161	37
Net reinsurance contract assets/(liabilities) opening balance	(30)	(54)	277	193	(123)	(1)	161	37
Changes that relate to current service								
Contractual service margin recognised for services received			2	2			(27)	(27)
Risk adjustment recognized for the risk expired		21		21		1		1
Experience adjustments	(241)			(241)	(7)			(7)
	(241)	21	2	(218)	(7)	1	(27)	(32)
Changes that relate to future service								
Contracts initially recognised in the period	33	(102)	69	-	(174)	(112)	286	-
Changes in estimates that adjust the contractual service margin	190	123	(313)	-	147	70	(217)	-
Changes in estimates that do not adjust the contractual service margin			0	0			-	-
	223	20	(243)	0	(27)	(42)	68	-
Changes that relate to past service								
Changes in amounts recoverable arising from changes in liability for incurred claims	-	-	-	-	-	-	-	-
Net income or expense from reinsurance contracts held	(18)	41	(241)	(218)	(33)	(41)	42	(32)
Reinsurance finance income	81	(48)	66	100	(26)	(13)	74	35
Foreign Currency Movements	-	-	-	-	-	-	-	-
Total changes in the statement of comprehensive income	63	(6)	(175)	(118)	(59)	(54)	116	3
Cash flows								
Premiums paid	252			252	152			152
Commission received				-				-
Claims recovered	0			-	0			-
Total cash flows	252	-	-	252	152	-	-	152
Net reinsurance contract assets/(liabilities) closing balance	285	(61)	102	327	(30)	(54)	277	193
Closing Reinsurance Contract Liabilities	-	-	-	-	-	-	-	-
Closing Reinsurance Contract Assets	285	(61)	102	327	(30)	(54)	277	193
Net reinsurance contract assets/(liabilities) closing balance	285	(61)	102	327	(30)	(54)	277	193

	Year ended 31-Dec-25 N'000	Year ended 31-Dec-24 N'000
12 Insurance contract Assets*		
Contracts Measured Under PAA:		
Asset for Remaining Coverage:		
-Excluding loss component	168	-
-Loss component	-	-
Asset for Incurred Claims		
- Present Value of future cashflows	(140)	-
- Risk Adjustment	(8)	-
Total Insurance Contract Assets	<u>20</u>	<u>-</u>
Current		
Non-Current	20	-
Total Insurance Contract Assets	<u><u>20</u></u>	<u><u>-</u></u>

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

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

31-Dec-25

	Liability for remaining coverage		Liability for incurred claims		Total N'000
	Excluding loss component N'000	Loss component N'000	Present value of future cashflows N'000	Risk Adjustment N'000	
Opening Insurance Contract Liabilities	(17)	0	(175)	(11)	(202)
Opening Insurance Contract Assets	-	-	-	-	-
Net insurance contract (liabilities)/assets opening balance	(17)	0	(175)	(11)	(202)
Insurance revenue	178	-	-	-	178
Insurance service expenses	(22)	0	(16,934)	2	(16,954)
Incurred claims	-	0	(140)	2	(138)
Changes to liabilities for incurred claims	-	-	175	-	175
Other directly attributable expenses	-	-	-	-	-
Losses on onerous contracts and reversal of those losses	-	0	-	-	0
Amortisation of insurance acquisition cash flows	(22)	-	-	-	(22)
Investment components	-	-	-	-	-
Net income or expense from insurance contracts issued	156	0	(16,934)	2	(16,776)
Insurance finance expenses	-	-	-	-	-
Foreign Currency Movements	-	-	-	-	-
Total changes in the statement of comprehensive income	156	0	(16,934)	2	(16,776)
Cash flows	-	-	-	-	-
Premiums received	-	-	-	-	-
Claims and other expenses paid	-	-	16,969	-	16,969
Insurance acquisition cash flows	29	-	-	-	29
Total cash flows	29	-	16,969	-	16,999
Net insurance contract (liabilities)/assets opening balance	168	0	(140)	(8)	20
Closing Insurance Contract Liabilities	-	-	-	-	-
Closing Insurance Contract Assets	168	-	(140)	(8)	20
Net insurance contract (liabilities)/assets opening balance	168	-	(140)	(8)	20

31-Dec-24

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

12.2 **Reconciliation of the liability for remaining coverage and the liability for incurred claims - PAA- Per Portfolio**
 The following tables shows the reconciliation of insurance contract Asset (on an Portfolio level) from Opening to Closing for Contracts Measured under PAA. This note sums up to note 18.2

	CREDITLIFE_IND					CREDITLIFE_IND				
	Liability for remaining coverage		Liability for incurred claims			Liability for remaining coverage		Liability for incurred claims		
	Excluding loss component	Loss component	Present value of cashflows	Risk Adjustment	Total	Excluding loss component	Loss component	Present value of cashflows	Risk Adjustment	Total
№'000	№'000	№'000	№'000	№'000	№'000	№'000	№'000	№'000	№'000	№'000
Opening Insurance Contract Liabilities	(17)	0	(175)	(11)	(202)	-	-	-	-	-
Opening Insurance Contract Assets	-	-	-	-	-	-	-	-	-	-
Net insurance contract (liabilities)/assets opening balance	(17)	0	(175)	(11)	(202)	-	-	-	-	-
Insurance revenue	178	-	-	-	178	-	-	-	-	-
Insurance service expenses	(22)	0	(16,934)	2	(16,954)	-	-	-	-	-
Incurring claims	-	0	(140)	2	(138)	-	-	-	-	-
Changes to liabilities for incurred claims	-	-	175	-	175	-	-	-	-	-
Other directly attributable expenses	-	-	(16,969)	-	(16,969)	-	-	-	-	-
Losses on onerous contracts and reversal of those losses	-	0	-	-	0	-	-	-	-	-
Amortisation of insurance acquisition cash flows	(22)	-	-	-	(22)	-	-	-	-	-
Investment components	-	-	-	-	-	-	-	-	-	-
Net income or expense from insurance contracts issued	156	0	(16,934)	2	(16,776)	-	-	-	-	-
Insurance finance expenses	-	-	-	-	-	-	-	-	-	-
Foreign Currency Movements	-	-	-	-	-	-	-	-	-	-
Total changes in the statement of comprehensive income	156	0	(16,934)	2	(16,776)	-	-	-	-	-
Cash flows										
Premiums received	-	-	-	-	-	-	-	-	-	-
Claims and other expenses paid	-	-	16,969	-	16,969	-	-	-	-	-
Insurance acquisition cash flows	29	-	-	-	29	-	-	-	-	-
Total cash flows	29	-	16,969	-	16,999	-	-	-	-	-
Other movements										
Net insurance contract (liabilities)/assets closing balance	168	0	(140)	(8)	20	-	-	-	-	-
Closing Insurance Contract Liabilities	-	-	-	-	-	-	-	-	-	-
Closing Insurance Contract Assets	168	-	(140)	(8)	20	-	-	-	-	-
Net insurance contract (liabilities)/assets closing balance	168	-	(140)	(8)	20	-	-	-	-	-

HEIRS LIFE ASSURANCE LIMITED
 FINANCIAL STATEMENT FOR THE YEAR ENDED 31 December 2025
 NOTES TO THE FINANCIAL STATEMENTS

	Year ended 31-Dec-25 N'000	Year ended 31-Dec-25 N'000
13 Right of use asset		
Balance as at 1 January	1,339,747	911,164
Additions during the year		428,583
Balance as at 31 December	1,339,747	1,339,747
Accumulated depreciation		
Balance as at 1 January	398,470	285,040
Charge for the year	142,262	113,430
Balance as at 31 December	540,732	398,470
Carrying amount:		
Balance as at 31 December	799,015	941,277
Non current	799,015	941,277
13.1 Movement in Right of Use Asset		
At 1 January 2024	941,277	626,124
Additions during the year	-	202,008
Lease Liability During the year	-	226,576
Depreciation of ROU during the year	(142,262)	(113,430)
Closing Rou	799,015	941,278
The Right of Use asset relates to Lease of Office Building classified in line with provision of IFRS 16-Lease. The duration of the lease is for a period of 2 years with an extension of 2 years		
14 Other receivables & prepayments		
Prepayments (see note 14a)*	600,853	222,599
Other receivables (see note 14b)**	3,131,801	77,621
Staff Loan	167,445	65,239
Allowance for impairment on other receivables (see note 14c)	(572)	(572)
	3,899,527	364,887
Current	3,899,527	364,887
* Prepayments consist of prepaid rent and prepaid IT expenses ** Other receivables consist of sundry debtors, staff advances and cash advances.		
14a Prepayments		
Balance as at 1 January		-
Balance as at 1 January	222,599	300,666
Additions during the year	1,354,224	630,375
Amortization during the year	(975,970)	(708,442)
Balance as at 31 December	600,853	222,599
14b Other receivables		
Balance as at 31 December		-
Balance as at 1 January	77,621	29,177
Additions during the year	3,130,583	-
Amortization during the year	(76,403)	48,444
Balance as at 31 December	3,131,801	77,621
14c Impairment charges on other receivable		
Balance as at 31 December		-
Balance as at 1 January	(572)	(572)
Movement during the year	-	-
Balance as at 31 December	(572)	(572)
14d Staff Loans		
Balance as at 31 December		52,116
Addition	65,239	95,788
Repayment	259,500	(85,561)
Interest	(181,887)	2,896
Balance as at 31 December	167,445	65,239
15 Statutory deposits		
Deposits with CBN		
	800,000	800,000

*** This represents amounts deposited with the Central Bank of Nigeria (CBN) pursuant to the Insurance Act 2003. The deposits are not available for use by the Company in the normal course of business.

In line with the Nigeria Insurance Industry Reform Act (NIIRA) 2025, the minimum capital requirement for Life Assurance companies has been increased to ₦10 billion. This change also affects the statutory deposit requirement, which is expected to increase to ₦1 billion.

Heirs Life Assurance Company Limited is currently reviewing its capital position in line with the requirements of NIIRA 2025. Upon successful completion of the capital verification exercise, the Company will make an additional deposit with the Central Bank of Nigeria to meet the statutory deposit requirement under NIIRA 2025.

16 Property and equipment

Cost:	Motor vehicles	Computer Equipment	Office Furniture & Fittings	Office Equipment	Plant and Machinery	Total
	N'000	N'000	N'000	N'000	N'000	N'000
At 1 January 2025	384,092	156,562	325,488	26,298	12,929	905,369
Additions during the year	394,070	109,375	44,442	4,545	-	552,432
Disposals/write-off during the year	(60,560)	-	-	-	-	(60,560)
Balance as at 31 Dec 2025	717,602	265,937	369,930	30,843	12,929	1,397,241
Accumulated Depreciation:						
At 1 January 2025	92,902	43,904	140,456	9,752	3,374	290,388
Charge for the year	137,184	41,897	64,534	5,885	2,540	252,040
Disposals/write-off during the year	(3,534)	-	-	-	-	(3,534)
Balance as at 31 Dec 2025	226,552	85,801	204,990	15,637	5,914	538,894
Carrying Amount:						
Balance as at 31 Dec 2025	491,050	180,136	164,940	15,206	7,015	858,347

Cost:	Motor vehicles	Computer Equipment	Office Furniture & Fittings	Office Equipment	Plant and Machinery	Total
	N'000	N'000	N'000	N'000	N'000	N'000
At 1 January 2024	125,879	90,113	237,031	18,805	12,929.00	484,757
Additions during the year	258,213	69,647	88,457	7,493	-	423,810
Disposal	-	(3,198)	-	-	-	(3,198)
Balance as at 31 Dec 2024	384,092	156,562	325,488	26,298	12,929	905,369
Accumulated Depreciation:						
At 1 January 2024	33,926	23,524	87,701	5,360	827	151,338
Charge for the year	58,976	22,032	52,755	4,392	2,547	140,702
Disposal	-	(1,652)	-	-	-	(1,652)
Balance as at 31 Dec 2024	92,902	43,904	140,456	9,752	3,374	290,388
Carrying Amount:						
Balance as at 31 Dec 2024	291,190	112,658	185,032	16,546	9,555	614,981

17 Intangible assets

Cost:	Software	
	31-Dec-25 N'000	31-Dec-24 N'000
At 1 January	440,352	440,352
Additions during the year	3,763	-
Balance as at 31 Dec	444,115	440,352
Accumulated Amortisation		
At 1 January	261,440	172,537
Charge for the year	87,854	88,903
Balance as at 31 Dec	349,294	261,440
Carrying Amount:		
Balance as at 31 Dec	94,821	178,912

	Year ended 31-Dec-25 N'000	Year ended 31-Dec-24 N'000
18 Insurance Contract Liabilities		
Contracts Measured Under GMM*:		
Liability for Remaining Coverage:		
-Excluding loss component	92,307,701	34,451,209
-Loss component	3,198,803	3,700,650
Liability for Incurred Claims		
- Present Value of future cashflows	163,871	-
- Risk Adjustment	-	-
	<u>95,670,375</u>	<u>38,151,859</u>
Contracts Measured Under PAA:		
Liability for Remaining Coverage:		
-Excluding loss component	1,154,384	879,949
-Loss component	12,629	21,638
Liability for Incurred Claims		
- Present Value of future cashflows	444,809	562,061
- Risk Adjustment	34,661	44,322
	<u>1,646,483</u>	<u>1,507,970</u>
Total Insurance Contract Liabilities	<u>97,316,858</u>	<u>39,659,829</u>
Current	6,053,829	1,714,994
Non-Current	91,263,029	37,944,835
Total Insurance Contract Liabilities	<u>97,316,858</u>	<u>39,659,829</u>

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

	2025 N'000	2024 N'000
Insurance contract liabilities		
<i>Insurance contract liabilities (excluding insurance acquisition cash flows assets and other pre-recognition cash flow)</i>	97,807,894	39,961,072
<i>Insurance acquisition cashflow</i>	(491,036)	(301,243)
<i>Other pre-recognition cashflow</i>	-	-
Insurance contract liabilities	<u>97,316,858</u>	<u>39,659,829</u>
Reinsurance contract assets		
<i>Reinsurance contract assets (excluding reinsurance deferred acquisition income cash flows, other pre-recognition cash flow and reinsurance payables)</i>	786,780	508,349
<i>Reinsurance deferred acquisition cashflow</i>	(88,630)	(2,670)
<i>Other pre-recognition cashflow</i>	-	-
	<u>698,150</u>	<u>505,679</u>

18b Age analysis of Outstanding claims

	31-Dec-25		31-Dec-24	
	No of claimant	Amount	No of claimant	Amount
Days				
0-90 days	17	83,855	1	600
91-180 days	9	15,024	1	10,960
181-270 days	15	39,905		-
271-365 days	11	12,327		-
Over 366 days	50	24,099	40	13,635
	<u>102</u>	<u>175,210</u>	<u>42</u>	<u>25,195</u>

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

Age analysis of outstanding claims by reason
 of being outstanding

2025 claims status-Reason	0-90 days		91-180 days		181-270 days		271-365 days		Over 366 days		Total	
	Qty	N'000	Qty	N'000	Qty	N'000	Qty	N'000	Qty	N'000	Qty	N'000
Discharged voucher signed and returned to policy holders												
Discharged voucher not yet signed												
Claims reported but incomplete documentation	17	83,855	9	15,024	15	39,905	11	12,327	50	24,099	102	175,211
Claims reported but being adjusted												
Claims repudated												
Awaiting adjuster final report												
Litigation awarded												
Awaiting lead insurer's instruction												
Third Party liability outstanding												
Adjuster fee payable												
Total	17	83,855	9	15,024	15	39,905	11	12,327	50	24,099	102	175,211

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

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

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

31-Dec-25

	Liability for remaining coverage		LIC for contract not measured under PAA #000	LIC for contract measured under PAA		Total #000
	Excluding loss component #000	Loss component #000		Present value of future cashflows #000	Risk Adjustment #000	
Opening Insurance Contract Liabilities	(35,331,141)	(3,722,288)	-	(561,886)	(44,311)	(39,659,626)
Opening Insurance Contract Assets	-	-	-	-	-	-
Net insurance contract (liabilities)/assets opening balance	(35,331,141)	(3,722,288)	-	(561,886)	(44,311)	(39,659,626)
Insurance revenue	27,238,720	-	-	-	-	27,238,720
Insurance service expenses	(2,413,960)	1,687,091	(12,841,858)	(1,465,384)	9,650	(15,024,461)
Incurred claims	-	21,638	(12,439,596)	(1,913,145)	9,650	(14,321,453)
Changes to liabilities for incurred claims	-	-	163,871	545,786	-	709,657
Other directly attributable expenses	-	-	(566,133)	(98,026)	-	(664,159)
Losses on onerous contracts and reversal of those losses	-	1,665,453	-	-	-	1,665,453
Amortisation of insurance acquisition cash flows	(2,413,960)	-	-	-	-	(2,413,960)
Investment components	-	-	-	-	-	-
Insurance service results from insurance contracts issued	24,824,760	1,687,091	(12,841,858)	(1,465,384)	9,650	12,214,259
Insurance finance expenses	(19,012,423)	(1,176,234)	(163,871)	-	-	(20,352,528)
Foreign Currency Movements	-	-	-	-	-	-
Total changes in the statement of comprehensive income	5,812,337	510,857	(13,005,729)	(1,465,384)	9,650	(8,138,270)
Cash flows	-	-	-	-	-	-
Premiums received	(68,307,387)	-	-	-	-	(68,307,387)
Claims and other expenses paid	-	-	12,841,858	1,582,461	-	14,424,319
Insurance acquisition cash flows	6,143,762	-	-	-	-	6,143,762
Total cash flows	(62,163,625)	-	12,841,858	1,582,461	-	(47,739,306)
Other movements (Non Cashflow)	(1,779,655)	-	-	-	-	(1,779,655)
Net insurance contract (liabilities)/assets closing balance	(93,462,084)	(3,211,431)	(163,871)	(444,809)	(34,661)	(97,316,856)
Closing Insurance Contract Liabilities	(93,462,084)	(3,211,431)	(163,871)	(444,809)	(34,661)	(97,316,857)
Closing Insurance Contract Assets	-	-	-	-	-	-
Net insurance contract (liabilities)/assets closing balance	(93,462,084)	(3,211,431)	(163,871)	(444,809)	(34,661)	(97,316,856)

31-Dec-24

	Liability for remaining coverage		LIC for contract not measured under PAA #000	LIC for contract measured under PAA		Total #000
	Excluding loss component #000	Loss component #000		Present value of future cashflows #000	Risk Adjustment #000	
Opening Insurance Contract Liabilities	(17,706,826)	(3,778,859)	-	(662,588)	(53,155)	(22,201,428)
Opening Insurance Contract Assets	227	-	-	(6)	-	221
Net insurance contract (liabilities)/assets opening balance	(17,706,598)	(3,778,859)	-	(662,594)	(53,155)	(22,201,206)
Insurance revenue	15,147,392	-	-	-	-	15,147,392
Insurance service expenses	(1,660,622)	456,658	(5,577,017)	(846,517)	8,834	(7,618,666)
Incurred claims	-	34,103	(4,858,546)	(1,426,129)	8,834	(6,241,738)
Changes to liabilities for incurred claims	-	-	61,620	646,495	-	708,115
Other directly attributable expenses	-	-	(780,092)	(66,884)	-	(846,975)
Losses on onerous contracts and reversal of those losses	-	422,555	-	-	-	422,555
Amortisation of insurance acquisition cash flows	(1,660,622)	-	-	-	-	(1,660,622)
Investment components	-	-	-	-	-	-
Insurance service results from insurance contracts issued	13,486,770	456,658	(5,577,017)	(846,517)	8,834	7,528,728
Insurance finance expenses	(536,689)	(400,086)	-	-	-	(936,775)
Foreign Currency Movements	-	-	-	-	-	-
Total changes in the statement of comprehensive income	12,950,081	56,571	(5,577,017)	(846,517)	8,834	6,591,952
Cash flows	-	-	-	-	-	-
Premiums received	(32,734,050)	-	-	-	-	(32,734,050)
Claims and other expenses paid	-	-	5,577,017	947,051	-	6,524,068
Insurance acquisition cash flows	3,284,655	-	-	-	-	3,284,655
Total cash flows	(29,449,395)	-	5,577,017	947,051	-	(22,925,327)
Other movements	(1,125,245)	-	-	-	-	(1,125,245)
Net insurance contract (liabilities)/assets closing balance	(35,331,158)	(3,722,288)	0	(562,061)	(44,322)	(39,659,829)
Closing Insurance Contract Liabilities	(35,331,158)	(3,722,288)	-	(562,061)	(44,322)	(39,659,829)
Closing Insurance Contract Assets	-	-	-	-	-	-
Net insurance contract (liabilities)/assets closing balance	(35,331,158)	(3,722,288)	-	(562,061)	(44,322)	(39,659,829)

18.1 Insurance and Reinsurance Contract Balances Per Portfolio

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

Contracts measured using Premium allocation approach

31-Dec-25	GROUPLIFE R'000	CREDITLIFE R'000	GROUPMORTGAGE R'000	HOSPITAL_CASH R'000	SMART_SCHOOL R'000	CREDITLIFE_IND R'000	Total R'000
Insurance Contract assets	-	-	-	-	-	20	20
Insurance Contract liabilities	(1,154,120)	(489,922)	(1,950)	(454)	(37)	-	(1,646,483)
Reinsurance Contract assets	642,994	40,730	1,631	-	-	0	685,355
ReinsuranceContract liability:	-	-	-	-	-	-	-

31-Dec-24	GROUPLIFE R'000	CREDITLIFE R'000	GROUPMORTGAGE R'000	HOSPITAL_CASH R'000	SMART_SCHOOL R'000	CREDITLIFE_IND R'000	Total R'000
Insurance Contract assets	-	-	-	-	-	-	-
Insurance Contract liabilities	(1,116,902)	(387,918)	(1,518)	(1,384)	(46)	(203)	(1,507,971)
Reinsurance Contract assets	471,052	34,033	-	-	-	0	505,085
ReinsuranceContract liability:	-	-	-	-	-	-	-

Contracts measured using General Measurement Model

31-Dec-25	TERM R'000	ENDOWMENT R'000	KEYMAN R'000	WHOLELIFE R'000	ANNUITY R'000	TRIPLEPAY R'000	MORTGAGE R'000	Total R'000
Insurance Contract assets	-	-	-	-	-	-	-	-
Insurance Contract liabilities	(126,681)	(1,923,117)	(25,719)	(6,853)	(83,270,234)	(10,317,191)	(578)	(95,670,373)
Reinsurance Contract assets	227	-	12,241	327	-	-	-	12,795
ReinsuranceContract liability:	-	(38,740)	-	-	-	(42,281)	-	(81,021)

31-Dec-24	TERM R'000	ENDOWMENT R'000	KEYMAN R'000	WHOLELIFE R'000	ANNUITY R'000	TRIPLEPAY R'000	MORTGAGE R'000	Total R'000
Insurance Contract assets	-	-	-	-	-	-	-	-
Insurance Contract liabilities	(19,604)	(790,729)	(2,190)	(3,072)	(30,917,543)	(6,418,233)	(488)	(38,151,859)
Reinsurance Contract assets	-	-	403	193	-	-	-	596
ReinsuranceContract liability:	(46)	(41,612)	-	-	-	(34,776)	-	(76,434)

