

**HEIRS GENERAL INSURANCE LIMITED**

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

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**HEIRS GENERAL INSURANCE LIMITED**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025**

**CORPORATE INFORMATION**

**Company Registration Number**

RC 12411317

**Directors**

Tony Elumelu CFR  
Wole Fayemi  
Henry Egbiki  
Salma Yusuf Mohammed  
Sonny Iroche  
Ibrahim Ajimasu Puri  
Dan Okeke  
Peter Ashade  
Niyi Onifade  
Misbahu Yola  
Idris Mohammed  
Chiugo Ndubisi

Chairman  
Managing Director / Chief Executive Officer  
Independent Non-Executive Director  
Independent Non-Executive Director  
Independent Non-Executive Director  
Independent Non-Executive Director  
Non-Executive Director  
Non-Executive Director  
Non-Executive Director  
Non-Executive Director  
Non-Executive Director  
Non-Executive Director

Registered office

107B Ajose Adeogun Street  
Victoria Island  
Lagos , Nigeria

Independent Auditor

PricewaterhouseCoopers  
Landmark Towers  
5B Water Corporation road, Victoria Island  
Lagos  
Tel: +234 1 271 1700  
[www.pwc.com/ng](http://www.pwc.com/ng)

Actuaries

Zamara Ltd  
4th Floor, Ibukun House,  
70 Adetokunbo Ademola Street  
Victoria Island  
Lagos, Nigeria

Company secretary

Blessing Ezemelue  
107B Ajose Adeogun Street  
Victoria Island  
Lagos, Nigeria

Bankers

United Bank for Africa Plc  
Providus Bank Ltd  
Fidelity Bank  
Union Bank  
Nova Bank  
Ecobank  
FCMB  
StanbicBTC Bank

# HEIRS GENERAL INSURANCE LIMITED

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

### DIRECTORS' REPORT

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

#### Incorporation and address

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

The address of its registered/operational office is:

107B Ajoye Adeogun Street  
Victoria Island  
Lagos, Nigeria

#### Principal Activities

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

#### Results and dividend

The company's results for the year ended 31 December 2025 are set out in statement of comprehensive income. The profit for the year has been transferred to retained earnings. The summarised results are presented below.

	Year ended 31 December 2025 N'000	Year ended 31 December 2024 N'000
Insurance Revenue	23,917,942	14,324,901
Profit/(loss) before tax for the year	1,074,444	4,900,179

#### Board of Directors

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

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

**HEIRS GENERAL INSURANCE LIMITED**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025**

**DIRECTORS' REPORT**

**Directors' interest in contracts**

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

**Analysis of company's shares**

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

Shareholder	31 Dec 2025		31 Dec 2024	
	No. of Shares '000		No. of Shares '000	
Heirs Holdings Limited	5,000,000	50%	5,000,000	50%
United Capital Plc	2,500,000	25%	2,500,000	25%
Africa Prudential Plc	1,500,000	15%	1,500,000	15%
AVON HMO Ltd	1,000,000	10%	1,000,000	10%
	<b>10,000,000</b>	<b>100%</b>	<b>10,000,000</b>	<b>100%</b>

**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	50%	5,000,000,000
1000000001 - 2,000,000,000	50	2	25%	2,500,000,000
4000000000 - 8,000,000,000	25	1	15%	1,500,000,000
			10%	1,000,000,000
<b>GRAND-TOTAL</b>	<b>100</b>	<b>4</b>	<b>100</b>	<b>10,000,000,000</b>

The range of shareholding for the year ended 31 December, 2025 is as follows:

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

**Directors Interests and shareholdings**

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

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

**HEIRS GENERAL INSURANCE LIMITED  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025**

**DIRECTORS' REPORT**

**Details of indirect holdings**

<b>Name of Director</b>	<b>Company</b>	<b>Indirect holding '000</b>
Tony Elumelu CFR	United Capital Plc	5,000,000

**Post Balance Sheet Events**

Subsequent to the reporting date, the 2026 Tax Reform Law was effected. The law introduces changes to corporate tax rates and certain tax computation provisions.

In line with IAS 10 Events after the Reporting Period and IAS 12 Income Taxes, the Company has assessed the impact of the enacted legislation and reflected the effect in the measurement of current and deferred tax balances for the year ended 31 December 2025, where applicable.

The impact of the new tax law has been recognised in the 2025 financial statements.

There were no other events after the reporting date which could have a material effect on the state of affairs of the Company as at 31 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 are as follows:

	<b>Male</b>	<b>Female</b>	<b>Total HC</b>
Executive Management	3	0	3
Senior Management	3	7	10
Middle Management	19	17	36
Officer	36	34	70
<b>Sub Total</b>	<b>61</b>	<b>58</b>	<b>119</b>

**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.

**HEIRS GENERAL INSURANCE LIMITED**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025**

**DIRECTORS' REPORT**

**Employee training and involvement**

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

**Research and Development**

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

**Property, plant and equipment**

Movement in property, plant and equipment during the year is shown in Note 15 to the financial statements. The Directors are of the opinion that the market value of the Company's property, plant and equipment is not less than the carrying value shown in the financial statements as at 31 December 2025.

**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:

<b>Director</b>	<b>Role</b>
Henry Egbiki	Independent Director (Chairman)
Salma Yusuf Mohammed	Independent Director
Dan Okeke	Non Executtive Director
Peter Ashade	Non Executtive Director
Misbahu Yola	Non Executtive Director
Idris Mohammed	Non Executtive Director

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

**Auditors:**

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



**By order of the Board**

Blessing Ezemelue  
Company Secretary  
FRC/2021/002/00000024914

## **CORPORATE GOVERNANCE REPORT**

### **Introduction**

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

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

### **GOVERNANCE STRUCTURE**

The Board consists of 12 members, eight (10) of whom act in Non-Executive capacity.

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

### **BOARD COMMITTEES**

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

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

#### **Chairman and CEO Positions.**

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

**b. Finance, Investment & General Purpose Committee** – The Committee has oversight responsibility to consider and advise the Board of Directors on all aspects of the Company's finances. This includes, among others, annual estimates of income and expenditure and the financial forecasts for the Company; reviewing the periodic management accounts of the Company as well as advising the Board of Directors on the year-end accounts; periodically reviewing and advising the Board on the solvency of Company and the safeguarding of its assets; advising the Board on relevant taxation issues, general borrowings. The Committee also has an oversight for the Company's investment. It presents the Investment Policies and Investment Plans to the Board annually for approval and ensures that investments are made in accordance with the policy. The Committee reviews and approves as appropriate strategic investment. The Committee met on 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 5 times during 2025 and also presented reports of their activities for the review of the Board.

**HEIRS GENERAL INSURANCE LIMITED**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025**

**CORPORATE GOVERNANCE REPORT**

S/N	Director	Date of Appointment	Director Status	Committee Chairmen	Committee Membership
1	Tony Elumelu	December 1, 2020	Active	None	None
2	Dan Okeke	December 1, 2020	Active	FIGPC	FIGPC, AGCC
3	Henry Egbiki	December 1, 2020	Active	AGCC	FIGPC, AGCC
4	Salma Yusuf Mohammed	December 1, 2020	Active	None	AGCC, TERC
5	Peter Ashade	May 11, 2021	Active	None	AGCC, TERC
6	Niyi Onifade	December 1, 2020	Active	None	FIGPC, TERC, BDIC
7	Wole Fayemi	April 27, 2023	Active	None	FIGPC, TERC, BDIC
8	Idris Mohammed	May 11, 2021	Active	None	FIGPC, AGCC
9	Misbahu Umar Yola	December 1, 2020	Active	TERC	AGCC, TERC
10	Chiugo Ndubisi	February 1, 2023	Active	None	FIGPC, TERC
11	Sonny Iroche	June 27, 2024	Active	BDIC	BDIC
12	Ibrahim Puri	June 27, 2024	Active	None	BDIC

**A. Board Meetings**

S/N	Director	DATE OF MEETINGS					% Attendance
		17-Feb	18-Mar	23-Jun	3-Sep	17-Dec	
1	Tony Elumelu	✓	✓	✓	✓	✓	100%
2	Dan Okeke	✓	✓	✓	✓	✓	100%
3	Henry Egbiki	✓	☐	☐	☐	✓	100%
4	Salma Yusuf Mohammed	✓	✓	✓	✓	✓	100%
5	Peter Ashade	✱	✓	✓	✓	✓	80%
6	Niyi Onifade	✓	✓	✓	✓	✓	100%
7	Wole Fayemi	✓	✓	✓	✓	✓	100%
8	Idris Mohammed	✓	✓	✓	✓	✓	100%
9	Misbahu Umar Yola	✓	✓	✱	✱	✓	60%
10	Chiugo Ndubisi	✓	✓	✓	✓	✓	100%
11	Sonny Iroche	✓	✓	✓	✓	✓	100%
12	Ibrahim Puri	✓	✓	✓	✓	✓	100%

**B. Committee Meetings**

**Audit, Governance and Compliance Committee**

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

S/N	Director	DATE OF MEETINGS					% Attendance
		25-Feb	7-May	9-Jul	11-Aug	30-Oct	
1	Henry Egbiki	✓	✓	✓	✓	✓	100%
2	Salma Yusuf Mohammed	✓	✓	✓	✓	✓	100%
3	Dan Okeke	✓	✓	✓	✓	✓	100%
4	Peter Ashade	✓	✓	✓	✓	✱	100%
5	Misbahu Yola	✓	✓	✓	✱	✱	80%
6	Idris Mohammed	✓	✓	✓	✓	✓	100%

**HEIRS GENERAL INSURANCE LIMITED**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025**

**CORPORATE GOVERNANCE REPORT**

**Finance, Investment and General-Purpose Committee**

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

DATE OF MEETINGS						
S/N	Director	10-Mar	29-May	31-Jul	27-Oct	% Attendance
1	Dan Okeke	✓	✓	✓	✓	100%
2	Henry Egbiki	✓	✓	✓	✓	100%
3	Niyi Onifade	✓	✓	✓	✓	100%
4	Idris Mohammed	✓	✓	✖	✓	75%
5	Chiugo Ndubisi	✓	✓	✓	☐	100%
6	Wole Fayemi	✓	✓	✓	✓	100%

**Technical and Risk Committee**

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

DATE OF MEETINGS						
S/N	Director	24-Feb-25	29-Apr-25	7-Aug-25	29-Oct-25	% Attendance
1	Misbahu Umar Yola	✓	✓	✖	✓	75%
2	Niyi Onifade	✓	✓	✓	✓	100%
3	Peter Ashade	✓	✓	✓	✖	75%
4	Salma Yusuf Mohammed	✓	✓	✓	✓	100%
5	Chiugo Ndubisi	✓	✓	✓	✓	100%
6	Wole Fayemi	✓	✓	✓	✓	100%

**Business Development and Innovation Committee**

The Board approved the establishment of a new and additional Board committee to be known as the Business Development and Innovation Committee to support and drive business expansion strategies within Nigeria and across Africa leveraging collaboration opportunities within other business stakeholders.

S/N	Director	6-Mar-25	12-May-25	23-Jul-25	% Attendance
1	Sonny Ironche	✓	✓	✓	100%
2	Ibrahim Puri	✓	✓	✓	100%
3	Niyi Onifade	✓	✓	✓	100%
4	Wole Fayemi	✓	✓	✓	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.

**CORPORATE GOVERNANCE REPORT**

**TRAINING AND INDUCTION**

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

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

- 1 AI Governance – The Board's Role in Emerging Technologies
- 2 AML/ CFT Training
- 3 Committee Leadership – Enhancing Chair Effectiveness
- 4 Solvency Control & Intervention Framework for Insurance and Reinsurance Companies in Nigeria
- 5 2025 Insurance Directors Training: Navigating The New Insurance Landscape: Strategies for NIIRA 2025 Compliance and Growth
- 6 2025 Heirs Holdings Group Directors Forum

**DIRECTORS STANDING FOR RE-ELECTION**

The following Directors stood and were re-elected in 2025

- 1 Mr. Tony Elumelu
- 2 Mr. Peter Ashade
- 3 Mr. Niyi Onifade

**GENDER DIVERSITY**

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

**Corporate Governance and Board Evaluation**

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

**BOARD AND GOVERNANCE EVALUATION**

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

**Directors Report.**

The Directors present their report on the affairs of Heirs General Insurance Limited (the Company), together with the Audited Financial Statements and Independent Auditor's Report for the period ended December 31, 2025.

**Legal Form and Principal Activities**

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

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

**CORPORATE GOVERNANCE REPORT**

**RENUMERATION STATEMENT**

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

**CLAWBACK POLICY**

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

**SUMMARY OF RISK MANAGEMENT FRAMEWORK**

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

**STATEMENT OF COMPLIANCE**

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

**WHISTLE BLOWING POLICY**

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

**ENVIRONMENT, SUSTAINABILITY AND GOVERNANCE**

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

**RELATIONSHIP WITH SHAREHOLDERS**

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

**COMPLAINTS MANAGEMENT POLICY**

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

**CODE OF CONDUCT & BUSINESS ETHICS**

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

**COMMUNICATIONS POLICY**

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

**Fines & Penalties**

The company did not pay any fine in the period

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March 16<sup>th</sup>, 2026

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

The Board of Directors of Heirs General Insurance 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 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 were benchmarked against each of the 28 principles of the FRC Code, 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.

Heirs General Insurance 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 General Insurance.

A framework for managing risk and internal control system is effective at Heirs General Insurance. 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 General Insurance are effective and are in line with global best practice. The corporate governance framework of the Company has substantially applied the 28 principles of the FRC Code and the NAICOM Corporate Governance Guidelines.

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

  
**Angela Aneke**  
Managing Director

March 16<sup>th</sup>, 2026

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

The Board of Directors of Heirs General Insurance 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 were benchmarked against the principles in the NCCG, National Insurance Commission’s (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 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 General Insurance Limited 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 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. 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 General Insurance 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 28 principles of the FRC Code and the NAICOM Corporate Governance Guidelines .

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

  
**Angela Aneke**  
Managing Director

**HEIRS GENERAL INSURANCE LIMITED**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025**

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

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

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

The Directors accept responsibility for the financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Financial Reporting Standards, Nigeria Insurance Industry Reform Act (NIIRA) 2025 with extant provisions of Insurance rules in Nigeria and the requirements of the Companies and Allied Matters Act, 2020.

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

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



**Tony Elumelu**  
Chairman  
FRC/2013/CIBN/00000002590  
05 March 2026



**Wole Fayemi**  
Managing Director  
FRC/2014/CIIN/00000006540  
05 March 2026

**HEIRS GENERAL INSURANCE LIMITED**  
**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 period 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 period ended 31 December 2025.

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

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



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



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

**HEIRS GENERAL INSURANCE 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, 2020, the members of the Audit Committee of Heirs General Insurance Limited hereby report as follows:

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

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



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

MEMBERS OF THE BOARD, AUDIT AND COMPLIANCE COMMITTEE

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

**HEIRS GENERAL INSURANCE LIMITED**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025**

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

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

- i. Heirs General Insurance Limited's management is responsible for establishing and maintaining a system of internal control over financial reporting ("ICFR") that provides reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with International Financial Reporting Standards.
  
- ii. Heirs General Insurance Limited's management used the Committee of Sponsoring Organization of the Treadway Commission (COSO) Internal Control-Integrated Framework to conduct the required evaluation of the effectiveness of the entity's ICFR;
  
- iii. Heirs General Insurance Limited's management has assessed that the entity's ICFR as of the end of 31 December 2025 is effective.
  
- iv. Heirs General Insurance Limited's external auditor Messrs PricewaterhouseCoopers that audited the financial statements, included in the annual report, has issued an attestation report on management's assessment of the entity's internal control over financial reporting.  
The attestation report of Messrs PricewaterhouseCoopers that audited its financial statements will be filed as part of Heirs General Insurance Limited's annual report.



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



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

# HEIRS GENERAL INSURANCE LIMITED

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

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

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

I, Wole Fayemi, certify that:

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

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

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

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

1) are responsible for establishing and maintaining internal controls;

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

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

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

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

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

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

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



**Wole Fayemi**

Managing Director/CEO  
FRC/2014/CIIN/00000006540

# HEIRS GENERAL INSURANCE LIMITED

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

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

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

I, Kehinde Olorundare, certify that:

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

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

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

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

1) are responsible for establishing and maintaining internal controls;

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

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

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

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

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

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

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



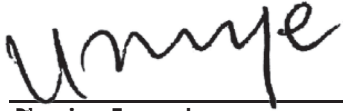
**Kehinde Olorundare**

Chief Financial Officer  
FRC/2013/ICAN/0000000731

**HEIRS GENERAL INSURANCE LIMITED  
FINANCIAL STATEMENTS 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 the 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**  
Company Secretary  
FRC/2021/002/00000024914



## **Independent practitioner’s report**

To the Members of Heirs General Insurance Limited

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

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#### **Our opinion**

In our opinion, nothing has come to our attention that the internal control procedures over financial reporting put in place by management of Heirs General Insurance Limited’s (“the company”) 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 General Insurance 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 General Insurance Limited’s Internal Control over Financial Reporting. Our responsibility is to express an opinion on the company’s internal control over financial reporting based on our assurance engagement.

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#### **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.

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#### **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.

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### Other matter

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

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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 General Insurance Limited

## Report on the audit of the financial statements

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### Our opinion

In our opinion, Heirs General Insurance Limited's ("the company's") financial statements give a true and fair view of the financial position of the company as at 31 December 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, Nigerian Insurance Industry Reform Act, 2025 and the Financial Reporting Council of Nigeria (Amendment) Act, 2023.

### What we have audited

Heirs General Insurance Limited's financial statements comprise:

- the statement of financial position as at 31 December 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.

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### 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.

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### 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="224 327 773 390"><i>Measurement of Insurance Contract Liabilities – N13.8 billion (refer to notes 3.1.7, 3.23, 17)</i></p> <p data-bbox="224 436 821 527">The Company’s insurance contract liabilities comprise the Liability for Remaining Coverage (LRC) and the Liability for Incurred Claims (LIC).</p> <p data-bbox="224 573 812 726">All insurance portfolios are measured using the Premium Allocation Approach (PAA), having met the eligibility requirements based on an assessment that the coverage period of contracts within each group is one year or less.</p> <p data-bbox="224 772 812 898">The Liability for Remaining Coverage is measured as the Unearned Premium Reserve, net of Deferred Acquisition Costs, with an additional loss component recognised where contracts are onerous.</p> <p data-bbox="224 945 829 1098">The discounted best estimate Liability for Incurred Claims is determined based on management’s estimate of ultimate claims, derived from Gross Earned Premiums, an assumed loss ratio, and reduced by reported and paid claims to date.</p> <p data-bbox="224 1144 802 1331">The measurement of insurance contract liabilities under the PAA involves significant judgement, particularly in estimating fulfilment cash flows, determining risk adjustments for non financial risk, and applying appropriate discount rates for the time value of money.</p> <p data-bbox="224 1377 834 1440">The most significant judgemental areas in the valuation are:</p> <ul data-bbox="224 1451 834 1850" style="list-style-type: none"> <li data-bbox="224 1451 834 1612">• <b>Liability for Remaining Coverage:</b> Determination of the Unearned Premium Reserve using the 365th method, assessment of Deferred Acquisition Costs, and identification and measurement of any loss component for onerous contracts.</li> <li data-bbox="224 1661 834 1850">• <b>Liability for Incurred Claims:</b> Estimation of fulfilment cash flows, including future claims payments, the incorporation of discounting adjustments for the time value of money and financial risks, and the determination of the risk adjustment for non financial risk.</li> </ul>	<p data-bbox="862 327 1419 420">We adopted a combination of controls and substantive approach in assessing the valuation of insurance contract liabilities.</p> <p data-bbox="862 428 1409 548">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="862 596 1419 751">We obtained an understanding of, and tested on a sample basis, the data inputs used in the measurement of insurance contract liabilities across all units of account, including inputs applied within the expense allocation model.</p> <p data-bbox="862 800 1403 831">With the support of our actuarial specialists, we:</p> <ul data-bbox="862 842 1419 1829" style="list-style-type: none"> <li data-bbox="862 842 1419 1020">• assessed the appropriateness of management’s application of the Premium Allocation Approach (PAA) by performing eligibility testing to confirm that the insurance contracts met the requirements for measurement under the PAA.</li> <li data-bbox="862 1052 1419 1144">• recomputed the Unearned Premium Reserve and Deferred Acquisition Costs using the 365th method.</li> <li data-bbox="862 1171 1419 1350">• evaluated the identification and measurement of the loss component relating to onerous contracts within the Liability for Remaining Coverage and assessed whether it was reasonable and consistent with the requirements of IFRS 17.</li> <li data-bbox="862 1377 1419 1650">• Evaluated the reasonableness of the cash flow assumptions used in making the best estimate Liability of Incurred claims by checking the appropriateness of the cash flows used, checking related contract boundaries, assessing managements use of historical and local market data in estimating ultimate claims from which Incurred But Not Reported claims (IBNR) was derived.</li> <li data-bbox="862 1682 1419 1829">• reviewed the basis of the discount rates applied and assessed whether these were determined in accordance with generally accepted actuarial techniques and consistent with current industry practice.</li> </ul>

	<ul style="list-style-type: none"><li>• assessed the reasonableness of the risk adjustment methodology by benchmarking it against industry averages and prevailing actuarial practices.</li><li>• recomputed the discounted Best Estimate Liability to assess the adequacy of the liability for incurred claims.</li></ul> <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, Statement of directors' responsibilities, Statement of directors' corporate responsibility, Audit committee report, Management's Annual Assessment of, and Report on Heirs General Insurance Limited's Internal control over financial reporting, Chief Executive Officer's certification of management's assessment on internal control over financial reporting, Chief Financial Officer's certification of management's assessment on internal control over financial reporting, Certification by company secretary, Value added statement and 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.

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### 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.

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### 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 profit or loss and other comprehensive income are in agreement with the books of account.

In accordance with the requirements of the Financial Reporting Council of Nigeria, we performed a limited assurance engagement and reported on management's assessment of Heirs General Insurance 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 report in our report dated 18 March 2026.

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Obioma Ubah

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

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



18 March 2026

# HEIRS GENERAL INSURANCE LIMITED

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

### STATEMENT OF MATERIAL ACCOUNTING POLICY

#### 1. General information

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

The financial statements of the Company for the year ended 31 December 2025 were authorised for issue by the directors of the Heirs General Insurance Limited on 05 March 2026.

#### 2. Basis of Preparation

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

##### 2.1.1 Functional and presentation currency

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

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

##### 2.1.3 Going Concern

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

#### 2.2 Use of estimates and Judgments

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

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

Information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are described in Note 3.22.

# HEIRS GENERAL INSURANCE LIMITED

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

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#### 2.3 Regulatory authority and financial reporting

The Company is regulated by the National Insurance Commission of Nigeria (NAICOM) under the Nigeria Insurance Industry Reform Act (NIIRA) 2025 and extant provisions. The Act specifies certain provisions which have impact on

I. Section 21 (1a) provides that provisions for unexpired risks shall be calculated on a basis to be determined by the commission , time apportionment basis of the risks accepted in the year has been prescribed for 2025;

II. Section 21 (1c) 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) of the extant laws require maintenance of contingency reserves for general and life businesses respectively at specified rates as set out under statement of changes in equity to cover fluctuations in securities and variation in statistical estimates;

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

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

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

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

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

Unavailability of adequate and credible data hindered the projection of claims using standard actuarial approaches. As such, we adopted the loss ratio approach in deretermining the IBNR reserves as at the current valuation date.

#### 2.4 Contingency reserves

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

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

#### 2.5 Reporting period

The statement of financial position has been prepared as at 31 December 2025 for a twelve months period.

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**STATEMENT OF MATERIAL ACCOUNTING POLICY**

**2.6 Foreign currency translation**

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

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

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

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

**2.7 Changes in Accounting Policies**

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

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

**2.7.1 New standards that were effective during the year 1 January 2025**

A number of standards, interpretations and amendments are effective for annual period beginning on or after 1 January 2025 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:

v	Title	Key requirements	Effective date
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Amendments to IAS 21 - Lack of Exchangeability	In August 2023, the IASB amended IAS 21 to add requirements to help entities to determine whether a currency is exchangeable into another currency, and the spot exchange rate to use when it is not. Prior to these amendments, IAS 21 set out the exchange rate to use when exchangeability is temporarily lacking, but not what to do when lack of exchangeability is not temporary.	1-Jan-25
Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7	<p>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:</p> <p>(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;</p> <p>(b) clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;</p> <p>(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</p> <p>(d) update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI).</p> <p>The amendments in (b) are most relevant to financial institutions, but the amendments in (a), (c) and (d) are relevant to all entities.</p>	1-Jan-26
IFRS 18, 'Presentation and Disclosure in Financial Statements'	<p>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.</p> <p>The key new concepts introduced in IFRS 18 relate to:</p> <ul style="list-style-type: none"> <li>• the structure of the statement of profit or loss with defined subtotals;</li> <li>• requirement to determine the most useful structure summary for presenting expenses in the statement of profit or loss</li> <li>• 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</li> <li>• enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general</li> </ul>	1-Jan-27
IFRS 19, 'Subsidiaries without Public Accountability: Disclosures	<p>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.</p> <p>A subsidiary is eligible if:</p> <ul style="list-style-type: none"> <li>• it does not have public accountability; and</li> <li>• it has an ultimate or intermediate parent that produces consolidated financial statements available for public use that comply with IFRS Accounting Standards.</li> </ul>	1 January 2027

**3. Material Accounting Policies**

**3.0 Principal Accounting Policies**

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

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

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**3.1.1 Summary of measurement model**

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

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

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

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

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

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

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

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

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

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### **3.1.2. Definition and classification**

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

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

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

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

- the contractual terms specify that the policyholder participates in a share of a clearly identified pool of underlying items;
- the Company expects to pay to the policyholder an amount equal to a substantial share of the fair value returns from the underlying items; and
- a substantial proportion of the cash flows that the Company expects to pay to the policyholder should be expected to vary with the cash flows from the underlying items.

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

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

### **3.1.3 Separating components from insurance and reinsurance contracts**

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

### **3.1.4 Level of aggregation**

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

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

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

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

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In determining the appropriate group, the Company measures a set of contracts together using reasonable and supportable information. The Company applies significant judgement in determining at what level of granularity the Company has sufficient information to conclude that all contracts within a set will be in the same group. In the absence of such information the Company assesses each contract individually. The Company determines the appropriate level at which reasonable and supportable information is available to assess whether the contracts are onerous at initial recognition and whether the contracts not onerous at initial recognition have a significant possibility of becoming onerous subsequently.

All groups include only contracts issued within a 12-month period. The composition of groups established at initial recognition is not subsequently reassessed.

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

If the facts and circumstances indicate that some contracts are onerous, the Company performs an additional assessment to determine whether some contracts are onerous. In making the assessment, the Company uses information about estimates provided by its internal reporting.

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

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

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

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

**3.1.5 Recognition**

The Company recognizes groups of insurance contracts issued from the earliest of the following dates:

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

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

However, to avoid such overlapping, the Company has aligned its cohort definition to the financial year.

