Leadway Insureholdings Limited

Annual Report

for the period 1 December 2024 to 31 December 2024

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The reports and statements set out below comprise the annual report presented to the shareholder:

Corporate Information

Incorporation number	7262418
Date of incorporation	12 December 2023
Tax Identification Number	31644005-0001

Directors:

Mr. Odeinteinm Ajumogobia	Chairperson (Appointed wef 10th March, 2025)
Mr. Tunde Alao-Olaifa*	Managing Director (Appointed wef 17th April, 2025)
Mr. Tunde Hassan-Odukale	Non-Executive Director (Appointed wef 10th March, 2025)
Mr. Thomas Huerlimann	Non-Executive Director (Appointed wef 10th March, 2025)
Mr. Hayatu Hadejia	Non-Executive Director (Appointed wef 10th March, 2025)
Mr. Oye Hassan-Odukale**	Non-Executive Director (Appointed wef 12th December 2023)

*The managing director's received a no objection from NAICOM on 24 May 2025 in relation to his appointment.
** Retired wef 10th March, 2025.

Company Secretary:	Olumide Hanson FRC/2019/PRO/NBA/004/00000019064
Registered Office:	Constitution Road, Kaduna, Kaduna-North, Kaduna State
Auditors:	KPMG Professional Services KPMG Towers Bishop Aboyade Cole Street Victoria Island, Lagos Tel: (01) 2718955 Akinyemi Ashade (Signing Partner) FRC/2013/ICAN/00000000786
Bankers:	Access Bank Plc Citibank Nigeria Limited FBN Bank (Uk) Limited Fidelity Bank Plc First Bank of Nigeria Limited First City Monument Bank Limited FSDH Merchant Bank Nigeria Limited Guaranty Trust Bank Plc Heritage Bank Plc Keystone Bank Nigeria Limited La Fayette Microfinance Bank Polaris Bank Plc Stanbic IBTC Bank Plc Standard Chartered Bank Cote d'Ivoire Standard Chartered Bank Nigeria Limited Standard Chartered Bank United Kingdom Sterling Bank Plc Union Bank Plc United Bank of Africa Plc Wema Bank Plc Zenith bank Plc

Chairperson's statement

Dear Esteemed Shareholders, my colleagues on the Board other stakeholders here present, ladies and gentlemen, it is with great pleasure that I welcome you all to our Annual General Meeting of Leadway Insureholdings Limited and to present the Annual Report and Accounts for the year ended December 31, 2024.

Commencement of operations and restructure of Leadway group

In 2024, the Leadway Group undertook a strategic restructuring of its insurance businesses, resulting in the establishment of an insurance holding structure as part of its broader business optimization strategy. This restructuring led to the creation of our Company as the holding entity for all insurance-related operations within the Group.
With the requisite approval of the National Insurance Commission (NAICOM), our Company successfully acquired the Group's insurance entities namely, Leadway Assurance Company Limited (Nigeria), Leadway Vie (Côte d'Ivoire), and Leadway Assurance IARD (Côte d'Ivoire).
I am confident that the consolidation of these entities under a unified holding structure will further reinforce the Leadway Group's overarching objective of delivering enhanced, optimized value to all stakeholders.

Year 2024 in retrospect

In 2024, the global economy recorded moderate growth, supported by easing inflationary trends, cautious monetary policies, and ongoing adjustments to geopolitical and energy-related disruptions. Advanced economies experienced a gradual recovery, while emerging markets exhibited mixed performance due to varying domestic conditions and external vulnerabilities.
On the domestic front, Nigeria's economy presented mixed signals. Real GDP grew by approximately 3.4%, primarily driven by the services sector. However, inflation remained a major challenge, closing the year at 34.8%, fueled by exchange rate volatility, the removal of fuel subsidies, and rising food prices. In response, the Central Bank of Nigeria (CBN) sustained a tight monetary policy stance, raising the Monetary Policy Rate (MPR) to 27.50% by year-end to combat inflationary pressures.

The Naira experienced significant depreciation, reaching approximately ₦1,600/USD in the official market by December 2024. This further strained import-dependent businesses and entities with foreign currency exposures, contributing to higher operational costs.
In contrast, Côte d'Ivoire's economy remained resilient, recording robust real GDP growth of approximately 6.5% in 2024. This performance was driven by strong domestic consumption, increased investment, and favorable terms of trade. Inflation remained within manageable levels, closing at 4.4%, while the exchange rate stood at 1 FCFA/0.00159 USD as of 31st December 2024 further underscoring the economy's relative stability.
The positive economic performance of Côte d'Ivoire reflects the country's resilience and commitment to structural reforms, positioning it for continued growth and development. This favorable macroeconomic environment had a positive impact on the performance of our Company's subsidiaries operating within the region.
Despite the complexities that characterized both the global and Nigerian economic landscape, our Nigerian subsidiary demonstrated remarkable adaptability and strategic foresight, enabling it to navigate macroeconomic turbulence and emerge stronger.

Insurance industry performance

The Nigerian insurance industry demonstrated resilience and sustained its upward trajectory in 2024, recording a 12% increase in Gross Written Premiums (GWP) and an estimated 15% year-on-year growth in total assets, a reflection of the sector's improving financial strength. This performance was driven by strategic repricing in response to economic realities, Naira devaluation, expanded micro-insurance outreach, and enhanced market penetration efforts.
Key regulatory developments during the year included notable progress on the Insurance Reform Bill and the implementation of Phase II of the National Insurance Commission (NAICOM)'s recapitalization directive. Furthermore, the Commission enforced the adoption of the IFRS 17 accounting standard, aligning the industry with global financial reporting frameworks. NAICOM also intensified awareness and advocacy around Environmental, Social, and Governance (ESG) integration and sustainable insurance practices.
In Côte d'Ivoire, the insurance industry experienced significant advancements across regulatory, market, and operational dimensions, achieving a turnover of approximately 628 billion FCFA, representing a 4.4% year-on-year increase. This growth was underpinned by a 5.9% rise in life insurance premiums and a 3.4% increase in non-life premiums.
A major regulatory milestone was the directive by the Inter-African Conference on Insurance Markets (CIMA) mandating insurers to increase minimum capital requirements from 3 billion FCFA to 5 billion FCFA, aimed at bolstering the sector's financial resilience and stability.
The Ivorian insurance market also witnessed increased adoption of digital technologies to streamline operations, as well as the continued implementation of initiatives aimed at enhancing insurance penetration and promoting financial inclusion.

Financial results

Despite the late commencement of operations in 2024, the Group Insurance Revenue closed at ₦32.8 billion while the Group Insurance Service Expense stood at ₦7.8 billion. Group Profit Before Tax was ₦9.4 billion largely due to the contribution from Leadway Assurance.

The Company's Total Assets closed at ₦228 billion principally from investments in subsidiaries, while Total Liabilities was ₦2 million. On a Group basis, the Total Assets was ₦1.03 trillion while Total Liabilities was ₦820 billion largely driven by insurance contract liabilities from Leadway Assurance.

Future outlook

The International Monetary Fund (IMF) projects global economic growth at 2.8% in 2025, with Nigeria's economy expected to expand by 3.0%. However, the domestic inflation rate is forecast to remain elevated, averaging 26.5% in 2025 and rising further to 37.0% in 2026. The economic environment is therefore expected to remain challenging, with rising living and operational costs placing continued pressure on individuals and businesses.

As a customer-centric and strategy-driven organization, we are well-positioned to navigate evolving market dynamics across the regions in which we operate. This readiness is underpinned by our ongoing investment in technology, robust corporate governance frameworks, and top-tier talent.

We remain firmly committed to accelerating digital transformation across our subsidiaries while exploring strategic partnerships and potential acquisitions that will further consolidate our market position.

In line with our objective to maximize shareholder value, we will pursue regional expansion opportunities and explore market diversification to unlock new growth frontiers and enhance our long-term competitiveness.

We are confident that the effective implementation of these strategies, alongside the successful delivery of the strategic objectives of our subsidiaries, will continue to strengthen our market position and drive sustainable value creation for all stakeholders.

Conclusion

The year 2024 has demonstrated that our Company and its subsidiaries are well-positioned to thrive in a dynamic and evolving business environment. As a non-operating holding company, our performance is inherently linked to that of our subsidiaries, and the results for the year under review reflect the resilience, strength, and effectiveness of their business models.

Looking ahead, I am confident that our Company is strategically positioned to navigate the complexities of the markets in which we operate and to continue delivering sustainable value to all stakeholders. We remain firmly committed to supporting our subsidiaries in the pursuit of their mission to be leading insurance providers in Nigeria and across all other regions of operation, while upholding the core values and standards of the Leadway Group.

On behalf of the Board of Directors, I wish to extend my deep appreciation to our esteemed shareholders for your unwavering support and trust in our Company. I also express sincere gratitude to my colleagues on the Board for their strategic guidance, dedication, and wise counsel throughout the year.

Thank you.

H. Odeinteinm Ajumogobia (SAN)
Chairperson
FRC/2025/PRO/DIR/003/499007
13th June, 2025

Directors Report

The directors have pleasure in presenting their annual report on the affairs of Leadway Insureholdings Limited ("the Company") and the subsidiary ("the Group") together with the consolidated and separate financial statements and the auditor's report for the period 1 December 2024 to 31 December 2024.

Legal form and principal activity

The Company was incorporated in Nigeria as a private limited liability company in December, 2023 and is licensed by the National Insurance Commission to operate an insurance holding company in December 2024.

The Company is principally engaged to undertake and carry on business as an investment company, invest in risk companies and acquire and hold shares, stocks, debentures, bonds, obligations or securities of companies or partnership firms of body corporates as may be approved by the board of the Company in Nigeria or any country or place outside Nigeria.

Subsidiary company

a. The Company wholly owns Leadway Assurance Company Limited holding 99.99% of its shares as at 31st December, 2024.

Operating results

Full details of the financial position, results of operations and cash flows of the group are set out in these consolidated annual report.

The highlights of the Group and Company's operating results for the for the period 1 December 2024 to 31 December 2024 is as follows:

	Group	Company
	31-Dec-24	31-Dec-24
	N'000	N'000
Revenue	**32,837,625**	**-**
Profit/(loss) before minimum tax	**9,419,543**	**(2,000)**
Minimum tax	(1,194,705)	-
Profit/(loss) after minimum tax before income tax	**8,224,838**	**(2,000)**
Income tax expense	(3,133,811)	-
Profit/(loss) for the period	**5,091,027**	**(2,000)**
Other comprehensive income	**11,899,157**	**-**
Total comprehensive income/ (loss)	**16,990,184**	**(2,000)**
Profit/ (loss) attributable to:		
- Owners of the Company	4,943,302	(2,000)
- Non-controlling interest	147,725	-
	5,091,027	**(2,000)**
Appropriation of profit/(loss) attributable to owners of the company		
Transfer to:		
- Contingency reserve	4,689,201	-
- Retained earnings	254,101	(2,000)
	4,943,302	**(2,000)**

Dividends

b. There was no dividend declared or paid by the Company during the period.

Directors and their interest

In accordance with sections 301 and 302 of the Companies and Allied Matters Act of Nigeria, 2020, Every company shall keep a register showing as respects each director of the company the number, description and amount of shares in, debentures of the company or any other corporate body. The directors who held office, together with their direct and indirect interests in the shares of the company, were as follows:

		Number of 50k ordinary shares in thousands)	
		Direct	Indirect
		31-Dec-24	31-Dec-24
Mr. Odeinteinm Ajumogobia	Chairperson	-	-
Mr. Tunde Alao-Olaifa*	Managing Director	-	-
Mr. Tunde Hassan-Odukale	Non-Executive Director	1	-
Mr. Thomas Huerlimann	Non-Executive Director	-	-
Mr. Hayatu Hadejia	Non-Executive Director	-	-
Mr. Oye Hassan-Odukale**	Non-Executive Director	-	-

Retirement and appointment of Directors

*The managing director's received a no objection from NAICOM on 24 May 2025 in relation to his appointment.

**During the period, Mr. Oye Hassan-Odukale retired effective 10th March, 2025.

Directors Report

Analysis of shareholding

The analysis of the distribution of the shares of the Company is as follows:

	31 December 2024			
	No of shareholders	**Percentage of shareholders**	**No of holdings ('000)**	**Percentage of holdings**
Share range				
Above 100,000,000	1	50%	142,605,189	99.99%
Below 100,000,000	1	50%	1	0.01%
Total	**2**	**100%**	**142,605,190**	**100%**

Shareholders with Substantial Interest in Shares

Name of shareholders	**Nationality of shareholder**	**No. of holdings ('000)**	**Percentage of holdings**
Leadway Holdings Limited	Nigeria	142,605,189	99.99%
Mr. Babatunde Hassan-Odukale	Nigeria	1	0.01%

Property and equipment

Information relating to changes in property and equipment is given in Note 10 to these consolidated and separate financial statements.

Donations and charitable gifts

During the period, the Company did not make any donation.

Post balance sheet events

There were no other events subsequent to the financial statement date which require adjustment to or disclosure in the consolidated and separate financial statements.

Diversity in Employment

The group is an equal opportunity employer. Its recruitment process is devoid of any form of racial, gender or religious bias. The group boasts of a diverse and modern workforce made up of individuals (male and female) with varying skills, backgrounds and experiences. The inclusive environment

Employment of disabled persons

The Group operates a non-discriminatory policy in the consideration of applications for employment, including those received from disabled persons. The Group's policy is that the most qualified and experienced persons are recruited for appropriate job levels irrespective of an applicant's state of origin, ethnicity, religion or physical condition. In the event of any employee becoming disabled in the course of employment, the Group is in a position to arrange appropriate training to ensure the continuous employment of such a person without subjecting him/her to any disadvantage in his/her career development. Currently, the group has 3 persons in its employment with physical disability.

Health, safety and welfare of employees

The Group maintains business premises designed with a view to guaranteeing the safety and healthy living conditions of its employees and customers alike. Employees are adequately insured against occupational and other hazards.
The Group also operates a contributory pension plan in line with the Pension Reform Act, 2014. It is also fully compliant with the provisions of the Employee Compensation Act. Employees are also covered under the Group Personal Accident and Workmen's Compensation Insurance schemes.

Employee involvement and training

The Group encourages participation of employees in arriving at decisions in respect of matters affecting their well-being. Thus, the Group provides opportunities for employees to deliberate on issues affecting them, with a view to making inputs to decisions thereon. The Group places a high premium on the development of its manpower. Consequently, employees are sponsored for various training courses both locally and internationally.

Directors' interests in contracts

In accordance with sections 302 and 303 of the Companies and Allied Matters Act of Nigeria, 2020, none of the directors has notified the Company of any declarable interest in contracts deliberated by the Company during the period.

Auditors

Messrs KPMG professional services having satisfied the relevant corporate governance rules on their tenure in office have indicated their willingness to continue on office as auditors to the company in accordance with section 401 (2) of the companies and Allied Matters Act of Nigeria, 2020.

BY ORDER OF THE BOARD

Olumide Hanson
FRC/2019/NBA/00000019064
Company Secretary
121/123 Funso Williams Avenue
Iponri
Lagos
13th June, 2025

Statement of Directors' Responsibilities in relation to the consolidated and separate financial statements for the period 1 December 2024 to 31 December 2024

The Directors accept responsibility for the preparation of the consolidated and separate financial statements that give a true and fair view in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) and in the manner required by the Companies and Allied Matters Act, (CAMA) 2020, the Financial Reporting Council of Nigeria (Amendment) Act, 2023, the Insurance Act 2003 and relevant National Insurance Commission of Nigeria ("NAICOM") Circulars.

The Directors further accept responsibility for maintaining adequate accounting records as required by the Companies and Allied Matters Act, (CAMA) 2020 Laws of the Federation of Nigeria, 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.

The Directors have made assessment of the Group and Company's ability to continue as a going concern and have no reason to believe that the Group and Company will not remain a going concern in the year ahead.

SIGNED ON BEHALF OF THE DIRECTORS BY:

Mr. Odeinteinm Ajumogobia
Chairperson
FRC/2025/PRO/DIR/003/499007
13th June, 2025

Mr. Tunde Alao-Olaifa
Managing Director
FRC/2025/PRO/ANAN/001/783771
13th June, 2025

Statement of Corporate Responsiblity in relation to the consolidated and separate financial statements for the period 1 December 2024 to 31 December 2024

Further to the provisions of section 405 of the Companies and Allied Matters Act (CAMA), 2020, we, the Managing Director/CEO and Financial Controller, hereby certify the financial statements of Leadway Assurance Company Limited for the period 1 December 2024 to 31 December 2024 as follows:

a. That we have reviewed the audited consolidated and separate financial statements of the Group and Company for the period 1 December 2024 to 31 December 2024.

b. That the audited consolidated and separate financial statements do not contain any untrue statement of material fact or omit to state a material fact, which would make the statements misleading, in the light of the circumstances under which such statement was made.

c. The audited consolidated and separate 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 Group and Company as of and for the period 1 December 2024 to 31 December 2024.

d. That we are responsible for establishing and maintaining internal controls and have designed such internal controls to ensure that material information relating to the Group and Company and its subsidiaries is made known to us by other officers of the Company during the period end 31 December 2024.

e. That we have evaluated the effectiveness of the Group's internal controls within 90 days prior to the date of the audited consolidated and separate financial statements, and certify that the Group internal controls are effective as of that date;

f. That there were no significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

g. We have disclosed to the Company's auditors and audit committee.

i. there are no significant deficiencies in the design or operation of internal controls which could adversely affect the Company's ability to record, process, summarise and report financial data, and have identified for the Company's auditors any material weaknesses in internal controls, and

ii. there is any fraud that involves management or other employees who have a significant role in the Company's internal control.

SIGNED ON BEHALF OF THE DIRECTORS BY:

Mr. Tunde Alao-Olaifa
Managing Director
FRC/2025/PRO/ANAN/001/783771
13th June, 2025

Mr. Ogundeyi Oluwaseyi Oludotun
Financial Controller
FRC/2014/ICAN/0000000692
13th June, 2025

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Lagos

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Leadway InsureHoldings Limted

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated and separate financial statements of Leadway InsureHoldings Limited ("the Company") and its subsidiaries (together, "the Group"), which comprise:

- the consolidated and separate statements of financial position as at 31 December 2024;
- the consolidated and separate statements of profit or loss and other comprehensive income;
- the consolidated and separate statements of changes in equity;
- the consolidated and separate statements of cash flows for the 1-month period then ended; and
- the notes, comprising material accounting policies and other explanatory information.

In our opinion, the accompanying consolidated and separate financial statements give a true and fair view of the consolidated and separate financial position of the Company and its subsidiaries as at 31 December 2024, and of its consolidated and separate financial performance and its consolidated and separate cash flows for the 1-month period then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) and in the manner required by the Companies and Allied Matters Act (CAMA), 2020 and the Financial Reporting Council of Nigeria (Amendment) Act, 2023 the Insurance Act 2003 and relevant National Insurance Commission of Nigeria ("NAICOM") Circulars".

Basis for Opinion

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

Key Audit Matters

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

Valuation of Insurance Contract Liabilities

The key audit matter

The Group has significant life and non-life insurance contract liabilities. The valuation of insurance contract liabilities involves high estimation uncertainties and significant judgment over uncertain future outcomes. The measurement of insurance liabilities consists of the Liability for Remaining Coverage (LRC) and the Liability for Incurred Claims (LIC).

The Group uses both the Premium Allocation Approach (PAA) and General Measurement Model (GMM) under IFRS 17. The PAA is applied for the measurement of the groups of insurance contracts in the non-life and group life segment while the GMM is applied for the measurement of the groups of insurance contracts in the individual life segment.

The result of the director's assessments regarding the calculation of the liability for incurred claims depends on inputs, the choice of actuarial methods and the precision of the Group's judgment in determining actuarial assumptions. Key assumptions with the greatest impact on the carrying of non-life insurance contracts involve economic assumptions about inputs such as inflation rate, discount rates as well estimated future payments for claims, acquisition cashflows and the risk adjustment for non-financial risk hence the eventual outcome is uncertain.
The key actuarial assumptions used in the valuation of life insurance contract liabilities are judgmental, particularly with respect to the discount rates, lapse and surrender rates, mortality, longevity and morbidity rates, expense, risk adjustment, assets for acquisition cashflows and the amortization of the contractual service margin.

The level of complexity, the assumptions and judgment involved in estimating these amounts make insurance contract liabilities a matter of significance to our audit.

How the matter was addressed in our audit
Our audit procedures included the following, we:

- evaluated the design, implementation and operating effectiveness of key controls implemented by the Group and the Company which includes review of data used for the valuation of insurance contract liabilities.
- evaluated the Group's methodology to determine and allocate expected premium receipts to periods.
- tested the completeness and accuracy of the data used in determining the assumptions, as well as for the actuarial calculations.
- With the assistance of our actuarial specialists we,
  - evaluated management's PAA eligibility assessment, accuracy of insurance cohorts and the computation of insurance revenue for selected portfolios for each cohort under PAA and the GMM.
  - evaluated the appropriateness of methods/models and assumptions to determine ultimate expected claims including ultimate claims ratios, frequency and severity of claims, payment patterns and estimate discount rate curves.
  - assessed the assumptions used in estimating risk adjustments to evaluate whether it is in line with the requirements of the relevant accounting standard and industry practices.
  - assessed whether the method/ model for determining future cash flows is in line with the requirements of the relevant accounting standard and standard industry practices.
- assessed the appropriateness of the disclosures in the consolidated and separate financial statements related to the liability for incurred claims associated with the premium allocation approach and the general measurement model, considering the requirements of the relevant accounting standards.

Other Information
The Directors are responsible for the other information. The other information comprises the Corporate information, Director's report, Statement of directors' responsibilities, Statement of corporate responsibility, Statement of directors' responsibilities, and Other national disclosures, but does not include the consolidated and separate financial statements and our auditor's report thereon.

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

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

Responsibilities of the Directors for the Consolidated and Separate Financial Statements
The Directors are responsible for the preparation of consolidated and separate financial statements that give a true and fair view in accordance with IFRS Accounting Standards and in the manner required by the Companies and Allied Matters Act (CAMA), 2020 and the Financial Reporting Council of Nigeria (Amendment) Act, 2023 the Insurance Act 2003 and relevant National Insurance Commission of Nigeria ("NAICOM") Circulars, 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 consolidated and separate financial statements, the directors are responsible for assessing the Group and 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 Group and Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements
Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue 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 skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group and Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group and 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 consolidated and separate 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 Group and Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the Group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the Board Audit & Compliance Committee regarding, among other matters, the significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

Report on Other Legal and Regulatory Requirements

Compliance with the requirements of Schedule 5 of the Companies and Allied Matters Act (CAMA), 2020.

i. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
ii. In our opinion, proper books of account have been kept by the Company, so far as appears from our examination of those books.
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 .

Penalties

The Company did not pay any penalties in respect of contravention of the requirements of the National Insurance Commission Guidelines and Circulars during the year ended 31 December 2024.

Signed:

Akinyemi J.Ashade
FRC/2013/PRO/ICAN/004/00000000786
For: KPMG Professional Services
Chartered Accountants
27 August 2025
Lagos, Nigeria

Company information and material accounting policies

1 General information

Leadway Insureholdings Limited is a company incorporated and domiciled in Nigeria. The address of its registered office is Constitution Road, Kaduna, Kaduna-North, Kaduna State, Nigeria. The Company was incorporated as a private limited liability company in December 2023 and is licensed by the National Insurance Commission to operate an insurance holding company.

The Company is principally engaged to undertake and carry on business as an investment company, invest in risk companies and acquire and hold shares, stocks, debentures, bonds, obligations or securities of companies or partnership firms of body corporates as may be approved by the board of the Company in Nigeria or any country or place outside Nigeria.

At 31 December 2024, the company holds 99.99% shareholding in Leadway Assurance Company Limited, a life and non-life underwriting insurance services provider. The subsidiary is based in Nigeria.

The consolidated and separate financial statements of the Group for the for the period 1 December 2024 to 31 December 2024 comprise the Company and its subsidiary (together referred to as the "Group" and individually as" Group entities"). These financial statements were authorised for issue by the directors on the 13th of June 2025.

1.1 *Basis of preparation*

These consolidated and separate financial statements have been prepared in accordance with IFRS Accounting Standards issued by the International Accounting Standards Board (IFRS Accounting Standards) and and and in a manner required by the Companies and Allied Matters Act, 2020, the Financial Reporting Council of Nigeria (Amendment) Act 2023 and The National Insurance Commission (NAICOM).

The consolidated and separate financial statements have been prepared under the historical cost convention except for the following:
i. Financial instruments at fair value through profit or loss
ii. Fair value through other comprehensive income
iii. Investment properties measured at fair value
iv. Revaluation of land and buildings measured at fair value
v. Insurance liabilities measured at fair value of estimated future cashflows
Use of estimates : The preparation of consolidated and separate financial statements in conformity with IFRS requires the use of certain critical accounting estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to estimates are recognised prospectively. The areas where assumptions and estimates are significant to the preparation of the consolidated and separate financial statements are disclosed in note 4.

Use of judgements : In preparation of financial statements, management is expected to exercise its judgement in the process of applying the group’s accounting policies and the reported amount of assets, liabilties, income & expenses, actual results may differ from these estimates. The areas involving a high degree of judgement or complexity that are significant to the consolidated and separate financial statements are disclosed in note 4.

Functional currency & presentation currency: The consolidated and separate financial statements are presented in Nigerian currency (Naira) which is the company's functional currency. Except otherwise indicated, financial information presented in Naira have been rounded to the nearest (N '000).

Company information and material accounting policies

1.2 New standards and interpretations not yet effective

The following new or revised standards and amendments which have a potential impact on the Group are not yet effective for the period 1 December 2024 to 31 December 2024 and have not been applied in preparing these consolidated and separate financial statements. The Group also plans to apply all the standards and amendments disclosed below once they are applicable. However, the Group's assessments of the new standards and amendments is not yet concluded but is expected to have significant impact on our Group operations and financial position.

IFRS	Key Requirements	Possible impact on consolidated and separate financial statements
Lack of Exchangeability Amendments to IAS 21	Under IAS21 The Effects of Changes in Foreign Exchange Rates, a company uses a spot exchange rate when translating a foreign currency transaction. However, in rare cases, it is possible that one currency cannot be exchanged into another. This lack of exchangeability might arise when a government imposes controls on capital imports and exports, for example, or when it provides an official exchange rate but limits the volume of foreign currency transactions that can be undertaken at that rate. Consequently, market participants are unable to buy and sell currency to meet their needs at the official exchange rate and turn instead to unofficial, parallel markets. Although few jurisdictions are affected by this, it can have a significant accounting impact for those companies affected. In August 2023, the International Accounting Standards Board (IASB) amended IAS 21 to clarify: * when a currency is exchangeable into another currency; and * how a company estimates a spot rate when a currency lacks exchangeability. The standard is effective as from 1 January 2025.	The amendment is not expected to have a significant impact on the annual financial statements. The Board of Directors assessment is ongoing.
Classification and measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7	The International Accounting Standards Board (IASB) has now amended IFRS 9 Financial Instruments following its post-implementation review (PIR) of the classification and measurement requirements. The amendments include guidance on the classification of financial assets, including those with contingent features. The IASB has also amended IFRS 7 Financial Instruments: Disclosures. Companies will now be required to provide additional disclosures on financial assets and financial liabilities that have certain contingent features. The Standard is effective as from 1 January 2026.	The amendment is not expected to have a significant impact on the annual financial statements. The Board of Directors assessment is ongoing.

Company information and material accounting policies

IFRS 18 Presentation and Disclosures in Financial Statement	Under current IFRS Accounting Standards, companies use different formats to present their results, making it difficult for investors to compare financial performance across companies. IFRS 18 promotes a more structured income statement, as set out below. In particular, it introduces a newly defined 'operating profit' subtotal and a requirement for all income and expenses to be classified into three new distinct categories based on a company's main business activities. The Standard is effective as from 1 January 2027	The amendment is not expected to have a significant impact on the annual financial statements. The Board of Directors assessment is ongoing.
Amendments to IFRS 10 and IAS 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	The amendments require the full gain to be recognised when assets transferred between an investor and its associate or joint venture meet the definition of a 'business' under IFRS 3 Business Combinations. Where the assets transferred do not meet the definition of a business, a partial gain to the extent of unrelated investors' interests in the associate or joint venture is recognised. The definition of a business is key to determining the extent of the gain to be recognised. W hen a parent loses control of a subsidiary in a transaction with an associate or joint venture (JV), there is a conflict between the existing guidance on consolidation and equity accounting. Under the consolidation standard, the parent recognises the full gain on the loss of control. But under the standard on associates and JVs, the parent recognises the gain only to the extent of unrelated investors' interests in the associate or JV. In either case, the loss is recognised in full if the underlying assets are impaired.The IASB has decided to defer the effective date for these amendments indefinitely.	The amendment is not expected to have a significant impact on the annual financial statements. The Board of Directors assessment is ongoing.