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

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

31-Dec-25

	Liability for remaining coverage		Liability for incurred claims		Total #000
	Excluding loss component #000	Loss component #000	Present value of future cashflows #000	Risk Adjustment #000	
Opening Insurance Contract Liabilities	(879,933)	(21,638)	(561,886)	(44,311)	(1,507,767)
Opening Insurance Contract Assets	-	-	-	-	-
Net insurance contract (liabilities)/assets opening balance	(879,933)	(21,638)	(561,886)	(44,311)	(1,507,768)
Insurance revenue	3,883,250	-	-	-	3,883,250
Insurance service expenses	(569,079)	9,009	(1,465,384)	9,650	(2,015,804)
Incurred claims	-	21,638	(1,913,145)	9,650	(1,881,858)
Changes to liabilities for incurred claims	-	-	545,786	-	545,786
Other directly attributable expenses	-	-	(98,026)	-	(98,026)
Losses on onerous contracts and reversal of those losses	-	(12,629)	-	-	(12,629)
Amortisation of insurance acquisition cash flows	(569,079)	-	-	-	(569,079)
Investment components	-	-	-	-	-
Insurance service results from insurance contracts issued	3,314,171	9,009	(1,465,384)	9,650	1,867,446
Insurance finance expenses	-	-	-	-	-
Foreign Currency Movements	-	-	-	-	-
Total changes in the statement of comprehensive income	3,314,171	9,009	(1,465,384)	9,650	1,867,446
Cash flows	-	-	-	-	-
Premiums received	(4,347,487)	-	-	-	(4,347,487)
Claims and other expenses paid	-	-	1,582,461	-	1,582,461
Insurance acquisition cash flows	758,865	-	-	-	758,865
Total cash flows	(3,588,623)	-	1,582,461	-	(2,006,162)
Net insurance contract (liabilities)/assets opening balance	(1,154,384)	(12,629)	(444,809)	(34,661)	(1,646,485)
Closing Insurance Contract Liabilities	(1,154,384)	(12,629)	(444,809)	(34,661)	(1,646,483)
Closing Insurance Contract Assets	-	-	-	-	-
Net insurance contract (liabilities)/assets opening balance	(1,154,384)	(12,629)	(444,809)	(34,661)	(1,646,483)

31-Dec-24

	Liability for remaining coverage		Liability for incurred claims		Total #000
	Excluding loss component #000	Loss component #000	Present value of future cashflows #000	Risk Adjustment #000	
Opening Insurance Contract Liabilities	(589,300)	(34,103)	(662,588)	(53,155)	(1,339,146)
Opening Insurance Contract Assets	227	-	(6)	-	221
Net insurance contract (liabilities)/assets opening balance	(589,072)	(34,103)	(662,594)	(53,155)	(1,338,924)
Insurance revenue	2,481,652	-	-	-	2,481,652
Insurance service expenses	(84,791)	12,465	(846,517)	8,834	(910,009)
Incurred claims	-	34,103	(1,426,129)	8,834	(1,383,193)
Changes to liabilities for incurred claims	-	-	646,495	-	646,495
Other directly attributable expenses	-	-	(66,884)	-	(66,884)
Losses on onerous contracts and reversal of those losses	-	(21,638)	-	-	(21,638)
Amortisation of insurance acquisition cash flows	(84,791)	-	-	-	(84,791)
Investment components	-	-	-	-	-
Insurance service results from insurance contracts issued	2,396,861	12,465	(846,517)	8,834	1,571,643
Insurance finance expenses	-	-	-	-	-
Foreign Currency Movements	-	-	-	-	-
Total changes in the statement of comprehensive income	2,396,861	12,465	(846,517)	8,834	1,571,642
Cash flows	-	-	-	-	-
Premiums received	(3,162,686)	-	-	-	(3,162,686)
Claims and other expenses paid	-	-	947,051	-	947,051
Insurance acquisition cash flows	474,947	-	-	-	474,947
Total cash flows	(2,687,739)	-	947,051	-	(1,740,688)
Net insurance contract (liabilities)/assets opening balance	(879,949)	(21,638)	(562,061)	(44,322)	(1,507,970)
Closing Insurance Contract Liabilities	(879,949)	(21,638)	(562,061)	(44,322)	(1,507,970)
Closing Insurance Contract Assets	-	-	-	-	-
Net insurance contract (liabilities)/assets opening balance	(879,949)	(21,638)	(562,061)	(44,322)	(1,507,970)

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

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

	31-Dec-25					31-Dec-24				
	GROUPLIFE		GROUPLIFE			GROUPLIFE		GROUPLIFE		
	Liability for remaining coverage		Liability for incurred claims			Liability for remaining coverage		Liability for incurred claims		
	Excluding loss component	Loss component	Present value of cashflows	Risk Adjustment	Total	Excluding loss component	Loss component	Present value of cashflows	Risk Adjustment	Total
№'000	№'000	№'000	№'000	№'000	№'000	№'000	№'000	№'000	№'000	
Opening Insurance Contract Liabilities	(583,285)	(21,638)	(475,126)	(36,854)	(1,116,903)	(598,854)	-	(606,580)	(48,631)	(1,254,065)
Opening Insurance Contract Assets	-	-	-	-	-	-	-	-	-	-
Net insurance contract (liabilities)/assets opening balance	(583,285)	(21,638)	(475,126)	(36,854)	(1,116,903)	(598,854)	-	(606,580)	(48,631)	(1,254,064)
Insurance revenue	3,497,110	-	-	-	3,497,110	2,238,632	-	-	-	2,238,632
Insurance service expenses	(544,133)	21,638	(1,258,026)	7,886	(1,772,635)	(69,344)	(21,638)	(704,389)	11,777	(783,594)
Incurred claims	-	21,638	(1,627,952)	7,886	(1,598,428)	-	-	(1,235,551)	11,777	(1,223,774)
Changes to liabilities for incurred claims	-	-	445,546	-	445,546	-	-	577,835	-	577,835
Other directly attributable expenses	-	-	(75,620)	-	(75,620)	-	-	(46,673)	-	(46,673)
Losses on onerous contracts and reversal of those losses	-	-	-	-	-	-	-	-	-	-
Amortisation of insurance acquisition cash flows	(544,133)	-	-	-	(544,133)	(69,344)	(21,638)	-	-	(69,344)
Investment components	-	-	-	-	-	-	-	-	-	-
Net income or expense from insurance contracts issued	2,952,977	21,638	(1,258,026)	7,886	1,724,475	2,169,288	(21,638)	(704,389)	11,777	1,455,038
Insurance finance expenses	-	-	-	-	-	-	-	-	-	-
Foreign Currency Movements	-	-	-	-	-	-	-	-	-	-
Total changes in the statement of comprehensive income	2,952,977	21,638	(1,258,026)	7,886	1,724,475	2,169,288	(21,638)	(704,389)	11,777	1,455,038
Cash flows	-	-	-	-	-	-	-	-	-	-
Premiums received	(3,794,191)	-	-	-	(3,794,191)	(2,556,205)	-	-	-	(2,556,205)
Claims and other expenses paid	-	-	1,353,366	-	1,353,366	-	-	835,843	-	835,843
Insurance acquisition cash flows	679,132	-	-	-	679,132	402,485	-	-	-	402,485
Total cash flows	(3,115,059)	-	1,353,366	-	(1,761,693)	(2,153,719)	-	835,843	-	(1,317,876)
Other movements	-	-	-	-	-	-	-	-	-	-
Net insurance contract (liabilities)/assets closing balance	(745,367)	-	(379,785)	(28,967)	(1,154,120)	(583,285)	(21,638)	(475,126)	(36,854)	(1,116,902)
Closing Insurance Contract Liabilities	(745,367)	-	(379,785)	(28,967)	(1,154,120)	(583,285)	(21,638)	(475,126)	(36,854)	(1,116,902)
Closing Insurance Contract Assets	-	-	-	-	-	-	-	-	-	-
Net insurance contract (liabilities)/assets closing balance	(745,367)	-	(379,785)	(28,967)	(1,154,120)	(583,285)	(21,638)	(475,126)	(36,854)	(1,116,902)

	CREDITLIFE					CREDITLIFE				
	Liability for remaining coverage		Liability for incurred claims			Liability for remaining coverage		Liability for incurred claims		
	Excluding loss component	Loss component	Present value of cashflows	Risk Adjustment	Total	Excluding loss component	Loss component	Present value of cashflows	Risk Adjustment	Total
	№'000	№'000	№'000	№'000	№'000	№'000	№'000	№'000	№'000	№'000
Opening Insurance Contract Liabilities	(286,669)	-	(154,439)	(7,418)	(448,526)	9,859	(34,103)	(55,860)	(4,516)	(84,620)
Opening Insurance Contract Assets	(7,739)	-	68,347	-	60,608	-	-	-	-	-
Net insurance contract (liabilities)/assets opening balance	(294,408)	-	(86,092)	(7,418)	(387,917)	9,859	(34,103)	(55,860)	(4,516)	(84,619)
Insurance revenue	379,642	-	-	-	379,641	239,528	-	-	-	239,528
Insurance service expenses	(24,510)	(12,629)	(187,487)	1,785	(222,841)	(15,298)	34,103	(139,689)	(2,902)	(123,786)
Incurred claims	-	-	(264,654)	1,785	(262,868)	-	34,103	(189,735)	(2,902)	(158,534)
Changes to liabilities for incurred claims	-	-	99,572	-	99,572	-	-	68,505	-	68,505
Other directly attributable expenses	-	-	(22,406)	-	(22,406)	-	-	(18,459)	-	(18,459)
Losses on onerous contracts and reversal of those losses	-	(12,629)	-	-	(12,629)	-	0	-	-	0
Amortisation of insurance acquisition cash flows	(24,510)	-	-	-	(24,510)	(15,298)	-	-	-	(15,298)
Investment components	-	-	-	-	-	-	-	-	-	-
Net income or expense from insurance contracts issued	355,133	(12,629)	(187,487)	1,785	156,800	224,230	34,103	(139,689)	(2,902)	115,742
Insurance finance expenses	-	-	-	-	-	-	-	-	-	-
Foreign Currency Movements	-	-	-	-	-	-	-	-	-	-
Total changes in the statement of comprehensive income	355,133	(12,629)	(187,487)	1,785	156,800	224,230	34,103	(139,689)	(2,902)	115,742
Cash flows	-	-	-	-	-	-	-	-	-	-
Premiums received	(547,552)	-	-	-	(547,552)	(600,148)	-	-	-	(600,148)
Claims and other expenses paid	-	-	209,586	-	209,586	-	-	109,456	-	109,456
Insurance acquisition cash flows	79,159	-	-	-	79,159	71,650	-	-	-	71,650
Total cash flows	(468,392)	-	209,586	-	(258,806)	(528,498)	-	109,456	-	(419,040)
Other movements	-	-	-	-	-	-	-	-	-	-
Net insurance contract (liabilities)/assets closing balance	(407,668)	(12,629)	(63,993)	(5,632)	(489,921)	(294,408)	-	(86,092)	(7,418)	(387,918)
Closing Insurance Contract Liabilities	(459,164)	-	(87,590)	(5,632)	(552,386)	(286,669)	-	(154,439)	(7,418)	(448,526)
Closing Insurance Contract Assets	51,496	(12,629)	23,596	-	62,464	(7,739)	-	68,347	-	60,608
Net insurance contract (liabilities)/assets closing balance	(407,668)	(12,629)	(63,993)	(5,632)	(489,921)	(294,408)	-	(86,092)	(7,418)	(387,918)

	GROUPEMORTGAGE					GROUPEMORTGAGE				
	Liability for remaining coverage		Liability for incurred claims			Liability for remaining coverage		Liability for incurred claims		
	Excluding loss component	Loss component	Present value of cashflows	Risk Adjustment	Total	Excluding loss component	Loss component	Present value of cashflows	Risk Adjustment	Total
	№'000	№'000	№'000	№'000	№'000	№'000	№'000	№'000	№'000	№'000
Opening Insurance Contract Liabilities	(1,518)	-	-	-	(1,518)	-	-	-	-	-
Opening Insurance Contract Assets	-	-	-	-	-	-	-	-	-	-
Net insurance contract (liabilities)/assets opening balance	(1,518)	-	-	-	(1,518)	-	-	-	-	-
Insurance revenue	5,431	-	-	-	5,431	2,684	-	-	-	2,684
Insurance service expenses	(366)	-	(539)	(30)	(936)	-	-	-	-	-
Incurred claims	-	-	(539)	(30)	(569)	-	-	-	-	-
Changes to liabilities for incurred claims	-	-	-	-	-	-	-	-	-	-
Other directly attributable expenses	-	-	-	-	-	-	-	-	-	-
Losses on onerous contracts and reversal of those losses	-	-	-	-	-	-	-	-	-	-
Amortisation of insurance acquisition cash flows	(366)	-	-	-	(366)	-	-	-	-	-
Investment components	-	-	-	-	-	-	-	-	-	-

HEIRS LIFE ASSURANCE LIMITED
 FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2025
 NOTES TO THE FINANCIAL STATEMENTS

Net income or expense from insurance contracts issued	5,065	-	(539)	(30)	4,496	2,684	-	-	-	2,684
Insurance finance expenses	-	-	-	-	-	-	-	-	-	-
Foreign Currency Movements	-	-	-	-	-	-	-	-	-	-
Total changes in the statement of comprehensive income	5,065	-	(539)	(30)	4,496	2,684	-	-	-	2,684
Cash flows										
Premiums received	(5,498)	-	-	-	(5,498)	(4,708)	-	-	-	(4,708)
Claims and other expenses paid	-	-	44	-	44	-	-	-	-	-
Insurance acquisition cash flows	526	-	-	-	526	506	-	-	-	506
Total cash flows	(4,972)	-	44	-	(4,928)	(4,202)	-	-	-	(4,202)
Other movements										
Net insurance contract (liabilities)/assets closing balance	(1,425)	-	(496)	(30)	(1,950)	(1,518)	-	-	-	(1,518)
Closing Insurance Contract Liabilities	(1,425)	-	(496)	(30)	(1,950)	(1,518)	-	-	-	(1,518)
Closing Insurance Contract Assets	-	-	-	-	-	-	-	-	-	-
Net insurance contract (liabilities)/assets closing balance	(1,425)	-	(496)	(30)	(1,950)	(1,518)	-	-	-	(1,518)

	HOSPITAL_CASH					HOSPITAL_CASH				
	Liability for remaining coverage		Liability for incurred claims		Total	Liability for remaining coverage		Liability for incurred claims		Total
	Excluding loss component	Loss component	Present value of cashflows	Risk Adjustment		Excluding loss component	Loss component	Present value of cashflows	Risk Adjustment	
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	
Opening Insurance Contract Liabilities	(722)	-	(625)	(37)	(1,384)	(269)	-	(115)	(7)	(391)
Opening Insurance Contract Assets	-	-	-	-	-	-	-	-	-	-
Net insurance contract (liabilities)/assets opening balance	(722)	-	(625)	(37)	(1,384)	(269)	-	(115)	(7)	(391)
Insurance revenue	1,066	-	-	-	1,066	606	-	-	-	606
Insurance service expenses	(70)	-	(19,341)	7	(19,403)	(28)	-	(2,107)	(31)	(2,166)
Incurring claims	-	-	(19,965)	7	(19,958)	-	-	(625)	(31)	(655)
Changes to liabilities for incurred claims	-	-	625	-	625	-	-	115	-	115
Other directly attributable expenses	-	-	-	-	-	-	-	(1,597)	-	(1,597)
Losses on onerous contracts and reversal of those losses	-	-	-	-	-	-	-	-	-	-
Amortisation of insurance acquisition cash flows	(70)	-	-	-	(70)	(28)	-	-	-	(28)
Investment components	-	-	-	-	-	-	-	-	-	-
Insurance service results from insurance contracts issued	997	-	(19,341)	7	(18,336)	577	-	(2,107)	(31)	(1,560)
Insurance finance expenses	-	-	-	-	-	-	-	-	-	-
Foreign Currency Movements	-	-	-	-	-	-	-	-	-	-
Total changes in the statement of comprehensive income	997	-	(19,341)	7	(18,336)	577	-	(2,107)	(31)	(1,560)
Cash flows										
Premiums received	(246)	-	-	-	(246)	(1,205)	-	-	-	(1,205)
Claims and other expenses paid	-	-	19,465	-	19,465	-	-	1,597	-	1,597
Insurance acquisition cash flows	47	-	-	-	47	175	-	-	-	175
Total cash flows	(199)	-	19,465	-	19,266	(1,030)	-	1,597	-	567
Other movements	-	-	-	-	-	-	-	-	-	-
Net insurance contract (liabilities)/assets closing balance	76	-	(500)	(30)	(454)	(722)	-	(625)	(37)	(1,384)
Closing Insurance Contract Liabilities	76	-	(500)	(30)	(454)	(722)	-	(625)	(37)	(1,384)
Closing Insurance Contract Assets	-	-	-	-	-	-	-	-	-	-
Net insurance contract (liabilities)/assets closing balance	76	-	(500)	(30)	(454)	(722)	-	(625)	(37)	(1,384)

	SMART_SCHOOL					SMART_SCHOOL				
	Liability for remaining coverage		Liability for incurred claims		Total	Liability for remaining coverage		Liability for incurred claims		Total
	Excluding loss component	Loss component	Present value of cashflows	Risk Adjustment		Excluding loss component	Loss component	Present value of cashflows	Risk Adjustment	
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	
Opening Insurance Contract Liabilities	0	-	(43)	(3)	(46)	(36)	-	(35)	(2)	(73)
Opening Insurance Contract Assets	-	-	-	-	-	-	-	-	-	-
Net insurance contract (liabilities)/assets opening balance	0	-	(43)	(3)	(46)	(36)	-	(35)	(2)	(73)
Insurance revenue	-	-	-	-	-	39	-	-	-	39
Insurance service expenses	-	-	9	1	9	(115)	-	(23)	(1)	(139)
Incurring claims	-	-	(35)	1	(34)	-	-	(43)	(1)	(44)
Changes to liabilities for incurred claims	-	-	43	-	43	-	-	35	-	35
Other directly attributable expenses	-	-	-	-	-	-	-	(15)	-	(15)
Losses on onerous contracts and reversal of those losses	-	-	-	-	-	-	-	-	-	-
Amortisation of insurance acquisition cash flows	-	-	-	-	-	(115)	-	-	-	(115)
Investment components	-	-	-	-	-	-	-	-	-	-
Insurance service results from insurance contracts issued	-	-	9	1	9	(76)	-	(23)	(1)	(100)
Insurance finance expenses	-	-	-	-	-	-	-	-	-	-
Foreign Currency Movements	-	-	-	-	-	-	-	-	-	-
Total changes in the statement of comprehensive income	-	-	9	1	9	(76)	-	(23)	(1)	(100)
Cash flows										
Premiums received	-	-	-	-	-	-	-	-	-	-
Claims and other expenses paid	-	-	-	-	-	-	-	15	-	15
Insurance acquisition cash flows	-	-	-	-	-	112	-	-	-	112
Total cash flows	-	-	-	-	-	112	-	15	-	127
Other movements	-	-	-	-	-	-	-	-	-	-
Net insurance contract (liabilities)/assets closing balance	0	-	(35)	(2)	(37)	0	-	(43)	(3)	(46)
Closing Insurance Contract Liabilities	0	-	(35)	(2)	(37)	0	-	(43)	(3)	(46)
Closing Insurance Contract Assets	-	-	-	-	-	-	-	-	-	-
Net insurance contract (liabilities)/assets closing balance	0	-	(35)	(2)	(37)	0	-	(43)	(3)	(46)

31-Dec-25

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

31-Dec-25

	CREDITLIFE_IND				Total
	Liability for remaining coverage		Liability for incurred claims		
	Excluding loss component	Loss component	Present value of cashflows	Risk Adjustment	
	₦'000	₦'000	₦'000	₦'000	₦'000
Opening Insurance Contract Liabilities	-	-	0	(0)	-
Opening Insurance Contract Assets	227	-	(6)	-	222
Net insurance contract (liabilities)/assets opening balance	227	-	(6)	(0)	222
Insurance revenue	164	-	-	-	164
Insurance service expenses	(6)	(0)	(310)	(10)	(324)
Incurring claims	-	-	(175)	(10)	(185)
Changes to liabilities for incurred claims	-	-	6	-	6
Other directly attributable expenses	-	-	(140)	-	(140)
Losses on onerous contracts and reversal of those losses	-	-	(0)	-	(0)
Amortisation of insurance acquisition cash flows	(6)	-	-	-	(6)
Investment components	-	-	-	-	-
Insurance service results from insurance contracts issued	158	(0)	(310)	(10)	(163)
Insurance finance expenses	-	-	-	-	-
Foreign Currency Movements	-	-	-	-	-
Total changes in the statement of comprehensive income	158	(0)	(310)	(10)	(163)
Cash flows	-	-	-	-	-
Premiums received	(420)	-	-	-	(420)
Claims and other expenses paid	-	-	140	-	140
Insurance acquisition cash flows	18	-	-	-	18
Total cash flows	(402)	-	140	-	(262)
Other movements	-	-	-	-	-
Net insurance contract (liabilities)/assets closing balance	(17)	(0)	(175)	(11)	(203)
Closing Insurance Contract Liabilities	(17)	(0)	(175)	(11)	(203)
Closing Insurance Contract Assets	-	-	-	-	-
Net insurance contract (liabilities)/assets closing balance	(17)	(0)	(175)	(11)	(203)

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

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

31-Dec-25

	Liability for remaining coverage		Liability for incurred claims	Total
	Excluding loss component	Loss component		
	₦'000	₦'000	₦'000	₦'000
Opening Insurance Contract Liabilities	(34,451,209)	(3,700,650)	-	(38,151,859)
Opening Insurance Contract Assets	-	-	-	-
Net insurance contract (liabilities)/assets opening balance	(34,451,209)	(3,700,650)	-	(38,151,859)
Insurance revenue	23,355,470	-	-	23,355,470
Insurance service expenses	(1,844,881)	1,678,082	(12,841,858)	(13,008,657)
Incurred claims	-	-	(12,439,596)	(12,439,596)
Changes to liabilities for incurred claims	-	-	163,871	163,871
Other directly attributable expenses	-	-	(566,133)	(566,133)
Losses on onerous contracts and reversal of those losses	-	1,678,082	-	1,678,082
Amortisation of insurance acquisition cash flows	(1,844,881)	-	-	(1,844,881)
Investment components	-	-	-	-
Insurance service results from insurance contracts issued	21,510,588	1,678,082	(12,841,858)	10,346,812
Insurance finance expenses	(19,012,423)	(1,176,234)	(163,871)	(20,352,528)
Foreign Currency Movements	-	-	-	-
Total changes in the statement of comprehensive income	2,498,166	501,847	(13,005,729)	(10,005,716)
Cash flows	-	-	-	-
Premiums received	(63,959,899)	-	-	(63,959,899)
Claims and other expenses paid	-	-	12,841,858	12,841,858
Insurance acquisition cash flows	5,384,897	-	-	5,384,897
Total cash flows	(58,575,002)	-	12,841,858	(45,733,144)
Other movements(Non Cashflow)	(1,779,655)	-	-	(1,779,655)
Net insurance contract (liabilities)/assets closing balance	(92,307,701)	(3,198,803)	(163,871)	(95,670,374)
Closing Insurance Contract Liabilities	(92,307,701)	(3,198,803)	(163,871)	(95,670,374)
Closing Insurance Contract Assets	-	-	-	-
Net insurance contract (liabilities)/assets closing balance	(92,307,701)	(3,198,803)	(163,871)	(95,670,374)