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

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**3.1.6. Contract boundaries**

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.

**3.1.7 Measurement of insurance contracts issued**

**3.1.7.1 Insurance contracts under the premium allocation approach (PAA)**

The Company applied the PAA measurement to all groups of insurance contracts with a coverage period of one year or less.

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

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

- i) Premiums received, if any, at initial recognition
- ii) Minus any insurance acquisition cash flows at the same date
- iii) Plus or minus any amount arising from the derecognition at that date of the asset or liability recognized for insurance acquisition cash flows applying IFRS 17 Para 27.

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

- i) Plus the premiums received in the period;
- ii) Minus insurance acquisition cash flows; unless the entity chooses to recognise the payments as an expense applying IFRS 17 Para 59(a);
- iii) Plus any amounts relating to the amortization of insurance acquisition cash flows recognised as an expense in the reporting period; unless the entity chooses to recognise insurance acquisition cash flows as an expense applying IFRS 17 Para 59(a);
- iv) Plus any adjustment to a financing component, applying IFRS 17 Para 56;
- v) Minus the amount recognised as insurance revenue for coverage provided in that period (see IFRS 17 Para B126); and
- vi) Minus any investment component paid or transferred to the liability for incurred claims.

The carrying amount of the liability for remaining coverage at the end of each subsequent reporting period represents the carrying amount at the start of the reporting period adjusted for the following:

- (i) the premiums received in the period and the amount recognised as insurance revenue for insurance contract services provided in that period; and
- (ii) any adjustment to a financing component and any investment component paid or transferred to the liability for incurred claims.

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

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

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

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

#### **3.1.7.2 Onerous Contracts**

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

Contracts expected on initial recognition to be loss-making are grouped together and such groups are measured and presented separately. Once contracts are allocated to a group, they are not re-allocated to another group, unless they are substantively modified.

#### **3.1.8 Reinsurance contracts held**

##### **3.1.8.1 Recognition**

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

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

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

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

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

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

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

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#### 3.1.8.2 Reinsurance contracts held measured under the PAA

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

#### 3.1.9 Presentation

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

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

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

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

#### 3.1.9.1 Insurance revenue

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

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

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

#### Expense Allocation

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

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

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

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

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

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

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

### **3.1.9.2 Insurance service expense**

Insurance service expenses arising from insurance contracts issued are recognized in the profit or loss generally as they are incurred. The company's insurance expenses comprises:

- Incurred claims and other insurance service expenses Changes in the LIC related to claims and expenses incurred in the period excluding repayment of investment components.(if any)
- Other directly attributable insurance service expenses incurred in the period.
- Amortisation of insurance acquisition cash flows, which is recognized at the same amount in both insurance service expenses and insurance contract revenue.
- Loss component of onerous groups of contracts initially recognized in the period

### **3.1.9.3 Net expenses from reinsurance contracts held.**

HGI presents income or expenses from a group of reinsurance contracts held and reinsurance finance income or expenses in profit or loss for the period separately. Income or expenses from reinsurance contracts held are split into the following two amounts:

- Amount recovered from reinsurers.
- An allocation of the premiums paid.

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

HGI establishes a loss recovery component of the asset for the remaining coverage for a group of reinsurance contracts held. This depicts the recovery of losses recognised on the initial recognition of an onerous group of underlying insurance contracts or on addition of onerous underlying insurance contracts to a group. The loss recovery component is then adjusted to reflect:

- Reversals of loss recovery component to the extent those reversals are not changes in the fulfilment cash flows of the group of reinsurance contracts held.
- Allocations of the loss recovery component against the amounts recovered from reinsurers reported in line with the associated reinsured incurred claims or expenses. allocated to profit or loss.

### **3.1.9.4 Insurance finance income and expenses**

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

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### **3.1.9.5 The use of OCI presentation for insurance finance income**

The Company has an accounting policy choice to either present all of the period's insurance finance income or expenses in profit or loss or to split the amount between profit or loss and other comprehensive income (OCI). In considering the choice of presentation of insurance finance income or expenses, The Company has chosen to include the entire change in risk adjustment as part of the insurance service result and not disaggregate the change in risk adjustment between the insurance service result and insurance finance income or expense in consistence with the provision of IFRS 17 Para 81.

The Company will not apply the OCI option and the choice is made at the level of portfolio of insurance contracts and would be applied consistently for every group of contracts within each portfolio.

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**3.2 Cash and cash equivalents**

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

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

**3.3 Financial assets and liabilities**

**3.3.1 Classification**

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

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

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

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

**3.3.2 Initial recognition**

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

**a. Business Model Assessment**

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

**b. Solely payments of principal and interest**

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

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

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**3.3.3 Subsequent measurement**

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

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

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

**b. Financial assets at amortized cost**

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

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

**3.3.4 Trade receivables**

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

**3.3.5 Loans and receivables**

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

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

Loans granted at below market rates are fair valued by reference to expected future cash flows and current market interest rates for instruments in a

comparable or similar risk class and the difference between the historical cost and fair value is accounted for as employee benefits under staff costs. Interest on loans and receivables are included in profit or loss and reported as other operating income. When the asset is impaired, they are carried on the statement of financial position as a deduction from the carrying amount of the loans and receivables and recognized in the statement of profit or loss as impairment losses.

**3.3.6 Fair value measurement**

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

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

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

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

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

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

#### **3.3.7 De-recognition of financial instruments**

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

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

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

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

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

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

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

#### **3.3.8 Impairment of assets**

##### **a. Financial assets carried at amortized cost**

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

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

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

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

**b. Trade receivables**

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

**c. Loans and receivables**

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

**d. Impairment of non-financial assets**

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

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

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

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

**3.3.9 Offsetting financial instruments**

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

**3.4 Other receivables and prepayments**

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

**3.5 Intangible assets**

**3.5.1 Software**

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

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

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

Capital work in progress is not depreciated. Capital work in progress relates to capital expenditure on IT not read for use. Upon completion it is transferred to intangible asset category.

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

**3.5.2 Property, plant and equipment**

**3.5.2.1 Recognition & measurement**

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

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

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

**3.5.2.2 Subsequent costs**

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

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**3.5.2.3 Subsequent measurement**

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

**Land and Building :**

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

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

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

**3.5.2.4 Depreciation**

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

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

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

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

The estimated useful life for the assets as follows

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

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

**3.5.2.5 De-recognition**

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

**3.6 Statutory deposit**

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

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**3.7 Trade and other payables**

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

**3.8 Provisions**

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

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

**3.9 Share capital & reserves**

**3.9.1 Share capital.**

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

**3.9.2 Dividend on ordinary shares**

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

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

**3.10 Contingency reserves/ Asset revaluation reserve**

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

**3.11 Fair value reserve**

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

**3.12 Earnings per share**

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

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

**3.13 Contingent liabilities**

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

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. Contingent assets are never recognized but are disclosed in the financial statement when they arise

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**3.14. Investment and other operating income**

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

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

**3.15 Dividend income**

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

**3.16 Management and other operating expenses**

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

**3.17 Hypothecation of Assets**

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

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

**3.18 Segment reporting**

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

**3.19 Leases**

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

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

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

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

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**3.20 Employee Benefit**

**Short-term benefits**

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

**Defined Contribution Plan:**

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

**Termination benefits**

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

**Post Employment Benefit :**

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

**3.21 Income tax**

**a. Current tax**

Current tax represents the expected tax payable or recoverable on the taxable profit or loss for the year, including adjustments relating to prior years. It is measured using tax rates enacted or substantively enacted at the reporting date.

In accordance with the amended Companies Income Tax Act (CITA) for prior year and the new Nigeria Tax act (NTA) 2025 and 2026 Finance Act provisions, current tax comprises:

Company Income Tax (CIT) on taxable profits;  
Development levy and  
Minimum tax, where applicable.

The total tax payable is the higher of CIT computed on taxable profit and minimum tax as prescribed by law. Taxes based on taxable profit are accounted for in line with IAS 12.

**b Minimum tax**

The Nigeria Tax Act 2025 introduces a minimum tax in the form of a 15% minimum effective tax rate (ETR) for large multinational with revenue above N20billion whereby a top tax is required to be paid if affected entity paid less than the ETR of 15%.

**c. Deferred taxation**

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

The principal temporary differences arise from depreciation of property and equipment, revaluation of certain financial assets and liabilities and provisions for pensions and other post-retirement benefits. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction.

The tax effects of carry-forwards of unused losses, unused tax credits and other deferred tax assets are recognised when it is probable that future taxable profit will be available against which these losses and other temporary differences can be utilised.

The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of the asset or liability and is not discounted. 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.

The current tax charge has been computed at the applicable rate of 30% (31 December 2024: 30%) plus development levy of 4% (31 December 2024: Education Tax of 3%) on the profit for the year after adjusting for certain items of expenditure and income which are not deductible or chargeable for tax purposes. Non-deductible expenses include items such as depreciation which are not allowed as a deduction by the tax authorities.

**Deferred tax**

Deferred income taxes are calculated on all temporary differences under the liability method using an effective tax rate of 30% or 34% (2024: 30% or 33%), depending on the rate at which the deferred income tax asset will be realised or the deferred income tax liability will be settled.

**d. Taxes on Dividends**

Additional income taxes arising from the distribution of dividends are recognized at the same time as the liability to pay the related dividend is recognised, in accordance with applicable Nigerian tax legislation.

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**3.22 Critical Accounting Judgement**

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. Changes in assumptions may have a significant impact on the financial statements in the period the assumptions change. The Management believe that the underlying assumptions are appropriate and that the Company's financial statements therefore present the financial position and results fairly.

Management makes estimates and assumptions that affect the reported amounts of assets and liabilities. The underlying judgments of the selection and disclosure of the Company's critical accounting policies and estimates, and the application of these policies and estimates are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

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

**3.22.1 Assessment of significance of insurance risk**

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

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

**3.22.2 Combination of insurance contracts:**

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

**3.22.3 Separation of non-insurance components from insurance contracts:**

If the Company issues some insurance contracts that have several elements in addition to the provision of the insurance coverage service, such as other goods or services. Some of these elements will need to be separated and accounted for by applying other Standards, while other elements remain within the insurance measurement model. In assessing whether components meet the separation criteria and should be separated, the Company applies significant judgement. However, the Company currently does not have non-insurance components that require separation.

**3.22.4 Determination of the contract boundary**

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

the Company considers contractual, legal and regulatory restrictions when making its assessment and applies judgement to decide whether these restrictions have commercial substance. See Note 1.G for more details

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

**Liability for Remaining Coverage**

The Liability for Remaining Coverage is determined by management as the unearned portion of written premiums, adjusted for Deferred Acquisition Costs. Significant judgement is applied in assessing whether insurance contracts are onerous at the reporting date, which requires consideration of expected future claims, expenses, and other fulfilment cash flows. Where such assessments indicate that the expected costs exceed the unearned premiums, a loss component is recognised immediately in profit or loss

## **STATEMENT OF MATERIAL ACCOUNTING POLICY**

### **3.22.5 Identification of portfolios**

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

### **3.22.6 Level of aggregation:**

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

### **3.22.7 Expected credit loss on financial assets**

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

### **3.22.8 Recognition of deferred tax**

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

### **3.22.9 Determining the lease term - IFRS 16**

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

The following factors are the most relevant:

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

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

## **3.23 Key sources of estimation uncertainty**

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

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

- Future cash flows
- Discount rates
- Risk adjustment for non-financial risk
- Allocation of expenses into attributable and non attributable

### **3.23.1 Actuarial valuation of insurance contracts liabilities**

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

### **3.23.2 Sensitivity Analysis of carrying amounts to changes in assumptions**

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

**HEIRS GENERAL INSURANCE LIMITED**  
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**STATEMENT OF MATERIAL ACCOUNTING POLICY**

<b>31-Dec-25</b> <b>In thousands of naira</b>	<b>Profit or loss</b> □			<b>Equity</b> □	
	<b>Gross</b>	<b>Net</b>		<b>Gross</b>	<b>Net</b>
Ultimate claims (5% increase)	(600,304)	(600,304)	-	(600,304)	(600,304)
Ultimate claims (5% decrease)	600,304	600,304		600,304	600,304

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

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

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

**3.23.3 Estimate relating to discounting**

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

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

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

**31-Dec-25**

	<b>1 year</b>	<b>2 years</b>	<b>3 years</b>	<b>4 years</b>	<b>5 years</b>
Aviation	6%	8%	12%	30%	20%
Bond	12%	16%	16%	11%	15%
Engineering	14%	11%	13%	21%	18%
General Accident	12%	22%	17%	26%	18%
Fire	13%	11%	19%	27%	19%
Motor	12%	19%	16%	28%	18%
Marine	13%	17%	14%	-9%	18%
Oil and Gas	15%	12%	13%	35%	14%

**HEIRS GENERAL INSURANCE LIMITED**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025**

**STATEMENT OF MATERIAL ACCOUNTING POLICY**

**31-Dec-24**

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

**3.23.4 Estimate relating to Risk Adjustment**

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

- The mark model could not be adopted due to the limited historical claims data.
  - Pfad is not appropriate for a general business.
  - The Company does not have an economic Capital computation that could have been opted for the cost of capital.
- Going forward the Company will calibrate for risk adjustment as appropriate (as enough data is been gathered). Also, the statutory Actuary will support HGI to determine the best approach.

# HEIRS GENERAL INSURANCE LIMITED

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

### STATEMENT OF FINANCIAL POSITION

	NOTES	31 December 2025 N'000	31 December 2024 N'000
<b>ASSETS</b>			
Cash and Cash Equivalents	7	4,283,310	3,750,181
Financial Assets - FVTPL	8	11,464,927	8,438,278
Financial Assets - Amortised Cost	9	4,036,516	6,324,603
Trade receivables	10	1,247,271	1,076,250
Reinsurance Contract Assets	11	6,509,523	3,729,761
Other Receivables & Prepayments	12	3,461,107	719,613
Right of Use Asset	13	783,429	913,840
Intangible Assets	16	150,538	207,301
Property, Plant and Equipment	15	591,624	623,119
Statutory Deposit	14	1,000,000	1,000,000
<b>Total Assets</b>		<b>33,528,245</b>	<b>26,782,946</b>
<b>LIABILITIES</b>			
Insurance Contract Liabilities	17b(ii)	13,782,846	8,373,145
Other technical liabilities	18	420,551	70,191
Provision & Other Payables	19	456,549	353,277
Lease Liability	20	654,185	797,418
Income Tax Payable	21	368,502	346,512
Deferred Tax Liability	21b	-	585,666
<b>Total Liabilities</b>		<b>15,682,633</b>	<b>10,526,209</b>
<b>EQUITY</b>			
Ordinary Share Capital	22	10,000,000	10,000,000
Contingency Reserve	23	2,425,787	1,628,073
Retained Earnings (General Reserve)	24	5,419,825	4,628,664
<b>Total Equity</b>		<b>17,845,612</b>	<b>16,256,737</b>
<b>TOTAL EQUITY &amp; LIABILITIES</b>		<b>33,528,245</b>	<b>26,782,946</b>

These financial statements were authorised for issue by the board of directors on 05 March 2026 and were signed on its behalf by :

**Tony Elumelu**  
Chairman  
FRC/2013/CIBN/00000002590

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

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

**HEIRS GENERAL INSURANCE LIMITED**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025**

Statement of profit or loss and Other Comprehensive Income	Note	31 December 2025	31 December 2024
		₹'000	₹'000
Insurance Revenue	25	23,917,942	14,324,901
Insurance service expenses	26a&b	(19,837,603)	(11,766,161)
Net expenses from reinsurance contract held	27	(4,011,634)	(2,116,200)
<b>Insurance service result</b>		<b>68,705</b>	<b>442,540</b>
Interest revenue calculated using the effective interest method	31	1,206,372	1,425,598
Net fair value gain/(losses) on financial assets at FVTPL	32	1,916,091	336,136
Net credit impairment losses	34	(14,980)	(14,375)
Net foreign exchange gain/(losses)	33a	(617,534)	3,981,416
<b>Net Investment Income</b>		<b>2,489,949</b>	<b>5,728,775</b>
Net finance expenses from insurance contracts issued	28	(481,158)	(519,268)
Net finance income from reinsurance contracts held	28	648,603	422,228
<b>Net insurance finance expenses</b>		<b>167,445</b>	<b>(97,040)</b>
<b>Net Insurance and Investment Result</b>		<b>2,726,099</b>	<b>6,074,275</b>
Other Income	33b	26,583	5,304
Other operating expenses (Non attributable)	30a	(1,678,238)	(1,179,400)
<b>Profit before Tax</b>		<b>1,074,444</b>	<b>4,900,179</b>
Income Tax Expense	21	514,431	(673,921)
<b>Profit for the Year</b>		<b>1,588,875</b>	<b>4,226,258</b>
<b>Other comprehensive income / (expense)</b>		-	-
<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		-	-
Tax		-	-
<b>Other comprehensive income for the year net of tax</b>		-	-
<b>Total comprehensive income for the year</b>		<b>1,588,875</b>	<b>4,226,258</b>

**HEIRS GENERAL INSURANCE LIMITED**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025**

**STATEMENT OF CHANGES IN EQUITY**

<b>31 December 2025</b>				
	<i>Share Capital</i>	<i>Contingency Reserve</i>	<i>Retained Earning</i>	<i>Total</i>
	<i>N'000</i>	<i>N'000</i>	<i>N'000</i>	<i>N'000</i>
Balance at 1 January 2025	10,000,000	1,628,073	4,628,664	16,256,737
Capital injection during the period	22 -	-	-	-
<b>Total Comprehensive Income:</b>				
Profit for the period	24 -	-	1,588,875	1,588,875
Movement in contingency reserve	24 -	797,714	(797,714)	-
Balance as at 31 December 2025	10,000,000	2,425,787	5,419,825	17,845,612

**STATEMENT OF CHANGES IN EQUITY**

<b>31 December 2024</b>				
	<i>Share Capital</i>	<i>Contingency Reserve</i>	<i>Retained Earning</i>	<i>Total</i>
	<i>N'000</i>	<i>N'000</i>	<i>N'000</i>	<i>N'000</i>
Balance at 1 January 2024	10,000,000	782,821	1,247,658	<b>12,030,479</b>
Capital injection during the period	38 -	-	-	-
Total Comprehensive Income:	22			
Profit for the period	-	-	4,226,258.10	<b>4,226,258</b>
<b>Other Comprehensive Income, net of tax:</b>	-	-	-	-
Movement in contingency reserve	24 -	845,252.00	(845,252.00)	-
<b>Balance as at 31 December 2024</b>	<b>24 10,000,000</b>	<b>1,628,073</b>	<b>4,628,664</b>	<b>16,256,737</b>

**HEIRS GENERAL INSURANCE LIMITED**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025**

**STATEMENT OF CASH FLOWS**

	Note	31 December 2025 N'000	31 December 2024 N'000
<b>Cash flows from operating activities:</b>			
Premium received from policyholders	10b	26,313,618	16,581,509
Re-insurance premium paid	11a	(8,924,515)	(4,331,752)
Commission and other acquisition Expenses paid	17a	(7,516,685)	(4,031,220)
Advanced premium received	18	420,551	70,191
Prepaid reinsurance	11	(290,750)	(27,969)
Claims	17a	(5,039,720)	(4,108,218)
Claims recovery received	11a	3,145,583	676,874
Tax paid	21a	(49,246)	(25,339)
Non attributable Payment to employees		(423,027)	(755,232)
Non attributable Other operating expenses cash payments		(525,116)	(1,576,685)
Directly attributable expenses paid		(5,025,403)	(3,538,199)
Repayment of staff loans	12b	212,182	147,474
<b>Net cash outflow used in operating activities</b>		<b>2,297,472</b>	<b>(918,566)</b>
<b>Cash flows from investing activities:</b>			
Interest received	9b	243,941	1,132,990
Dividend received	31	22,251	
Acquisition of property,plant and equipment	15	(220,999)	(358,875)
Acquisition of intangible assets	15	(40,358)	(7,575)
Proceed from the sale of property and equipment	15	150	25,500
Deposit for shares		(2,500,000)	-
Purchases of investment securities	9b	(20,067,884)	(29,441,641)
Maturities of investment securities	9b	21,101,535	31,171,521
<b>Net cashflow from investing activities</b>		<b>(1,461,363)</b>	<b>2,521,919</b>
<b>Cash flows from financing activities</b>			
Payment for leased property	20	(278,742)	(186,614)
<b>Net cashflow from financing activities</b>		<b>(278,742)</b>	<b>(186,614)</b>
<b>Cash and cash equivalent, beginning of year</b>		<b>3,750,181</b>	<b>1,469,395</b>
Net increase in cash and cash equivalent		557,367	1,416,740
Effect of foreign exchange on cash and cash equivalent	33	(12,972)	864,047
<b>Cash and cash equivalent, end of year</b>	7	<b>4,294,575</b>	<b>3,750,181</b>

**NOTES TO THE FINANCIAL STATEMENTS**

**4 Financial risk management**

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

**4.1 Responsibility for risk management**

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

- (i) The ERM provides executive oversight and review of the information presented by the Chief Compliance Officer.
- (ii) The Chief Executive Officer is accountable to the board for the management of risks facing the Company and is supported in the management of these risks by business unit executives and line management.
- (iii) The Risk Officer acts on behalf of the board and the board ERM & GC to provide guidance and oversight over the implementation of risk management processes in specialized risk disciplines as well as to coordinate risk reporting at corporate level.
- (iv) The asset managers provide specialized guidance to the board ERM & GC in respect of all investment strategies and the optimization of investment returns and the management of related risks.
- (v) The asset managers execute all investment related decisions in accordance with fund mandates and oversight from the board ERM & GC and the custodianship of all investments vests in nominee accounts managed by assets custodian.

**4.2 Credit risk**

Credit risk is the risk that one party to a financial instrument may cause the other party financial loss by failing to perform an obligation. The Company accepts credit risk, which is the risk that one party may create a financial loss to the other party by failing to fulfill an agreement. There is no major concentration of credit risk in the Company. All debt investments are public debt investments made in conformity with the Company's goal."

For credit risk that arises from contracts within the scope of IFRS 17, an entity shall disclose:

- (a) the amount that best represents its maximum exposure to credit risk at the end of the reporting period, separately for insurance contracts issued and reinsurance contracts held; and
- (b) information about the credit quality of reinsurance contracts held that are assets.

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

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

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

	<b>31-Dec-25</b>	<b>31-Dec-24</b>
	<b>N'000</b>	<b>N'000</b>
Cash and Cash Equivalents	4,294,575	3,750,181
Financial Assets - FVTPL	11,464,927	8,438,278
Financial Assets - Amortized Cost	4,059,225	6,324,603
Trade Receivables	1,247,271	1,076,250
Reinsurance Assets	6,509,523	3,729,761
Other Receivables	2,713,235	257,364
Statutory Deposits with CBN	1,000,000	1,000,000
	<b>31,288,756</b>	<b>24,576,437</b>

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

**HEIRS GENERAL INSURANCE LIMITED**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025**

**NOTES TO THE FINANCIAL STATEMENTS**

**Concentration of risks of financial assets with credit risk exposure**

**(a) Geographical sectors**

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

**(b) Industry sectors**

The Company is exposed to various industries as shown below:

	31-Dec-25		
	Financial institution	Others	Total
	N'000	N'000	N'000
Cash and Cash Equivalents	4,294,575	-	4,294,575
Financial Assets - FVTPL*	11,464,927	-	11,464,927
Financial Assets - Amortized Cost	4,059,225	-	4,059,225
Trade Receivables	-	1,247,271	1,247,271
Reinsurance Assets	-	6,509,523	6,509,523
Other Receivables	-	2,713,235	2,713,235
Statutory Deposits with CBN	1,000,000	-	1,000,000
<b>Total</b>	<b>20,818,727</b>	<b>10,470,029</b>	<b>31,288,756</b>

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

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

\* Not subject to impairment

**Credit quality of financial assets**

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

	31-Dec-25				
	AA- to A+	B- to BBB+	C- to CCC+	Unrated	Total
	N'000	N'000	N'000	N'000	N'000
Cash and Cash Equivalents	4,243,862	49,206	1,507	-	4,294,575
Financial Assets - FVTPL*	7,788,841	3,676,086	-	-	11,464,927
Financial Assets - Amortized Cost	-	4,059,225	-	-	4,059,225
Trade Receivables	-	-	-	1,247,271	1,247,271
Reinsurance Assets	-	-	-	6,509,523	6,509,523
Other Receivables	-	-	-	2,713,235	2,713,235
Statutory Deposits with CBN	-	1,000,000	-	-	1,000,000
<b>Total</b>	<b>12,032,703</b>	<b>8,784,517</b>	<b>1,507</b>	<b>10,470,029</b>	<b>31,288,757</b>

**HEIRS GENERAL INSURANCE LIMITED**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025**

**NOTES TO THE FINANCIAL STATEMENTS**

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

**Credit quality of financial assets neither past due nor impaired**

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

Internal credit rating system

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

**Management of credit risk**

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

**Credit Risk Measurement**

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

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

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

**NOTES TO THE FINANCIAL STATEMENTS**

**4.3 Insurance risk**

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

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

**4.3.1 Underwriting risk**

Underwriting is the process by which an insurer appraises a risk being presented by the proposer and decides whether or not to accept the risk and the consideration (premium) to receive. Weaknesses in the systems and controls surrounding the underwriting process can expose an insurer to the risk of unexpected losses which may threaten the capital adequacy of the insurer. Heirs General Insurance underwriting process is subjected to periodic risk assessment reviews by enterprise risk management, internal audit and a peer review process to ensure its continued effectiveness.

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

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

**4.3.1.1 Underwriting Process Risk:**

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

**4.3.1.2 Mispricing Risk:**

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

**4.3.1.3 Individual risk:**

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

**4.3.1.4 Claims Risk (for each peril):**

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

**4.3.1.5 Concentration risk (including geographical risk):**

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

#### **4.4 Credit risk**

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

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

Other areas where the Company is exposed to credit risk are:

- amounts due from reinsurers for the insurance risks ceded;
- amounts due from insurance intermediaries.
- amounts of deposits held in banks and correspondent accounts

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

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

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

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

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

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

**"No premium no cover policy"**

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

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

**Concentration of credit risk**

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

#### **4.4 Liquidity risk**

Liquidity risk is the risk that the firm will not have the financial resources to satisfy its commitments when they come due, or that it will have to meet the obligations at an exorbitant cost. This risk might be caused by misalignments in the timing of cash flows. In severe cases, a shortage of liquidity may result in decreases in the statement of financial position and asset sales, as well as an inability to meet policyholder promises. The risk that the Company will be unable to do so is inherent in all insurance operations and can be influenced by a variety of institution-specific and market-wide events such as credit events, merger and acquisition activity, systemic shocks, and natural catastrophes, among others.