The above-mentioned amendments does not have any material impact on the Company. There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Company.

Company information and material accounting policies

2 Material Accounting Policies

The Group has consistently applied the following accounting policies to all periods presented in these consolidated and separate financial statements, unless mentioned otherwise.

2.1 Cash and cash equivalents

Cash and cash equivalents include cash in hand, bank and call deposits and other short-term highly liquid investments with original maturities of three months or less, which are subject to insignificant risk of changes in their fair value and used by the Group to manage its short term commitments. Cash and cash equivalents are measured at amortised cost in the statement of financial position.

2.2 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. The Group applied the classification and measurement requirements for financial instruments under IFRS 9 'Financial Instruments' for the period 1 December 2024 to 31 December 2024, which includes three principal classification categories for financial assets: measured at amortised cost, fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVTPL).

The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. IFRS 9 eliminates the previous IAS 39 categories of held-to-maturity investments, loans and receivables, and available-for-sale financial assets. Under IFRS 9, derivatives embedded in contracts where the host is a financial asset in the scope of IFRS 9 are not separated. Instead, the hybrid financial instrument as a whole is assessed for classification. IFRS 9 has not had a significant effect on the Group’s accounting policies for financial liabilities.

2.2.1 i. Classification of financial instruments

Classification

i. Recognition and initial measurement

The Group recognises and classifies its financial assets under IFRS 9, into the following measurement categories:

• those to be measured at fair value through other comprehensive income (FVOCI) (either with or without recycling),
• those to be measured at fair value through profit or loss (FVTPL); and
• those to be measured at amortised cost.

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

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

Business model assessment

The business model reflects how the Group manages assets in order to generate cash flows. That is, it reflects whether the Group'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 (for example, financial assets are held for trading purposes), the financial assets are classified as part of the other business model and measured at FVTPL. Factors considered by the Group in determining the business model for a group of assets include past experience on how the cash flows for these assets were collected, how the assets performance is evaluated and reported to key management personnel, how risks are assessed and managed, and how managers are compensated. The Group's business model for the investments underlying direct participating contracts is to hold to collect and sell contractual cash flows. 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 Group 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. Securities held for trading are held principally for the purpose of selling in the near term or are part of a portfolio of financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking. These securities are classified in the other business model and measured at FVTPL.

The business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the Group assesses whether the financial instruments' cash flows represent SPPI (the SPPI test). In making this assessment, the Group considers whether the contractual cash flows are consistent with a basic lending arrangement (that is, 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 is inconsistent with a basic lending arrangement, the related financial asset is classified and measured at FVTPL. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are SPPI. The Group reclassifies debt investments 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.

Company information and material accounting policies

The Group might 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 Group has determined that an accounting mismatch is reduced if financial assets backing insurance contracts in the Life Risk, Savings (except for underlying assets) and Property and Casualty product lines are measured at FVTPL. For these instruments, the Group has applied the option to designate these financial assets at FVTPL Financial assets that are held for trading or managed and whose performance is evaluated on a fair value basis are measured at FVTPL because they are neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets.

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

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

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Group applies judgement and considers relevant factors such as the currency in which the financial asset is denominated, and the year for which the interest rate is set. In contrast, contractual terms that introduce a more than de minimis exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement do not give rise to contractual cash flows that are solely payments of principal and interest on the principal amount outstanding. In such cases, the financial asset is required to be measured at FVTPL. In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Group considers:

* Contingent events that would change the amount and timing of cash flows;
* Leverage features;
* Prepayment and extension terms; terms that limit the Group’s claim to cash flows from specified assets (e.g. non-recourse asset features); and Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

A financial liability is classified at fair value through profit or loss if it is classified as held-for-trading or designated as such on initial recognition. Directly attributable transaction costs on these instruments are recognised in profit or loss as incurred. Financial liabilities at fair value through profit or loss are measured at fair value and changes therein, including any interest expense, are recognised in profit or loss. Other non-derivative financial liabilities are initially measured at fair value less any directly attributable transaction costs.

Reclassifications

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

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

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

Company information and material accounting policies

2.2.2 Subsequent measurements

The subsequent measurement of financial assets depends on its initial classification:

Debt instuments - amortized cost

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

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

The gain or loss on a debt securities that is subsequently measured at amortized cost and is not part of a hedging relationship is recognized in profit or loss when the asset is derecognized or impaired. Interest income from these financial assets is determined using the effective interest method and reported in profit or loss as 'Investment income'. The amortized cost of a financial instrument is the amount at which it was measured at initial recognition, minus principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between the initial amount recognized and the maturity amount, minus any loss allowance.

The effective interest method is a method of calculating the amortised cost of a financial instrument (or group of instruments) and of allocating the interest income or expense over the relevant year. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts over the expected life of the instrument or, when appropriate, a shorter year, to the instrument's gross carrying amount.

Debt instuments - Fair value through other comprehensive income (FVOCI)

Investment in debt instrument is measured at FVOCI only if it meets both of the following conditions and is not designated as at FVTPL:

•the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and

•interest on the principal amount outstanding.

The debt instrument is subsequently measured at fair value. Gains and losses arising from changes in fair value are included in other comprehensive income (OCI) and accumulated in a separate component of equity. Impairment gains or losses, interest revenue and foreign exchange gains and losses are recognized in profit or loss. Upon disposal or derecognition, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized as realized gain or loss. Interest income from these financial assets is determined using the effective interest method and recognized in profit or loss as investment income. The treatment for equity instrument at FVTOCI.

Debt instuments - Fair value through profit or loss (FVTPL)

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

Equity instruments

Based on the irrevocable election made at initial recognition, where equity instruments are measured at FVOCI, the Group present subsequent changes in fair value in OCI. This election is made on an investment-by-investment basis. Where the Group's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments continue to be recognised in profit or loss when the Group's right to receive payments is established unless the dividend clearly represents a recovery of part of the cost of the investment. Changes in the fair value of financial assets at fair value through profit or loss are recognised in 'Net fair value gain/loss in the profit or loss**.** The Group chooses to apply the FVOCI option for equity instruments that are classified as FVOCI.

For equity instruments recognised at FVTPL, the fair value changes are recognised in profit or loss.

Company information and material accounting policies

2.2.3 Financial liabilities

The Group classifies its financial liabilities, other than financial guarantees and loan commitments, as measured at amortized cost or fair value through profit and loss

Investment contracts

Investment contracts are those contracts that transfer financial risk with no significant insurance risk.
Investment contracts with guaranteed and fixed terms are initially measured at fair value less transaction cost that are incremental and directly attributable to the acquisition or issue of the contract.

The Group re-estimates at each reporting date the expected future cashflows and recalculate the carrying amount of the financial laibility by calculating the present value of estimated future cashflows using the financial liability's original effective interest rate. Any adjustment is immediately recoginsed as income or expense in the statement of comprehensive income.

Trade and Other Payables

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

2.2.4 Impairment of financial assets

(i) **Overview of the Expected Credit Losses (ECL) principles**

The Group recognizes loss allowances for ECL on the following financial instruments that are not measured at FVTPL:
•Financial assets that are debt instruments measured at amortized cost and FVOCI
In this section, the instruments mentioned above are all referred to as ‘financial instruments’ or ‘assets’. Equity instruments are not subject to impairment under IFRS 9. The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss or LT ECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months’ expected credit loss. Loss allowances for account receivable are always measured at an amount equal to lifetime ECL. The Group has established a policy to perform an assessment, at the end of each reporting year, of whether a financial instrument’s credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument.

Based on the above process, the Group groups its financial instruments into Stage 1, Stage 2, and Stage 3 as described below:
•Stage 1: When financial assets are first recognised, the Company recognises an allowance based on 12 month ECLs. Stage 1 asset also include facilities where the credit risk has improved and the asset has been reclassified from Stage 2.
•Stage 2: When a financial asset has shown a significant increase in credit risk since origination, the Company records an allowance for the LT ECLs. Stage 2 asset also include facilities, where the credit risk has improved and the asset has been reclassified from Stage 3.
•Stage 3: Financial assets considered credit-impaired. The Company records an allowance for the LT ECLs. If, in a subsequent year, credit quality improves and reverses any previously assessed significant increase in credit risk since origination, depending on the stage of the lifetime – stage 2 or stage 3 of the ECL bucket, the Group would continue to monitor such financial assets for a probationary year of 90 days to confirm if the risk of default has decreased sufficiently before upgrading such exposure from Lifetime ECL (Stage 2) to 12-months ECL (Stage 1).

In addition to the 90 days probationary year above, the Group also observes a further probationary year of 90 days to upgrade from Stage 3 to 2. For financial assets for which the Group has no reasonable expectations of recovering either the entire outstanding amount, or a proportion thereof, the gross carrying amount of the financial asset is reduced. This is considered a (partial) derecognition of the financial asset.

(ii) **Impairment of financial assets**

The Group considers a financial asset to be in default when:

-The counterparty is unlikely to pay its credit obligations (e.g., based on market information).
-The counterparty fails to meet its obligation, being 90 days past due.

In assessing default, the Group uses the following indicators:

1. Primary Indicators:

Significant downgrades in external or internal credit ratings since initial recognition:
Downgrade of two notches or more within the investment grade category.
Downgrade from investment grade to non-investment grade.
Downgrade within non-investment grade categories.

Company information and material accounting policies

2.Secondary Indicators:
Qualitative factors: Indicators of financial distress or breaches of covenants.
Quantitative factors: Overdue status and non-payment of another obligation by the same issuer to the Group.
3. Backstop Indicators:
Days past due:
-Stage 1: 30 days or less past due.
-Stage 2: More than 30 days but less than 90 days past due.
-Stage 3: 90 days or more past due.
The Group defines the maximum period for estimating expected credit losses (ECL) as the maximum exposure period to credit risk. A financial asset is assumed not to have significantly increased in credit risk since initial recognition if it has low credit risk at the reporting date, which is equivalent to investment grade.

As a backstop, the Group considers SICR to occur no later than when an asset is more than 30 days past due, determined without considering any grace periods that might be available to the borrower.

(iii **The calculation of ECLs**
The Group calculates ECLs based on a three probability-weighted scenarios to measure the expected cash shortfalls, discounted at an approximation to the EIR. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive.
The mechanics of the ECL calculations are outlined below and the key elements are as follows:
•PD: The Probability of Default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed year, if the facility has not been previously derecognised and is still in the portfolio.
•EAD: The Exposure at Default is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments.
•LGD: The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time.

It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD.
When estimating Expected Credit Losses (ECLs), the Group considers three scenarios: base case, optimistic, and downturn. Each scenario is associated with different Probability of Default (PD), Exposure at Default (EAD), and Loss Given Default (LGD) estimates. When relevant, the assessment of multiple scenarios also includes expectations regarding the recovery of defaulted assets, considering the probability of asset cure and the value of collateral or proceeds from asset sales. Impairment losses and releases are accounted for separately from modification losses or gains, which are adjustments to the financial asset’s gross carrying value.

Stage 1: The 12-month ECL is calculated as the portion of Lifetime ECLs representing defaults that could occur within the 12 months following the reporting date. The Group calculates the 12-month ECL allowance based on the expected probability of default within the next 12 months. These default probabilities are applied to a forecast EAD, multiplied by the expected LGD, and discounted using an approximation to the original Effective Interest Rate (EIR). This calculation is performed for each of the three scenarios mentioned above.

Stage 2: When a financial asset has experienced a significant increase in credit risk since origination, the Group records an allowance for the lifetime ECLs. The methodology is similar to Stage 1, including the use of multiple scenarios, but the PD and LGD are estimated over the remaining life of the asset. Expected cash shortfalls are discounted using an approximation to the original EIR.

Stage 3: For credit-impaired assets, the Group recognizes the lifetime ECLs. The method is similar to that used for Stage 2 assets, with the PD set to 100%.

2.2.5 Debt instruments measured at fair value through OCI

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

Company information and material accounting policies

2.2.6 Forward-looking information

In its ECL models, the Group relies on a broad range of forward-looking information as economic inputs, such as:

*GDP growth
*Inflation rates
The inputs and models used for calculating ECLs may not always capture all characteristics of the market at the date of the financial statements. To reflect this, qualitative adjustments or overlays are occasionally made as temporary adjustments when such differences are significantly material.

2.2.7 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 market or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk.

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

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

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

2.2.8 Derecognition of financial assets and liabilities

Derecognition of financial assets:
The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or when it transfers the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all the risks and rewards of ownership and it does not retain control of the financial asset. Any interest in such derecognised asset financial asset that is created or retained by the Group is recognised as a separate asset or liability. On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset transferred), and consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss.

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

2.2.9 Write off

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

Company information and material accounting policies

2.2.10 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, there is a legally enforceable right to set off the recognized amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.3 Basis of consolidation

(i) ***Subsidiaries***

Subsidiaries are entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases. Subsidiaries are investees controlled by the Group. The Group controls an investee when it is exposed to, or has rights to, variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The financial statements of subsidiaries are included in the consolidated and separate financial statement from the date on which control commences until the date on which control ceases. The financial statements of subsidiaries are consolidated from the date the Group acquires control, up to the date that such effective control ceases. Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions (transactions with owners). Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the Group.

(ii) The financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances. Investments in subsidiary companies are carried at cost less any accumulated impairment losses in the Company's separate financial statements.

Business Combination

The Group applies the acquistion method to account for Business Combinations and acquisition-related costs are expensed as incurred.

The consideration transferred in the acquisition is generally measured at fair value as are the identifiable net assets acquired.

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

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in compliance with IFRS 9 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not re-measured, and

its subsequent settlement is accounted for within equity.

Goodwill is initially measured as the excess of the aggregate of the consideration transferred and the fair value of non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss.

(iii) ***Changes in ownership interests in subsidiaries without change of control***

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

(iv) ***Disposal of subsidiaries***

When the group ceases to have control, it derecognises the assets and liabilities of the subsidiary, any related NCI and other components of equity. Any resulting gain or loss is recognised in statement of profit or loss, any retained interest in the entity is remeasured to its fair value at the date when control is lost, with the change in carrying amount recognised in statement of comprehensive income. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amount previously recognised in other comprehensive income in respect of that entity is accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to statement of comprehensive income.

Company information and material accounting policies

2.4 Foreign currency translation

Transactions and balances

Foreign currency transactions are translated into the respective functional currency of the Group entities 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 recognised in the statement of comprehensive income.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate on the date when the fair value was determined. Non-monetary assets that are measured based on historcial cost in a foreign currency are translated at the exchange rate on the date of the transaction.

Foreign exchange gains and losses that relate to borrowings are presented in the statement of comprehensive income within

Changes in the fair value of debt securities denominated in foreign currency and classified as available for sale are analysed between translation differences resulting from changes in the fair value of the security, and translation differences arising from changes in amortised cost. Translation differences related to changes in amortised cost are recognised in statement of comprehensive income while translation related to changes in fair value are recognised in other comprehensive income.

Translation differences on non-monetary financial assets and liabilities held at fair value through statement of comprehensive income are reported as part of the fair value gain or loss. Translation differences on non-monetary financial assets such as equities classified as available-for-sale financial assets are included in 'other comprehensive income'. except on impairment, in which case foreign currency differences that have been recognised in OCI are reclassified to profit or loss.

The assets and liabilities of foreign operations including goodwill and fair value adjustments arising on acquisition are translated at the exchange rate on the reporting date. The income and expenses of foreign operations are translated at the exchange rate at the dates of transactions.
Foreign currency differences on foreign operations are recognised in OCI and accumulated in the translation reserve, except to the extent that the translation difference is allocated to NCI.

2.5 Investment contracts

Investment contracts are those contracts that transfer financial risks with no significant insurance risk. Financial risk is the risk of a possible future change in one or more of a specified interest rate, security price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract.
The Group enters into investment contracts with guarantee returns and other busine ses of savings nature. Those contracts are termed investment contract liabilities and are initially measured at fair value and subsequently at amortised cost.

2.6 Investment property

Investment property comprises investment in land or buildings held primarily to earn rentals or capital appreciation or both.

The Group's investment property is initially recognized at cost including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met; and excludes cost of day to day servicing of an investment property. An investment property is subsequently measured at fair value with any change therein recognised in statement of profit or loss. Fair values are determined individually, on a basis appropriate to the purpose for which the property is intended and with regard to recent market transactions for similar properties in the same location.

Fair values are reviewed annually by independent valuer, holding a recognized and relevant professional qualification and with relevant experience in the location and category of investment property being valued.

Subsequent expenditure on investment property is capitalized only if future economic benefit will flow to the Group; otherwise they are expensed as incurred.

Investment properties are disclosed separate from the Property and equipment used for the purposes of the business.

The Group separately accounts for a dual purpose property as investment property if it occupies only an insignificant portion. Otherwise, the portion occupied by the Group is treated as property and equipment.
Any gain or loss or loss on disposal of investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in statement of comprehensive income. When investment property that was previously classified as property, plant and equipment is sold, any related amount included in the revaluation reserve is transferred to retained earnings.

Company information and material accounting policies

2.7 Statutory deposit

These deposits represent bank balances required by the insurance regulators of the Group to be placed with relevant central banks of Group's operating jurisdictions. These deposits are stated at cost. Interest on statutory deposits is recognized as earned in other receivables and the corresponding amount is recognised in statement of comprehensive income within investment income.

2.8 Intangible assets

(i) *Goodwill*

Goodwill that arises upon the acquisition of subsidiaries is included in intangible assets. Subsequent to initial recognition, goodwill is measured at cost less accumulated impairment losses. Goodwill has an indefinite useful life and it is tested annually for impairment.

Goodwill is allocated to cash-generating units or groups of cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose identified in accordance with IFRS 3.

Goodwill has an indefinite useful life and is tested annually as well as whenever a trigger event has been observed for impairment by comparing the present value of the expected future cash flows from a cash generating unit with the carrying value of its net assets, including attributable goodwill and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

(ii) *Purchased 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 Group.

Subsequent expenditure on software assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred. Amortisation is recognised in statement of comprehensive income 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 three years subject to annual reassessment.

(iii) De-recognition of software

The carrying amount of an item of software shall be derecognised on disposal when no future economic benefits are expected from its use or disposal. Gains and losses on disposal of assets are determined by comparing proceeds with their carrying amounts and are recognized in the statement of comprehensive income in the year of de-recognition.

2.9 Property and equipment

Recognition & measurement

Property and equipment comprise land and buildings and other properties owned by the Group.
Items of Property and equipment are carried at cost less accumulated depreciation and impairment losses except for land and building which is carried at revalued amount. Cost includes expenditure that is directly attributable to the acquisition of the asset.

Subsequent costs

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to the statement of comprehensive income during the financial period in which they are incurred.

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.

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 buildings

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 recognised as an expense in the statement of statement of comprehensive income.

Company information and material accounting policies

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 recognised as an expense in the statement of statement of comprehensive income.

In accordance with IAS 16 par 35, when Land and buildings are revalued, any accumulated depreciation at the date of the revaluation is eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount.

Depreciation

Depreciation is calculated on property and equipment excluding land on the straight line basis to write down the cost of each asset to its residual value over its estimated useful life.

Depreciation begins when an asset is available for use and ceases at the earlier of the date that the asset is derecognised or classified as held for sale in accordance with IFRS 5.

The estimated useful lives for the current and comparative periods are as follows:

Land	-	Not depreciated
Buildings	-	50 years
Office equipment	-	5 years
Computer equipment	-	3 years
Furniture and fittings	-	5 years
Motor vehicles	-	4 years

Capital work in progress is not depreciated. The Group'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 reporting date.

De-recognition

The carrying amount of an item of property and equipment shall be derecognised on disposal when no future economic benefits are expected from its use or disposal. Gains and losses on disposal of assets are determined by comparing proceeds with their carrying amounts and are recognized in the statement of comprehensive income in the year of de-recognition.

Re-classification to investment property

When the use of a property changes from owner-occupied to investment property, the property is re-measured to fair value and reclassified accordingly.
Any gain arising on this re-measurement is recognised in statement of comprehensive income to the extent that it reverses a previous impairment loss on the specific property with any remaining gain recognised in OCI and presented in revaluation reserve.
Any loss is recognised in statement of comprehensive income. However, to the extent that an amount is included in revaluation surplus for that property, the loss is recognised in OCI and reduces the revaluation surplus in equity.

2.10 Leases

The Group initially adopted IFRS 16 Leases from 1 January 2019.
IFRS 16 introduced a single, on-balance sheet accounting model for leases. As a result, the Group, as a lessee has recognized the right-of-use assets representing its right to use the underlying assets. Lessors accounting remains similar to previous accounting policies.
The major lease transaction wherein the Group is a lessee relates to the lease of the subsidiary's operating branches in several locations.

(i) Definition of a lease

A contract is, or contains a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. The change in definition of a lease mainly relates to the concept of control. IFRS 16 distinguishes between leases and service contracts on the basis of whether the use of an identified asset is controlled by the customer. Control is considered to exist if the customer has:
* The right to obtain substantially all of the economic benefits from the use of an identified asset; and
* The right to direct the use of that asset.
The Group applies the definition of a lease and related guidance set out in IFRS 16 to all lease contracts entered into or modified on or after 1 January 2019 (whether it is a lessor or a lessee in the lease contract).

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone prices. However, for leases of properties in which it is a lessee, the Group has elected not to separate non-lease components and will instead account for the lease and non-lease component as a single component.

Company information and material accounting policies

(ii) As a Lessee

Leases, under which the Group possess a contract that conveys the right to control the use of an identified asset for a period of time in exchange for consideration is disclosed in the Group's statement of financial position and recognized as a leased asset.

To assess whether a contract conveys the right to control the use of an identified asset for a period of time, the Group assesses whether, throughout the period of use, it has both of the following:
(a) the right to obtain substantially all of the economic benefits from use of the identified asset, and
(b) the right to direct the use of the identified asset.
The Group recognizes expenses associated with these leases as an expense on straight line basis over the lease term.
The Group presents right-of-use assets as a separate class under 'property and equipment'.

(iii) As a lessor

The group leases out it's investment property, including own property and right-of-use assets. The group has classified these leases as operating leases.
The group is not required to make any adjustments on transition to IFRS 16 for leases in which it acts as a lessor, except for a sub-lease.

(iv) Right of Use

The Group recognizes a right-of-use asset which are measured in line with IFRS 16 and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, and subsequently at cost less any accumulated depreciation and impairment losses, and adjusted for certain remeasurements of the lease liability.

The lease liability (where applicable) is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The lease liability (where applicable) is subsequently increased by the interest cost on the lease liability and decreased by lease payment
made (i.e measured at ammortised cost using the effective interest rate method). It is remeasured when there is a change in future lease payments arising from a change in an index or rate, a change in the estimate of the amount expected to be payable under a residual value guarantee, or as appropriate, changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.
The Group 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 Group 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.

2.11 Impairment of non-financial assets

The Group'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 recognised 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 recognised in statement of comprehensive income.

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.

2.12 Insurance Contracts

The Group enters into insurance contracts as its primary business activities. Insurance contracts are those that the Group accepts significant insurance risk from another party (the policy holder) by agreeing to compensate the policy holder or other beneficiary, if a specified uncertain future event (the insured event) adversely affects the policy holder or the other beneficiary. The Group as a guide defines significant insurance risk as the possibility of having to pay benefit on the occurrence of an insured event that are at least 10% more than the benefit payable if the insured event did not occur.

The Group classifies financial guarantee contracts and account for these as insurance contracts in accordance with IFRS 17.

Company information and material accounting policies

(a) Classification of insurance contracts

The Group classifies insurance contracts into life and non-life insurance contracts. The group also makes a distinction between Short and Long term insurance contracts as follows:

	Short Term	Long Term
Non- Life contracts	Agric	
	Bond	
	Engineering	
	Fire	
	General Accident	
	Marine	
	Motor	
	Special Risks	Special Risks
Life Contracts		Annuity
		Funeral
		Credit Life
		Endowment
		Term Assurance
	Group Life	

(i) *Non life insurance contract*

These contracts are accident, casualty and property insurance contracts.

Accident and casualty insurance contracts protect the Group's customers against the risk of causing harm to third parties as a result of their legitimate activities. Damages covered include both contractual and non-contractual events. The typical protection offered is designed for employers who become legally liable to pay compensation to injured employees (employers' liability) and for individual and business customers who become liable to pay compensation to a third party for bodily harm or property damage (public liability).

Property insurance contracts mainly compensate the Group's customers for damage suffered to their properties or for the value of property lost. Customers who undertake commercial activities on their premises could also receive compensation for the loss of earnings caused by the inability to use the insured properties in their business activities.

Non-life insurance contracts protects the Group's customers from the consequences of events (such as death or disability) that would affect the ability of the customer or his/her dependants to maintain their current level of income. Guaranteed benefits paid on occurrence of the specified insurance event are either fixed or linked to the extent of the economic loss suffered by the insured. There are no maturity or surrender benefits.

(ii) *Life insurance contract*

These contracts insure events associated with human life (for example, death or survival) over a long duration.

-Indivdual and group life insurance contracts

Individual life contracts are usually long term insurance contracts and span over one year while the group life insurance contracts usually cover risk within one year. A liability for contractual benefits that are expected to be incurred in the future when the premiums are recognised. The liability is determined as the sum of the expected discounted value of the benefit payments and the future administration expenses that are directly related to the contract, less the expected discounted value of the theoretical premiums that would be required to meet the benefits and administration expenses based on the valuation assumptions used. The liability is based on assumptions as to mortality, persistency, maintenance expenses and investment income that are established at the time the contract is issued.

-Annuity contracts

These contracts insure customers from consequences of events that would affect the ability of the customers to maintain their current level of income. There are no maturity or surrender benefits. The annuity contracts are fixed annuity plans. Policy holders make a lump sum payment recognised as part of premium in the period when the payment was made. Constant and regular payments are made to annuitants based on terms and conditions agreed at the inception of the contract and throughout the life of the annuitants. The annuity funds are invested in long tailed government bonds and reasonable money markets instruments to meet up with the payment of monthly/quarterly annuity payments. The annuity funds liability is actuarially determined based on assumptions as to mortality, persistency, maintenance expenses and investment income that are established at the time the contract is issued.

Company information and material accounting policies

2.13 IFRS 17 - Insurance Contracts

2.13.1 Summary of measurement methods

The company uses both the Premium Allocation Approach (PAA) and General Measurement Model (GMM) under IFRS 17. The PAA is applied for the measurement of the groups of insurance contracts that meets the requirements while the GMM is applied for the measurement of the groups of insurance contracts that satisfies the requirement.

2.13.2 Definitions and classifications

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 policyholer 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.

The company assesses whether the above conditions and criteria are met using its expectations at the issue date of the contracts and will not reassess the conditions afterwards, unless the contract is modified,

The company applies its judgement to assess whether the amount expected to be paid to the policyholder constitutes a substantial share of fair value returns from the underlying items and whether the variable cash flows represent a substantial proportion of the cash flows.

The company also issues investment contracts with discretionary participation features for some insurance contracts. These contracts have similar economic characteristics as insurance contracts and they are linked to the same pool of assets as insurance contracts. The company applies insurance contract accounting to these 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.

2.13.3 Separating components from insurance and reinsurance contracts

Some insurance contracts issued by the company have several components in addition to the provision of the insurance coverage service, such as an investment component, an investment management service, an embedded derivative and a provision of some other distinct goods or non-insurance services. The company assesses its products to determine whether some of these components are distinct and need to be separated and accounted for applying other Standards. When these non-insurance components are non-distinct they will be accounted for together with the insurance component as part of the accounting for an insurance contract.
The company first considers the need to separate distinct embedded derivatives and investment components before assessing the need to separate any non-insurance services component.