31-Dec-24

	Liability for remaining coverage		ability for incurred claim	Total
	Excluding loss component	Loss component		
	₦'000	₦'000	Present value of future cashflows ₦'000	₦'000
Opening Insurance Contract Liabilities	(17,117,526)	(3,744,757)	-	(20,862,283)
Opening Insurance Contract Assets	-	-	-	-
Net insurance contract (liabilities)/assets opening balance	(17,117,526)	(3,744,757)	-	(20,862,283)
Insurance revenue	12,665,740	-	-	12,665,740
Insurance service expenses	(1,575,832)	444,193	(5,577,017)	(6,708,656)
Incurred claims	-	-	(4,858,546)	(4,858,546)
Changes to liabilities for incurred claims	-	-	61,620	61,620
Other directly attributable expenses	-	-	(780,092)	(780,092)
Losses on onerous contracts and reversal of those losses	-	444,193	-	444,193
Amortisation of insurance acquisition cash flows	(1,575,832)	-	-	(1,575,832)
Investment components	-	-	-	-
Insurance service results from insurance contracts issued	11,089,908	444,193	(5,577,017)	5,957,084
Insurance finance expenses	(536,689)	(400,086)	-	(936,775)
Foreign Currency Movements	-	-	-	-
Total changes in the statement of comprehensive income	10,553,219	44,107	(5,577,017)	5,020,309
Cash flows	-	-	-	-
Premiums received	(30,696,610)	-	-	(30,696,610)
Claims and other expenses paid	-	-	5,577,017	5,577,017
Insurance acquisition cash flows	2,809,708	-	-	2,809,708
Total cash flows	(27,886,902)	-	5,577,017	(22,309,885)
Other movements	-	-	-	-
Net insurance contract (liabilities)/assets closing balance	(34,451,209)	(3,700,650)	0	(38,151,859)
Closing Insurance Contract Liabilities	(34,451,209)	(3,700,650)	-	(38,151,859)
Closing Insurance Contract Assets	-	-	-	-
Net insurance contract (liabilities)/assets closing balance	(34,451,209)	(3,700,650)	-	(38,151,859)

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

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

31-Dec-25

	TERM			Total
	Liability for remaining coverage	Loss component	Liability for incurred claims	
	Excluding loss component		Loss component	
	₦'000	₦'000	₦'000	₦'000
Opening Insurance Contract Liabilities	77,174	(96,778)	-	(19,604)
Opening Insurance Contract Assets	-	-	-	-
Net insurance contract (liabilities)/assets opening balance	77,174	(96,778)	-	(19,604)
Insurance revenue	141,497	-	-	141,497
Insurance service expenses	(1,400)	101,948	(227,679)	(127,131)
Incurring claims	-	-	(6,293)	(6,293)
Changes to liabilities for incurred claims	-	-	2,122	2,122
Other directly attributable expenses	-	-	(223,509)	(223,509)
Losses on onerous contracts and reversal of those losses	-	101,948	-	101,948
Amortisation of insurance acquisition cash flows	(1,400)	-	-	(1,400)
Investment components	-	-	-	-
Insurance service results from insurance contracts issued	140,096	101,948	(227,679)	14,366
Insurance finance expenses	(117,565)	(173,468)	(2,122)	(293,155)
Foreign Currency Movements	-	-	-	-
Total changes in the statement of comprehensive income	22,532	(71,521)	(229,802)	(278,791)
Cash flows				
Premiums received	(59,866)	-	-	(59,866)
Claims and other expenses paid	-	-	227,679	227,679
Insurance acquisition cash flows	3,900	-	-	3,900
Total cash flows	(55,966)	-	227,679	171,713
Other movements	-	-	-	-
Net insurance contract (liabilities)/assets closing balance	43,740	(168,299)	(2,122)	(126,682)
Closing Insurance Contract Liabilities	43,740	(168,299)	(2,122)	(126,681)
Closing Insurance Contract Assets	-	-	-	-
Net insurance contract (liabilities)/assets closing balance	43,740	(168,299)	(2,122)	(126,681)

31-Dec-25

	TERM			Total
	Liability for remaining coverage	Loss component	Liability for incurred claims	
	Excluding loss component		Loss component	
	₦'000	₦'000	₦'000	₦'000
Opening Insurance Contract Liabilities	168,457	(402,997)	-	(234,540)
Opening Insurance Contract Assets	-	-	-	-
Net insurance contract (liabilities)/assets opening balance	168,457	(402,997)	-	(234,540)
Insurance revenue	(48,527)	-	-	(48,527)
Insurance service expenses	(567)	344,929	(33,476)	310,886
Incurring claims	-	-	(7,622)	(7,622)
Changes to liabilities for incurred claims	-	-	5,661	5,661
Other directly attributable expenses	-	-	(31,515)	(31,515)
Losses on onerous contracts and reversal of those losses	-	344,929	-	344,929
Amortisation of insurance acquisition cash flows	(567)	-	-	(567)
Investment components	-	-	-	-
Insurance service results from insurance contracts issued	(49,094)	344,929	(33,476)	262,359
Insurance finance expenses	18,378	(38,710)	-	(20,332)
Foreign Currency Movements	-	-	-	-
Total changes in the statement of comprehensive income	(30,716)	306,219	(33,476)	242,027
Cash flows				
Premiums received	(60,917)	-	-	(60,917)
Claims and other expenses paid	-	-	33,476	33,476
Insurance acquisition cash flows	350	-	-	350
Total cash flows	(60,567)	-	33,476	(27,091)
Other movements	-	-	-	-
Net insurance contract (liabilities)/assets closing balance	77,174	(96,778)	0	(19,604)
Closing Insurance Contract Liabilities	77,174	(96,778)	-	(19,604)
Closing Insurance Contract Assets	-	-	-	-
Net insurance contract (liabilities)/assets closing balance	77,174	(96,778)	-	(19,604)

	ENDOWMENT			Total
	Asset for remaining coverage	Loss recovery component	Asset for incurred claims	
	Excluding loss recovery component		Loss recovery component	
	₦'000	₦'000	₦'000	₦'000
Opening Insurance Contract Liabilities	(527,532)	(263,198)	-	(790,730)
Opening Insurance Contract Assets	-	-	-	-
Net insurance contract (liabilities)/assets opening balance	(527,532)	(263,198)	-	(790,730)
Insurance revenue	1,623,218	-	-	1,623,218
Insurance service expenses	(387,189)	215,851	(274,210)	(445,548)
Incurring claims	-	-	(170,504)	(170,504)
Changes to liabilities for incurred claims	-	-	7,963	7,963
Other directly attributable expenses	-	-	(111,669)	(111,669)
Losses on onerous contracts and reversal of those losses	-	215,851	-	215,851
Amortisation of insurance acquisition cash flows	(387,189)	-	-	(387,189)
Investment components	-	-	-	-
Insurance service results from insurance contracts issued	1,236,029	215,851	(274,210)	1,177,670
Insurance finance expenses	(546,171)	(95,886)	(7,963)	(650,020)
Foreign Currency Movements	-	-	-	-
Total changes in the statement of comprehensive income	689,858	119,964	(282,173)	527,649
Cash flows				
Premiums received	(2,240,815)	-	-	(2,240,815)
Claims and other expenses paid	-	-	274,210	274,210
Insurance acquisition cash flows	306,568	-	-	306,568
Total cash flows	(1,934,247)	-	274,210	(1,660,037)
Other movements	-	-	-	-
Net insurance contract (liabilities)/assets closing balance	(1,771,921)	(143,233)	(7,963)	(1,923,117)
Closing Insurance Contract Liabilities	(1,771,921)	(143,233)	(7,963)	(1,923,117)
Closing Insurance Contract Assets	-	-	-	-
Net insurance contract (liabilities)/assets closing balance	(1,771,921)	(143,233)	(7,963)	(1,923,117)

	ENDOWMENT			Total
	Asset for remaining coverage	Loss recovery component	Asset for incurred claims	
	Excluding loss recovery component		Loss recovery component	
	₦'000	₦'000	₦'000	₦'000
Opening Insurance Contract Liabilities	(265,763)	(122,430)	-	(388,193)
Opening Insurance Contract Assets	-	-	-	-
Net insurance contract (liabilities)/assets opening balance	(265,763)	(122,430)	-	(388,193)
Insurance revenue	1,478,038	-	-	1,478,038
Insurance service expenses	(569,199)	(108,919)	(338,844)	(1,016,962)
Incurring claims	-	-	(86,400)	(86,400)
Changes to liabilities for incurred claims	-	-	7,857	7,857
Other directly attributable expenses	-	-	(260,301)	(260,301)
Losses on onerous contracts and reversal of those losses	-	(108,919)	-	(108,919)
Amortisation of insurance acquisition cash flows	(569,199)	-	-	(569,199)
Investment components	-	-	-	-
Insurance service results from insurance contracts issued	908,839	(108,919)	(338,844)	461,076
Insurance finance expenses	180,869	(31,849)	-	149,019
Foreign Currency Movements	-	-	-	-
Total changes in the statement of comprehensive income	1,089,708	(140,768)	(338,844)	610,096
Cash flows				
Premiums received	(1,561,186)	-	-	(1,561,186)
Claims and other expenses paid	-	-	338,844	338,844
Insurance acquisition cash flows	209,710	-	-	209,710
Total cash flows	(1,351,476)	-	338,844	(1,012,632)
Other movements	-	-	-	-
Net insurance contract (liabilities)/assets closing balance	(527,532)	(263,198)	0	(790,730)
Closing Insurance Contract Liabilities	(527,532)	(263,198)	-	(790,729)
Closing Insurance Contract Assets	-	-	-	-
Net insurance contract (liabilities)/assets closing balance	(527,532)	(263,198)	-	(790,730)

31-Dec-25

	KEYMAN			
	Liability for remaining coverage		Liability for incurred claims	Total
	Excluding loss component	Loss component		
№'000	№'000	№'000	№'000	
Opening Insurance Contract Liabilities	(2,190)	-	-	(2,190)
Opening Insurance Contract Assets	-	-	-	-
Net insurance contract (liabilities)/assets opening balance	(2,190)	-	-	(2,190)
Insurance revenue	8,112			8,112
Insurance service expenses	(311)	(15,352)	(161)	(15,824)
Incurred claims			(30)	(30)
Changes to liabilities for incurred claims			-	-
Other directly attributable expenses			(130)	(130)
Losses on onerous contracts and reversal of those losses		(15,352.00)		(15,352)
Amortisation of insurance acquisition cash flows	(311)			(311)
Investment components	-	-	-	-
Insurance service results from insurance contracts issued	7,801	(15,352)	(161)	(7,712)
Insurance finance expenses	(5,950)	-	-	(5,950)
Foreign Currency Movements	-	-	-	-
Total changes in the statement of comprehensive income	1,851	(15,352)	(161)	(13,662)
Cash flows				
Premiums received	(10,766)			(10,766)
Claims and other expenses paid	-		161	161
Insurance acquisition cash flows	737			737
Total cash flows	(10,028)	-	161	(9,868)
Other movements	-	-	-	-
Net insurance contract (liabilities)/assets closing balance	(10,367)	(15,352)	(0)	(25,719)
Closing Insurance Contract Liabilities	(10,367)	(15,352)	-	(25,719)
Closing Insurance Contract Assets	-	-	-	-
Net insurance contract (liabilities)/assets closing balance	(10,367)	(15,352)	-	(25,719)

31-Dec-25

	KEYMAN			
	Liability for remaining coverage		Liability for incurred claims	Total
	Excluding loss component	Loss component		
№'000	№'000	№'000	№'000	
Opening Insurance Contract Liabilities	(3,318)	-	-	(3,318)
Opening Insurance Contract Assets	-	-	-	-
Net insurance contract (liabilities)/assets opening balance	(3,318)	-	-	(3,318)
Insurance revenue	8,286			8,286
Insurance service expenses	(369)	-	(40)	(409)
Incurred claims			-	-
Changes to liabilities for incurred claims			-	-
Other directly attributable expenses			(40)	(40)
Losses on onerous contracts and reversal of those losses			-	-
Amortisation of insurance acquisition cash flows	(369)			(369)
Investment components	-	-	-	-
Insurance service results from insurance contracts issued	7,917	-	(40)	7,877
Insurance finance expenses	(2,134)	-	-	(2,134)
Foreign Currency Movements	-	-	-	-
Total changes in the statement of comprehensive income	5,782	-	(40)	5,742
Cash flows				
Premiums received	(5,424)			(5,424)
Claims and other expenses paid	-		40	40
Insurance acquisition cash flows	770			770
Total cash flows	(4,654)	-	40	(4,614)
Other movements	-	-	-	-
Net insurance contract (liabilities)/assets closing balance	(2,190)	-	-	(2,190)
Closing Insurance Contract Liabilities	(2,190)	-	-	(2,190)
Closing Insurance Contract Assets	-	-	-	-
Net insurance contract (liabilities)/assets closing balance	(2,190)	-	-	(2,190)

	WHOLELIFE			
	Liability for remaining coverage		Liability for incurred claims	Total
	Excluding loss component	Loss component		
№'000	№'000	№'000	№'000	
Opening Insurance Contract Liabilities	(3,072)	0	-	(3,072)
Opening Insurance Contract Assets	-	-	-	-
Net insurance contract (liabilities)/assets opening balance	(3,072)	0	-	(3,072)
Insurance revenue	1,997			1,997
Insurance service expenses	(21)	(0)	(87)	(108)
Incurred claims			(87)	(87)
Changes to liabilities for incurred claims			-	-
Other directly attributable expenses			-	-
Losses on onerous contracts and reversal of those losses		(0.00)		(0)
Amortisation of insurance acquisition cash flows	(21)			(21)
Investment components	-	-	-	-
Insurance service results from insurance contracts issued	1,977	(0)	(87)	1,889
Insurance finance expenses	(1,044)	-	-	(1,044)
Foreign Currency Movements	-	-	-	-
Total changes in the statement of comprehensive income	933	(0)	(87)	845
Cash flows				
Premiums received	(5,443)			(5,443)
Claims and other expenses paid	-		87	87
Insurance acquisition cash flows	729			729
Total cash flows	(4,714)	-	87	(4,626)
Other movements	-	-	-	-
Net insurance contract (liabilities)/assets closing balance	(6,853)	(0)	-	(6,853)
Closing Insurance Contract Liabilities	(6,853)	(0)	-	(6,853)
Closing Insurance Contract Assets	-	-	-	-
Net insurance contract (liabilities)/assets closing balance	(6,853)	(0)	-	(6,853)

	WHOLELIFE			
	Liability for remaining coverage		Liability for incurred claims	Total
	Excluding loss component	Loss component		
№'000	№'000	№'000	№'000	
Opening Insurance Contract Liabilities	(1,824)	(182)	-	(2,005)
Opening Insurance Contract Assets	-	-	-	-
Net insurance contract (liabilities)/assets opening balance	(1,824)	(182)	-	(2,005)
Insurance revenue	4,899			4,899
Insurance service expenses	(468)	164	(58)	(362)
Incurred claims			(0)	(0)
Changes to liabilities for incurred claims			0	0
Other directly attributable expenses			(58)	(58)
Losses on onerous contracts and reversal of those losses		164		164
Amortisation of insurance acquisition cash flows	(468)			(468)
Investment components	-	-	-	-
Insurance service results from insurance contracts issued	4,432	164	(58)	4,538
Insurance finance expenses	(1,948)	17	-	(1,931)
Foreign Currency Movements	-	-	-	-
Total changes in the statement of comprehensive income	2,483	182	(58)	2,607
Cash flows				
Premiums received	(4,464)			(4,464)
Claims and other expenses paid	-		58	58
Insurance acquisition cash flows	732			732
Total cash flows	(3,732)	-	58	(3,674)
Other movements	-	-	-	-
Net insurance contract (liabilities)/assets closing balance	(3,072)	0	(0)	(3,072)
Closing Insurance Contract Liabilities	(3,072)	0	-	(3,072)
Closing Insurance Contract Assets	-	-	-	-
Net insurance contract (liabilities)/assets closing balance	(3,072)	0	-	(3,072)

31-Dec-25

	ANNUITY			
	Liability for remaining coverage	Loss component	Liability for	Total
	Excluding loss component		incurred claims	
	№'000	№'000	№'000	№'000
Opening Insurance Contract Liabilities	(27,848,975)	(3,068,568)	-	(30,917,543)
Opening Insurance Contract Assets	-	-	-	-
Net insurance contract (liabilities)/assets opening balance	(27,848,975)	(3,068,568)	-	(30,917,543)
Insurance revenue	10,698,645			10,698,645
Insurance service expenses	(213,384)	1,208,050	(9,882,031)	(8,887,366)
Included claims			(9,805,973)	(9,805,973)
Changes to liabilities for incurred claims			117,193	117,193
Other directly attributable expenses			(193,252)	(193,252)
Losses on onerous contracts and reversal of those losses		1,208,050		1,208,050
Amortisation of insurance acquisition cash flows	(213,384)			(213,384)
Investment components excluded from insurance revenue and insurance service	-	-	-	-
Insurance service results from insurance contracts issued	10,485,261	1,208,050	(9,882,031)	1,811,279
Insurance finance expenses	(14,882,041)	(826,235)	(117,193)	(15,825,469)
Foreign Currency Movements	-	-	-	-
Total changes in the statement of comprehensive income	(4,396,780)	381,815	(9,999,225)	(14,014,190)
Cash flows				
Premiums received	(51,315,483)			(51,315,483)
Claims and other expenses paid			9,882,031	9,882,031
Insurance acquisition cash flows	3,094,951			3,094,951
Total cash flows	(48,220,533)	-	9,882,031	(38,338,502)
Other movements	-	-	-	-
Net insurance contract (liabilities)/assets closing balance	(80,466,288)	(2,686,753)	(117,193)	(83,270,234)
Closing Insurance Contract Liabilities	(80,466,288)	(2,686,753)	(117,193)	(83,270,234)
Closing Insurance Contract Assets	-	-	-	-
Net insurance contract (liabilities)/assets closing balance	(80,466,288)	(2,686,753)	(117,193)	(83,270,234)

31-Dec-25

	ANNUITY			
	Liability for remaining coverage	Loss component	Liability for	Total
	Excluding loss component		incurred claims	
	№'000	№'000	№'000	№'000
Opening Insurance Contract Liabilities	(11,496,115)	(3,195,326)	-	(14,691,440)
Opening Insurance Contract Assets	-	-	-	-
Net insurance contract (liabilities)/assets opening balance	(11,496,115)	(3,195,326)	-	(14,691,440)
Insurance revenue	4,051,829			4,051,829
Insurance service expenses	(96,182)	459,640	(4,007,893)	(3,644,435)
Included claims			(3,914,610)	(3,914,610)
Changes to liabilities for incurred claims			37,617	37,617
Other directly attributable expenses			(130,900)	(130,900)
Losses on onerous contracts and reversal of those losses		459,640		459,640
Amortisation of insurance acquisition cash flows	(96,182)			(96,182)
Investment components excluded from insurance revenue and insurance service	-	-	-	-
Insurance service results from insurance contracts issued	3,955,647	459,640	(4,007,893)	407,394
Insurance finance expenses	(1,072,703)	(332,882)	-	(1,405,586)
Foreign Currency Movements	-	-	-	-
Total changes in the statement of comprehensive income	2,882,944	126,758	(4,007,893)	(998,191)
Cash flows				
Premiums received	(20,409,015)			(20,409,015)
Claims and other expenses paid			4,007,893	4,007,893
Insurance acquisition cash flows	1,173,211			1,173,211
Total cash flows	(19,235,804)	-	4,007,893	(15,227,911)
Other movements	-	-	-	-
Net insurance contract (liabilities)/assets closing balance	(27,848,975)	(3,068,568)	-	(30,917,543)
Closing Insurance Contract Liabilities	(27,848,975)	(3,068,568)	-	(30,917,543)
Closing Insurance Contract Assets	-	-	-	-
Net insurance contract (liabilities)/assets closing balance	(27,848,975)	(3,068,568)	-	(30,917,543)

	TRIPLEPAY			
	Liability for remaining coverage	Loss component	Liability for	Total
	Excluding loss component		incurred claims	
	№'000	№'000	№'000	№'000
Opening Insurance Contract Liabilities	(6,146,418)	(271,815)	-	(6,418,233)
Opening Insurance Contract Assets	-	-	-	-
Net insurance contract (liabilities)/assets opening balance	(6,146,418)	(271,815)	-	(6,418,233)
Insurance revenue	10,881,873			10,881,873
Insurance service expenses	(1,242,568)	167,680	(2,457,674)	(3,532,562)
Included claims			(2,456,708)	(2,456,708)
Changes to liabilities for incurred claims			36,592	36,592
Other directly attributable expenses			(37,557)	(37,557)
Losses on onerous contracts and reversal of those losses		167,680		167,680
Amortisation of insurance acquisition cash flows	(1,242,568)			(1,242,568)
Investment components	-	-	-	-
Insurance service results from insurance contracts issued	9,639,305	167,680	(2,457,674)	7,349,311
Insurance finance expenses	(3,459,609)	(80,573)	(36,592)	(3,576,773)
Foreign Currency Movements	-	-	-	-
Total changes in the statement of comprehensive income	6,179,696	87,107	(2,494,265)	3,772,537
Cash flows				
Premiums received	(12,107,182)			(12,107,182)
Claims and other expenses paid			2,457,674	2,457,674
Insurance acquisition cash flows	1,978,012			1,978,012
Total cash flows	(10,129,170)	-	2,457,674	(7,671,496)
Other movements	-	-	-	-
Net insurance contract (liabilities)/assets closing balance	(10,095,891)	(184,708)	(36,592)	(10,317,191)
Closing Insurance Contract Liabilities	(10,095,891)	(184,708)	(36,592)	(10,317,191)
Closing Insurance Contract Assets	-	-	-	-
Net insurance contract (liabilities)/assets closing balance	(10,095,891)	(184,708)	(36,592)	(10,317,191)

	TRIPLEPAY			
	Liability for remaining coverage	Loss component	Liability for	Total
	Excluding loss component		incurred claims	
	№'000	№'000	№'000	№'000
Opening Insurance Contract Liabilities	(5,518,964)	(23,822)	-	(5,542,785)
Opening Insurance Contract Assets	-	-	-	-
Net insurance contract (liabilities)/assets opening balance	(5,518,964)	(23,822)	-	(5,542,785)
Insurance revenue	7,171,156			7,171,156
Insurance service expenses	(909,045)	(251,354)	(1,196,691)	(2,357,090)
Included claims			(849,914)	(849,914)
Changes to liabilities for incurred claims			10,485	10,485
Other directly attributable expenses			(357,262)	(357,262)
Losses on onerous contracts and reversal of those losses		(251,354)		(251,354)
Amortisation of insurance acquisition cash flows	(909,045)			(909,045)
Investment components	-	-	-	-
Insurance service results from insurance contracts issued	6,262,111	(251,354)	(1,196,691)	4,814,066
Insurance finance expenses	340,887	3,360	-	344,247
Foreign Currency Movements	-	-	-	-
Total changes in the statement of comprehensive income	6,602,998	(247,994)	(1,196,691)	5,158,313
Cash flows				
Premiums received	(8,655,351)			(8,655,351)
Claims and other expenses paid			1,196,691	1,196,691
Insurance acquisition cash flows	1,424,899			1,424,899
Total cash flows	(7,230,452)	-	1,196,691	(6,033,761)
Other movements	-	-	-	-
Net insurance contract (liabilities)/assets closing balance	(6,146,418)	(271,815)	-	(6,418,233)
Closing Insurance Contract Liabilities	(6,146,418)	(271,815)	-	(6,418,233)
Closing Insurance Contract Assets	-	-	-	-
Net insurance contract (liabilities)/assets closing balance	(6,146,418)	(271,815)	-	(6,418,233)