For liquidity risk arising from contracts within the scope of IFRS 17, an entity shall disclose:

- (a) a description of how it manages the liquidity risk.
- (b) separate maturity analyses for portfolios of insurance contracts issued that are liabilities and portfolios of reinsurance contracts held that are liabilities that show, as a minimum, net cash flows of the portfolios for each of the first five years after the reporting date and in aggregate beyond the first five years. An entity is not required to include in these analyses liabilities for remaining coverage measured applying paragraphs 55–59 and paragraphs 69–70A. The analyses may take the form of:
  - (i) an analysis, by estimated timing, of the remaining contractual undiscounted net cash flows; or
  - (ii) an analysis, by estimated timing, of the estimates of the present value of the future cash flows.
- (c) the amounts that are payable on demand, explaining the relationship between such amounts and the carrying amount of the related portfolios of contracts, if not disclosed applying (b) of this paragraph.

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

#### **Liquidity risk**

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

#### **Sources of Liquidity Risk**

Our liquidity risk exposure depends on the occurrence of other risks. Some of the factors that could lead to liquidity risks are:

- Reputational loss or rating downgrade, leading to inability to generate funds;
- Failure of insurance brokers and clients to meet their premium payment obligation as and when due;
- Lack of timely communication between Finance & Investment Division and Claims Department resulting in mismatch of funds;
- Investment in volatile securities; and
- Frequency and severity of major and catastrophic claims.

#### **Liquidity Risk Management Strategy**

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

#### **Liquidity Risk Appetite/Tolerance**

Our liquidity risk appetite is defined using the following parameters:

- Liquidity gap limits;
- Scenario and Sensitivity Analysis
- Liquidity Ratios such as claims ratio
- Receivable to capital ratio
- Retention rate
- Re-insurance receipts to ceded premium ratio
- Solvency margin
- Maximum exposure for single risk to capital ratio

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**NOTES TO THE FINANCIAL STATEMENTS**

**4.5 Market risks**

The Company is exposed to market risk through the use of financial instruments and specifically to foreign exchange risks and equity price risks.

An entity shall disclose information about sensitivities to changes in risk variables arising from contracts within the scope of IFRS 17. To comply with this requirement, an entity shall disclose:

(a) a sensitivity analysis that shows how profit or loss and equity would have been affected by changes in risk variables that were reasonably possible at the end of the reporting period:

i) for each type of market risk—in a way that explains the relationship between the sensitivities to changes in risk variables arising from insurance contracts and those arising from financial assets held by the entity.

**4.6 Foreign exchange risks**

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

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

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

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

Financial Assets	2025			
	Total N'000	Naira	US Dollar	Euro
Cash and Cash Equivalents	4,294,575	222,017	4,041,884	30,674
Financial Assets - FVTPL*	11,464,927	7,788,786	3,676,141	-
Financial Assets - Amortised Cost	4,059,225	178,425	3,880,800	-
Trade Receivables	1,247,271	1,247,271	-	-
Reinsurance Assets	6,509,523	5,501,943	1,007,580	-
Other Receivables	2,713,235	2,713,235	-	-
Statutory Deposits with CBN	1,000,000	1,000,000	-	-
<b>Total</b>	<b>31,288,757</b>	<b>18,651,678</b>	<b>12,606,404</b>	<b>30,674</b>

**NOTES TO THE FINANCIAL STATEMENTS**

**Financial Liabilities**

Insurance Contract Liabilities	13,782,846	11,184,574	2,598,272	-
Other technical liabilities	420,551	420,551	-	-
Payables	456,549	456,549	-	-
<b>Total</b>	<b>14,659,946</b>	<b>12,061,674</b>	<b>2,598,272</b>	<b>-</b>

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

**Financial Liabilities**

Insurance Contract Liabilities	8,373,145	7,454,196	918,949.00	-
Other technical liabilities	70,191	70,191	-	-
Payables	353,277	353,277	-	-
<b>Total</b>	<b>8,796,613</b>	<b>7,877,664</b>	<b>918,949</b>	<b>-</b>

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**4.7 Interest rate risks**

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

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

	<b>31 December 2025</b>		
	<b>Carrying amount</b>	<b>Fixed Interest</b>	<b>Non-interest</b>
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
Cash and Cash Equivalents	4,294,575	2,395,312	1,899,262
Financial Assets - FVTPL	11,464,927	11,464,927	-
Financial Assets - Amortized Cost	4,059,225	4,059,225	-
Trade Receivables	1,247,271	-	1,247,271
Reinsurance Contract Assets	6,509,523	-	6,509,523
Other Receivables	2,713,235	47,440	2,665,795
Statutory Deposits with CBN	1,000,000	1,000,000	-
<b>Total</b>	<b>31,288,756</b>	<b>18,966,904</b>	<b>12,321,851</b>
<b>Financial Liabilities</b>			
Insurance Contract Liabilities	13,782,846	-	13,782,846
Insurance Contract Liabilities	420,551	-	420,551
Other Payables	456,549	-	456,549
<b>Total</b>	<b>14,659,946</b>	<b>-</b>	<b>14,659,946</b>
<b>Net exposure</b>	<b>16,628,810</b>	<b>18,966,904</b>	<b>(2,338,094)</b>

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

**NOTES TO THE FINANCIAL STATEMENTS**

**5 Capital management**

Heirs General Insurance Limited seeks to optimise the structure and sources of capital to ensure that it consistently maximises returns to the shareholders and policyholders.

The Company's approach to managing capital involves managing assets, liabilities and risks in a coordinated way, assessing shortfalls between reported and required capital level on a regular basis and taking appropriate actions to influence the capital position of the company in the light of changes in economic conditions and risk characteristics. An important aspect of the company's overall capital management process is the setting of target risk adjusted rates of return, which are aligned to performance objectives and ensure that the company is focused on the creation of value for shareholders. The Company's primary source of capital includes its equity shareholders' funds. Heirs Insurance Limited also utilizes adequate and efficient reinsurance arrangements to protect shareholders' funds by reducing the need for further funding following unfavorable events such as catastrophes or large claims through treaty and facultative reinsurance arrangements.

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

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

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

The Company is required to maintain a minimum regulatory capital base of N3 billion by NAICOM as at 31 December 2025. The Company has complied with this requirement as the total capital base was N10 billion as at 31 December 2025. However, the Nigeria Insurance Industry Reform Act (NIIRA) passed in July 2025 and to fully take effect in July 2026 requires the company to have the higher of a minimum regulatory capital (MCR) base of N15bn or risks based capital (RBC) to be prescribed by the Commission, the company has submitted recapitalization plan to NAICOM and the plan indicated that the Company meet the minimum capital requirements of N15bn. NAICOM has also commenced capital verification exercise for the company and the company will meet the MCR by the end of July 2026. The company is also within level 1 (above 200%) with regards to the solvency intervention framework (SCIF) guidelines of NAICOM. The company also proposed to raise its minimum capital to a threshold well above the N15bn within the next three years.

It is a risk-based capital measure that is intended to provide a reasonable confidence level that insurers will be able to meet their existing liabilities. This report indicate that the Company holds sufficient assets over liabilities to absorb any unforeseen circumstances and hence protect its solvency and the interests of the policyholders.

	<b>31-Dec-25</b>	<b>31-Dec-24</b>
	<b>N'000</b>	<b>N'000</b>
Maximum Regulatory Capital	3,000,000	3,000,000
Maximum authorized capital	3,000,000	3,000,000
Paid up share capital	10,000,000	10,000,000

**Regulatory Framework on minimum capital requirement**

The insurance industry regulator measures the financial strength of Non-life Insurers using a Solvency Margin model. The National Insurance Commission (NAICOM) generally expects Non-life insurers to comply with this capital adequacy requirement. Section 24 of the Insurance Act 2003 defines the solvency margin of a Non-life insurer as the difference between the admissible assets and liabilities, and this shall not be less than 15% of the net premium income (gross income less reinsurance premium paid), or the minimum capital base (N3 billion) for Non-life business. While the solvency test largely remain the same, the NIIRA has increased the minimum capital requirement to N15bn with effect from July 2026 and the company is positioned to comply with this new requirements.

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

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

- (i) To maintain an optimal level of capital in the most cost efficient way. This is achieved through balancing the needs of the regulators and the policyholders;
- (ii) To manage the levels of capital across the Company to keep them in line with the long term capital requirements of the Company;
- (iii) To ensure that the level of capital reflects the Company's risk appetite;
- (iv) To optimise the level of capital, the investment of capital and the future use of the capital for the benefits of all stakeholders; and
- (iv) To ensure that there is sufficient capital available for profitable business growth.

**NOTES TO THE FINANCIAL STATEMENTS**

**4.3.2 INSURANCE RISK**

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

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

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

**4.3.2.1 Underwriting Risk**

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

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

- (i) All insurance product additions and alterations are required to pass through the approvals framework that forms part of the governance process. The statutory actuary approves the financial soundness of new and revised products.
- (ii) The Company's underwriting strategy aims to ensure that the underwriting risks are well diversified in terms of type (medical, occupational, financial) and amount of risk covered. Whilst this is difficult to measure at underwriting stage, the success or failure of the strategy may be measured by the historical stability of profits emerging from the book of business.
- (iii) Premium rates are required to be certified by the statutory actuary as being financially sound, prior to issuance.
- (v) The right to re-rate premiums is retained as far as possible, although this is limited by competitive pressure.
- (vi) Investigations into claim experience are conducted at least half yearly to ensure that corrective action is taken where necessary.

**4.3.2.2 Severity of claims**

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

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**4.3.2.3 Concentration risks**

The concentration of insurance risk before and after reinsurance by class of business in relation to the type of insurance risk accepted is summarised below, with reference to the carrying amount of the estimated insurance liabilities (gross and net of reinsurance) arising from insurance contracts:

An entity shall disclose information about concentrations of risk arising from contracts within the scope of IFRS 17, including a description of how the entity determines the concentrations, and a description of the shared characteristic that identifies each concentration (for example, the type of insured event, industry, geographical area, or currency).

Concentrations of financial risk might arise, for example, from interest-rate guarantees that come into effect at the same level for a large number of contracts.

Concentrations of financial risk might also arise from concentrations of nonfinancial risk; for example, if an entity provides product liability protection to pharmaceutical companies and also holds investments in those companies.

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

(a)	By Product	2025			2024		
		Insurance contracts issued	Reinsurance contracts held	Net	Insurance contracts issued	Reinsurance contracts held	Net
		N'000	N'000	N'000	N'000	N'000	N'000
	Aviation	124,172	7,426	116,747	234,801	-	234,801
	Bond	918,409	133,326	785,083	618,463	184,882	433,581
	Engineering	938,951	356,241	582,709	305,275	217,319	87,955
	Fire	2,775,762	1,728,243	1,047,519	1,242,607	678,196	564,411
	General Accident	1,294,929	381,327	913,602	625,779	526,782	98,996
	Motor	2,627,969	855,339	1,772,630	1,784,854	227,178	1,557,675
	Marine	1,451,346	647,497	803,850	693,566	383,757	309,809
	Oil and Gas	3,651,309	2,400,123	1,251,186	2,867,802	1,511,646	1,356,155
		<b>13,782,848</b>	<b>6,509,522</b>	<b>7,273,326</b>	<b>8,373,146</b>	<b>3,729,761</b>	<b>4,643,384</b>

(b)	By Sector	2025			2024		
		Insurance contracts issued	Reinsurance contracts held	Net	Insurance contracts issued	Reinsurance contracts held	Net
	Aviation and Transportation	124,172	7,426	116,747	234,801	-	234,801
	Energy	3,801,309	2,484,116	1,317,193	3,268,000	1,540,587	1,727,412
	Financial Services	2,649,666	1,037,718	1,611,948	1,419,154	563,255	855,899
	IT and Telecoms	2,795,491	1,126,666	1,668,826	1,408,130	635,425	772,705
	Manufacturing	3,242,038	1,329,426	1,912,612	1,533,811	783,153	750,658
	Retail	426,531	127,959	298,572	362,551	108,765	253,786
	Other Corporate Organizations	743,640	396,210	347,430	146,699	98,576	48,123
		<b>13,782,848</b>	<b>6,509,520</b>	<b>7,273,328</b>	<b>8,373,146</b>	<b>3,729,761</b>	<b>4,643,385</b>

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

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

**Reinsurance Agreements**

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

**NOTES TO THE FINANCIAL STATEMENTS**

**4.3.2.5 Valuation methods**

Heirs General Insurance Limited is faced with data limitation being its fifth year in operation, a statistical analysis could not be used in estimation of the claims reserve as at 31 December 2025 (i.e. using such methods as Chain Ladder and Bornhuetter Ferguson). This was mainly because the data provided was not sufficient to carry out full actuarial projection.

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

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

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

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

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

**4.3.2.5.1 Enterprise Risk Management**

**Culture and Philosophy**

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

**4.3.2.5.2 Operational Risk Management**

**(a) Operational risk**

Operational Risk is the risk of loss resulting from inadequate and /or failed internal processes, people and systems or from external events, including legal risk and any other risks that is deemed fit on an ongoing basis but exclude reputation and strategic risk. Operational risk exists in all products and business activities. Operational risk is considered a critical risk faced by the Company.

The company proactively identifies, assesses and manages all operational risks by aligning the people, technology and processes with best risk management practices towards enhancing stakeholders' value and sustaining industry leadership. Operational risks are identified by the assessment covering risks facing each business unit and risks inherent in processes, activities and products.

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

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

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

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

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

# HEIRS GENERAL INSURANCE LIMITED

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

### NOTES TO THE FINANCIAL STATEMENTS

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

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

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

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

Objectives of Insurance Risk:

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

Qualitative judgment takes into account changes to legal/ regulatory environment, business model, products, political and economic environment, processes, systems or internal control system (internal and external factors). Top risks shall also cover emerging risks (forward looking approach)

Top Risk Assessment process includes:

- Analyze a potential list of top risks from research, internal/external loss data, climate change etc.
- Workshop facilitated and organized by the risk function, discussion, documentation of top risk description, evaluations, changes and rationales
- Identification and agreement of actions
- Sign-off by risk owner, Risk Committee, Board
- Tracking of key risk indicators (KRIs) and mitigating actions on quarterly basis

Key Risk Indicators (KRI) – These are quantitative parameters defined for the purpose of monitoring operational risk trends across the company. A comprehensive KRI dashboard is in place and it is supported by specific KRIs for key departments. Medium – High risk trends are reported in the monthly and quarterly operational risk status reports circulated to Management and key stakeholders.

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

#### (b) Strategic risk

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

#### (c) Legal risk

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

**HEIRS GENERAL INSURANCE LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**

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

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

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

**(d) Reputational risk**

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

**(e) Regulatory risk**

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

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

**(f) Persistency risk**

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

**(g) Expense risk**

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

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

**(h) Business Volume Risk**

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

**(i) Capital Adequacy Risk**

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

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

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

**NOTES TO THE FINANCIAL STATEMENTS**

**(j) Model risk**

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

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

- Regular actual versus expected cash flow investigations to assess the appropriateness of the external models; and
- Detailed investigations performed annually to ensure the integrity of the data used in the valuation process.

**Sustainability Report**

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

**The Environmental and Social Management System**

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

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

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

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

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

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

**NOTES TO THE FINANCIAL STATEMENTS**

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

The Internal Control and Risk Management systems comprise the following areas:

- Control Environment
- Risk Assessment
- Control Activities
- Information and Communication
- Monitoring

**Control Environment**

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

Top Management Reviews

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

Activity Control

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

Physical Controls

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

Compliance with Limits

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

Approval and Authorisation Limits

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

Verifications and Reconciliations

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

Whistle Blowing

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

Information and Communication/ Monitoring

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

**HEIRS GENERAL INSURANCE LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**

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

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

**Regulatory Requirements under IFRS Regime**

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

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

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**NOTES TO THE FINANCIAL STATEMENTS**

**6 Maturity analysis (contractual undiscounted cashflow basis)**

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

<b>Undiscounted contractual cash flows- 31-Dec-2025</b>							
	<b>Carrying amount</b>	<b>Gross nominal</b>	<b>0 - 3 months</b>	<b>3 - 6 months</b>	<b>6 - 12 months</b>	<b>1 - 5 years</b>	<b>&gt;5 year</b>
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
Other technical liabilities	420,551	420,551	420,551	-	-	-	-
Other payables and accruals	456,549	456,549	456,549	-	-	-	-
<b>Total financial liabilities</b>	<b>877,099</b>	<b>877,099</b>	<b>877,099</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Cash and cash equivalents	4,283,310	4,294,935	4,294,935	-	-	-	-
Financial assets at amortised cost	4,059,225	4,151,422	791,434	3,349,502	10,486	-	-
Financial assets at fair value through	11,464,927	11,464,927	2,148,429	-	1,972,351	7,344,147	-
Trade receivables	1,247,271	1,247,271	1,247,271	-	-	-	-
Other receivables	2,713,235	2,713,235	2,558,047	3,458	21,585	130,145	-
Statutory deposit	1,000,000	1,000,000	-	-	-	-	1,000,000
<b>Total financial assets</b>	<b>24,767,967</b>	<b>24,871,791</b>	<b>11,040,117</b>	<b>3,352,960</b>	<b>2,004,422</b>	<b>7,474,291</b>	<b>1,000,000</b>
<b>Net financial assets</b>	<b>23,890,868</b>	<b>23,994,692</b>	<b>10,163,018</b>	<b>3,352,960</b>	<b>2,004,422</b>	<b>7,474,291</b>	<b>1,000,000</b>

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

NOTES TO THE FINANCIAL STATEMENTS

	31 December 2025 N'000	31 December 2024 N'000
<b>7 Cash and cash equivalents</b>		
Cash & bank balances - Local	222,017	712,425
Cash & bank balances - Domiciliary	1,677,246	3,037,756
Placements with banks*	2,395,312	-
Provision for expected credit losses (ECL) allowance	(11,265)	-
	<b>4,283,310</b>	<b>3,750,181</b>
<b>Foreign Exchange loss on cash in domicillary account</b>	<b>(12,972)</b>	<b>864,048</b>
<b>7a Cash and cash equivalents</b>		
Current Asset	4,283,310	3,750,181
Non Current	-	-
<b>7b For cashflow purposes, cash and cash equivalents includes:</b>		
Cash & bank balances - Local	222,017	712,425
Cash & bank balances - Domiciliary	1,677,246	3,037,756
Placements with banks*	2,395,312	-
	<b>4,294,575</b>	<b>3,750,181</b>
<b>7b(i)</b> The range of interest on USD and NGN placement within 90 days in the period is was from 5.6% - 7% and 7%- 20% respectively.		
<b>7b(ii)</b> Interest earned on deposits and placmenets within 90 days	<b>259,390</b>	<b>95,379</b>

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**NOTES TO THE FINANCIAL STATEMENTS**

	<b>31 December 2025</b>	<b>31 December 2024</b>
	<b>N'000</b>	<b>N'000</b>
<b>7c</b> <i>Movement in expected credit losses(ECL) on Cash &amp; Cash equivalent</i>		
Opening balance	-	(3,187)
Charge during the period	(11,265)	
Reversal/Write back during the period	-	3,187
Closing balance	<b>(11,265)</b>	<b>-</b>
<b>8 Financial Assets - FVTPL</b>		
<i>Financial Assets carried at fair value through profit or loss (FVTPL)</i>	11,464,927	8,438,278
	<b>11,464,927</b>	<b>8,438,278</b>
<b>8a(i) Financial Assets - FVTPL</b>		
<i>Eurobond (FGN)</i>	3,676,086	835,386
<i>Treasury Bill (FGN)</i>	4,120,780	4,626,765
<i>Equity</i>	3,668,061	2,976,127
	<b>11,464,927</b>	<b>8,438,278</b>
<b>Equity (Quoted)</b>		
<i>UBA</i>	3,580,709	2,921,280
<i>GTBank</i>	87,351	54,896
	<b>3,668,060</b>	<b>2,976,176</b>
<i>Dividen income received from UBA shares</i>	<b>22,251</b>	<b>-</b>
<b>8a(ii)</b> <i>Interest earned on Eurobonds</i>	<b>232,855</b>	<b>31,418</b>
<b>9 Financial Assets - Amortized Cost</b>		
<b>9a (i)</b> <i>Investments carried at amortised cost</i> (see note 9a)	<b>4,059,225</b>	<b>6,343,173</b>
<i>Provision for expected credit losses (ECL) allowance</i> (See note 9a(iii))	(22,709)	(18,570)
	<b>4,036,516</b>	<b>6,324,603</b>
<i>Ecobank</i>	-	2,105,652
<i>FCMB</i>	56,560	293,960
<i>Providus</i>	100,978	106,458
<i>Access Bank</i>	20,450	15,764
<i>UCAP Asset</i>	688,519	2,009,412
<i>UCAP Wealth MGT</i>	3,192,719	1,811,925
	<b>4,036,516</b>	<b>6,324,602</b>
<i>Provision for expected credit losses (ECL) allowance</i>	(22,709)	(18,570)
<i>Closing balance</i>	<b>4,036,517</b>	<b>6,324,602</b>
<i>The range of interest on USD and NGN for Financial Assets carried at Amortised Cost in the period is was from 6.5% - 8.5% and 9% - 20% respectively.</i>		
<i>Interest earned on Finanacial Assets carried at Amortised Cost</i>	<b>480,296</b>	<b>1,034,638</b>
<b>9a (ii)</b> <i>Movement in expected credit losses(ECL) on investment at amortised cost</i>	<b>Stage 1</b>	<b>Stage 1</b>
Opening balance	(18,570)	(2,802)
Charge during the period	(4,139)	(15,768)
Closing balance	<b>(22,709)</b>	<b>(18,570)</b>
<b>9a (iii)</b> <i>Investment at amortised cost below 90 days</i>	-	-
<i>Investment at amortised cost above 90 days</i>	4,036,516	6,324,603
	<b>4,036,516</b>	<b>6,324,603</b>

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**NOTES TO THE FINANCIAL STATEMENTS**

	<b>31 December 2025</b>	<b>31 December 2024</b>
	<b>N'000</b>	<b>N'000</b>
<b>9b</b>		
<b>Movement in Financial Assets during the year</b>		
	<b>FVTPL</b>	<b>Amortised Cost</b>
	<b>N'000</b>	<b>N'000</b>
<b>Movement in Financial Assets</b>		<b>Total</b>
<b>As at 31st December 2025</b>	<b>N'000</b>	<b>N'000</b>
Opening balance	8,438,278	6,324,602
Additions	6,865,669	13,202,215
Accrued Interest	144,456	618,519
Interest received into account	(63,216)	(180,725)
Disposal/Maturities	(5,665,845)	(15,435,690)
Fair value changes	1,916,091	-
Exchange gain	(170,507)	(469,695)
	<b>11,464,927</b>	<b>4,059,225</b>
Provision for ECL allowance		
Opening balance	-	(18,570)
charge for the year	-	(4,139)
Closing balance	<b>11,464,927</b>	<b>4,036,516</b>
		<b>15,524,152</b>
<b>Movement in Financial Assets</b>		
<b>As at 31st December 2024</b>		
Opening balance	11,232,385	330,571
Additions	10,691,432	18,750,209
Accrued Interest	4,928	287,680
Interest received into account	131,880	881,403
Disposal/Maturities	(14,298,283)	(16,873,238)
Fair value changes	336,136	-
Exchange gain	339,800	2,966,547
	<b>8,438,278</b>	<b>6,343,172</b>
Provision for ECL allowance		
Opening balance		(2,802)
charge for the year		(15,768)
Closing balance	<b>8,438,278</b>	<b>6,324,602</b>
		<b>14,762,880</b>
	<b>31 December 2025</b>	<b>31 December 2024</b>
	<b>N'000</b>	<b>N'000</b>
<b>10 Trade receivables</b>		
Due from brokers	1,247,271	1,076,250
Due from insurance companies	-	-
Due from policyholders	-	-
Due from broker for management fees on coninsurance	-	-
<b>Total</b>	<b>1,247,271</b>	<b>1,076,250</b>

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**NOTES TO THE FINANCIAL STATEMENTS**

	31-Dec-25		31 December 2025	31 December 2024
	Policy Count	N'000	N'000	N'000
<b>10b Age analysis of premium receivable</b>			<b>31 December 2024</b>	<b>N'000</b>
Within 14 days	213	230,307	50	250,378
Within 15-30 days	428	1,016,964	340	825,872
Within 31-90 days				
Within 91-180 days				
Above 180 days				
	<b>641</b>	<b>1,247,271</b>	<b>390</b>	<b>1,076,250</b>
<b>10c Movement on premium receivables</b>			<b>31 December 2025</b>	<b>31 December 2024</b>
Opening balance			N'000	N'000
Gross written premium during the year			1,076,250	687,424
Premium deposit received in the previous period			26,590,469	16,968,669
Premium received during the year			(70,191)	(6,003)
			(26,313,618)	(16,581,509)
			1,282,911	1,068,580
Effect of FX on Premium Receivable			(35,640)	7,671
<b>Balance as at 31st December (IFRS17)</b>			<b>1,247,271</b>	<b>1,076,251</b>
Trade receivables represent premium receivable due from brokers which are within 30 days in line with the NAICOM guidelines				
<b>11 Reinsurance contract Assets</b>				
Reinsurance Contract Assets (excluding insurance acquisition cashflows assets and other pre-recognition cash flows)			7,018,839	3,940,967
Reinsurance deferred acquisition income cashflow			(509,316)	(211,206)
Other prerecognition cash flow				
Reinsurance payable				
			<b>6,509,523</b>	<b>3,729,761</b>
<b>11a (i) Analysis of Unearned Commission income for the period</b>				
Balance as at 1 January			211,206	258,105
Reinsurance acquisition cashflow (Commission) during the year			1,963,614	1,101,131
Reinsurance acquisition cashflow (Commission) earned during the year			(1,665,504)	(1,148,030)
			<b>509,316</b>	<b>211,206</b>
<b>11a (ii) Reinsurance contract Assets</b>				
<b>Asset for Remaining Coverage (ARC)</b>				
Excluding loss component			2,088,749	823,480
Loss component			91,839	-
			<b>2,180,588</b>	<b>823,480</b>
<b>Asset for Incurred claims (AIC)</b>				
Estimate of present value of future cash flows			4,083,901	2,741,775
Risk adjustment for non-financial risk			245,034	164,506
			<b>4,328,935</b>	<b>2,906,281</b>
<b>Reinsurance Contract Assets - ARC+AIC</b>			<b>6,509,523</b>	<b>3,729,761</b>