(i) Separating embedded derivatives

When an embedded derivative is not closely releatd to the host insurance contract, it should be separated and accounted for under IFRS 9 as if it was a standalone derivative and measured at FVTPL. Where IFRS 9 considers the embedded derivative as closely related to the host insurance contract then the embedded derivative is not separated and is accounted for applying IFRS 17 together with the host insurance contract. The company has not identified any embedded derivative in an insurance contract that requires to be separated from the host.

(ii) Separating investment components

Investment components are only separated from the insurance contract if they are distinct. Those distinct investment components are accounted for applying IFRS 9.

In assessing whether an investment component is distinct, the company considers whether the investment and insurance components are not highly interrelated and a contract with equivalent terms to the investment component is sold (or could be sold) separately in the same market or in the same jurisdiction by other entities (including entities issuing insurance contracts).

Company information and material accounting policies

In determining whether investment and insurance components are highly interrelated the company assesses whether the company is unable to measure one component without considering the other and the policyholder is unable to benefit from one component unless the other component is present, i.e. whether cancelling one component also terminates the other. The company has not identified any distict investment components that requires to be seperated from the host

(iii) **Separating promises to transfer distinct goods or non-insurance services**

After the company has determined whether to separate embedded derivatives and investment components, it considers the separation of any promise to transfer goods or non-insurance services embedded in the contract. The company separates from the host insurance contract only distinct promises to transfer goods or non-insurance services to a policyholder. Once separated, such promises are accounted for applying IFRS 15.

In determining whether an obligation to deliver a good or non-insurance service promised to a policyholder is distinct, the company considers whether the policyholder can benefit from the good or service either on its own or together with other resources readily available to the policyholder that are either sold separately or it is something that the policyholder already has.

A good or non-insurance service that is promised to the policyholder is not distinct if the cash flows and risks associated with the good or service are highly interrelated with the cash flows and risks associated with the insurance components and the company provides a significant service in integrating the good or non-insurance service with the insurance components. The company has not identified any distinct goods or non-insurance services.

(iv) **Separating insurance components of a single insurance contract**

Once the embedded derivatives, investment components and the goods and services components are separated, the company assesses whether the contract should be separated into several insurance components that, in substance, should be treated as separate contracts.
To determine whether a single legal contract does not reflect the substance of the transaction and its insurance components recognised and measured separately instead, the company considers whether there is an interdependency between the different risks covered, whether components can lapse independently of each other and whether the components can be priced and sold separately.
When the company enters into one legal contract with different insurance components operating independently of each other, insurance components are recognised and measured separately applying IFRS 17.

2.13.4 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 for all products except the annuity product for which the company adopted the monthly cohort . Each portfolio is then further disaggregated into two 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;

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 determination of whether a contract or a group of contracts is onerous is based on the expectations as at the date of initial recognition, with fulfilment cash flow expectations determined on a probability weighted basis. The company determines the appropriate level at which reasonable and supportable information is available to assess whether the contracts are onerous at initial recognition and whether the contracts not onerous at initial recognition have a significant possibility of becoming onerous subsequently.
To determine groups that have significant possibility of becoming onerous, the company uses confidence intervals to stress test the cashflows.

Risk adjustment confidence intervals for GMM not profitable at 90% this will be onerous, profitable at 90% this will be onerous marginally profitable, profitable at 95% will be highly profitable. PAA follow the same model but apply 75% confidence level.

Company information and material accounting policies

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

To determine groups that have significant possibility of becoming onerous, the company carries profitability testing where fulfilment cashflows are calculated using a risk adjustment at 75th confidence interval. A profit figure is caluated and Profitable contracts are aggregated into a profitable group and loss making contracts are aggregated into an onerous group.

All groups include only contracts issued within a 12-month period. The composition of groups established at initial recognition is not subsequently reassessed.Group life are accounted forby applying the premium allocation approach (PAA), the company assumes that contracts are not onerous on initial recognition, unless there are facts and circumstances indicating otherwise. The company assesses the likelihood of changes in applicable facts and circumstances to determine whether contracts not onerous on initial recognition belong to a group with no significant possibility of becoming onerous in the future.

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. Such information about estimates includes combined loss ratio, financial analysis available as part of management information, relevant market-wide based information indicating that the portfolio of business.

2.13.5 Recognition

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

The Company recognises only contracts issued within a one-year period meeting the recognition criteria by the reporting date. 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 group when they meet the recognition criteria in subsequent reporting periods until such time that all contracts expected to be included within the group have been recognised.

Investment contracts with discretionary participation features are initially recognised at the date the Company becomes a party to the contract.

2.13.6 Contract boundaries

Insurance contract:

A contract is an arrangement that binds one or both of the parties involved. If both parties are bound equally, the boundary of the contract is generally clear. Similarly, if neither party is bound, there is no genuine contract, thus:
• The outer limit of the existing contract is the point at which the entity is no longer required to provide coverage and the policyholder has no right of renewal. Beyond that outer limit, neither party is bound.
• The Group is no longer bound by the existing contract at the point at which the contract confers on the Group the practical ability to reassess the risk presented by a policyholder and, as a result, the right to set a price that fully reflects that risk.

The measurement of a group of insurance contracts includes all the cash flows expected to result from the contracts in the group, reflecting estimates of policyholder behavior. Thus, to identify the future cash flows that will arise as the entity fulfils its obligations, it is necessary to determine the contract boundary that distinguishes whether future premiums, and the resulting benefits and claims, arise from:

• Existing insurance contracts. If so, those future premiums, and the resulting benefits and claims, are included in the measurement of the group of insurance contracts
Or
• Future insurance contracts. If so, those future premiums, and the resulting benefits and claims, are not included in the measurement of the group of existing insurance contracts

Company information and material accounting policies

As such, the Group does not recognize a liability or asset relating to expected premiums or expected claims outside the boundary as such amounts relates to future insurance contracts. However, the Group recognizes an asset for acquisition cash flows paid before the related group of insurance contracts is recognized.

The measurement of a group of contracts includes all of the future cash flows within the boundary of each contract in the group. Compared with the current accounting, the Group expects that for certain contracts the IFRS 17 contract boundary requirements will change the scope of cash flows to be included in the measurement of existing recognised contracts, as opposed to future unrecognised contracts. The period covered by the premiums within the contract boundary is the ‘coverage period’, which is relevant when applying a number of requirements in IFRS 17.

In determining which cash flows fall within a contract boundary, the Group considers its substantive rights and obligations arising from the terms of the contract, and also from applicable laws and regulations. The Group 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 Group can compel the policyholder to pay the premiums or the Group has a substantive obligation to provide the policyholder with services.
A substantive obligation to provide services ends when:
· the Group 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 Group must have the practical ability to reprice the portfolio to fully reflect risk from all policyholders' and the Group's pricing must not take into account any risks beyond the next reassessment date.

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

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

Cash flows are within the boundaries of investment contracts with discretionary participation features if they result from a substantive obligation of the Group to deliver cash at a present or future date.

The Group assesses the contract boundary at initial recognition and at each subsequent reporting date to include the effect of changes in circumstances on the Group's substantive rights and obligations.

• The Group has the practical ability to reassess the risks of the particular policyholder and, as a result, can set a price or level of benefits that fully reflects those risks
Or
Both of the following criteria are satisfied:
• The Group has the practical ability to reassess the risks of the portfolio of insurance contracts that contain the contract and, as a result, can set a price or level of benefits that fully reflects the risk of that portfolio
• The pricing of the premiums up to the date when the risks are reassessed does not take into account the risks that relate to periods after the reassessment date.
A liability or asset relating to expected premiums or claims outside the boundary of the insurance contract is not recognised. Such amounts relate to future insurance contracts.

Reinsurance contracts:
Cashflows are within the contract boundary if they arise from substantive rights and obligations that exist during the reporting period in which the Group is compelled to pay amounts to the reinsurer or has a substantive right to receive services from the reinsurer. A substantive right to receive services from the reinsurer ends when the reinsurer:
- has a practical ability to reassess the risks transferred to it and can set a price or level of benefits that fully reflects those reassessed risks; or
- has a substantive right to terminate the coverage.

The contract boundary for insurance and reinsurance contracts is reassessed at each reporting date to include the effect of changes in circumstances on the Group's substantive rights and obligations and, therefore, may change overtime.

Company information and material accounting policies

2.13.7 Measurement of insurance contracts issued

The Group uses different measurement approaches, as follows:

No	Class of Busines	Classification	Measurement Model
1	Agriculture	Insurance Contract	PAA
2	Motor	Insurance Contract	PAA
3	Fire	Insurance Contract	PAA
4	Engineering	Insurance Contract	PAA
5	Marine	Insurance Contract	PAA
6	General Accident	Insurance Contract	PAA
7	Special Risk	Insurance Contract	PAA
8	Bond	Insurance Contract	PAA
9	Group Life	Insurance Contract	PAA
10	Annuity	Insurance Contract	GMM
11	Credit Life	Insurance Contract	GMM
12	Term Assurance	Insurance Contract	GMM
13	Endowment	Insurance Contract	GMM
14	Funeral	Insurance Contract	GMM
15	Deposit Administr	Insurance Contract	GMM
16	Reinsurance contract within contract boundary of one year or less (item 1 to 9 above)	Reinsurance Contract	PAA

(i) **Measurement on initial recognition for contracts other than PAA**

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

(ii) ***Fulfilment cash flows (FCF) within contract boundary***

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

When estimating future cash flows, the Company includes all cash flows within the contract boundary including:
· premiums and any additional cash flows resulting from those premiums;
· claims paid, reported claims that have not yet been paid, claims incurred but not yet reported, future claims expected to arise from the policy and potential cash inflows from recoveries on future claims covered by existing insurance contracts;
· for deferred variable annuity, investment-linked insurance policies and investment contract with discretionary participation features, payments that vary based on the returns on underlying items and resulting from any embedded guarantees;
· an allocation of insurance acquisition cash flows attributable to the portfolio to which the issued contract belongs;
· claim handling costs;
· costs of providing contractual benefits in kind, such as home and vehicle repair;
· policy administration and maintenance costs including recurring commissions that are expected to be paid to intermediaries for policy administration services only (recurring commissions that are insurance acquisition cash flows are treated as such in the estimate of future cash flows);
· transaction-based taxes that arise directly from existing insurance contracts, or that can be attributed to them on a reasonable and consistent basis;
· an allocation of fixed and variable overheads directly attributable to the fulfilment of insurance contracts including overhead costs such as accounting, human resources, information technology and support, building depreciation, rent, and maintenance and utilities.
· costs incurred for performing investment activities that enhance insurance coverage benefits for the policyholder; and
· costs incurred for providing investment-related service to policyholders

. Cash inflows from recoveries (Salvage) on future claims covered by existing insurance contract to the extent that they do not qualify for recognition as separate assets, potential cash inflows from recoveries on past claims

The Company recognises and measures the liability for the unpaid amounts arising from all groups in aggregate and does not allocate such fulfilment cash flows to specific groups when coverage on contracts has been provided.
The cash flow estimates include both market variables, which are consistent with observable market prices, and non-market variables, which are not contradictory with market information and based on internally and externally derived data.

Company information and material accounting policies

The Company updates its estimates at the end of each reporting period using all newly available, as well as historic evidence and information about trends. the Company determines its current expectations of probabilities of future events occurring at the end of the reporting period. In developing new estimates, the Company considers the most recent experience and earlier experience, as well as other information.

2.13.8 Discount Rate

The time value of money and financial risk is measured separately from expected future cash flows with changes in financial risks recognised in profit or loss at the end of each reporting period unless the Company has elected the accounting policy to disaggregate the changes in time value of money and financial risk between profit or loss and other comprehensive income. The Company has opted not to adopt the OCI option. The time value of money and financial risk is measured separately from expected future cash flows with changes in financial risks recognised in profit or loss at the end of each reporting.

The Company measures the time value of money using discount rates that reflect the liquidity characterictics of the insurance contracts and the characteristics of the cash flows, consistent with observable current market prices and exclude the effect of factors that influence such observable market prices but do not affect the future cash flows of the insurance contracts (e.g. credit risk).
Expected future cash flows that vary based on the returns on any financial underlying items are discounted at rates that reflect this variability. In determining discount rates for cash flows that do not vary based on the returns of underlying items, the Company uses the 'Bottom-up approach' to estimate discount rates by adjusting a liquid risk-free yield curve to reflect the differences between the liquidity characteristics of the financial instruments that underlie the rates observed in the market and the liquidity characteristics of the insurance contracts.

The Company estimates the discount rate applicable to each group of contracts on initial recognition, based on recognised contracts. In the following reporting period, as more contracts are included to the Company, result in a change to the determination of the discount rates at the date of initial recognition and the discount rate applicable to the Company on initial recognition is then revised from the start of the reporting period in which the new contracts are added to the Company.

Furthermore, the yield curve was estimated using the Smith-WilsonYield Curve model with the ultimate Forward Rate (UFR) of 13.28% which is under the assumption that yields stay flat after the longest available tenoor bond. However, no prudence margin was included as required by the standard.

2.13.9 Risk adjustment for non-financial risk

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

(i) Contractual service margin (CSM)

The CSM is a component of the overall carrying amount of a group of insurance contracts representing unearned profit the Company will recognise as it provides insurance contract services over the coverage period.

At initial recognition, the Company measures the CSM at an amount that, unless a group of insurance contracts is onerous, results in no gains recognised in profit or loss arising from:
· the expected fulfilment cash flows of the group;
· the amount of any derecognised asset for acquisition cash flows allocated to the group; and and any other asset or liability previously recognised for cash flows related to the group and
· any cash flows that have already arisen on the contracts as of that date.

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

(ii) Insurance acquisition cash flows

The Company includes insurance acquisition cash flows in the measurement of a group of insurance contracts if they are directly attributable to either the individual contracts in a group, or to the group itself, or the portfolio of insurance contracts to which the group belongs. The Company estimates insurance acquisition cash flows not directly attributable to the insurance contracts but directly attributable to the portfolio at a portfolio level and then allocates them to the Company of newly written and renewed contracts on a systematic and rational basis. The company adopts the same pattern of coverage units as the CSM amortization for the allocation of insurance acquisition cashflows.

Company information and material accounting policies

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

At each reporting date, the Company reviews the carrying amounts of the asset for insurance acquisition cash flows to determine whether there is an indication that the asset has suffered an impairment. If any such indication exists, the Company adjusts the carrying amount of the asset so that the carrying amount of the asset does not exceed the expected net cash inflow for the associated future groups of contracts and an impairment loss is recognised in profit or loss for the difference. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the extent the impairment conditions no longer exist or have improved and the cumulative amount of impairment loss reversal does not exceed the impairment loss recognised for the asset in prior years.

(iii) Subsequent measurement under the general model

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

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

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

Experience adjustments are the difference between:
(i) Premium received (and any related cash flows paid such as insurance acquisition cash flows and insurance premium taxes) and the estimate at the beginning of the period of the amounts expected in the period; or
(ii) The actual amounts of insurance service expenses incurred in the period (excluding insurance acquisition expenses) and the estimate at the beginning of the period of the amounts expected to be incurred in the period.
Experience adjustments relate to current or past service are recognised in profit or loss. For incurred claims (including incurred but not reported) and other incurred insurance service expenses, experience adjustments always relate to current or past service and are included in profit or loss as part of insurance service expenses. Experience adjustments relating to future service are included in the LRC by adjusting the CSM. The release of the CSM depends on whether the contract does not participate, participates indirectly, or directly participates in the performance of the specified underlying items.

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

The carrying amount of the CSM for insurance contracts without direct participating features at the end of the reporting period is the carrying amount at the beginning of the period adjusted for:
i) the effect of any new contracts added to the group;
ii) interest accreted on the carrying amount of CSM measured at the discount rates determined at initial recognition;
iii) the changes in fulfilment cash flows related to future service, except that:
- such increases in fulfilment cash flows exceed the carrying amount of the CSM, giving rise to a loss that results in the group of contracts becoming onerous or more onerous; or
- such decreases in fulfilment cash flows reverse a previously recognised loss on a group of onerous contracts;

iv) the effect of any currency exchange differences on the CSM; and
v) the amount recognised as insurance revenue because of the transfer of insurance contract services in the period, determined by allocation of the CSM remaining at the end of the reporting period over the current and remaining coverage period.
The company adjusts for CSM in the same order documented above.

Company information and material accounting policies

(iv) Changes in fulfilment cash flows

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

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

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

- Differences between the amount of investment components that were expected to be payable in the period and the amount of investment components that actually became payable. Both these amounts are measured at the discount rates applicable when the contracts in the Company were initially recognised.

The following adjustments do not relate to future service and thus do not adjust the CSM:
· Changes in fulfilfment cash flows for the effect of the time value of money and the effect of financial risk and changes thereof;
· Changes in the fulfilment cash flows relating to the LIC; and
· Experience adjustment relating to insurance service expenses excluding those that relate to Premium received and Insurance service expense

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

(v) Recognition of the CSM in profit or loss

An amount of the CSM is released to profit or loss in each period during which the insurance contract services are provided. In determining the amount of the CSM to be released in each period, the Company follows three steps:
· determine the total number of coverage units in the group. The amount of coverage units in the group is determined by considering for each contract the quantity of benefits provided under the contract and the expected coverage period.
· allocate the CSM at the end of the period (before any of it is released to profit or loss to reflect the insurance contract services provided in the period) equally to each of the coverage units provided in the current period and expected to be provided in the future.
· recognise in profit or loss the amount of CSM allocated to the coverage units provided during the period.
The number of coverage units changes as insurance contract services are provided, contracts expire, lapse or surrender and new contracts are added into the group. The total number of coverage units depends on the expected duration of the obligations that the Company has from its contracts, which can differ from the legal contract maturity because of the impact of policyholder behaviour and the uncertainty surrounding future insured events.

In determining a number of coverage units, the Company exercises judgement in estimating the likelihood of insured events occurring and policyholder behaviours to the extent that they affect expected period of coverage in the Company, the different levels of service offered across periods (e.g. policyholder exercising an option and adding an additional coverage for a previously guaranteed price) and the 'quantity of benefits' provided under a contract. In determining the number of coverage units, the Company applies the following methods:
· For annuity policies, a method based on the expected benefits for each group is applied. This method is appropriate as there is variability in the contractual cover in each period and, therefore, variability in the amount of the service provided in each period;
· For the PAA products, a method based on the passage of time is applied.

2.13.10 Insurance contracts under the premium allocation approach

The Company applies the PAA to the measurement of its Group life insurance contracts with a coverage period of each contract in the Company of one year or less. Where the contracts are beyond a year, a PAA eligibility test will be conducted for this product.
On initial recognition, the Company measures the LRC at the amount of premiums received in cash less of insurance acquisition cashflows at that date. For all groups of insurance contracts that PAA applies, the Company applies a policy of amortising insurance acquisition cash flows over the coverage period of the group.
The carrying amount of the LRC 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;
(ii) any amounts relating to the amortisation of insurance acquisition cash flows recognised as an expense in the reporting period; and
(iii) any adjustment to a financing component and any investment component paid or transferred to the liability for incurred claims.

Company information and material accounting policies

The Company discounts the liability for remaining coverage to reflect the time value of money and financial risk for such insurance contracts where a significant financing component for products measured with PAA

The carrying amount of the LIC is measured similar 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. While claims expected to take more than one year to settle are discounted. For the purpose of discounting, the company has adopted the locked-in rate.

Applying the PAA, the insurance 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.
If facts and circumstances lead the Company to believe that a group under PAA has become onerous, the Company tests it for onerousness. If the amount of the fulfilment cash flows exceeds the carrying amount of the LRC, the Company recognise a loss in profit or loss and increases the LRC for the corresponding amount.

(i) Onerous Contracts

The Company considers an insurance contract to be onerous if the expected fulfilment cash flows allocated to the contract plus any previously recognised acquisition cash flows and any cash flows arising from the contract at the date of initial recognition in total result in a net cash outflow. The onerous assessment is done on an individual contract level assessing future expected cash flows on a probability-weighted basis including a risk adjustment for non-financial risk. Contracts expected on initial recognition to be loss-making are grouped together and such groups are measured and presented separately. Once contracts are allocated to a group, they are not re-allocated to another group, unless they are substantively modified.
On initial recognition, the CSM of the group of onerous contracts is nil and the Company's measurement consists entirely of fulfilment cash flows. A net outflow expected from a group of contracts determined to be onerous is considered to be the group's 'loss component'. It is initially calculated when the group is first considered to be onerous and is recognised at that date in profit or loss. The amount of the group's loss component is tracked for the purposes of presentation and subsequent measurement.

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

The subsequent changes in the fulfilment cash flows of the LRC to be allocated are:
· insurance finance income or expense,
· changes in risk adjustment for non-financial risk recognised in profit or loss representing release from risk in the period; and
· estimates of the present value of future cash flows for claims and expenses released from the LRC because of incurred insurance service expense in the period.
the Company determines the systematic allocation of insurance service expenses incurred based on the percentage of loss component to the total outflows included in the LRC, excluding any investment component amount.

Any subsequent decreases relating to future service in fulfilment cash flows allocated to the group arising from changes in estimates of future cash flows and the risk adjustments for non-financial risk are allocated first only to the loss component, until it is exhausted. Once it is exhausted, any further decreases in fulfilment cash flows relating to future service create the group's CSM.

A group of insurance contracts becomes onerous (or more onerous) on subsequent measurement if the following amounts exceed the carrying amount of the CSM:
- for a group of direct participating contracts, the decrease in the amount of the Company's share of the fair value of the underlying items; and
- unfavourable changes relating to future service in the fulfiment cash flows allocated to the group, arising from changes in estimates of future cash flows and the risk adjustments for non financial risk.

For onerous groups of contracts, revenue is calculated as the amount of insurance service expense expected at the beginning of the period that form part of revenue and reflects only:
· the change in the risk adjustment for non-financial risk due to expected release from risk in the period (excluding the amount systematically allocated to the loss component);
· the estimates of the present value of future cash flows related to claims expected to incur in the period (excluding the systematic allocation to the loss component); and
· the allocation, based on the coverage units, of the portion of premiums that relates to the recovery of the insurance acquisition cash flows.
All these amounts are accounted for in reduction of the LCR excluding the loss component.

Company information and material accounting policies

The Company recognises amounts in insurance service expense related to the loss component arising from:
· changes in fulfilment cash flows arising from changes in estimates related to future service that establish or further increase the loss component;
· subsequent decreases in fulfilment cash flows that relate to future service and reduce the loss component until it is exhausted;
· changes, for direct participating contracts only, in the entity's share of decrease in the fair value of the underlying items, that result in or further increase the loss component;
· for direct participating contracts only, subsequent increases in the entity's share of the fair value of the underlying items that reduce the loss component until it is exhausted; and
· systematic allocation to the loss component arising both from changes in the risk adjustment for nonfinancial risk and from incurred insurance services expenses.

(ii) **Reinsurance contracts held**

Recognition

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

The Company recognises a group of non-proportional reinsurance contracts at the earliest of the beginning of the coverage period of the group and the date an underlying onerous group of contracts is recognised given that the company entered into the related reinsurance contract held in the group of reinsurance contracts held at or before that date.

Cash flows are within the boundary of a reinsurance contract held, if they arise from the substantive rights and obligations of the cedant that exist during the reporting period in which the Company is compelled to pay amounts to the reinsurer or has a substantive right to receive services from the reinsurer. The boundary of a reinsurance contract held includes cash flows resulting from the underlying contracts covered by the reinsurance contract. This includes cash flows from insurance contracts that are expected to be issued by the Company in the future if these contracts are expected to be issued within the boundary of the reinsurance contract held. The Company holds reinsurance agreements which allow both the reinsurer and the Company to terminate the contract at notice for new business ceded. The Company includes within the contracts boundary only cash flows arising from such notice period because it does not have substantive rights or obligations beyond that point.

(iii) **Reinsurance contracts held measured under the PAA**

The Company measures group life and group credit life reinsurance contracts applying the PAA. Under the PAA, the initial measurement of the asset equals the reinsurance premium paid. The Company measures the amount relating to remaining service by allocating the premium paid over the coverage period of the group. For all reinsurance contracts held, the allocation is based on the passage of time.

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

Company information and material accounting policies

2.13.11 Modification and derecognition

The Company derecognises the original contracts and recognises the modified contract as a new contract, if the terms of insurance contracts are modified and the following conditions are met:
(a) if the modified terms were included at contract inception and the Company would have concluded that the modified contract:
- is outside of the scope of IFRS 17;
- results in a different insurance contract due to separating components from the host contract;
- results in a different contract boundary; ; SIIL consider 3 months beyond the contract boundary of the original contract as substantially different.
- includes in a different group of contracts.

(b) the original contract met the definition of an insurance contract with direct participation features, but the modified contract no longer meets the definition;
(c) the original contract was accounted applying the PAA, but the modified contract no longer meets the PAA eligibility criteria for that approach.

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

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

The Company derecognises an insurance contract when, and only when the contract is:
· extinguished (when the obligation specified in the insurance contract expires or is discharged or cancelled); or
· modified and derecognition criteria are met.

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

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

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

2.13.12 Presentation

The Company has presented separately in the its 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.

Company information and material accounting policies

(i) Insurance revenue not measured under the PAA

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

For groups of insurance contracts measured under the GMM, insurance revenue consists of the following:
The sum of the changes in the LRC including
a) the insurance service expense incurred in the period measured at the amounts expected at the beginning of the period, excluding:
- amounts allocated to the loss component;
- amounts relating to risk adjustment for non-financial risk not including;
- repayments of investment components;
- insurance acquisition expenses;

b) amounts related to income tax that are specifically chargeable to the policyholder
c) the change in the risk adjustment for non-financial risk, excluding:
- changes included in insurance finance income or expense aas detailed in section J
- changes that relate to future service that adjust the CSM as detailed in subsequent measurement in section G2; and

- amounts allocated to the loss component of the liability for remaining coverage arising from changes in the risk adjustment for non-financial risk recognised in profit or loss because of the release from risk.;

d) the amount of CSM for the services provided in the period;
e) experience adjustments for premium receipts (and any related cash flows such as insurance acquisition cash flows) that relate to current or past services, if any.

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

When applying the PAA, the Company recognises insurance revenue for the period based on the passage of time by allocating premium receipts including premium experience adjustments to each period of service. However, when the expected pattern of release from risk during the coverage period differs significantly from the passage of time, then premium receipts are allocated based on the expected pattern of incurred insurance service expense. The Company issues insurance policies with different expected pattern of occurrence of claims. For those groups of contracts, revenue is recognised based on the expected pattern of claim occurrence.

At the end of each reporting period, the Company considers whether there was a change in facts and circumstances indicating a need to change, on a prospective basis, the premium receipt allocation due to changes in the expected pattern of claim occurrence for new and existing groups.

(ii) Insurance service expense

Insurance service expense arising from group insurance contracts issued comprises of:
· changes in the LIC related to claims and expenses incurred in the period excluding repayment of investment components;
· changes in the LIC related to claims and expenses incurred in prior periods (related to past service);
· other directly attributable expenses incurred in the period;
· amortisation of insurance acquisition cash flows, which is recognised at the same amount in both insurance service expense and insurance contract revenue; and
· changes in the LRC related to future service that do not adjust the CSM, because they are changes in the loss components of onerous groups of contracts.

(iii) Income or expenses from reinsurance contracts held

The Company presents income or expenses from a group of reinsurance contracts held and reinsurance finance income or expenses in profit or loss for the period separately. Income or expenses from reinsurance contracts held are split into the following two amounts:
· amount recovered from reinsurers; and
· an allocation of the reinsurance premiums paid, provided that together they equal total income or expenses from reinsurance contracts held.
The Company presents cash flows that are contingent on claims as part of the amount recovered from reinsurers. Ceding commissions that are not contingent on claims of the underlying contracts are presented as a deduction in the premiums to be paid to the reinsurer which is then allocated to profit or loss.

(iv) 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.

(v) The use of OCI presentation for insurance finance income and expense

The Company has an accounting policy choice to either present all of the period's insurance finance income or expenses in profit or loss or to split the amount between profit or loss and other comprehensive income (OCI). In considering the choice of presentation of insurance finance income or expenses, the Company considers the assets held for that portfolio and how they are accounted for. For all the products, the company has opted not to disaggregate insurance finance income or expenses between recognised in profit or loss and in OCI.

Company information and material accounting policies

The Company may reassess its accounting policy choice during the duration of a group of direct participating contracts when there is a change in whether the Company holds the underlying items or no longer holds the underlying items. When such change occurs, the Company includes the amount accumulated in OCI by the date of change as a reclassification adjustment to profit or loss spread across the period of change and future periods based on the method and on the assumptions that applied immediately before the date of change.

