

**LASACO ASSURANCE PLC
FINANCIAL STATEMENTS
31 DECEMBER 2025**

LASACO ASSURANCE PLC

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LASACO ASSURANCE PLC
CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS, 31 DECEMBER 2025

Corporate Information

Directors	Mrs. Olateju Phillips	Chairman
	**Mr. Razzaq Abiodun	Managing Director/CEO
	Mr. Rilwan Oshinusi	Deputy Managing Director(Corporate Services)
	***Mr. Ademoye Shobo	Executive Director -Technical
	Otunba Akin Doherty	Non-executive Director - retired on 30 June 2025
	Mr. Ademola Oshodi	Non -executive Director
	Mr. Tobiloba Lawal	Non -executive Director
	Mr. Abiodun Dosunmu	Non -executive Director
	Mr. Fola Tinubu	Non -executive Director - appointed 18th July 2025
	Mr. Yemi Adefarakan	Non -executive Director - appointed 22nd October, 2025

***Mr. Rasaq Abiodun MD/CEO proceeded on terminal leave on 6 November, 2025 preparatory to his retirement on 16 May 2026.*

****Mr. Ademoye Shobo ED Technical was appointed Acting MD/CEO on 6 November, 2025.*

Company Secretary	Mrs. Gertude Olutekunbi Plot 16, ACME Road Ogba Industrial Estate Ikeja Lagos State.
Registered Office	LASACO House Plot 16, ACME Road Ogba Industrial Estate Ikeja Lagos State.
Registration Number	31126
Tax Identification Number	02306657-0001
Corporate Head Office	LASACO House Plot 16, ACME Road Ogba Industrial Estate Ikeja Lagos State. Tel: (234) 01 - 2120557 E-mail: info@lasacoassurance.com Website: www.lasacoassurance.com
Registrars	APEL Capital & Trust Limited 8, Alhaji Bashorun Street Off Norman Williams Crescent, South West, Ikoyi Lagos Telephone: 01- 873928, 7401444-5 Mobile No: 07046126698
Bankers	Guaranty Trust Bank Limited First Bank of Nigeria Limited Ecobank Nigeria Limited Zenith Bank Nigeria Plc United Bank for Africa Plc Polaris Bank Limited Sterling Bank Plc

Corporate Information (Cont'd)

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

Corporate Information (Cont'd)

Our Mission

We are committed to be the Insurance and Financial Services Company of choice in Nigeria, providing Products and Services of Superior Quality, using modern tools and a well motivated workforce to create long term value for all our Stakeholders.

Core Values

Excellence
Professionalism
Integrity
Customer Focus
Trust
Accountability
Creativity
Teamwork

Quality Policy Statement

LASACO Assurance Plc is committed to delivering Insurance and Financial Services Of

We are committed to continually improving the effectiveness of our Quality Management System.

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

RESULTS AT A GLANCE

	2025	2024	Changes	
Consolidated Statement of Financial Position	₦'000	₦'000	₦'000	%
Total assets	<u>39,239,571</u>	<u>31,264,324</u>	7,975,247	26
Total liabilities	<u>18,879,351</u>	<u>19,001,718</u>	(122,367)	(1)
Shareholders' funds	<u>20,360,220</u>	<u>12,262,606</u>	8,097,614	66
Consolidated Income Statement	₦'000	₦'000	₦'000	%
Insurance revenue	30,861,346	22,819,054	8,042,292	35
Insurance service expenses	(26,751,097)	(20,801,571)	5,949,526	29
Net expenses from reinsurance contract held	<u>(6,783,739)</u>	<u>(3,232,213)</u>	3,551,526	110
Insurance service results	<u>(2,673,490)</u>	<u>(1,214,730)</u>	(1,458,760)	120
Net Investment results	<u>6,436,550</u>	<u>8,735,206</u>	(2,298,656)	(26)
Net insurance and investment results	3,763,060	7,520,476	(3,757,416)	(50)
(Loss)/profit before tax	<u>(2,611,237)</u>	<u>1,942,172</u>	(4,553,409)	(234)

LASACO ASSURANCE PLC
CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS, 31 DECEMBER 2025
REPORT OF THE DIRECTORS

The Directors present their annual reports on the affairs of LASACO Assurance Plc, as at 31 December 2025 together with the financial statements and auditor's report.

1. Legal form and principal activity

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

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

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

The company currently has the majority shareholdings in the following subsidiaries:

- i. Lasaco Properties Ltd
- ii. Lasaco Trading and Investment Ltd

2. Operating results

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

Summary of the results

Consolidated Comprehensive Income

	Group 2025 N'000	Group 2024 N'000	Company 2025 N'000	Company 2024 N'000
(Loss)/profit before taxation	(2,611,237)	1,942,172	(2,887,404)	1,640,507
Income tax expense	(238,480)	(123,108)	(238,480)	(105,025)
(Loss)/profit for the year	(2,849,717)	1,819,064	(3,125,884)	1,535,482
Transfer to statutory contingency reserve	(686,216)	(551,419)	(686,216)	(551,419)
Transfer to retained earnings for the year	(3,535,933)	1,267,645	(3,812,100)	984,063

3. Dividend

The Directors did not recommend dividend for the financial year ended 31 December 2025 (2024: nil).

4. Directors and Directors' Interest

Directors

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

5. Directors' interest

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

31 December 2025

Name of Director	Direct	Indirect	Total
Mrs. Olateju Phillips	-	5,090,282,524	5,090,282,524
Mr. Ademola oshodi	-	-	-
Mr. Oluwatobiloba Lawal	-	5,090,282,524	-
Mr. Abiodun Dosunmu	-	5,090,282,524	5,090,282,524
Mr. Fola Tinubu	-	2,732,941,185	2,732,941,185
Mr. Razzaq Abiodun	746,000	-	746,000
Mr. Rilwan Oshinusi	-	-	-
Mr. Ademoye Shobo	156,345	-	156,345

31 December 2024

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

6. Directors' responsibilities

The Directors are responsible for the preparation of the consolidated financial statements which give a true and fair view of the state of affairs of the Group at the end of each financial year and of the income statement for that year and comply with the Insurance Act, 2003, Financial Reporting Council of Nigeria (Amendment) Act 2023, Nigeria Insurance Industry Act, 2025 and section 377 of the Companies And Allied Matters Act, 2020.

7. Shareholding

The Registrars have advised that the called up and fully paid up shares of the Company as at 31 December 2025 were beneficially held as follows:

Analysis of shareholders

S/N	ACCT NO	NAME	ADDRESS	HOLDING	%
1	70538	Ibile Holdings Limited	62/64 Campbell Street Lagos P.O. Box 71282 Victoria Island Lagos State Lagos Nig Lagos	5,090,282,524	45.93%
2	1806	Canon Properties & Investment Limited.	P.O.Box 51549, Falomo Ikoyi, Lagos. Lagos	2,732,941,185	24.66%
3	Various	SNNL/Asset Mgt Corporation of Nig.	C/O Stanbic Nominees Nig. Ltd. Plot 1712, Idejo Street, off Adeola Odeku St., V/I. Lagos	520,583,333	5.63%
4		De- Lexus Investment Ltd	Plot 1668B Oyin Jolayemi Street Victoria	875,000,000	7.89%

Mrs Olateju Phillips, Oluwatobi Lawal and Abiodun Dosunmu are representing Ibile Holdings on the Board. Fola Tinubu and Adeyemi Adefarakan are representing Canon Properties and Investments Limited.

According to the register of members, no shareholder other than the ones mentioned above held more than 5% of the issued share capital of the Company as at 31 December 2025

8. Directors' interest in contracts

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

Composition of Directors

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

Mrs. Olateju Phillips	Chairman
Mr. Ademoye Shobo	Managing Director/CEO
Mr. Rilwan Oshinusi	Deputy Managing Director(Corporate Services)
Mr Ademola Oshodi	Non - executive Director - Appointed 31st December 2023
Mr . Tobiloba Lawal	Non - executive Director - Appointed 30th April 2024
Mr. Abiodun Dosunmu	Non - executive Director - Appointed 4th April 2024
Mr. Fola Tinubu	Non - executive Director - Appointed 18th July 2025
Mr. Adeyemi Adefarakan	Non - executive Director - Appointed 22nd October 2025

Retiring Director

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

Records of the Directors Attendance

In accordance with Section 258 (2) of the Companies and Allied Matters Act, 2020, the records of the Directors attendance at Director's meeting in 2025 are available for inspection at the Annual General Meeting.