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

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

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

31 December 2025	Asset for Remaining Coverage		Asset for Incurred claims		Total
	Excl. Loss Recovery Component N'000	Loss Recovery Component N'000	Estimates of Present Value of Future Cash Flows N'000	Risk Adjustment for Non-financial risk N'000	
Opening Reinsurance Contract Liabilities	-	-	-	-	-
Opening Reinsurance Contract Assets	823,480	-	2,741,775	164,506	3,729,761
<b>Net opening balance</b>	<b>823,480</b>	<b>-</b>	<b>2,741,775</b>	<b>164,506</b>	<b>3,729,761</b>
<b>Allocation of reinsurance premiums paid</b>	<b>7,599,104</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,599,104</b>
<b>Opening prepaid M&amp;D reinsurance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<i>Amount Recovered from reinsurer</i>					
Recoveries on incurred claims	-	-	6,794,436	232,880	7,027,316
Other incurred reinsurance service expenses	-	-	-	-	-
Changes in expected recoveries on past claims	-	-	(2,995,764)	(214,014)	(3,209,778)
Changes in the loss recovery component	-	91,839	-	-	91,839
<b>Reinsurance Service expenses</b>	<b>-</b>	<b>91,839</b>	<b>3,798,672</b>	<b>18,866</b>	<b>3,909,377</b>
<b>Net expenses from Reinsurance Contracts Held</b>	<b>7,599,104</b>	<b>(91,839)</b>	<b>(3,798,672)</b>	<b>(18,866)</b>	<b>3,689,727</b>
<b>Insurance Finance Income or Expense</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net finance expenses from RCH	-	-	(500,453)	(52,045)	(552,498)
Effect of movements in exchange rates	88,090	-	(174,573)	(9,616)	(96,099)
<b>Total amounts recognised in comprehensive income</b>	<b>7,687,194</b>	<b>(91,839)</b>	<b>(4,473,698)</b>	<b>(80,527)</b>	<b>3,041,129</b>
<b>Cash flows</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Commissions received	-	-	-	-	-
Claims recovered	-	-	(3,145,583)	-	(3,145,583)
Premiums paid	8,924,515	-	-	-	8,924,515
<b>Total cash flows</b>	<b>8,924,515</b>	<b>-</b>	<b>(3,145,583)</b>	<b>-</b>	<b>5,778,932</b>
<b>Outstanding amounts transferred to LIC at end of cover</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Items reported in the SOFP (Non cashflow items)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Transfer within ARC and AIC</b>	<b>91,818</b>	<b>(91,839)</b>	<b>14,011</b>	<b>-</b>	<b>12,990</b>
M&D premium paid in the previous period	27,969	-	-	-	27,969
<b>Net closing balance</b>	<b>2,180,587</b>	<b>91,839</b>	<b>3,909,328</b>	<b>245,034</b>	<b>6,495,533</b>
Closing Reinsurance Contract Liabilities	-	-	-	-	-
Closing Reinsurance Contract Assets	2,088,749	91,839	4,083,901	245,034	6,509,523
<b>Net closing balance</b>	<b>2,088,749</b>	<b>91,839</b>	<b>4,083,901</b>	<b>245,034</b>	<b>6,509,523</b>

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

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

**HEIRS GENERAL INSURANCE LIMITED**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025**

**NOTES TO THE FINANCIAL STATEMENTS**

	<b>31 December 2025 N'000</b>	<b>31 December 2024 N'000</b>
<b>12 Other receivables &amp; prepayments</b>		
Prepayments	401,654	384,839
Staff Loan	157,143	160,826
Shared Service and other receivables	113,521	148,364
Deposit for Equity	2,500,000	
M&D Premium	290,750	27,969
Allowance for impairment on other receivables	(1,961)	(2,385)
	<b>3,461,107</b>	<b>719,613</b>
<b>Prepayment</b>		
Prepaid rent	18,098	13,363
Prepaid IT expenses	184,115	319,982
Health insurance	148,612	51,495
Other Prepaid	50,829	-
<b>Closing balance</b>	<b>401,654</b>	<b>384,840</b>
* Prepayments consist of prepaid rent, prepaid IT expenses and health insurance. IT prepayment of N184,098 relates to annual subscription for software.		
Deposit for equity is in respect of UBA Right issue.		
<b>Staff loan</b>		
Opening Balance	160,826	146,735
Addition	197,031	161,564
Recovered	(212,182)	(147,474)
<b>Closing balance</b>	<b>157,143</b>	<b>160,826</b>
<b>Shared Service and other receivables</b>		
Heirs life (Shared service salaries) - IT Dept.	-	62,131
Heirs life (Shared service salaries) - Customer Service Dept.	33,250	32,465
Cash advance	22,842	4,327
Withholding Tax credit notes	57,429	21,770
NIID Deposit - Nigeria Insurance Industry Database (Motor Insurance)	-	27,671
<b>Closing balance</b>	<b>113,521</b>	<b>148,364</b>
** Other receivables consist of withholding tax credit notes, balances due from Heirs Life Assurance and cash advances		
<b>12a Movement in ECL on Other receivable</b>		
Opening balance	2,385	591
Charge during the year	-	1,794
Reversal during the year	(423)	-
<b>Closing balance</b>	<b>1,961</b>	<b>2,385</b>
<b>13 Right of use asset</b>		
	<b>Buildings</b>	
Opening balance	1,325,877	876,630
Addition to Right of use	-	449,247
<b>Balance as at 31 December</b>	<b>1,325,877</b>	<b>1,325,877</b>
The was no additions to right of use and payment relate to newly leased properties during the year.		
<b>Accumulated depreciation</b>		
Opening balance	(412,037)	(277,237)
Charge for the year	(130,411)	(134,800)
<b>Balance as at 31 December</b>	<b>(542,448)</b>	<b>(412,037)</b>

**HEIRS GENERAL INSURANCE LIMITED**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025**

**NOTES TO THE FINANCIAL STATEMENTS**

	<b>31 December 2025 N'000</b>	<b>31 December 2024 N'000</b>
<b>Carrying amount:</b>		
Opening balance	913,840	913,840
Balance as at 31 December	<b>783,429</b>	<b>913,840</b>
<b>Non current</b>	<b>783,429</b>	<b>913,840</b>

**14 Statutory deposits**

Deposits with CBN	<b>1,000,000</b>	<b>1,000,000</b>
Current	<b>1,000,000</b>	<b>1,000,000</b>

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 day to day business. As required in the insurance Act, N4Billion was refunded to the company leaving N1billion representing 10% of the paid up share capital. Under the Nigerian Insurance Industry Reform Act 2025 (NIIRA), the minimum capital requirement for insurance companies has been increased to ₦15 billion, of which 10% is required to be deposited with the CBN as statutory deposit. Consequently, the company will be making deposit of ₦500 million before the deadline of 30th July in compliance with NIIRA.

**HEIRS GENERAL INSURANCE LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**

**15 Property and equipment**

Cost:	Motor vehicles	Computer Equipment	Office		Total
			Furniture & Fittings	Equipment	
	N'000	N'000	N'000	N'000	N'000
Opening balance	539,349	155,525	263,773	64,246	1,022,892
Additions during the year	109,908	65,425	19,356	26,310	220,999
Disposal during the year	-	(409)	-	-	(409)
<b>Balance as at 31 Dec 2025</b>	<b>649,256</b>	<b>220,541</b>	<b>283,129</b>	<b>90,556</b>	<b>1,243,483</b>

<b>Accumulated Depreciation:</b>					
Opening balance	176,164	68,129	129,222	26,259	399,774
Charge for the year	147,986	35,184	55,208	13,966	252,344
Disposal during the year	-	(259)	-	-	(259)
<b>Balance as at 31 Dec 2025</b>	<b>324,150</b>	<b>103,053</b>	<b>184,431</b>	<b>40,225</b>	<b>651,859</b>

<b>Carrying Amount:</b>					
Opening balance	363,185	87,397	134,551	37,986.62	623,119
<b>Balance as at 31 Dec 2025</b>	<b>325,107</b>	<b>117,488</b>	<b>98,699</b>	<b>50,330.76</b>	<b>591,624</b>

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

<b>Accumulated Depreciation:</b>					
Opening balance	82,908	42,243	76,978	15,893	218,022
Charge for the year	94,987	25,886	52,244	10,366	183,483
Disposal during the year	(1,731)	-	-	-	(1,731)
<b>Balance as at 31 Dec 2024</b>	<b>176,164</b>	<b>68,129</b>	<b>129,222</b>	<b>26,259</b>	<b>399,774</b>

<b>Carrying Amount:</b>					
Opening balance	196,841	54,723	179,654	40,278	471,495
<b>Balance as at 31 Dec 2024</b>	<b>363,185</b>	<b>87,397</b>	<b>134,551</b>	<b>37,987</b>	<b>623,119</b>

**16 Intangible assets**

Period	31st December 2025			31st December 2024		
	Software	Work in progress	Total	Software	Work in progress	Total
	N'000	N'000	N'000	N'000	N'000	N'000
Opening balance	472,401	-	472,401	452,436	12,390	464,826
Additions during the year	40,358	-	40,358	7,575	-	7,575
<b>Balance as at 31 Dec 2025</b>	<b>512,759</b>	<b>-</b>	<b>512,759</b>	<b>460,011</b>	<b>12,390</b>	<b>472,401</b>

<b>Accumulated Amortisation</b>						
Opening balance	265,100	-	265,100	173,427.28	-	173,427
Charge for the year	97,120	-	97,120	91,672.94	-	91,673
<b>Balance as at 31 Dec 2025</b>	<b>362,220</b>	<b>-</b>	<b>362,220</b>	<b>265,100.22</b>	<b>-</b>	<b>265,100</b>

<b>Carrying Amount:</b>						
Opening balance	194,911	12,390	207,301	279,008.54	12,390	291,399
<b>Closing balance</b>	<b>150,538</b>	<b>-</b>	<b>150,538</b>	<b>194,910.99</b>	<b>12,390</b>	<b>207,301</b>

31 December 2025  
N'000

31 December 2024  
N'000

**17 Insurance Contract Liabilities**

Insurance Contract Liabilities (excluding insurance acquisition cashflows assets and other pre-recognition cash flows)

Insurance Acquisition cashflow (DAC)

Other prerenognition cash flow

15,087,425	9,462,492
(1,304,579)	(1,089,347)
-	-
<b>13,782,846</b>	<b>8,373,145</b>

**17b(i) Movement of Deferred Acquisition Cost during the year**

Balance as at 1 January  
Insurance acquisition cashflow (Commission) during the year  
Insurance acquisition cashflow (Commission) earned during the year  
Balance as at 31st December  
Transferred to insurance liabilities (net-off)

1,089,347	561,525
7,516,685	4,031,220
(7,147,033)	(3,503,398)
1,458,999	1,089,347
(1,458,999)	(1,089,347)
-	-

**7b(ii) Insurance Contract Liabilities Liability for Remaining Coverage**

Excluding loss component  
Loss component

6,979,321	4,726,033
158,148	-
<b>7,137,469</b>	<b>4,726,033</b>

**Liability for Incurred Claims**

Estimate of present value of future cash flows  
Risk adjustment for non-financial risk

6,269,225	3,440,672
376,152	206,440
<b>6,645,377</b>	<b>3,647,112</b>

**Insurance Contract Assets - LRC+LIC**

**13,782,846**      **8,373,145**

Current  
Non- Current

7,137,469	4,726,033
6,645,377	3,647,112
<b>13,782,846</b>	<b>8,373,145</b>

**Total insurance contract liabilities**

\*Refer to Note 37 for the Insurance contract liabilities per portfolio

**HEIRS GENERAL INSURANCE LIMITED**  
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**17b(ii) Reconciliation of the liability for remaining coverage and the liability for incurred claims (Entity Level)**

The following table shows the reconciliation from the opening to the closing balances of the net liability for the remaining coverage and the liability for incurred claims for insurance contracts under general business measured under PAA. As discussed in Note 3.1.7, the coverage period for the insurance contracts issued by the Company have coverage periods of one year or less or a coverage period of more than one year but have been assessed as qualifying for measurement under PAA.

31 December 2025	Liabilities for Remaining Coverage		Liabilities for Incurred claims		Total
	Excluding Loss component	Loss Component	Estimates of Present Value of Future cashflows	Risk Adjustment for Non Financial Risks	
	N'000	N'000	N'000	N'000	N'000
Opening Insurance Contract Liabilities	4,726,033	(0)	3,440,672	206,440	8,373,145
Opening Insurance Contract Assets	-	-	-	-	-
<b>Net opening balance</b>	<b>4,726,033</b>	<b>(0)</b>	<b>3,440,672</b>	<b>206,440</b>	<b>8,373,145</b>
<b>Changes in the statement of profit or loss and OCI</b>					
<i>Insurance revenue</i>					
Contracts under the modified retrospective approach	-	-	-	-	0
Contracts under the fair value approach	-	-	-	-	-
Other contracts	(23,917,942)	-	-	-	(23,917,942)
<b>Total Insurance revenue - All Transition Methods</b>	<b>(23,917,942)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(23,917,942)</b>
<i>Insurance Service expenses</i>					
Incurred claims	-	-	11,623,888	382,185	12,006,073
Other directly attributable expenses	-	-	5,025,403	-	5,025,403
Changes that relate to past service - adjustments to the LIC	-	-	(4,230,486)	(268,568)	(4,499,054)
Losses on onerous contracts and reversal of those losses	-	158,148	-	-	158,148
Insurance acquisition cashflows amortisation	7,147,033	-	-	-	7,147,033
<b>Insurance Service expenses</b>	<b>7,147,033</b>	<b>158,148</b>	<b>12,418,804</b>	<b>113,617</b>	<b>19,837,602</b>
<b>Insurance Service result</b>	<b>(16,770,910)</b>	<b>158,148</b>	<b>12,418,804</b>	<b>113,617</b>	<b>(4,080,340)</b>
<i>Insurance Finance Income or Expense</i>					
The effect of and changes in time value of money and financial risk	-	-	575,396	62,127	637,523
Foreign exchange differences on changes in the carrying amount of groups of insurance contracts	(49,809)	-	(100,524)	(6,032)	(156,365)
<b>Total amounts recognised in comprehensive income</b>	<b>(16,820,719)</b>	<b>158,148</b>	<b>12,893,676</b>	<b>169,713</b>	<b>(3,599,182)</b>
<i>Investment components</i>					
<b>Cash flows</b>					
Premiums received	26,313,618	-	-	-	26,313,618
Other directly attributable expense paid	-	-	(5,025,403)	-	(5,025,403)
Claims expense paid	-	-	(5,039,720)	-	(5,039,720)
Insurance acquisition cashflows deducted	(7,516,685)	-	-	-	(7,516,685)
<b>Total cash flows</b>	<b>18,796,933</b>	<b>-</b>	<b>(10,065,123)</b>	<b>-</b>	<b>8,731,810</b>
<i>Items reported in the SOFP (Non cash flow items)</i>					
Premium deposit received in the previous period relating to insurance contract initially recognised during the year	70,191	-	-	-	70,191
Effect of foreign exchange loss on premium receivables as at 31st December	35,640	-	-	-	35,640
Increase / (decrease) in premium receivables in the year	171,243	-	-	-	171,243
<b>Total non cash flow items</b>	<b>277,074</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>277,074</b>
<b>Outstanding amounts transferred to LIC at end of cover</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net closing balance</b>	<b>6,979,321</b>	<b>158,148</b>	<b>6,269,225</b>	<b>376,153</b>	<b>13,782,847</b>
Closing Insurance Contract Liabilities	6,979,321	158,148	6,269,225	376,153	13,782,848
<b>Net closing balance</b>	<b>6,979,321</b>	<b>158,148</b>	<b>6,269,225</b>	<b>376,153</b>	<b>13,782,848</b>

**HEIRS GENERAL INSURANCE LIMITED**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025**

31-Dec-2024	(0)		Aggregated		0		(0)
	Liabilities for Remaining Coverage		Liabilities for Incurred claims		Total		
	Excluding Loss component	Loss Component	Estimates of Present Value of Future cashflows	Risk Adjustment for Non Financial Risks			
N'000	N'000	N'000	N'000	N'000	N'000	N'000	
Opening Insurance Contract Liabilities	2,610,088	-	2,370,135	141,362	5,121,586		
Opening Insurance Contract Assets	-	-	-	-	-	-	
<b>Net opening balance</b>	<b>2,610,088</b>	<b>-</b>	<b>2,370,135</b>	<b>141,362</b>	<b>5,121,586</b>		
<b>Changes in the statement of profit or loss and OCI</b>							
<i>Insurance revenue</i>							
Contracts under the modified retrospective approach	-	-	-	-	-	0	
Contracts under the fair value approach	-	-	-	-	-	-	
Other contracts	(14,324,901)	-	-	-	(14,324,901)	-	
<b>Total insurance revenue - All Transition Methods</b>	<b>(14,324,901)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(14,324,901)</b>		
<i>Insurance Service expenses</i>							
Incurred claims	-	-	3,173,460	206,440	3,379,901		
Other directly attributable expenses	-	-	3,538,199	-	3,538,199		
Changes that relate to past service - adjustments to the LIC	-	-	1,503,949	(159,286)	1,344,663		
Losses on onerous contracts and reversal of those losses	-	-	-	-	-		
Insurance acquisition cashflows amortisation	3,503,398	-	-	-	3,503,398		
<b>Insurance Service expenses</b>	<b>3,503,398</b>	<b>-</b>	<b>4,677,409</b>	<b>47,154</b>	<b>11,766,161</b>		
<b>Insurance Service result</b>	<b>(10,821,503)</b>	<b>-</b>	<b>4,677,409</b>	<b>47,154</b>	<b>(2,558,741)</b>		
<i>Insurance Finance Income or Expense</i>							
The effect of and changes in time value of money and financial risk	-	-	(169,893)	17,924	(151,970)		
Foreign exchange differences on changes in the carrying amount of groups of insurance contracts	-	-	671,238	-	671,238		
<b>Total amounts recognised in comprehensive income</b>	<b>(10,821,503)</b>	<b>-</b>	<b>5,178,754</b>	<b>65,078</b>	<b>(5,577,671)</b>		
<i>Investment components</i>							
<b>Cash flows</b>							
Premiums received	16,581,509	-	-	-	16,581,509		
Other directly attributable expense paid	-	-	(3,538,199)	-	(3,538,199)		
Claims expense paid	-	-	(4,108,218)	-	(4,108,218)		
Insurance acquisition cashflows deducted	(4,031,220)	-	-	-	(4,031,220)		
<b>Total cash flows</b>	<b>12,550,288</b>	<b>-</b>	<b>(4,108,218)</b>	<b>-</b>	<b>4,903,871</b>		
<i>Items reported in the SOFP (Non cash flow items)</i>							
Premium deposit received in the previous period relatig to insurance contract initially recognised during the year	6,003	-	-	-	70,191		
Effect of foreign exchange loss on premium receivables as at 31st December	(7,671)	-	-	-	(7,671)		
Impact of premium receivable on insurance contract issued	388,828	-	-	-	388,828		
<b>Total non cash flow items</b>	<b>387,160</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>451,348</b>		
<i>Outstanding amounts transferred to LIC at end of cover</i>							
<b>Net closing balance</b>	<b>4,726,033</b>	<b>-</b>	<b>3,440,671</b>	<b>206,440</b>	<b>8,373,145</b>		
Closing Insurance Contract Liabilities	4,726,033	-	3,440,672	206,440	8,373,145		
Closing Insurance Contract Assets	-	-	-	-	-		
<b>Net closing balance</b>	<b>4,726,033</b>	<b>-</b>	<b>3,440,672</b>	<b>206,440</b>	<b>8,373,145</b>		

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

**HEIRS GENERAL INSURANCE LIMITED**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025**

NOTES TO THE FINANCIAL STATEMENTS

	31 December 2025 N'000	31 December 2024 N'000
<b>18 Trade payables</b>		
Advance premium	420,551	70,191
Reinsurance payable	-	-
Commission payable	-	-
	<b>420,551</b>	<b>70,191</b>
<b>Movement in components of other technical liabilities:</b> Disclose movement in each		
<b>18a</b> component of other technical liabilities as shown below.		
<b>18a (i) Movement in Advance premium payable during the year</b>		
Balance at the beginning of the year	70,191	6,003
Addition during the year	781,210	84,800
Transfer to premium receivables as part of gross written premium during the year	(430,850)	(20,612)
Balance at the end of the year	<b>420,551</b>	<b>70,191</b>
<b>18a (ii) Movement in Reinsurance payable during the year</b>		
Balance at the beginning of the year	-	-
Addition during the year	8,924,515	4,331,792
Payment during the year	(8,924,515)	(4,331,792)
Balance at the end of the year	-	-
Transfer to / netted off unearned reinsurance premium	-	-
<b>18a (iii) Movement in Commission payable during the year</b>		
Balance at the beginning of the year	-	-
Addition during the year	7,516,685	4,031,220
Payment during the year	(7,516,685)	(4,031,220)
	-	-
<b>19 Provision &amp; other payables</b>		
Audit fees	23,880	46,645
Actuarial fees	16,776	16,600
Withholding Tax	27,379	11,571
Value Added Tax	25,360	18,646
NAICOM levy	265,674	176,976
Staff payables	2,725	2,246
PAYE and Pension	294	4,744
ITF	25,303	16,902
NSITF and NHF	400	1,088
Other payables*	68,758	57,859
	<b>456,549</b>	<b>353,277</b>
Current	<b>456,549</b>	<b>353,277</b>
*Other payable consist of accrued expenses payable to vendors on IT and other office expenses		
<b>20 Lease liability</b>		
Opening balance	797,418	469,644
Additions during the period	-	450,589
Lease payment	(278,742)	(186,614)
Adjustment to correct over provision of lease liability	(13,772)	-
Interest expense on lease for the period	149,281	63,799
<b>Balance as at 31 Dec 2025</b>	<b>654,185</b>	<b>797,418</b>
<b>20a Amounts recognised in statement of profit or loss</b>		
Depreciation on Right of use	(130,411)	(134,800)
Interest expense on Lease liability	(149,281)	(63,799)
<b>20b Maturity analysis of lease liability</b>		
Within 12 months	542,030	488,414
After 12 months	112,155	309,004
<b>Lease liability</b>	<b>654,185</b>	<b>797,418</b>

**HEIRS GENERAL INSURANCE LIMITED**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025**

**21 Income taxes**

Income tax based on the taxable profit/loss for the year	(71,235)	(347,731)
Deferred tax charge/ (credit) recognised in profit or loss	see note 21b 585,666	(326,190)
<b>Income tax expense for the year</b>	<b>514,431</b>	<b>(673,921)</b>

**21a Current Tax Liabilities**

Balance at 1 January	346,512	24,121
Income tax expense	71,235	347,731
Payment during the year	(49,246)	(25,339)
<b>Balance as at 31 December</b>	<b>368,502</b>	<b>346,512</b>

The following rates were applied to arrive at the tax for the 2024 YOA

Company Income Tax	-	(194,313)
Development levy @ f PBT	(71,235)	-
NITD Levy @ 1% of PBT	-	(49,002)
Police Trust Fund @ 0.005% of PBT	-	(245)
Tertiary Education tax (TEF) @ 3%	-	(104,171)
Deferred tax liability written back	585,666	(326,190)
	<b>514,431</b>	<b>(673,922)</b>

**21b Deferred Tax Liability**

Movement in deferred tax liability during the year		
Balance at 1 January	585,666	259,476
Recognized during the year		326,190
Write Back	(585,666)	
<b>Balance as at 31 December</b>	<b>-</b>	<b>585,666</b>

**21c Deferred Tax Asset**

Balance at 1 January	-	
Recognized during the year	112,197	
<b>Balance as at 31 December</b>	<b>112,197</b>	<b>-</b>

As at the reporting date the company has not recognized deferred tax asset arising from losses carried forward. This is due to the uncertainty surrounding the realization of the income taxable income necessary to utilize the losses carried forward. The total deferred tax that would have been recognized is N112 million.