(vi) For PAA contracts

When applying the PAA, the Company does not discount the liability for remaining coverage to reflect the time value of money and financial risk for group life and credit life with a coverage period of one year or less.

The Company adjusts the LRC for the time value of money for group life and credit life policies with a coverage period longer than one year. The Company does not disaggregates insurance finance income or expense between profit or loss and OCI.

(vii) For contracts with cash flows not affected by underlying items

For contracts with cash flows not affected by underlying items, the Company has elected to present all insurance finance income or expenses in profit or loss

2.13 Provisions

A provision is recognised if, as a result of a past event, the Group 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 discounted at a rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

2.14 Employee benefits

Short-term benefits

Short-term employee benefit obligations include wages, salaries and other benefits which the Group 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. Short term benefits are expensed as the related service is provided.

A provision is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Company information and material accounting policies

Post employment benefits

The Group operates a defined contributory retirement scheme as stipulated in the Pension Reform Act 2004. Under the defined contribution scheme, the Group 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 Group 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 Group's obligations are recognised in the statement of comprehensive income.

Termination benefits

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 Group 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.

2.15 Income tax

Income tax expense comprises current tax. It is recognised in profit or loss except to the extent that it relates to a business
combination, or items recognised directly in equity or in other comprehensive income. The Group had determined that interest and penalties relating to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore are accounted for under IAS 37 Provisions, Contingent Liabilities and Contingent Assets. The related expenses are recognised in other expenses.

(i) Current tax

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

- Company income tax is computed on taxable profits at 30%.
- Tertiary education tax is computed on assessable profits at 3%.
- Nigeria Police Trust Fund levy is computed on net profit (i.e. profit after deducting all expenses and taxes from revenue earned by the Group during the year) at 0.005%.
- National Agency for Science and Engineering Infrastructure (NASENI) levy is computed on profit before tax at 0.25%.

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

Company information and material accounting policies

Minimum tax

Minimum tax which is based on a gross amount is outside the scope of IAS 12 and therefore, are not presented as part of income tax expense in the profit or loss. Minimum tax is determined as 0.5% of gross turnover of the Company less franked investment income.

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

The Company offsets the tax assets arising from withholding tax (WHT) credits and current tax liabilities if, and only if, the entity has a legally enforceable right to set off the recognised amounts, and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. The tax asset is reviewed at each reporting date and written down to the extent that it is no longer probable that future economic benefit would be realised.

(ii) Deferred taxation

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.

Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and

- taxable temporary differences arising on the initial recognition of goodwill. Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences.

If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans of the Group. 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; such reductions are reversed when the probability of future taxable profits improves.

Company information and material accounting policies

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date, and reflects uncertainty related to income taxes, if any.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if certain criteria are met.

2.16 Share capital and reserves

Share capital and share premium

The Group 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 recognised as deductions from equity net of any tax effects.

Dividend on ordinary shares

Dividend distribution to the Group’s shareholders is recognised as a liability in the consolidated and separate financial statements in the period in which the dividends are approved by the Group’s shareholders. Dividends that are proposed but not yet declared are disclosed in the notes to the financial statements. Dividends on the Group’s ordinary shares are recognised in equity in the period in which they are paid or, if earlier, approved by the Group’s shareholders.

(a) Contingency reserves

The Group maintains contingency reserves in accordance with the provisions of the Insurance Act 2003 to cover fluctuations in securities and variations in statistical estimates at the rate equal to the higher of 3% of total premium or 20% of the total profit after taxation until the reserve reaches the greater of minimum paid up capital or 50% of net premium for non-life business. Contingency reserve for life business is credited with the higher of 1% of gross premium and 10% of profit after taxation. The threshold for maximum contingency reserve has been reached as at December 2023.

(b) Assets revaluation reserves

Assets revaluation reserves represents the fair value differences on the revaluation of items of Property and equipment as at the reporting date.

(c) Fair value reserves

Fair value reserves represents the fair value gains or losses on valuation of financial assets measured at fair value through OCI.

(d) Common control deficit

Common control deficit represents the excess of consideration paid over net assets acquired in a transaction between entities under common control.

Company information and material accounting policies

2.17 Earnings per share

The Group presents basic and diluted earnings per share for its ordinary shares. Basic earnings per share are calculated by dividing the profit attributable to ordinary shareholders of the group by the number of shares outstanding during the year.

Diluted Earnings per share is determined by dividing the statement of comprehensive income attributable to ordinary shareholders by the weighted average number of ordinary shares adjusted for the bonus shares issued.

2.18 Revenue recognition

Revenue comprises the fair value for services, net of value-added tax, after eliminating revenue within the Group. Revenue is recognised as follows:

(i) *Insurance contracts:*

See accounting policy 2.13 b(i) for recognition of premium on insurance

(ii) *Investment and other operating income*

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

Other operating income comprises fee income and profit on disposal of

(iii) *Dividend income*

Dividend income for available for sale equities are recognised when the right to receive payment is established.

Revenue arising from asset management and other related services offered by the Group are recognised in the accounting period in which the services are rendered.

The fulfillment cash flows for our insurance contracts include directly attributable expenses, such as claims handling costs and policy acquisition costs. Non-attributable expenses, such as general administrative overheads, are recognized in profit or loss as incurred.

2.19 Measurement and Allocation of expense

The fulfillment cash flows for our insurance contracts include directly attributable expenses, such as claims handling costs and policy
acquisition costs. Non-attributable expenses, such as general administrative overheads, are recognized in profit or loss as incurred.

Consolidated and Separate Statements of Financial Position

As at 31 December 2024

(All amounts in thousands of Nigerian Naira unless otherwise stated)	Notes	Group 31-Dec-24	Company 31-Dec-24
ASSETS			
Cash and cash equivalents	5	132,985,567	-
Premium receivables	6	352,286	-
Investment securities	7	-	
- Financial assets at fair value through profit or loss	7.1	297,731,307	-
- Financial assets at fair value through other comprehensive income	7.2	79,261,006	-
- Financial assets at amortized cost	7.3	146,791,030	-
Reinsurance contracts assets	16.b	269,415,354	-
Other receivables and prepayments	8	23,138,566	8,000,000
Loans and advances	9	828,359	-
Property and equipment	10	11,186,863	-
Investment properties	11	39,217,862	-
Investment in subsidiaries	12	-	220,168,304
Intangible assets	14	2,078,485	-
Deferred tax assets	13	29,377,255	-
Statutory deposits	15	500,000	-
TOTAL ASSETS		**1,032,863,940**	**228,168,304**
LIABILITIES			
Insurance contract liabilities	16.a	685,808,075	-
Investment contract liabilities	20	36,250,267	-
Current income tax liabilities	18	2,775,549	-
Trade payables	17	49,983,968	-
Deferred tax liabilities	13	33,145,094	-
Other liabilities	19	12,972,824	2,000
TOTAL LIABILITIES		**820,935,777**	**2,000**
EQUITY			
Equity Attributable to Equity Holders of Parent			
Issued and paid up share capital	21a	142,605	142,605
Share premium	21b	228,025,699	228,025,699
Common control acquisition deficit	21d(iv)	(33,082,600)	-
Contingency reserve	21d(i)	25,360,526	-
Accumulated loss	21c	(45,467,849)	(2,000)
Fair value reserves	21d(iii)	29,762,042	-
Other reserves	21d(iii)	6,612,396	-
TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY		**211,352,819**	**228,166,304**
Non controlling interest	22	575,344	-
TOTAL EQUITY		**211,928,163**	**228,166,304**
TOTAL EQUITY AND LIABILITIES		**1,032,863,940**	**228,168,304**

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS ON 13th June 2025 by:

Mr. Tunde Alao-Olaifa	Mr. Odeinteinm Ajumogobia	Mr. Ogundeyi Oluwaseyi Oludotun
FRC/2025/PRO/ANAN/001/783771	FRC/2025/PRO/DIR/003/499007	FRC/2014/ICAN/0000000692
Managing Director	**Chairman**	**Financial Controller**

The material accounting policies and the accompanying notes are an integral part of these consolidated and separate financial statements.

Consolidated and Separate Statements of Profit or Loss and Other Comprehensive Income
For the period 1 December 2024 to 31 December 2024

		Group	Company
(All amounts in thousands of Nigerian Naira unless otherwise stated)	**Notes**	**31-Dec-24**	**31-Dec-24**
Insurance revenue	34	**32,837,625**	**-**
Insurance service expenses	34	(7,886,507)	-
Insurance service result from insurance contracts issued		24,951,118	-
Allocation of reinsurance premiums	35	(13,906,586)	-
Amounts recoverable from reinsurers for incurred claims	35.b	(18,852,541)	-
Net expenses from reinsurance contracts held		(32,759,127)	-
Insurance service result		**(7,808,009)**	**-**
Investment income	25	6,300,250	-
Profit on investment contracts	25(a)	196,823	-
Net impairment loss	30	(31,466)	-
Net fair value gain on assets at fair value	26	6,755,199	-
Net investment income		**13,220,806**	**-**
Net finance expenses from insurance contracts issued	36	(4,001,257)	-
Net finance income from reinsurance contracts held	37.a	302,831	-
Net insurance finance expenses		**(3,698,426)**	**-**
Net insurance and investment result		**1,714,371**	**-**
Other operating income	27	18,215,241	1,811
Employee benefit expenses	28	(491,349)	-
Other operating expenses	29	(10,018,720)	(3,811)
Profit/ (loss) before minimum tax		**9,419,543**	**(2,000)**
Minimum tax	31	(1,194,705)	
Profit/ (loss) after minimum tax before income tax		8,224,838	
Income tax expense	31	(3,133,811)	-
Profit/ (loss) for the year		**5,091,027**	**(2,000)**
Other comprehensive income:			
Items that may be subsequently reclassified to the profit or loss account:			
Changes in Asset Fair value through OCI assets net of taxes	7.2.c	7,384,928	-
Net amount transferred to the income statement on disposal of debt instrumen	7.2.c		-
Impairment (charge)/reversal on FVTOCI	7	-	-
Foreign currency translation differences	21(iv)	-	-
Items within OCI that will not be reclassified to profit or loss:			
Gain on revaluation of properties and equipment net of tax	10	4,514,229	-
Other comprehensive income for the period		**11,899,157**	**-**
Total comprehensive income/(loss) for the period		**16,990,184**	**(2,000)**
Profit attributable to:			
- Owners of the Company		4,943,302	(2,000)
- Non-controlling interest		147,725	-
Profit/ (loss) for the period		**5,091,027**	**(2,000)**
Total Comprehensive income/ (loss) attributable to:			
- Owners of the Company		16,842,459	(2,000)
- Non-controlling interest		147,725	-
Total comprehensive income/ (loss) for the period		**16,990,184**	**(2,000)**

The material accounting policies and the accompanying notes are an integral part of these consolidated and separate financial statements.

Consolidated Statement of Changes in Equity
For the period 1 December 2024 to 31 December 2024

		ATTRIBUTABLE TO OWNERS OF THE PARENT									
(All amounts in thousands of Nigerian Naira unless otherwise stated)	***Notes***	**Share capital**	**Share premium**	**Accumulated loss**	**Common control acquisition deficit**	**Fair value reserve on Available for sale financial assets**	**Contingency reserve**	**Asset revaluation reserve**	**Total**	**Non controllin g interest**	**Total**
Group 2024											
As at 1 December 2024		**142,605**	**228,025,699**	**(45,721,950)**	**(33,082,600)**	**22,377,114**	**20,671,325**	**2,098,167**	**194,510,360**	**427,619**	**194,937,979**
Profit for the period		-	-	4,943,302	-	-	-	-	4,943,302	147,725	**5,091,027**
Other comprehensive income											
Net changes in Asset Fair value through OCI financial instruments				-	-	7,384,928	-	-	7,384,928	-	**7,384,928**
Impairment (charge)/reversal on		-	-	-	-	-	-	-	-	-	**-**
Net amount of FVOCI transferred to income statement		-	-	-	-	-	-	-	-	-	**-**
Fair value gain on property and equipment net of tax		-	-	-	-	-	-	4,514,229	4,514,229	-	**4,514,229**
Foreign currency translation reserve		-	-	-	-	-	-	-	-	-	**-**
Total comprehensive income for the period		**-**	**-**	**4,943,302**	**-**	**7,384,928**	**-**	**4,514,229**	**16,842,459**	**147,725**	**16,990,184**
Transaction with owners and directly											
Transfer to contingency reserve		-	-	(4,689,201)	-	-	4,689,201	-	-	-	**-**
Transfer to fair value reserve		-	-	-	-	-	-	-	-	-	**-**
Cash dividend paid to equity holders		-	-	-	-	-	-	-	-	-	**-**
Total transactions with owners		**-**	**-**	**(4,689,201)**	**-**	**-**	**4,689,201**	**-**	**-**	**-**	**-**
As at 31 December 2024		**142,605**	**228,025,699**	**(45,467,849)**	**(33,082,600)**	**29,762,042**	**25,360,526**	**6,612,396**	**211,352,819**	**575,344**	**211,928,163**
Check											

The material accounting policies and the accompanying notes are an integral part of these consolidated and separate financial statements.

Separate Statement of Changes in Equity
For the period 1 December 2024 to 31 December 2024

(All amounts in thousands of Nigerian Naira unless otherwise stated)	***Notes***	**Share capital**	**Share premium**	**Retained earnings**	**Fair value reserve on Financial assets at fair value through OCI**	**Contingency reserve**	**Asset revaluation reserve**	**Total**
Company 2024								
As at 1 December 2024		**142,605**	**228,025,699**	**-**	**-**	**-**	**-**	**228,168,304**
Loss for the period		-	-	(2,000)	-	-	-	(2,000)
Other comprehensive income								
Net changes in asset fair value through OCI financial instruments		-	-	-	-	-	-	-
ECL impairment (reversal & charged on FVOCI)				-				-
Net amount transferred to Income statement					-			-
Fair value gain on property and equipment net of tax		-	-	-	-	-	-	-
Total comprehensive income for the period		**-**	**-**	**(2,000)**	**-**	**-**	**-**	**(2,000)**
Transaction with owners & directly in equity:								
Transfer to contingency reserve		-	-	-	-	-	-	**-**
Cash dividend paid to equity holders		-	-	-	-	-	-	-
Total transactions with owners of equity		**-**	**-**	**-**	**-**	**-**	**-**	**-**
As at 31 December 2024		**142,605**	**228,025,699**	**(2,000)**	**-**	**-**	**-**	**228,166,304**

The material accounting policies and the accompanying notes are an integral part of these consolidated and separate financial statements.

Consolidated and Separate Statements of Cash Flows
For the period 1 December 2024 to 31 December 2024

		Group	Company
(All amounts in thousands of Nigerian Naira unless otherwise stated)	**Notes**	**31-Dec-24**	**31-Dec-24**
Operating activities			
Cash used in operations	40a	(227,913,975)	(8,000,000)
Income tax paid	18	(1,547,829)	-
Net cash used in operating activities		**(229,461,804)**	**(8,000,000)**
Cash flows from investing activities			
Investment income received	40g	5,044,603	-
Other income received	40h	450,220	-
Proceeds on disposal of property and equipment	40i	3,488	-
Purchase of intangible assets	14	(23,845)	-
Purchase of property and equipment	10	(372,168)	-
Proceeds on disposal of Investment securities	7.3	54,896,385	-
Cash acquired under common control acquisition transaction	12	72,477,893	-
Purchase of investment property	11	(2,360,528)	-
Investment in subsidiary	14	-	(220,168,304)
Net cash used in investing activities		**130,116,048**	**(220,168,304)**
Cash flows from financing activities			
Purchase of shares		228,168,304	228,168,304
Net cash generated from in financing activities		**228,168,304**	**228,168,304**
Net increase in cash and cash equivalents		128,822,548	-
Cash and cash equivalents at beginning of period		-	-
Effect of exchange rate fluctuations on cash held	27	4,163,019	-
Cash and cash equivalent at end of year	5	**132,985,567**	**-**

The material accounting policies and the accompanying notes are an integral part of these consolidated and separate financ

Notes to the consolidated and separate financial statements

3 Enterprise Risk Management Statement (ERM) Statement

Introduction

Leadway Insureholdings Limited applies an entity-wide approach to its risk management process such that both existing and anticipated risks are identified upfront and appropriate responses are applied to reduce the likelihood of the risk downside while exploiting the opportunities inherent in the risks, thus creating value. provides guidance to management and staff to ensure that all actions taken and activities carried out with respect to risk management are consistent with the Company's strategic goals and business objectives. The ERM Framework forms the standard against which we benchmark our risk identification and risk mitigation approach for certain vulnerabilities and then set tolerances for risks we cannot fully avoid.

Purpose

The general purpose of the company's ERM Framework is to provide the internal stakeholders with the guidance that ensures that all decisions made and activities conducted with regard to risk management are in congruence with the entity's goals and business units' objectives.

The specific benefits we envisage gaining from our ERM framework are to:

- Protect and strengthen the company's capital base such that risk acceptances are guided by our Risk Appetite Framework and exposures are curtailed within tolerance limits.
- Give reasonable assurance to our policyholders and the regulators about our ability to promptly pay claims arising now and in the future.
- Communicate the risks being taken by the company to the investors and ensure that the strategic objectives of the organization are aligned with the expectations of capital providers.
- Provide the means to promote and demonstrate best practices in governance and risk management, and deliver more efficient use of capital.
- To ensure Leadway's operational resilence in the face of systematic shocks or disruptions.
- To improve the control and coordination of risk taking across the Company.
- To maximize opportunities, earnings potential and ultimately our stakeholder value.
- Our risk management philosophy and culture represent our shared values, attitude 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 appropriately.
- We regard every one of our employees as a risk manager and we all take individual and collective ownership of the ERM responsibilities.
- We observe prudence in our underwriting processes and limit our risks to the Board approved risk appetite and tolerance levels.
- We have no tolerance for infractions of laws and regulations and we detest business relationship with disreputable business entities and individuals.

Notes to the consolidated and separate financial statements

Risk Management Strategy

Our risk management methodology recognizes that there cannot be total elimination of risk but we are determined to reduce both the severity and probability of the occurrence of risk issues through appropriate risk responses. We have deployed an ERM policy that focuses on taking enterprise-level view of interrelationships among various risks with a view to providing an effective response to managing the material risks that present the greatest threats to our existence and operations as an insurance company. Consequently, the cornerstone of our Risk management strategy were:

(i) Capital Management: Protect the capital base by monitoring that risks are not taken beyond Leadway's risk tolerance, Enhance value creation and contribute to an optimal risk/return profile by providing the basis for efficient capital deployment.

(ii) Continuous refresh of risk appetite framework, ensuring risk appetite framework forms the basis for controlled risk-taking;

(iii) Liquidity Risk Management: Continuous identification and monitoring of material sources of liquidity risk which the Company may be exposed in order to ensure adequate liquidity in terms of amount and quality is available for the business

(iv) Risk Control Self Assessment (RCSA) -Operational Risk Assessment, ensuring a more structured approach to assessing operational risk across the group in line with the RCSA framework.

External Perspectives

Regulation and regulatory compliance, continues to be a external drivers of our Enterprise Risk Management process. Howbeit, operating management is a key program driver of the ERM process, with the involvement of key groups, i.e. Boards and committees, internal audit and Senior management.

Risk Governance, Roles & Responsibilities

Our risk governance focuses on directing and controlling the management of risks within the company by articulating the roles and responsibilities for the board, management, and employees. The policy adopts the three lines of defense model of risk management governance that revolves around the Board, Risk Management Committee and the Audit Committee.

Roles and Responsibilities

The Board

The board has the ultimate accountability for the risk and the related control environment and as such, is responsible for the following:

- To approve the risk management framework, set the risk appetite/tolerance level and the risk management strategy escalated to it, from time to time.
- To appraise the risk management process and the internal controls for effectiveness, appropriateness and adequacy.
- To ensure that the company’s ERM Framework is subject to periodic audit by competent personnel independent of the company’s risk management functions.

Notes to the consolidated and separate financial statements

Board Risk & Technical committee

- Review and approve the risk management framework, the risk tolerance and the risk management strategy escalated to it, from time to time.
- Establish and ensure a strong risk management culture exists.
- To challenge risk information and examine the appropriateness of the judgments underlying the setting of the company's risk tolerance/limits.

Board Finance, Investment and General Purpose Committee

- Be responsible for assisting the Board with all Leadway's investment-related matters, investment manager selection and implementation, and review for compliance and performance relative to objectives. The Committee meets quarterly to discuss key investment and investment risk issues and review the effective implementation of the Investment Policy.

Risk Owners in the Business Units

Many of the operational risks reside in the business units and risk owners/champions in these units have responsibilities for risk management in the respective risks. Specifically, business units are responsible for the following:

- To carry out a monthly review of risks profile in the department/unit in compliance with the entity's risk policies and procedures.
- Apply appropriate control measures to manage identified risks and solicit the involvement of the Enterprise Risk Management Division in the escalation of material risks to the Management Committee.
- Be involved in all activities designed to propagate risk management culture within the company and in building firewalls against emerging exposures that may affect the achievement of the company's objectives.
- Produce risk management reports input for consolidation into the overall report repository domiciled in the Enterprise Risk Management Division.
- Provide information towards the development of new approaches to risk management in its domain and collaborate with Enterprise Risk Management Division to prepare appropriate risk mitigation plans for the unit.

Risk Champions in the Business Units

A risk champion is an individual who is knowledgeable and exhibits an appreciable understanding of the risks facing the Company's business operations.

- Facilitate and coordinate the awareness of risk management activities within the business unit
- Apply appropriate control measures to manage identified risks and solicit the involvement of the Enterprise Risk Management Division in the escalation of material risks to the Management Committee.
- Coordinate the gathering of risk-related information, and ensure the completeness and accuracy of the risk information gathered on the business unit.
- Monitor and report on the effectiveness of the risk mitigation plan in reducing risk incidence in the business unit

Enterprise Risk Management Division

- Responsible for facilitation and co-ordination of risk management activities across the company.

Notes to the consolidated and separate financial statements

- Provision of technical assistance and guidance to business units. It will be responsible for raising awareness of risk management across the company.
- Reviews and analyses the company's business and investment proposals to ensure that risks have been adequately identified and proper mitigating factors put in place.
- Develop Key Risk Indicators (KRIs) for monitoring key drivers associated with identified major risks.
- Monitor compliance with the company's ERM policies/procedures on risk limits and assess the impact regulatory requirements will have on the company's operations.

Internal Audit

- To adopt a risk-based approach to planning and executing the internal audit process/activities by directing internal auditing resources at those areas most important to the organization.
- Evaluate the adequacy and effectiveness of controls encompassing the organization's governance, operations, and information systems.
- Develop internal audit plans that identify and assess risks relevant to the activity under review and ensure that the internal auditing objectives reflect the results of the risk assessment.
- To contribute to the effectiveness of enterprise risk management, by participating in separate evaluations of internal controls and the ERM programme, and recommending improvements.
- To provide advice in the design and improvement of control systems and risk mitigation strategies.
- To challenge the basis of management's risk assessments and evaluate the adequacy and effectiveness of risk treatment strategies.

Risk Landscape

Leadway Assurance maintains a structured and comprehensive risk universe that reflects the breadth of exposures inherent in our business model. This universe spans financial, insurance, operational, legal/regulatory, and strategic risk domains, with cross-cutting themes such as ESG, cyber resilience, and model integrity integrated into our framework. Our risk taxonomy provides the foundation for consistent identification and classification of material risks across the Group. All identified risks are subject to periodic assessment, with material exposures monitored through defined thresholds and escalation protocols. Risk insights are regularly reported to executive management and the relevant Board Committees, ensuring appropriate oversight and a proactive response to emerging threats within an evolving external environment.

Notes to the consolidated and separate financial statements

3.1 Capital Management Policies, Objectives and Approach

Approach to capital management

Leadway seeks to optimise the structure and sources of capital to ensure that it consistently maximises returns to the shareholders and policyholders.

Leadway's approach to managing capital involves managing assets, liabilities and risks in a coordinated way, assessing shortfalls between available and required capital level on a quarterly 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 an economic capital coverage ratio range of 1.5x to above 2x i.e. available capital in excess of required risk capital, as well as a target risk adjusted rates of return, which are aligned with performance objectives and ensure that the Group is focused on the creation of value for shareholders.

The Group's primary source of capital is its equity shareholders and profit retained over the years. Leadway also utilizes adequate and efficient reinsurance arrangements to protect shareholders' funds against unfavorable events such as catastrophes or large claims.

The capital requirements are routinely forecased over a 1 year horizon based on the Value at Risk framework, and following the Solvency II standards. The process is carried out quarterly involving both the Actuarial and ERM teams, with the results presented at both management and Board risk committees. Also, the Leadway as a requirement by the regulators also carries out its Own Risk Solvency Assessment (ORSA) annually.

The Group 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 Company’s objectives with respect to capital management are to maintain a capital base that is structured to exceed regulatory requirement and to decide on the efficient use of capital by assessing the return on capital allocated to the various classes of business and/or products.
The table below summarises the maximum authorized capital across the group and the paid up capital held as follows:

	Group 31-Dec-24 N'000	**Company 31-Dec-24 N'000**
Maximum Regulatory Capital	5,000,000	5,000,000
Paid up capital	10,000,000	10,000,000
surplus	5,000,000	5,000,000

Notes to the consolidated and separate financial statements

3 Enterprise Risk Management Statement (ERM) Statement (continued)

3.2 Asset and Liability Management

(a) Hyppthecation of Assets (Group)

For the period 1 December 2024 to 31 December 2024

(All amounts in thousands of Nigerian Naira unless otherwise stated)

Group 2024	Non Life		Life				
	Shareholder's fund	Policy holder's Fund	Shareholder's fund	Deposit Admin. Fund	Annuity Fund	Policy holder's Fund (LIFE)	TOTAL
Assets							
Cash and cash equivalents							
Bank Placements	30,153,977	70,329,771	2,669,358	1,862,343	5,354,236	7,477,299	117,846,984
Bank and Cash Balances	2,280,684	7,972,125	551,009	359,859	1,034,593	2,940,312	15,138,582
Trade receivables	334,216	-	18,070	-	-	-	352,286
Investment securities:							-
Treasury Bills	-	2,215,973	191,464	6,843,397	-	5,594,863	14,845,697
Government Bonds	31,552,641	97,076,144	8,691,635	12,325,261	238,427,189	31,278,257	419,351,127
Corporate bonds	783,065	-	-	1,232,923	2,015,364	1,773,801	5,805,153
Quoted Securities	4,418,940	196,623	8,595,784	239,251	9,216,953	1,250,280	23,917,831
Unquoted Securities	13,057,487	-	11,116,525	-	-	861,198	25,035,210
Comercial paper	16,982,522	7,379,063	1,649,294	84,901	-	4,711,320	30,807,100
Term Loan	3,996,448	24,224	552	-	-	-	4,021,224
Reinsurance contracts ass	-	265,816,838	-	-	-	3,598,516	269,415,354
Other receivables and prep	5,893,281	1,703,472	-	-	-	14,052,594	21,649,347
Loans and advances	42,964	-	119,472	665,923	-	-	828,359
Property and equipment	2,879,033	3,126,453	4,544,824	636,553	-	-	11,186,863
Investment properties	1,000,000	7,068,131	666,667	2,431,902	-	28,051,162	39,217,862
Deferred tax assets	-	-	29,377,255	-	-	-	29,377,255
Intangible assets	323,044	-	3,244,662	-	-	-	3,567,706
Statutory deposits	300,000	-	200,000	-	-	-	500,000
Total:	**113,998,302**	**462,908,817**	**71,636,571**	**26,682,313**	**256,048,335**	**101,589,602**	**1,032,863,940**
Liabilities							
Trade payables & other liab	10,200,767	41,982,686	3,687,093	-	-	7,086,248	62,956,794
Current income tax liabiliti	1,657,492	-	1,118,057	-	-	-	2,775,549
Insurance contract liabilitie	-	387,287,259	-	-	249,492,795	49,028,020	685,808,074
Investment contract liabilit	-	-	12,323,645	23,926,622	-	-	36,250,267
Deferred tax liabilities	33,145,093	-	-	-	-	-	33,145,093
TOTAL:	**45,003,352**	**429,269,945**	**17,128,795**	**23,926,622**	**249,492,795**	**56,114,268**	**820,935,777**
Surplus	**68,994,950**	**33,638,872**	**54,507,776**	**2,755,691**	**6,555,540**	**45,475,334**	**211,928,163**

Notes to the consolidated and separate financial statements

3 Enterprise Risk Management Statement (ERM) Statement (continued)

3.3 Financial risk management

The Group is exposed to a range of financial risks through its financial instrument, reinsurance assets and insurance liabilities. The key financial risk is that in the long term its investments proceeds are not sufficient to fund the obligations arising from its insurance and investment contracts. The most important components of the financial risks are:

- Credit risks
- Liquidity risks
- Market risks

3.3.1 Credit risks

The Group is exposed to credit risk from counterparties such as issuers, reinsurers, brokers, and policyholders. The Group mitigates this through defined policies, exposure limits, and regular monitoring.
Collateral and guarantees are required where necessary, and reinsurance is placed only with well-rated counterparties. Limits are based on counterparty creditworthiness and are reviewed annually. Customer receivables are monitored, and intermediary commissions offset potential defaults.