9. Donations

The Company make make a nill donation as at period ended 31 December 2025

10. Events after the reporting date

There were no significant events after reporting date which could have had a material effect on the consolidated financial statements for the year ended 31 December 2025 which have not been adequately provided for or disclosed in the financial statements.

11. EMPLOYMENT AND EMPLOYEES

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

When an employee becomes physically challenged during the course of his or her employment, the Company endeavours to retain the individual for employment in spite of his disability, where this is reasonably possible. As at 31 December 2025, one physically challenged person was in the employment of the Company.

12 Employees involvement, training and development

i. Information dissemination

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

ii. Consultation with employees

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

iii. Encouraging employees' involvement and training

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

iv. Health, safety at work and welfare of employees

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

v. Acquisition of own shares

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

13. Auditor

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

By Order of the Board



Gertude Olutekunbi (Mrs.)

Company Secretary

Lagos, Nigeria

FRC/2015/NBA/00000011389

Date: 10 April 2026

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

The responsibilities include ensuring that:

- Appropriate and adequate internal controls are established to safeguard the assets of the Company and to prevent and detect fraud and other irregularities;
- The Company keeps proper accounting records which disclose with reasonable accuracy the financial position of the Company and which ensure that the financial statements comply with the requirements of the International Accounting Standards Board and in compliance with the relevant provisions of the Financial Reporting Council of Nigeria (Amendment) Act, 2023 and with the requirements of the Companies and Allied Matters Act, 2020, Nigerian Insurance Industry Reform Act, 2025 and Prudential Guidelines issued by National Insurance Commission.
- The Company has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgments and estimates, and that all applicable accounting standards have been followed; and
- The financial statements are prepared on a going concern basis unless it is presumed that the Company will not continue in business.

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

- Nigerian Insurance Industry Reform Act, 2025
- International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB);
- Companies and Allied Matters Act, 2020;
- Relevant guidelines and circulars issued by the National Insurance Commission (NAICOM); and
- Financial Reporting Council of Nigeria (Amendment) Act, 2023.

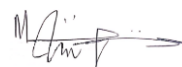
The Directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the Company and of its operating result for the year ended 31 December 2025.

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

Signed on behalf of the Directors on 10 April 2026 by:



Ademoye Shobo
Managing Director/CEO
FRC/2026/PRO/DIR/003/017154



Mrs Olateju Phillips
Chairman, Board of Directors
FRC/2013/IODN/0000002517

LASACO ASSURANCE PLC
CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS, 31 DECEMBER 2025
STATEMENT OF CORPORATE RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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Further to the provisions of section 405 of the Companies and Allied Matters Act (CAMA), 2020, we, the Managing Director/CEO and Chief Financial Officer, hereby certify the financial statements of Lasaco Assurance Plc for the year ended 31 December 2025 as follows:

- (a) That we have reviewed the audited financial statements of the Company for the year ended 31 December 2025.
- (b) That the audited financial statements do not contain any untrue statement of material fact or omit to state a material fact which would make the statements misleading, in the light of the circumstances under which such statement was made.
- (c) That the audited financial statements and all other financial information included in the statements fairly present, in all material respects, the financial condition and results of operation of the Company as of and for, the year ended 31 December 2025.
- (d) That we are responsible for establishing and maintaining internal controls and have designed such internal controls to ensure that material information relating to the Company is made known to the officer by other officers of the company, during the year 31 December 2025.
- (e) That we have evaluated the effectiveness of the Company's internal controls within 90 days prior to the date of audited financial statements, and certify that the Company's internal controls are effective as of that date.
- (f) That there were no significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our evaluation, including any corrective action with regard to significant deficiencies and material weaknesses.
- (g) That we have disclosed the following information to the Group and Company's Auditor and Audit Committee:
 - (i) There is no fraud that involves management or other employees who have a significant role in the Company's internal control.
 - (ii) There are no significant deficiencies in the design or operation of internal controls which could adversely affect the Company's ability to record, process, summarise, and report financial data, and have identified for the Company's auditor any material weaknesses in internal controls.



.....
Ademoye Shobo
Managing Director/CEO
FRC/2026/PRO/DIR/003/017154




.....
Moradeyo Olubukola
Chief Financial Officer
FRC/2021/PRO/ICAN/001/00000024062

**LASACO ASSURANCE PLC
CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS, 31 DECEMBER 2025
CERTIFICATION BY COMPANY SECRETARY**

x

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



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

Lagos, Nigeria

LASACO ASSURANCE PLC
CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS, 31 DECEMBER 2025
CERTIFICATION PURSUANT TO SECTION 60(2) OF INVESTMENT AND SECURITIES ACT NO. 29
OF 2007

We the undersigned hereby certify the following with regards to our Audited Financial Statements for the year ended 31 December 2025 that:

- We have reviewed the report;
- To the best of our knowledge, the report does not contain:
 - Any untrue statement of a material fact, or
 - Omit to state a material fact, which would make the statements, misleading in the light of circumstances under which such statements were made;
- To the best of our knowledge, the financial statements and other financial information included in the report fairly present in all material respects the financial condition and results of operations of the Company as of, and for the year presented in the report.

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



.....
Ademoye Shobo
Managing Director/CEO
FRC/2026/PRO/DIR/003/017154



.....
Moradeyo Olubukola
Chief Financial Officer
FRC/2021/PRO/ICAN/001/00000024062

To the members of LASACO Assurance Plc

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

- We have reviewed the scope and planning of the audit for the year ended 31 December 2025 and we confirm that they were adequate;
- The Company's accounting policies as well as internal control systems conform to legal requirements and ethical practices; and
- We are satisfied with the departmental responses to the External Auditor's findings on management matters for the year ended 31 December 2025.

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



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

Date 10 April 2026

Members of the Audit Committee

Mr. Matthew Akinlade	Chairman - Shareholders' Representative
Mr. Samson Olagoke	Member - Shareholders' Representative
Mrs. Adenike Olatokunbo	Member - Shareholders' Representative
Mr. Oluwatobi Kawal	Member - Board's Representative
Mr. Abiodun Dosunmu	Member - Board's Representative

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

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

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

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

Nature of Business

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

Business Objective and Strategy

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

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

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

Quality Policy Statement

LASACO Assurance Plc is committed to delivering Insurance and Financial Services of Superior Quality, surpassing customers expectations and ensuring strict compliance with regulatory and statutory requirements.

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

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

Performance Indicators

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

	2025	2024	Change
	₦'000	₦'000	%
Insurance revenue	30,861,346	22,819,054	35
Insurance service result	(2,673,490)	(1,214,730)	120
Net investment result	6,436,550	8,735,206	(26)
Net insurance and finance results	3,763,060	7,520,476	(50)
Operating expenses	(6,981,314)	(6,005,182)	16
(Loss)/profit before tax	(2,611,237)	1,942,172	(234)
(Loss)/earnings per share (kobo)	(25.7)	99.2	(126)

In 2025, the Insurance revenue increased by 35% from N22.8bn to N30.9bn while the insurance service result increased by 120%.

The net investment result decreased by 26%, while the net insurance and investment results decreased by 50%.

Profit or loss before tax for the year decreased by 234% from N1.9bn to (N2.6bn.)

Shareholders' funds increased by 66% from ₦12billion in 2024 to ₦20billion in 2025 due to new capital injection during the year

Liquidity, Capital Resources and Risk Factors

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

Forward Looking Statements

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

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

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

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

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

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

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

We have completed and submitted the new Financial Reporting Council Template for reporting compliance with Nigerian Code of Corporate Governance 2018 and uploaded it on the NGX Issuers portal. The evaluation of the board of Directors for year 2025 has equally commenced in line with the provision of the NCCG code.

The Matters Reserved For the Board

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

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

The Board was made up of Five Non-executive Directors, One being Independent Director and Three Executive Directors during the 2025 financial year. At LASACO, the position of the Chairman is separate and distinct from that of the Managing Director/Chief Executive Officer. The Chairman is a Non-executive Director.