**22 Ordinary Share Capital**

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

**23 Contingency reserve**

Opening balance	1,628,073	782,821
movement from retained earnings	797,714	845,252
<b>Closing balance</b>	<b>2,425,787</b>	<b>1,628,073</b>

The statutory contingency reserve is prescribed under Section 21 (1&2) of the Insurance Act. The Company is mandated to maintain a statutory contingency reserve to cover for the fluctuations in securities and variations in statistical estimates. The statutory contingency reserve is an amount of not less than 3% of the gross premium or 20% of the net profits (whichever is greater)

**24 Retained earnings**

Opening Retained earnings	4,628,664	1,247,658
Profit for the period	1,588,875	4,226,258
Movement to Contingency reserve	(797,714)	(845,252)
<b>Closing retained earnings</b>	<b>5,419,825</b>	<b>4,628,664</b>

HEIRS GENERAL INSURANCE LIMITED  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

AGE ANALYSIS OF OUTSTANDING CLAIMS AS AT 31ST DEC 2025

Note 19a

S/N	Days	No of Claimants	Amount
1	0-90 days	253	1,152,903,831
2			
3	91-180 days	143	2,133,546,251
4	181-270 days	156	312,273,227
5	271-365 days	149	152,073,809
6	Above 365 days	470	2,091,726,344
<b>TOTAL</b>		<b>1,171</b>	<b>5,842,523,461</b>
Impact of IBNR			426,701,949
<b>Amount as per SOFP</b>			<b>6,269,225,410</b>

Reasons	0 - 90 days		91 - 180 days		181 - 270 days		271 - 365 days		Above 365 days		Total	
	Qty	N	Qty	N	Qty	N	Qty	N	Qty	N	Qty	N
Discharge voucher signed and returned to policy holder	-	-	-	-	-	-	-	-	-	-	-	-
Discharge voucher not yet signed	8	54,103,275	3	21,263,542	1	3,850,000			3	1,956,880	15	81,173,696
Claim reported but incomplete documentation	213	782,035,745	132	1,797,184,618	151	293,852,985	144	102,147,910	452	904,330,239	1,092	3,879,551,497
Claim reported but being adjusted	25	156,570,812	5	209,017,692	1	1,547,750	2	14,940,695			33	382,076,949
Claim repudiated	1	1,225,000							1	500,000	2	1,725,000
Awaiting adjuster's final report	5	21,369,000	2	105,961,398	3	13,022,492	3	34,985,204	12	1,183,433,058	25	1,358,771,152
Litigation Awarded												-
Awaiting Lead Insurer Instruction												-
Third Party Liability Outstanding												-
Adjuster Fee payable			1	119,000					2	1,506,166	3	1,625,166
Impact of IBNR		426,701,949										426,701,949
Etc. (Awaiting Payment)	1	137,600,000	-	-	-	-	-	-	-	-	1	137,600,000
<b>Total</b>	<b>253</b>	<b>1,579,605,780</b>	<b>143</b>	<b>2,133,546,251</b>	<b>156</b>	<b>312,273,227</b>	<b>149</b>	<b>152,073,809</b>	<b>470</b>	<b>2,091,726,344</b>	<b>1,171</b>	<b>6,269,225,410</b>

## HEIRS GENERAL INSURANCE LIMITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

REVENUE ACCOUNT	AVIATION N'000 AVIATION	BOND N'000 BOND	ENGINEERING N'000 ENGINEERING	FIRE N'000 FIRE	GENERAL_ACCIDENT N'000 GENERAL_ACCIDENT	MOTOR N'000 MOTOR	MARINE N'000 MARINE	OIL_AND_GAS N'000 OIL_AND_GAS	Total N'000 Total
<b>25 Insurance Revenue</b>									
<b>31 December 2025</b>									
Insurance revenue from contracts not measured under the PAA	-	-	-	-	-	-	-	-	-
Insurance revenue from contracts measured under the PAA	9,093	1,214,598	1,217,941	5,773,488	1,920,914	4,767,503	2,420,470	6,593,936	23,917,942
<b>Total Insurance Revenue</b>	<b>9,093</b>	<b>1,214,598</b>	<b>1,217,941</b>	<b>5,773,488</b>	<b>1,920,914</b>	<b>4,767,503</b>	<b>2,420,470</b>	<b>6,593,936</b>	<b>23,917,942</b>
<b>31 December 2024</b>									
Insurance revenue from contracts not measured under the PAA	-	-	-	-	-	-	-	-	-
Insurance revenue from contracts measured under the PAA	85,076	662,783	682,131	2,514,314	1,308,659	3,349,782	1,093,408	4,628,747	14,324,901
<b>Total Insurance Revenue</b>	<b>85,076</b>	<b>662,783</b>	<b>682,131</b>	<b>2,514,314</b>	<b>1,308,659</b>	<b>3,349,782</b>	<b>1,093,408</b>	<b>4,628,747</b>	<b>14,324,901</b>
<b>26a Insurance Service Expenses</b>									
<b>31 December 2025</b>									
Incurred claims	207,709	440,130	699,977	2,693,545	1,364,607	1,968,771	1,383,201	3,248,133	12,006,073
Changes that relate to past service - adjustments to the LIC	(308,641)	(249,579)	(162,678)	(635,425)	(349,093)	(484,682)	(143,552)	(2,165,405)	(4,499,054)
Losses on onerous contracts and reversal of the losses	-	2,088	94,924	(0)	-	0	13,820	47,318	158,149
Insurance acquisition cash flows amortisation	1,819	411,306	435,641	1,897,549	629,564	1,172,296	834,257	1,764,602	7,147,033
<b>Total Insurance Service Expenses</b>	<b>(99,114)</b>	<b>603,946</b>	<b>1,067,863</b>	<b>3,955,669</b>	<b>1,645,077</b>	<b>2,656,386</b>	<b>2,087,725</b>	<b>2,894,648</b>	<b>14,812,200</b>
<b>26b Other directly attributable expenses</b>									
	-	275,046	293,878	1,145,454	399,266	996,895	518,239	1,396,625	5,025,403
<b>Total Insurance Service Expenses</b>	<b>(99,114)</b>	<b>878,992</b>	<b>1,361,741</b>	<b>5,101,122</b>	<b>2,044,343</b>	<b>3,653,281</b>	<b>2,605,965</b>	<b>4,291,272</b>	<b>19,837,603</b>
<b>31 December 2024</b>									
Incurred claims	183,227	227,561	148,327	570,194	319,103	442,690	127,916	1,340,883	3,379,901
Changes that relate to past service - adjustments to the LIC	(1,675)	(183,991)	(151,228)	514,848	78,967	186,782	(80,971)	981,931	1,344,663
Losses on onerous contracts and reversal of the losses	-	-	-	-	-	-	-	-	-
Insurance acquisition cash flows amortisation	72,402	195,350	176,479	716,675	358,934	831,103	319,902	832,554	3,503,398
<b>Total Insurance Service Expenses</b>	<b>253,954</b>	<b>238,919</b>	<b>173,578</b>	<b>1,801,717</b>	<b>757,003</b>	<b>1,460,575</b>	<b>366,848</b>	<b>3,175,367</b>	<b>8,227,962</b>
<b>26b Other directly attributable expenses</b>									
	175,914	212,798	117,434	651,377	329,830	1,244,872	313,011	492,963	3,538,199
<b>Total Insurance Service Expenses</b>	<b>429,868</b>	<b>451,717</b>	<b>291,012</b>	<b>2,453,094</b>	<b>1,086,833</b>	<b>2,705,448</b>	<b>679,858</b>	<b>3,668,330</b>	<b>11,766,161</b>
<b>27 Net Income (expenses) from Reinsurance Contracts held</b>									
<b>31 December 2025</b>									
Reinsurance expenses - contracts not measured under the PAA	-	-	-	-	-	-	-	-	-
Reinsurance expenses - contracts measured under the PAA	-	(142,862)	(469,205)	(1,357,459)	(387,444)	(523,874)	(871,896)	(4,076,380)	(7,829,119)
Other incurred directly attributable expenses	-	-	-	-	-	-	-	-	-
Claims recovered	(19,176)	35,267	232,520	1,544,296	131,989	680,215	782,106	430,269	3,817,486
Movement in Loss Recovery Component adjustment to Reinsurance CSM/ARC (PAA)	-	-	-	-	-	-	-	-	-
Changes that relate to past service - adjustments to incurred claims	-	-	-	-	-	-	-	-	-
<b>Total net income (expenses) from reinsurance contracts held</b>	<b>(19,176)</b>	<b>(107,594)</b>	<b>(236,686)</b>	<b>186,837</b>	<b>(255,455)</b>	<b>156,341</b>	<b>(89,791)</b>	<b>(3,646,111)</b>	<b>(4,011,634)</b>
<b>Total Insurance Service Result</b>	<b>89,031</b>	<b>228,011</b>	<b>(380,486)</b>	<b>859,203</b>	<b>(378,884)</b>	<b>1,270,563</b>	<b>(275,285)</b>	<b>(1,343,447)</b>	<b>68,706</b>
<b>31 December 2024</b>									
Reinsurance expenses - contracts not measured under the PAA	-	-	-	-	-	-	-	-	-
Reinsurance expenses - contracts measured under the PAA	146,526	(148,909)	(279,539)	(865,345)	(389,350)	(182,552)	(405,001)	(1,982,139)	(4,106,309)
Other incurred directly attributable expenses	-	-	-	-	-	-	-	-	-
Claims recovered	(194,773)	45,924	(37,802)	465,147	378,704	230,372	(15,774)	1,118,312	1,990,110
Movement in Loss Recovery Component adjustment to Reinsurance CSM/ARC (PAA)	-	-	-	-	-	-	-	-	-
Changes that relate to past service - adjustments to incurred claims	-	-	-	-	-	-	-	-	-
<b>Total net income (expenses) from reinsurance contracts held</b>	<b>(48,247)</b>	<b>(102,984)</b>	<b>(317,341)</b>	<b>(400,199)</b>	<b>(10,646)</b>	<b>47,820</b>	<b>(420,775)</b>	<b>(863,827)</b>	<b>(2,116,200)</b>
<b>Total Insurance Service Result</b>	<b>(393,040)</b>	<b>108,082</b>	<b>73,779</b>	<b>(338,979)</b>	<b>211,180</b>	<b>692,154</b>	<b>(7,225)</b>	<b>96,590</b>	<b>442,540</b>

## HEIRS GENERAL INSURANCE LIMITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

### 28 Analysis of net insurance finance expenses by product line

	AVIATION N'000	BOND N'000	ENGINEERING N'000	FIRE N'000	GENERAL_ACCIDENT N'000	MOTOR N'000	MARINE N'000	OIL_AND_GAS N'000	Total N'000
<b>31 December 2025</b>									
<b>Finance income (expenses) from insurance contracts issued</b>									
Interest accreted	(62,946)	(51,763)	(32,189)	(62,769)	(23,085)	(49,515)	(7,511.63)	(437,509)	<b>(727,289)</b>
Effect of changes in interest rates and other financial assumptions	7,278	3,304	2,154	12,523	2,654	3,834	3,385	54,634	<b>89,766</b>
Foreign exchange differences	14,401	24,249	9,498	95,616	69,038	(28,757)	(7,422)	(20,259)	<b>156,365</b>
<b>Finance income (expenses) from insurance contracts issued</b>	<b>(41,268)</b>	<b>(24,210)</b>	<b>(20,537)</b>	<b>45,370</b>	<b>48,607</b>	<b>(74,437)</b>	<b>(11,549)</b>	<b>(403,134)</b>	<b>(481,158)</b>
<b>Finance income (expenses) from reinsurance contracts held</b>									
Interest accreted	2,340	24,041	11,601	(3,954)	42,002	6,373	4,775	543,754	<b>630,932</b>
Effect of changes in interest rates and other financial assumptions	(221)	(1,506)	(765)	(4,437)	(2,440)	(1,428)	(1,997)	(65,634)	<b>(78,427)</b>
Change of risk of non-performance of reinsurer	-	-	-	-	-	-	-	-	-
Foreign exchange differences	14,304	(112)	(7,984)	(47,533)	(8,466)	93,078	(850)	53,662	<b>96,099</b>
<b>Finance income (expenses) from reinsurance contracts held</b>	<b>77</b>	<b>22,423</b>	<b>2,853</b>	<b>(55,924)</b>	<b>31,095</b>	<b>98,023</b>	<b>1,928</b>	<b>531,782</b>	<b>648,603</b>
<b>Net finance expense from insurance contracts issued</b>	<b>(41,191)</b>	<b>(1,787)</b>	<b>(17,685)</b>	<b>(10,554)</b>	<b>79,702</b>	<b>23,586</b>	<b>(9,621)</b>	<b>128,647</b>	<b>167,445</b>
<b>31 December 2024</b>									
<b>Finance income (expenses) from insurance contracts issued</b>									
Interest accreted	(11,823)	(9,785)	(17,408)	34,231	(2,312)	9,084	(4,430)	20,600	<b>18,157</b>
Effect of changes in interest rates and other financial assumptions	12,764	16,942	15,807	6,593	4,432	4,104	5,589	67,581	<b>133,813</b>
Foreign exchange differences	(91,797)	-	-	-	-	-	-	(579,442)	<b>(671,238)</b>
<b>Finance income (expenses) from insurance contracts issued</b>	<b>(90,856)</b>	<b>7,157</b>	<b>(1,601)</b>	<b>40,824</b>	<b>2,120</b>	<b>13,188</b>	<b>1,160</b>	<b>(491,261)</b>	<b>(519,268)</b>
<b>Finance income (expenses) from reinsurance contracts held</b>									
Interest accreted	27,970	731	15,781	(12,249)	(12,899)	(9,975)	6,740	(153,869)	<b>(137,770)</b>
Effect of changes in interest rates and other financial assumptions	(9,361)	(6,111)	(9,759)	(2,298)	(1,600)	(448)	(4,639)	(32,866)	<b>(67,081)</b>
Change of risk of non-performance of reinsurer	-	-	-	-	-	-	-	-	-
Effect of changes in FCF at current rates when CSM is unlocked at loc	-	-	-	-	-	-	-	-	-
Foreign exchange differences	-	-	-	-	-	-	-	627,079	<b>627,079</b>
<b>Finance income (expenses) from reinsurance contracts held</b>	<b>77</b>	<b>(5,380)</b>	<b>6,022</b>	<b>(14,547)</b>	<b>(14,500)</b>	<b>(10,423)</b>	<b>2,101</b>	<b>440,345</b>	<b>422,228</b>
<b>Net finance expense from insurance contracts issued</b>	<b>(90,779)</b>	<b>1,777</b>	<b>4,421</b>	<b>26,277</b>	<b>(12,379)</b>	<b>2,766</b>	<b>3,261</b>	<b>(50,916)</b>	<b>(97,040)</b>

NOTES TO THE FINANCIAL STATEMENTS

	31 December 2025 N'000	31 December 2024 N'000
<b>29 Staff Cost</b>		
Staff Salary	2,538,100	1,871,493
Other HR Cost	45,867	17,276
	<b>2,583,967</b>	<b>1,888,769</b>
<b>30 Management expenses</b>		
Travel & Entertainment	297,365	222,992
Administration	518,960	509,069
Director's Fee and Other Expenses	758,794	309,307
Depreciation of Fixed Assets	252,344	183,483
Amortisation of Intangibles	97,120	91,673
Interest expense on Lease liability	149,281	63,799
Depreciation on Right of use	130,411	134,800
Auditors Remuneration	60,000	49,450
Legal & Professional Fees	125,947	82,827
Marketing & Advertising	410,924	228,533
IT Expenses	532,324	461,823
Finance Cost	64,971	38,711
Other Operating Expenses	741,998	452,363
Other pre-incorporation expenses	-	-
	<b>4,140,439</b>	<b>2,828,830</b>
<b>Total expense/cost incurred</b>	<b>6,724,406</b>	<b>4,717,599</b>
PwC did not provide non-audit service in the year.		
<b>30a Expenses Classification</b>		
Attributable Expenses	5,025,403	3,538,199
Non- attributable Expenses	1,669,647	1,179,400
	<b>6,724,406</b>	<b>4,717,599</b>
The attributable expense of N5 billion accounts for 75% of total management expense which was classified under insurance service expense		
<b>31 Investment income</b>		
Interest Received (Current Accounts)	5,662	146,783
Accrued interest on Cash and Cash Equivalent	14,954	-
Accrued interest on Financial Assets at Amortised Cost	161,617	286,532
Accrued interest on Eurobonds	72,750	6,076
Interest received from Cash and Cash Equivalent	244,436	95,379
Interest received from Financial Assets at Amortised Cost	318,679	748,106
Interest received from Eurobonds	160,105	25,342
Interest income on Statutory Deposits	205,918	117,380
Dividend Income	22,251	-
	<b>1,206,372</b>	<b>1,425,598</b>
<b>32 Fair value Loss on Financial Asset</b>		
Fair value loss on Financial Asset	1,916,091	336,136
	<b>1,916,091</b>	<b>336,136</b>
<b>33a Foreign Exchange gain/( loss)</b>		
Foreign Exchange gain/ loss on Cash	(12,972)	864,048
Foreign Exchange gain/loss on Investments	(640,202)	3,306,347
Foreign Exchange gain/loss on Trade receivables	35,640	7,671
Foreign Exchange gain/loss on Trade payable	-	(196,650)
	<b>(617,534)</b>	<b>3,981,416</b>
Foreign exchange loss in investment relates to financial assets at FVTPL and financial assets at amortised cost		

**HEIRS GENERAL INSURANCE LIMITED**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025**

**NOTES TO THE FINANCIAL STATEMENTS**

	31 December 2025	31 December 2024
	N'000	N'000
<b>33b Other Income</b>		
Gain / Loss on Asset Disposal	-	1,731
Staff payment in lieu of notice	(1)	675
Interest on staff loan	26,584	2,898
	<b>26,583</b>	<b>5,304</b>

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

<b>34 Impairment charges</b>			
<b>i</b> ECL on investment less than 90 days	See note 8a(i)	(11,265)	3,187
<b>ii</b> ECL on investment carried at amortised cost	See note 8a(ii)	(4,139)	(15,768)
<b>iii</b> Reduction in impairment allowance		424	(1,794)
<b>Total Impairment charges</b>		<b>(14,980)</b>	<b>(14,375)</b>

**35 Related party transactions**

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

**TRANSACTIONS**

**(a) With Key Management Personnel:**

The 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.

**(b) Gross Written Premium:**

Heirs Holding	Parent	2,492	2,148
Heirs Life Assurance Ltd (Premium Received)	Same parent	40,718	21,091
Heirs Oil and Gas	Same parent	507,506	110,452
Heirs Insurance Brokers	Same parent	3,507	2,148
United Capital Plc	Parent	2,774	40,970
Africa Prudential Plc	Parent	11,124	9,871
Avon HMO	Parent	18,276	17,728
		<b>586,397</b>	<b>204,409</b>

**(c) Life Insurance Policy**

Heirs Life Assurance Ltd (Premium Paid)	39,973	35,778
	<b>39,973</b>	<b>35,778</b>

**(d) HMO Expenses to:**

Avon	274,608	184,889
	<b>274,608</b>	<b>184,889</b>

**(e) Heirs Insurance Brokers  
Brokerage fees**

866,531
<b>866,531</b>

**(f) Other Receivables**

Heirs Life Assurance Limited	33,250	94,596
	<b>33,250</b>	<b>94,596</b>

**(g) Fixed Deposit**

United Capital Asset Mgt	2,360,062	2,009,412
United Capital Wealth Mgt	3,192,604	1,811,925
	<b>5,552,666</b>	<b>3,821,337</b>

**HEIRS GENERAL INSURANCE LIMITED**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025**

**NOTES TO THE FINANCIAL STATEMENTS**

36	<b>Analysis of staff</b>	31 December	31 December
		2025	2024
		N'000	N'000
		<b>2025</b>	<b>2024</b>
		<b>Number</b>	<b>Number</b>
	Senior Management	13	10
	Middle Management	35	35
	Other staff members	71	58
		<b>119</b>	<b>103</b>

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

	Numbers	Numbers
N500,000 - N9,999,999	19	16
N10,000,000 - N19,999,999	52	42
Above N20,000,000	48	45
	<b>119</b>	<b>103</b>

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

<b>b</b>	Analysis of staff cost	2025		2024	
		%		%	
	Senior management	30%	764,192	25%	472,192
	Middle management	29%	755,027	42%	793,283
	Other staff members	41%	1,064,748	33%	623,294
		<b>100%</b>	<b>2,583,967</b>	<b>100%</b>	<b>1,888,769</b>

Managers includes Executive Directors. The compensation paid to managers for services is as shown above.

<b>c</b>	Directors' Emoluments	2025	2024
	Remuneration paid to the directors of the Company was as follows:	N'000	N'000
	Chairman	70,000	21,500
	Non-Executive Directors/Independent Director	500,000	172,250
		<b>570,000</b>	<b>193,750</b>

## HEIRS GENERAL INSURANCE LIMITED

### FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

#### 37 Insurance contract liabilities and reinsurance contract assets by Portfolio

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

31 December 2025	AVIATION #’000	BOND #’000	ENGINEERING #’000	FIRE #’000	GENERAL_ACCIDENT #’000	MOTOR #’000	MARINE #’000	OIL_AND_GAS #’000	Total #’000
Insurance Contract assets	-	-	-	-	-	-	-	-	-
Insurance Contract liabilities	(124,172)	(918,409)	(938,951)	(2,775,762)	(1,294,929)	(2,627,969)	(1,451,346)	(3,651,309)	(13,782,848)
Reinsurance Contract assets	7,426	133,326	356,241	1,728,243	381,327	855,339	647,497	2,400,123	6,509,522
ReinsuranceContract liabilities	-	-	-	-	-	-	-	-	-
<b>31 December 2024</b>	<b>AVIATION #’000</b>	<b>BOND #’000</b>	<b>ENGINEERING #’000</b>	<b>FIRE #’000</b>	<b>GENERAL_ACCIDENT #’000</b>	<b>MOTOR #’000</b>	<b>MARINE #’000</b>	<b>OIL_AND_GAS #’000</b>	<b>Total #’000</b>
Insurance Contract assets	-	-	-	-	-	-	-	-	-
Insurance Contract liabilities	(234,801)	(618,463)	(305,275)	(1,242,607)	(625,779)	(1,784,854)	(693,566)	(2,867,802)	(8,373,146)
Reinsurance Contract assets	-	184,882	217,319	678,196	526,782	227,178	383,757	1,511,646	3,729,761
ReinsuranceContract liabilities	-	-	-	-	-	-	-	-	-

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

31 December 2025	AVIATION #’000	BOND #’000	ENGINEERING #’000	FIRE #’000	GENERAL_ACCIDENT #’000	MOTOR #’000	MARINE #’000	OIL_AND_GAS #’000	TOTAL #’000
<b>Insurance Contract Liabilities</b>									
Within one year	124,173	918,393	841,792	2,775,680	1,294,761	2,622,816	1,447,844	3,153,666	13,179,124
Within two to five years	-	14	97,160	83	168	3,503	5,153	497,642	603,724
<b>Total Insurance Contract Liabilities</b>	<b>124,173</b>	<b>918,407</b>	<b>938,952</b>	<b>2,775,763</b>	<b>1,294,929</b>	<b>2,626,319</b>	<b>1,452,997</b>	<b>3,651,308</b>	<b>13,782,848</b>
<b>Reinsurance Contract Assets</b>									
Within one year	7,426	133,316	324,864	1,728,243	381,328	850,936	645,349	1,995,528	6,066,991
Within two to five years	-	11	31,377	(0)	0	4,402	2,148	404,595	442,532
<b>Total Reinsurance Contract Assets</b>	<b>7,426</b>	<b>133,327</b>	<b>356,241</b>	<b>1,728,243</b>	<b>381,328</b>	<b>855,338</b>	<b>647,497</b>	<b>2,400,123</b>	<b>6,509,523</b>
<b>Net Insurance Contract Liabilities</b>	<b>116,747</b>	<b>785,080</b>	<b>582,711</b>	<b>1,047,520</b>	<b>913,601</b>	<b>1,770,981</b>	<b>805,500</b>	<b>1,251,185</b>	<b>7,273,325</b>

**HEIRS GENERAL INSURANCE LIMITED**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025**

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

The following table shows the reconciliation from the opening to the closing balances of the net liability for the remaining coverage and the liability for incurred claims for insurance contracts under general business measured under FAA. As discussed in Note 3.1.7, the coverage period for the insurance contracts issued by the Company have coverage periods of one year or less or a coverage period of more than one year but have been assessed as qualifying for measurement under FAA.

31 December 2025	AVIATION					Total	31 December 2024				
	Liabilities for Remaining Coverage		Liabilities for Incurred claims				Liabilities for Remaining Coverage		Liabilities for Incurred claims		
	Excluding Loss component	Loss Component	Estimates of Present Value of Future cashflows	Risk Adjustment for Non Financial Risks			Excluding Loss component	Loss Component	Estimates of Present Value of Future cashflows	Risk Adjustment for Non Financial Risks	
N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	
Opening Insurance Contract Liabilities	7,052	-	233,559	14,014	254,625	45,056	-	237,403	14,176	296,635	
Opening Insurance Contract Assets	-	-	-	-	-	-	-	-	-	-	
<b>Net opening balance</b>	<b>7,052</b>	<b>-</b>	<b>233,559</b>	<b>14,014</b>	<b>254,625</b>	<b>45,056</b>	<b>-</b>	<b>237,403</b>	<b>14,176</b>	<b>296,635</b>	
<b>Changes in the statement of profit or loss and OCI</b>											
Insurance revenue	-	-	-	-	-	-	-	-	-	-	
Contracts under the modified retrospective approach	-	-	-	-	-	-	-	-	-	-	
Contracts under the fair value approach	-	-	-	-	-	-	-	-	-	-	
Contract under the full retrospective approach	(9,093)	-	-	-	(9,093)	(85,074)	-	-	-	(85,074)	
<b>Total insurance revenue - All Transition Methods</b>	<b>(9,093)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(9,093)</b>	<b>(85,074)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(85,074)</b>	
<b>Insurance Service expenses</b>											
Incurred claims	-	-	199,865	7,844	207,709	-	-	169,214	14,014	183,227	
Other directly attributable expenses	-	-	-	-	-	-	-	175,914	-	175,914	
Changes that relate to past service - adjustments to the LIC	-	-	(290,410)	(18,231)	(308,641)	-	-	14,299	(15,974)	(1,475)	
Losses on onerous contracts and reversal of those losses	-	-	-	-	-	-	-	-	-	-	
Insurance acquisition cashflows amortisation	1,819	-	-	-	1,819	72,402	-	-	-	72,402	
<b>Insurance Service expenses</b>	<b>1,819</b>	<b>-</b>	<b>(10,545)</b>	<b>(10,387)</b>	<b>(99,114)</b>	<b>72,402</b>	<b>-</b>	<b>359,427</b>	<b>(1,960)</b>	<b>429,869</b>	
<b>Insurance Service result</b>	<b>(7,274)</b>	<b>-</b>	<b>(10,545)</b>	<b>(10,387)</b>	<b>(108,205)</b>	<b>(12,474)</b>	<b>-</b>	<b>359,427</b>	<b>(1,960)</b>	<b>344,795</b>	
<b>Insurance Finance Income or Expense</b>											
The effect of and changes in time of time value of money	-	-	51,451	4,217	55,669	-	-	-	(2,739)	1,797	
foreign exchange differences on changes in the carrying amount of groups of insurance contracts	-	-	(13,586)	(815)	(14,401)	-	-	-	-	(941)	
<b>Total amounts recognised in comprehensive income</b>	<b>(7,274)</b>	<b>-</b>	<b>(52,480)</b>	<b>(6,185)</b>	<b>(64,939)</b>	<b>(12,474)</b>	<b>-</b>	<b>448,485</b>	<b>(163)</b>	<b>435,448</b>	
<b>Investment components</b>											
<b>Cash flows</b>											
Premiums received	-	-	-	-	-	33,193	-	-	-	33,193	
Claims expenses paid	-	-	(63,736)	-	(63,736)	-	-	(276,614)	-	(276,614)	
Other directly attributable expenses paid	-	-	-	-	-	-	-	(175,914)	-	(175,914)	
Insurance acquisition cashflows deducted	-	-	-	-	-	-	-	-	-	-	
<b>Total cash flows</b>	<b>-</b>	<b>-</b>	<b>(63,736)</b>	<b>-</b>	<b>(63,736)</b>	<b>(30,540)</b>	<b>-</b>	<b>(452,528)</b>	<b>-</b>	<b>(483,068)</b>	
<b>Outstanding amounts transferred to LIC at end of cover</b>											
<b>Net closing balance</b>	<b>(223)</b>	<b>-</b>	<b>117,144</b>	<b>7,029</b>	<b>124,172</b>	<b>7,052</b>	<b>-</b>	<b>233,559</b>	<b>14,014</b>	<b>254,625</b>	
Closing Insurance Contract Liabilities	-	-	117,144	7,029	124,172	9,093	-	233,559	14,014	256,666	
Closing Insurance Contract Assets	(223)	-	-	-	(223)	(2,041)	-	-	-	(2,041)	
<b>Net closing balance</b>	<b>(223)</b>	<b>-</b>	<b>117,144</b>	<b>7,029</b>	<b>124,172</b>	<b>7,052</b>	<b>-</b>	<b>233,559</b>	<b>14,014</b>	<b>254,625</b>	