The Group has policies in place to mitigate its credit risks.

In evaluating credit risk (impairment), the group determines impairment on loans that are not specifically impaired using a model in line with the requirements of IFRS as follows:

Impairment = EAD * PD * LGD

the parameters are defined as follows:

1. Probability of default (PD) : This is the probability that a counterparty will default on an exisiting commitment usually over a 12 months period

2. Loss given default (LGD) : This is the portion of a loan or receivable determined to be irrecoverable, our methods considers prior period experience, other qualitative factors and future economic prospect

3. Exposure at default (EAD): This represents the amount that is due or outstanding at the time of default.

3.3.1.1 Maximum exposure to credit risk

		Group	Company
		31-Dec-24	**31-Dec-24**
Cash and cash equivalents (See note 1 below)	5	132,985,567	-
Premium receivables	6	352,286	-
Investment securities:			
- Fair value through profit or loss (See note 2	7.1	297,731,307	-
-Financial asset at fair value though other	7.2	79,261,006	-
Amortised cost	7.3	146,791,030	
Reinsurance contracts assets	16.b	269,415,354	-
Other receivables	8	21,794,088	8,000,000
Loans and advances	9	828,359	-
Statutory deposits	15	500,000	-
Total assets exposed to credit risk		**949,658,997**	**8,000,000**

1. Cash and cash equivalents excludes the balance in hand which is not exposed to credit risk.
2. Assets measured at fair value through profit or loss and fair value through other comprehensive income do not include the balance of equity securities in these classes of asset as equity securities are not exposed to credit risk.
3. Reinsurance Assets only includes amount recoverable on claims reported (excluding IBNR) and amount due from reinsurers. The balance on prepaid reinsurance is excluded from this analysis.
4. Other receivables excludes prepayments and other non financial assets. (see note 8)

Notes to the consolidated and separate financial statements

The Group's investment portfolio is exposed to credit risk through its fixed income and money market instruments. The contribution of the fixed Income & money market instruments to the Group's investment is as follows:

3.3.1.: Counterparty risk

(a) Cash and cash equivalent

The group and company's counterparty exposure of its cash and cash equivalent is represented below:

Counterparty	Group 31-Dec-24	Company 31-Dec-24
National banks	98,732,957	-
Foreign banks	14,012,117	-
Investment banks	20,234,559	-
(This is net of cash in hand)	**132,979,633**	**-**

Counterparty	Group 31-Dec-24	Company 31-Dec-24
National banks	74%	0%
Foreign banks	11%	0%
Investment banks	12%	0%
	100%	**0%**

(b) Investment securities

The group and company's counterparty exposure of its investment securities is represented below:

Counterparty	Group 31-Dec-24	Company 31-Dec-24
Federal Government of Nigeria	432,135,426	-
State Government in Nigeria	2,287,881	-
Corporates with acceptable risk ratings	5,805,153	-
	440,228,460	**-**

(c) Premium receivables

Credit risk exposure to trade receivables arises from the 30 days window given by NAICOM in the "No Premium No Cover" policy. This give the brokers latitude to withhold premium collected from the insured for 30 days before remittance. However, they are expected to issue their credit note and remit the premium on or before the expiration of the 30 days grace period. Brokers who fail to remit are reported on a quarterly basis to NAICOM and are subject to the downgrading process in line with the Group's policy. The Group's risk exposure to credit risk is low as the receipt of insurance premium from the insured is a pre-condition for the issuance of insurance cover.

		Group	Company
	Note	31-Dec-24	31-Dec-24
Gross Trade receivables	6	793,573	-
Less Impairment allowance:	6	(441,286)	-
Net Trade receivables		**352,287**	**-**

(d) Loans and advances

Credit risk exposure to direct business is low as the Company requires debtors to provide guarantees before inception of insurance policies. The Company's exposure to credit risk arising from brokered business is relatively moderate and the risk is managed by the Group's internal rating model for brokers. Our credit risk internal rating model is guided by several weighted parameters which determine the categorization of brokers the Group transacts businesses with.

		Group	Company
	Note	31-Dec-24	31-Dec-24
Gross Trade receivables	6	6,483,628	-
Less Impairment allowance:	6	(114,834)	-
Net Trade receivables		**6,368,794**	**-**

Notes to the consolidated and separate financial statements

(e) Reinsurance Contract Assets

Reinsurance contract is executed only with reinsurers with a minimum acceptable credit rating. Management monitors the credit worthiness of reinsurers by reviewing their annual financial statements and through ongoing communications. Reinsurance treaties are reviewed annually by management prior to renewal of reinsurance contracts.

		Group	Company
	Note	31-Dec-24	31-Dec-24
Gross	6	269,415,354	-

3.3.2 Liquidity risks

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial instruments. In respect of catastrophic events there is also a liquidity risk associated with the timing differences between gross cash out–flows and expected reinsurance recoveries.

The following policies and procedures are in place to mitigate the company's exposure to liquidity risk:

i The Company's tailored Liquidity risk policy is the umbrella policy that guides the assessment and determination of all material risks impacting its liquidity position. Compliance with the policy is monitored and exposures and breaches are reported to the company's risk committee. The policy is regularly reviewed in line with organizational changes (inclusion of new products or changes to existing ones) as well as changes in the risk environment. With regards to liquidity risk, this policy is also supported by the investment guidelines that sets out asset allocations, portfolio limit structures, in order to ensure sufficient funding available to meet insurance and investment contracts obligations.

ii Liquidity Stress Testing: The liquidity stress test is conducted quarterly and incorporates market-wide and company specific stress scenerios. Leadway Assurance's liquidity risk stems primarily from the need to cover potential extreme loss events and constraints that limit the monetization of assets. The core objective of liquidity risk management is to retain sufficient liquidity in the form of high quality liquid assets and cash to meet potential funding requirements arising from an extreme loss event.

Our stress test assumptions were drawn from the Covid pandemic experience, the 2008 financial market crisis and business experience. The adequacy of our liquidity is assessed for variety of time horizons including 30 day, 90 days and 1 year.

In line with the Board approved appetite for liquidity risk, the expectation is that at all times and in all plausible hypothhetical scenarios, the available liquidity resources of the company should exceed liquidity needs.

Credit quality analysis

The tables below set out information about the credit quality of financial assets measured at amortised

		31 December 2024		
In thousands of naira	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Medium Investment Grade	70,043,262	1,112,368	-	71,155,630
Substandard/Speculative Grade	245,442,472	4,940	185,369	245,632,781
Gross carrying amount	315,485,733	1,117,308	185,369	316,788,410
Loss allowance	(331,369)	(93)	(178,824)	(510,286)
Carrying amount	**315,154,364**	**1,117,215**	**6,545**	**316,278,124**

Notes to the consolidated and separate financial statements

3 Enterprise Risk Management Statement (ERM) Statement (continued)

Maturity analysis (contractual undiscounted cash flow basis for non–derivatives)

Using the behavioural pattern of our funding sources over time, the Group's expected cash flows on some financial assets and liabilities to vary significantly from the contractual cash flows. As part of management of liquidity risk arising from financial liabilities, the Group maintains a portfolio of highly marketable and diverse assets that can be easily liquidated in the event of an unforeseen interruption of cash flow.

The table below shows the undiscounted cash flow on the Group's financial assets and liabilities and on the basis of the earliest possible contractual maturity. The gross nominal inflow/outflow disclosed in the table is the contractual, undiscounted cash flows on the financial assets and liabilities. Whilst the table below have been prepared based on the contractual maturities, the maturity profile based on the behavioural pattern of the assets and liabilities observed over a very long period (five years) presents management with a reliable basis to manage the inherent liquidity risks.

Group				**Contractual maturities of financial assets and liabilities**				
31 December 2024	**Notes**	**Carrying amount**	**Gross nominal**	**0-3 months**	**3-6 months**	**6-12 months**	**1-5 years**	**Over 5 years**
Assets								
Cash and cash equivalents	5	132,985,566	132,985,566	132,985,566	-	-	-	-
Trade receivables	6	352,285	352,285	352,285	-	-	-	-
Investment securities - FVTPL	7.1	297,755,530	297,755,530	3,259,653	3,456,783	599,110	36,616,634	253,823,349
Investment securities -	7.2	79,236,782	79,236,782	5,635,674	5,635,674	4,333,209	22,150,419	44,771,824
Investment securities - Financial assets at amortised cost	7.3	145,141,735	145,141,735	1,160,755	2,240,495	30,400,925	67,625,609	43,713,951
Reinsurance Contract assets	16.b	269,415,354	269,415,354	30,445,870	20,502,074	131,080,446	87,386,964	-
Other receivables - financial	8	29,933,770	29,933,770	16,131,516	3,456,789	10,345,465	-	-
Loans and Advances	9	6,483,444	6,483,444	-	713,179	3,630,728	2,139,536	-
Statutory deposit	15	500,000	500,000	-	-	-	-	500,000
Total financial assets		**961,804,466**	**961,804,466**	**189,971,319**	**36,004,994**	**180,389,883**	**215,919,162**	**342,809,124**
Trade payables	17	37,433,720	37,433,720	24,343,688	8,522,200	4,567,832	-	-
Other liabilities - financial liabilities	19	36,124,553	36,124,553	23,725,338	9,043,694	3,355,521	-	-
Insurance contract liabilities (excl. IBNR and unearned premium))	16.a	685,808,078	685,808,078	16,182,781	16,141,153	141,491,318	192,842,809	319,150,017
Investment contract liabilities	20	36,250,268	36,250,268	2,180,271	1,158,835	3,747,137	17,098,588	12,065,436
Total financial liabilities		**795,616,619**	**795,616,619**	**66,432,078**	**34,865,882**	**153,161,808**	**209,941,397**	**331,215,453**
Gap		**166,187,847**	**166,187,847**	**123,539,241**	**1,139,111**	**27,228,075**	**5,977,765**	**11,593,671**

Company				**Contractual maturities of financial assets and liabilities**				
31 December 2024	**Note**	**Carrying amount**	**Gross nominal**	**0-3 months**	**3-6 months**	**6-12 months**	**1-5 years**	**Over 5 years**
Assets								
Cash and cash equivalents	5	-	-	-	-	-	-	-
Other receivables - financial assets	8	8,000,000	8,000,000	-	-	8,000,000	-	-
Total financial assets		**8,000,000**	**8,000,000**	**-**	**-**	**8,000,000**	**-**	**-**
Other liabilities - financial liabilities	19	2,000	2,000	-	2,000	-	-	-
Total financial liabilities		**2,000**	**2,000**	**-**	**2,000**	**-**	**-**	**-**
Gap		**7,998,000**	**7,998,000**	**-**	**(2,000)**	**8,000,000**	**-**	**-**

It is not expected that cash flows included in the maturity analysis could occur significantly earlier or at significantly different amounts.

Notes to the consolidated and separate financial statements

3 Enterprise Risk Management Statement (ERM) Statement (continued)

(f) Market risks

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

- The Group's enterprise risk management policy sets out the assessment and determination of what constitutes market risk . Compliance with the policy is monitored and exposures and breaches are reported to the company risk committee. The policy is reviewed regularly for pertinence and for changes in the risk environment.

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

- The Group stipulates diversification benchmarks by type of instrument and geographical area, as the Group is exposed to guaranteed bonuses, cash and annuity options when interest rates falls.

(g) Foreign currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group's principal transactions are carried out in Naira and its exposure to foreign exchange risk arise primarily with respect to US dollar and CFA.

The Group's financial assets are primarily denominated in the same currencies as the related insurance and investment contract liabilities. The main foreign exchange risk arises from recognised assets and liabilities denominated in currencies other than those in which insurance and investment contract liabilities are expected to be settled.

The table below summarises the Group's financial assets and liabilities by major currencies. Note that irrespective of the currency in which the assets are held, the amounts disclosed against individuals currencies are the Naira equivalent of the respective currencies. The exchange rates applied for each of the listed currencies (USD 1538.25(2024), GBP1924.83(2024), EURO 1594.89(2024), CFA franc 2.6705 (2024), and Pound 1924.83 (2024) used have been obtained from reliable sources depicting reliable market transactions on 31 Decembers 2024.

Group

31 December 2024	**Notes**	**Other in Naira value (₦)**	**USD (Absolute values)**	**US Dollars (Naira Equivalent)**	**GBP (Absolute values)**	**UK Pound (Naira Equivalent)**	**EURO (Absolute values)**	**Euro (Naira Equivalent)**	**CFA (Absolute values)**	**CFA (Naira Equivalent) Franc CFA**	**Total**
Exchange / Cross Rates			1,538		1,925		1,595		2.670		
Cash and cash equivalents	5	42,479,806	57,007	87,691,555	18	34,580	1,639	2,614,025	62,011	165,600	133,106,241
Trade receivables	6	352,285	-	-	-	-	-	-	-	-	352,285
Investment securities - FVTPL	7.1	293,406,324	2,827	4,349,206	-	-	-	-	-	-	297,758,357
Investment securities - FVTOCI	7.2	37,718,590	26,991	41,518,192	-	-	-	-	-	-	79,263,773
Investment securities - Financial assets at	7.3	27,229,887	66,054	101,607,288	-	-	10,223	16,304,560	-	-	145,218,012
Reinsurance contract assets	16.b	117,368,571	98,844	152,046,783	-	-	-	-	-	-	269,514,198
Other receivables - financial assets	8	29,933,770	-	-	-	-	-	-	-	-	21,933,770
Loans and advances	9	6,483,444	-	-	-	-	-	-	-	-	6,483,444
Statutory deposits	15	500,000	-	-	-	-	-	-	-	-	500,000
Total financial assets		**555,472,677**	**251,723**	**387,213,024**	**18**	**34,580**	**11,862**	**18,918,585**	**62,011**	**165,600**	**954,130,080**
Trade payables	17	49,705,462	-	-		-		-			49,705,462
Other liabilities	19	20,468,579	-	-		-		-	-		20,466,579
Insurance contract liabilities	16.a	406,987,422	174,021	267,687,803		-		-	-		674,849,246
Investment contract liabilities	20	23,926,622	-	-		-		-			23,926,622
Total financial liabilities		**501,088,085**	**174,021**	**267,687,803**	**-**	**-**	**-**	**-**	**-**	**-**	**768,947,909**
Net FCY exposure		**54,384,592**	**77,702**	**119,525,221**	**18**	**34,580**	**11,862**	**18,918,585**	**62,011**	**165,600**	**185,182,171**

Company

31 December 2024	**Note**	**Naira (₦)**	**USD (Absolute values)**	**US Dollars (Naira Equivalent)**	**GBP (Absolute values)**	**UK Pound (Naira Equivalent)**	**EURO (Absolute values)**	**Euro (Naira Equivalent)**	**CFA (Absolute values)**	**CFA (Naira Equivalent) Franc CFA**	**Total**
Exchange / Cross Rates			-		-		-		2.448		
Cash and cash equivalents	5	-	-	-	-	-	-	-	-	-	-
Other receivables - financial assets	8	8,000,000	-	-	-	-	-	-	-	-	-
Total financial assets		**8,000,000**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

Notes to the consolidated and separate financial statements

3 Enterprise Risk Management Statement (ERM) Statement (continued)

Trade payables	17	-	-	-	-	-	-	-	-	-	-
Other liabilities	19	2,000	-	-	-	-	-	-	-	-	-
Total financial liabilities		**2,000**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Net FCY exposure		**7,998,000**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

Foreign currency sensitivity

The tables below shows the sensitivity of the Group's profit before tax to appreciation or depreciation of the naira in relation to other currencies. Based on the past years behaviour, it is reasonable to assume 800 basis points appreciation and 800 basis points depreciation of the Naira holding all other variables constant.

Group

		31 December 2024	
Currency	**Change in variables**	**Impact on profit before**	**Impact on equity**
US Dollar	+ 500 basis points	5,976,261	4,183,383
Pound sterling	+ 500 basis points	1,729	1,210
Euro	+ 500 basis points	945,929	662,150
Franc CFA	+ 500 basis points	8,280	5,796
Total		**6,932,199**	**4,852,539**
US Dollar	- 500 basis points	(5,976,261)	(4,183,383)
Pound sterling	- 500 basis points	(1,729)	(1,210)
Euro	- 500 basis points	(945,929)	(662,150)
Franc CFA	- 500 basis points	(8,280)	(5,796)
Total		**(6,932,199)**	**(4,852,539)**

(h) Interest rate risks:

Interest rate risk is the risk that the value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Exposure to this risk primarily results from timing differences in the repricing of assets and liabilities as they mature (fixed rate instruments) or contractually repriced (floating rate instruments).

The Group monitors this exposure through periodic reviews of the assets and liability position. Estimates of cash flows, as well as the impact of interest rate fluctuations relating to the investment portfolio and insurance provisions are modeled and reviewed .

The overall objective of these strategies is to limit the net change in value of assets and liabilities arising from interest rate movements.

While it is more difficult to measure the interest sensitivity of insurance liabilities than that of the related assets, to the extent that such sensitivities are measurable then the interest rate movements will generate asset value changes that substantially offset changes in the value of the liabilities relating to the underlying products. The table below details the interest rate sensitivity analysis of the Group as at 31 December 2021 holding all other variables constant. Based on historical data, 100 basis points change is deemed to be reasonably possible and are used when reporting interest rate risk.

Group
31 December 2024

		Non-interest bearing	**0-3 months**	**3-6 months**		**6-12 months**		**1-5 years**		**Over 5 years**	**Total**
Cash and cash equivalents (fixed)	5	5,933	132,997,432	-		-		-		-	133,003,365
Investment securities - FVTPL	7.1	30,246,972	2,928,527	-		809,851		36,002,629		227,767,550	297,755,530
Investment securities - FVTOCI	7.2	30,077,201	3,452,342	913,470		2,604,179		13,823,533		28,366,057	79,236,782
Investment securities - Financial assets at amortised cost		-	1,160,755	2,240,495		30,400,925		67,625,609		43,713,951	145,141,735
Loans and advances	9	-	354,245	713,179		3,630,728		1,785,291		-	6,483,444
Statutory deposits	15	-	-	-	-	-	-	-	-	500,000	500,000
Total		**60,330,106**	**140,893,301**	**3,867,144**		**37,445,683**		**119,237,062**		**300,347,558**	**662,120,856**

Notes to the consolidated and separate financial statements

3 Enterprise Risk Management Statement (ERM) Statement (continued)

Investment contract liabilities	20	-	2,180,271	1,158,835	3,747,137	17,098,588	12,065,436	36,250,268
Total		**-**	**2,180,271**	**1,158,835**	**3,747,137**	**17,098,588**	**12,065,436**	**36,250,268**
Gap		**60,330,106**	**138,713,030**	**2,708,309**	**33,698,546**	**102,138,474**	**288,282,122**	**625,870,587**
Cumulative gap		**60,330,106**	**199,043,136**	**201,751,445**	**235,449,991**	**337,588,465**	**625,870,587**	
Impact on profit before tax			19 904 314	20 175 145	23 544 999	33 758 847	62 587 059	**159 970 364**
Taxation at 2.11%	31(b)		454 899	461 089	538 104	771 534	1 430 382	**3 656 008**
Impact on equity			19 449 415	19 714 056	23 006 895	32 987 313	61 156 677	**156 314 356**

Interest rate risk is the risk that the value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

(h) Equity price risk

The Group manages its exposure to equity price risk through adherence to investment in eligible equities as approved by the Board and in line with NAICOM investment guidelines. Management Investment Committee establishes and approves a list of eligible stocks in line with approval as approved by the Board through its Board Investment Committee. The investment decisions are subject to authorization(s) levels.

Management Investment Committee

1. An investment which would result in exposure to the invested company for not greater than 5% of the issue under consideration i.e. Equities, Bonds etc.
2. Investment in any unquoted stock with value less than N500m.

Board Investment Committee

i. An investment which would result in exposure to the invested company for greater than 5% of the issue under consideration.
ii. Any investment where the value of total exposure to the invested corporate on completion, as a percentage of total Leadway's Asset Under Management will exceed 2.5% as at the time of the investment.

iii. An Investment in any unquoted stock with value greater than N500m.
iv. Investment in a start-up venture with value over N100m.
v. Investments in a company, which will result in the Leadway having control of management.
vi. Securities lending, leveraged investments, derivatives or hedging.

We have exposure to equity risk through asset/liability mismatches, including our investments in equity securities held in our investment portfolio. Changes in equity prices create risk that the resulting changes in asset values will differ from the changes in the value of the liabilities. Additionally, changes in equity prices may impact other items including, but not limited to investment income of the Company.

This was based on All Share Index the (ASI) which closed at 45% as at 2024 year end, and we decided to use best of judgement (BOJ) of 12% to be conservative.

	Group	Company
	31-Dec-24	**31-Dec-24**
Financial assets	**+/- 500 basis points**	**+/- 500 basis points**
Listed equities (FVTPL)	2,093,944	-
Listed equities(FVOCI)	638,248	-
Unlisted equities (FVOCI)	1,786,065	-
Impact on profit before tax	2,093,944	-
Tax charge of (ETR) 2.31%	(47,856)	-
Impact on profit after tax	**2,046,088**	**-**
Impact on equity	**4,470,401**	**-**

Notes to the consolidated and separate financial statements

3 Enterprise Risk Management Statement (ERM) Statement (continued)

Fair values of financial assets and liabilities

Accounting classification, measurement basis and fair values
The table below sets out the Group's classification of each class of financial assets and liabilities, and their fair values

Group

31 December 2024	Notes	At fair value through P/L	Amortised cost	At fair value through OCI	Other financial liabilities at amortised cost	Total carrying amount	Fair Value
Assets							
Cash and cash equivalents	5	-	132,985,566	-	-	132,985,566	132,985,566
Trade receivables	6	-	352,285	-	-	352,285	352,285
Investment securities - FVTPL	7.1	297,755,530	-	-	-	297,755,530	297,755,530
Investment securities - FVTOCI	7.2	-	-	79,236,782	-	79,236,782	79,236,782
Investment securities - Financial assets at amortised cost	7.3	-	145,141,735	-	-	145,141,735	158,320,604
Reinsurance contract assets	16.b	-	269,415,354	-	-	269,415,354	269,415,354
Other receivables	8	-	21,794,088	-	-	21,794,088	21,794,088
Loans and advances	9		6,483,444	-		6,483,444	6,483,444
Statutory deposits	15	-	500,000	-	-	500,000	500,000
Total		**297,755,530**	**576,672,472**	**79,236,782**	**-**	**953,664,784**	**966,843,653**
Liabilities							
Trade payables	17	-	-	-	37,433,720	37,433,720	37,433,720
Other liabilities	19	-	-	-	36,124,553	36,124,553	36,124,553
Insurance contract liabilities	16.a	-	-	-	685,808,078	685,808,078	685,808,078
Investment contract liabilities	20	-	-	-	36,250,268	36,250,268	36,250,268
Total		**-**	**-**	**-**	**795,616,619**	**795,616,619**	**795,616,619**

Company

31 December 2024	Notes	At fair value through P/L	Amortised cost	At fair value through OCI	Other financial liabilities at amortised cost	Total Carrying amount	Fair Value
Assets							
Cash and cash equivalents	5	-	-	-	-	-	-
Trade receivables	6	-	-	-	-	-	-
Investment securities - FVTPL	7.1	-	-	-	-	-	-
Investment securities - FVTOCI	7.2	-	-	-	-	-	-
Investment securities - Amortised Cost	7	-	-	-	-	-	-
Reinsurance contract assets	16.b	-	-	-	-	-	-
Other receivables	8	-	8,000,000	-	-	8,000,000	8,000,000
Loans and advances	9	-	-	-	-	-	-
Statutory deposits	15	-	-	-	-	-	-
Total		**-**	**8,000,000**	**-**	**-**	**8,000,000**	**8,000,000**
Liabilities							
Trade payables	17	-	-	-	-	-	-
Other liabilities	19	-	-	-	2,000	2,000	2,000
Insurance contract liabilities	16.a	-	-	-	-	-	-
Investment contract liabilities	20	-	-	-	-	-	-
Reinsurance contract liabilities		-	-	-	-	-	-
Total		**-**	**-**	**-**	**2,000**	**2,000**	**2,000**

Notes to the consolidated and separate financial statements

3 Enterprise Risk Management Statement (ERM) Statement (continued)

3.4. Fair value hierarchy

The Group's accounting policy on fair value measurement is disclosed in note 2.18(c), The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices). These may include quoted prices for similar assets or liabilities in active markets or quoted prices for identical or similar assets and liabilities in markets that are not active.

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data (that is, unobservable inputs). It also includes financial instruments whose fair values could not be reliably determined and so they were measured at cost.

(a) The following table presents the financial assets and liabilities that are measured at fair value as at 31 December 2024. See note 7.1 for non-financial assets that are measured at fair value.

Financial Instruments at Fair Value

Group

31 December 2024

All amounts are in thousands of Naira unless otherwise stated

Assets		Level 1	Level 2	Level 3	Total
Investment securities:	***Note***				
Fair value through profit or loss	*7.1*				
- Equity securities		14,806,292	-	-	14,806,292
- Federal government bond		263,423,851	-	-	263,423,851
- State government		1,717,768	-	-	1,717,768
- Corporate bonds		2,366,938	-	-	2,366,938
Fair value through other comprehens	*7.2*				
- Listed equity securities		4,467,785	-	-	4,467,785
- Unlisted equity securities		-	15,974,172		15,974,172
- Listed debt securities		27,463,208	-	-	27,463,208
Amortised cost	7.3				
- Equity securities		-	-	-	-
- Federal government bond		117,563,374	-		117,563,374
- State government		-	-		-
- Corporate bonds		2,655,150	-		2,655,150
- Other debt instruments		19,687,614	73,344,803		93,032,417
Total		**454,151,980**	**89,318,975**	**-**	**543,470,955**

Notes to the consolidated and separate financial statements

3 Enterprise Risk Management Statement (ERM) Statement (continued)

Company

31 December 2024

All amounts are in thousands of Naira unless otherwise stated

Assets	**Note**	**Level 1**	**Level 2**	**Level 3**	**Total**
Investment securities:					
Fair value through profit or loss	*7.1*				
- Equity securities		-	-	-	-
- Federal government bond		-	-	-	-
- State government		-	-	-	-
- Corporate bonds		-	-	-	-
Fair value through other comprehen	*7.2*	-			-
- Listed equity securities		-	-	-	-
- Unlisted equity securities		-	-	-	-
- Listed debt securities		-	-	-	-
Amortised cost	7.3				
- Equity securities					-
- Federal government bond			-		-
- State government			-		-
- Corporate bonds			-		-
- Other debt instruments			-		-
Total		**-**	**-**	**-**	**-**

There were no transfers between levels 1 and 2 during the period.

(i) *Financial instruments in level 1*

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the group is the current bid price.