The Board of LASACO Assurance Plc met seven (7) times during the year. The following are the list of the Directors and their attendance records at the Board meetings:

BOARD OF DIRECTORS

DIRECTORS	28/01/25	28/03/25	29/04/25	18/07/25	29/09/25	22/10/2025	11/06/2025
Mrs. Teju Phillips	p	p	p	p	P	p	p
Otunba Akinsanya Doherty	p	p	p	N/A	N/A	N/A	N/A
Mr Ademola Oshodi	P	P	P	p	P	P	P
Mr. Tobilola Lawal	P	P	P	p	P	P	P
Mr Abiodun Dosunmu	P	P	P	p	P	P	P
Mr. Fola Tinubu	N/A	N/A	N/A	N/A	P	p	p
Mr. Razzaq Abiodun	P	P	P	p	P	P	N/A
Mr. Rilwan Oshinusi	P	P	P	p	P	P	P
Mr Ademoye Shobo	P	P	P	p	P	P	P
Mr. Adeyemi Adefarakan	N/A	N/A	N/A	N/A	N/A	P	P

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

COMMITTEES OF THE BOARD

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

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

1) **FINANCE, GENERAL PURPOSES AND INVESTMENT COMMITTEE**

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

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

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

Membership

- Otunba Akinsanya Doherty - Chairman (January to July, 2025)
- Mr Tobiloba Lawal - Chairman (July to date)
- Mr Ademola Oshodi - Member
- Mr. Abiodun Dosunmu - Member
- Mr. Fola Tinubu - Member
- Mr. Razzaq Abiodun - Managing Director/CEO (January to November, 2025)
- Mr. Ademoye Shobo - Ag. Managing Director/CEO
- Mr. Riliwan Oshinusi - Deputy Managing Director (Corporate Services)

The Board Finance, General Purposes and Investment Committee met Five (5) times during the period under review. The following table shows the meeting dates and the attendance of the Committee members at such meetings:

ATTENDANCE

MEMBERS	21/01/25	28/03/25	23/04/25	15/07/25	16/10/25
Otunba Akinsanya Doherty	P	P	P	N/A	N/A
Mr Tobiloba Lawal	p	P	P	p	p
Mr Ademola Oshodi	P	P	P	P	P
Mr. Abiodun Dosunmu	p	P	P	p	p
Mr. Fola Tinubu	N/A	N/A	N/A	N/A	P
Mr. Razzaq Abiodun	P	P	P	P	P
Mr. Ademoye Shobo	P	P	P	P	P
Mr. Riliwan Oshinusi	P	P	P	P	P

KEY: A = Absent

N/A= Not applicable

P = Present

2. **THE BOARD NOMINATION, REMUNERATION AND CORPORATE GOVERNANCE COMMITTEE**

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

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

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

Membership

- Mr Ademola Oshodi - Chairman
- Otunba Akin-Doherty - Member
- Mr Tobiloba Lawal - Member
- Mr Abiodun Dounmu - Member
- Mr. Razzaq Abiodun - Managing Director/CEO (January to November)
- Mr. Ademoye Shobo - Ag. Managing Director/CEO
- Mr. Rilwan Oshinusi - Deputy Managing Director (Corporate Services)

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

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

DIRECTORS	23/01/25	23/4/25	18/7/25	16/10/25
Mr. Adeniyi Saliu	P	P	P	N/A
Otunba Akin-Doherty	P	P	N/A	P
Mr Ademola Oshodi	P	P	P	P
Mr Tobiloba Lawal	P	P	P	P
Mr Abiodun Dounmu	P	P	P	N/A
Mr. Fola Tinubu	N/A	N/A	N/A	P
Mr. Razzaq Abiodun	P	P	P	P
Mr. Ademoye Shobo	P	P	P	P
Mr. Rilwan Oshinusi	P	P	P	P

KEY: A = Absent

P = Present

N/A= Not applicable

3 AUDIT, RISK MANAGEMENT AND COMPLIANCE COMMITTEE

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

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

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

Membership

- Otunba Akinsanya Doherty - Chairman (January to April)
- Mr. Abiodun Dosunmu - Chairman (July to date)
- Mr Tobiloba Lawal - Member
- Mr Ademola Oshodi - Member
- Mr. Fola Tinubu - Member
- Mr. Razzaq Abiodun - Managing Director/CEO (January to November)
- Mr. Ademoye Shobo - Ag. Managing Director/CEO
- Mr. Riliwan Oshinusi - Deputy Managing Director (Corporate Services)

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

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

ATTENDANCE					
MEMBERS	21/01/25	23/04/25	16/07/25	17/10/25	
Otunba Akinsanya Doherty	P	P	N/A	N/A	
Mr Tobiloba Lawal	P	P	P	P	
Mr Ademola Oshodi	P	P	P	P	
Mr. Abiodun Dosunmu	P	P	P	P	
Mr. Fola Tinubu	N/A	N/A	N/A	P	
Mr. Razzaq Abiodun	P	P	P	P	
Mr. Ademoye Shobo	P	P	P	P	
Mr. Riliwan Oshinusi	P	P	P	P	

KEY: A = Absent

P = Present N/A= Not Applicable

4. THE STATUTORY SHAREHOLDERS' AUDIT COMMITTEE

The Statutory Shareholders Audit Committee was made up of five(5) members comprising two representatives of the shareholders who were re-elected at the 2024 Annual General Meeting held on 23rd October 2025 for a period of one year till the conclusion of the 2024 Annual General Meeting; and two representatives of the Board of Directors nominated by the Board.

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

- Mr. Matthew Akinlade - Shareholders representatives
- Mr. Samuel Olagoke - Shareholder's representatives
- Mrs. Adenike Olatokunbo - Shareholder's representatives
- Otunba Akin-Doherty - Director's representatives (retired July, 2025)
- Mr. Tobi Lawal - Director's representatives

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

ATTENDANCE

MEMBERS	23/01/2025	28/03/25	24/04/25	16/07/25	17/10/25
Mr. Matthew Akinlade	P	P	P	P	P
Mr. Samuel Olagoke	P	P	P	P	P
Mrs. Adijat Adenike Olatokunbo	P	P	P	P	P
Otunba Akin-Doherty	P	P	P	N/A	N/A
Mr. Tobi Lawal	P	P	P	P	P
Mr. Abiodun Dosunmu	N/A	N/A	N/A	P	P
Mr. Razzaq Abiodun	P	P	P	P	P
Mr. Rilwan Oshinusi	P	P	P	P	P

The Terms of Reference of the Committee

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

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

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

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

RISK MANAGEMENT DECLARATION

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

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

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

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

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



.....
Ademoye Shobo
Managing Director/CEO
FRC/2026/PRO/DIR/003/017154



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

LASACO ASSURANCE PLC
CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS, 31 DECEMBER 2025
MANAGEMENT ASSESSMENT OF INTERNAL CONTROL OVER FINANCIAL REPORTING

xx

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

The management of Lasaco Assurance Plc assessed the effectiveness of our internal control over financial reporting of the Company and its subsidiaries (together “the Group”) as of 31 December 2025 using the criteria outlined in Internal Control–2013 Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (“the COSO Framework”) and by the SEC Guidance on Implementation of Sections 60 - 63 of Investments and Securities Act, 2007.

As of December 31, 2025, the management of Lasaco Assurance Plc did not identify any material weakness.

As a result, management has concluded that, as of December 31, 2025, the Group’s internal control over financial reporting was effective.

The Company’s independent auditor, BDO Professional Services, who audited the consolidated and separate financial statements included in this Annual Report, issued an unmodified conclusion on the effectiveness of the Group’s internal control over financial reporting as of December 31 2025 based on the limited assurance engagement performed by them.

Changes in Internal Control Over Financial Reporting

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



.....
Moradeyo Olubukola
Chief Financial Officer
FRC/2021/PRO/ICAN/001/00000024062



.....
Ademoye Shobo
Managing Director/CEO
FRC/2026/PRO/DIR/003/017154

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

1.0 General Information

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

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

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

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

(b) Principal activity

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

- (c) The Company is registered with National Insurance Commission.

- (d) The Company has two subsidiaries namely Lasaco Property Limited and Lasaco Trading & Investment Ltd that made up the group financial statements.

Lasaco Properties Limited:

The Company is a fully owned subsidiary with a capital of N500million. The Company was incorporated in 2022 and commenced full operation in January 2024. The Company provides real estate market standard and investment avenues to individuals and corporate bodies.

Lasaco Trading & Investment Ltd

The Company is a fully owned subsidiary with a capital of N500million. The Company was incorporated in 2022 and commenced full operation in July 2023. The Company is principally engaged to carry on the business of trading, marketing, sales and distribution of general goods and investment.

The financial statements of the two subsidiaries have been consolidated with the financial statement of the parent company - Lasaco Assurance Plc

These financial statements were authorized by the Board of Directors on 10 April 2026.

1.1 Summary of Significant Accounting Policies

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

1.2 Going Concern

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

1.3 Basis of Preparation and Compliance with International Financial Reporting Standards

The Group's financial statements for the year ended 31 December 2024 have been prepared in accordance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), Companies and Allied Matters Act, 2020, Nigeria Insurance Industry Reform Act, 2025 and Prudential Guidelines issued by National insurance Commission and Investment and Securities Act 2007.