31 December 2025	BOND					Total	31 December 2024				
	Liabilities for Remaining Coverage		Liabilities for Incurred claims				Liabilities for Remaining Coverage		Liabilities for Incurred claims		
	Excluding Loss component	Loss Component	Estimates of Present Value of Future cashflows	Risk Adjustment for Non Financial Risks			Excluding Loss component	Loss Component	Estimates of Present Value of Future cashflows	Risk Adjustment for Non Financial Risks	
N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	
Opening Insurance Contract Liabilities	397,818	-	186,909	11,215	595,942	148,202	-	188,572	11,314	348,089	
Opening Insurance Contract Assets	-	-	-	-	-	-	-	-	-	-	
<b>Net opening balance</b>	<b>397,818</b>	<b>-</b>	<b>186,909</b>	<b>11,215</b>	<b>595,942</b>	<b>148,202</b>	<b>-</b>	<b>188,572</b>	<b>11,314</b>	<b>348,089</b>	
<b>Changes in the statement of profit or loss and OCI</b>											
Insurance revenue	-	-	-	-	-	-	-	-	-	-	
Contracts under the modified retrospective approach	-	-	-	-	-	-	-	-	-	-	
Contracts under the fair value approach	-	-	-	-	-	-	-	-	-	-	
Contract under the full retrospective approach	(1,214,598)	-	-	-	(1,214,598)	(642,783)	-	-	-	(642,783)	
<b>Total insurance revenue - All Transition Methods</b>	<b>(1,214,598)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,214,598)</b>	<b>(642,783)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(642,783)</b>	
<b>Insurance Service expenses</b>											
Incurred claims	-	-	420,582	19,548	440,130	-	-	216,346	11,215	227,561	
Other directly attributable expenses	-	-	273,046	-	273,046	-	-	212,798	-	212,798	
Changes that relate to past service - adjustments to the LIC	-	-	(234,999)	(14,590)	(249,589)	-	-	(171,242)	(12,749)	(183,991)	
Losses on onerous contracts and reversal of those losses	-	-	-	-	-	-	-	-	-	-	
Insurance acquisition cashflows amortisation	411,306	2,088	-	-	413,394	195,350	-	-	-	195,350	
<b>Insurance Service expenses</b>	<b>411,306</b>	<b>2,088</b>	<b>440,439</b>	<b>4,959</b>	<b>878,792</b>	<b>(467,433)</b>	<b>-</b>	<b>287,901</b>	<b>(1,534)</b>	<b>451,717</b>	
<b>Insurance Service result</b>	<b>(83,488)</b>	<b>2,088</b>	<b>(440,439)</b>	<b>(4,959)</b>	<b>(335,406)</b>	<b>(467,433)</b>	<b>-</b>	<b>287,901</b>	<b>(1,534)</b>	<b>(211,066)</b>	
<b>Insurance Finance Income or Expense</b>											
The effect of and changes in time of time value of money	-	-	45,084	3,375	48,459	-	-	(8,591)	1,435	(7,157)	
foreign exchange differences on changes in the carrying amount of groups of insurance contracts	(24,249)	-	-	-	(24,249)	-	-	-	-	(24,249)	
<b>Total amounts recognised in comprehensive income</b>	<b>(627,541)</b>	<b>2,088</b>	<b>505,723</b>	<b>8,334</b>	<b>(311,396)</b>	<b>(467,433)</b>	<b>-</b>	<b>249,310</b>	<b>(1,100)</b>	<b>(218,223)</b>	

**HEIRS GENERAL INSURANCE LIMITED**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025**

Investment components						
<b>Cash flows</b>						
Premiums received	1,457,777		91,779	1,457,777	982,489	982,489
Claims expenses paid			(275,046)	(91,779)	(38,176)	(38,176)
Other directly attributable expenses paid	(457,088)			(275,046)	(212,798)	(212,798)
Insurance acquisition cashflows deducted				(457,088)	(245,440)	(245,440)
<b>Total cash flows</b>	<b>1,000,689</b>		<b>(344,825)</b>	<b>655,863</b>	<b>717,049</b>	<b>464,075</b>
<b>Outstanding amounts transferred to LIC at end of cover</b>						
Net opening balance	870,944	2,088	325,807	19,548	918,409	875,542
Closing Insurance Contract Liabilities	570,766	2,088	325,807	19,548	918,409	897,873
Closing Insurance Contract Assets					(101,931)	(101,931)
<b>Net closing balance</b>	<b>870,944</b>	<b>2,088</b>	<b>325,807</b>	<b>19,548</b>	<b>918,409</b>	<b>875,542</b>

	ENGINEERING					ENGINEERING				
	Liabilities for Remaining Coverage		Liabilities for Incurred claims		Total	Liabilities for Remaining Coverage		Liabilities for Incurred claims		Total
	Excluding Loss component	Loss Component	Estimates of Present Value of Future cashflows	Risk Adjustment for Non Financial Risks		Excluding Loss component	Loss Component	Estimates of Present Value of Future cashflows	Risk Adjustment for Non Financial Risks	
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Opening Insurance Contract Liabilities	181,067	-	121,830	7,310	310,207	215,024	-	175,943	10,557	401,524
Opening Insurance Contract Assets										
<b>Net opening balance</b>	<b>181,067</b>	<b>-</b>	<b>121,830</b>	<b>7,310</b>	<b>310,207</b>	<b>215,024</b>	<b>-</b>	<b>175,943</b>	<b>10,557</b>	<b>401,524</b>
<b>Changes in the statement of profit or loss and OCI</b>										
Insurance revenue										
Contracts under the modified retrospective approach										
Contracts under the fair value approach										
Contract under the full retrospective approach	(1,217,641)				(1,217,641)	(682,131)				(682,131)
<b>Total insurance revenue - All Transition Methods</b>	<b>(1,217,641)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,217,641)</b>	<b>(682,131)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(682,131)</b>
Insurance service expenses										
Incurred claims			477,116	22,861	499,977			141,017	7,310	148,327
Other directly attributable expenses			293,878		293,878			117,434		117,434
Changes that relate to past service - adjustments to the LIC			(153,168)	(9,510)	(162,678)			(139,333)	(11,895)	(151,228)
Losses on onerous contracts and reversal of those losses		94,924			94,924					
Insurance acquisition cashflows amortisation	435,641				435,641	176,479				176,479
<b>Insurance service expenses</b>	<b>435,641</b>	<b>94,924</b>	<b>817,825</b>	<b>13,352</b>	<b>1,341,742</b>	<b>176,479</b>	<b>-</b>	<b>119,118</b>	<b>(4,585)</b>	<b>297,012</b>
<b>Insurance service result</b>	<b>(782,300.7)</b>	<b>94,924</b>	<b>817,825</b>	<b>13,352</b>	<b>143,800</b>	<b>(505,653)</b>	<b>-</b>	<b>119,118</b>	<b>(4,585)</b>	<b>(391,120)</b>
<b>Insurance Finance Income or Expense</b>										
The effect of and changes in time of time value of money			27,836	2,200	30,035			262	1,338	1,601
Foreign exchange differences on changes in the carrying amount of groups of insurance contracts	(9,498)				(9,498)					
<b>Total amounts recognised in comprehensive income</b>	<b>(791,799)</b>	<b>94,924</b>	<b>845,661</b>	<b>15,552</b>	<b>144,337</b>	<b>(505,653)</b>	<b>-</b>	<b>119,380</b>	<b>(3,247)</b>	<b>(389,519)</b>
<b>Investment components</b>										
<b>Cash flows</b>										
Premiums received	1,557,586				1,557,586	644,150				644,150
Claims expenses paid			292,591		(292,591)			(56,060)		(56,060)
Other directly attributable expenses paid			(293,878)		(293,878)			(117,434)		(117,434)
Insurance acquisition cashflows deducted	(506,711)				(506,711)	(172,454)				(172,454)
<b>Total cash flows</b>	<b>1,050,875</b>	<b>-</b>	<b>(584,469)</b>	<b>-</b>	<b>466,406</b>	<b>471,696</b>	<b>-</b>	<b>(173,494)</b>	<b>-</b>	<b>298,202</b>
<b>Outstanding amounts transferred to LIC at end of cover</b>										
Net opening balance	440,144	94,924	381,021	22,861	938,951	181,067	-	121,830	7,310	310,206
Closing Insurance Contract Liabilities	440,144	94,924	381,021	22,861	938,951	281,229	-	121,830	7,310	362,369
Closing Insurance Contract Assets						(50,162)	-			(50,162)
<b>Net closing balance</b>	<b>440,144</b>	<b>94,924</b>	<b>381,021</b>	<b>22,861</b>	<b>938,951</b>	<b>181,067</b>	<b>-</b>	<b>121,830</b>	<b>7,310</b>	<b>310,207</b>

	FIRE					FIRE				
	Liabilities for Remaining Coverage		Liabilities for Incurred claims		Total	Liabilities for Remaining Coverage		Liabilities for Incurred claims		Total
	Excluding Loss component	Loss Component	Estimates of Present Value of Future cashflows	Risk Adjustment for Non Financial Risks		Excluding Loss component	Loss Component	Estimates of Present Value of Future cashflows	Risk Adjustment for Non Financial Risks	
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Opening Insurance Contract Liabilities	495,539	-	485,762	29,146	1,010,447	514,498	-	135,224	8,113	657,835
Opening Insurance Contract Assets										
<b>Net opening balance</b>	<b>495,539</b>	<b>-</b>	<b>485,762</b>	<b>29,146</b>	<b>1,010,447</b>	<b>514,498</b>	<b>-</b>	<b>135,224</b>	<b>8,113</b>	<b>657,835</b>
<b>Changes in the statement of profit or loss and OCI</b>										
Insurance revenue										
Contracts under the modified retrospective approach										
Contracts under the fair value approach										
Contract under the full retrospective approach	(5,773,488)				(5,773,488)	(2,514,314)				(2,514,314)
<b>Total insurance revenue - All Transition Methods</b>	<b>(5,773,488)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(5,773,488)</b>	<b>(2,514,314)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2,514,314)</b>
Insurance service expenses										
Incurred claims			2,584,056	109,489	2,693,545			541,048	29,146	570,194
Other directly attributable expenses			1,145,454		1,145,454			651,377		651,377
Changes that relate to past service - adjustments to the LIC			(597,508)	(37,917)	(635,425)			523,990	(9,142)	514,848
Losses on onerous contracts and reversal of those losses		0			0					0
Insurance acquisition cashflows amortisation	1,897,549				1,897,549	716,675				716,675
<b>Insurance service expenses</b>	<b>1,897,549</b>	<b>0</b>	<b>3,132,001</b>	<b>71,572</b>	<b>5,101,122</b>	<b>1,176,675</b>	<b>-</b>	<b>1,716,416</b>	<b>20,004</b>	<b>2,453,094</b>
<b>Insurance service result</b>	<b>(3,875,939.3)</b>	<b>0</b>	<b>3,132,001</b>	<b>71,572</b>	<b>(672,366)</b>	<b>(1,797,639)</b>	<b>-</b>	<b>1,716,416</b>	<b>20,004</b>	<b>(61,219)</b>
<b>Insurance Finance Income or Expense</b>										
The effect of and changes in time of time value of money			41,475	8,771	50,246			(41,853)	1,029	(40,824)
Foreign exchange differences on changes in the carrying amount of groups of insurance contracts	(4,532)		(85,928)	(5,156)	(95,616)					
<b>Total amounts recognised in comprehensive income</b>	<b>(3,880,471)</b>	<b>0</b>	<b>3,087,548</b>	<b>75,187</b>	<b>(717,736)</b>	<b>(1,797,639)</b>	<b>-</b>	<b>1,474,563</b>	<b>21,032</b>	<b>(102,043)</b>
<b>Investment components</b>										
<b>Cash flows</b>										
Premiums received	6,071,041				6,071,041	2,772,943				2,772,943
Claims expenses paid			688,968		(688,968)			(672,648)		(672,648)
Other directly attributable expenses paid			(1,145,454)		(1,145,454)			(651,377)		(651,377)
Insurance acquisition cashflows deducted	(1,953,567)				(1,953,567)	(794,264)				(794,264)
<b>Total cash flows</b>	<b>4,117,474</b>	<b>-</b>	<b>(1,834,422)</b>	<b>-</b>	<b>2,283,051</b>	<b>1,978,679</b>	<b>-</b>	<b>(1,324,025)</b>	<b>-</b>	<b>654,654</b>
<b>Outstanding amounts transferred to LIC at end of cover</b>										
Net opening balance	932,541	0	1,738,888	104,333	2,775,762	495,539	-	485,762	29,146	1,010,446
Closing Insurance Contract Liabilities	932,541	0	1,738,888	104,333	2,775,762	885,238	-	485,762	29,146	1,400,146
Closing Insurance Contract Assets						(189,700)	-			(189,700)
<b>Net closing balance</b>	<b>932,541</b>	<b>0</b>	<b>1,738,888</b>	<b>104,333</b>	<b>2,775,762</b>	<b>495,539</b>	<b>-</b>	<b>485,762</b>	<b>29,146</b>	<b>1,010,446</b>

**HEIRS GENERAL INSURANCE LIMITED**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025**

GENERAL ACCIDENT					GENERAL ACCIDENT					
Liabilities for Remaining Coverage		Liabilities for Incurred claims		Total	Liabilities for Remaining Coverage		Liabilities for Incurred claims		Total	
Excluding Loss component	Loss Component	Estimates of Present Value of Future cashflows	Risk Adjustment for Non Financial Risks		Excluding Loss component	Loss Component	Estimates of Present Value of Future cashflows	Risk Adjustment for Non Financial Risks		
N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	
Opening Insurance Contract Liabilities	318,629	-	277,844	16,671	413,144	242,039	-	261,839	15,710	519,588
Opening Insurance Contract Assets	-	-	-	-	-	-	-	-	-	-
<b>Net opening balance</b>	<b>318,629</b>	<b>-</b>	<b>277,844</b>	<b>16,671</b>	<b>413,144</b>	<b>242,039</b>	<b>-</b>	<b>261,839</b>	<b>15,710</b>	<b>519,588</b>
<b>Changes in the statement of profit or loss and OCI</b>										
Insurance revenue	-	-	-	-	-	-	-	-	-	-
Contracts under the modified retrospective approach	-	-	-	-	-	-	-	-	-	-
Contracts under the fair value approach	-	-	-	-	-	-	-	-	-	-
Contract under the full retrospective approach	(1,920,914)	-	-	-	(1,920,914)	(1,308,459)	-	-	-	(1,308,459)
<b>Total insurance revenue - All transition Methods</b>	<b>(1,920,914)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,920,914)</b>	<b>(1,308,459)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,308,459)</b>
<b>Insurance service expenses</b>	<b>629,564</b>	<b>-</b>	<b>1,314,167</b>	<b>50,440</b>	<b>1,364,407</b>	<b>358,934</b>	<b>-</b>	<b>302,432</b>	<b>16,671</b>	<b>319,103</b>
Incurred claims	-	-	1,314,167	50,440	1,364,407	-	-	302,432	16,671	319,103
Other directly attributable expenses	-	-	399,266	-	399,266	-	-	329,830	-	329,830
Changes that relate to past service - adjustments to the LIC	-	-	(327,406)	(21,688)	(349,093)	-	-	96,669	(17,702)	78,967
Losses on onerous contracts and reversal of those losses	-	-	-	-	-	-	-	-	-	-
Insurance acquisition cashflows amortisation	629,564	-	-	-	629,564	358,934	-	-	-	358,934
<b>Insurance service expenses</b>	<b>629,564</b>	<b>-</b>	<b>1,384,827</b>	<b>28,752</b>	<b>2,044,383</b>	<b>358,934</b>	<b>-</b>	<b>728,781</b>	<b>(1,032)</b>	<b>1,367,833</b>
<b>Insurance service result</b>	<b>(1,292,300)</b>	<b>-</b>	<b>1,384,027</b>	<b>28,752</b>	<b>1,120,479</b>	<b>(949,725)</b>	<b>-</b>	<b>728,781</b>	<b>(1,032)</b>	<b>(221,826)</b>
<b>Insurance Finance Income or Expense</b>	<b>-</b>	<b>-</b>	<b>15,415</b>	<b>5,017</b>	<b>20,432</b>	<b>-</b>	<b>-</b>	<b>(4,112)</b>	<b>1,992</b>	<b>(2,120)</b>
The effect of and changes in time of time value of money	-	-	15,415	5,017	20,432	-	-	(4,112)	1,992	(2,120)
Foreign exchange differences on changes in the carrying amount of groups of insurance contracts	14,628	-	(78,226)	(4,740)	(69,038)	-	-	-	-	-
<b>Total amounts recognised in comprehensive income</b>	<b>(1,278,450)</b>	<b>-</b>	<b>1,392,444</b>	<b>29,029</b>	<b>14,003</b>	<b>(949,725)</b>	<b>-</b>	<b>724,619</b>	<b>940</b>	<b>(223,946)</b>
<b>Investment components</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash flows</b>	<b>2,116,157</b>	<b>-</b>	<b>-</b>	<b>2,116,157</b>	<b>1,417,828</b>	<b>-</b>	<b>-</b>	<b>1,417,828</b>	<b>-</b>	<b>1,417,828</b>
Premiums received	2,116,157	-	-	2,116,157	1,417,828	-	-	1,417,828	-	1,417,828
Claims expenses paid	-	-	439,358	(439,358)	-	-	(378,984)	(378,984)	-	(378,984)
Other directly attributable expenses paid	-	-	(399,266)	(399,266)	-	-	(529,830)	(529,830)	-	(529,830)
Insurance acquisition cashflows deducted	(670,571)	-	-	(670,571)	(391,512)	-	-	(670,571)	-	(670,571)
<b>Total cash flows</b>	<b>1,445,586</b>	<b>-</b>	<b>(838,624)</b>	<b>606,962</b>	<b>1,026,316</b>	<b>-</b>	<b>(708,814)</b>	<b>-</b>	<b>-</b>	<b>317,502</b>
<b>Outstanding amounts transferred to LIC at end of cover</b>	<b>487,563</b>	<b>-</b>	<b>761,666</b>	<b>45,700</b>	<b>1,294,929</b>	<b>318,429</b>	<b>-</b>	<b>277,844</b>	<b>16,671</b>	<b>613,144</b>
Net closing balance	487,563	-	761,666	45,700	1,294,929	318,429	-	277,844	16,671	613,144
Closing Insurance Contract Liabilities	487,563	-	761,666	45,700	1,294,929	420,129	-	277,844	16,671	714,444
Closing Insurance Contract Assets	-	-	-	-	-	(101,700)	-	-	-	(101,700)
<b>Net closing balance</b>	<b>487,563</b>	<b>-</b>	<b>761,666</b>	<b>45,700</b>	<b>1,294,929</b>	<b>318,429</b>	<b>-</b>	<b>277,844</b>	<b>16,671</b>	<b>613,144</b>

MOTOR					MOTOR					
Liabilities for Remaining Coverage		Liabilities for Incurred claims		Total	Liabilities for Remaining Coverage		Liabilities for Incurred claims		Total	
Excluding Loss component	Loss Component	Estimates of Present Value of Future cashflows	Risk Adjustment for Non Financial Risks		Excluding Loss component	Loss Component	Estimates of Present Value of Future cashflows	Risk Adjustment for Non Financial Risks		
N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	
Opening Insurance Contract Liabilities	1,350,588	(0)	385,438	23,126	1,759,152	729,199	-	242,833	14,570	986,602
Opening Insurance Contract Assets	-	-	-	-	-	-	-	-	-	-
<b>Net opening balance</b>	<b>1,350,588</b>	<b>(0)</b>	<b>385,438</b>	<b>23,126</b>	<b>1,759,152</b>	<b>729,199</b>	<b>-</b>	<b>242,833</b>	<b>14,570</b>	<b>986,602</b>
<b>Changes in the statement of profit or loss and OCI</b>										
Insurance revenue	-	-	-	-	-	-	-	-	-	-
Contracts under the modified retrospective approach	-	-	-	-	-	-	-	-	-	-
Contracts under the fair value approach	-	-	-	-	-	-	-	-	-	-
Contract under the full retrospective approach	(4,767,503)	-	-	-	(4,767,503)	(3,349,782)	-	-	-	(3,349,782)
<b>Total insurance revenue - All transition Methods</b>	<b>(4,767,503)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(4,767,503)</b>	<b>(3,349,782)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(3,349,782)</b>
<b>Insurance service expenses</b>	<b>1,924,548</b>	<b>-</b>	<b>44,223</b>	<b>1,968,771</b>	<b>419,564</b>	<b>-</b>	<b>23,126</b>	<b>442,690</b>	<b>-</b>	<b>442,690</b>
Incurred claims	1,924,548	-	44,223	1,968,771	419,564	-	23,126	442,690	-	442,690
Other directly attributable expenses	996,895	-	(654,594)	(30,084)	(684,659)	-	-	1,244,872	(14,417)	1,244,872
Changes that relate to past service - adjustments to the LIC	-	-	-	-	-	-	-	203,199	-	203,199
Losses on onerous contracts and reversal of those losses	-	-	0	0	0	-	-	-	-	0
Insurance acquisition cashflows amortisation	1,122,296	-	-	1,122,296	831,103	-	-	831,103	-	831,103
<b>Insurance service expenses</b>	<b>1,122,296</b>	<b>0</b>	<b>2,466,848</b>	<b>14,137</b>	<b>3,603,281</b>	<b>831,103</b>	<b>-</b>	<b>1,847,636</b>	<b>6,709</b>	<b>2,705,448</b>
<b>Insurance service result</b>	<b>(3,895,206)</b>	<b>0</b>	<b>2,466,848</b>	<b>14,137</b>	<b>(1,114,221)</b>	<b>(2,518,679)</b>	<b>-</b>	<b>1,847,636</b>	<b>6,709</b>	<b>(444,335)</b>
<b>Insurance Finance Income or Expense</b>	<b>-</b>	<b>-</b>	<b>38,721</b>	<b>6,940</b>	<b>45,661</b>	<b>-</b>	<b>-</b>	<b>(15,036)</b>	<b>1,847</b>	<b>(13,188)</b>
The effect of and changes in time of time value of money	-	-	38,721	6,940	45,661	-	-	(15,036)	1,847	(13,188)
Foreign exchange differences on changes in the carrying amount of groups of insurance contracts	28,757	-	-	-	28,757	-	-	-	-	-
<b>Total amounts recognised in comprehensive income</b>	<b>(3,866,449)</b>	<b>0</b>	<b>2,505,548</b>	<b>21,077</b>	<b>(1,037,723)</b>	<b>(2,518,679)</b>	<b>-</b>	<b>1,832,400</b>	<b>8,554</b>	<b>(457,223)</b>
<b>Investment components</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash flows</b>	<b>5,283,665</b>	<b>-</b>	<b>1,157,040</b>	<b>(1,157,040)</b>	<b>4,067,532</b>	<b>-</b>	<b>-</b>	<b>1,465,123</b>	<b>23,126</b>	<b>4,067,532</b>
Premiums received	5,283,665	-	1,157,040	(1,157,040)	4,067,532	-	-	1,465,123	23,126	4,067,532
Claims expenses paid	-	-	(996,895)	(996,895)	-	-	(1,244,872)	(1,244,872)	-	(1,244,872)
Other directly attributable expenses paid	-	-	(996,895)	(996,895)	-	-	(927,464)	(927,464)	-	(927,464)
Insurance acquisition cashflows deducted	(1,221,108)	-	(2,183,935)	(2,183,935)	(1,221,108)	-	-	(1,709,995)	-	(1,709,995)
<b>Total cash flows</b>	<b>4,062,557</b>	<b>-</b>	<b>(2,183,935)</b>	<b>(1,901,378)</b>	<b>3,140,059</b>	<b>-</b>	<b>-</b>	<b>1,709,995</b>	<b>23,126</b>	<b>3,140,059</b>
<b>Outstanding amounts transferred to LIC at end of cover</b>	<b>1,846,495</b>	<b>-</b>	<b>737,051</b>	<b>44,223</b>	<b>2,627,769</b>	<b>1,350,588</b>	<b>-</b>	<b>385,438</b>	<b>23,126</b>	<b>1,759,152</b>
Net closing balance	1,846,495	-	737,051	44,223	2,627,769	1,350,588	-	385,438	23,126	1,759,152
Closing Insurance Contract Liabilities	1,846,495	-	737,051	44,223	2,627,769	1,372,455	-	385,438	23,126	1,801,019
Closing Insurance Contract Assets	-	-	-	-	-	(22,867)	-	-	-	(22,867)
<b>Net closing balance</b>	<b>1,846,495</b>	<b>-</b>	<b>737,051</b>	<b>44,223</b>	<b>2,627,769</b>	<b>1,350,588</b>	<b>-</b>	<b>385,438</b>	<b>23,126</b>	<b>1,759,152</b>

**HEIRS GENERAL INSURANCE LIMITED  
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	MARINE					Total	MARINE					Total
	Liabilities for Remaining Coverage		Liabilities for Incurred claims		Total		Liabilities for Remaining Coverage		Liabilities for Incurred claims		Total	
	Excluding Loss component	Loss Component	Estimates of Present Value of Future cashflows	Risk Adjustment for Non Financial Risks			Excluding Loss component	Loss Component	Estimates of Present Value of Future cashflows	Risk Adjustment for Non Financial Risks		
N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	
Opening Insurance Contract Liabilities	543,641	-	108,631	6,518	658,789	204,877	-	103,459	6,208	314,543		
Opening Insurance Contract Assets	-	-	-	-	-	-	-	-	-	-	-	-
<b>Net opening balance</b>	<b>543,641</b>	<b>(0)</b>	<b>108,631</b>	<b>6,518</b>	<b>658,789</b>	<b>204,877</b>	<b>-</b>	<b>103,459</b>	<b>6,208</b>	<b>314,543</b>		
<b>Changes in the statement of profit or loss and OCI</b>												
Insurance revenue	-	-	-	-	-	-	-	-	-	-	-	-
Contracts under the modified retrospective approach	-	-	-	-	-	-	-	-	-	-	-	-
Contracts under the fair value approach	-	-	-	-	-	-	-	-	-	-	-	-
Contract under the full retrospective approach	(2,420,470)	-	-	-	(2,420,470)	(1,093,408)	-	-	-	(1,093,408)		
<b>Total insurance revenue - All Transition Methods</b>	<b>(2,420,470)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2,420,470)</b>	<b>(1,093,408)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,093,408)</b>		
<b>Insurance Service expenses</b>												
Incurred claims	-	-	1,347,932	35,269	1,383,201	-	-	121,399	6,518	127,916		
Other directly attributable expenses	-	-	518,239	-	518,239	-	-	313,011	-	313,011		
Changes that relate to past service - adjustments to the LIC	-	-	(135,073)	(8,479)	(143,552)	-	-	(73,976)	(6,995)	(80,971)		
Losses on onerous contracts and reversal of those losses	-	13,819	-	-	13,819	-	-	-	-	-		
Insurance acquisition cashflows amortisation	834,257	-	-	-	834,257	-	-	-	-	-		
<b>Insurance Service expenses</b>	<b>834,257</b>	<b>13,819</b>	<b>1,731,089</b>	<b>26,789</b>	<b>2,405,954</b>	<b>319,902</b>	<b>-</b>	<b>340,433</b>	<b>(477)</b>	<b>319,902</b>		
<b>Insurance Service result</b>	<b>(1,586,213.3)</b>	<b>13,819</b>	<b>1,731,099</b>	<b>26,789</b>	<b>185,473</b>	<b>(773,506)</b>	<b>-</b>	<b>340,433</b>	<b>(477)</b>	<b>(413,550)</b>		
<b>Insurance Finance Income or Expense</b>												
The effect of and changes in time of time value of money	-	-	2,165	1,942	4,127	-	-	(1,947)	787	(1,160)		
foreign exchange differences on changes in the carrying amount of groups of insurance contracts	2,422	-	-	-	2,422	-	-	-	-	-		
<b>Total amounts recognised in comprehensive income</b>	<b>(1,878,791)</b>	<b>13,819</b>	<b>1,733,264</b>	<b>28,731</b>	<b>197,042</b>	<b>(773,506)</b>	<b>-</b>	<b>338,486</b>	<b>310</b>	<b>(414,710)</b>		
<b>Investment components</b>												
<b>Cash flows</b>												
Premiums received	2,746,730	-	-	-	2,746,730	1,530,249	-	-	-	1,530,249		
Claims expenses paid	-	-	735,843	-	(735,843)	-	-	(40,303)	-	(40,303)		
Other directly attributable expenses paid	-	-	(518,239)	-	(518,239)	-	-	(513,011)	-	(1,031,011)		
Insurance acquisition cashflows deducted	(897,133)	-	-	-	(897,133)	(417,979)	-	-	-	(417,979)		
<b>Total cash flows</b>	<b>1,849,597</b>	<b>-</b>	<b>(1,254,083)</b>	<b>-</b>	<b>595,514</b>	<b>1,112,270</b>	<b>-</b>	<b>(353,314)</b>	<b>-</b>	<b>758,956</b>		
<b>Outstanding amounts transferred to LIC at end of cover</b>												
<b>Net closing balance</b>	<b>814,446</b>	<b>13,819</b>	<b>587,812</b>	<b>35,269</b>	<b>1,451,346</b>	<b>543,641</b>	<b>-</b>	<b>108,631</b>	<b>6,518</b>	<b>658,789</b>		
Closing Insurance Contract Liabilities	814,446	13,819	587,812	35,269	1,451,346	543,641	-	108,631	6,518	658,789		
Closing Insurance Contract Assets	-	-	-	-	-	-	-	-	-	-		
<b>Net closing balance</b>	<b>814,446</b>	<b>13,819</b>	<b>587,812</b>	<b>35,269</b>	<b>1,451,346</b>	<b>543,641</b>	<b>-</b>	<b>108,631</b>	<b>6,518</b>	<b>658,789</b>		