(ii) *Financial instruments in Level 2*

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

Specific valuation techniques used to value financial instruments include:
(i) Quoted market prices or dealer quotes for similar instruments;
(ii) Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments

Notes to the consolidated and separate financial statements

3 Enterprise Risk Management Statement (ERM) Statement (continued)

(iii) Financial instruments in level 2

The following table presents the changes in Level 2 instruments for the period 1 December 2024 to 31 December 2024

All amounts are in thousands of Naira unless otherwise stated

Equity securities - FVTOCI	**Group 31-Dec-24**	**Company 31-Dec-24**
Opening balance	14,748,323	-
Acquisitions	24,594,791	-
Disposals	(16,462,813)	-
Changes in fair value recognised in other comprehensive income	11,296,962	-
Balance, end of year	34,177,263	-

Varying valuation techniques in determining the fair value of Level 2 item, are as follows:

Valuation technique		**Unobservable inputs**	**Range of unobservable inputs (probability - weighted average)**	**Relationship of unobservable inputs to fair value**
Market Approach		P/BV multiples EV/EBITDA multiples	0.9x - 3.36x 5.73x - 7.16x	The higher the multiples the higher the fair value of the asset.

EV/EBITDA or P/E valuation multiple - the company determines appropriate comparable public company/ies based on industry, size, developmental stage, revenue generation and strategy. The company then calculates a trading multiple for each comparable company identified. The multiple is calculated by either dividing the quoted price of the comparable company by its net income (P/E).

Financial instruments not measured at fair value

The following table sets out fair values of financial instruments not measured at fair value and analyses them by level in the fair value hierarchy into which each fair value measurement is categorised.

Group

31 December 2024

All amounts are in thousands of Naira unless otherwise stated

Assets	**Note**	**Level 1**	**Level 2**	**Level 3**	**Total**
Cash and cash equivalents			132,985,566		132,985,566
Investment at Amortised cost:					
State bonds		577,665	-	-	577,665
Corporate bonds		2,630,539		-	2,630,539
Federal government bonds		80,941,050	-	-	80,941,050
Trade receivables			352,285	-	352,285
Loans and advances			774,588	-	774,588
Reinsurance contracts assets			3,943,100	-	3,943,100
Other receivables			10,024,417	-	10,024,417
Statutory deposits			500,000	-	500,000
Total financial assets		**84,149,254**	**148,579,956**	**-**	**232,729,210**

Notes to the consolidated and separate financial statements

3 Enterprise Risk Management Statement (ERM) Statement (continued)

Liabilities					
Investment contract liabilities				36,250,268	36,250,268
Trade payables				37,433,720	37,433,720
Other liabilities				36,126,553	36,126,553
Total financial liabilities		**-**	**-**	**109,810,541**	**109,810,541**

Company

31 December 2024

All amounts are in thousands of Naira unless otherwise stated

Assets		Level 1	Level 2	Level 3	Total
Cash and cash equivalents		-	-	-	-
Trade receivables		-	-	-	-
Loans and advances		-	-	-	-
Reinsurance Contract assets		-	-	-	-
Other receivables		-	8,000,000	-	8,000,000
Statutory deposits		-	-	-	-
Total financial assets		**-**	**8,000,000**	**-**	**8,000,000**
Liabilities					
Other liabilities		-	-	2,000	2,000
Total financial liabilities		**-**	**-**	**2,000**	**2,000**

The fair value for financial assets and liabilities that are not carried at fair value were determined respectively as

(i) **Cash**

Included in the balances of cash and cash equivalents are cash and balances with banks and short term placement. The carrying amount of cash and cash equivalents is a reasonable approximation of fair value.

(ii) **Loans and advances**

The estimated fair value of loans and advances represents the discounted amount of estimated future cashflows expected to be received. Expected future cashflows are discounted at the current market rate to determine the fair value.

(iii) **Trade receivables, Other Receivables, Reinsurance Contract Assets, Trade payables and Other liabilities**

The estimated fair value of receivables and payables with no stated maturity which includes no interest payables and receivables is the amount repayable or received on demand. The carrying amounts are reasonable approximation of their fair values which are payable on demand.

(iv) **Investment contract liabilities**

Investment contracts are those that do not transfer significant insurance risk from the contract holder to the issuer. The carrying amount of investment contract liability is a reasonable approximation of fair value.

Notes to the consolidated and separate financial statements

4 Critical accounting estimates and judgement.

In preparing these consolidated and separate financial statements, management makes estimates and judgements that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgements are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(A) Key sources of estimation uncertainty

The following are key estimations that the directors have utilised in the process of applying the Group's accounting policies and which have the most significant impact on the amounts recognised in financial statements.

(i) Insurance contract assets and liabilities and reinsurance contract assets and liabilities

By applying IFRS 17 to measurement of insurance contracts issued and reinsurance contracts held, the Group 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
• Allocation rate for insurance finance income or expenses
• Risk adjustment for non-financial risk
• Allocation of assets for insurance acquisition cash flows to current and future groups of contracts

Every area, including the Group’s estimation methods and assumptions used and other sources of estimation uncertainty are discussed below. As at 31 December 2024 the Group’s total carrying amount of:

• Insurance contracts issued that are liabilities was ₦N685,808,075
• Reinsurance contracts issued that are assets was ₦N269,415,354

(ii) The Group 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

Investments in unquoted equity securities that are classified as equity securities at fair value available for sale financial instrument in line with the accounting policies as set out in note 2.6 of the statement of significant accounting policies. See note 3.4 for the valuation methodology for the determining the fair value.

(iii) Deferred tax asset

Deferred tax assessment relates to availability of future taxable profit against which carry-forward tax losses can be used. See note 13 for details.

(B) Key Judgement Areas

The following are the critical judgements, apart from those involving estimations (addressed separately below), that the directors have made in the process of applying the Group's accounting policies and that will have the most significant effect on the amounts recognised in financial statements:

(i) **Assessment of significance of insurance risk:** The Group 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 Group 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.

Notes to the consolidated and separate financial statements

4 Critical accounting estimates and judgement.

The application of judgement in this area is aided by the Group's processes to filter contracts where the additional amounts referred to above are more than 5% but less than 10% of the amounts paid if the insured event does not occur. Additional amounts that are less than 5% are considered by the Group as insignificant. A specialist unit conducts all these judgemental classifications under IFRS 17 to maintain consistency across the Group. This assessment is performed after the separation of non-closely related derivatives, distinct investment components and promises to transfer distinct goods and non-insurance services.

(ii) **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, Leaway Assurance determines whether the rights and obligations are different when looked at together compared to when looked at individually and whether the compnay is unable to measure one contract without considering the other.

(iii) **Consideration whether there are investment components**: Leaway Assurance considers all terms of contracts it issues to determine whether there are amounts payable to the policyholder in all circumstances, regardless of contract cancellation, maturity, and the occurrence or non-occurrence of an insured event. Some amounts, once paid by the policyholder, are repayable to the policyholder in all circumstances. The Group considers such payments to meet the definition of an investment component, irrespective of whether the amount repayable varies over the term of the contract as the amount is repayable only after it has first been paid by the policyholder. The Group does not have any contracts with investment component.

(iv) **Separation of non-insurance components from insurance contracts**

The Group issues insurance contracts that include insurance coverage services, such as a deposit component, an investment management service, an embedded derivative, and other goods or services. In the event that Leaway Assurance issues a contract or contracts of this type, some of these parts may need to be separated and accounted for by applying other relevant Standards, while others remain inside the insurance measurement model. The Group apply significant judgement in determining whether components meets the criteria for separation and should be separated. See Note 1 below for more details.

(v) Separation of insurance components of an insurance contract: IFRS 17 does not require or permit separating insurance components of an insurance contract unless the legal form of a single contract does not reflect the substance of its contractual rights and obligations. In such cases, separate insurance elements shall be recognised. Overriding the ‘single contract’ unit of account presumption involves significant judgement and is not an accounting policy choice. When determining whether a legal contract reflects its substance or not, the Group considers the interdependency between different risks covered, the ability of all components to lapse independently, and the ability to price and sell the components separately. However, the Group does not have any insurance contracts with components that need separation.

(vi) 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 Group considers its substantive rights and obligations arising from the terms of the contract, from applicable law, regulations and customary business practices. Cash flows are considered to be outside of the contract boundary if the Group 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 does not consider the risks beyond the reassessment date. The Group 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.

Notes to the consolidated and separate financial statements

4 Critical accounting estimates and judgement.

(vii) Identification of portfolios: The Group 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. For some product lines, where the Group acquires insurance contracts as part of a business combination or a portfolio transfer. Unlike originally issued contracts, contracts acquired in a settlement phase transfer an insurance risk of adverse claims development. The Group considers such risk to be different from contracts it originally issued and aggregates such contracts in separate portfolios by product line. For investment-linked insurance policies, the Group considers groups of contracts participating in different pools of underlying items to be in different portfolios, because they are subject to different risks from underlying items. However, where different products participate in the same pool of underlying items (e.g. investment-linked insurance policies and investment contracts with discretionary participating features), these shall also be considered separate portfolios due to different insurance risks.

(viii) Level of aggregation: The Group applies judgement when distinguishing between contracts that have no significant possibility of becoming onerous and other profitable contracts

(ix) Assessment of directly attributable cash flows: The Group uses judgement in assessing whether cash flows are directly attributable to a specific portfolio of insurance contracts. Insurance acquisition cash flows are included in the measurement of a group of insurance contracts only if they are directly attributable to the individual contracts in a group, or to the group itself, or the portfolio of insurance contracts to which the group belongs. When estimating fulfilment cash flows, the Group also allocates fixed and variable overheads fulfilment cash flows directly attributable to the fulfilment of insurance contracts. See Note 1.H for more details.

(x) Assessment of eligibility for PAA: For group life and group credit life contracts with a coverage period extending beyond one year, the Group elects to apply the PAA if at the inception of the group of contracts, the Group reasonably expects that it will provide a liability for remaining coverage that would not differ materially from the General Model. The Group exercises judgement in determining whether the PAA eligibility criteria are met at initial recognition. See Note 1.H.3 for more details

(xi) Assessment of the eligibility for meeting the criteria for direct participating contracts: Direct participating contracts are considered to be sufficiently different from other participating contracts due to the enforceable link to the underlying items, the significance of policyholders' share in the pool and the significance of those returns to the overall policyholder payments. The Group assesses whether a contract meets the definition of a direct participating contract using the Group's expectations existing at the inception of the contract. The Group does not have any contract with direct participating feature.

(xii) Assessment of significance of modification: As explained in Note 1.K, the Group derecognises the original contracts and recognises the modified contract as a new contract, if the derecognition criteria are met. The Group applies judgement to assess whether the modified terms of the contract would result in the original contract meeting the criteria for derecognition.

Notes to the consolidated and separate financial statements

4 Critical accounting estimates and judgement.

(xiii) Level of aggregation for determining the risk adjustment for non-financial risk: IFRS 17 does not define the level at which the risk adjustment for non-financial risk should be determined. The level of aggregation for determining the risk adjustment for non-financial risk is not an accounting policy choice and requires judgement. The Group considers that the benefits of diversification occur at an issuing entity level and therefore determines the risk adjustment for non-financial risk at that level. The diversification benefit is then allocated to all groups of insurance contracts for which it has been considered in aggregate. The Group considers that the risk adjustment for non-financial risk allocated to any individual group, as the cost of uncertainty, cannot be negative. Accordingly, when determining the allocation, correlations of non-financial risk between groups are ignored. This is because they have already been considered as part of the diversification benefits in determining the overall Group-level risk adjustment. The Group allocates the total entity-level risk adjustment to groups based on the percentage of the group's expected fulfilment cash flows to the total expected fulfilment cash flows.

(xiv) Selecting a method of allocation of coverage units: IFRS 17 establishes a principle for determining coverage units, not a set of detailed requirements or methods. The selection of the appropriate method for determining the amount of coverage units is not an accounting policy choice. It involves the exercise of significant judgement and development of estimates considering individual facts and circumstances. In general, the Group will apply a straight-line amortisation of CSM over the coverage period of each group of policies. Specifically, the Group selects the appropriate method on a portfolio-by-portfolio basis. In determining the appropriate method, the Group considers the likelihood of insured events occurring to the extent that they affect expected period of coverage in the group, different levels of service across the period and the quantity of benefits expected to be received by the policyholder. For contracts providing both insurance coverage and investment-related services or both insurance coverage and investment-return services, the Group exercises judgement in determining the scaling factor applied in the weighting of benefits determined at initial recognition. The weights are recalculated in each subsequent period, reflecting historical experience and changes in assumptions for future periods that are determined at the reporting date. This shall apply to contracts that do not meet the PAA eligibility criteria to which the General Measurement Models has been applied.

Notes to the consolidated and separate financial statements

(All amounts in thousands of Nigerian Naira unless otherwise stated)	Group 2024	Company 2024
5 Cash and cash equivalents		
Cash on hand	5,933	-
Cash at bank	15,145,533	-
Tenored deposits	117,927,908	-
	133,079,374	-
ECL Impairment - Bank	(12,884)	-
ECL Impairment - Placement	(80,923)	-
	132,985,567	**-**

Tenored deposits are made up of placements with banks and other financial institutions with less than 3 months maturity from the date of acquisition. The carrying amounts disclosed above reasonably approximates fair value at the reporting date.

	Group 2024	Company 2024
6 Premium receivables		
(a) Premium receivable comprises the following:		
Non-Life Insurance receivables	705,466	-
Life Insurance receivables (see note b below)	88,107	-
Gross Premium receivables	**793,573**	**-**
Less Impairment allowance:		
Non-Life business (See note 30)	(371,250)	-
Life business (See note 30)	(70,037)	-
	(441,287)	-
Net Premium receivables	**352,286**	**-**
Insurance receivable is analysed as follows:		
Due from Brokers	352,286	-
	352,286	-
Split between non-current and current portions		
Current	352,286	-

(b) The age analysis of gross insurance receivables as at the end of the year is as follows:

	Group 2024	Company 2024
Analysis of premium debtors in days		
0 - 30 days	352,286	-
Above 30 days	-	-
	352,286	**-**
(c) Movements in Premium receivable (Regulatory Disclosures)		
Opening Balance		
- Non Life Business	2,270,503	-
- Life Business	3,424,212	-
	5,694,715	**-**
Premium Written		
- Non Life Business	131,724,397	-
- Life Business	85,781,070	-
	217,505,467	**-**

Notes to the consolidated and separate financial statements

(All amounts in thousands of Nigerian Naira unless otherwise stated)	**Group** 2024	**Company** 2024
Commission expenses		
- Non Life Business	17,361,956	-
- Life Business	5,618,777	-
	22,980,733	**-**
Net cash Inflow	**200,219,449**	**-**
Insurance premium received	199,425,876	-
	793,573	**-**
Less Impairment allowance:		
Non-Life business (See note 30)	(371,250)	-
Life business (See note 30)	(70,037)	-
	(441,287)	**-**
Net Premium receivables as at 31 December 2024	**352,286**	**-**

(d) The movement in allowance for impairment for Premium debtor is as follows:

Life business		
Balance, beginning of year	(713,455)	-
Charge for the year	342,205	-
Balance, end of year	**(371,250)**	**-**
Non-life business		
Balance, beginning of year	(646,381)	-
Charge for the year	576,344	-
Balance, end of year	**(70,037)**	**-**
Balance, beginning of year	(1,359,836)	-
Charge for the year	918,548	-
Balance, end of year	**(441,288)**	**-**

7 Investment securities

The Group's investment securities are summarised below by measurement category in the table below:

Financial assets at fair value through profit or loss (see note 7.1 below)	297,731,307	-
Financial asset at fair value through other comprehensive income (see note 7	79,261,006	-
Financial asset at amortized cost (see note 7.3 below)	146,791,030	-
	523,783,343	**-**
Current	32,464,893	-
Non Current	491,318,450	-
	523,783,343	**-**

The assets comprised in each of the categories above are detailed in the tables below:

Notes to the consolidated and separate financial statements

(All amounts in thousands of Nigerian Naira unless otherwise stated)	Group 2024	Company 2024
7.1 Financial assets at fair value through profit or loss		
Designated at fair value through profit or loss		
Debt securities:		
- Listed	**267,817,827**	**-**
Fair value through profit or loss		
Equity securities:		
- Listed	**29,913,480**	**-**
	297,731,307	**-**

7.1a Debt securities include bonds (N260,210,232), treasury bills (N7,298,326) and commercial papers (N309,269).

	Group 2024	Company 2024
Current	3,787,636	-
Non Current	293,943,671	-
	297,731,307	**-**
Movement in financial assets at fair value through profit or loss		
Opening balance	271,033,324	-
Additions	98,384,017	-
Disposals	(43,627,300)	-
Gain on disposals	103,240	-
Accrued Interest on bonds	40,772,481	-
Interest received	(40,081,281)	-
Exchange loss	(474,553)	-
Fair value changes	(28,378,621)	-
Closing balance	**297,731,307**	**-**

7.2 Financial asset at fair value through other comprehensive income

Certain unquoted investment securities listed below for which fair values could not be reliably estimated have been carried at cost less impairment. There are no active markets for these equity instruments, fair value information are therefore not available making it impracticable for the group to fair value these investments. The group does not intend to dispose any of these investments within the next financial year.

	Group 2024	Company 2024
Equity securities at fair value		
- Listed	9,117,829	-
- Unlisted (see note a(i) below)	25,539,435	-
Debt securities:		
- Listed	45,144,221	-
	79,801,485	-
Less: allowance for impairment loss (see note b below)		
- Unlisted	(480,000)	-
Less: allowance for impairment ECL	(60,479)	-
Total fair value through other comprehensive income	**79,261,006**	**-**

Notes to the consolidated and separate financial statements

(All amounts in thousands of Nigerian Naira unless otherwise stated)	Group 2024	Company 2024
Current	3,972,613	-
Non Current	75,288,393	-
	79,261,006	**-**

b The movement in the allowance for impairment losses on available for sale unquoted equities is as follows:

Balance, beginning of year	-	-
Balance, end of year	**-**	**-**

c Movement in financial asset at fair value through other comprehensive income:

Opening balance	67,049,423	-
Additions	48,001,667	-
Disposals	(62,014,051)	-
Gain on Disposal	1,870,969	-
Fair value changes (see note (i) below)	11,207,715	-
Exchange gains	12,626,511	-
Interest received	(2,677,791)	-
Impairment	(60,479)	-
Accrued Interest on bonds & treasury bill	3,257,042	-
Closing balance	**79,261,006**	**-**

d Analysis of Fair value changes on financial asset at fair value through other comprehensive income

Opening balance	14,400,390	-
Increase in Fair value- Equities	11,494,794	-
Decrease in Fair value- Debt instruments	(289,381)	-
Closing balance	**25,605,803**	**-**

e The debt securities comprises of bond (N195,073) and treasury bill (N44,949,148).

7.3 Financial asset at amortized cost

Debt securities:		
- Listed	147,109,116	-
Less: allowance for impairment ECL	(318,086)	-
	146,791,030	-
Current	24,704,643	-
Non-current	122,086,387	-
	146,791,030	-

(b) **Movement in financial assets designated as amoritzed cost:**

Opening balance	105,844,474	-
Additions	27,842,581	-
Disposal	(28,161,986)	-
Exchange gain	37,578,689	-
Accrued interests	16,369,102	-
Interest received	(12,363,744)	-
ECL Impairments	(318,086)	
Total Held to maturity financial assets (Note 7.3)	**146,791,030**	**-**

Notes to the consolidated and separate financial statements

(All amounts in thousands of Nigerian Naira unless otherwise stated)	Group 2024	Company 2024
For cashflow anlaysis, the net cash movemnt in investment securities is shown below		
Purchase		
FVTPL	98,384,017	-
FVOCI	48,001,667	-
Amortised costs	27,842,581	-
Total purchase	**174,228,265**	**-**
Disposals		
FVTPL	(43,627,300)	-
FVOCI	(62,014,051)	-
Amortised costs	(28,161,986)	-
Total disposal	**(133,803,337)**	**-**
Adjustment for opening balance transactions	**(95,321,313)**	
	54,896,385	**-**

8 Other receivables and prepayments

	Group 2024	Company 2024
Financial assets:		
Accrued interest receivable	380,961	-
Rental income receivable	496,778	-
Dividend receivable	94,156	-
Receivable from Leadway Hotel, Leadway Pensure, & Leadway Trustee (see note "i")	726,102	-
Sundry debtors	20,096,091	8,000,000
	21,794,088	**8,000,000**
Non financial assets:		
Prepayment (see note "ii" below)	975,861	-
Deposit for shares (see note "a" below)	477,660	-
	1,453,521	**-**
Gross other receivables	**23,247,609**	**8,000,000**
Less: Impairment allowance on:		
Financial asset		
Dividend receivable	(38,305)	-
Sundry debtors	(65,102)	-
Total Impairment losses on Non- Financial asse	**(103,407)**	**-**
Non-financial assets		
Allowance for impairment ECL	(5,636)	-
Total impairment losses on non- financial assets	**(5,636)**	**8,000,000**
Total impairment on financial and non financial assets	**(109,043)**	-
Net other receivables	**23,138,566**	**8,000,000**

Notes to the consolidated and separate financial statements

(All amounts in thousands of Nigerian Naira unless otherwise stated)	Group 2024	Company 2024
Current	15,103,915	-
Non Current	34,650	8,000,000
	15,138,565	**8,000,000**

i. The receivable amount are due from related parties on technical service fees..

ii. Prepayment relates to our advance payments:T expenses (N526.74million), Insurance of Company asset (N305.27million), Subscription (N400million), Rent and Rates (N73.32million), Staff Welfare (N18.33million) and Advertisement expenses (N13.79million). (2023: IT expenses (N692.64million), Insurance of Company asset (N268.85million), Office Maintenance (N136.32million), Rent and Rates (N43.8million), Consultancy and Prof. fees (N41.3million) and Advertisement expenses

iii. Included in the sundry debtor for company are Withholding tax credit (N591.39million), pending system transaction on deposit admin and other Life business (N9.8billion), premium rollover (N311.39million) .

8 Other receivables and prepayments

a. Deposit for shares relates to payments made for the acquisition of shares in unquoted companies which had not been allotted as at period end. Detail is shown below.

	Company's name	31-Dec-2024	Nature of business
i	Housing Solution Fund	50,000	Real estate
ii	GTCo	178,000	Shares
iii	FCMB	249,660	Shares
	Total	**477,660**	

The movement in deposit for shares is as follows:	Group	Company
Balance, beginning of period	50,000	-
Addition	427,660	-
Balance, end of year	**477,660**	**-**

b. The movement in allowance for impairment of other receivable is as follows:

	Group	Company
Balance, beginning of year	(107,473)	-
Charge for the year	738	-
Impairments (see note 30)	(2,308)	-
Balance, end of year	**(109,043)**	**-**

Notes to the consolidated and separate financial statements

(All amounts in thousands of Nigerian Naira unless otherwise stated)	Group 2024	Company 2024
9 Loans and Advances		
Staff loans	83,184	-
Agency loan	89,205	-
Loan to policy holders	661,595	-
	833,984	**-**
Allowance for impairment ECL:		
- Staff Loans	(740)	-
- Agency loans	(241)	-
- Policy holders loans	(4,644)	-
	(5,625)	**-**
Net Loans and advances	**828,359**	**-**
Current	161,294	-
Non Current	667,065	-
	828,359	**-**
(i) The movement in allowance for impairment of loans is as follows:		
Balance, beginning of year (A)	(3,900)	-
Charge/ (credit) for the year : (see note ii below)		
- Staff Loans	(119)	-
- Agency loans	1,049	-
- Policy holders loans	(2,655)	-
Subtotal (B)	**(1,725)**	**-**
Balance, end of year (A+B)	**(5,625)**	**-**

Collective impairment was recorded for all loans and advances which are not specifically impaired in recognition of the credit risk inherent in all loans

(ii) Movement in loans and advances is as follows:	Group 2024	Company 2024
Balance beginning of year	774,588	-
Additional loans granted	543,170	-
Loan repayment received	(530,352)	-
Accrued interests	42,678	-
Impairment writeback/ (charge)	(1,724)	-
Balance end of year	**828,359**	**-**

Notes to the consolidated and separate financial statements

10 Property and equipment

10.1 Group - 2024	Land	Building	Furniture & fittings	Motor vehicles	Office equipment	Computer equipment	Right of Asset Use	Capital Work in progress	Total
Cost or valuation									
Balance, beginning of period	846,593	2,293,225	2,512,759	4,971,817	2,226,739	3,333,787	636,787	2,644,697	19,466,404
Additions	-	-	-	-	76,465	-	-	295,703	372,168
Disposal	-	-		(105,895)	-	(392)	-	-	(106,287)
Revaluation gain	345,314	349,971	-	-	-	-	-	-	695,285
Revaluation gains reversals	-	(72,126)	-				-		(72,126)
Write off	-	-	-	-	-	-	-	(495,405)	(495,405)
Balance, end of year	**1,191,907**	**2,643,196**	**2,512,759**	**4,865,922**	**2,303,204**	**3,333,395**	**636,787**	**2,444,995**	**19,860,039**
Accumulated depreciation									
Balance, beginning of period	-	-	791,385	2,193,909	909,307	2,107,058	402,342	-	6,404,001
Charge for the period	-	72,126	505,645	777,829	376,437	621,683	56,002	-	2,409,722
Disposal	-	-	-	(68,029)	-	(392)	-	-	(68,421)
Reversal of accumulated depreciation due to revaluation	-	(72,126)	-	-	-	-	-	-	(72,126)
Balance, end of year	**-**	**-**	**1,297,030**	**2,903,709**	**1,285,744**	**2,728,349**	**458,344**	**-**	**8,673,176**
Net book value end of year	**1,191,907**	**2,643,196**	**1,215,729**	**1,962,213**	**1,017,460**	**605,046**	**178,443**	**2,444,995**	**11,186,863**
Net book value beginning of period	**846,593**	**2,270,064**	**560,163**	**960,083**	**858,819**	**750,108**	**78,029**	**2,644,697**	**8,968,556**

10.2 Company - 2024	Land	Building	Furniture & fittings	Motor vehicles	Office equipment	Computer equipment	Right of Asset Use	Capital Work in progress	Total
Cost									
Balance, beginning of period	-	-	-	-	-	-	-	-	-
Additions	-	-	-	-	-	-	-	-	-
Disposal	-	-	-	-	-	-	-	-	-
Revaluation gain	-	-	-	-	-	-	-	-	-
Write off	-	-	-	-	-	-	-	-	-
Balance, end of year	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Accumulated depreciation									
Balance, beginning of period	-	-	-	-	-	-	-	-	-
Charge for the period	-	-	-	-	-	-	-	-	-
Disposal	-	-	-	-	-	-	-	-	-
Reversal of accumulated depreciation due to revaluation	-	-	-	-	-	-	-	-	-
Balance, end of year	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Net book value end of year	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

Notes to the consolidated and separate financial statements

Net book value beginning of period	-	-	-	-	-	-	-	-	-

(i) Fair values of land and buildings

On a determined basis, the Group engages the services of external, indpendent and qualified valuers to determine the fair value of the group's land and buildings. As at 31 December 2024, the fair values of the land and buildings have been determined by Gboyega Fatimilehin (FRC/2013/NIESV/00000000754) for Diya Fatimilehin & Co., Estate Surveyor and Valuers (FRC/2013/NIESV/00000002773). See note 11 for the analysis of the fair valuation method used for land and building.
Consequent to the adjusted revaluation of the Group's land and buildings at 31 December 2024, the accumulated depreciation at that date was eliminated against the gross carrying amount of the properties and the net amount adjusted to the revalued amount.

(ii) The Group had no capital commitments as at the reporting date.

(iii) No leased assets are included in property and equipment.

(iii) No borrowing cost was capitalised as borrowing liability does not relate to purchase of property and equipment.

(iv) The Right of Use assets relate to leased properties and are measured in line with IFRS 16

(v) Capital work in progress is not depreciated. The Group’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 reporting date.

(vi) The group did not recognise any lease liability for the period as management has determined that there is no economic incentive that will significantly influence or reasonably ascertain renewals of any of it's leased rental properties

(vii) There are no restriction to the use of the Group's properties.

Non financial instruments measured at fair value

The following table sets out fair values of non financial instruments measured at fair value and analyses them by level in the fair value hierarchy into which each fair value measurement is categorised.

Group
31 December 2024
All amounts are in thousands of Naira unless otherwise stated

Assets	**Level 1**	**Level 2**	**Level 3**	**Total**
Property and equipment				
- Land	-	1,191,907	-	-
- Building	-	2,571,070	-	-
Total	**-**	**3,762,977**	**-**	**-**

Company
31 December 2024
All amounts are in thousands of Naira unless otherwise stated

Assets	**Level 1**	**Level 2**	**Level 3**	**Total**
Property and equipment				
- Land	-	-	-	-
- Building	-	-	-	-
Total	**-**	**-**	**-**	

Valuation techniques used to derive level 2 fair values

Level 2 fair values of land and buildings have been derived using the market valuation approach. Sales prices of comparable land and buildings in close proximity are adjusted for differences in key attributes such as property size and age.