1.3.1 Foreign currency translation

(a) Functional and Presentation Currency

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

(b) Transactions and balances in foreign currencies

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

1.3.2 Basis of measurement

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

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

1.4 Critical Accounting Estimates, Judgments and Assumptions

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

(i) Business model assessment

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

(ii) Allowances for credit losses

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

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

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

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

(iii) Impairment of financial assets

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

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

Staged Approach to the determination of Expected Credit Losses

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

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

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

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

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

1.5 Judgments, Estimates and Assumptions

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

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

1.5.1 Income Taxes

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

1.5.2 Retirement Benefits

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

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

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

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

1.5.3 Fair Valuation of Investment Properties

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

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

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

1.5.5 Reinsurance contracts

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

1.5.6 Fulfillment Cash Flows

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

1.5.7 Risk adjustment

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

1.5.8 IFRS 17 Transition

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

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

1.5.9 Discount rates

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

1.6 Material Accounting Policies

1.6.1 Material Accounting Policy Information

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

2.1 SIGNIFICANT ACCOUNTING POLICIES

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

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

2.2 CONSOLIDATION

(i) Subsidiaries

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

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

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

Acquisition - related costs are expensed as incurred.

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

(ii) Disposal of subsidiaries

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

2.3 CASH AND CASH EQUIVALENTS

Cash and cash equivalents include notes and coins on hand and highly liquid financial assets with original maturities of less than three months, which are subject to insignificant risk of changes in their fair value, and are used by the Company in the management of its short-term commitments. Due to their short-term nature, the carrying value of cash and cash equivalents approximates their fair value, hence they are carried at fair value in the statement of financial position.

2.4 FINANCIAL ASSETS

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

2.4.1 Recognition and initial measurement

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

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

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

2.4.2 Classification and Measurement

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

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

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

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

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

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

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

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

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

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

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b) Financial assets measured at FVTPL

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

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

c) Financial assets measured at FVOCI

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

Business Model Assessment

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

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

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

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

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

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

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

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

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

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

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

B. Classification of Financial Liabilities

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

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

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

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

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

Financial liabilities at fair value through profit or loss shall be financial liabilities held for trading. A financial liability shall be classified as held for trading if it shall be incurred principally for the purpose of repurchasing it in the near term or if it shall be part of a portfolio of identified financial instruments that shall be managed together and for which there shall be evidence of a recent actual pattern of profit-taking. Derivatives shall also be categorized as held for trading unless they shall be designated and effective as hedging instruments. Financial liabilities held for trading also include obligations to deliver financial assets borrowed by a short seller. Gains and losses arising from changes in fair value of financial liabilities classified as held for trading shall be included in the income statement and shall be reported as ‘Net gains/(losses) on financial instruments classified as held for trading’. Interest expenses on financial liabilities held for trading shall be included in ‘Net interest income’.

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

(b) Financial Liabilities at amortised cost

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

C. Reclassifications

The Company reclassifies financial assets when and only when its business model for managing those assets changes. The reclassification takes place from the start of the first reporting period following the change. Such changes are expected to be very infrequent and must be significant to the Group's operations.

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

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

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

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

Financial liabilities are not reclassified after initial classification.

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

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

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

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

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

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

2.4.3 Modifications of financial assets and financial liabilities

(1) Financial Assets

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

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

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

Qualitative criteria

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

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

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

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

- Change in interest rate

Quantitative criteria

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

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

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

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

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

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

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

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

(2) Financial liabilities

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

2.4.4 Impairment of financial assets

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

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

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

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

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

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

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

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

- Stage 1: When financial assets are first recognised, the Company recognises an allowance based on 12m ECLs. Stage 1 asset also include facilities where the credit risk has improved and the asset has been reclassified from Stage 2.

- Stage 2: When a financial asset has shown a significant increase in credit risk since origination, the Company records an allowance for the LT ECLs. Stage 2 asset also include facilities, where the credit risk has improved and the asset has been reclassified from Stage 3.

- Stage 3: Financial assets considered credit-impaired. The Company records an allowance for the LTECLs.

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

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

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

(b) The calculation of ECLs

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

The measurement of the expected credit losses should reflect:

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

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

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

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

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

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

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

The mechanics of the ECL method are summarized below:

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

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

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

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

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

(c) Debt instruments measured at fair through OCI

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

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

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

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

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

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

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

(e) Collateral valuation

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

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

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

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

- Financial assets measured at amortised cost: as a deduction from the gross carrying amount of the assets;

- Debt instruments measured at FVOCI: no loss allowance is recognised in the statement of financial position because the carrying amount of the asset is its fair value. However, the loss allowance is disclosed and recognised in the fair value reserve in equity (through OCI).

(g) Write - off

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

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

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

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

(h) Forward looking information

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

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

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

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

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

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

2.4.7 Derecognition of financial assets

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

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

2.4.8 Derecognition of financial liabilities

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

2.4.9 Write off - policy applicable for current and comparative periods

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

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

2.5 TRADE RECEIVABLES

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

2.6 OTHER RECEIVABLES AND PREPAYMENTS**2.6.1 Other receivables**

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

2.6.2 Prepayments

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

2.7 INVESTMENT PROPERTIES

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

2.8 STATUTORY DEPOSIT

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

2.9 INTANGIBLE ASSETS

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

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

IES-Online Software

33%

2.10 PROPERTY, PLANT AND EQUIPMENT

(i) Recognition and measurement

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

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

(ii) Subsequent costs

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

(iii) Depreciation

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

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

(iv) De-recognition

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

2.11 TRADE AND OTHER PAYABLES

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

2.12 RETIREMENT OBLIGATIONS AND EMPLOYEE BENEFITS

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

(i) Defined contribution pension scheme

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

(ii) Defined benefit gratuity scheme

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

2.13 INCOME TAX LIABILITIES

Income tax expense comprises current and deferred tax

(i) Current income tax

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

(ii) Deferred income tax

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

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

However, deferred income tax is not recognized for:

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

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

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

2.14 SHARE CAPITAL AND PREMIUM

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

2.15 CONTINGENCY RESERVE

(a) Non-Life Business

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

(a) Life Business

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

2.16 RETAINED EARNINGS

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

2.17 FVOCI RESERVE

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

2.18 OTHER RESERVES - EMPLOYEE BENEFIT ACTUARIAL SURPLUS

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

2.19 ASSET REVALUATION RESERVES

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

2.20 EARNINGS PER SHARE

Basic earnings per share (EPS) is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

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

2.21 FOREIGN CURRENCY TRANSLATION

(a) Functional and presentation currency

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

(b) Transactions and balances

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

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

2.22 INVESTMENT INCOME

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

Dividend income

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

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

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

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

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

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

(a) Amortised cost and gross carrying amount

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

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

(b) Calculation of interest income and expenses

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

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

(b)

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

(c) **Presentation**

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

- interest on financial assets and financial liabilities measured at amortised cost calculated on an effective interest basis.

- interest on debt instruments measured at FVOCI calculated on an effective interest basis (if any).

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

2.23 SEGMENT REPORTING

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

2.24 CONTINGENT LIABILITIES

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

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

3 IFRS 17 ACCOUNTING POLICY

A Insurance contracts

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

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

- Ø Life insurance
- Ø Non-life

(i) LIFE INSURANCE

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

(a) Protection - This includes the following products- Term Assurance, Keyman Assurance, Individual Credit Life Plan and Mortgage protection plans. The Company accounts for these policies by applying the General Measurement Model.

(b) Endowment: The portfolio includes the following products: Anticipated Endowment, Children Education endowment and Endowment Assurance.

(c) Investment Linked: This includes, Investment linked term 55, Term 60, Lasaco Executive Corporate plan, Lasaco Investment plan, Lasaco Education plan, and Lasaco Anticipated plan.

(d) Annuity Policies including

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

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

(ii) NON - LIFE INSURANCE

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

Reinsurance contracts

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

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

B Definitions and classifications of Insurance Contract

Insurance products sold by the Company are classified as insurance contracts when the Company accepts significant insurance risk from a policyholder by agreeing to compensate the policyholder if a specified uncertain future event adversely affects the policyholder. This assessment is made on a contract-by-contract basis at the contract issue date. In making this assessment, the Company considers all its substantive rights and obligations, whether they arise from contract, law or regulation. The Company determines whether a contract contains significant insurance risk by assessing if an insured event could cause the Company to pay to the policyholder additional amounts that are significant in any single scenario with commercial substance even if the insured event is extremely unlikely or the expected present value of the contingent cash flows is a small proportion of the expected present value of the remaining cash flows from the insurance contract. The Company does not issue any contracts with direct participating features.

C Combining a set or series of contracts.