	MORTGAGE				MORTGAGE			
	Liability for remaining coverage Excluding loss component	Loss component	Liability for incurred claims	Total	Liability for remaining coverage Excluding loss component	Loss component	Liability for incurred claims	Total
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Opening Insurance Contract Liabilities	(196)	(291)	-	(488)	1	(2)	-	(1)
Opening Insurance Contract Assets	-	-	-	-	-	-	-	-
Net insurance contract (liabilities)/assets at	(196)	(291)	-	(488)	1	(2)	-	(1)
Insurance revenue	127			127	58			58
Insurance service expenses	(8)	(94)	(16)	(117)	(2)	(267)	(16)	(284)
Incurred claims			-	-			-	-
Changes to liabilities for incurred claims			-	-			0.00	0
Other directly attributable expenses			(16)	(16)			(15.61)	(16)
Losses on onerous contracts and reversal of those losses		(94)		(94)		(266.97)		(267)
Amortisation of insurance acquisition cash flows	(8)			(8)	(2)			(2)
Investment components	-	-	-	-	-	-	-	-
Insurance service results from insurance contracts issued	119	(94)	(16)	10	56	(267)	(16)	(226)
Insurance finance expenses	(44)	(72)	-	(116)	(37)	(22)	-	(59)
Foreign Currency Movements	-	-	-	-	-	-	-	-
Total changes in the statement of compreh	76	(166)	(16)	(106)	20	(289)	(16)	(286)
Cash flows								
Premiums received	-	-	-	-	(253)	-	-	(253)
Claims and other expenses paid	-	-	16	16	-	-	16	16
Insurance acquisition cash flows	-	-	-	-	36	-	-	36
Total cash flows	-	-	16	16	(217)	-	16	(201)
Other movements	-	-	-	-	-	-	-	-
Net insurance contract (liabilities)/assets at	(121)	(457)	-	(578)	(196)	(291)	-	(488)
Closing Insurance Contract Liabilities	(121)	(457)	-	(578)	(196)	(291)	-	(488)
Closing Insurance Contract Assets	-	-	-	-	-	-	-	-
Net insurance contract (liabilities)/assets at	(121)	(457)	-	(578)	(196)	(291)	-	(488)

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

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

31-Dec-25

	Estimates of present value of future cashflows R'000	Risk adjustment for non-financial risk R'000	Contractual service margin R'000	Total R'000
Opening Insurance Contract Liabilities	(32,159,898)	(717,587)	(5,274,374)	(38,151,859)
Opening Insurance Contract Assets	-	-	-	-
Net life insurance contract (liabilities)/assets opening balance	(32,159,898)	(717,587)	(5,274,374)	(38,151,859)
Changes that relate to current service	-	-	-	-
Contractual service margin recognised for services provided	-	-	7,742,966	7,742,966
Risk adjustment recognized for the risk expired	-	(343,046)	-	(343,046)
Experience adjustments	1,698,320	-	-	1,698,320
	1,698,320	(343,046)	7,742,966	9,098,240
Changes that relate to future service	-	-	-	-
Contracts initially recognised in the period	12,991,290	(1,182,198)	(12,259,403)	(450,311)
Changes in estimates that adjust the contractual service margin	(240,635)	955,974	(715,339)	-
Changes in estimates that do not adjust the contractual service margin	829,044	705,969	-	1,535,013
	13,579,700	479,744	(12,974,742)	1,084,702
Changes that relate to past service	-	-	-	-
Adjustments to liabilities for incurred claims	163,871	-	-	163,871
Insurance Service Result	15,441,891	136,697	(5,231,776)	10,346,812
Insurance finance expenses	(15,276,659)	(576,481)	(4,499,388)	(20,352,528)
Foreign Currency Movements	-	-	-	-
Total changes in the statement of comprehensive income	165,232	(439,784)	(9,731,164)	(10,005,716)
Cash flows	-	-	-	-
Premiums received	(65,739,555)	-	-	(65,739,555)
Claims and other expenses paid	12,841,858	-	-	12,841,858
Insurance acquisition cash flows	5,384,897	-	-	5,384,897
Total cash flows	(47,512,800)	-	-	(47,512,800)
Net life insurance contract (liabilities)/assets closing balance	(79,507,466)	(1,157,370)	(15,005,538)	(95,670,374)
Closing Insurance Contract Liabilities	(79,507,466)	(1,157,370)	(15,005,538)	(95,670,374)
Closing Insurance Contract Assets	-	-	-	-
Net life insurance contract (liabilities)/assets closing balance	(79,507,466)	(1,157,370)	(15,005,538)	(95,670,374)

31-Dec-24

	Estimates of present value of future cashflows R'000	Risk adjustment for non-financial risk R'000	Contractual service margin R'000	Total R'000
Opening Insurance Contract Liabilities	(14,242,302)	(450,854)	(6,169,127)	(20,862,283)
Opening Insurance Contract Assets	-	-	-	-
Net life insurance contract (liabilities)/assets opening balance	(14,242,302)	(450,854)	(6,169,127)	(20,862,283)
Changes that relate to current service	-	-	-	-
Contractual service margin recognised for services provided	-	-	4,549,433	4,549,433
Risk adjustment recognized for the risk expired	-	214,193	-	214,193
Experience adjustments	1,697,486	-	-	1,697,486
	1,697,486	214,193	4,549,433	6,461,112
Changes that relate to future service	-	-	-	-
Contracts initially recognised in the period	3,662,769	(564,734)	(3,973,942)	(875,907)
Changes in estimates that adjust the contractual service margin	(1,969,583)	59,961	1,909,622	-
Changes in estimates that do not adjust the contractual service margin	166,986	143,273	-	310,259
	1,860,171	(361,500)	(2,064,319)	(565,648)
Changes that relate to past service	-	-	-	-
Adjustments to liabilities for incurred claims	61,620	-	-	61,620
Insurance Service Result	3,619,278	(147,307)	2,485,114	5,957,085
Insurance finance expenses	773,010	(119,426)	(1,590,360)	(936,774)
Foreign Currency Movements	-	-	-	-
Total changes in the statement of comprehensive income	4,392,289	(266,733)	894,753	5,020,309
Cash flows	-	-	-	-
Premiums received	(30,696,610)	-	-	(30,696,610)
Claims and other expenses paid	5,577,017	-	-	5,577,017
Insurance acquisition cash flows	2,809,708	-	-	2,809,708
Total cash flows	(22,309,885)	-	-	(22,309,885)
Net life insurance contract (liabilities)/assets closing balance	(32,159,898)	(717,587)	(5,274,374)	(38,151,859)
Closing Insurance Contract Liabilities	(32,159,898)	(717,587)	(5,274,374)	(38,151,859)
Closing Insurance Contract Assets	-	-	-	-
Net life insurance contract (liabilities)/assets closing balance	(32,159,898)	(717,587)	(5,274,374)	(38,151,859)

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

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

31-Dec-25

	TERM			
	Estimates of present value of future cashflows	Risk adjustment for non-financial risk	Contractual service margin	Total
	₦'000	₦'000	₦'000	₦'000
Opening Insurance Contract Liabilities	(12,943)	(5,310)	(1,352)	(19,603)
Opening Insurance Contract Assets	-	-	-	-
Net life insurance contract (liabilities)/assets opening balance	(12,943)	(5,310)	(1,352)	(19,603)
Changes that relate to current service				
Contractual service margin recognised for services provided			196,568	196,568
Risk adjustment recognized for the risk expired		(4,810)		(4,810)
Experience adjustments	(140,598)			(140,598)
	(140,598)	(4,810)	196,568	51,160
Changes that relate to future service				
Contracts initially recognised in the period	1,499,434	(50,086)	(1,489,393)	(40,045)
Changes in estimates that adjust the contractual service margin	(214,502.43)	(352)	214,854	-
Changes in estimates that do not adjust the contractual service margin	17,681	(16,554)		1,127
	1,302,613	(66,991)	(1,274,539)	(38,918)
Changes that relate to past service				
Adjustments to liabilities for incurred claims	2,122	-		2,122
Insurance Service Result	1,164,137	(71,802)	(1,077,971)	14,365
Insurance finance expenses	175,825	(16,809)	(452,171)	(293,155)
Foreign Currency Movements	-	-	-	-
Total changes in the statement of comprehensive income	1,339,962	(88,611)	(1,530,141)	(278,790)
Cash flows				
Premiums received	(59,866)			(59,866)
Claims and other expenses paid	227,679			227,679
Insurance acquisition cash flows	3,900			3,900
Total cash flows	171,713	-	-	171,713
Net life insurance contract (liabilities)/assets closing balance	1,498,733	(93,921)	(1,531,493)	(126,680)
Closing Insurance Contract Liabilities	1,498,733	(93,921)	(1,531,493)	(126,681)
Closing Insurance Contract Assets	-	-	-	-
Net life insurance contract (liabilities)/assets closing balance	1,498,733	(93,921)	(1,531,493)	(126,681)

31-Dec-24

	TERM			
	Estimates of present value of future cashflows	Risk adjustment for non-financial risk	Contractual service margin	Total
	₦'000	₦'000	₦'000	₦'000
Opening Insurance Contract Liabilities	(179,100)	(55,440)	-	(234,540)
Opening Insurance Contract Assets	-	-	-	-
Net life insurance contract (liabilities)/assets opening balance	(179,100)	(55,440)	-	(234,540)
Changes that relate to current service				
Contractual service margin recognised for services provided			102	102
Risk adjustment recognized for the risk expired		65,892		65,892
Experience adjustments	108,436			108,436
	108,436	65,892	102	174,430
Changes that relate to future service				
Contracts initially recognised in the period	(166,707)	(55,720)	(963)	(223,389)
Changes in estimates that adjust the contractual service margin	20	358	(378)	(0)
Changes in estimates that do not adjust the contractual service margin	252,986	52,671		305,657
	86,299	(2,690)	(1,341)	82,268
Changes that relate to past service				
Adjustments to liabilities for incurred claims	5,661	-		5,661
Insurance Service Result	200,396	63,201	(1,239)	262,358
Insurance finance expenses	(7,147)	(13,071)	(113)	(20,332)
Foreign Currency Movements	-	-	-	-
Total changes in the statement of comprehensive income	193,249	50,130	(1,352)	242,027
Cash flows				
Premiums received	(60,917)			(60,917)
Claims and other expenses paid	33,476			33,476
Insurance acquisition cash flows	350			350
Total cash flows	(27,091)	-	-	(27,091)
Net life insurance contract (liabilities)/assets closing balance	(12,943)	(5,310)	(1,352)	(19,605)
Closing Insurance Contract Liabilities	(12,943)	(5,310)	(1,352)	(19,604)
Closing Insurance Contract Assets	-	-	-	-
Net life insurance contract (liabilities)/assets closing balance	(12,943)	(5,310)	(1,352)	(19,604)

	ENDOWMENT			
	Estimates of present value of future cashflows	Risk adjustment for non-financial risk	Contractual service margin	Total
	₦'000	₦'000	₦'000	₦'000
Opening Insurance Contract Liabilities	(360,240)	(33,653)	(396,836)	(790,729)
Opening Insurance Contract Assets	-	-	-	-
Net life insurance contract (liabilities)/assets opening balance	(360,240)	(33,653)	(396,836)	(790,729)
Changes that relate to current service				
Contractual service margin recognised for services provided			922,236	922,236
Risk adjustment recognized for the risk expired		62,051		62,051
Experience adjustments	225,755			225,755
	225,755	62,051	922,236	1,210,042
Changes that relate to future service				
Contracts initially recognised in the period	1,074,270	(67,457)	(1,009,574)	(2,761)
Changes in estimates that adjust the contractual service margin	247,082.70	25,616	(272,699)	-
Changes in estimates that do not adjust the contractual service margin	(43,484)	5,910		(37,574)
	1,277,869	(35,931)	(1,282,273)	(40,335)
Changes that relate to past service				
Adjustments to liabilities for incurred claims	7,963	-		7,963
Net income or expense from insurance contracts held	1,511,588	26,120	(360,038)	1,177,670
Insurance finance expenses	(259,354)	(30,681)	(359,986)	(650,021)
Foreign Currency Movements	-	-	-	-
Total changes in the statement of comprehensive income	1,252,235	(4,561)	(720,024)	527,650
Cash flows				
Premiums received	(2,240,815)			(2,240,815)
Claims and other expenses paid	274,210			274,210
Insurance acquisition cash flows	306,568			306,568
Total cash flows	(1,660,037)	-	-	(1,660,037)
Net life insurance contract (liabilities)/assets closing balance	(768,043)	(38,215)	(1,116,860)	(1,923,116)
Closing Insurance Contract Liabilities	(768,043)	(38,215)	(1,116,860)	(1,923,118)
Closing Insurance Contract Assets	-	-	-	-
Net life insurance contract (liabilities)/assets closing balance	(768,043)	(38,215)	(1,116,860)	(1,923,118)

	ENDOWMENT			
	Estimates of present value of future cashflows	Risk adjustment for non-financial risk	Contractual service margin	Total
	₦'000	₦'000	₦'000	₦'000
Opening Insurance Contract Liabilities	240,397	(64,413)	(564,178)	(388,194)
Opening Insurance Contract Assets	-	-	-	-
Net life insurance contract (liabilities)/assets opening balance	240,397	(64,413)	(564,178)	(388,193)
Changes that relate to current service				
Contractual service margin recognised for services provided			550,057	550,057
Risk adjustment recognized for the risk expired		127,777		127,777
Experience adjustments	299,923			299,923
	299,923	127,777	550,057	977,757
Changes that relate to future service				
Contracts initially recognised in the period	779,947	(126,345)	(735,467)	(81,865)
Changes in estimates that adjust the contractual service margin	(602,008)	39,698	562,310	-
Changes in estimates that do not adjust the contractual service margin	(454,733)	12,061		(442,673)
	(276,794)	(74,586)	(173,157)	(524,537)
Changes that relate to past service				
Adjustments to liabilities for incurred claims	7,857	-		7,857
Net income or expense from insurance contracts held	30,985	53,191	376,900	461,076
Insurance finance expenses	381,010	(22,432)	(209,559)	149,019
Foreign Currency Movements	-	-	-	-
Total changes in the statement of comprehensive income	411,995	30,759	167,341	610,095
Cash flows				
Premiums received	(1,561,186)			(1,561,186)
Claims and other expenses paid	338,844			338,844
Insurance acquisition cash flows	209,710			209,710
Total cash flows	(1,012,632)	-	-	(1,012,632)
Net life insurance contract (liabilities)/assets closing balance	(360,240)	(33,653)	(396,836)	(790,729)
Closing Insurance Contract Liabilities	(360,240)	(33,653)	(396,836)	(790,729)
Closing Insurance Contract Assets	-	-	-	-
Net life insurance contract (liabilities)/assets closing balance	(360,240)	(33,653)	(396,836)	(790,729)

31-Dec-25

	KEYMAN			
	Estimates of present value of future cashflows	Risk adjustment for non-financial risk	Contractual service margin	Total
	₦'000	₦'000	₦'000	₦'000
Opening Insurance Contract Liabilities	7,448	(285)	(9,353)	(2,190)
Opening Insurance Contract Assets	-	-	-	-
Net life insurance contract (liabilities)/assets opening balance	7,448	(285)	(9,353)	(2,190)
Changes that relate to current service				
Contractual service margin recognised for services provided			2,037	2,037
Risk adjustment recognized for the risk expired		354		354
Experience adjustments	6,787			6,787
	6,787	354	2,037	9,178
Changes that relate to future service				
Contracts initially recognised in the period	(12,893)	(901)	(1,263)	(15,057)
Changes in estimates that adjust the contractual service margin	(4,835.26)	79	4,756	-
Changes in estimates that do not adjust the contractual service margin	(1,861)	28		(1,833)
	(19,589)	(794)	3,493	(16,890)
Changes that relate to past service				
Adjustments to liabilities for incurred claims	-	-	-	-
Net income or expense from insurance contracts held	(12,802)	(440)	5,530	(7,712)
Insurance finance expenses	(3,678)	(360)	(1,912)	(5,950)
Foreign Currency Movements	-	-	-	-
Total changes in the statement of comprehensive income	(16,480)	(800)	3,618	(13,662)
Cash flows				
Premiums received	(10,766)			(10,766)
Claims and other expenses paid	161			161
Insurance acquisition cash flows	737			737
Total cash flows	(9,868)	-	-	(9,868)
Net life insurance contract (liabilities)/assets closing balance	(18,900)	(1,085)	(5,735)	(25,719)
Closing Insurance Contract Liabilities	(18,900)	(1,085)	(5,735)	(25,719)
Closing Insurance Contract Assets	-	-	-	-
Net life insurance contract (liabilities)/assets closing balance	(18,900)	(1,085)	(5,735)	(25,719)

31-Dec-24

	KEYMAN			
	Estimates of present value of future cashflows	Risk adjustment for non-financial risk	Contractual service margin	Total
	₦'000	₦'000	₦'000	₦'000
Opening Insurance Contract Liabilities	2,889	(78)	(6,129)	(3,318)
Opening Insurance Contract Assets	-	-	-	-
Net life insurance contract (liabilities)/assets opening balance	2,889	(78)	(6,129)	(3,318)
Changes that relate to current service				
Contractual service margin recognised for services provided			5,394	5,394
Risk adjustment recognized for the risk expired		98		98
Experience adjustments	2,384			2,384
	2,384	98	5,394	7,876
Changes that relate to future service				
Contracts initially recognised in the period	12,307	(389)	(11,918)	-
Changes in estimates that adjust the contractual service margin	(5,865)	139	5,726	-
Changes in estimates that do not adjust the contractual service margin	-	-	-	-
	6,442	(250)	(6,192)	-
Changes that relate to past service				
Adjustments to liabilities for incurred claims	-	-	-	-
Net income or expense from insurance contracts held	8,826	(152)	(798)	7,877
Insurance finance expenses	347	(55)	(2,426)	(2,134)
Foreign Currency Movements	-	-	-	-
Total changes in the statement of comprehensive income	9,173	(207)	(3,224)	5,742
Cash flows				
Premiums received	(5,424)			(5,424)
Claims and other expenses paid	40			40
Insurance acquisition cash flows	770			770
Total cash flows	(4,614)	-	-	(4,614)
Net life insurance contract (liabilities)/assets closing balance	7,448	(285)	(9,353)	(2,190)
Closing Insurance Contract Liabilities	7,448	(285)	(9,353)	(2,190)
Closing Insurance Contract Assets	-	-	-	-
Net life insurance contract (liabilities)/assets closing balance	7,448	(285)	(9,353)	(2,190)

	WHOLELIFE			
	Estimates of present value of future cashflows	Risk adjustment for non-financial risk	Contractual service margin	Total
	₦'000	₦'000	₦'000	₦'000
Opening Insurance Contract Liabilities	1,321	(458)	(3,935)	(3,072)
Opening Insurance Contract Assets	-	-	-	-
Net life insurance contract (liabilities)/assets opening balance	1,321	(458)	(3,935)	(3,072)
Changes that relate to current service				
Contractual service margin recognised for services provided			230	230
Risk adjustment recognized for the risk expired		5		5
Experience adjustments	1,655			1,655
	1,655	5	230	1,890
Changes that relate to future service				
Contracts initially recognised in the period	5,189	(426)	(4,779)	(17)
Changes in estimates that adjust the contractual service margin	950.24	(328)	(623)	-
Changes in estimates that do not adjust the contractual service margin	17	(0)		16
	6,156	(754)	(5,402)	(1)
Changes that relate to past service				
Adjustments to liabilities for incurred claims	-	-	-	-
Net income or expense from insurance contracts held	7,810	(749)	(5,172)	1,889
Insurance finance expenses	1,266	(268)	(2,041)	(1,044)
Foreign Currency Movements	-	-	-	-
Total changes in the statement of comprehensive income	9,076	(1,017)	(7,213)	846
Cash flows				
Premiums received	(5,443)			(5,443)
Claims and other expenses paid	87			87
Insurance acquisition cash flows	729			729
Total cash flows	(4,626)	-	-	(4,625)
Net life insurance contract (liabilities)/assets closing balance	5,771	(1,475)	(11,149)	(6,851)
Closing Insurance Contract Liabilities	5,771	(1,475)	(11,149)	(6,853)
Closing Insurance Contract Assets	-	-	-	-
Net life insurance contract (liabilities)/assets closing balance	5,771	(1,475)	(11,149)	(6,853)

	WHOLELIFE			
	Estimates of present value of future cashflows	Risk adjustment for non-financial risk	Contractual service margin	Total
	₦'000	₦'000	₦'000	₦'000
Opening Insurance Contract Liabilities	2,458	(368)	(4,096)	(2,006)
Opening Insurance Contract Assets	-	-	-	-
Net life insurance contract (liabilities)/assets opening balance	2,458	(368)	(4,096)	(2,005)
Changes that relate to current service				
Contractual service margin recognised for services provided			4,334	4,334
Risk adjustment recognized for the risk expired		115		115
Experience adjustments	393			393
	393	115	4,334	4,842
Changes that relate to future service				
Contracts initially recognised in the period	4,481	(577)	(3,915)	(11)
Changes in estimates that adjust the contractual service margin	(1,541)	478	1,062	-
Changes in estimates that do not adjust the contractual service margin	(298)	4		(294)
	2,643	(94)	(2,853)	(304)
Changes that relate to past service				
Adjustments to liabilities for incurred claims	0	-	-	0
Net income or expense from insurance contracts held	3,035	21	1,482	4,538
Insurance finance expenses	(499)	(111)	(1,321)	(1,931)
Foreign Currency Movements	-	-	-	-
Total changes in the statement of comprehensive income	2,536	(90)	161	2,607
Cash flows				
Premiums received	(4,464)			(4,464)
Claims and other expenses paid	58			58
Insurance acquisition cash flows	732			732
Total cash flows	(3,674)	-	-	(3,674)
Net life insurance contract (liabilities)/assets closing balance	1,321	(458)	(3,935)	(3,072)
Closing Insurance Contract Liabilities	1,321	(458)	(3,935)	(3,072)
Closing Insurance Contract Assets	-	-	-	-
Net life insurance contract (liabilities)/assets closing balance	1,321	(458)	(3,935)	(3,072)