	OIL AND GAS					Total	OIL AND GAS					Total
	Liabilities for Remaining Coverage		Liabilities for Incurred claims		Total		Liabilities for Remaining Coverage		Liabilities for Incurred claims		Total	
	Excluding Loss component	Loss Component	Estimates of Present Value of Future cashflows	Risk Adjustment for Non Financial Risks			Excluding Loss component	Loss Component	Estimates of Present Value of Future cashflows	Risk Adjustment for Non Financial Risks		
N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000		
Opening Insurance Contract Liabilities	1,231,699	-	1,640,699	98,442	2,970,840	511,193	-	1,024,663	60,714	1,596,570		
Opening Insurance Contract Assets	-	-	-	-	-	-	-	-	-	-		
<b>Net opening balance</b>	<b>1,231,699</b>	<b>-</b>	<b>1,640,699</b>	<b>98,442</b>	<b>2,970,840</b>	<b>511,193</b>	<b>-</b>	<b>1,024,663</b>	<b>60,714</b>	<b>1,596,570</b>		
<b>Changes in the statement of profit or loss and OCI</b>												
Insurance revenue	-	-	-	-	-	-	-	-	-	-	-	-
Contracts under the modified retrospective approach	-	-	-	-	-	-	-	-	-	-	-	-
Contracts under the fair value approach	-	-	-	-	-	-	-	-	-	-	-	-
Contract under the full retrospective approach	(6,593,936)	-	-	-	(6,593,936)	(4,628,747)	-	-	-	(4,628,747)		
<b>Total insurance revenue - All Transition Methods</b>	<b>(6,593,936)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(6,593,936)</b>	<b>(4,628,747)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(4,628,747)</b>		
<b>Insurance Service expenses</b>												
Incurred claims	-	-	3,155,622	92,511	3,248,133	-	-	1,262,441	98,442	1,360,883		
Other directly attributable expenses	-	-	1,388,352	-	1,388,352	-	-	492,943	-	492,943		
Changes that relate to past service - adjustments to the LIC	-	-	(2,037,337)	(128,068)	(2,165,405)	-	-	1,050,343	(68,412)	981,931		
Losses on onerous contracts and reversal of those losses	-	47,318	-	-	47,318	-	-	-	-	-		
Insurance acquisition cashflows amortisation	1,744,602	-	-	-	1,744,602	832,554	-	-	-	832,554		
<b>Insurance Service expenses</b>	<b>1,744,602</b>	<b>47,318</b>	<b>2,506,637</b>	<b>(35,557)</b>	<b>4,283,000</b>	<b>832,554</b>	<b>-</b>	<b>2,805,747</b>	<b>30,030</b>	<b>3,668,330</b>		
<b>Insurance Service result</b>	<b>(4,829,334.3)</b>	<b>47,318</b>	<b>2,506,637</b>	<b>(35,557)</b>	<b>(2,310,934)</b>	<b>(3,796,194)</b>	<b>-</b>	<b>2,805,747</b>	<b>30,030</b>	<b>(945,417)</b>		
<b>Insurance Finance Income or Expense</b>												
The effect of and changes in time of time value of money	-	-	353,249	29,626	382,875	-	-	(95,879)	7,698	(88,181)		
foreign exchange differences on changes in the carrying amount of groups of insurance contracts	(60,407)	-	-	4,679	(55,728)	-	-	(79,442)	-	(79,442)		
<b>Total amounts recognised in comprehensive income</b>	<b>(4,891,741)</b>	<b>47,318</b>	<b>2,732,873</b>	<b>(1,252)</b>	<b>(1,907,802)</b>	<b>(3,796,194)</b>	<b>-</b>	<b>3,289,309</b>	<b>37,728</b>	<b>(487,156)</b>		
<b>Investment components</b>												
<b>Cash flows</b>												
Premiums received	7,357,514	-	-	-	7,357,514	5,020,284	-	-	-	5,020,284		
Claims expenses paid	-	-	(1,570,384)	-	(1,570,384)	-	-	(2,180,310)	-	(2,180,310)		
Other directly attributable expenses paid	-	-	(1,388,352)	-	(1,388,352)	-	-	(492,943)	-	(492,943)		
Insurance acquisition cashflows deducted	(1,810,507)	-	-	-	(1,810,507)	(1,003,584)	-	-	-	(1,003,584)		
<b>Total cash flows</b>	<b>5,547,008</b>	<b>-</b>	<b>(2,958,736)</b>	<b>-</b>	<b>2,588,272</b>	<b>4,016,700</b>	<b>-</b>	<b>(2,673,273)</b>	<b>-</b>	<b>1,343,427</b>		
<b>Outstanding amounts transferred to LIC at end of cover</b>												
<b>Net closing balance</b>	<b>1,884,965</b>	<b>47,318</b>	<b>1,619,835</b>	<b>97,190</b>	<b>3,651,309</b>	<b>1,231,699</b>	<b>-</b>	<b>1,440,699</b>	<b>98,442</b>	<b>2,970,841</b>		
Closing Insurance Contract Liabilities	1,884,965	47,318	1,619,835	97,190	3,651,309	1,231,699	-	1,440,699	98,442	2,970,841		
Closing Insurance Contract Assets	-	-	-	-	-	-	-	-	-	-		
<b>Net closing balance</b>	<b>1,884,965</b>	<b>47,318</b>	<b>1,619,835</b>	<b>97,190</b>	<b>3,651,309</b>	<b>1,231,699</b>	<b>-</b>	<b>1,440,699</b>	<b>98,442</b>	<b>2,970,841</b>		

**HEIRS GENERAL INSURANCE LIMITED**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025**

**378 Reconciliation of the asset for remaining coverage and the asset for incurred claims per Portfolio**

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

**31 December 2025**

	AVIATION				Total
	Remaining Coverage		Incurred claims Estimates of Present Value of Future Cash Flows	Risk Adjustment for Non-financial risk	
	Excl. Loss Recovery Component N'000	Loss Recovery Component N'000			
Opening Reinsurance Contract Liabilities	-	-	7,081	-	7,081
Opening Reinsurance Contract Assets	-	-	-	425	425
<b>Net opening balance</b>	-	-	<b>7,081</b>	<b>425</b>	<b>7,506</b>
<b>Allocation of reinsurance premiums paid</b>	-	-	-	-	-
Amount Recovered from reinsurer	-	-	-	-	-
Recoveries on incurred claims	-	-	5,423	(420)	5,003
Other incurred reinsurance service expenses	-	-	-	-	-
Changes in expected recoveries on past claims	-	-	(23,626)	(553)	(24,179)
Changes in the loss recovery component	-	-	-	-	-
<b>Reinsurance Service expenses</b>	-	-	<b>(18,203)</b>	<b>(973)</b>	<b>(19,176)</b>
<b>Net expenses from Reinsurance Contracts Held</b>	-	-	<b>18,203</b>	<b>973</b>	<b>19,176</b>
<b>Insurance Finance Income or Expense</b>	-	-	-	-	-
Net finance expenses from RCH	-	-	(1,992)	(128)	(2,120)
Effect of movements in exchange rates	-	-	(14,304)	-	(14,304)
<b>Total amounts recognised in comprehensive income</b>	-	-	<b>1,907</b>	<b>845</b>	<b>2,752</b>
<b>Cash flows</b>	-	-	-	-	-
Commissions received	-	-	-	-	-
Claims recovered	-	-	(12,180)	-	(12,180)
Premiums paid	-	-	-	-	-
<b>Total cash flows</b>	-	-	<b>(12,180)</b>	-	<b>(12,180)</b>
<b>Outstanding amounts transferred to LIC at end of cover</b>	-	-	-	-	-
<b>Net closing balance</b>	-	-	<b>(7,006)</b>	<b>(420)</b>	<b>(7,426)</b>
Closing Reinsurance Contract Liabilities	-	-	(7,006)	(420)	(7,426)
Closing Reinsurance Contract Assets	0	-	-	-	0
<b>Net closing balance</b>	<b>0</b>	-	<b>(7,006)</b>	<b>(420)</b>	<b>(7,426)</b>

**31 December 2024**

	AVIATION				Total
	Remaining Coverage		Incurred claims Estimates of Present Value of Future Cash Flows	Risk Adjustment for Non-financial risk	
	Excl. Loss Recovery Component N'000	Loss Recovery Component N'000			
Opening Reinsurance Contract Liabilities	-	-	-	-	-
Opening Reinsurance Contract Assets	(146,526)	-	173,274	10,396	37,145
<b>Net opening balance</b>	<b>(146,526)</b>	-	<b>173,274</b>	<b>10,396</b>	<b>37,145</b>
<b>Allocation of reinsurance premiums paid</b>	-	-	-	-	-
Amount Recovered from reinsurer	-	-	-	-	-
Recoveries on incurred claims	-	-	-	7,914	8,339
Other incurred reinsurance service expenses	-	-	-	-	-
Changes in expected recoveries on past claims	-	-	(191,397)	(11,715)	(203,112)
Changes in the loss recovery component	-	-	-	-	-
<b>Reinsurance Service expenses</b>	-	-	<b>(183,484)</b>	<b>(11,290)</b>	<b>(194,773)</b>
<b>Net expenses from Reinsurance Contracts Held</b>	-	-	<b>183,484</b>	<b>11,290</b>	<b>48,247</b>
<b>Insurance Finance Income or Expense</b>	-	-	-	-	-
Net finance expenses from RCH	-	-	(17,291)	(1,318)	(18,609)
Effect of movements in exchange rates	-	-	-	-	-
<b>Total amounts recognised in comprehensive income</b>	-	-	<b>166,193</b>	<b>9,972</b>	<b>29,638</b>
<b>Cash flows</b>	-	-	-	-	-
Commissions received	-	-	-	-	-
Claims recovered	-	-	-	-	-
Premiums paid	-	-	-	-	-
<b>Total cash flows</b>	-	-	-	-	-
<b>Outstanding amounts transferred to LIC at end of cover</b>	-	-	-	-	-
<b>Net closing balance</b>	<b>0</b>	-	<b>7,081</b>	<b>425</b>	<b>7,506</b>
Closing Reinsurance Contract Liabilities	-	-	7,081	425	7,506
Closing Reinsurance Contract Assets	-	-	-	-	-
<b>Net closing balance</b>	<b>0</b>	-	<b>7,081</b>	<b>425</b>	<b>7,506</b>

	BOND				Total
	Remaining Coverage		Incurred claims Estimates of Present Value of Future Cash Flows	Risk Adjustment for Non-financial risk	
	Excl. Loss Recovery Component N'000	Loss Recovery Component N'000			
Opening Reinsurance Contract Liabilities	-	-	-	-	-
Opening Reinsurance Contract Assets	45,046	-	85,189	5,111	136,000
<b>Net opening balance</b>	<b>45,046</b>	-	<b>85,189</b>	<b>5,111</b>	<b>136,000</b>
<b>Allocation of reinsurance premiums paid</b>	<b>142,862</b>	-	-	-	<b>142,862</b>
Amount Recovered from reinsurer	-	-	-	-	-
Recoveries on incurred claims	-	-	143,037	5,983	149,020
Other incurred reinsurance service expenses	-	-	-	-	-
Changes in expected recoveries on past claims	-	-	(107,103)	(6,650)	(113,753)
Changes in the loss recovery component	-	1,065	-	-	1,065
<b>Reinsurance Service expenses</b>	-	<b>1,065</b>	<b>35,934</b>	<b>(666)</b>	<b>36,333</b>
<b>Net expenses from Reinsurance Contracts Held</b>	<b>142,862</b>	<b>(1,065)</b>	<b>(35,734)</b>	<b>666</b>	<b>108,529</b>
<b>Insurance Finance Income or Expense</b>	-	-	-	-	-
Net finance expenses from RCH	-	-	(20,997)	(1,538)	(22,535)
Effect of movements in exchange rates	112	-	-	-	112
<b>Total amounts recognised in comprehensive income</b>	<b>142,974</b>	<b>(1,065)</b>	<b>(56,731)</b>	<b>(872)</b>	<b>84,106</b>
<b>Cash flows</b>	-	-	-	-	-
Commissions received	-	-	-	-	-
Claims recovered	124,483	-	(42,397)	-	(42,397)
Premiums paid	124,483	-	-	-	124,483
<b>Total cash flows</b>	<b>124,483</b>	-	<b>(42,397)</b>	-	<b>82,086</b>
<b>Outstanding amounts transferred to LIC at end of cover</b>	-	-	-	-	-
<b>Net closing balance</b>	<b>26,555</b>	<b>1,065</b>	<b>99,723</b>	<b>5,983</b>	<b>133,327</b>
Closing Reinsurance Contract Liabilities	-	-	-	-	-
Closing Reinsurance Contract Assets	26,555	1,065	99,723	5,983	133,327
<b>Net closing balance</b>	<b>26,555</b>	<b>1,065</b>	<b>99,723</b>	<b>5,983</b>	<b>133,327</b>

	BOND				Total
	Remaining Coverage		Incurred claims Estimates of Present Value of Future Cash Flows	Risk Adjustment for Non-financial risk	
	Excl. Loss Recovery Component N'000	Loss Recovery Component N'000			
Opening Reinsurance Contract Liabilities	-	-	-	-	-
Opening Reinsurance Contract Assets	50,644	-	68,022	4,081	122,747
<b>Net opening balance</b>	<b>50,644</b>	-	<b>68,022</b>	<b>4,081</b>	<b>122,747</b>
<b>Allocation of reinsurance premiums paid</b>	-	-	-	-	-
Amount Recovered from reinsurer	-	-	-	-	-
Recoveries on incurred claims	-	-	98,606	5,111	103,717
Other incurred reinsurance service expenses	-	-	-	-	-
Changes in expected recoveries on past claims	-	-	(53,194)	(4,599)	(57,793)
Changes in the loss recovery component	-	-	-	-	-
<b>Reinsurance Service expenses</b>	-	-	<b>45,412</b>	<b>513</b>	<b>45,924</b>
<b>Net expenses from Reinsurance Contracts Held</b>	<b>148,909</b>	-	<b>(45,412)</b>	<b>(513)</b>	<b>102,984</b>
<b>Insurance Finance Income or Expense</b>	-	-	-	-	-
Net finance expenses from RCH	-	-	5,897	(517)	5,380
Effect of movements in exchange rates	-	-	-	-	-
<b>Total amounts recognised in comprehensive income</b>	<b>148,909</b>	-	<b>(39,515)</b>	<b>(1,030)</b>	<b>108,364</b>
<b>Cash flows</b>	-	-	-	-	-
Commissions received	-	-	-	-	-
Claims recovered	-	-	(21,695)	-	(21,695)
Premiums paid	143,312	-	-	-	143,312
<b>Total cash flows</b>	<b>143,312</b>	-	<b>(21,695)</b>	-	<b>121,617</b>
<b>Outstanding amounts transferred to LIC at end of cover</b>	-	-	-	-	-
<b>Net closing balance</b>	<b>45,046</b>	-	<b>85,842</b>	<b>5,111</b>	<b>136,000</b>
Closing Reinsurance Contract Liabilities	(18,130)	-	-	-	(18,130)
Closing Reinsurance Contract Assets	63,176	-	85,842	5,111	154,130
<b>Net closing balance</b>	<b>45,046</b>	-	<b>85,842</b>	<b>5,111</b>	<b>136,000</b>

**HEIRS GENERAL INSURANCE LIMITED**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025**

	ENGINEERING				Total N'000
	Remaining Coverage		Incurred claims Estimates of Present Value of Future Cash Flows N'000	Risk Adjustment for Non-financial risk N'000	
	Excl. Loss Recovery Component N'000	Loss Recovery Component N'000			
Opening Reinsurance Contract Liabilities	-	-	-	-	-
Opening Reinsurance Contract Assets	71,497	-	43,252	2,595	117,344
<b>Net opening balance</b>	<b>71,497</b>	<b>-</b>	<b>43,252</b>	<b>2,595</b>	<b>117,344</b>
<b>Allocation of reinsurance premiums paid</b>	<b>469,205</b>				<b>469,205</b>
Amount Recovered from reinsurer	-	-	-	-	-
Recoveries on incurred claims	-	-	283,290	6,984	290,274
Other incurred reinsurance service expenses	-	-	-	-	-
Other incurred reinsurance service expenses	-	-	-	-	-
Changes in expected recoveries on past claims	-	-	(54,378)	(3,376)	(57,754)
Changes in the loss recovery component	-	50,838	-	-	50,838
<b>Reinsurance Service expenses</b>	<b>-</b>	<b>50,838</b>	<b>228,912</b>	<b>3,608</b>	<b>283,357</b>
<b>Net expenses from Reinsurance Contracts Held</b>	<b>469,205</b>	<b>(50,838)</b>	<b>(228,912)</b>	<b>(3,608)</b>	<b>185,848</b>
<b>Insurance Finance Income or Expense</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net finance expenses from RCH	-	-	(10,056)	(781)	(10,837)
Effect of movements in exchange rates	7,984	-	-	7,984	7,984
<b>Total amounts recognised in comprehensive income</b>	<b>477,189</b>	<b>(50,838)</b>	<b>(238,968)</b>	<b>(4,389)</b>	<b>182,995</b>
<b>Cash flows</b>					
Commissions received	-	-	-	-	-
Claims recovered	-	-	(165,822)	-	(165,822)
Premiums paid	587,711	-	-	-	587,711
<b>Total cash flows</b>	<b>587,711</b>	<b>-</b>	<b>(165,822)</b>	<b>-</b>	<b>421,890</b>
<b>Outstanding amounts transferred to LIC at end of cover</b>	<b>182,019</b>	<b>50,838</b>	<b>116,398</b>	<b>6,984</b>	<b>356,238</b>
Closing Reinsurance Contract Liabilities	-	-	-	-	-
Closing Reinsurance Contract Assets	182,020	50,838	116,398	6,984	356,239
<b>Net closing balance</b>	<b>182,020</b>	<b>50,838</b>	<b>116,398</b>	<b>6,984</b>	<b>356,239</b>

	Fire				Total N'000
	Remaining Coverage		Incurred claims Estimates of Present Value of Future Cash Flows N'000	Risk Adjustment for Non-financial risk N'000	
	Excl. Loss Recovery Component N'000	Loss Recovery Component N'000			
Opening Reinsurance Contract Liabilities	-	-	-	-	-
Opening Reinsurance Contract Assets	126,599	-	172,092	10,326	309,017
<b>Net opening balance</b>	<b>126,599</b>	<b>-</b>	<b>172,092</b>	<b>10,326</b>	<b>309,017</b>
<b>Allocation of reinsurance premiums paid</b>	<b>1,127,444</b>				<b>1,127,444</b>
Amount Recovered from reinsurer	-	-	-	-	-
Recoveries on incurred claims	-	-	1,607,743	77,060	1,684,803
Other incurred reinsurance service expenses	-	-	-	-	-
Other incurred reinsurance service expenses	-	-	(127,075)	(13,433)	(140,507)
Changes in expected recoveries on past claims	-	-	-	-	-
Changes in the loss recovery component	-	-	-	-	-
<b>Reinsurance Service expenses</b>	<b>-</b>	<b>1,480,669</b>	<b>63,627</b>	<b>1,544,296</b>	<b>1,544,296</b>
<b>Net expenses from Reinsurance Contracts Held</b>	<b>1,127,444</b>	<b>-</b>	<b>(1,480,669)</b>	<b>(63,627)</b>	<b>(416,852)</b>
<b>Insurance Finance Income or Expense</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net finance expenses from RCH	-	-	14,042	(5,645)	8,397
Effect of movements in exchange rates	2,692	-	42,303	2,538	47,533
<b>Total amounts recognised in comprehensive income</b>	<b>1,130,136</b>	<b>-</b>	<b>(1,424,323)</b>	<b>(66,734)</b>	<b>(360,922)</b>
<b>Cash flows</b>					
Commissions received	-	-	-	-	-
Claims recovered	-	-	(312,082)	-	(312,082)
Premiums paid	1,370,387	-	-	-	1,370,387
<b>Total cash flows</b>	<b>1,370,387</b>	<b>-</b>	<b>(312,082)</b>	<b>-</b>	<b>1,058,305</b>

	ENGINEERING				Total N'000
	Remaining Coverage		Incurred claims Estimates of Present Value of Future Cash Flows	Risk Adjustment for Non-financial risk	
	Excl. Loss Recovery Component	Loss Recovery Component			
Opening Reinsurance Contract Liabilities	-	-	-	-	-
Opening Reinsurance Contract Assets	80,245	-	108,623	6,517	195,385
<b>Net opening balance</b>	<b>80,245</b>	<b>-</b>	<b>108,623</b>	<b>6,517</b>	<b>195,385</b>
<b>Allocation of reinsurance premiums paid</b>	<b>279,539</b>				<b>279,539</b>
Amount Recovered from reinsurer	-	-	-	-	-
Recoveries on incurred claims	-	-	44,452	2,595	47,047
Other incurred reinsurance service expenses	-	-	-	-	-
Other incurred reinsurance service expenses	-	-	(77,506)	(7,344)	(84,849)
Changes in expected recoveries on past claims	-	-	-	-	-
Changes in the loss recovery component	-	-	-	-	-
<b>Reinsurance Service expenses</b>	<b>-</b>	<b>-</b>	<b>(33,054)</b>	<b>(4,749)</b>	<b>(37,802)</b>
<b>Net expenses from Reinsurance Contracts Held</b>	<b>279,539</b>	<b>-</b>	<b>33,054</b>	<b>4,749</b>	<b>317,341</b>
<b>Insurance Finance Income or Expense</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net finance expenses from RCH	-	-	(5,196)	(826)	(6,022)
Effect of movements in exchange rates	7,984	-	-	7,984	7,984
<b>Total amounts recognised in comprehensive income</b>	<b>279,539</b>	<b>-</b>	<b>27,858</b>	<b>3,922</b>	<b>311,319</b>
<b>Cash flows</b>					
Commissions received	-	-	-	-	-
Claims recovered	-	-	(37,513)	-	(37,513)
Premiums paid	270,791	-	-	-	270,791
<b>Total cash flows</b>	<b>270,791</b>	<b>-</b>	<b>(37,513)</b>	<b>-</b>	<b>233,278</b>
<b>Outstanding amounts transferred to LIC at end of cover</b>	<b>71,497</b>	<b>-</b>	<b>43,252</b>	<b>2,595</b>	<b>117,344</b>
Closing Reinsurance Contract Liabilities	-	-	-	-	-
Closing Reinsurance Contract Assets	71,497	-	43,252	2,595	117,344
<b>Net closing balance</b>	<b>71,497</b>	<b>-</b>	<b>43,252</b>	<b>2,595</b>	<b>117,344</b>

	FIRE				Total N'000
	Remaining Coverage		Incurred claims Estimates of Present Value of Future Cash Flows	Risk Adjustment for Non-financial risk	
	Excl. Loss Recovery Component	Loss Recovery Component			
Opening Reinsurance Contract Liabilities	-	-	-	-	-
Opening Reinsurance Contract Assets	197,715	-	47,122	2,827	247,664
<b>Net opening balance</b>	<b>197,715</b>	<b>-</b>	<b>47,122</b>	<b>2,827</b>	<b>247,664</b>
<b>Allocation of reinsurance premiums paid</b>	<b>865,345</b>				<b>865,345</b>
Amount Recovered from reinsurer	-	-	-	-	-
Recoveries on incurred claims	-	-	171,184	10,326	181,509
Other incurred reinsurance service expenses	-	-	-	-	-
Other incurred reinsurance service expenses	-	-	(286,823)	(3,186)	(283,637)
Changes in expected recoveries on past claims	-	-	-	-	-
Changes in the loss recovery component	-	-	-	-	-
<b>Reinsurance Service expenses</b>	<b>-</b>	<b>-</b>	<b>458,007</b>	<b>7,140</b>	<b>465,147</b>
<b>Net expenses from Reinsurance Contracts Held</b>	<b>865,345</b>	<b>-</b>	<b>(458,007)</b>	<b>(7,140)</b>	<b>400,199</b>
<b>Insurance Finance Income or Expense</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net finance expenses from RCH	-	-	14,905	(358)	14,547
Effect of movements in exchange rates	2,692	-	42,303	2,538	47,533
<b>Total amounts recognised in comprehensive income</b>	<b>865,345</b>	<b>-</b>	<b>(443,102)</b>	<b>(7,498)</b>	<b>414,745</b>
<b>Cash flows</b>					
Commissions received	-	-	-	-	-
Claims recovered	-	-	(318,132)	-	(318,132)
Premiums paid	794,229	-	-	-	794,229
<b>Total cash flows</b>	<b>794,229</b>	<b>-</b>	<b>(318,132)</b>	<b>-</b>	<b>476,097</b>

**HEIRS GENERAL INSURANCE LIMITED**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025**

Outstanding amounts transferred to LIC at end of cover										
<b>Net closing balance</b>	<b>366,850</b>	-	<b>1,284,333</b>	<b>77,060</b>	<b>1,728,243</b>	<b>126,599</b>	-	<b>172,092</b>	<b>10,326</b>	<b>309,016</b>
Closing Reinsurance Contract Liabilities	366,850	-	1,284,333	77,060	1,728,243	(67,405)	-	-	-	(67,405)
Closing Reinsurance Contract Assets	366,850	-	1,284,333	77,060	1,728,243	194,004	-	172,092	10,326	376,421
<b>Net closing balance</b>	<b>366,850</b>	-	<b>1,284,333</b>	<b>77,060</b>	<b>1,728,243</b>	<b>126,599</b>	-	<b>172,092</b>	<b>10,326</b>	<b>309,016</b>