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

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

D Separating components from insurance and reinsurance contracts

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

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

E Level of aggregation

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

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

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

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

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

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

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

F Recognition

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

G Contract Boundaries

The Company includes in the measurement of a Company of insurance contracts all the future cash flows within the boundary of each contract in the Company. Cash flows are within the boundary of an insurance contract if they arise from substantive rights and obligations that exist during the reporting period in which the Company can compel the policyholder to pay the premiums, or in which the Company has a substantive obligation to provide the policyholder with insurance contract services.

A substantive obligation to provide insurance contract services ends when:

- The Company has the practical ability to reassess the risks of the particular policyholder and, as a result, can set a price or level of benefits that fully reflect those risks. Or
- Both of the following criteria are satisfied:
 - The Company has the practical ability to reassess the risks of the portfolio of insurance contracts that contain the contract and, as a result, can set a price or level of benefits that fully reflects the risk of that portfolio.
 - The pricing of the premiums up to the date when the risks are reassessed does not take into account the risks that relate to periods after the reassessment date.

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

H Measurement of insurance contracts issued

1 General Measurement Model

1.1 Insurance contracts - Initial measurement

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

Fulfilment cash flows within the contract boundary

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

- Premiums and any additional cash flows resulting from those premiums.
- Reported claims that have not yet been paid, claims incurred but not yet reported, future claims expected to arise from the policy and potential cash inflows from recoveries on future claims covered by existing insurance contracts.
- An allocation of insurance acquisition cash flows attributable to the portfolio to which the issued contract belongs.
- Claim handling costs.
- Costs of providing contractual benefits in kind, such as home and vehicle repair
- Policy administration and maintenance costs including recurring commissions expected to be paid to intermediaries for policy administration services only (recurring commissions that are insurance acquisition cash flows are treated as such in the estimate of future cash flows)
- Transaction-based taxes
- An allocation of fixed and variable overheads directly attributable to the fulfilment of insurance contracts including overhead costs such as accounting, human resources, information technology and support, building depreciation, rent, and maintenance and utilities.
- Costs incurred for performing investment activities that enhance insurance coverage benefits for the policyholder.
- Costs incurred for providing investment-related service and investment-return service to policyholders.
- Other costs specifically chargeable to the policyholder under the terms of the contract.

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

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

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

Discount Rate

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

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

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

Risk adjustment for non-financial risk

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

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

In line with the Group's risk appetite, the level of confidence associated with risk adjustment computed is assessed at the Group and company level to ensure that it falls within the required range of 70-75%. For the purpose of this assessment, the sum of the fulfilment cashflows is assumed to be lognormally distributed. Based on this, the estimated level of confidence for total of the risk adjustment computed at Group and Company level was 70%

Contractual service margin (CSM)

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

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

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

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

Insurance acquisition cash flows

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

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

Deferred acquisition costs (DAC)

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

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

1.2 Insurance contracts - Subsequent Measurement (General Model)

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

- (a) the fulfilment cash flows relating to future service,
- (b) the CSM yet to be earned and
- (c) any outstanding premiums for insurance contract services already provided.

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

Changes in fulfillment cash flows

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

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

- The expected cash flow estimates at the beginning of the period and the actual incurred amounts of insurance service expenses in the period (excluding insurance acquisition expenses)

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

Adjustments to the CSM

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

- Experience adjustments relating to the premiums received in the period that relate to future service, and any related cash flows such as insurance acquisition cash flows and premium-based taxes measured at the 'locked in' discount rates applicable when the contracts in the Company were initially recognized.

- The change in the estimate of the present value of expected future cash flows in the liability for remaining coverage, related to non-financial variables, measured at the 'locked in' discount rates applicable when the contracts in the Company were initially recognized. All financial variables are locked in at initial recognition.

- Changes in the risk adjustment for non-financial risk relating to future service. The Company has elected not to disaggregate the change in the risk adjustment for non-financial risk between:

- a change related to non-financial risk and
- the effect of the time value of money and changes in the time value of money.
- Differences between the amount of investment components that were expected to be payable in the period and the amount of investment components that became payable. The amount of investment components expected to be payable in the period is measured at the discount rates applicable before it became payable.

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

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

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

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

- The effect of any new contracts added to the Company.
- Interest accreted on the carrying amount of the CSM measured at the discount rates determined at initial recognition.
- The changes in fulfilment cash flows related to future service, except:
- Increases in fulfilment cash flows that exceed the carrying amount of the CSM, giving rise to a loss that results in the Company of contracts becoming onerous or more onerous.
- Decreased fulfilment cash flows that reverse a previously recognized loss on a Company of onerous contracts.
- The effect of any currency exchange differences on the CSM
- The amount recognized as insurance revenue because of the transfer of insurance contract services in the period, determined by the allocation of the CSM remaining at the end of the reporting period over the current and remaining coverage period. An amount of the CSM is released to profit or loss in each period during which the insurance contract services are provided. In determining the amount of the CSM to be released in each period, the Company follows three steps:

- Determine the total number of coverage units in the Company. The amount of coverage units in the Company is determined by considering the quantity of benefits provided under the contract and the expected coverage period for each contract.

- Allocate the CSM at the end of the period (before any of it is released to profit or loss to reflect the insurance contract services provided in the period) equally to each of the coverage units provided in the current period and expected to be provided in the future.

- Recognize in profit or loss the amount of CSM allocated to the coverage units provided during the period.

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

1.3 New Business CSM

Under IFRS 17 reporting, the impact of new business will need to be disclosed to show whether new contracts written are profitable or onerous at inception.

The table below shows the expected cashflows and the initial CSM calculated for the new business written in 2025:

Insurance contracts recognised in a year	Endowment	Protection	Investment linked	Annuity
Estimate of future cash inflows	-	18,613	7,490,478	-
Estimate of future cash outflows				
Claims	-	9,248	10,302,203	-
Directly attributable expenses	-	36,542	29,344,679	-
Acquisition cash flows	-	186	910,905	-
	-	45,976	40,557,787	-
Risk adjustment for non financial risk	-	547	718,793	-
Contractual service margin	-	-	-	-
Total insurance contract liabilities at inception	-	27,910	33,786,102	-

2 Premium Allocation Approach

Insurance contracts

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

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

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

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

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

PAA Eligibility calculation and materiality

As part of the decision to adopt Premium Allocation Approach(PAA) for the measurement of insurance contract liabilities, an analysis of the portfolios was performed and the result of the analysis showed that 99.8%of the contracts inforce as at the valuation date of 31st December 2025 have contract boundaries of one year or less, hence qualified for the use of PAA approach.

The general principle is that long-dated contracts are eligible for the PAA if the liability for remaining coverage(LRC) under PAA calculation is comparable to that under the GMM

The table below shows the summary of the income inforce Gross premium written split by the contract boundary

Summary of gross premium for contracts issued in 2025			
Portfolios	One year or less (PAA eligible)	Above one year	%
			Difference
	N'000	N'000	
Fire	3,153,722	2,942	0.02%
Marine	1,074,712	-	0.00%
Motor	2,294,120	218	0.00%
Engineering	1,870,118	12,711	0.07%
General accident	2,904,978	4,662	0.02%
Oil & Gas	3,773,781	1,065,686	5.66%
Aviation	632,075	-	0.00%
Bond	2,032,244	1,410	0.01%
Total	17,735,750	1,087,629	5.8%

The above table confirms that contracts above one year are not material and would result in immaterial differences between using PAA and GMM for those contracts hence PAA model was applied across all contracts in all portfolios.

Insurance acquisition cash flows

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

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

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

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

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

3 Onerous contracts

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

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

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

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

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

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

I Measurement of Reinsurance contracts held

I.i Recognition

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

I.ii Reinsurance contracts held measured under the PAA

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

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

I.iii Reinsurance contracts held measured under the General Model

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

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

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

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

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

J Modification and Derecognition

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

- If the modified terms were included at contract inception the Company would have concluded that the modified contract:
 - Is outside of the scope of IFRS 17
 - Results in a different insurance contract due to separating components from the host contract
 - Results in a substantially different contract boundary
 - Would be included in a different Company of contracts.
- The original contract met the definition of an insurance contract with direct participating features, but the modified contract no longer meets the definition.

- The original contract was accounted for applying the PAA, but the modified contract no longer meets the PAA eligibility criteria for that approach.

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

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

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

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

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

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

K Presentation

The Company has presented separately in the consolidated statement of financial position the carrying amount of portfolios of insurance contracts that are assets and those that are liabilities, and the portfolios of reinsurance contracts held that are assets and those that are liabilities. The Company disaggregates the amounts recognized in the consolidated statement of profit or loss and other comprehensive income into an insurance service result sub-total that comprises insurance revenue and insurance service expenses and, separately from the insurance service result, the 'net insurance finance income or expenses' sub-total.