	ANNUITY				ANNUITY			
	Estimates of present value of future cashflows	Risk adjustment for non-financial risk	Contractual service margin	Total	Estimates of present value of future cashflows	Risk adjustment for non-financial risk	Contractual service margin	Total
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Opening Insurance Contract Liabilities	(29,467,026)	(632,715)	(817,801)	(30,917,543)	(11,660,232)	(322,638)	(2,708,570)	(14,691,440)
Opening Insurance Contract Assets	-	-	-	-	-	-	-	-
Net life insurance contract (liabilities)/assets opening balance	(29,467,026)	(632,715)	(817,801)	(30,917,543)	(11,660,232)	(322,638)	(2,708,570)	(14,691,440)
Changes that relate to current service								
Contractual service margin recognised for services provided			86,967	86,967			19,620	19,620
Risk adjustment recognized for the risk expired		(764,554)		(764,554)		(37,539)		(37,539)
Experience adjustments	1,294,818			1,294,818	69,600			69,600
	1,294,818	(764,554)	86,967	617,230	69,600	(37,539)	19,620	51,681
Changes that relate to future service								
Contracts initially recognised in the period	2,059,672	(605,906)	(1,835,196)	(381,430)	115,779	(335,427)	(228,417)	(448,065)
Changes in estimates that adjust the contractual service margin	(1,551,903.08)	845,156	706,747	-	(2,639,838)	60,680	2,579,159	-
Changes in estimates that do not adjust the contractual service margin	741,685	716,601		1,458,286	686,568	79,593		766,161
	1,249,454	955,850	(1,128,449)	1,076,856	(1,837,491)	(195,154)	2,350,742	318,096
Changes that relate to past service								
Adjustments to liabilities for incurred claims	117,193	-		117,193	37,617	-		37,617
Net income or expense from insurance contracts held	2,661,465	191,296	(1,041,482)	1,811,279	(1,730,274)	(232,694)	2,370,362	407,394
Insurance finance expenses	(14,758,804)	(375,854)	(690,811)	(15,825,469)	(848,609)	(77,383)	(479,593)	(1,405,586)
Foreign Currency Movements	-	-	-	-	-	-	-	-
Total changes in the statement of comprehensive income	(12,097,339)	(184,558)	(1,732,293)	(14,014,190)	(2,578,883)	(310,077)	1,890,769	(998,191)
Cash flows								
Premiums received	(51,315,483)			(51,315,483)	(20,409,015)			(20,409,015)
Claims and other expenses paid	9,882,031			9,882,031	4,007,893			4,007,893
Insurance acquisition cash flows	3,094,951			3,094,951	1,173,211			1,173,211
Total cash flows	(38,338,502)	-	-	(38,338,502)	(15,227,911)	-	-	(15,227,911)
Net life insurance contract (liabilities)/assets closing balance	(79,902,867)	(817,273)	(2,550,094)	(83,270,234)	(29,467,026)	(632,715)	(817,801)	(30,917,543)
Closing Insurance Contract Liabilities	(79,902,867)	(817,273)	(2,550,094)	(83,270,234)	(29,467,026)	(632,715)	(817,801)	(30,917,543)
Closing Insurance Contract Assets	-	-	-	-	-	-	-	-
Net life insurance contract (liabilities)/assets closing balance	(79,902,867)	(817,273)	(2,550,094)	(83,270,234)	(29,467,026)	(632,715)	(817,801)	(30,917,543)

	TRIPLEPAY				TRIPLEPAY			
	Estimates of present value of future cashflows	Risk adjustment for non-financial risk	Contractual service margin	Total	Estimates of present value of future cashflows	Risk adjustment for non-financial risk	Contractual service margin	Total
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Opening Insurance Contract Liabilities	(2,328,080)	(45,057)	(4,045,096)	(6,418,233)	(2,648,713)	(7,918)	(2,886,155)	(5,542,785)
Opening Insurance Contract Assets	-	-	-	-	-	-	-	-
Net life insurance contract (liabilities)/assets opening balance	(2,328,080)	(45,057)	(4,045,096)	(6,418,233)	(2,648,713)	(7,918)	(2,886,155)	(5,542,785)
Changes that relate to current service								
Contractual service margin recognised for services provided			6,534,928	6,534,928			3,969,925	3,969,925
Risk adjustment recognized for the risk expired		363,914		363,914		57,840		57,840
Experience adjustments	309,671			309,671	1,216,698			1,216,698
	309,671	363,914	6,534,928	7,208,513	1,216,698	57,840	3,969,925	5,244,463
Changes that relate to future service								
Contracts initially recognised in the period	8,365,618	(457,422)	(7,919,198)	(11,001)	2,917,079	(46,148)	(2,993,261)	(122,330)
Changes in estimates that adjust the contractual service margin	1,282,572.90	85,801	(1,368,374)	-	1,279,649	(41,392)	(1,238,257)	-
Changes in estimates that do not adjust the contractual service margin	115,252	(45)		115,207	(317,470)	(1,081)		(318,552)
	9,763,443	(371,666)	(9,287,572)	104,206	3,879,258	(88,621)	(4,231,519)	(440,882)
Changes that relate to past service								
Adjustments to liabilities for incurred claims	36,592	-		36,592	10,485	-		10,485
Net income or expense from insurance contracts held	10,109,705	(7,751)	(2,752,643)	7,349,311	5,106,441	(30,781)	(261,593)	4,814,066
Insurance finance expenses	(431,831)	(152,475)	(2,992,467)	(3,576,773)	1,247,953	(6,358)	(897,349)	344,247
Foreign Currency Movements	-	-	-	-	-	-	-	-
Total changes in the statement of comprehensive income	9,677,874	(160,226)	(5,745,110)	3,772,537	6,354,394	(37,139)	(1,158,942)	5,158,313
Cash flows								
Premiums received	(12,107,182)			(12,107,182)	(8,655,351)			(8,655,351)
Claims and other expenses paid	2,457,674			2,457,674	1,196,691			1,196,691
Insurance acquisition cash flows	1,978,012			1,978,012	1,424,899			1,424,899
Total cash flows	(7,671,496)	-	-	(7,671,496)	(6,033,761)	-	-	(6,033,761)
Net life insurance contract (liabilities)/assets closing balance	(321,702)	(205,283)	(9,790,207)	(10,317,191)	(2,328,080)	(45,057)	(4,045,096)	(6,418,233)
Closing Insurance Contract Liabilities	(321,702)	(205,283)	(9,790,207)	(10,317,191)	(2,328,080)	(45,057)	(4,045,096)	(6,418,233)
Closing Insurance Contract Assets	-	-	-	-	-	-	-	-
Net life insurance contract (liabilities)/assets closing balance	(321,702)	(205,283)	(9,790,207)	(10,317,191)	(2,328,080)	(45,057)	(4,045,096)	(6,418,233)

	MORTGAGE				MORTGAGE			
	Estimates of present value of future cashflows	Risk adjustment for non-financial risk	Contractual service margin	Total	Estimates of present value of future cashflows	Risk adjustment for non-financial risk	Contractual service margin	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Opening Insurance Contract Liabilities	(378)	(109)	-	(487)	(1)	(0)	-	(1)
Opening Insurance Contract Assets	-	-	-	-	-	-	-	-
Net life insurance contract (liabilities)/assets opening balance	(378)	(109)	-	(487)	(1)	(0)	-	(1)
Changes that relate to current service								
Contractual service margin recognised for services provided	-	-	-	-	-	-	-	-
Risk adjustment recognized for the risk expired	-	(6)	-	(6)	-	10	-	10
Experience adjustments	233	-	-	233	53	-	-	53
	233	(6)	-	227	53	10	-	62
Changes that relate to future service								
Contracts initially recognised in the period	-	-	-	-	(118)	(129)	-	(247)
Changes in estimates that adjust the contractual service margin	(0.00)	-	0	0	(0)	-	0	0
Changes in estimates that do not adjust the contractual service margin	(245)	28	-	(217)	(67)	26	-	(41)
	(245)	28	0	(217)	(185)	(103)	0	(288)
Changes that relate to past service								
Adjustments to liabilities for incurred claims	-	-	-	-	0	-	-	0
Net income or expense from insurance contracts held	(13)	23	0	10	(132)	(94)	0	(226)
Insurance finance expenses	(83)	(33)	-	(116)	(44)	(15)	-	(59)
Foreign Currency Movements	-	-	-	-	-	-	-	-
Total changes in the statement of comprehensive income	(96)	(10)	0	(106)	(177)	(109)	0	(286)
Cash flows								
Premiums received	-	-	-	-	(253)	-	-	(253)
Claims and other expenses paid	16	-	-	16	16	-	-	16
Insurance acquisition cash flows	-	-	-	-	36	-	-	36
Total cash flows	16	-	-	16	(201)	-	-	(201)
Net life insurance contract (liabilities)/assets closing balance	(458)	(120)	0	(577)	(378)	(109)	0	(487)
Closing Insurance Contract Liabilities	(458)	(120)	-	(578)	(378)	(109)	-	(488)
Closing Insurance Contract Assets	-	-	-	-	-	-	-	-
Net life insurance contract (liabilities)/assets closing balance	(458)	(120)	-	(578)	(378)	(109)	-	(487)

18.5 Impact of contracts recognised in the period - Entity Level

31-Dec-25

	Non-onerous contracts originated N'000	Onerous contracts originated N'000	Total N'000
Estimates of the present value of future cash outflows:			
- insurance acquisition cash flows	519,665	136,540	656,206
- claims and other directly attributable expenses	40,824,163	11,128,318	51,952,481
Estimates of the present value of future cash outflows	41,343,828	11,264,858	52,608,686
Estimates of the present value of future cash inflows	(54,521,894)	(11,078,082)	(65,599,975)
Risk adjustment for non-financial risk	920,456	261,742	1,182,199
CSM	12,257,610	1,793	12,259,403
Increase in insurance contract liabilities from contracts recognised in the period	(0)	450,311	450,313

31-Dec-24

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

HEIRS LIFE ASSURANCE LIMITED
 FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2025
 NOTES TO THE FINANCIAL STATEMENTS

18.5.1 Impact of contracts recognised in the period - Per Portfolio

	31-Dec-25			31-Dec-24		
	Non-onerous contracts originated N'000	Onerous contracts originated N'000	Total N'000	Non-onerous contracts originated N'000	Onerous contracts originated N'000	Total N'000
TERM						
Estimates of the present value of future cash outflows:						
- insurance acquisition cash flows	9,514	1,824	11,338	146	68,409	68,555
- claims and other directly attributable expenses	236,406	50,972	287,378	1,106	125,060	126,166
Estimates of the present value of future cash outflows	245,920	52,796	298,716	1,252	193,469	194,721
Estimates of the present value of future cash inflows	(1,775,074)	(23,076)	(1,798,150)	(2,694)	(25,320)	(28,014)
Risk adjustment for non-financial risk	39,761	10,325	50,086	479	55,240	55,719
CSM	1,489,393	-	1,489,393	963	-	963
Increase in insurance contract liabilities from contracts recognised in the period	0	40,045	40,045	0	223,389	223,389
ENDOWMENT						
Estimates of the present value of future cash outflows:						
- insurance acquisition cash flows	14,173	6,067	20,240	38,077	30,188	68,265
- claims and other directly attributable expenses	1,381,236	157,552	1,538,788	803,421	203,619	1,007,040
Estimates of the present value of future cash outflows	1,395,409	163,619	1,559,028	841,698	233,807	1,075,505
Estimates of the present value of future cash inflows	(2,456,424)	(176,874)	(2,633,298)	(1,666,016)	(189,436)	(1,855,452)
Risk adjustment for non-financial risk	53,107	14,350	67,457	88,851	37,494	126,345
CSM	1,007,908	1,666	1,009,574	735,467	-	735,467
Increase in insurance contract liabilities from contracts recognised in the period	0	2,761	2,761	0	81,865	81,865
KEYMAN						
Estimates of the present value of future cash outflows:						
- insurance acquisition cash flows	63	459	522	17	-	17
- claims and other directly attributable expenses	3,700	18,223	21,923	7,678	-	7,678
Estimates of the present value of future cash outflows	3,763	18,682	22,446	7,695	-	7,695
Estimates of the present value of future cash inflows	(5,054)	(4,498)	(9,552)	(20,002)	-	(20,002)
Risk adjustment for non-financial risk	155	746	901	389	-	389
CSM	1,136	127	1,263	11,918	-	11,918
Increase in insurance contract liabilities from contracts recognised in the period	0	15,057	15,058	(0)	-	(0)
TRIPLEPAY						
Estimates of the present value of future cash outflows:						
- insurance acquisition cash flows	138,727	15,931	154,658	63,433	69,373	132,806
- claims and other directly attributable expenses	7,164,724	188,229	7,352,953	4,043,593	1,197,179	7,240,772
Estimates of the present value of future cash outflows	7,303,451	204,160	7,507,611	6,107,026	1,266,551	7,373,577
Estimates of the present value of future cash inflows	(15,660,170)	(213,060)	(15,873,228)	(9,100,627)	(1,190,029)	(10,290,656)
Risk adjustment for non-financial risk	437,521	19,901	457,422	339	45,808	46,147
CSM	7,919,198	(0)	7,919,198	2,993,261	(0)	2,993,261
Increase in insurance contract liabilities from contracts recognised in the period	(0)	11,001	11,002	(0)	122,330	122,330
ANNUITY						
Estimates of the present value of future cash outflows:						
- insurance acquisition cash flows	357,096	112,245	469,341	186,824	30,140	216,964
- claims and other directly attributable expenses	32,032,599	10,713,246	42,745,845	16,498,827	2,481,429	18,980,256
Estimates of the present value of future cash outflows	32,389,695	10,825,491	43,215,186	16,685,651	2,511,569	19,197,220
Estimates of the present value of future cash inflows	(34,614,399)	(10,660,459)	(45,274,858)	(17,137,080)	(2,175,920)	(19,312,999)
Risk adjustment for non-financial risk	389,509	216,398	605,907	223,011	112,416	335,427
CSM	1,835,196	-	1,835,196	228,417	-	228,417
Increase in insurance contract liabilities from contracts recognised in the period	(0)	381,430	381,431	(0)	448,065	448,065

HEIRS LIFE ASSURANCE LIMITED
 FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2025
 NOTES TO THE FINANCIAL STATEMENTS

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

	WHOLELIFE			WHOLELIFE		
	Non-onerous contracts originated N'000	Onerous contracts originated N'000	Total N'000	Non-onerous contracts originated N'000	Onerous contracts originated N'000	Total N'000
Estimates of the present value of future cash outflows:						
- insurance acquisition cash flows	93	13	106	33	8	41
- claims and other directly attributable expenses	5,497	96	5,593	2,288	-	2,288
Estimates of the present value of future cash outflows	5,590	109	5,699	2,321	8	2,329
Estimates of the present value of future cash inflows	(10,773)	(115)	(10,888)	(6,810)	-	(6,810)
Risk adjustment for non-financial risk	404	22	426	574	2	576
CSM	4,779	-	4,779	3,915	-	3,915
Increase in insurance contract liabilities from contracts recognised in the period	(0)	17	16	-	10	10

18.6 Expected recognition of the contractual service margin

Insurance contracts issued							Total CSM for insurance contracts issued N'000
Number of years until expected to be recognised	TERM	ENDOWMENT N'000	KEYMAN N'000	WHOLELIFE N'000	ANNUITY N'000	TRIPLEPAY N'000	
31-Dec-25							
1	1,092,993.80	552,661	1,938	170	121,915	4,301,294	6,070,972
2	368,104.45	269,846	1,749	122	120,294	2,494,352	3,254,467
3	28,464.92	94,556	1,523	114	118,544	1,018,475	1,261,677
4	15,941.98	75,131	524	123	116,660	794,699	1,003,079
5	9,990.13	39,571	-	132	114,637	654,136	818,467
6-10	14,799.76	58,886	-	822	537,696	457,379	1,069,584
>10	1,198.37	26,208	-	9,666	1,420,348	69,872	1,527,293
Total	1,531,493.41	1,116,859	5,734	11,149	2,550,094	9,790,207	15,005,536

Number of years until expected to be recognised	TERM	ENDOWMENT N'000	KEYMAN N'000	WHOLELIFE N'000	ANNUITY N'000	TRIPLEPAY N'000	Total CSM for insurance contracts issued N'000
31-Dec-24							
1	601.30	161,612	2,657	41	37,788	1,756,163	1,958,862
2	262.45	117,126	2,154	29	37,320	962,794	1,119,686
3	89.09	43,797	1,973	26	36,813	414,440	497,139
4	79.16	23,498	1,858	27	36,267	355,950	417,678
5	65.47	17,555	710	29	35,678	280,659	334,697
6-10	91.97	26,223	-	187	168,006	227,695	422,203
>10	162.58	7,026	-	3,597	465,928	47,395	524,109
Total	1,352.02	396,837	9,352	3,936	817,800	4,045,096	5,274,374

Reinsurance contracts held							Total CSM for reinsurance contracts held N'000
Number of years until expected to be recognised	TERM	ENDOWMENT N'000	KEYMAN N'000	WHOLELIFE N'000	ANNUITY N'000	TRIPLEPAY N'000	
31-Dec-25							
1	(118)	(2,501)	1,719	1	-	(11,121)	(12,020)
2	(47)	87	1,389	1	-	(2,044)	(614)
3	9	175	838	0	-	1,225	2,247
4	0	(732)	244	0	-	(1,423)	(1,911)
5	(1)	(290)	213	0	-	(2,323)	(2,401)
6-10	2	(41)	916	2	-	(1,105)	(226)
>10	6	(260)	1,052	(108)	-	98	788
Total	(149)	(3,560)	6,369	(104)	-	(16,693)	(14,137)

Number of years until expected to be recognised	TERM	ENDOWMENT N'000	KEYMAN N'000	WHOLELIFE N'000	ANNUITY N'000	TRIPLEPAY N'000	Total CSM for reinsurance contracts held N'000
31-Dec-24							
1	42	(10,091)	(464)	(2)	-	(14,915)	(25,430)
2	35	(2,683)	(376)	(2)	-	(9,458)	(12,484)
3	20	(2,666)	(344)	(1)	-	(7,279)	(10,270)
4	10	(1,170)	(325)	(1)	-	(5,157)	(6,643)
5	1	(307)	(125)	(1)	-	(2,402)	(2,834)
6-10	1	(1,229)	-	(10)	-	(4,458)	(5,696)
>10	3	(1,557)	-	(259)	-	(1,036)	(2,849)
Total	112	(19,703)	(1,634)	(276)	-	(44,705)	(66,205)

HEIRS LIFE ASSURANCE LIMITED
FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2025
NOTES TO THE FINANCIAL STATEMENTS

	Year ended 31-Dec-25 N'000	Year ended 31-Dec-24 N'000
19 Reinsurance contract Liabilities*		
Liability for Remaining Coverage**		
-Excluding loss component	81,191	77,406
-Loss component	(169)	(973)
Liability for Incurred Claims	-	-
	81,022	76,433
Current	(42,668)	(21,256)
Non-Current	123,690	97,689
Total Reinsurance contract Liabilities	81,022	76,433

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

** Refer to note 19.1.1

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

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

31-Dec-25

	Liabilities for remaining coverage		Liabilities for incurred claims N'000	Total N'000
	Excluding loss recovery component	Loss recovery component		
	N'000	N'000		
Opening Reinsurance Contract Liabilities	(77,361)	973	-	(76,388)
Opening Reinsurance Contract Assets	-	-	-	-
Net reinsurance contract assets / (liabilities) opening balance	(77,361)	973	-	(76,388)
Allocation of reinsurance premiums	24,528	-	-	24,528
Amounts recoverable from reinsurers for incurred claims	-	(917)	-	(917)
Amounts recoverable for incurred claims and other expenses	-	(1,244)	-	(1,244)
Changes to amounts recoverable for incurred claims	-	-	-	-
Net income or expense from reinsurance contracts held	24,528	(917)	-	23,611
Reinsurance finance income	(32,919)	113	-	(32,806)
Total changes in the statement of comprehensive income	(8,391)	(804)	-	(9,195)
Cash flows	-	-	-	-
Premiums paid	4,561	-	-	4,561
Commission received	-	-	-	-
Claims recovered	-	-	-	-
Total cash flows	4,561	-	-	4,561
Other movements	-	-	-	-
Net reinsurance contract assets / (liabilities) closing balance	(81,191)	169	-	(81,022)
Closing Reinsurance Contract Liabilities	(81,191)	169	-	(81,022)
Closing Reinsurance Contract Assets	-	-	-	-
Net reinsurance contract assets / (liabilities) closing balance	(81,191)	169	-	(81,022)

31-Dec-24

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

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

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

	31-Dec-25				31-Dec-24				
	TERM			Total	TERM			Total	
	Liabilities for remaining coverage Excluding loss recovery component	Loss recovery component	Liabilities for incurred claims		Liabilities for remaining coverage Excluding loss recovery component	Loss recovery component	Liabilities for incurred claims		
₺'000	₺'000	₺'000	₺'000	₺'000	₺'000	₺'000	₺'000		
Opening Reinsurance Contract Liabilities	-	-	-	-	(183)	(0)	-	(183)	
Opening Reinsurance Contract Assets	-	-	-	-	-	-	-	-	
Net reinsurance contract assets / (liabilities) opening balance	-	-	-	-	(183)	(0)	-	(183)	
Allocation of reinsurance premiums	-	-	-	-	129	-	-	129	
Amounts recoverable from reinsurers for incurred claims	-	-	-	-	-	0	-	0	
Amounts recoverable for incurred claims and other expenses	-	-	-	-	-	-	-	-	
Changes to amounts recoverable for incurred claims	-	-	-	-	-	-	-	-	
Loss-recovery on onerous underlying contracts and adjustments	-	-	-	-	-	0	-	0	
Reinsurance investment components	-	-	-	-	-	-	-	-	
Net income or expense from reinsurance contracts held	-	-	-	-	129	0	-	129	
Reinsurance finance income	-	-	-	-	(54)	(0)	-	(54)	
Foreign Currency Movements	-	-	-	-	-	-	-	-	
Total changes in the statement of comprehensive income	-	-	-	-	75	0	-	75	
Cash flows	-	-	-	-	-	-	-	-	
Premiums paid	-	-	-	-	63	-	-	63	
Commission received	-	-	-	-	-	-	-	-	
Claims recovered	-	-	-	-	-	-	-	-	
Total cash flows	-	-	-	-	63	-	-	63	
Other movements	-	-	-	-	-	-	-	-	
Net reinsurance contract assets / (liabilities) closing balance	-	-	-	-	(46)	0	-	(46)	
Closing Reinsurance Contract Liabilities	-	-	-	-	(46)	-	-	(46)	
Closing Reinsurance Contract Assets	-	-	-	-	-	-	-	-	
Net reinsurance contract assets / (liabilities) closing balance	-	-	-	-	(46)	-	-	(46)	
					(46)	-	-	(46)	

	ENDOWMENT				ENDOWMENT			
	Liabilities for remaining coverage		Liabilities for incurred claims	Total	Liabilities for remaining coverage		Liabilities for incurred claims	Total
	Excluding loss recovery component	Loss recovery component			Excluding loss recovery component	Loss recovery component		
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	
Opening Reinsurance Contract Liabilities	(42,508)	896	-	(41,612)	(21,563)	513	-	(21,051)
Opening Reinsurance Contract Assets	-	-	-	-	-	-	-	-
Net reinsurance contract assets / (liabilities) opening balance	(42,508)	896	-	(41,612)	(21,563)	513	-	(21,050)
Allocation of reinsurance premiums	16,019			16,019	(31,347)			(31,347)
Amounts recoverable from reinsurers for incurred claims	-	(866)	-	(866)	-	297	-	297
Amounts recoverable for incurred claims and other expenses		(1,229)	-	(1,229)		(1,356)	-	(1,356)
Changes to amounts recoverable for incurred claims			-	-			-	-
Loss-recovery on onerous underlying contracts and adjustments		363		363		1,653		1,653
Reinsurance investment components	-	-	-	-	-	-	-	-
Net income or expense from reinsurance contracts held	16,019	(866)	-	15,153	(31,347)	297	-	(31,050)
Reinsurance finance income	(13,259)	105	-	(13,154)	8,913	86	-	8,999
Foreign Currency Movements	-	-	-	-	-	-	-	-
Total changes in the statement of comprehensive income	2,760	(761)	-	1,999	(22,434)	383	-	(22,051)
Cash flows								
Premiums paid	873			873	1,490			1,490
Commission received	-			-	-			-
Claims recovered	-			-	-			-
Total cash flows	873	-	-	873	1,490	-	-	1,490
Other movements								
Net reinsurance contract assets / (liabilities) closing balance	(38,875)	135	-	(38,740)	(42,508)	896	-	(41,612)
Closing Reinsurance Contract Liabilities	(38,875)	135	-	(38,740)	(42,508)	896	-	(41,612)
Closing Reinsurance Contract Assets	-	-	-	-	-	-	-	-
Net reinsurance contract assets / (liabilities) closing balance	(38,875)	135	-	(38,740)	(42,508)	896	-	(41,612)