Notes to the consolidated and separate financial statements

(All amounts in thousands of Nigerian Naira unless otherwise stated)	Group 2024	Company 2024
11 Investment properties		
Office property	27,511,726	-
Residential property	11,706,136	-
	39,217,862	**-**
Non Current	39,217,862	-
	39,217,862	**-**
(a) The movement in investment properties during the year is shown below:		
Balance, beginning of the period	29,605,162	-
Additions during the period	2,360,528	-
Fair value gain	7,252,172	-
Disposal /derecognised (see note	-	-
As at end of the year	**39,217,862**	**-**

(b) The Group's investment properties are held for the purpose of capital appreciation and rental income generation under operating lease arrangements (All leases are cancellable). The Group's investment properties were revalued by Diya Fatimilehin & Co, Estate Surveyors and Valuers (FRC/2013/NIESV/00000002773) using the Comparative approach method of valuation to arrive at the open market value as at 31 December 2024. Fair value gains have been recognized in the income statement in line with the fair value model of IAS 40. Rental income on investment property included in the statement of comprehensive income for the period is N1.133 billion (note 25); and N1.133 billion (note 25) for the group. The titles of all of the group's properties are fully perfected (except Thomas Wyatt House property).

(c) The Thomas Wyatt House property is subject of an ongoing litigation. Our Legal experts are of the view that Leadway Assurance Company has a high probability of success based on the facts of the case and that there is no other encumbrance to the full realization of the property. There is no income being realized from the property.

(d) **Non financial instruments measured at fair value**

The following table sets out fair values of non financial instruments measured at fair value and analyses them by level in the fair value hierarchy into which each fair value measurement is categorised

Group
31 December 2024

All amounts are in thousands of Naira unless otherwise stated

Assets	Level 1	Level 2	Level 3	Total
Investment properties				
- Office property	-	23,850,008	-	23,850,008
- Residential property	-	15,367,855	-	15,367,855
Total	**-**	**39,217,863**	**-**	**39,217,863**

Company
31 December 2024

All amounts are in thousands of Naira unless otherwise stated

Assets	Level 1	Level 2	Level 3	Total
Investment properties				
- Office property	-	-	-	-
- Residential property	-	-	-	-
Total	**-**	**-**	**-**	**-**

Valuation techniques used to derive level 2 fair values

Level 2 fair values of land and buildings have been derived using the market valuation approach. Sales prices of comparable land and buildings in close proximity are adjusted for differences in key attributes such as property size and age.

12 Investment in subsidiary

	Group	Company
(a) The Company's investment in subsidiary is as stated below:		
Leadway Assurance Company Limited	-	220,168,304
(i) Breakdown of Investment in subsidiary is analysed as follows:		
Balance at the beginning of the period	-	-
Retained earnings	-	220,168,304.00
Cash transferred to subsidiary		220,168,304.00

Notes to the consolidated and separate financial statements

	Group	Company
(All amounts in thousands of Nigerian Naira unless otherwise stated)	2024	2024

(b) Nature of investments in subsidiary

Name of entity	Nature of business	Country of incorporation	Proportion of ordinary shares directly/indirectly held by parent (%)	Proportion of ordinary shares held by non-controlling interest (%)
Leadway Assurance Company Limited	Life and General Insurance	Nigeria	99.99%	0.01%

The percentage holding in Leadway Assurance Company Limited is; 99.99%. Leadway Assurance Company Limited also holds 56% and 100% of VIE.

The table below summarises the financial information of all the Parent's subsidiary before any intra-group elimination.

	Leadway Assurance Company	
	31-Dec-24	1-Dec-24
Assets		
Cash and cash equivalents	132,985,567	72,477,893
Trade receivables	352,286	941,196
Investment securities		
- Financial assets at fair value through profit or loss	297,731,307	284,424,732
- Financial assets at fair value through other comprehensive income	79,261,006	75,586,212
- Financial assets at amortized cost	146,791,030	203,326,784
Reinsurance contracts assets	269,415,354	314,005,690
Other receivables and prepayments	15,138,566	14,869,690
Loans and advances	828,359	2,578,294
Property and equipment	11,186,863	9,246,614
Investment properties	39,217,862	26,007,817
Investment in subsidiaries	-	7,745,304
Intangible assets	2,078,485	331,970
Statutory deposits	500,000	500000
Deferred tax assets	29,377,255	1,248,384
Total Assets	**1,024,863,940**	**1,013,290,580**
Liabilities		
Insurance contract liabilities	685,808,075	738,540,516
Investment contract liabilities	36,250,267	23,344,883
Trade payables	49,983,968	30,339,508
Current income tax liabilities	2,775,549	2,402,628
Deferred tax liabilities	33,145,093	2,657,640
Other liabilities	12,970,824	28,821,547
Total liabilities	**820,933,776**	**826,106,722**
Equity		
Issued and paid up share capital	10,000,000	10,000,000
Share premium	588,575	588,575
Contingency reserve	25,360,526	20,671,325
Retained earnings	124,854,165	135,468,429
Fair value reserves	25,605,803	18,357,362
Other reserves	16,945,751	2,098,167
Total equity	203,354,820	187,183,858
Non-controlling interest	575,344	-
Total liabilities and equity	**1,024,863,940**	**1,013,290,580**

Summarised consolidated and separate statements of profit or loss and other comprehensive income

	Leadway Assurance Company Limited
Insurance revenue	190,407,833
Profit before minimum tax	73,576,059
Minimum tax	(1,194,705)
Profit after minimum tax before income tax	72,381,354
Income tax expense	(3,133,811)
Profit for the year	**69,247,543**
Other comprehensive income	15,661,464

Notes to the consolidated and separate financial statements

	Group	Company
(All amounts in thousands of Nigerian Naira unless otherwise stated)	2024	2024
Total comprehensive income for the year	**84,909,007**	

Notes to the consolidated and separate financial statements

(All amounts in thousands of Nigerian Naira unless otherwise stated)	Group 2024	Company 2024
13 Deferred taxation		
Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.		
The movement in deferred tax liabilities account during the year was as follows:		
Deferred tax liability		
Balance, Beginning of year	(1,409,256)	-
Charge to income statement (see note 31)	(2,358,583)	-
	(3,767,839)	**-**
Net Deferred Tax Liabilities (See note "13.1" below)	**(3,767,839)**	**-**
Property and equipment	682,461	-
Other Non-Current Assets and liabilities	(4,357,846)	-
Unrealized exchange difference	948,239	-
Unrelieved tax losses	30,856,017	
Net deferred tax asset - Life Busine	**28,128,871**	**-**
Net deferred tax liability is attributable to the following:		
Property and equipment	664,505	-
Other Non-Current Assets and liabilities	(476,108)	-
Unrealised exchange difference	(36,589,266)	-
Unrelieved tax losses	5,913,415	-
Net deferred tax liabilities - Non Life Business	**(30,487,454)**	**-**
Opening deferred tax assets - Life Business	**1,248,384**	**-**
Charge to income statement (see note	28,128,871	-
Net deferred tax asset - Life Busine	**29,377,255**	**-**
Opening deferred tax liabilities - General Business	**(2,657,640)**	**-**
Charge to income statement (see note	(30,487,454)	-
Net deferred tax liabilities - General Business	**(33,145,094)**	**-**
Deferred tax liability	(33,145,094)	-
Deferred tax asset	29,377,255	-
Net Deferred Tax Liabilities	**(3,767,839)**	**-**

13.1 Movements in temporary differences during the period 1 December 2024 to 31 December 2024

	Group				Company			
	Balance at 1 January 2024	**Recognised in profit or loss**	**Recognised in other comprehensive income**	**Balance at 31 December 2024**	**Balance at 1 January 2024**	**Recognised in profit or loss**	**Recognised in other comprehensive income**	**Balance at 31 December 2024**
Property and equipment	1,204,890	1,346,966	-	2,551,856	-	-	-	-
Other non current assets	(224,603)	(4,833,954)	-	(5,058,557)	-	-	-	-
Provisions	345,417	948,239	-	1,293,656	-	-		-
Unrealised exchange gain	(22,724,970)	(36,589,266)	-	(59,314,236)	-	-	-	-
Unrelieved tax losses	19,990,010	36,769,432		56,759,442	-	-		-
	(1,409,256)	**(2,358,583)**	**-**	**(3,767,839)**	**-**	**-**	**-**	**-**

13.2 Analysis of amount of deferred tax recognised in profit or loss

	Group 2024	Company 2024
Deferred tax from continuing operations (See note 13.1 above)	(2,358,583)	-

Notes to the consolidated and separate financial statements

14 Intangible assets

In thousands of Naira	Group				Company		
	Goodwill	**Software**	**CWIP**	**Total**	**Software**	**CWIP**	**Total**
31 December 2024							
Cost							
Balance, beginning of period	1,649,697	1,988,032	28,841	3,666,570	-	-	-
Addition	-	-	23,845	23,845	-	-	-
Balance, end of year	**1,649,697**	**1,988,032**	**52,686**	**3,690,415**	**-**	**-**	**-**
Accumulated amortization							
Balance, beginning of period	-	1,380,728	-	1,380,728	-	-	-
Amortization	-	231,202	-	231,202	-	-	-
Balance, end of year	**-**	**1,611,930**	**-**	**1,611,930**	**-**	**-**	**-**
Carrying amount							
As at end of year	**1,649,697**	**376,102**	**52,686**	**2,078,485**	**-**	**-**	**-**
As at beginning of year	**1,649,697**	**607,304**	**28,841**	**2,285,842**	**-**	**-**	**-**

Impairment test of goodwill

Goodwill is reviewed annually for impairment, or more frequently when there are indications that impairment may have occurred. Impairment assessment has been performed for the period, and no impairment losses on goodwill was recognized during the period under review as the recoverable amount of Goodwill as at 31 December 2024 was greater than its carrying amount and is thus not impaired.

The recoverable amount was determined using a value-in-use computation.

Goodwill is monitored by the Group on an entity by entity basis.

The key assumption used in computing the value-in-use for goodwill in 2024 are as follows:

	Group
	31-Dec-2024
Long term growth rate (Terminal growth rate)	5.7%
Discount rate	11.6%

Cash Flow Forecast

Cash flows were projected based on past experience of operating results. These cashflows are based on the expected revenue growth for the entity over a 5 year period.

Discount Rate

Pre-tax discount rate of 11.6% was applied in determining the recoverable amounts for the entity with goodwill (Leadway Vie Ltd). This discount rate was estimated using the risk-free rate using the average yield on Ivorian goverment long term bond, equity risk premium and appropriate Beta.

Long term growth rate

The key assumptions described above may change as economic and market conditions change. The Group estimates that reasonably possible changes in these assumptions are not expected to cause the recoverable amount of the subsidiaries (from which the goodwill arose) to decline below their carrying amount.

Sensitvitiy analysis of key assumptions used

	Group	
	31-Dec-2024	
	5% Increase	5% Decrease
Impact of change in discount rate on value-in-use computation	971	2478

In millions of Nigerian Naira	31-Dec-2024	
Recoverable amount		21,918
Less: Carrying amount		
Goodwill	(6,442)	-
Net assets	(10,854)	-
Total carrying amount		(17,296)
Excess of recoverable amount over carrying amount		**4,622**

15 Statutory deposits

This represents the Group's deposit with the Central Bank of Nigeria as at 31 December 2024, in compliance with the Insurance Act, CAP 117 LFN 2004. This amount is not available for the day-to day use in the working capital of the Group and is therefore excluded from cash and cash equivalents. Analysis of statutory deposits is as shown below:

	Group	**Company**
	31-Dec-2024	31-Dec-2024
Non-life Business	300,000	-
Life Business	200,000	-
	500,000	**-**

Notes to the consolidated and separate financial statements

(All amounts in thousands of Nigerian Naira unless otherwise stated)		Group 31-Dec-2024	Company 31-Dec-2024
	Non Current	500,000	
	Current	-	
		500,000	

Income on statutory deposit is recognized in investment income

		Group 31-Dec-2024	Company 31-Dec-2024
16	**Portfolios of Insurance contracts liabilities and Reinsurance contracts assets**		
	Insurance contracts liabilities - Life Business	294,426,310	-
	Insurance contracts liabilities - Non Life Business	380,248,913	-
	Insurance contracts liabilities - Subsidiary	11,132,852	-
16.a	**Total Portfolios of Insurance contracts liabilities**	**685,808,075**	**-**
16i	**Insurance contracts liabilities**		
	Liabilities for remaining coverage (LRC)		
	Excluding loss component	308,977,641	-
	Loss component	19,481,892	-
	Liabilities for incurred claims (LIC)		
	Estimates of present value of future cashflow	307,802,301	-
	Risk adjustment for non-financial risk	49,546,241	-
	Net closing balance	**685,808,075**	**-**
	Reinsurance contracts assets		
	Reinsurance contracts assets - Life Business	3,092,207	-
	Reinsurance contracts asset - Non Life Business	265,816,838	-
	Reinsurance contracts asset -Subsidiary	506,309	-
16.b	**Total Reinsurance contracts assets**	**269,415,354**	**-**
16i	**Reinsurance contracts assets**		
	Asset for insurance acquisition cashflows	403,482	-
	Asset for remaining coverage (ARC)		
	Excluding loss component	15,778,045	-
	Loss component	2,530,831	-
	Asset for incurred claims (AIC)		
	Estimates of present value of future cashflow	204,847,063	-
	Risk adjustment for non-financial risk	45,855,935	-
	Net closing balance	**269,415,354**	**-**

Notes to the consolidated and separate financial statements

		Life Business						Non Life Business									
	Portfolios of Insurance contracts liabilities - Group	GMM						PAA									
16.bii	**31-Dec-2024**	**Annuity**	**Credit Life**	**Endowment**	**Funeral**	**Term Assurance**	**LIP**	**Special Risk**	**Agriculture**	**Engineering**	**Fire**	**Bond**	**General Accident**	**Marine**	**Motor**	**Group Life**	**Total**
	Insurance contracts liabilities - (	249,492,800	1,975,218	6,603,455	1,601,456	172,532	22,995,823	358,015,361	950,990	3,069,051	9,033,024	966,009	3,363,791	3,460,052	8,428,975	15,679,539	685,808,076
		249,492,800	1,975,218	6,603,455	1,601,456	172,532	22,995,823	358,015,361	950,990	3,069,051	9,033,024	966,009	3,363,791	3,460,052	8,428,975	15,679,539	**685,808,076**

		Non Life Business									Life Business			
	Portfolios of Reinsurance contracts assets - Group	PAA									GMM			
16.biii	**31-Dec-2024**	**Special Risks**	**Agriculture**	**Engineering**	**Fire**	**Bond**	**General Accident**	**Marine**	**Motor**	**Group Life**	**Credit Life**	**Endowment**	**Term assurance**	**Total**
	Reinsurance contracts assets - G	258,911,111	710,022	1,388,100	1,673,002	110,598	1,228,994	1,531,002	264,009	3,236,451	291,452	61,680	8,933	269,415,354
		258,911,111	710,022	1,388,100	1,673,002	110,598	1,228,994	1,531,002	264,009	3,236,451	291,452	61,680	8,933	**269,415,354**

*The insurance and reinsurance contract assets and liabilities as at 31 December 2024 were independently reviewed by Takalani Sikhavhakhavha of Deloitte (FRC/2023/PRO/NAS/004/80214) for Life Business and Jay kosgei (FRC/2022/004/00000023786) of Zamara for General business.
All assumptions and simplifications that have been used in deriving the IFRS 17 results have been documented in the IFRS 17, 2024 Actuarial valuation report available at the subsidiary secretariat.

16 Insurance contract liabilities
Total Insurance Contracts Measured Under GMM and PAA - Group

31-Dec-24	Coverage Excluding loss component	 Loss component	Liabilities for Incurred Claims Estimates of Present Value of Future Cash Flows	 Risk Adjustment for Non-financial risk	Total
Opening insurance contract assets	-	-	-	-	-
Opening insurance contract liabilities	283,069,619	19,101,196	222,805,948	38,748,571	563,725,334
Net Opening balance (GMM + PAA)	**283,069,619**	**19,101,196**	**222,805,948**	**38,748,571**	**563,725,334**
Changes in the Statement of profit or loss					
Insurance revenue					
Other contracts	(173,203,516)	-	-	-	(173,203,516)
Total Insurance revenue	**(173,203,516)**	**-**	**-**	**-**	**(173,203,516)**
Insurance Service Expenses					
Incurred claims and other Incurred Insurance Service expenses	-	(1,845,757)	100,806,622	(11,703,814)	87,257,051
Change that relates to past service - Adjustment to the LIC	-	-	(27,159,816)	2,911,800	(24,248,016)
Change that relates to future service - losses on onerous groups of contracts and reversal of such losses	-	358,982	-	-	358,982
Insurance acquisition cashflows					
Net Insurance acquisition cashflows (Amortisation, Experience Adjustment & Adjustment to Insurance acquisition cash flows)	17,371,612	233,699	-	-	17,605,311
Total Insurance Service Expenses	**17,371,612**	**(1,253,076)**	**73,646,806**	**(8,792,014)**	**80,973,328**
Total Insurance Service result	**(155,831,904)**	**(1,253,076)**	**73,646,806**	**(8,792,014)**	**(92,230,188)**
Insurance Finance Income or Expense					
The effect of and changes in time of time value of money and financial risk	10,961,321	716,811	6,518,401	(118,819)	18,077,714
Foreign exchange differences on changes in the carrying amount of groups of insurance contracts	-	-	118,391,492	18,942,638	137,334,130
Total Changes in the Statement of Profit or loss	**(144,870,583)**	**(536,265)**	**198,556,699**	**10,031,805**	**63,181,656**
Investment Components					-
Allocation of IACF to related group of contracts					-
Cash flows (Actual cashflows in the period)					
Premiums and premium tax received	195,489,999	-	-	-	195,489,999
Claims and other insurance service expenses paid, including investment components	(1,945,331)	-	(117,711,615)	-	(119,656,946)
Insurance acquisition cash flows	(28,504,654)	11,133,410	439,276	-	(16,931,968)
Total Cash flows	**165,040,014**	**11,133,410**	**(117,272,339)**	**-**	**58,901,085**
Net Closing balance (GMM + PAA)	**303,239,050**	**29,698,341**	**304,090,308**	**48,780,376**	**685,808,075**

16 Reinsurance contract assets

Assets for remaining coverage and asset for incurred claims - PAA - Reinsurance Contract Held

31-Dec-24	Asset for Remaining Coverage			Assets for Incurred Claims		Total
	Asset for Insurance Acqusition Cashflows	Excluding loss component	Loss component	Estimates of Present Value of Future Cash Flows	Risk Adjustment for Non-financial risk	
Opening reinsurance contract assets	403,482	10,448,269	9,097,254	156,173,418	35,742,879	211,865,302
Opening reinsurance contract liabilities	-	-	-	-	-	-
Net Opening balance (GMM + PAA)	**403,482**	**10,448,269**	**9,097,254**	**156,173,418**	**35,742,879**	**211,865,302**
Changes in the Statement of profit or loss						
Reinsurance revenue						
Other contracts		-	-	-	-	-
Total Insurance revenue	**-**	**-**	**-**	**-**	**-**	**-**
Reinsurance Expenses						
Allocation of reinsurance premuims paid	-	(69,154,625)				(69,154,625)
Amounts recovered from reinsurers						-
Recoveries on incurred claims and other incurred reinsurance service expenses	-	506,309	(499,105)	29,254,314	(21,560,543)	7,700,975
Changes in the loss recovery component	-		(2,889,005)	-	-	(2,889,005)
Changes in expected recoveries on past claims	-			(53,527,507)	13,301,212	(40,226,295)
Insurance acquisition cashflows		8,665,126		-	-	8,665,126
Total reinsurance expenses	**-**	**(59,983,190)**	**(3,388,110)**	**(24,273,193)**	**(8,259,331)**	**(95,903,824)**
Net expenses from Reinsurance Contracts H	**-**	**(59,983,190)**	**(3,388,110)**	**(24,273,193)**	**(8,259,331)**	**(95,903,824)**
Reinsurance Finance Income or Expense						
The effect of and changes in time of time value of money and financial risk	-	-	-	3,631,314	(70,435)	3,560,879
Foreign exchange differences on changes in the carrying amount of groups of insurance contracts	-	-	-	80,163,337	18,357,403	98,520,740
Total Changes in the Statement of Profit or loss	**-**	**(59,983,190)**	**(3,388,110)**	**59,521,458**	**10,027,637**	**6,177,795**
Investment Components						
Allocation of IACF to related group of contracts						
Cash flows (Actual cashflows in the period)						
Premiums paid	-	75,910,812	-	-	-	75,910,812
Amounts received from reinsurers relating to incurred claims	-	24,224	499,105	(11,221,029)	-	(10,697,700)
Insurance acquisition cash flows	-	(10,141,055)	(3,699,800)	-	-	(13,840,855)
Total Cash flows	**-**	**65,793,981**	**(3,200,695)**	**(11,221,029)**	**-**	**51,372,257**
Net Closing balance (GMM + PAA)	**403,482**	**16,259,060**	**2,508,449**	**204,473,847**	**45,770,516**	**269,415,354**

Notes to the consolidated and separate financial statements

(All amounts in thousands of Nigerian Naira unless otherwise stated)		Group 2024	Company 2024
17	**Trade payables**		
	Reinsurance payable	2,185,499	-
	Amount due to insurance intermediaries (see note 'e' below)	34,621,466	-
	Claims deposit (see note 'b' below)	8,437,569	-
	Premium deposits (see note 'a.i' below)	4,739,434	-
		49,983,968	**-**
	Current	49,983,968	-
		49,983,968	**-**
a	The movement in premium deposit is as follows:		
	Balance, beginning of year	6,100,069	-
	Addition during the year	1,577,397	-
	Transfer to premium income (see note 'c' below)	(2,938,032)	-
		4,739,434	**-**

a.i Premium deposit represents premium received in advance but which the policy risk period is yet to commence as at reporting date.

b. Claims deposit relates to claim amounts received from other insurance companies as their proportion on claims due to insured.

c. Transfers to premium income from premium deposit relates to amounts received on or before reporting date for policies commencing at the start of the following year

d. The increase in insurance intermediaries was due to premium paid latter in the year for 2025 policies. Most of these premiums relate to our special risk business.

		Group 2024	Company 2024
18	**Current tax liabilities**		
	The movement on current tax liabilities during the year was as follows:		
	Balance, beginning of year	2,353,446	-
	Charge for the year (see note (a) below)	1,969,932	-
	Payments during the year	(1,547,829)	-
	Balance, end of year	**2,775,549**	**-**
(a)	Analysis of charge for the year is as follows:		
	- Current year's income tax provision	1,969,932	-
		1,969,932	**-**
19	**Other liabilities**		
	Financial liabilities:		
	Sundry creditors (see note 'c' below)	1,453,328	-
	Accrued audit fee	95,500	2,000
	Accrued expenses	462,359	-
	Staff profit sharing payable	1,423,205	-
	Insurance supervisory fee payable	795,008	-
		4,229,400	**2,000**
	Non-financial liabilities:		
	Deferred rental income	256,752	-
	VAT and Withholding tax payable	1,249,883	-
	Premium & other suspense (see note 'a' below)	1,676,983	-
	Agency provident fund	621,964	-
	PAYE deductions	53,996	-
	NHF, Staff Cooperative and other statutory deductions	75,403	-
	Due to Vendors and other service providers	72,979	-
	Other creditors	4,735,464	-
		8,743,424	**-**
	Total other liabilities	**12,972,824**	**2,000**
	Current	16,998,418	-
	Non Current	(4,025,594)	2,000
		12,972,824	**2,000**

Notes to the consolidated and separate financial statements

(All amounts in thousands of Nigerian Naira unless	Group 31-Dec-2024	Company 31-Dec-2024

a Premium suspense represents premium paid into the Group's bank account by customers which are yet to be matched with specific policies as at the reporting date due to unavailability of relevant policy information. This is usually reconciled and matched with appropriate policies on a regular basis.

b The increase in the Group other creditors was due to valuation carried out on unreconciled outstanding liability due as at Dec 2024.

c Included in sundry creditors is N1.3billion, which represents balance of accrued insurance levy on year 2024 premium.

20 Investment contract liabilities

Movement in investment contract liabilities is as shown below

	Group	Company
Balance, beginning of period	36,053,444	-
Deposits received	18,402,420	-
Withdrawals	(20,368,990)	-
Guaranteed interest charged during the period	2,163,393	-
Balance, end of year	**36,250,267**	**-**
Current	6,460,188	-
Non Current	29,790,079	-
	36,250,267	**-**

21 Capital and reserves

a Share capital

	Group	Company
Minimum issued share capital:		
142,605,000 units	142,605	-
The issued and fully paid up capital of the company is N142m .		
Ordinary shares of N1 each:		
142,605,000 units	142,605	-
	142,605	**-**

b Share premium

Share premium comprises the amount paid over the nominal value of shares. This reserve is not ordinarily available for distribution.

	Group	Company
As at 1 January	**-**	**-**
Current Period	**228,025,699**	**-**
	228,025,699	**-**

c Retained earnings

The retained earnings is the carried forward recognised income net of expenses plus current profit attributable to shareholders. It is the amount available for dividend distribution to the equity shareholders of the company. See statement of changes in equities for movement in retained earnings. (See Company SOCIE)

	Group	Company
As at 1 December (acquired from business combination)	(45,721,950)	-
Profit for the period	4,943,302	(2,000)
Transfer to fair value reserve	-	-
Transfer to contingency reserve	(4,689,201)	-
	(45,467,849)	**(2,000)**

Notes to the consolidated and separate financial statements

(All amounts in thousands of Nigerian Naira unless		Group 31-Dec-2024	Company 31-Dec-2024
d Reserves			
Components of reserves are as follows:			
Contingency reserve (see note (i) below)	**A**	25,360,526	-
Fair value reserves (see note (ii) below	**B**	29,762,042	-
Other reserves:			
Other reserves (see note (iii) below)		6,612,396	-
	C	**6,612,396**	**-**
	D=A+B+C	**61,734,964**	**-**

(i) Contingency reserves

Included in the contigency reserve is contigency reserve from Leadway assurance company general and life business in line with Insurance act of 2003.

In compliance with Section 21 (1) of Insurance Act 2003, the contingency reserve for non-life insurance business is credited with the greater of 3% of total premiums or 20% of the net profits (whichever is greater).This shall accumulate until it reaches the amount of greater of minimum paid-up capital or 50 percent of net premium. While for life business, the contingency reserves is credited with an amount equal to 1% of gross premium or 10% of net profit (whichever is greater) and accumulated until it reaches the amount of minimum paid up capital.

The distribution of contigency reserve is shown below:

	Group
Contingency reserves:	31-Dec-2024
Leadway Assurance Company Limited -Group	25,360,526
	25,360,526

(ii) Fair value reserves

Fair value reserves includes the net accumulated change in the fair value of asset measured at fair value through other comprehensive income (FVOCI) until the investment is derecognized or impaired. See statement of changes in equities for movement in fair value reserve.

(iii) Asset revaluation reserve

This reserve is the accumulation of revaluation gain on the group's land and buildings. See statement of changes in equities for movement in asset revaluation reserve.

(iv) Common control acquisition deficit

On 31st December 2024, Leadway Insureholdings Limited combined the operations of Leadway Assurance Company Limited (LAC) with that of its opertaions. The shares of (LAC) were previously owned by Leadway Holdings. In determining the acquisition date, the date in which the transaction was agreed to by both parties i.e. 30 June 2024 was adopted and the financial statements of LAC as at 30 June 2024 was used in determining the net asset at acquisition date. However, regulatory approval was granted by NAICOM on the 1 December 2024.

The business combination has been accounted for, from the perspective of the ultimate controlling entity Leadway Holdings. The book value of the assets and liabilities was considered on the basis that the acquisition is a common control transaction and the investments simply moved from one part of the group to another. In applying book value accounting, an adjustment has been made in equity (common control deficit) to reflect a deficit of N20.7billion by the group.