GENERAL ACCIDENT						GENERAL ACCIDENT					
	Remaining Coverage		Incurred claims		Total	Remaining Coverage	Incurred claims		Total		
	Excl. Loss Recovery Component	Loss Recovery Component	Estimates of Present Value of Future Cash Flows	Risk Adjustment for Non-financial risk			Excl. Loss Recovery Component	Loss Recovery Component			
	N'000	N'000	N'000	N'000	N'000	Component	Component	of Future Cash Flows	Non-financial risk	N'000	N'000
Opening Reinsurance Contract Liabilities	-	-	-	-	-	-	-	-	-	-	-
Opening Reinsurance Contract Assets	1,855	-	255,503	15,330	272,688	81,077	-	94,599	5,672	181,277	-
<b>Net opening balance</b>	<b>1,855</b>	-	<b>255,503</b>	<b>15,330</b>	<b>272,688</b>	<b>81,077</b>	-	<b>94,599</b>	<b>5,672</b>	<b>181,277</b>	-
<b>Allocation of reinsurance premiums paid</b>	<b>387,444</b>	-	-	-	<b>387,444</b>	<b>389,350</b>	-	-	-	<b>389,350</b>	-
Amount Recovered from reinsurer	-	-	-	0	-	-	-	-	-	-	-
Recoveries on incurred claims	-	-	123,307	15,700	139,007	-	-	278,114	15,330	293,444	-
Other incurred reinsurance service expenses	-	-	-	-	-	-	-	-	-	-	-
Changes in expected recoveries on past claims	-	-	12,926	(19,944)	(7,018)	-	-	91,651	(6,391)	85,260	-
Changes in the loss recovery component	-	-	-	-	-	-	-	-	-	-	-
<b>Reinsurance Service expenses</b>	-	-	<b>136,232</b>	<b>(4,243)</b>	<b>131,989</b>	-	-	<b>369,764</b>	<b>8,939</b>	<b>378,704</b>	-
<b>Net expenses from Reinsurance Contracts Held</b>	<b>387,444</b>	-	<b>(136,232)</b>	<b>4,243</b>	<b>255,455</b>	<b>389,350</b>	-	<b>(369,764)</b>	<b>(8,939)</b>	<b>10,646</b>	-
Insurance Finance Income or Expense	-	-	-	-	-	-	-	-	-	-	-
Net finance expenses from RCH	-	-	(34,948)	(4,614)	(39,561)	-	-	15,219	(719)	14,500	-
Effect of movements in exchange rates	1,615	-	6,463	388	8,466	-	-	-	-	-	-
<b>Total amounts recognised in comprehensive income</b>	<b>389,059</b>	-	<b>(164,717)</b>	<b>18</b>	<b>224,360</b>	<b>389,350</b>	-	<b>(354,546)</b>	<b>(9,658)</b>	<b>25,146</b>	-
<b>Cash flows</b>	-	-	-	-	-	-	-	-	-	-	-
Commissions received	-	-	-	-	-	-	-	-	-	-	-
Claims recovered	-	-	(165,012)	(165,012)	(165,012)	-	-	(193,571)	-	(193,571)	-
Premiums paid	498,012	-	-	-	498,012	310,128	-	-	-	310,128	-
<b>Total cash flows</b>	<b>498,012</b>	-	<b>(165,012)</b>	-	<b>333,000</b>	<b>310,128</b>	-	<b>(193,571)</b>	-	<b>116,557</b>	-
<b>Outstanding amounts transferred to LIC at end of cover</b>	-	-	-	-	-	-	-	-	-	-	-
<b>Net closing balance</b>	<b>110,808</b>	-	<b>255,208</b>	<b>15,312</b>	<b>381,328</b>	<b>1,855</b>	-	<b>255,503</b>	<b>15,330</b>	<b>272,688</b>	-
Closing Reinsurance Contract Liabilities	-	-	-	-	-	(35,685)	-	-	-	(35,685)	-
Closing Reinsurance Contract Assets	110,807	-	255,208	15,312	381,327	37,540	-	255,503	15,330	308,373	-
<b>Net closing balance</b>	<b>110,807</b>	-	<b>255,208</b>	<b>15,312</b>	<b>381,327</b>	<b>1,855</b>	-	<b>255,503</b>	<b>15,330</b>	<b>272,688</b>	-

MOTOR						MOTOR					
	Remaining Coverage		Incurred claims		Total	Remaining Coverage	Incurred claims		Total		
	Excl. Loss Recovery Component	Loss Recovery Component	Estimates of Present Value of Future Cash Flows	Risk Adjustment for Non-financial risk			Excl. Loss Recovery Component	Loss Recovery Component			
	N'000	N'000	N'000	N'000	N'000	Component	Component	of Future Cash Flows	Non-financial risk	N'000	N'000
Opening Reinsurance Contract Liabilities	-	-	-	-	-	-	-	-	-	-	-
Opening Reinsurance Contract Assets	37,994	-	143,530	8,612	190,136	41,444	-	26,505	1,590	69,540	-
<b>Net opening balance</b>	<b>37,994</b>	-	<b>143,530</b>	<b>8,612</b>	<b>190,136</b>	<b>41,444</b>	-	<b>26,505</b>	<b>1,590</b>	<b>69,540</b>	-
<b>Allocation of reinsurance premiums paid</b>	<b>523,874</b>	-	-	-	<b>523,874</b>	<b>182,552</b>	-	-	-	<b>182,552</b>	-
Amount Recovered from reinsurer	-	-	-	-	-	-	-	-	-	-	-
Recoveries on incurred claims	-	-	826,704	33,998	860,701	-	-	156,238	8,612	164,850	-
Other incurred reinsurance service expenses	-	-	-	-	-	-	-	-	-	-	-
Changes in expected recoveries on past claims	-	-	(169,283)	(11,203)	(180,486)	-	-	68,627	(1,792)	66,835	-
Changes in the loss recovery component	-	-	-	-	-	-	-	-	-	-	-
<b>Reinsurance Service expenses</b>	-	-	<b>657,421</b>	<b>(22,794)</b>	<b>634,627</b>	-	-	<b>224,865</b>	<b>6,820</b>	<b>231,685</b>	-
<b>Net expenses from Reinsurance Contracts Held</b>	<b>523,874</b>	-	<b>(657,421)</b>	<b>(22,794)</b>	<b>(156,341)</b>	<b>182,552</b>	-	<b>(224,865)</b>	<b>(6,820)</b>	<b>(49,133)</b>	-
Insurance Finance Income or Expense	-	-	-	-	-	-	-	-	-	-	-
Net finance expenses from RCH	-	-	(2,354)	(2,592)	(4,945)	-	-	10,624	(202)	10,423	-
Effect of movements in exchange rates	848	-	(88,610)	(5,316)	(93,078)	-	-	-	-	-	-
<b>Total amounts recognised in comprehensive income</b>	<b>524,722</b>	-	<b>(748,384)</b>	<b>(30,702)</b>	<b>(254,365)</b>	<b>182,552</b>	-	<b>(214,241)</b>	<b>(7,021)</b>	<b>(38,710)</b>	-
<b>Cash flows</b>	-	-	-	-	-	-	-	-	-	-	-
Commissions received	-	-	-	-	-	-	-	-	-	-	-
Claims recovered	-	-	(236,677)	(236,677)	(236,677)	-	-	(97,216)	-	(97,216)	-
Premiums paid	647,516	-	-	-	647,516	179,102	-	(97,216)	-	179,102	-
<b>Total cash flows</b>	<b>647,516</b>	-	<b>(236,677)</b>	-	<b>410,838</b>	<b>179,102</b>	-	<b>(97,216)</b>	-	<b>81,885</b>	-
<b>Outstanding amounts transferred to LIC at end of cover</b>	-	-	-	-	-	-	-	-	-	-	-
<b>Net closing balance</b>	<b>160,788</b>	-	<b>655,237</b>	<b>39,314</b>	<b>855,339</b>	<b>37,994</b>	-	<b>143,530</b>	<b>8,612</b>	<b>190,135</b>	-
Closing Reinsurance Contract Liabilities	-	-	-	-	-	(14,542)	-	-	-	(14,542)	-
Closing Reinsurance Contract Assets	160,788	-	655,237	39,314	855,339	52,536	-	143,530	8,612	204,677	-
<b>Net closing balance</b>	<b>160,788</b>	-	<b>655,237</b>	<b>39,314</b>	<b>855,339</b>	<b>37,994</b>	-	<b>143,530</b>	<b>8,612</b>	<b>190,135</b>	-

**HEIRS GENERAL INSURANCE LIMITED**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025**

	MARINE					Total	MARINE					Total		
	Remaining Coverage		Incurred claims	Estimates of Present Value of Future Cash Flows	Risk Adjustment for Non-financial risk		Excl. Loss Recovery Component	Remaining Coverage		Incurred claims	Estimates of Present Value of Future Cash Flows		Risk Adjustment for Non-financial risk	Total
	Excl. Loss Recovery Component	Loss Recovery Component						Excl. Loss Recovery Component	Loss Recovery Component					
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000		
Opening Reinsurance Contract Liabilities	-	-	-	-	-	-	-	-	-	-	-	-		
Opening Reinsurance Contract Assets	111,304	-	64,094	3,846	179,244	78,518	-	85,868	5,152	169,538	-	-		
<b>Net opening balance</b>	<b>111,304</b>	<b>-</b>	<b>64,094</b>	<b>3,846</b>	<b>179,244</b>	<b>78,518</b>	<b>-</b>	<b>85,868</b>	<b>5,152</b>	<b>169,538</b>	<b>-</b>	<b>-</b>		
<b>Allocation of reinsurance premiums paid</b>	<b>871,896</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>871,896</b>	<b>405,001</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>405,001</b>	<b>-</b>	<b>-</b>		
<i>Amount Recovered from reinsurer</i>	-	-	-	-	-	-	-	-	-	-	-	-		
Recoveries on incurred claims	-	-	846,493	20,311	866,804	-	-	71,627	3,846	75,473	-	-		
Other incurred reinsurance service expenses	-	-	-	-	-	-	-	-	-	-	-	-		
Changes in expected recoveries on past claims	-	-	(79,695)	(5,003)	(84,698)	-	-	(85,441)	(5,805)	(91,246)	-	-		
Changes in the loss recovery component	-	8,859	-	-	8,859	-	-	-	-	-	-	-		
<b>Reinsurance Service expenses</b>	<b>-</b>	<b>8,859</b>	<b>766,798</b>	<b>15,308</b>	<b>790,965</b>	<b>-</b>	<b>-</b>	<b>(13,814)</b>	<b>(1,960)</b>	<b>(15,774)</b>	<b>-</b>	<b>-</b>		
<b>Net expenses from Reinsurance Contracts Held</b>	<b>871,896</b>	<b>(8,859)</b>	<b>(766,798)</b>	<b>(15,308)</b>	<b>80,932</b>	<b>405,001</b>	<b>-</b>	<b>13,814</b>	<b>1,960</b>	<b>420,775</b>	<b>-</b>	<b>-</b>		
<b>Insurance Finance Income or Expense</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		
Net finance expenses from RCH	-	-	(1,420)	(1,157)	(2,778)	-	-	(1,448)	(653)	(2,101)	-	-		
Effect of movements in exchange rates	850	-	-	-	850	-	-	-	-	-	-	-		
<b>Total amounts recognised in comprehensive income</b>	<b>872,746</b>	<b>(8,859)</b>	<b>(768,418)</b>	<b>(16,465)</b>	<b>79,004</b>	<b>405,001</b>	<b>-</b>	<b>12,366</b>	<b>1,306</b>	<b>418,673</b>	<b>-</b>	<b>-</b>		
<b>Cash flows</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		
Commissions received	-	-	-	-	-	-	-	-	-	-	-	-		
Claims recovered	-	-	(493,997)	-	(493,997)	-	-	(8,748)	-	(8,748)	-	-		
Premiums paid	1,041,255	-	-	-	1,041,255	437,807	-	-	-	437,807	-	-		
<b>Total cash flows</b>	<b>1,041,255</b>	<b>-</b>	<b>(493,997)</b>	<b>-</b>	<b>547,258</b>	<b>437,807</b>	<b>-</b>	<b>(8,748)</b>	<b>-</b>	<b>429,059</b>	<b>-</b>	<b>-</b>		
<b>Outstanding amounts transferred to LIC at end of cover</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		
<b>Net closing balance</b>	<b>279,812</b>	<b>8,859</b>	<b>338,515</b>	<b>20,311</b>	<b>647,498</b>	<b>111,324</b>	<b>-</b>	<b>64,754</b>	<b>3,846</b>	<b>179,924</b>	<b>-</b>	<b>-</b>		
Closing Reinsurance Contract Liabilities	-	-	-	-	-	-	-	(71,782)	-	(71,782)	-	-		
Closing Reinsurance Contract Assets	279,812	8,859	338,515	20,311	647,498	183,106	-	64,754	3,846	251,706	-	-		
<b>Net closing balance</b>	<b>279,812</b>	<b>8,859</b>	<b>338,515</b>	<b>20,311</b>	<b>647,498</b>	<b>111,324</b>	<b>-</b>	<b>64,754</b>	<b>3,846</b>	<b>179,924</b>	<b>-</b>	<b>-</b>		

	OIL AND GAS					Total	OIL AND GAS					Total		
	Remaining Coverage		Incurred claims	Estimates of Present Value of Future Cash Flows	Risk Adjustment for Non-financial risk		Excl. Loss Recovery Component	Remaining Coverage		Incurred claims	Estimates of Present Value of Future Cash Flows		Risk Adjustment for Non-financial risk	Total
	Excl. Loss Recovery Component	Loss Recovery Component						Excl. Loss Recovery Component	Loss Recovery Component					
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000		
Opening Reinsurance Contract Liabilities	-	-	-	-	-	-	-	-	-	-	-	-		
Opening Reinsurance Contract Assets	429,165	-	1,971,034	118,262	2,518,461	196,998	-	501,113	29,526	727,637	-	-		
<b>Net opening balance</b>	<b>429,165</b>	<b>-</b>	<b>1,971,034</b>	<b>118,262</b>	<b>2,518,461</b>	<b>196,998</b>	<b>-</b>	<b>501,113</b>	<b>29,526</b>	<b>727,637</b>	<b>-</b>	<b>-</b>		
<b>Allocation of reinsurance premiums paid</b>	<b>4,076,380</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,076,380</b>	<b>1,982,139</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,982,139</b>	<b>-</b>	<b>-</b>		
<i>Amount Recovered from reinsurer</i>	-	-	-	-	-	-	-	-	-	-	-	-		
Recoveries on incurred claims	-	-	2,958,440	72,423	3,030,863	-	-	1,585,644	98,442	1,684,086	-	-		
Other incurred reinsurance service expenses	-	-	-	-	-	-	-	-	-	-	-	-		
Changes in expected recoveries on past claims	-	-	(2,447,530)	(153,852)	(2,601,383)	-	-	(552,324)	(13,450)	(565,774)	-	-		
Changes in the loss recovery component	-	31,077	-	-	31,077	-	-	-	-	-	-	-		
<b>Reinsurance Service expenses</b>	<b>-</b>	<b>31,077</b>	<b>510,909</b>	<b>(81,429)</b>	<b>460,557</b>	<b>-</b>	<b>-</b>	<b>1,033,320</b>	<b>84,992</b>	<b>1,118,312</b>	<b>-</b>	<b>-</b>		
<b>Net expenses from Reinsurance Contracts Held</b>	<b>4,076,380</b>	<b>(31,077)</b>	<b>(510,909)</b>	<b>81,429</b>	<b>3,615,822</b>	<b>1,982,139</b>	<b>-</b>	<b>(1,033,320)</b>	<b>(84,992)</b>	<b>863,827</b>	<b>-</b>	<b>-</b>		
<b>Insurance Finance Income or Expense</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		
Net finance expenses from RCH	-	-	(442,529)	(35,590)	(478,120)	-	-	190,478	(3,744)	186,735	-	-		
Effect of movements in exchange rates	73,989	-	(120,425)	(7,226)	(53,662)	-	-	(627,079)	-	(627,079)	-	-		
<b>Total amounts recognised in comprehensive income</b>	<b>4,150,369</b>	<b>(31,077)</b>	<b>(1,073,863)</b>	<b>38,613</b>	<b>3,084,041</b>	<b>1,982,139</b>	<b>-</b>	<b>(1,469,921)</b>	<b>(88,736)</b>	<b>423,483</b>	<b>-</b>	<b>-</b>		
<b>Cash flows</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		
Commissions received	-	-	-	-	-	-	-	-	-	-	-	-		
Claims recovered	-	-	(1,717,416)	-	(1,717,416)	-	-	-	-	-	-	-		
Premiums paid	4,683,121	-	-	-	4,683,121	2,214,306	-	-	-	2,214,306	-	-		
<b>Total cash flows</b>	<b>4,683,121</b>	<b>-</b>	<b>(1,717,416)</b>	<b>-</b>	<b>2,965,705</b>	<b>2,214,306</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,214,306</b>	<b>-</b>	<b>-</b>		
<b>Outstanding amounts transferred to LIC at end of cover</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		
<b>Net closing balance</b>	<b>961,917</b>	<b>31,077</b>	<b>1,327,481</b>	<b>79,649</b>	<b>2,400,125</b>	<b>429,165</b>	<b>-</b>	<b>1,971,034</b>	<b>118,262</b>	<b>2,518,460</b>	<b>-</b>	<b>-</b>		
Closing Reinsurance Contract Liabilities	-	-	-	-	-	-	-	(4,161)	-	(4,161)	-	-		
Closing Reinsurance Contract Assets	961,917	31,077	1,327,481	79,649	2,400,125	433,326	-	1,971,034	118,262	2,522,621	-	-		
<b>Net closing balance</b>	<b>961,917</b>	<b>31,077</b>	<b>1,327,481</b>	<b>79,649</b>	<b>2,400,125</b>	<b>429,165</b>	<b>-</b>	<b>1,971,034</b>	<b>118,262</b>	<b>2,518,460</b>	<b>-</b>	<b>-</b>		

**HEIRS GENERAL INSURANCE LIMITED**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025**

Solvency Margin	31 December 2025		
	Total	Admissible	Inadmissible
	N'000	N'000	N'000
Cash and bank balances	1,899,263	1,899,263	-
Investment Securities			-
Treasury bills	4,120,780	4,120,780	-
placement with financial institution	6,420,564	6,420,564	-
Government bonds	3,676,086	3,676,086	-
corporate bonds and debenture			-
Quoted shares	3,668,061	3,668,061	-
unquoted share (deposit for shares)	2,500,000	2,500,000	-
mortgage loans			-
loan to policy holders			-
loan to staff	157,143	157,143	-
loan to agent			-
Other loans			-
Trade Receivable	1,247,271	1,247,271	-
Other Receivable and Prepayment	803,964		803,964
Reinsurance Contract assets	6,509,523	6,509,523	
investment in subsidiarie			
Intangible Assets	150,538		150,538
Investment Properties			
PPE (Land & Building)			
PPE (Others)	591,624		591,624
statutory deposit	1,000,000	1,000,000	
Right of use of Assets	783,429		783,429
<b>Total Admissible Assets (a)</b>	<b>33,528,246</b>	<b>31,198,691</b>	<b>2,329,555</b>
<b>Less: Admissible liabilities</b>			
<b>Liabilities</b>			
Insurance contract liabilities	13,782,846	13,782,846	-
Other technical liabilities	420,551	420,551	-
Lease Liabilities	654,185	654,185	-
Other payables	456,549	456,549	-
Income tax liabilities	368,502	368,502	-
Deferred tax liabilities	-	-	-
<b>Total Liabilities (b)</b>	<b>15,682,633</b>	<b>15,682,633</b>	<b>-</b>
Admissible Assets Minus Admissible		15,516,058	
<b>Required Solvency Margin:</b> Higher of			
<b>A.</b> Minimum capital requirement or	3,000,000		
<b>B.</b> 15% of net premium income			
<b>15% *12,674,833,330</b>	1,901,225		
<b>C.</b> Higher of A or B		3,000,000	
<b>D. Surplus/Deficit</b>		12,516,058	
Solvency/Required Solvency*100)	<b>417%</b>		

NOTES TO THE FINANCIAL STATEMENTS

40 HYPOTHECATION

	31 December 2025			31 December 2024		
	Policy Holders Fund - Insurance Contract	Share Holders Fund	Total	Policy Holders Fund - Insurance Contract	Share Holders Fund	Total
	N'000	N'000	N'000	N'000	N'000	N'000
Cash and Cash Equivalents	3,933,310	350,000	4,283,310	3,400,181	350,000	3,750,181
Financial Assets - FVTPL	4,120,780	7,344,147	11,464,927	1,300,000	7,269,187	8,438,278
Financial Assets - Amortized Cost	2,086,639	1,949,877	4,036,516	2,503,266	3,821,337	6,324,603
Trade Receivables	-	1,247,271	1,247,271	-	1,076,250	1,076,250
Reinsurance Assets	6,509,523	0	6,509,523	3,729,761	-	3,729,761
Right of Use Asset	-	783,429	783,429	-	913,840	913,840
Other Receivables & Prepayments	-	3,461,107	3,461,107	-	719,613	719,613
Statutory Deposits with CBN	-	1,000,000	1,000,000	-	1,000,000	1,000,000
Property, Plant and Equipment	-	591,624	591,624	-	623,119	623,119
Intangible Assets	-	150,538	150,538	-	207,301	207,301
<b>TOTAL ASSETS</b>	<b>16,650,252</b>	<b>16,877,993</b>	<b>33,528,245</b>	<b>10,933,208</b>	<b>15,980,647</b>	<b>26,782,946</b>
<b>Liabilities</b>						
Trade Payables	-	420,551	420,551	-	70,191	70,191
Provisions & Other Payables	-	447,957	447,957	-	353,277	353,277
Insurance Contract Liabilities	13,782,846	-	13,782,846	8,373,145	-	8,373,145
Lease Liability	-	654,185	654,185	-	797,418	797,418
Income Tax Payable	-	368,502	368,502	-	346,512	346,512
<b>TOTAL LIABILITIES</b>	<b>13,782,846</b>	<b>1,891,195</b>	<b>15,674,041</b>	<b>8,373,145</b>	<b>1,567,398</b>	<b>9,940,543</b>
<b>SURPLUS</b>	<b>2,867,406</b>	<b>14,986,798</b>	<b>17,854,204</b>	<b>2,560,063</b>	<b>14,413,249</b>	<b>16,842,403</b>

**HEIRS GENERAL INSURANCE LIMITED**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025**

**OTHER NATIONAL DISCLOSURE**

**VALUE ADDED STATEMENT**

	<b>31 December 2025</b>	<b>%</b>	<b>31 December 2024</b>	<b>%</b>
			<b>N'000</b>	
Insurance Service Result	23,917,942	575%	14,324,901	201%
Investment Income & commissions income	2,489,949	60%	5,728,775	80%
Other Income/Expenses	26,583	1%	5,304	0%
Claims incurred, commissions paid and operating expenses	(23,681,792)	-570%	(13,979,401)	-196%
Other Service allocated / allocated	1,404,474	34%	1,048,324	15%
<b>Value added</b>	<b>4,157,156</b>	<b>66%</b>	<b>7,127,903</b>	<b>100%</b>
<b>Applied to pay:</b>				
Employee benefit expense	2,583,967	62%	1,888,769	26%
Government taxes	(514,431)	-12%	673,921	9%
<b>Retained in the business:</b>				
Depreciation of property and equipment	252,344	6%	183,483	3%
Depreciation expense on right-of-use asset	149,281	4%	63,799	1%
Amortisation of intangible assets	97,120	2%	91,673	1%
Profit/Loss accumulated in the business	1,588,875	38%	4,226,258	59%
<b>Value added</b>	<b>4,157,156</b>	<b>100%</b>	<b>7,127,903</b>	<b>100%</b>

**HEIRS GENERAL INSURANCE LIMITED**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025**

**FIVE-YEAR FINANCIAL SUMMARY**

**STATEMENT OF FINANCIAL POSITION**

	31 December 2025	31 December 2024	31 December 2023	31 December 2022 Restated	1 January 2022 Restated
	N'000	N'000	N'000	N'000	N'000
<b>ASSETS</b>					
Cash and Cash Equivalents	4,283,310	3,750,181	1,466,208	744,224	667,981
Financial Assets - FVTPL	11,464,927	8,438,278	11,232,385	7,374,165	6,410,730
Financial Assets - Amortised Cost	4,036,516	6,324,603	327,769	1,104,741	1,375,398
Trade receivables	1,247,271	1,076,250	687,424	1,374,117	158,521
Reinsurance Contract Assets	6,509,523	3,729,761	1,768,855	1,179,346	409,920
Other Receivables & Prepayments	3,461,107	719,613	261,460	185,566	287,116
Right of Use Asset	783,429	913,840	599,392	697,816	703,689
Statutory Deposit	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Property, Plant and Equipment	591,624	623,119	471,495	288,865	192,255
Intangible Assets	150,538	207,301	291,399	320,066	183,205
<b>Total Assets</b>	<b>33,528,245</b>	<b>26,782,946</b>	<b>18,106,387</b>	<b>14,268,906</b>	<b>11,388,815</b>
<b>LIABILITIES</b>					
Insurance Contract Liabilities	13,782,846	8,373,145	5,121,586	3,734,545	1,697,214
Other technical liabilities	420,551	70,191	6,003	255	97,259
Provision & Other Payables	456,549	353,277	195,078	196,613	104,385
Lease Liability	654,185	797,418	469,644	418,539	362,514
Income Tax Payable	368,502	346,512	24,121	5,019	-
Deferred Tax Liability	-	585,666	259,476	-	-
<b>Total Liabilities</b>	<b>15,682,633</b>	<b>10,526,209</b>	<b>6,075,909</b>	<b>4,354,971</b>	<b>2,261,372</b>
<b>EQUITY</b>					
Ordinary Share Capital	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000
Contingency Reserve	2,425,787	1,628,073	782,820	359,512	104,878
Retained Earnings (General Reserve)	5,419,825	4,628,664	1,247,658	(445,577)	(977,435)
	<b>17,845,612</b>	<b>16,256,737</b>	<b>12,030,478</b>	<b>9,913,935</b>	<b>9,127,443</b>
<b>TOTAL EQUITY &amp; LIABILITIES</b>	<b>33,528,245</b>	<b>26,782,946</b>	<b>18,106,387</b>	<b>14,268,906</b>	<b>11,388,815</b>

**Statement of Comprehensive Income**

	31 December 2025	31 December 2024	31 December 2023	31 December 2022 Restated	1 January 2022 Restated
	N'000	N'000	N'000	N'000	
Insurance Revenue	23,917,942	14,324,901	12,059,642	6,805,222	21,112,942
Profit/(loss) before tax	1,074,444	4,900,179	2,400,141	791,511	(862,102)
Income tax expense/credit	514,431	(673,921)	(283,597)	(5,019)	-
<b>Profit/(loss) after tax</b>	<b>1,588,875</b>	<b>4,226,258</b>	<b>2,116,544</b>	<b>786,491</b>	<b>(862,102)</b>