	TRIPLEPAY				TRIPLEPAY			
	Liabilities for remaining coverage		Liabilities for incurred claims	Total	Liabilities for remaining coverage		Liabilities for incurred claims	Total
	Excluding loss recovery component	Loss recovery component			Excluding loss recovery component	Loss recovery component		
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	
Opening Reinsurance Contract Liabilities	(34,853.19)	77.43	-	(34,775.77)	(18,864)	14	-	(18,850)
Opening Reinsurance Contract Assets	-	-	-	-	-	-	-	-
Net reinsurance contract assets / (liabilities) opening balance	(34,853.19)	77.43	-	(34,775.77)	(18,864)	14	-	(18,850)
Allocation of reinsurance premiums	8,508.88			8,508.88	(37,747)			(37,747)
Amounts recoverable from reinsurers for incurred claims	-	(51.01)	-	(51.01)	-	61	-	61
Amounts recoverable for incurred claims and other expenses		(14.84)	-	(14.84)		(59)	-	(59)
Changes to amounts recoverable for incurred claims			-	-			-	-
Loss-recovery on onerous underlying contracts and adjustments		(36.17)		(36.17)		120		120
Reinsurance investment components	-	-	-	-	-	-	-	-
Net income or expense from reinsurance contracts held	8,508.88	(51.01)	-	8,457.87	(37,747)	61	-	(37,685)
Reinsurance finance income	(19,659.73)	7.82	-	(19,651.91)	16,072	2	-	16,074
Foreign Currency Movements	-	-	-	-	-	-	-	-
Total changes in the statement of comprehensive income	(11,150.85)	(43.19)	-	(11,194.03)	(21,675)	63	-	(21,612)
Cash flows								
Premiums paid	3,688			3,688	5,685			5,685
Commission received	-			-	-			-
Claims recovered	-			-	-			-
Total cash flows	3,688.39	-	-	3,688.39	5,685	-	-	5,685
Other movements								
Net reinsurance contract assets / (liabilities) closing balance	(42,315.65)	34.24	-	(42,281.41)	(34,853)	77	-	(34,776)
Closing Reinsurance Contract Liabilities	(42,315.65)	34.24	-	(42,281.41)	(34,853)	77	-	(34,776)
Closing Reinsurance Contract Assets	-	-	-	-	-	-	-	-
Net reinsurance contract assets / (liabilities) closing balance	(42,315.65)	34.24	-	(42,281.41)	(34,853)	77	-	(34,776)

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

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

31-Dec-25

	Estimates of present value of future cashflows N'000	Risk adjustment for non-financial risk N'000	Contractual service margin N'000	Total N'000
Opening Reinsurance Contract Liabilities	(130,648)	(10,146)	64,407	(76,388)
Opening Reinsurance Contract Assets	-	-	-	-
Net reinsurance contract assets/(liabilities) opening balance	(130,648)	(10,146)	64,407	(76,388)
Changes that relate to current service	-	-	-	-
Contractual service margin recognised for services received	-	-	25,631	25,631
Risk adjustment recognized for the risk expired	-	5,902	-	5,902
Experience adjustments	(7,005)	-	-	(7,005)
	(7,005)	5,902	25,631	24,528
Changes that relate to future service	-	-	-	-
Contracts initially recognised in the period	(46,730)	(6,579)	53,309	-
Changes in estimates that adjust the contractual service margin	142,788	2,671	(145,459)	-
Changes in estimates that do not adjust the contractual service margin	-	-	(917)	(917)
	96,058	(3,908)	(93,066)	(917)
Changes that relate to past service	-	-	-	-
Changes in amounts recoverable arising from changes in liabilities	-	-	-	-
Net income or expense from reinsurance contracts held	89,053	1,994	(67,436)	23,611
Reinsurance finance income	(51,015)	(5,075)	23,284	(32,806)
Foreign Currency Movements	-	-	-	-
Total changes in the statement of comprehensive income	38,038	(3,081)	(44,151)	(9,194)
Cash flows	-	-	-	-
Premiums paid	4,561	-	-	4,561
Commission received	-	-	-	-
Claims recovered	-	-	-	-
Total cash flows	4,561	-	-	4,561
Net reinsurance contract assets/(liabilities) closing balance	(88,050)	(13,227)	20,255	(81,021)
Closing Reinsurance Contract Liabilities	(88,050)	(13,227)	20,255	(81,022)
Closing Reinsurance Contract Assets	-	-	-	-
Net reinsurance contract assets/(liabilities) closing balance	(88,050)	(13,227)	20,255	(81,022)

31-Dec-24

	Estimates of present value of future cashflows N'000	Risk adjustment for non-financial risk N'000	Contractual service margin N'000	Total N'000
Opening Reinsurance Contract Liabilities	(96,056)	(10,391)	66,363	(40,084)
Opening Reinsurance Contract Assets	-	-	-	-
Net reinsurance contract assets/(liabilities) opening balance	(96,056)	(10,391)	66,363	(40,084)
Changes that relate to current service	-	-	-	-
Contractual service margin recognised for services received	-	-	(67,603)	(67,603)
Risk adjustment recognized for the risk expired	-	3,608	-	3,608
Experience adjustments	(4,970)	-	-	(4,970)
	(4,970)	3,608	(67,603)	(68,965)
Changes that relate to future service	-	-	-	-
Contracts initially recognised in the period	(2,484)	(1,354)	3,838	-
Changes in estimates that adjust the contractual service margin	(48,817)	(629)	49,446	0
Changes in estimates that do not adjust the contractual service margin	-	-	359	359
	(51,301)	(1,983)	53,642	359
Changes that relate to past service	-	-	-	-
Changes in amounts recoverable arising from changes in liabilities	-	-	-	-
Net income or expense from reinsurance contracts held	(56,271)	1,625	(13,960)	(68,606)
Reinsurance finance income	14,509	(1,381)	11,891	25,018
Foreign Currency Movements	-	-	-	-
Total changes in the statement of comprehensive income	(41,762)	244	(2,070)	(43,588)
Cash flows	-	-	-	-
Premiums paid	7,238	-	-	7,238
Commission received	-	-	-	-
Claims recovered	-	-	-	-
Total cash flows	7,238	-	-	7,238
Net reinsurance contract assets/(liabilities) closing balance	(130,581)	(10,146)	64,294	(76,434)
Closing Reinsurance Contract Liabilities	(130,581)	(10,146)	64,294	(76,433)
Closing Reinsurance Contract Assets	-	-	-	-
Net reinsurance contract assets/(liabilities) closing balance	(130,581)	(10,146)	64,294	(76,433)

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

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

31-Dec-25

31-Dec-24

	TERM				TERM			
	Estimates of present value of future cashflows	Risk adjustment for non-financial risk	Contractual service margin	Total	Estimates of present value of future cashflows	Risk adjustment for non-financial risk	Contractual service margin	Total
	№'000	№'000	№'000	№'000	№'000	№'000	№'000	№'000
Opening Reinsurance Contract Liabilities	-	-	-	-	-	-	(183)	(183)
Opening Reinsurance Contract Assets	-	-	-	-	-	-	-	-
Net reinsurance contract assets/(liabilities) opening balance	-	-	-	-	-	-	(183)	(183)
Changes that relate to current service								
Contractual service margin recognised for services received	-	-	-	-	-	-	139	139
Risk adjustment recognized for the risk expired	-	-	-	-	(10)	-	-	(10)
Experience adjustments	-	-	-	-	(10)	-	139	129
Changes that relate to future service								
Contracts initially recognised in the period	-	-	-	-	106	-	(106)	-
Changes in estimates that adjust the contractual service margin	-	-	-	-	(95)	-	95	-
Changes in estimates that do not adjust the contractual service margin	-	-	-	-	-	-	0	0
	-	-	-	-	11	-	(11)	0
Changes that relate to past service								
Changes in amounts recoverable arising from changes in liability for incurred claims	-	-	-	-	-	-	-	-
Net income or expense from reinsurance contracts held	-	-	-	-	1	-	128	129
Reinsurance finance income	-	-	-	-	4	-	(58)	(54)
Foreign Currency Movements	-	-	-	-	-	-	-	-
Total changes in the statement of comprehensive income	-	-	-	-	5	-	70	75
Cash flows								
Premiums paid	-	-	-	-	63	-	-	63
Commission received	-	-	-	-	-	-	-	-
Claims recovered	0	-	-	-	-	-	-	-
Total cash flows	-	-	-	-	63	-	-	63
Net reinsurance contract assets/(liabilities) closing balance	-	-	-	-	68	-	(113)	(46)
Closing Reinsurance Contract Liabilities	-	-	-	-	68	-	(113)	(46)
Closing Reinsurance Contract Assets	-	-	-	-	-	-	-	-
Net reinsurance contract assets/(liabilities) closing balance	-	-	-	-	68	-	(113)	(46)

	ENDOWMENT				ENDOWMENT			
	Estimates of present value of future cashflows	Risk adjustment for non-financial risk	Contractual service margin	Total	Estimates of present value of future cashflows	Risk adjustment for non-financial risk	Contractual service margin	Total
	№'000	№'000	№'000	№'000	№'000	№'000	№'000	№'000
Opening Reinsurance Contract Liabilities	(58,641)	(2,673)	19,702	(41,612)	(45,133)	(4,112)	28,194	(21,051)
Opening Reinsurance Contract Assets	-	-	-	-	-	-	-	-
Net reinsurance contract assets/(liabilities) opening balance	(58,641)	(2,673)	19,702	(41,612)	(45,133)	(4,112)	28,194	(21,051)
Changes that relate to current service								
Contractual service margin recognised for services received	-	-	18,334	18,334	-	-	(31,558)	(31,558)
Risk adjustment recognized for the risk expired	-	(891)	-	(891)	-	1,127	-	1,127
Experience adjustments	(1,424)	-	-	(1,424)	(915)	-	-	(915)
	(1,424)	(891)	18,334	16,019	(915)	1,127	(31,558)	(31,347)
Changes that relate to future service								
Contracts initially recognised in the period	(16,333)	(1,136)	17,469	-	1,028	(279)	(750)	(0)
Changes in estimates that adjust the contractual service margin	54,653	3,932	(58,585)	-	(19,853)	1,107	18,746	-
Changes in estimates that do not adjust the contractual service margin	-	-	-	(866)	-	-	297	297
	38,320	2,796	(41,981)	(866)	(18,825)	829	18,293	297
Changes that relate to past service								
Changes in amounts recoverable arising from changes in liability for incurred claims	-	-	-	-	-	-	-	-
Net income or expense from reinsurance contracts held	36,896	1,904	(23,647)	15,153	(19,740)	1,956	(13,265)	(31,049)
Reinsurance finance income	(19,505)	(1,156)	7,507	(13,154)	4,742	(516)	4,773	8,999
Foreign Currency Movements	-	-	-	-	-	-	-	-
Total changes in the statement of comprehensive income	17,391	749	(16,140)	2,000	(14,998)	1,439	(8,492)	(22,051)
Cash flows								
Premiums paid	873	-	-	873	1,490	-	-	1,490
Commission received	-	-	-	-	-	-	-	-
Claims recovered	0	-	-	-	-	-	-	-
Total cash flows	873	-	-	873	1,490	-	-	1,490
Net reinsurance contract assets/(liabilities) closing balance	(40,378)	(1,924)	3,562	(38,739)	(58,641)	(2,673)	19,702	(41,612)
Closing Reinsurance Contract Liabilities	(40,378)	(1,924)	3,562	(38,740)	(58,641)	(2,673)	19,702	(41,612)
Closing Reinsurance Contract Assets	-	-	-	-	-	-	-	-
Net reinsurance contract assets/(liabilities) closing balance	(40,378)	(1,924)	3,562	(38,740)	(58,641)	(2,673)	19,702	(41,612)

	TRIPLEPAY				TRIPLEPAY			
	Estimates of present value of future cashflows	Risk adjustment for non-financial risk	Contractual service margin	Total	Estimates of present value of future cashflows	Risk adjustment for non-financial risk	Contractual service margin	Total
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Opening Reinsurance Contract Liabilities	(72,007)	(7,473)	44,705	(34,776)	(50,923)	(6,278)	38,352	(18,850)
Opening Reinsurance Contract Assets	-	-	-	-	-	-	-	-
Net reinsurance contract assets/(liabilities) opening balance	(72,007)	(7,473)	44,705	(34,776)	(50,923)	(6,278)	38,352	(18,850)
Changes that relate to current service								
Contractual service margin recognised for services received			7,297	7,297			(36,183)	(36,183)
Risk adjustment recognized for the risk expired		6,793		6,793		2,482		2,482
Experience adjustments	(5,581)			(5,581)	(4,045)			(4,045)
	(5,581)	6,793	7,297	8,509	(4,045)	2,482	(36,183)	(37,746)
Changes that relate to future service								
Contracts initially recognised in the period	(30,397)	(5,443)	35,839	-	(3,617)	(1,075)	4,693	-
Changes in estimates that adjust the contractual service margin	88,135	(1,261)	(86,874)	-	(28,869)	(1,736)	30,606	0
Changes in estimates that do not adjust the contractual service margin			(51)	(51)			61	61
	57,738	(6,703)	(51,085)	(51)	(32,487)	(2,812)	35,360	61
Changes that relate to past service								
Changes in amounts recoverable arising from changes in liability for incurred claims	-	-	-	-	-	-	-	-
Net income or expense from reinsurance contracts held	52,157	90	(43,789)	8,458	(36,532)	(330)	(823)	(37,685)
Reinsurance finance income	(31,510)	(3,919)	15,777	(19,652)	9,762	(865)	7,176	16,074
Foreign Currency Movements	-	-	-	-	-	-	-	-
Total changes in the statement of comprehensive income	20,647	(3,829)	(28,012)	(11,194)	(26,769)	(1,195)	6,353	(21,611)
Cash flows								
Premiums paid	3,688			3,688	5,685			5,685
Commission received				-				-
Claims recovered	0							
Total cash flows	3,688	-	-	3,688	5,685	-	-	5,685
Net reinsurance contract assets/(liabilities) closing balance	(47,672)	(11,303)	16,693	(42,282)	(72,007)	(7,473)	44,705	(34,776)
Closing Reinsurance Contract Liabilities	(47,672)	(11,303)	16,693	(42,282)	(72,007)	(7,473)	44,705	(34,776)
Closing Reinsurance Contract Assets	-	-	-	-	-	-	-	-
Net reinsurance contract assets/(liabilities) closing balance	(47,672)	(11,303)	16,693	(42,282)	(72,007)	(7,473)	44,705	(34,776)

	Year ended 31-Dec-25 N'000	Year ended 31-Dec-24 N'000
20 Other Technical Liabilities		
Unallocated Premium**	914,613	1,925,425
	914,613	1,925,425
Current	914,613	1,925,425
20a Movement in unallocated premium		
Balance at the beginning of the year	1,925,425	1,655,632
Allocated to gross written premium during the year	(1,779,655)	(1,125,245)
Additions during the year	768,843	1,395,038
	914,613	1,925,425
Balance at the end of the year	914,613	1,925,425
21 Provision & other payables		
Audit fees	61,000	47,000
Actuarial fees	26,025	7,461
Directors emolument	(0)	-
Professional fees	19,111	12,223
NAICOM & other statutory levy	888,196	443,164
Stamp duty	62,316	20,736
Due to related company	33,586	94,932
Other payables*	57,941	21,108
	1,148,175	646,624
Current	1,148,175	646,624
*Other payable amount relates to provisions made for expenses incurred but yet to be paid for. The account comprises mainly of ITF payable, WHT tax Payable and other accrued expenses not listed above.		
22 Investment contract liabilities		
Investment funds (see note 23a)	13,925,451	8,458,884
Current	13,925,451	8,458,884
22a Investment funds		
Opening balance	8,458,884	3,719,006
Contributions during the year	18,507,880	10,363,037
Withdrawal	(13,499,134)	(6,026,555)
Guaranted interest	457,821	403,396
Impact of exchange rate	-	-
Closing balance	13,925,451	8,458,884
23 Lease liability		
At 1 January 2025	828,121	518,270
Additions during the year	-	226,576
Interest expense	138,007	90,376
Lease payment during the year	(267,968)	(7,101)
Balance as at 31 Dec 2025	698,160	828,121
Current	698,160	828,121

24 Income taxes

Income tax based on the taxable profit/loss for the year	(205,114)	(55,359)
Income tax expense	<u>(205,114)</u>	<u>(55,359)</u>
b) Current Tax Liabilities/(Assets) as per Statement of Financial Position:		
At 1 January	54,273	18,845
Charge for the year	205,114	55,359
Payment during the year	<u>(55,402)</u>	<u>(19,931)</u>
Income tax payable	<u>203,985</u>	<u>54,273</u>
Balance as at 31 Dec 2025	<u>203,985</u>	<u>54,273</u>

The following rates were applied to arrive at the tax for the 2025 YOA

Minimum Income Tax	127,721
NITD Levy @ 1% of PBT	77,008
Police Trust Fund @ 0.005% of PBT	385
	<u>205,114</u>

As at the reporting date the company has not recognised deferred tax asset arising from losses carried forward. This is due to the uncertainty surrounding the realization of the income taxable income necessary to utilise the losses carried forward. The total deferred tax that would have been recognised is N3.98 Billion.

25 Ordinary share capital

i Authorised share capital

Number of ordinary share ('000)	<u>8,000,000</u>	<u>8,000,000</u>
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ii Paid up share capital

Paid up share capital of N8.0b ordinary shares of ₦1.00 each	<u>8,000,000</u>	<u>8,000,000</u>
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26 Contingency reserve

At 1 January	885,409	339,679
Transfer from retained earnings*	<u>741,645</u>	<u>545,730</u>
At 31 December	<u>1,627,054</u>	<u>885,409</u>

27 Retained earnings

At 1 January	5,664,633	753,066
IFRS 17 Transition Adjustment	-	-
Transfer to contingency reserves (note 24)	<u>(741,645)</u>	<u>(545,730)</u>
Profit/(loss) for the period	<u>7,416,450</u>	<u>5,457,297</u>
At 31 December	<u>12,339,438</u>	<u>5,664,633</u>

	Year ended 31-Dec-25 N'000	Year ended 31-Dec-24 N'000
28 Insurance Revenue		
Contracts measured under the GMM		
Expected incurred claims and other expenses after loss component allocation	14,110,669	6,326,283
Experience Adjustments (Prem and Acq Costs not through CSM)	-	-
Changes in the risk adjustment for non-financial risk for the risk expired at	(343,046)	214,194
CSM recognised in profit or loss for the services provided	7,742,967	4,549,433
Insurance acquisition cash flows recovery	1,844,881	1,575,832
	<u>23,355,471</u>	<u>12,665,742</u>
Insurance revenue from contracts measured under the PAA	3,883,428	2,481,652
Total Insurance Revenue	<u>27,238,899</u>	<u>15,147,394</u>
29 Insurance Service Expense		
Contracts measured under the GMM		
Incurred claims	12,439,595	4,858,546
Changes that relate to past service - adjustments to the LIC	(163,871)	(61,621)
Other directly attributable expenses	566,134	780,092
Losses on onerous contracts and reversal of the losses	(1,678,082)	(444,194)
Insurance acquisition cash flows amortisation	1,844,881	1,575,832
	<u>13,008,657</u>	<u>6,708,655</u>
Contracts measured under the PAA		
Incurred claims	1,903,634	1,417,296
Changes that relate to past service - adjustments to the LIC	(545,962)	(646,495)
Other directly attributable expenses	114,995	66,884
Losses on onerous contracts and reversal of the losses	(9,010)	(12,465)
Insurance acquisition cash flows amortisation	569,101	84,791
	<u>2,032,758</u>	<u>910,011</u>
Total Insurance Service Expense	<u>15,041,415</u>	<u>7,618,666</u>
30 Income or expense from Reinsurance contracts held		
Contracts measured under the GMM		
Amounts relating to changes in the remaining coverage:		
Expected claims and other expenses recovery	(11,372)	(6,302)
Changes in the risk adjustment recognised for the risk expired	5,923	3,609
CSM recognised for the services received	28,083	(69,242)
Claims recovered	-	-
Movement in Loss Recovery Component adjustment to Reinsurance CSM/ARC (PAA)	11,256	359
	<u>33,890</u>	<u>(71,576)</u>
Contracts measured under the PAA		
Reinsurance expenses - contracts measured under the PAA	(492,112)	(353,539)
Claims recovered	273,776	370,035
Movement in Loss Recovery Component adjustment to Reinsurance CSM/ARC (PAA)	-	-
Changes that relate to past service - adjustments to incurred claims	39,729	(138,612)
	<u>(178,607)</u>	<u>(122,116)</u>
Net Income (expenses) from Reinsurance Contracts held	<u>(144,717)</u>	<u>(193,691)</u>

28a Insurance Revenue

31-Dec-25	TERM	ENDOWMENT	KEYMAN	WHOLELIFE	ANNUITY	GROUPLIFE	CREDITLIFE	GROUPMORT GAGE	HOSPITAL_ CASH	SMART_S CHOO	CREDITLIFE_I ND	TRIPLEPAY	MORTGA GE	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Contracts not measured under the PAA														
Expected incurred claims and other expenses after loss component allocation	(51,661)	251,743	5,410	1,742	11,162,848	-	-	-	-	-	-	2,740,462	125	14,110,669
Changes in the risk adjustment for non-financial risk for the risk expired after loss component allocation	(4,810)	62,051	355	5	(764,554)	-	-	-	-	-	-	363,914	(6)	(343,046)
CSM recognised in profit or loss for the services provided	196,568	922,236	2,037	230	86,967	-	-	-	-	-	-	6,534,928	-	7,742,966
Insurance acquisition cash flows recovery	1,400	387,189	311	21	213,384	-	-	-	-	-	-	1,242,568	8	1,844,881
Insurance revenue from contracts not measured under the PAA	141,497	1,623,218	8,113	1,997	10,698,645	-	-	-	-	-	-	10,881,873	127	23,355,471
Insurance revenue from contracts measured under the PAA	-	-	-	-	-	3,497,110	379,642	5,431	1,066	-	178	-	-	3,883,428
Total Insurance Revenue	141,497	1,623,218	8,113	1,997	10,698,645	3,497,110	379,642	5,431	1,066	-	178	10,881,873	127	27,238,899
31-Dec-24														
Contracts not measured under the PAA														
Expected incurred claims and other expenses after loss component allocation	(115,088)	231,004	2,424	(18)	3,973,566	-	-	-	-	-	-	2,234,346	47	6,326,283
Changes in the risk adjustment for non-financial risk for the risk expired after loss component allocation	65,892	127,777	99	115	(37,539)	-	-	-	-	-	-	57,840	10	214,194
CSM recognised in profit or loss for the services provided	102	550,057	5,394	4,334	19,620	-	-	-	-	-	-	3,969,925	-	4,549,433
Insurance acquisition cash flows recovery	567	569,199	369	468	96,182	-	-	-	-	-	-	909,045	2	1,575,832
Insurance revenue from contracts not measured under the PAA	(48,527)	1,478,038	8,287	4,899	4,051,829	-	-	-	-	-	-	7,171,156	58	12,665,741
Insurance revenue from contracts measured under the PAA	-	-	-	-	-	2,238,632	239,528	2,684	606	39	164	-	-	2,481,652
Total Insurance Revenue	(48,527)	1,478,038	8,287	4,899	4,051,829	2,238,632	239,528	2,684	606	39	164	7,171,156	58	15,147,393