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

3.1 Insurance Revenue

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

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

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

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

3.2 Insurance service expenses

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

- Changes in the LIC related to claims and expenses incurred in the period excluding repayment of investment components.
- Changes in the LIC related to claims and expenses incurred in prior periods (related to past service)
- Other directly attributable insurance service expenses incurred in the period.
- Amortization of insurance acquisition cash flows, which is recognized at the same amount in both insurance service expenses and insurance contract revenue.
- Loss component of onerous groups of contracts initially recognized in the period.
- Changes in the LRC related to future service that do not adjust the CSM, because they are changes in the loss components of onerous group of contracts.

3.3 Income or expenses from reinsurance contracts held.

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

- Amount recovered from reinsurers.

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

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

- Changes in the fulfillment cash flows of the underlying insurance contracts that relate to future service and do not adjust the CSM of the respective group to which the underlying insurance contracts belong.
- Reversals of loss recovery component to the extent those reversals are not changes in the fulfillment cash flows of the Company of reinsurance contracts held.
- Allocations of the loss recovery component against the amounts recovered from reinsurers reported in line with the associated reinsured incurred claims or expenses.

3.4 Insurance finance income and expenses

Insurance finance income or expenses present the effect of the time value of money and the change in the time value of money, together with the effect of financial risk and changes in financial risk of a group of insurance contracts and a group of reinsurance contracts held. The use of OCI presentation for insurance finance income and expenses The Company has an accounting policy choice to present all the period's insurance finance income or expenses in profit or loss or to split the amount between profit or loss and other comprehensive income (OCI).

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

3.5 Discount Rate Methodology

In determining discount rates for different products, Lasaco uses the bottom-up approach for all products under the Company's business units. In applying the bottom-up approach, Lasaco has considered assets in the market with similar characteristics as the insurance liabilities of Lasaco.

The FGN bonds issued in the Nigerian market represent assets that would most closely match the liabilities of Lasaco in terms of timing and currency.

The discount rate adopted by the Company is derived by referencing the Nigerian Actuarial Society (NAS) yield curve based on the FGN bonds backing the liabilities of the life fund.

4 New standards, interpretations and amendments

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

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

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

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

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

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

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

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

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

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

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

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

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

The amendments clarify the following:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

	NOTES	Group 2025 N'000	Group 2024 N'000	Company 2025 N'000	Company 2024 N'000
Assets					
Cash and cash equivalents	4	14,817,185	10,345,031	13,517,583	9,603,420
Financial assets:					
- At fair value through profit or loss	5.1	357,452	387,680	357,452	387,680
- At fair value through other comprehensive income	5.2	859,449	290,777	859,449	290,777
- At amortised cost	5.3	2,133,084	1,755,636	2,133,084	1,755,636
Trade receivables	6	1,009,943	1,011,043	1,009,943	1,011,043
Reinsurance contract assets	7	4,016,777	3,362,448	4,016,777	3,362,448
Other receivables and prepayments	8	356,357	1,368,909	272,212	1,270,344
Investment properties	9	10,562,129	8,185,379	10,412,130	7,704,379
Investment in subsidiaries	10	-	-	1,000,000	1,000,000
Statutory deposit	11	535,150	535,150	535,150	535,150
Intangible assets	12	267,575	311,011	266,675	310,111
Property, plant and equipment	13	4,324,470	3,711,260	4,324,470	3,711,260
Total assets		39,239,571	31,264,324	38,704,925	30,942,248
Liabilities and shareholders' funds					
Liabilities					
Insurance contract liabilities	14	15,261,325	15,269,897	15,261,325	15,269,895
Investment contract liabilities	15	-	-	-	-
Other technical liabilities	16	1,329,669	1,728,751	1,329,669	1,728,751
Other payables and accruals	17	1,041,593	1,226,574	1,066,695	1,206,163
Income tax liabilities	18	296,863	368,479	211,329	350,396
Deferred tax liabilities	19	949,901	408,017	901,994	408,017
Total liabilities		18,879,351	19,001,718	18,771,012	18,963,222
Equity					
Share capital	20	5,541,793	916,793	5,541,793	916,793
Share premium	21	9,889,303	3,690,991	9,889,303	3,690,991
Statutory contingency reserve	23	4,255,054	3,568,838	4,255,054	3,568,838
Retained earnings	24	(710,081)	2,825,852	(1,136,388)	2,542,270
Fair value through other comprehensive income	25	434,535	437,340	434,535	437,340
Assets revaluation reserve	26	949,616	822,792	949,616	822,792
Shareholders' funds		20,360,220	12,262,606	19,933,913	11,979,024
Total liabilities and shareholders' funds		39,239,571	31,264,324	38,704,925	30,942,248

The financial statements were approved and authorised for issue by the Board of Directors on 10 April 2026 and signed on its behalf by:


.....
Olateju Philips
Chairman
FRC/2013/IODN/0000002517


.....
Ademoye Shobo
Managing Director/CEO
FRC/2026/PRO/DIR/003/017154


.....
Moradeyo Olubukola
Chief Financial Officer
FRC/2021/PRO/ICAN/001/00000024062

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

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CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2025

	NOTE	Group 2025 N'000	Group 2024 N'000	Company 2025 N'000	Company 2024 N'000
Insurance revenue	27	30,861,346	22,819,054	30,861,346	22,819,054
Insurance service expenses	28	(26,751,097)	(20,801,571)	(26,751,097)	(20,801,571)
Net expenses from reinsurance contract held	29	(6,783,739)	(3,232,213)	(6,783,739)	(3,232,213)
Insurance service result		(2,673,490)	(1,214,730)	(2,673,490)	(1,214,730)
Interest revenue calculated using effective interest method	32.1	3,435,606	2,204,375	3,263,656	2,079,310
Other investment income	32.2	100,025	47,003	100,025	47,003
Net fair value gain	33	2,891,122	3,182,002	2,866,122	3,112,252
Net impairment writeback on financial assets	38	5,311	22,475	5,311	22,475
Investment result		6,432,064	5,455,855	6,235,114	5,261,040
Net finance (expenses)/income from insurance contract	30	(665,340)	5,810	(665,340)	5,810
Net finance income/(expense) from reinsurance contract held	31	174,962	(16,818)	174,962	(16,818)
Net foreign exchange gains	34	494,864	3,290,359	494,864	3,240,711
Net investment results		6,436,550	8,735,206	6,239,600	8,490,743
Net insurance and investment results		3,763,060	7,520,476	3,566,110	7,276,013
Other operating income	35	607,017	426,878	184,307	301,364
Operating expenses	37	(6,981,314)	(6,005,182)	(6,637,821)	(5,936,870)
(Loss)/profit before taxation		(2,611,237)	1,942,172	(2,887,404)	1,640,507
Income tax	18	(238,480)	(123,108)	(105,038)	(105,025)
(Loss)/profit after taxation		(2,849,717)	1,819,064	(2,992,442)	1,535,482
Other comprehensive income:					
Items that may be reclassified to the profit or loss:		-	-	-	-
Items that will be reclassified to the profit or loss:		-	-	-	-
Revaluation surplus on property, plant and equipment	13	126,824	285,972	126,824	285,972
Fair loss on unquoted equity	5.2b	(2,805)	-	(2,805)	-
Other Comprehensive income		124,019	285,972	124,019	285,972
Total comprehensive (loss)/income for the year		(2,725,698)	2,105,036	(2,868,423)	1,821,454
(Loss)/earning per shares	41	(25.71)	99.21	(27.00)	83.74

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

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LASACO ASSURANCE PLC
STATEMENT OF CHANGES IN EQUITY - COMPANY
FOR THE YEAR ENDED 31 DECEMBER 2025