Notes to the consolidated and separate financial statements

(All amounts in thousands of Nigerian Naira unless	Group 31-Dec-2024	Company 31-Dec-2024
Determination of common control acquisition deficit		
In thousands of naira		
Identified Net assets as at 1 December 2024	187,085,705	
Net assets as at 1 December 2024	187,085,705	
Carrying amount of Investment in LAC as at 1 December 2024	220,168,304	
Total value of Leadway Insureholdings Limited investments in LAC	220,168,304	
Common control acquisition deficit	(33,082,599)	

22 Non controlling interest

Non controlling interest comprises:

	Group	Company
Opening balance	427,620	-
Share of profit for the period	147,725	-
Share of other comprehensive income	-	-
	575,345	**-**

23 Analysis of movement in controlling interest

(a) See statement of changes in equities for movement in non controlling interest during the period

(b) The financial information for the subsidiary with non-controlling interest are disclosed in note 12 (investment in subsidiaries) of these consolidated and separate financial statements.

24 Subsidiaries and non-controlling interests

The table below provides details of material subsidiaries of the Group

	Nature of business	**Principal place of business**	**Ownership interest**
Leadway Assurance Company Limited	Life Insurance & General Insurance	Nigeria	99.99%

There are no significant restrictions on the Group's ability to access and settle its liabilities. The carrying amounts of the assets and liabilities of these subsidiaries that have been included in the consolidated and separate financial statements are in note 12.

The percentage holding in the subsidiary is; Leadway Assurance Company Limited (LAC) 99.99%. LAC also holds 100% of VIE and 56% of IARD.

25 Investment income

	Group	Company
Interest income on debt securities (using effective interest rate)	4,957,583	-
Rental income	102,293	-
Interest on loans	354,913	-
Interest on short term deposits	492,162	-
Dividend income on investment securities	187,609	-
Profit/(Loss) on sale of investment securities	178,186	-
Interest income on statutory deposits	4,802	-
Subsidiary investment profit	22,702	-
Total Investment Income	**6,300,250**	**-**

Notes to the consolidated and separate financial statements

			Group	Company
	(All amounts in thousands of Nigerian Naira unless		31-Dec-2024	31-Dec-2024
25.a	Profit from investment contracts (see note i below)		**196,823**	**-**
i	The above figure relates to profit or (loss) for the year.			
25.b	**Analysis of profit from investment contracts**			
	Investment income		2,796,985	-
	Other income		103,357	-
		A	**2,900,342**	**-**
	Maintenance & acquisition costs		(320,667)	-
	Interest on deposit administration		(1,933,677)	-
	Management expenses		(449,175)	-
		B	**(2,703,519)**	**-**
	Profit	**A+B**	**196,823**	**-**

25.c The Investment income N47.8billion belong to Life business and the balance of N27.3billion is for Non Life Business. The life investment income that belong to policy holders fund is N42.7 billion and the balance of N30.4billion is for shareholders

		Group	Company
26	**Net fair value gain/ (loss) on assets at fair value**		
	Financial assets at fair value through profit or loss		
	- Fair value gain/ (losses) on listed equity securities	2,128,904	-
	- Fair value losses on listed debt securities	(2,625,876)	-
	- Fair value gain on investment property (see note 11 & note d.i)	7,252,171	-
		6,755,199	**-**
	Accumulated fair value movement on OCI Bonds		

This is the impact of the difference betweeen the fair value movement when computed using IFRS 9 from initial measurement at IAS 39 resulting into recyling through P/L the accumulated fair value of the bonds at disposal

		Group	Company
27	**Other operating income**		
	Fee income on shared locations & services	49,449	-
	Foreign exchange gain	-	
	- Investment securities	13,864,229	-
	- Cash and cash equivalents	4,163,017	-
	Other income (see note 'i' below)	137,432	1,811
	Profit on disposal of property, plant and equipment	1,114	-
		18,215,241	**1,811**

i. Other income represents income on current account, surrender fees, policy fees, and other miscellaneous income that does
ii. The write-back is on the impairment of trade receivable, policy loan and agency loan

		Group	Company
28	**Employee benefit expense**		
28	**a. Non-attributable**		
	Wages and salaries - staff and executive directors	(346,633)	-
	Pension cost - Defined contribution plan	(9,858)	-
	Termination benefits (see note (d) below)	(30,171)	-
	Profit sharing expense	(104,687)	-
		(491,349)	**-**

Notes to the consolidated and separate financial statements

(All amounts in thousands of Nigerian Naira unless	Group 31-Dec-2024	Company 31-Dec-2024
28 b. Attributable		
Wages and salaries - staff and executive directors	347,172	-
Profit sharing expense	40,798	-
Pension cost - Defined contribution plan	3,755	-
Termination benefits (see note (d) below)	11,930	-
	403,655	**-**

The portion of the employee benefit expense stated is the directly attributable to insurance service expenses (included in Incurred claims and other Incurred Insurance Service expenses).

(a) Staff information:

Employees earning more than N100,000 per annum, other than the executive directors, whose duties were wholly or mainly discharged in Nigeria, received emoluments in the following ranges:

	Group 31-Dec-2024	Company 31-Dec-2024
Absolute	***Number***	***Number***
₦3,000,000 - N5,000,000	115	-
₦5,000,001 - N10,000,000	139	-
₦10,000,001 - N15,000,000	76	-
₦15,000,000 - N20,000,000	51	-
Over N20,000,000	81	-
	462	**-**

The Company did not have any staff during the period under review as such no personnel expense was incurred. The operations of the Company was done by other staff in the Leadway Holdings Limited group.

(b) The average number of full time persons employed during the period was as follows:

	Number	***Number***
Executive directors	4	1
Management staff	53	-
Non-management staff	409	-
	466	**1**

(c) **Directors' remuneration**

(i) Remuneration paid to the directors is as follows:

Salaries and wages	486,489	-
Directors' fees	350,420	-
Post-employment benefits	313,333	-
	1,150,242	**-**

(ii) The directors' remuneration shown above includes:

Chairman	167,540	-
Highest paid director	98,752	-

(iii) The emoluments of all other directors fell within the following range:

Absolute	Number	Number
Above ₦110,000,000	3	-
₦80,000,001 - ₦110,000,000	1	-
₦50,000,001 - ₦80,000,000	4	-
₦20,000,000 - ₦50,000,000	4	-
Below ₦20,000,000	-	-
	12	**-**

Notes to the consolidated and separate financial statements

	Group	Company
(All amounts in thousands of Nigerian Naira unless	31-Dec-2024	31-Dec-2024

(d) Termination benefit relates to payments made to disengaged staff during the relevant period.

The Company Directors did not earn any allowance during the period under review as they were just appointed and did not perform any major function. In addition, the Directors are members of the Group Board of Directors were they have been paid. they would be paid once the Board has its inaugural meeting and the Company comences full operation in the next year.

29 Other operating expenses

Non attributable expenses (see note 28a & 29a)	9,527,373	-
Attributable expenses (see note 28b & 29b)	2,856,819	-
Total operating expenses	**12,384,192**	**-**

29 a. Non-attributable expense:

Maintenance expenses - non attributable	4,848,789	-
Contract staff cost	48,890	-
Asset repairs and maintenance	655,040	-
Corporate expenses and gift items	123,648	-
Telecommunication	1,017,506	-
Advertisement	493,703	-
Agency related expenses	3,052	-
Property insurance expense*	29,249	-
Insurance supervisory fund	612	-
Professional fees	13,978	-
Travelling, tours and other passage exps.	265,404	-
Auditor's remuneration*	39,901	-
Consultancy and professional expenses	184,478	-
Bank charges	272,132	-
Offices rates and rent	18,069	-
Training cost	-	-
Power and Fuel charges	306,826	-
Donations*	91,366	-
Subscription	29,542	-
Depreciation of property and equipment	350,788	-
Amortisation of intangible assets	-	-
Directors' fees and allowances*	563,152	-
Hotel accommodation expenses	17,462	-
Entertainment	50,362	-
Investment expenses	115,192	-
Other statutory & Regulatory Levy	-	-
Others	479,581	-
	10,018,722	**-**

**** cost that are not allocated to insurance service expenses***

i. Investment expenses represents custody and other regulatory fees on investment activities during the period.

ii. The employee benefit expenses and other operating expenses in note 28 and note 29 respectively are the components of the non-attributable expenses from the Company's subsidiary. Moreover, the attributable expenses was allocated to claims and acquisition expenses.

Notes to the consolidated and separate financial statements

	Group	Company
(All amounts in thousands of Nigerian Naira unless	31-Dec-2024	31-Dec-2024

iii. The Company did not incur any operating expense during the period under review as it commenced operations in the last month of the year. The pre-operational expenses reported was incurred on its behalf by its subsidiary Leadway Assurance Company Limited.

iv.Included in Professional fees is a total of N25,837,500 for Non-audit services rendered by Messrs. KPMG Advisory Services. See table below for details

Name of The Firm		Nature of Service		Fees (Naira)
KPMG Advisory Services		Payment for Insurance Industry Remuneration Survey		2,050,000
KPMG Advisory Services		Payment for Common Reporting Standard Health Check For Leadway Group		11,287,500
KPMG Professional Services		Payment for Internal control over financial reporting (ICFR) assurance fees		12,500,000
				25,837,500

The attributable expenses forms part of insurance service expense

iii.We have splitted and recognised appropriately (the portion) depreciation consumed on Deposit Administration (D/A) as management expenses values at ₦831,071,313

iv. Other expenses are items that cannot be classified under the various expense head in note 34 above

29 b. Attributable expense:

	Group	Company
Maintenance expenses - non attributable	564,731	-
Contract staff cost	22,804	-
Asset repairs and maintenance	134,759	-
Corporate expenses and gift items	60,028	-
Telecommunication	225,767	-
Advertisement	421,644	-
Agency related expenses	2,035	-
Property insurance expense*	19,507	-
Insurance supervisory fund	216	-
Professional fees	4,926	-
Travelling, tours and other passage exps.	106,249	-
Auditor's remuneration*	9,305	-
Consultancy and professional expenses	102,496	-
Bank charges	24,784	-
Offices rates and rent	11,632	-
Power and Fuel charges	134,298	-
Donations*	4,691	-
Subscription	10,410	-
Depreciation of property and equipment	145,501	-
Amortisation of intangible assets	19,267	-
Directors' fees and allowances*	51,897	-
Hotel accommodation expenses	6,169	-
Entertainment	26,918	-
Investment expenses	66,217	-
Others	276,913	-

Notes to the consolidated and separate financial statements

	Group	Company
(All amounts in thousands of Nigerian Naira unless	31-Dec-2024	31-Dec-2024
	2,453,164	**-**

Notes to the consolidated and separate financial statements

(All amounts in thousands of Nigerian Naira unless	Group 31-Dec-2024	Company 31-Dec-2024
30 Net impairment losses		
Impairment on trade receivable (see note 6a)	(76,546)	-
Impairment loss on other receivables (see note 8b)	(131)	-
Impairment on Premium debtor (writeback)	39,772	-
Impairment loss placement	(208)	-
Impairment loss on interest components	-	-
Impairment loss on loans	(128)	-
Impairment (writeback)/loss on financial asset	5,775	-
	(31,466)	**-**
31 Minimum and income tax expense		
Minimum tax	1,194,705	-
Current tax on profits for the period:		
Capital Gain tax	-	-
Technology levy	771,371	-
Nigeria Police fund levy & NITDA Levy	3,857	-
Total current tax	**775,228**	**-**
Deferred taxes:		
Deferred tax expense	2,358,583	-
Total tax charge for the period	**3,133,811**	**-**

(b) The tax on the group and company's profit before tax differs from the theoretical amount that would arise using the weighted

	Group	Company
Loss before income tax	9,419,543	-
Tax calculated at domestic rate applicable in Nigeria at 30% (2023: 30%)	2,825,863	-
Effect of:		
Tax exempt income	(27,837,135)	-
Non-deductible expenses	5,764,317	-
Technology levy	771,371	-
Police trust levy	3,857	-
Capital gain tax	-	-
Deferred tax expense	2,358,583	-
Total income tax expense in comprehensive income	**3,133,811**	**-**

Reconciliation of effective tax rate

	Group	Company
Tax calculated at domestic rate applicable in Nigeria at 30%	30.00%	-
Effect of:		
Tax exempt income	7.47%	-
Non-deductible expenses	42.16%	-
Technology levy	1.00%	-
Deferred tax expense/(credit)	1.01%	-
Effective tax rate	**2.31%**	**0%**

Notes to the consolidated and separate financial statements

	Group	Company
(All amounts in thousands of Nigerian Naira unless	31-Dec-2024	31-Dec-2024

Uncertainty over Income tax treatments

The Group's Non life business keeps a reserve for unexpired risk. Section 16(8)(a) of CITA allows non-life businesses to take as a deduction, a 'reserve for unexpired risks'. This is the risk associated with future financial periods and includes the 'unearned premium' received by the insurer applicable to those periods. Therefore there is uncertainty around whether the deduction as permitted by the tax law is actually a "tax exemption or a 'deduction' for that year. The Group has treated the reserve for unexpired risks as a tax exemption as the Group believes that the reserve for unexpired risks would will be allowed as an exemption.

32 Dividend

There was no dividend declared or paid by the Company during the period.

Notes to the consolidated and separate financial statements

(All amounts in thousands of Nigerian Naira unless otherwise stated)	Group 2024	Company 2024
33 Insurance Revenue		
Revenue from Contracts Not Measured Under PAA - Life Business	9,497,383	-
Revenue from Contracts Measured Under the PAA - Life Business (Group Life Only)	1,999,721	-
Revenue from Contracts Not Measured Under PAA - Non Life Business	18,373,475	-
Revenue from Contracts Measured Under the PAA & GMM -Subsidiaries	2,967,046	-
Total Insurance Revenue	**32,837,625**	**-**
- CSM recognised for services provided	328,043	-
- Change in risk adjustment for non-financial risk for risk expired	235,265	-
- Expected incurred claims and other insurance service expenses	8,934,075	-
Contracts Measured Under the PAA (Life Business)	1,999,721	-
Contracts Measured Under the PAA (Non Life Business)	18,373,475	-
Contracts Measured Under the PAA (Subsidiary)	2,967,046	-
	32,837,625	**-**

33.c Insurance Revenue by Product - 31-Dec-24

	Life Business							Non Life Business								
	GMM						PAA	PAA								
	Annuity	**Credit Life**	**Endowment**	**Funeral**	**Assurance**	**osit Admin**	**Group Life**	**Special Risks**	**Agriculture**	**ngineering**	**Fire**	**Bond**	**General Accident**	**Marine**	**Motor**	**Total**
Insurance Revenue - Subsidiary	7,917,515	320,682	304,920	40,272	15,368	909,751	2,203,644	10,676,951	253,539	871,701	3,126,163	307,018	1,182,125	1,266,869	3,441,107	32,837,625
Total Insurance Revenue	**7,917,515**	**320,682**	**304,920**	**40,272**	**15,368**	**909,751**	**2,203,644**	**10,676,951**	**253,539**	**871,701**	**3,126,163**	**307,018**	**1,182,125**	**1,266,869**	**3,441,107**	**32,837,625**

	Group 2024	Company 2024
34 Insurance service expenses		
Insurance Service Expense Measured Under GMM - Life Business	(4,579,036)	-
Insurance Service Expense Measured Under the PAA - Life Business (Group Life Only)	(1,154,778)	-
Insurance Service Expense Measured Under the PAA - Non Life Business	(1,056,354)	-
Insurance Service Expense - Subsidiaries	(1,096,339)	-
expenses	**(7,886,507)**	**-**

34.a Insurance Service Expense by Product - Group

	Group 2024		
	Company	**Subsidiary**	**Total**
Incurred claims and other Incurred Insurance Service expenses	-	(7,709,218)	(7,709,218)
Change that relates to past service - Adjustment to the LIC	-	1,450,019	1,450,019
Change that relates to future service - losses on onerous groups of contracts and reversal of such losses	-	(139,550)	(139,550)
Insurance acquisition cash flows		-	
- Amortisation	-	(1,498,935)	(1,498,935)
- Experience Adjustment:			
Acquisition Expenses	-	(16,724)	(16,724)
Change that relates to past service - Adjustment to Insurance acquisition cash flows	-	27,901	27,901
Insurance acquisition cash flows	**-**	**(7,886,507)**	**(7,886,507)**

*Included in the incurred claims and other Incurred Insurance Service expenses is the portion of the total attributable expenses (employee benefit expense and other operating expenses) amounting to N34billion for group. (see note 29).

34.b Insurance Service Expense by Product - Group 31-Dec-24

	Life Business							Non Life Business								
	GMM						PAA	PAA								
	Annuity	**Credit Life**	**Endowment**	**Funeral**	**Assurance**	**LIP**	**Group Life**	**Special Risk**	**Agriculture**	**ngineering**	**Fire**	**Bond**	**General Accident**	**Marine**	**Motor**	**Total**
Insurance Service Expenses -	3,868,916	110,109	88,536	56,012	20,365	464,299	1,225,704	(319,920)	80,909	235,539	610,798	122,883	118,683	313,067	890,609	94,047,179
Total Insurance Service Expenses	**3,868,916**	**110,109**	**88,536**	**56,012**	**20,365**	**464,299**	**1,225,704**	**(319,920)**	**80,909**	**235,539**	**610,798**	**122,883**	**118,683**	**313,067**	**890,609**	**94,047,179**

Notes to the consolidated and separate financial statements

(All amounts in thousands of Nigerian Naira unless otherwise stated)

35	Allocation of reinsurance premiums paid	2024	2024
	Allocation of reinsurance premiums not measured under PAA - Life Business (see note below*)	(1,183)	-
	Allocation of reinsurance premiums measured under the PAA - Life Business (Group Life Only)	(481,641)	-
	Allocation of reinsurance premiums measured under the PAA - Non Life Business	(12,676,470)	-
	Allocation of reinsurance premiums measured under the PAA - IARD	(747,292)	-
		(13,906,586)	**-**

*This represents GMM portfolio that are not modeled as part of reinsurance contracts in 2023 (this includes Credit Life, Endowments & term assurance- see note 36c below)

35.a	Amounts recoverable from reinsurers for incurred claims		
	Amount Recoverable - Life Business	3,072,434	-
	Amount Recoverable - Non Life Business	(35,656,096)	-
	Amount Recoverable - Subsidiary	1,385,477	-
	Total Amounts recoverable from reinsurers for incurred claims (see note below)**	**(31,198,185)**	**-**

**This includes Amounts recoverable for incurred claims on Credit Life (N21.5m) that was not moddeled in 2023 as part of reinsurance contracts (see note 36d below)

35.b	Amounts recoverable for incurred claims and other incurred insurance service expenses			
		Group		
	2024	**2024**		
		Company	**Subsidairy**	**Total**
	Changes in amounts recoverable that relate to past service- adustment to incurred claims	-	18,750,000	15,811,163
	Recoveries of loss on recognition of underlying onerous contracts	-	(33,609,724)	(26,406,778)
	Recoveries of losses on onerous group of underlying contracts and reversal of such losses	-	(3,992,817)	(3,366,991)
		-	**(18,852,541)**	**(13,962,606)**

-

35.e	Reinsurance premiums paid Product - Group	Life Business				Non Life Business								
		GMM			PAA									
	31-Dec-24	**Credit Life**	**ndowment**	**m Assurance**	**Group Life**	**Special Risk**	**Agriculture**	**Engineering**	**Fire**	**Bond**	**neral Accident**	**Marine**	**Motor**	**Total**
	Allocation of reinsurance premiums paid - Subsidiary	(50,477)	(2,201)	(791)	(478,336)	(8,256,557)	(186,660)	(764,041)	(2,274,251)	(212,103)	(582,011)	(854,822)	(244,335)	(13,906,585)
	Total Allocation of reinsurance premiums paid	**(50,477)**	**(2,201)**	**(791)**	**(478,336)**	**(8,256,557)**	**(186,660)**	**(764,041)**	**(2,274,251)**	**(212,103)**	**(582,011)**	**(854,822)**	**(244,335)**	**(13,906,585)**
	Amounts recoverable from reinsurers for incurred claims													
	Recoverable - Subsidairy	100,933	17,788	-	3,284,534	(33,735,430)	688,195	2,373,625	4,212,813	418,596	447,900	2,840,087	498,418	(18,852,541)
	Total Amount Recoverable	**100,933**	**17,788**	**-**	**3,284,534**	**(33,735,430)**	**688,195**	**2,373,625**	**4,212,813**	**418,596**	**447,900**	**2,840,087**	**498,418**	**(18,852,541)**
	Net Income or Expense from Reinsurance Cont	**50,456**	**15,587**	**(791)**	**2,806,198**	**(41,991,987)**	**501,535**	**1,609,584**	**1,938,562**	**206,493**	**(134,111)**	**1,985,265**	**254,083**	**(32,759,126)**

36	Net finance expenses from insurance contracts issued		
	Net finance expenses from insurance contracts issued - Life Business	(1,817,276)	-
	Net finance expenses from insurance contracts issued - Non Life Business	(2,162,883)	-
	Net finance income expenses from insurance contracts issued - (Group)	(21,099)	-
	Total Net finance expenses from insurance contracts issued	**(4,001,258)**	**-**

36.a	Net finance income from reinsurance contracts held		
	Net finance income from reinsurance contracts held - Life Business	5,764	-
	Net finance income from reinsurance contracts held - Non Life Business	290,976	-
	Net finance income from reinsurance contracts held - (Group)	6,091	-
	Total Net finance income from reinsurance contracts held	**302,831**	**-**

Notes to the consolidated and separate financial statements

	Group	Company
(All amounts in thousands of Nigerian Naira unless otherwise stated)	2024	2024

37 Related parties

Leadway Insureholdings Limited is the ultimate parent/controlling party of the group. Related parties to the Company are as follows:

(i) *Subsidiary*

The Company has one subsidiary as at 31 December 2024. Transactions between Leadway Insureholdings Limited and the subsidiary also meet the definition of related party transactions. During the year, there were no balances from transactions with Leadway Assurance Company Limited.

(ii) *Key management personnel*

The key management personnel have been identified as the members of the board of directors (executive and non executive members), including their close members of family and any other entity over which they exercise control.
Close members of family are those family members who may be expected to influence, or be influenced by that individual in their dealings with Leadway Assurance Company Limited.

	Group 2024	Company 2024
Salaries and other short term employee benefits	235,629	-
Pension cost - defined contribution	16,155	-
	251,784	**-**

Key management personnel and their immediate relatives engaged in the following transactions with the company during the year:

	Group 2024	Company 2024
Loans and advances to key management	-	-
Interest income earned by the company during the year		
Rent	14,666	-
Premium paid to Leadway	28,790	-
Receivables from Leadway Holdings	8,000,000	8,000,000

38 Contingent liabilities, litigations and claims

The Group in the ordinary course of business is currently involved in 63 legal cases as at December 2024 valued at N9.07 billion. The actions are being contested and the Directors are of the opinion that no significant liability will arise therefrom in excess of the provision that has been made in the consolidated and separate financial statements. Management has considered that it is also not practicable to disclose the estimate of the financial effects, any indication of uncertainties relating to the amount or timing of outflow and possibility of any reimbursement information as at the reporting date.

39 Contravention of laws and regulations

There were no contravention of laws and regulations during the period. No fines was paid in the 2024 financial year.

Notes to the consolidated and separate financial statements

(All amounts in thousands of Nigerian Naira unless otherwise stated)			Group 2024	Company 2024
40	**Notes to Cashflow**			
a	**Cash generated from operations**			
	Profit/(loss) before tax		9,419,543	(2,000)
	Adjustments for:			
	Net insurance acquisition cashflows		(299,862,876)	-
	Investment income	25	(6,300,250)	-
	Net finance income	36.a	(302,831)	-
	Net finance expense	36	4,001,257	-
	Change in operating assets	40c	51,407,854	(8,000,000)
	Change in operating liabilities	40d	36,031,320	2,000
	Other non-cash items included in profit before tax	40b	(22,307,992)	-
			(227,913,975)	**(8,000,000)**
b	**Other non-cash items included in profit before tax**			
	Depreciation of property and equipment	10.1	2,409,722	-
	Amortization of intangible assets	14	231,202	-
	Loss on investment contracts	25.a	(196,823)	-
	Net impairment loss	30	31,466	-
	Net fair value gain on assets at fair value	26	(6,755,199)	-
	Exchange gain	27	(18,027,246)	-
	Loss on disposal of property and equipment	27	(1,114)	-
			(22,307,992)	**-**
c	**Changes in operating assets**			
	Changes in loans and receivables	40e(i)	(6,560,996.00)	(8,000,000)
	Changes in premium debtors	40e(ii)	1,030,197.00	-
	Changes in reinsurance contract assets	40e(iii)	56,935,981.00	-
	Changes in statutory deposits	40e(iv)	2,672.00	-
			51,407,854	**(8,000,000)**
d	**Changes in operating liabilities**			
	Changes in creditors and accruals	40f(i)	(3,795,737)	2,000
	Changes in investment contract liabilities	40f(ii)	(12,905,384)	-
	Changes in insurance contract liabilities	40f(iii)	52,732,441	-
			36,031,320	**2,000**
e	**Analysis of changes in operating assets**			
(i)	Changes in loans and receivables			
	Opening		17,445,312	-
	Closing		23,966,924	8,000,000
			(6,521,612)	(8,000,000)
	Less: Other non-cash items:			
	Impairment		1,570	-
	Accrued interests		(42,678)	-
	Impairment		1,724	-
			(6,560,996)	**(8,000,000)**

Notes to the consolidated and separate financial statements

(All amounts in thousands of Nigerian Naira unless otherwise stated)			Group 2024	Company 2024
(ii)	Changes in premium debtors			
	Opening		941,196	-
	Closing		352,286	-
			588,910	-
	Less: Other non-cash items:			
	Impairment		441,287	-
			1,030,197	**-**
(iii)	Changes in reinsurance contract assets			
	Opening		326,351,335	-
	Closing		269,415,354	-
			56,935,981	**-**
(iv)	Changes in statutory deposits			
	Opening		502,672	-
	Closing		500,000	-
			2,672	**-**
f	**Analysis of changes in operating liabilities**			
(i)	Changes in creditors and accruals			
	Opening		59,161,055	-
	Closing		62,956,792	2,000
			(3,795,737)	**2,000**
(ii)	Changes in investment contract liabilities			
	Opening		23,344,883	-
	Closing		36,250,267	-
			(12,905,384)	**-**
(iii)	Changes in insurance contract liabilities			
	Opening		738,540,516	-
	Closing		685,808,075	-
			52,732,441	**-**
g	**Investment income received**			
	Interest received FVOCI	7	223,149	-
	Interest received @ Amortized cost	7	1,030,312	-
	Interest received FVTPL	7	3,340,107	-
	Interest on short term deposits	25	454,410	-
	Movement in accrued interest	8	(3,375)	-
			5,044,603	**-**

Notes to the consolidated and separate financial statements

			Group	Company
(All amounts in thousands of Nigerian Naira unless otherwise stated)			2024	2024
h	**Other income received**			
	Rental income	41g (i)	122,552	-
	Interest on loans	41g (ii)	323,234	-
	Interest income on statutory deposits	25	4,434	-
			450,220	**-**
i	**Proceeds on disposal of property and equipment**			
	Cost of disposed Property and equipment	10	8,857	-
	Accumulated depreciation of disposed property, plant and equipment	10	(5,702)	-
	Gain or loss on disposal of property, plant and equipment		333	-
		27	**3,488**	**-**

Other National Disclosures

Value Added Statement

(All amounts in thousands of Nigerian Naira unless otherwise stated)	**Group 2024**	%	**Company 2024**	%
Insurance Revenue	190,407,833	226%	-	0%
Investment income				
- Local	69,803,639	83%	-	0%
Other income				
- Local	65,339,434	78%	1,811	-91%
Reinsurance, claims, commission & operating expenses				
- Local	(240,853,775)	-286%	(3,811)	191%
- Foreign	(587,315)	-1%	-	0%
Value added	**84,109,816**	**100**	**(2,000)**	**100**
Applied to pay:				
Employee benefit expense	5,896,191	7%	-	0%
Government as tax	4,328,516	5%	-	0%
Retained in the business				
Depreciation of Property and equipment	663,756	1%	-	0%
Amortisation of intangible assets	-	0%	-	0%
To augment reserve	73,221,353	87%	(2,000)	100%
Value added	**84,109,816**	**100%**	**(2,000)**	**100%**

No financial summary has been presented as the Company and Group are in their first year of operation