29a Insurance Service Expenses

31-Dec-25	TERM	ENDOWMENT	KEYMAN	WHOLELIFE	ANNUITY	GROUPLIFE	CREDITLIFE	GROUPMORT GAGE	HOSPITAL_ CASH	SMART_S CHOO	CREDITLIFE_I ND	TRIPLEPAY	MORTGA GE	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Incurred claims	6,293	170,504	30	87	9,805,973	1,620,066	262,868	569,23	19,957,76	34,19	138,12	2,456,708,40	-	14,343,229
Changes that relate to past service - adjustments to the LIC	(2,122)	(7,963)	-	-	(117,193)	(445,546)	(99,572)	-	(625)	(43)	(175)	(36,592)	-	(709,832)
Other directly attributable expenses	223,509	111,669	130	-	193,252	75,620	22,406	-	-	-	16,969	37,557	16	681,128
Losses on onerous contracts and reversal of the losses	(101,948)	(215,851)	15,352	0	(1,208,050)	(21,638)	12,629	-	-	-	(0)	(167,680)	94	(1,687,091)
Insurance acquisition cash flows amortisation	1,400	387,189	311	21	213,384	544,133	24,510	366	70	-	22	1,242,568	8	2,413,982
Total Insurance Service Expenses	127,132	445,548	15,824	108	8,887,366	1,772,635	222,840	936	19,403	(9)	16,954	3,532,562	117	15,041,416

HEIRS LIFE ASSURANCE LIMITED
 FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2025
 NOTES TO THE FINANCIAL STATEMENTS

31-Dec-24	TERM	ENDOWMENT	KEYMAN	WHOLELIFE	ANNUITY	GROUPLIFE	CREDITLIFE	GROUPMORT GAGE	HOSPITAL CASH	SMART_S CHOO	CREDITLIFE_I ND	TRIPLEPAY	MORTGA GE	Total
Incurring claims	7,622	86,400	-	-	3,914,610	1,223,774	192,637	-	655	44	185	849,914	-	6,275,841
Changes that relate to past service - adjustments to the LIC	(5,661)	(7,857)	-	(0)	(37,617)	(577,835)	(68,505)	-	(115)	(35)	(6)	(10,485)	(0)	(708,116)
Other directly attributable expenses	31,515	260,301	40	58	130,900	46,673	18,459	-	1,597	15	140	357,262	16	846,976
Losses on onerous contracts and reversal of the losses	(344,929)	108,919	-	(164)	(459,640)	21,638	(34,103)	-	-	-	0	251,354	267	(456,658)
Insurance acquisition cash flows amortisation	567	569,199	369	468	96,182	69,344	15,298	-	28	115	6	909,045	2	1,660,623
Total Insurance Service Expenses	(310,886)	1,016,962	409	362	3,644,435	783,594	123,786	-	2,165	139	325	2,357,090	285	7,618,666

Net Income (expenses) from Reinsurance
 Contracts held

30a

31-Dec-25	TERM	ENDOWMENT	KEYMAN	WHOLELIFE	ANNUITY	GROUPLIFE	CREDITLIFE	GROUPMORT GAGE	HOSPITAL CASH	SMART_S CHOO	CREDITLIFE_I ND	TRIPLEPAY	MORTGA GE	Total
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
<u>Net Expense from reinsurance contract held - contracts not measured under the PAA</u>														
Amounts relating to changes in the remaining coverage:														
Expected claims and other expenses recovery	(28)	(1,424)	(4,099)	(241)	-	-	-	-	-	-	-	(5,581)	-	(11,373)
Changes in the risk adjustment recognised for the risk expired	-	(891)	-	21	-	-	-	-	-	-	-	6,793	-	5,923
CSM recognised for the services received	30	18,334	2,420	2	-	-	-	-	-	-	-	7,297	-	28,083
Reinsurance expenses - contracts not measured under the PAA	2	16,019	(1,679)	(218)	-	-	-	-	-	-	-	8,509	-	22,632
Reinsurance expenses - contracts measured under the PAA	-	-	-	-	-	(463,938)	(28,559)	386	-	-	-	-	-	(492,111)
Claims recovered	-	-	-	-	-	272,533	1,243	-	-	-	-	-	-	273,776
Movement in Loss Recovery Component adjustment to Reinsurance CSM/ARC (PAA)	-	(866)	12,173	0	-	-	-	-	-	-	-	(51)	-	11,256
Changes that relate to past service - adjustments to incurred claims	-	-	-	-	-	39,729	-	-	-	-	-	-	-	39,729
Total net (expenses) / income from reinsurance contracts held	2	15,153	10,494	(218)	-	(151,677)	(27,316)	386	-	-	-	8,458	-	(144,718)
<u>31-Dec-24 Reinsurance income (expenses) - contracts not measured under the PAA</u>														
Amounts relating to changes in the remaining coverage:														
Expected claims and other expenses recovery	(10)	(915)	(1,325)	(7)	-	-	-	-	-	-	-	(4,045)	-	(6,302)
Changes in the risk adjustment recognised for the risk expired	-	1,127	-	1	-	-	-	-	-	-	-	2,482	-	3,610
CSM recognised for the services received	139	(31,558)	(1,613)	(27)	-	-	-	-	-	-	-	(36,183)	-	(69,242)
Reinsurance income (expenses) - contracts not measured under the PAA	129	(31,347)	(2,938)	(32)	-	-	-	-	-	-	-	(37,747)	-	(71,935)
Reinsurance income (expenses) - contracts measured under the PAA	-	-	-	-	-	(303,312)	(50,227)	-	-	-	0	-	-	(353,539)
Claims recovered	-	-	-	-	-	370,035	-	-	-	-	-	-	-	370,035
Movement in Loss Recovery Component adjustment to Reinsurance CSM/ARC (PAA)	0	297	-	-	-	-	-	-	-	-	-	61	-	358
Changes that relate to past service - adjustments to incurred claims	-	-	-	-	-	(138,612)	-	-	-	-	-	-	-	(138,612)
Total net income (expenses) from reinsurance contracts held	129	(31,049)	(2,938)	(32)	-	(71,889)	(50,227)	-	-	-	0	(37,685)	-	(193,691)

HEIRS LIFE ASSURANCE LIMITED
 FINANCIAL STATEMENT FOR THE YEAR ENDED 31 December 2025
 NOTES TO THE FINANCIAL STATEMENT

31 Analysis of net insurance finance expenses by product line

31-Dec-25

	TERM	ENDOWMENT	KEYMAN	WHOLELIFE	ANNUITY	GROUPLIFE	CREDITLIFE	GROUPMORTGAGE	HOSPITAL_CASH	SMART_SCHOOL	CREDITLIFE_IND	TRIPLEPAY	MORTGAGE	Total
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Interest accreted	(43,459)	(427,560)	(5,856)	(1,254)	(16,195,174)	-	-	-	-	-	-	(2,570,974)	(122)	(19,244,399)
Effect of changes in interest rates and other financial assumptions	(218,776)	49,049	203	244	517,053	-	-	-	-	-	-	(46,546)	13	301,240
Effect of changes in FCF at current rates when CSM is unlocked at locked in rates	(30,920)	(271,510)	(296)	(34)	(147,348)	-	-	-	-	-	-	(959,253)	(8)	(1,409,369)
Foreign exchange differences	-	(0)	-	-	0	(0)	-	(0)	(0)	0	(0)	(0)	-	0
Finance (expense)/income from insurance contracts issued	(293,155)	(650,021)	(5,950)	(1,044)	(15,825,469)	(0)	-	(0)	(0)	0	(0)	(3,576,773)	(116)	(20,352,530)
Finance income/(expense) from reinsurance contracts held														
Interest accreted	6	(12,095)	47	82	-	-	-	-	-	-	-	(14,406)	-	(26,365)
Effect of changes in interest rates and other financial assumptions	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Change of risk of non-performance of reinsurer	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Effect of changes in FCF at current rates when CSM is unlocked at locked in rates	(1)	(1,060)	136	18	-	-	-	-	-	-	-	(5,246)	-	(6,153)
Finance income/(expense) from reinsurance contracts held	5	(13,155)	183	100	-	-	-	-	-	-	-	(19,652)	-	(32,518)
Net insurance finance income/(expenses)	(293,150)	(663,176)	(5,767)	(944)	(15,825,469)	(0)	-	(0)	(0)	0	(0)	(3,596,425)	(116)	(20,385,048)
31-Dec-24														
Interest accreted	(43,942)	(173,166)	(1,366)	(710)	(2,931,790)	-	-	-	-	-	-	(1,270,823)	(33)	(4,421,830)
Effect of changes in interest rates and other financial assumptions	27,458	113,569	(91)	(478)	163,416	-	-	-	-	-	-	101,167	(90)	404,951
Effect of changes in FCF at current rates when CSM is unlocked at locked in rates	(3,848)	208,616	(678)	(743)	1,362,789	-	-	-	-	-	-	1,513,904	63	3,080,103
Foreign exchange differences	(0)	0	0	(0)	(0)	0	0	-	-	-	(0)	(0)	-	(0)
Finance (expense)/income from insurance contracts issued	(20,332)	149,019	(2,134)	(1,931)	(1,405,586)	0	0	-	-	-	(0)	344,247	(59)	(936,776)
Finance income/(expense) from reinsurance contracts held														
Interest accreted	(46)	763	485	29	-	-	-	-	-	-	-	1,794	-	3,025
Effect of changes in interest rates and other financial assumptions	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Change of risk of non-performance of reinsurer	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Effect of changes in FCF at current rates when CSM is unlocked at locked in rates	(8)	8,235	18	6	-	-	-	-	-	-	-	14,280	-	22,531
Finance income/(expense) from reinsurance contracts held	(54)	8,998	503	35	-	-	-	-	-	-	-	16,074	-	25,556
Net insurance finance income (expenses)	(20,386)	158,017	(1,631)	(1,896)	(1,405,586)	0	0	-	-	-	(0)	360,321	(59)	(911,220)

	Year ended 31-Dec-25 N'000	Year ended 31-Dec-24 N'000
32 Investment & other income		
Interest income on financial assets	13,477,302	4,052,713
Income on deposits with credit institutions	421,312	375,707
Dividend Income	36,550	514
interest income on call account	226,823	30,185
	<u>14,161,987</u>	<u>4,459,119</u>
33 Profit/(loss) on investment contracts		
Investment income from investment contract liabilities	1,179,544	988,903
Guaranteed interest*	(457,821)	(403,396)
	<u>721,723</u>	<u>585,507</u>
*Guaranteed interest rate paid to policy holders ranges from 0.25% - 0.75% plus effective Savings deposit rate (SDR)		
34 Net fair value Gain/(Loss) on financial assets	<u>10,005,529</u>	<u>(825,115)</u>
Treasury bills	168,819	2,332,857
Corporate bond	7,918	(6,803)
FGN bond	8,733,967	(3,011,140)
EQUITY	1,094,825	(140,029)
	<u>10,005,529</u>	<u>(825,115)</u>
35 Other Income/(expenses)		
35a Unrealised exchange profit/loss	(37,680)	198,178
Realised exchange Profit/loss	(41,832)	281,525
	<u>(79,512)</u>	<u>479,703</u>
35b Gain/ Loss on Asset Disposal	1,981	1,007
Other fee income	1,756	20,628
	<u>3,737</u>	<u>21,635</u>
36 Impairment (charges)/reversals		
ECL impairment on financial assets	8,051	(13,208)
Impairment - Trade Receivable	-	-
	<u>8,051</u>	<u>(13,208)</u>

	Year ended 31-Dec-25 N'000	Year ended 31-Dec-24 N'000
37	Staff cost	
	Employee benefit	(2,237,106)
	Other personnel cost	(952,669)
	(3,189,775)	(2,268,090)
38	Management expenses	
	Travel & entertainment	(311,078)
	Rental & administration	(239,836)
	Depreciation & amortisation	(339,893)
	Amortisation of leased property	(142,262)
	Auditors remuneration	(61,000)
	Legal & professional fees	(163,367)
	Regulatory and levy expenses	(913,167)
	Marketing & advertising	(482,009)
	IT expenses	(492,664)
	Administrative expenses	(1,333,482)
	Strategies and retreat expenses	(159,010)
	(4,637,768)	(2,655,699)
	PricewaterhouseCoopers(PWC) did not render any non-audit service to the company during the year.	
39	staff cost and management expenses(Note 37+ 38)	
	(7,827,543)	(4,923,789)
	Attributable staff cost and Management Expenses	(1,562,078)
	Non-attributable staff cost and Management Expenses	(6,265,465)
	(7,827,543)	(4,923,789)
39a	Other operating cash payment	
	Management expenses	(4,637,768)
	Non cash adjustment	1,630,330
	(3,007,438)	(2,655,699)
	*** The Non Cash Adjustment consist of depreciation,amortisation , provisions and other payable as at 31 dec 2025	
39b	Attributable	
	Attributable Management Expenses	(860,401)
	Attributable NAICOM levy	(701,677)
	(1,562,078)	(1,185,556)
39c	Total non- Attributable Expense	
	Non attributable Management Expenses	(6,265,465)
	Maintenance expense non attributable on Investment Product	(2,464,197)
	(8,729,662)	(5,528,427)

40	Finance cost*		<u><u>(138,007)</u></u>	<u><u>(90,376)</u></u>
	*Finance cost relates to interest expense on lease liability			
41	Related party transactions			
	During the year, Heirs Life Assurance Ltd. entered into commercial transaction with related parties which were carried out at arms length. The transactions/balances in respect of related party transaction as at reporting date are set out below:			
	TRANSACTIONS			
(a)	With Key Management Personnel:			
	The Company's key management personnel and immediate family members are also considered to be related parties. The definition of related parties includes the close family members of key management personnel and any entity over which key management personnel have been identified as the directors of the Company.			
(a)(i)	Other receivables:		2025	2024
			N'000	N'000
	Loan to key management personnel		11,219	16,408
			<u>11,219</u>	<u>16,408</u>
(b)	Gross Written Premium:	Relationship		
	Heirs Holdings Ltd	Parent	7,197	5,492
	Heirs Oil & Gas Ltd	Fellow Subsidiary	92,659	29,286
	Heirs Insurance Ltd	Fellow Subsidiary	42,154	36,851
	United Capital Plc	Fellow Subsidiary	58,431	26,999
	Africa Prudential Plc	Fellow Subsidiary	5,186	3,373
	Avon HMO	Fellow Subsidiary	29,704	3,242
	Avon Medical Practice	Fellow Subsidiary	13,790	74
	Heirs Insurance Brokers	Fellow Subsidiary	9,586	4,603
	Heirs Technology	Fellow Subsidiary	6,509	
	Transcorp Group	Fellow Subsidiary	94,780	
			<u>359,996</u>	<u>109,920</u>
(c)	Investment Advisory & Custodial Fees to: United Capital Plc	Fellow Subsidiary	5,000	5,000
			<u>5,000</u>	<u>5,000</u>
(d)	Medical Expenses paid to Avon HMO	Fellow Subsidiary	343,452	143,594
			<u>343,452</u>	<u>143,594</u>
(e)	Avon Medical Practice	Fellow Subsidiary	2,011	
			<u>2,011</u>	-
(f)	Heirs Insurance Brokers	Fellow Subsidiary	90,302	
			<u>90,302</u>	-
(g)	Heirs Technology	Fellow Subsidiary	40,043	
			<u>40,043</u>	-
(h)	Transcorp Group	Fellow Subsidiary	81,976	
			<u>81,976</u>	-
(i)	Amount due to related parties			
	Heirs General Insurance Limited (HGIL)*	Fellow Subsidiary	33,250	94,596
			<u>33,250</u>	<u>94,596</u>
	*This relates to expenses paid by HGIL on behalf of Heirs Life Assurance			
(j)	ACCOUNT BALANCES			
i	Placements			
	UCAP Wealth Management	Fellow Subsidiary	355,203	1,406,201
			<u>355,203</u>	<u>1,406,201</u>
ii	Mutual Fund			
	UCAP Asset Management	Fellow Subsidiary	-	-
			<u>-</u>	<u>-</u>

	2025	2024
42	Number	Number
Analysis of staff		
Senior Management	9	6
Middle Management	40	36
Other staff members	63	41
	<u>112</u>	<u>83</u>

ii		2025	2024
Number of Employees (excluding Directors) in each range of emoluments (excluding pension contribution and certain benefits)		Numbers	Numbers
	N500,000 - N9,999,999	9	5
	N10,000,000 - N19,999,999	54	36
	Above N20,000,000	47	42
		<u>110</u>	<u>83</u>

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

iii		2025	2024
Analysis of staff cost		% Amount	Amount
	Senior management	17%	343,384
	Middle management	50%	1,007,417
	Other staff members	33%	678,055
		<u>100%</u>	<u>2,028,856</u>
			<u>1,703,649</u>

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

43		2025	2024
Directors' Emoluments			
Remuneration paid to the directors of the Company was as follows:			
	Chairman	N000 70,000	N000 20,000
	Non-Executive Directors/Independent Director	295,800	100,000
	Executive Directors Salaries	169,401	197,348
		<u>535,201</u>	<u>317,348</u>
	Other allowances paid to the Chairman	<u>-</u>	<u>-</u>

HEIRS LIFE ASSURANCE LIMITED
 FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 December 2025
 NOTES TO THE FINANCIAL STATEMENTS

44 Hypothecation

31 Dec 2025

	Policy Holders Fund - Insurance Contract	Policy Holders Fund - Investment Contract	Annuity	Share Holders Fund	Total
	N'000	N'000	N'000	N'000	N'000
Cash and Cash Equivalents	54,948	1,166,410	410,841	160,224	1,792,423
Treasury Bills	-	4,344,247	654,156	4,072,620	9,071,023
Placement with Financial Institution	-	-	-	967,599	967,599
Government Bonds	17,740,545	92,089	89,926,395	2,143,930	109,902,959
Quoted Shares	-	5,950,000	-	10,709	5,960,709
Corporate Bonds	-	25,181	-	1,384,983	1,410,164
Commercial Papers	-	-	-	-	-
Reinsurance Assets	698,150	-	-	-	698,150
Other Receivables & Prepayments	-	-	-	3,899,527	3,899,527
Right of Use Asset	-	-	-	799,015	799,015
Statutory Deposits with CBN	-	-	-	800,000	800,000
Property, Plant and Equipment	-	-	-	858,347	858,347
Intangible Assets	-	-	-	94,821	94,821
TOTAL ASSETS	18,493,643	11,577,927	90,991,391	15,191,775	136,254,737
Liabilities					
Insurance Contract Liabilities	14,046,624	-	83,270,234	-	97,316,858
Investment Contract Liabilities	-	13,925,451	-	-	13,925,451
Other Technical Liabilities	-	-	-	914,613	914,613
Provisions & Other Payables	-	-	-	1,148,175	1,148,175
Lease Liability	-	-	-	698,160	698,160
Income Tax Payable	-	-	-	203,985	203,985
TOTAL LIABILITIES	14,046,624	13,925,451	83,270,234	2,964,933	114,207,242
SURPLUS	4,447,020	(2,347,524)	7,721,157	12,226,842	22,047,495

31 Dec 2024

	Policy Holders Fund - Insurance Contract	Policy Holders Fund - Investment Contract	Annuity	Share Holders Fund	Total
	N'000	N'000	N'000	N'000	N'000
Hypothecation					
Cash and Cash Equivalents	233,853	275,556	255,278	75,365	840,052
Treasury Bills	-	6,364,190	8,050,339	2,677,053	17,091,582
Placement with Financial Institution	-	-	-	1,345,874	1,345,874
Government Bonds	6,881,872	1,921,868	25,921,684	2,479,558	37,204,982
Quoted Shares	4,857,143	-	-	8,742	4,865,885
Corporate Bonds	-	75,102	-	1,370,419	1,445,521
Commercial Papers	-	-	-	-	-
Reinsurance Contract Assets	505,679	-	-	-	505,679
Other Receivables & Prepayments	-	-	-	364,887	364,887
Right of Use Asset	-	-	-	941,277	941,277
Statutory Deposits with CBN	-	-	-	800,000	800,000
Property, Plant and Equipment	-	-	-	614,981	614,981
Intangible Assets	-	-	-	178,912	178,912
TOTAL ASSETS	12,478,547	8,636,717	34,227,301	10,857,068	66,199,633
Liabilities					
Insurance Contract Liabilities	8,742,286	-	30,917,543	-	39,659,829
Investment Contract Liabilities	-	8,862,280	-	-	8,862,280
Other Technical Liability	-	-	-	1,925,425	1,925,425
Provisions & Other Payables	-	-	-	646,624	646,624
Lease Liability	-	-	-	828,121	828,121
Income Tax Payable	-	-	-	54,273	54,273
TOTAL LIABILITIES	8,742,286	8,862,280	30,917,543	3,454,443	51,976,552
SURPLUS	3,736,261	(225,563)	3,309,758	7,402,625	14,223,081

HEIRS LIFE ASSURANCE LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 December 2025
NOTES TO THE FINANCIAL STATEMENTS

45 **Pencom Regulated Annuity**
Statement of Asset and Liabilities
As at year end December 2025

Cash and Cash equivalents

Cash at bank			263,601,555
Short-Term Placement (Providus Bank)	17-Feb-26	16.00%	410,840,601
Total			674,442,156

TREASURY BILLS

Description	Maturity Date	Interest Rate	Fair Value
Treasury Bills	19-Nov-26	16.10%	72,273,069
Treasury Bills	19-Nov-26	16.10%	101,101,503
Treasury Bills	17-Sept-26	15.60%	238,215,000
Treasury Bills	19-Feb-26	17.00%	244,186,644
Total			655,776,217