Company	Share capital N'000	Share premium N'000	Deposit for shares N'000	Contingency reserve N'000	FVOCI Reserve N'000	Asset revaluation reserve N'000	Retained earnings N'000	Total equity N'000
Balance 1 January, 2025	916,793	3,690,991	-	3,568,838	437,340	822,792	2,542,270	11,979,024
Total comprehensive income for the year:								
Loss for the year	-	-	-	-	-	-	(2,992,442)	(2,992,442)
Transfer to contingency reserve	-	-	-	686,216	-	-	(686,216)	-
Changes in valuation of land and building	-	-	-	-	-	126,824	-	126,824
Fair value gain on FVOCI	-	-	-	-	(2,805)	-	-	(2,805)
Total comprehensive income for the year	-	-	-	686,216	(2,805)	126,824	(3,678,658)	(2,868,423)
Transactions with owners, recorded directly in equity								
Issue of shares during the year	4,625,000	6,198,312	-	-	-	-	-	10,823,312
Dividend paid during the year	-	-	-	-	-	-	-	-
Balance 31 December, 2025	5,541,793	9,889,303	-	4,255,054	434,535	949,616	(1,136,388)	19,933,913
Balance 1 January, 2024	916,793	3,690,991	3,500,000	3,017,419	437,340	536,820	1,558,207	13,657,570
Total comprehensive income for the year:								
Profit for the year	-	-	-	-	-	-	1,535,482	1,535,482
Transfer to contingency reserve	-	-	-	551,419	-	-	(551,419)	-
Changes in valuation of land and building	-	-	-	-	-	285,972	-	285,972
Fair value gain on FVOCI	-	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	551,419	-	285,972	984,063	1,821,454
Transactions with owners, recorded directly in equity								
Transfer to share account	-	-	(3,500,000)	-	-	-	-	(3,500,000)
Balance 31 December, 2024	916,793	3,690,991	-	3,568,838	437,340	822,792	2,542,270	11,979,024

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

LASACO ASSURANCE PLC
STATEMENT OF CHANGES IN EQUITY - GROUP
FOR THE YEAR ENDED 31 DECEMBER 2025

Group	Share capital N'000	Share premium N'000	Deposit for shares N'000	Contingency reserve N'000	FVOCI Reserve N'000	Asset revaluation N'000	Retained earnings N'000	Total equity N'000
Balance 1 January, 2025	916,793	3,690,991	-	3,568,838	437,340	822,792	2,825,852	12,262,606
Total comprehensive income for the year:	-	-	-	-	-	-	-	-
Loss for the year	-	-	-	-	-	-	(2,849,717)	(2,849,717)
Transfer to contingency reserve	-	-	-	686,216	-	-	(686,216)	-
Changes in valuation of land and building	-	-	-	-	-	126,824	-	126,824
Fair value gain on FVOCI	-	-	-	-	(2,805)	-	-	(2,805)
Transactions with owners, recorded directly in equity								
Transfer to share account	-	-	-	-	-	-	-	-
Dividend paid during the year	-	-	-	-	-	-	-	-
Issue of shares during the year	4,625,000	6,198,312	-	-	-	-	-	10,823,312
Balance 31 December, 2025	5,541,793	9,889,303	-	4,255,054	434,535	949,616	(710,081)	20,360,220
Balance 1 January, 2024	916,793	3,690,991	3,500,000	3,017,419	437,340	536,820	1,558,207	13,657,570
Total comprehensive income for the year:								
Profit for the year	-	-	-	-	-	-	1,819,064	1,819,064
Transfer to contingency reserve	-	-	-	551,419	-	-	(551,419)	-
Changes in valuation of land and building	-	-	-	-	-	285,972	-	285,972
Fair value gain on FVOCI	-	-	-	-	-	-	-	-
Transactions with owners, recorded directly in equity								
Transfer to share account	-	-	(3,500,000)	-	-	-	-	(3,500,000)
Dividend paid during the year	-	-	-	-	-	-	-	-
Issue of shares during the year	-	-	-	-	-	-	-	-
Balance 31 December, 2024	916,793	3,690,991	-	3,568,838	437,340	822,792	2,825,852	12,262,606

LASACO ASSURANCE PLC
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2025

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		Group 2025	Group 2024	Company 2025	Company 2024
	Notes	N'000	N'000	N'000	N'000
Cash flows from operating activities:					
Premium received from policy holders	6(b)	29,039,296	24,399,745	29,039,296	24,399,745
Premium received from deposit administration	15	-	399,866	-	399,866
Reinsurance premium paid net of commission	7.1	(10,559,352)	(6,048,494)	(10,559,352)	(6,048,494)
Claims paid	14.1.3	(18,577,197)	(8,080,978)	(18,577,197)	(8,080,978)
Other insurance expenses	14.1.3	(3,456,227)	(5,963,130)	(3,456,227)	(5,963,130)
Deposit administration withdrawals	15	(655,126)	(404,984)	(655,126)	(404,984)
Claims received from coinsurers	6(d)	2,209,708	2,923,091	2,209,708	2,923,091
Rental income	35	23,463	16,500	23,463	16,500
Other income received	35	85,705	-	84,479	-
Management fee	35	83,484	-	60,620	-
Reinsurance claims & expenses received	7.1	3,296,246	1,982,854	3,296,246	1,982,854
Commission paid	16(b)	(5,510,621)	(3,458,721)	(5,510,621)	(3,458,721)
Deposit received in advance	16	1,307,238	1,693,552	1,307,238	1,693,552
Dividend transferred to Security and Exchange Commission	17.1(b)	(154,680)	-	(154,680)	-
Cash paid to and on behalf of employees	37	(2,094,957)	(2,604,346)	(2,094,957)	(2,604,346)
Other operating cash payments		(4,437,266)	(6,725,686)	(4,106,117)	(6,705,435)
Company income tax paid	18	(244,106)	(94,905)	(244,106)	(94,905)
Net cash absorbed from operating activities	43	(9,644,392)	(1,965,636)	(9,337,333)	(1,945,385)
Cash flows from investing activities:					
Proceeds from redemption of Bonds	5.3(a)	779,768	1,046,891	779,768	1,046,891
Purchase of Bonds	5.3(a)	(169,876)	-	(169,876)	-
Proceeds from redemption of other amortised cost	5.3(d)	-	2,199,052	-	2,199,052
Purchase of fixed deposits and treasury bills	5.3(d)	(993,806)	-	(993,806)	-
Proceeds from sales of assets FVPL	32.2	428,664	-	428,664	-
Acquisition of investment properties	9	(240,065)	(425,250)	(240,065)	(14,000)
Acquisition of intangible assets	12	(104,924)	(293,386)	(104,024)	(292,486)
Additional investment in subsidiaries	10	-	-	-	(361,690)
Proceeds from disposal on investment property	9(a)	694,000	160,000	-	-
Acquisition of property, plant and equipment	13	(702,472)	(714,082)	(702,472)	(714,082)
Proceeds from disposal on property, plant and equipment	39	66,314	15,299	66,314	15,299
Interest income	32.1	3,435,606	2,204,375	3,263,656	2,079,310
Dividend Income	32.2	100,025	47,003	100,025	47,003
Net cash inflow from investing activities		3,293,234	4,239,902	2,428,184	4,005,297
Cash flows from financing activities					
Dividends paid to equity holders		-	-	-	-
Cashflow from issue of shares	21(a)	10,823,312	-	10,823,312	-
Net cash inflow from financing activities		10,823,312	-	10,823,312	-
Net increase in cash and cash equivalents		4,472,154	2,274,266	3,914,163	2,059,912
Cash and cash equivalents at beginning of the year		10,345,031	8,713,710	9,603,420	8,713,710
Effect of movements in exchange rates on cash and cash equivalents		-	(642,945)	-	(1,170,202)
Cash and cash equivalents at end of the year		<u>14,817,185</u>	<u>10,345,031</u>	<u>13,517,583</u>	<u>9,603,420</u>
Represented by:					
Cash and cash equivalents at end of the year	4	14,817,185	10,345,031	13,517,583	9,603,420

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

Auditor's report, pages 1 to 4

4 Cash and Cash Equivalents	Group	Group	Company	Company
	2025	2024	2025	2024
	N'000	N'000	N'000	N'000
Cash - petty cash	-	-	-	65
Balances with local banks	1,545,260	1,505,845	1,427,166	1,348,243
Placement with banks (Note 4(a))	13,300,108	8,871,601	12,118,600	8,287,527
Total cash and cash equivalents	14,845,368	10,377,446	13,545,766	9,635,835
Allowance for credit losses (Note 4(b))	(28,183)	(32,415)	(28,183)	(32,415)
Carrying value of cash and cash equivalents	14,817,185	10,345,031	13,517,583	9,603,420
Current	14,817,185	10,345,031	13,517,583	9,603,420
Non-current	-	-	-	-

Short-term deposits are made for varying periods averaging between 1 - 90 days depending on the immediate cash requirements of the Company. All deposits are subject to an average interest rate of 21.5%. The carrying amounts disclosed above reasonably approximate fair value at the reporting date.