FGN Bonds

Description	Maturity Date	Coupon Rate	Fair Value
12.40% FGN BOND MAR 2036	18-Mar-36	12.40%	166,160,947
12.40% FGN BOND MAR 2036	18-Mar-36	12.40%	207,701,184
12.40% FGN BOND MAR 2036	18-Mar-36	12.40%	83,080,474
12.5% FGN BOND 22 JAN 2026	22-Jan-26	12.50%	210,619,437
12.5% FGN BOND 22 JAN 2026	22-Jan-26	12.50%	210,619,437
12.5% FGN BOND 22 JAN 2026	22-Jan-26	12.50%	221,150,409
12.5% FGN BOND 22 JAN 2026	22-Jan-26	12.50%	189,557,494
12.5% FGN BOND 22 JAN 2026	22-Jan-26	12.50%	210,619,437
12.5% FGN BOND 22 JAN 2026	22-Jan-26	12.50%	31,592,916
12.5% FGN BOND 22 JAN 2026	22-Jan-26	12.50%	105,309,719
12.5% FGN BOND 22 JAN 2026	22-Jan-26	12.50%	73,716,803
12.5% FGN BOND 22 JAN 2026	22-Jan-26	12.50%	305,398,184
12.5% FGN BOND 22 JAN 2026	22-Jan-26	12.50%	168,495,550
12.5% FGN BOND 22 JAN 2026	22-Jan-26	12.50%	105,309,719
12.5% FGN BOND 22 JAN 2026	22-Jan-26	12.50%	136,902,634
12.5% FGN BOND 22 JAN 2026	22-Jan-26	12.50%	389,645,959
12.5% FGN BOND 22 JAN 2026	22-Jan-26	12.50%	105,309,719
12.5% FGN BOND 22 JAN 2026	22-Jan-26	12.50%	105,309,719
12.5% FGN BOND 22 JAN 2026	22-Jan-26	12.50%	105,309,719
12.5% FGN BOND 22 JAN 2026	22-Jan-26	12.50%	105,309,719
12.5% FGN BOND 22 JAN 2026	22-Jan-26	12.50%	68,451,317
12.5% FGN BOND 22 JAN 2026	22-Jan-26	12.50%	157,964,578
12.5% FGN BOND 22 JAN 2026	22-Jan-26	12.50%	84,247,775
12.5% FGN BOND 22 JAN 2026	22-Jan-26	12.50%	121,106,176
12.5% FGN BOND 22 JAN 2026	22-Jan-26	12.50%	210,619,437
12.5% FGN BOND 22 JAN 2026	22-Jan-26	12.50%	170,821,842
12.5% FGN BOND 22 JAN 2026	22-Jan-26	12.50%	315,929,156
12.5% FGN BOND 22 JAN 2026	22-Jan-26	12.50%	110,575,205
12.5% FGN BOND 22 JAN 2026	22-Jan-26	12.50%	263,274,297
12.5% FGN BOND 22 JAN 2026	22-Jan-26	12.50%	210,619,437
12.5% FGN BOND 22 JAN 2026	22-Jan-26	12.50%	310,663,670
12.5% FGN BOND 22 JAN 2026	22-Jan-26	12.50%	205,353,951
12.50% FGN BOND 27-APR-2032	27-Apr-32	12.50%	50,856,367
12.50% FGN BOND 27-APR-2032	27-Apr-32	12.50%	254,281,837
12.50% FGN BOND 27-APR-2032	27-Apr-32	12.50%	84,760,612
12.50% FGN BOND 27-APR-2032	27-Apr-32	12.50%	72,046,520
12.50% FGN BOND 27-APR-2032	27-Apr-32	12.50%	203,425,469
12.50% FGN BOND 27-APR-2032	27-Apr-32	12.50%	266,995,928
12.50% FGN BOND 27-APR-2032	27-Apr-32	12.50%	190,711,377
12.50% FGN BOND 27-APR-2032	27-Apr-32	12.50%	296,662,143
12.50% FGN BOND 27-APR-2032	27-Apr-32	12.50%	183,930,528
12.98% FGN BOND MAR 2050	27-Mar-50	12.98%	134,440,089
12.98% FGN BOND MAR 2050	27-Mar-50	12.98%	197,178,797
12.98% FGN BOND MAR 2050	27-Mar-50	12.98%	313,693,541
12.98% FGN BOND MAR 2050	27-Mar-50	12.98%	195,751,940
12.98% FGN BOND MAR 2050	27-Mar-50	12.98%	215,104,143
12.98% FGN BOND MAR 2050	27-Mar-50	12.98%	448,133,630
13.00% FGN BOND JAN 2042	21-Jan-42	13.00%	269,936,521
13.00% FGN BOND JAN 2042	21-Jan-42	13.00%	179,957,681
13.00% FGN BOND JAN 2042	21-Jan-42	13.00%	179,957,681
13.00% FGN BOND JAN 2042	21-Jan-42	13.00%	134,968,260
13.00% FGN BOND JAN 2042	21-Jan-42	13.00%	179,957,681
13.00% FGN BOND JAN 2042	21-Jan-42	13.00%	134,968,260
13.00% FGN BOND JAN 2042	21-Jan-42	13.00%	134,968,260
13.00% FGN BOND JAN 2042	21-Jan-42	13.00%	134,968,260
13.00% FGN BOND JAN 2042	21-Jan-42	13.00%	134,968,260
13.00% FGN BOND JAN 2042	21-Jan-42	13.00%	224,947,101
13.00% FGN BOND JAN 2042	21-Jan-42	13.00%	269,936,521

13.00% FGN BOND JAN 2042	21-Jan-42	13.00%	89,978,840
13.00% FGN BOND JAN 2042	21-Jan-42	13.00%	359,915,361
13.98% FGN BOND 23 FEB 2028	23-Feb-28	13.98%	139,944,708
13.98% FGN BOND 23 FEB 2028	23-Feb-28	13.98%	319,873,618
13.98% FGN BOND 23 FEB 2028	23-Feb-28	13.98%	179,928,910
13.98% FGN BOND 23 FEB 2028	23-Feb-28	13.98%	159,936,809
13.98% FGN BOND 23 FEB 2028	23-Feb-28	13.98%	259,897,314
13.98% FGN BOND 23 FEB 2028	23-Feb-28	13.98%	159,936,809
13.98% FGN BOND 23 FEB 2028	23-Feb-28	13.98%	164,934,834
13.98% FGN BOND 23 FEB 2028	23-Feb-28	13.98%	99,960,506
13.98% FGN BOND 23 FEB 2028	23-Feb-28	13.98%	149,940,758
14.55% FGN BOND 26 APR 2029	26-Apr-29	14.55%	125,806,189
14.55% FGN BOND 26 APR 2029	26-Apr-29	14.55%	87,096,592
14.70% FGN BOND 21-JUN-2033	21-Jun-33	14.70%	181,249,237
14.80% FGN BOND 26-APR-2049	26-Apr-49	14.80%	497,834,823
15.45% FGN BOND 21-JUN-2038	21-Jun-38	15.45%	135,190,118
15.45% FGN BOND 21-JUN-2038	21-Jun-38	15.45%	386,257,480
15.45% FGN BOND 21-JUN-2038	21-Jun-38	15.45%	386,257,480
15.45% FGN BOND 21-JUN-2038	21-Jun-38	15.45%	366,944,606
15.45% FGN BOND 21-JUN-2038	21-Jun-38	15.45%	482,821,850
15.45% FGN BOND 21-JUN-2038	21-Jun-38	15.45%	212,441,614
15.45% FGN BOND 21-JUN-2038	21-Jun-38	15.45%	482,821,850
15.45% FGN BOND 21-JUN-2038	21-Jun-38	15.45%	579,386,220
15.45% FGN BOND 21-JUN-2038	21-Jun-38	15.45%	289,693,110
15.70% FGN BOND 21-JUN-2053	21-Jun-53	15.70%	105,126,901
15.70% FGN BOND 21-JUN-2053	21-Jun-53	15.70%	338,824,001
15.70% FGN BOND 21-JUN-2053	21-Jun-53	15.70%	420,507,603
15.70% FGN BOND 21-JUN-2053	21-Jun-53	15.70%	211,830,705
15.70% FGN BOND 21-JUN-2053	21-Jun-53	15.70%	169,254,310
15.70% FGN BOND 21-JUN-2053	21-Jun-53	15.70%	229,702,278
15.70% FGN BOND 21-JUN-2053	21-Jun-53	15.70%	109,331,977
15.70% FGN BOND 21-JUN-2053	21-Jun-53	15.70%	144,549,488
15.70% FGN BOND 21-JUN-2053	21-Jun-53	15.70%	1,156,395,908
15.70% FGN BOND 21-JUN-2053	21-Jun-53	15.70%	525,634,503
15.70% FGN BOND 21-JUN-2053	21-Jun-53	15.70%	1,555,878,130
15.70% FGN BOND 21-JUN-2053	21-Jun-53	15.70%	2,028,949,183
15.70% FGN BOND 21-JUN-2053	21-Jun-53	15.70%	187,966,898
15.70% FGN BOND 21-JUN-2053	21-Jun-53	15.70%	1,889,130,405
15.70% FGN BOND 21-JUN-2053	21-Jun-53	15.70%	1,051,269,007
15.70% FGN BOND 21-JUN-2053	21-Jun-53	15.70%	525,634,503
15.70% FGN BOND 21-JUN-2053	21-Jun-53	15.70%	897,889,910
15.70% FGN BOND 21-JUN-2053	21-Jun-53	15.70%	505,660,392
15.70% FGN BOND 21-JUN-2053	21-Jun-53	15.70%	1,576,903,510
15.70% FGN BOND 21-JUN-2053	21-Jun-53	15.70%	1,051,269,007
15.70% FGN BOND 21-JUN-2053	21-Jun-53	15.70%	262,817,252
15.70% FGN BOND 21-JUN-2053	21-Jun-53	15.70%	525,634,503
15.70% FGN BOND 21-JUN-2053	21-Jun-53	15.70%	525,634,503
15.70% FGN BOND 21-JUN-2053	21-Jun-53	15.70%	1,051,269,007
15.70% FGN BOND 21-JUN-2053	21-Jun-53	15.70%	1,051,269,007
15.70% FGN BOND 21-JUN-2053	21-Jun-53	15.70%	189,228,421
15.70% FGN BOND 21-JUN-2053	21-Jun-53	15.70%	525,634,503
15.70% FGN BOND 21-JUN-2053	21-Jun-53	15.70%	344,651,185
15.70% FGN BOND 21-JUN-2053	21-Jun-53	15.70%	771,168,893
15.70% FGN BOND 21-JUN-2053	21-Jun-53	15.70%	774,259,624
15.70% FGN BOND 21-JUN-2053	21-Jun-53	15.70%	525,634,503
15.70% FGN BOND 21-JUN-2053	21-Jun-53	15.70%	809,477,135
15.70% FGN BOND 21-JUN-2053	21-Jun-53	15.70%	525,634,503
15.70% FGN BOND 21-JUN-2053	21-Jun-53	15.70%	793,708,100
15.70% FGN BOND 21-JUN-2053	21-Jun-53	15.70%	257,560,907
15.70% FGN BOND 21-JUN-2053	21-Jun-53	15.70%	1,137,473,065
15.70% FGN BOND 21-JUN-2053	21-Jun-53	15.70%	497,278,625
15.70% FGN BOND 21-JUN-2053	21-Jun-53	15.70%	1,051,269,007
15.70% FGN BOND 21-JUN-2053	21-Jun-53	15.70%	1,051,269,007
15.70% FGN BOND 21-JUN-2053	21-Jun-53	15.70%	415,251,258
15.70% FGN BOND 21-JUN-2053	21-Jun-53	15.70%	904,091,346
15.70% FGN BOND 21-JUN-2053	21-Jun-53	15.70%	1,051,269,007
15.70% FGN BOND 21-JUN-2053	21-Jun-53	15.70%	636,017,749
15.70% FGN BOND 21-JUN-2053	21-Jun-53	15.70%	388,969,533
15.70% FGN BOND 21-JUN-2053	21-Jun-53	15.70%	693,837,545
15.70% FGN BOND 21-JUN-2053	21-Jun-53	15.70%	105,126,901
15.70% FGN BOND 21-JUN-2053	21-Jun-53	15.70%	379,508,111
15.70% FGN BOND 21-JUN-2053	21-Jun-53	15.70%	746,400,995
15.70% FGN BOND 21-JUN-2053	21-Jun-53	15.70%	1,450,751,229
15.70% FGN BOND 21-JUN-2053	21-Jun-53	15.70%	1,450,751,229
15.70% FGN BOND 21-JUN-2053	21-Jun-53	15.70%	47,307,105
15.70% FGN BOND 21-JUN-2053	21-Jun-53	15.70%	232,120,197
15.70% FGN BOND 21-JUN-2053	21-Jun-53	15.70%	267,547,962
15.70% FGN BOND 21-JUN-2053	21-Jun-53	15.70%	130,761,099
15.70% FGN BOND 21-JUN-2053	21-Jun-53	15.70%	87,174,066
16.2499% FGN BOND 18-APR-2037	18-Apr-37	16.25%	1,126,959,321
16.2499% FGN BOND 18-APR-2037	18-Apr-37	16.25%	256,127,118
16.2884% FGN BOND 17 MAR 2027	17-Mar-27	16.29%	208,292,501
18.50% FGN BOND 21-FEB-2031	21-Feb-31	18.50%	166,925,394
18.50% FGN BOND 21-FEB-2031	21-Feb-31	18.50%	204,354,518

18.50% FGN BOND 21-FEB-2031	21-Feb-31	18.50%	265,489,275
18.50% FGN BOND 21-FEB-2031	21-Feb-31	18.50%	192,454,964
18.50% FGN BOND 21-FEB-2031	21-Feb-31	18.50%	294,901,529
18.50% FGN BOND 21-FEB-2031	21-Feb-31	18.50%	236,477,641
18.50% FGN BOND 21-FEB-2031	21-Feb-31	18.50%	333,850,788
18.50% FGN BOND 21-FEB-2031	21-Feb-31	18.50%	140,696,963
18.50% FGN BOND 21-FEB-2031	21-Feb-31	18.50%	445,134,384
18.50% FGN BOND 21-FEB-2031	21-Feb-31	18.50%	456,262,743
18.50% FGN BOND 21-FEB-2031	21-Feb-31	18.50%	322,722,428
18.50% FGN BOND 21-FEB-2031	21-Feb-31	18.50%	101,152,337
18.50% FGN BOND 21-FEB-2031	21-Feb-31	18.50%	142,554,286
18.50% FGN BOND 21-FEB-2031	21-Feb-31	18.50%	289,337,349
18.50% FGN BOND 21-FEB-2031	21-Feb-31	18.50%	153,237,512
18.50% FGN BOND 21-FEB-2031	21-Feb-31	18.50%	445,134,384
18.50% FGN BOND 21-FEB-2031	21-Feb-31	18.50%	432,362,365
18.50% FGN BOND 21-FEB-2031	21-Feb-31	18.50%	556,417,979
18.50% FGN BOND 21-FEB-2031	21-Feb-31	18.50%	433,770,103
18.50% FGN BOND 21-FEB-2031	21-Feb-31	18.50%	525,199,592
18.50% FGN BOND 21-FEB-2031	21-Feb-31	18.50%	344,979,147
18.50% FGN BOND 21-FEB-2031	21-Feb-31	18.50%	545,289,620
18.50% FGN BOND 21-FEB-2031	21-Feb-31	18.50%	1,112,835,959
18.50% FGN BOND 21-FEB-2031	21-Feb-31	18.50%	1,112,835,959
18.50% FGN BOND 21-FEB-2031	21-Feb-31	18.50%	1,112,835,959
18.50% FGN BOND 21-FEB-2031	21-Feb-31	18.50%	389,492,586
18.50% FGN BOND 21-FEB-2031	21-Feb-31	18.50%	591,472,312
18.50% FGN BOND 21-FEB-2031	21-Feb-31	18.50%	178,053,753
19.00% FGN BOND 21-FEB-2034	21-Feb-34	19.00%	246,972,559
19.00% FGN BOND 21-FEB-2034	21-Feb-34	19.00%	68,925,269
19.00% FGN BOND 21-FEB-2034	21-Feb-34	19.00%	126,034,777
19.00% FGN BOND 21-FEB-2034	21-Feb-34	19.00%	625,540,253
19.00% FGN BOND 21-FEB-2034	21-Feb-34	19.00%	354,472,810
19.00% FGN BOND 21-FEB-2034	21-Feb-34	19.00%	219,518,293
19.00% FGN BOND 21-FEB-2034	21-Feb-34	19.00%	237,936,978
19.00% FGN BOND 21-FEB-2034	21-Feb-34	19.00%	70,662,880
19.00% FGN BOND 21-FEB-2034	21-Feb-34	19.00%	286,821,790
19.30% FGN BOND 17-APR-2029	17-Apr-29	19.30%	438,394,521
19.30% FGN BOND 17-APR-2029	17-Apr-29	19.30%	300,452,589
19.89% FGN BOND 15-MAY-2033	15-May-33	19.89%	170,918,017
19.89% FGN BOND 15-MAY-2033	15-May-33	19.89%	284,863,362
19.89% FGN BOND 15-MAY-2033	15-May-33	19.89%	467,175,913
19.89% FGN BOND 15-MAY-2033	15-May-33	19.89%	330,441,500
19.89% FGN BOND 15-MAY-2033	15-May-33	19.89%	312,210,245
19.89% FGN BOND 15-MAY-2033	15-May-33	19.89%	190,858,452
19.89% FGN BOND 15-MAY-2033	15-May-33	19.89%	240,766,513
19.89% FGN BOND 15-MAY-2033	15-May-33	19.89%	156,446,958
19.89% FGN BOND 15-MAY-2033	15-May-33	19.89%	125,339,879
19.89% FGN BOND 15-MAY-2033	15-May-33	19.89%	466,036,460
19.89% FGN BOND 15-MAY-2033	15-May-33	19.89%	315,400,714
19.89% FGN BOND 15-MAY-2033	15-May-33	19.89%	186,300,639
19.89% FGN BOND 15-MAY-2033	15-May-33	19.89%	337,278,220
19.89% FGN BOND 15-MAY-2033	15-May-33	19.89%	106,197,061
19.89% FGN BOND 15-MAY-2033	15-May-33	19.89%	53,782,203
19.89% FGN BOND 15-MAY-2033	15-May-33	19.89%	324,744,233
19.89% FGN BOND 15-MAY-2033	15-May-33	19.89%	193,707,086
19.89% FGN BOND 15-MAY-2033	15-May-33	19.89%	143,115,353
19.89% FGN BOND 15-MAY-2033	15-May-33	19.89%	227,890,690
19.89% FGN BOND 15-MAY-2033	15-May-33	19.89%	569,726,724
19.94% FGN BOND 20-MAR-2027	20-Mar-27	19.94%	184,356,868
19.94% FGN BOND 20-MAR-2027	20-Mar-27	19.94%	1,487,945,372
22.60% FGN BOND 29-JAN-2035	29-Jan-35	22.60%	689,668,332
22.60% FGN BOND 29-JAN-2035	29-Jan-35	22.60%	689,668,332
22.60% FGN BOND 29-JAN-2035	29-Jan-35	22.60%	689,668,332
22.60% FGN BOND 29-JAN-2035	29-Jan-35	22.60%	482,767,832
22.60% FGN BOND 29-JAN-2035	29-Jan-35	22.60%	689,668,332
22.60% FGN BOND 29-JAN-2035	29-Jan-35	22.60%	689,668,332
22.60% FGN BOND 29-JAN-2035	29-Jan-35	22.60%	303,454,066
22.60% FGN BOND 29-JAN-2035	29-Jan-35	22.60%	386,214,266
22.60% FGN BOND 29-JAN-2035	29-Jan-35	22.60%	1,379,336,663
22.60% FGN BOND 29-JAN-2035	29-Jan-35	22.60%	689,668,332
22.60% FGN BOND 29-JAN-2035	29-Jan-35	22.60%	1,020,709,131
22.60% FGN BOND 29-JAN-2035	29-Jan-35	22.60%	2,069,004,995
22.60% FGN BOND 29-JAN-2035	29-Jan-35	22.60%	689,668,332
22.60% FGN BOND 29-JAN-2035	29-Jan-35	22.60%	1,779,344,295
22.60% FGN BOND 29-JAN-2035	29-Jan-35	22.60%	1,517,270,329
Total			89,926,394,614
Total Annuity Asset			91,256,612,987
Liabilities-Annuity Reserve			83,270,234,157

HEIRS LIFE ASSURANCE LIMITED
OTHER NATIONAL DISCLOSURE
VALUE ADDED STATEMENT

	31-Dec-25	%	31-Dec-24	%
	N'000		N'000	
Insurance Revenue	27,238,899		15,147,394	
Investment Income	24,817,778		4,686,006	
Other Income/expenses	3,737		21,635	
Insurance Service Expenses and operating expenses (local)	(41,593,225)		(12,326,950)	
Other Service bought				
Value added	10,467,189	100	7,528,085	100
Applied to pay:				
Employee benefit expense	3,189,775	30%	2,268,090	30%
Government taxes	205,114	2%	55,359	1%
Finance Cost	138,007	1%	90,376	
Retained in the business:				
Depreciation of property and equipment	(252,040)	-2%	(140,702)	0%
Depreciation expense on right-of-use asset	(142,262)	-1%	(113,430)	1%
Amortisation of intangible assets	(87,854)	-1%	(88,903)	0%
Profit accumulated in the business	6,674,805	64%	4,911,565	65%
Contingency Reserve	741,645	7%	545,730	6%
Value added	10,467,189	100%	7,528,085	100%

**HEIRS LIFE ASSURANCE LIMITED
OTHER NATIONAL DISCLOSURE
FIVE-YEAR FINANCIAL SUMMARY**

	31 Dec 2025 N'000	31 Dec 2024 N'000	31 Dec 2023 N'000	Restated 31 Dec 2022 N'000	Restated 1 Jan 2022 N'000
ASSETS					
Cash and cash equivalents	1,792,423	840,051	1,708,093	838,251	275,532
Financial assets - FVTPL	124,941,337	59,158,287	28,741,039	13,101,851	6,975,688
Financial assets - Amortized cost	2,371,116	2,795,557	4,540,098	2,860,329	587,687
Trade receivables	-	-	83,239	2,083	330
Reinsurance assets	698,150	505,679	278,318	50,477	25,990
Insurance Contract assets	20	-	222	-	-
Other receivables & prepayments	3,899,527	364,887	381,387	130,612	186,391
Right of use asset	799,015	941,277	626,124	725,268	709,198
Statutory deposits with CBN	800,000	800,000	800,000	800,000	800,000
Property, plant and equipment	858,347	614,981	333,419	247,848	149,129
Intangible assets	94,821	178,912	267,815	283,811	163,361
TOTAL ASSETS	136,254,756	66,199,631	37,759,754	19,040,530	9,873,306
LIABILITIES					
Insurance contract liabilities	97,316,858	39,659,829	22,201,429	9,753,483	2,348,378
Reinsurance contract liabilities	81,022	76,433	40,084	33,894	12,525
Investment contract liabilities	13,925,451	8,458,884	3,719,006	1,087,855	194,831
Other Insurance Contract Liabilities	914,613	1,925,425	1,655,632	291,332	25,437
Provisions & other payables	1,148,175	646,624	513,743	170,862	91,274
Lease liability	698,160	828,121	518,270	467,296	343,939
Income tax payable	203,985	54,273	18,845	3,471	532
TOTAL LIABILITIES	114,288,264	51,649,589	28,667,009	11,808,193	3,016,916
EQUITY					
Ordinary share capital	8,000,000	8,000,000	8,000,000	8,000,000	8,000,000
Contingency reserve	1,627,054	885,409	339,679	142,200	26,995
Retained earnings	12,339,438	5,664,633	753,066	(909,863)	(1,170,605)
TOTAL EQUITY	21,966,492	14,550,042	9,092,745	7,232,337	6,856,390

	31 Dec 2025	31 Dec 2024	31 Dec 2023	31 Dec 2022	1 Jan 2022
Gross written premium	70,087,042	33,859,296	19,747,898	11,520,546	2,699,478
Insurance Revenue	27,238,899	15,147,394	7,256,831	3,764,728	1,249,299
Insurance service expenses	(15,041,415)	(7,618,666)	(6,011,655)	(2,928,497)	(1,697,513)
Net Insurance and Investment Result	16,485,497	11,109,823	4,517,968	2,323,949	(58,944)
Other operating expenses (Non attributable)	(8,729,663)	(5,528,427)	(2,580,685)	(1,892,600)	(924,492)
Profit/(loss) before tax	7,621,564	5,512,656	1,879,295	379,328	(1,143,078)
Income tax expense	(205,114)	(55,359)	(18,887)	(3,381)	-
Profit/(loss) after tax	7,416,450	5,457,297	1,860,408	375,947	(1,143,610)