	Group	Group	Company	Company
	31 December 2025	31 December 2024	31 December 2025	31 December 2024
	N'000	N'000	N'000	N'000
(a) Short-term deposits				
Balance at the beginning of the year	8,871,601	3,980,928	8,287,527	3,980,928
Additions during the year	10,917,988	4,890,673	10,317,988	4,306,599
Liquidation during the year	(9,042,568)	-	(8,868,083)	-
Interest earned (Note 32.1)	2,553,087	-	2,381,168	-
Interest earned on placement for policy holders	-	-	-	-
Balance at the end of the year	13,300,108	8,871,601	12,118,600	8,287,527
(b) Allowance for credit losses				
Balance at the beginning of the year	32,415	55,241	32,415	55,241
Reversal of credit losses (Note 38)	(4,232)	(22,826)	(4,232)	(22,826)
Balance at the end of the year	28,183	32,415	28,183	32,415

5 Financial Assets

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

Fair value through profit or loss (Note 5.1)	357,452	387,680	357,452	387,680
Fair value through other comprehensive income (Note 5.2)	859,449	290,777	859,449	290,777
Financial assets at amortised cost (Note 5.3)	2,133,084	1,755,636	2,133,084	1,755,636
	3,349,985	2,434,093	3,349,985	2,434,093
Current	-	-	-	-
Non-current	3,349,985	2,434,093	3,349,985	2,434,093
	3,349,985	2,434,093	3,349,985	2,434,093

5.1 Financial assets at fair value through profit or loss

Balance at the beginning of the year	387,680	398,053	387,680	398,053
Unrealized fair value gain/(loss) during the year (Note 33)	93,015	(10,373)	93,015	(10,373)
Disposal	(123,243)	-	(123,243)	-
Balance at the end of the year	357,452	387,680	357,452	387,680

(a) Disposal of financial assets at FVTPL:

Proceeds from the disposal of FVTPL	428,664	-	428,664	-
Carrying amount of FVTPL	(123,243)	-	(123,243)	-
Profit/(loss) during the year (Note 32.2)	305,421	-	305,421	-

(b) Fair value through profit or loss

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

5.2 Fair value through other comprehensive income

Equity investments at FVOCI comprise the following individual investments:

	Group	Group	Company	Company
	2025	2024	2025	2024
	N'000	N'000	N'000	N'000
Equity securities				
Fair value				
Energy & Allied Insurance Pool	574,100	119,153	574,100	119,153
Nigeria Liability Insurance Pool	9,587	18,761	9,587	18,761
WAICA Reinsurance Co. Limited	211,765	95,236	211,765	95,236
Health Care International	63,997	57,627	63,997	57,627
	<u>859,449</u>	<u>290,777</u>	<u>859,449</u>	<u>290,777</u>

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

	N'000	N'000	N'000	N'000
Balance at the beginning of the year	290,777	290,777	290,777	290,777
Foreign exchange gain (Note 34)	571,477	-	571,477	-
Fair value loss	(2,805)	-	(2,805)	-
Balance at the end of the year	<u>859,449</u>	<u>290,777</u>	<u>859,449</u>	<u>290,777</u>

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

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

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

5.3 Financial assets at amortised cost

	N'000	N'000	N'000	N'000
Bonds (Note 5.3(a))	904,697	1,519,924	904,697	1,519,924
Fixed deposits and Treasury bills (Note 5.3(d))	1,228,387	235,712	1,228,387	235,712
	<u>2,133,084</u>	<u>1,755,636</u>	<u>2,133,084</u>	<u>1,755,636</u>

(a) Bonds

Balance at the beginning of the year	1,519,924	2,364,701	1,519,924	2,364,701
Purchases during the year	169,876	-	169,876	-
Accrued interest capitalised (Note 32.1)	-	207,787	-	207,787
Repayment during the year	(779,768)	(1,046,891)	(779,768)	(1,046,891)
	<u>910,032</u>	<u>1,525,597</u>	<u>910,032</u>	<u>1,525,597</u>
Allowance for credit losses (Note 5.3(e))	(5,335)	(5,673)	(5,335)	(5,673)
Balance at the end of the year	<u>904,697</u>	<u>1,519,924</u>	<u>904,697</u>	<u>1,519,924</u>

(b) Breakdown of the bonds

	Maturity date	Coupon Rate	Frequency	2025	2024
				N'000	N'000
Federal Government Bond	March 2029	13.53%	Half yearly	-	158,862
Federal Government Bond	Feb-28	13.98%	Half yearly	359,679	906,603
Lagos State Bond	Dec-30	12.50%	Half yearly	-	43,003
Lagos State Bond	December 2033	15.25%	Half yearly	46,369	48,003
Lagos State Bond	December 2031	13.00%	Half yearly	334,108	369,126
Federal Government Bond	April 2026	18.90%	Half yearly	119,876	-
Lagos State Bond	November 2026	16.25%	Half yearly	50,000	-
				<u>910,032</u>	<u>1,525,597</u>

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

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS, 31 DECEMBER 2025

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

	Group 31 December 2025	Group 31 December 2024	Company 31 December 2025	Company 31 December 2024	
(d) Fixed deposits and Treasury bills	N'000	N'000	N'000	N'000	
Balance at the beginning of the year	235,712	2,386,349	235,712	2,386,349	
Additions during the year	993,806	-	993,806	-	
Liquidation during the year	-	(2,199,052)	-	(2,199,052)	
Interest earned on treasury for annuity (Note 32.1)	-	50,250	-	50,250	
	1,229,518	237,547	1,229,518	237,547	
Allowance for credit losses (Note 5.3(e))	(1,131)	(1,835)	(1,131)	(1,835)	
Balance at the end of the year	1,228,387	235,712	1,228,387	235,712	
(e) Allowance for credit losses on financial assets at amortised cost:	N'000	N'000	N'000	N'000	
Balance at the beginning of the year	7,508	6,580	7,508	6,580	
Movement during the year (Note 38)	(1,042)	928	(1,042)	928	
Balance at the end of the year	6,466	7,508	6,466	7,508	
Further analysis of allowance for credit losses	N'000	N'000	N'000	N'000	
Bond (Note 5.3(a))	5,335	5,673	5,335	5,673	
Fixed deposit and Treasury bill (Note 5.3(d))	1,131	1,835	1,131	1,835	
	6,466	7,508	6,466	7,508	
6 Trade Receivables	N'000	N'000	N'000	N'000	
Amount due from Insurance Brokers (Note 6(b))	1,009,943	768,218	1,009,943	768,218	
Receivables from Coinsurance (Note 6(d))	-	242,825	-	242,825	
Receivable from reinsurance companies (Noted 6(d))	-	-	-	-	
	1,009,943	1,011,043	1,009,943	1,011,043	
(a) Analysis of Trade Receivables	N'000	N'000	N'000	N'000	
Current	1,009,943	1,011,043	1,009,943	1,011,043	
Non-current	-	-	-	-	
(b) Movement in due from insurance brokers	N'000	N'000	N'000	N'000	
Balance at the beginning of the year	768,218	356,296	768,218	356,296	
Gross premium written - Life business Insurance contract	12,151,040	9,440,584	12,151,040	9,440,584	
Gross premium written - General business Insurance contract	18,823,533	15,371,083	18,823,533	15,371,083	
Premium deposit received in advance in previous period	(1,693,552)	-	(1,693,552)	-	
Premium received during the year	(29,039,296)	(24,399,745)	(29,039,296)	(24,399,745)	
Balance at the end of the year	1,009,943	768,218	1,009,943	768,218	
(c) Age analysis of receivables from brokers					
	Age of debt	No of Policies	2025 N'000	No of Policies	2024 N'000
	Within 14 days	70	690,271	89	350,115
	Within 15 to 30 days	71	319,672	82	418,103
	Total		1,009,943		768,218
	Premium receivables are receivables from insurance brokers as at year end and these have been collected subsequent to the year ended 31 December, 2025				
(d) Receivables from Coinsurance/Reinsurance	N'000	N'000	N'000	N'000	
Receivable from coinsurance companies	-	242,825	-	242,825	
Receivable from reinsurance companies	-	-	-	-	
	-	242,825	-	242,825	
(d) Movement in receivables from coinsurance	N'000	N'000	N'000	N'000	
Balance as at beginning of the year	242,825	320,373	242,825	320,373	
Amount recoverable from incurred claims	1,966,883	2,845,543	1,966,883	2,845,543	
Claim received from co insurers	(2,209,708)	(2,923,091)	(2,209,708)	(2,923,091)	
Balance as at end of the year	-	242,825	-	242,825	
7 Reinsurance contract Assets	N'000	N'000	N'000	N'000	
Asset for remaining coverage	1,929,872	1,538,214	1,929,872	1,538,214	
Asset for incurred claims	2,086,905	1,824,234	2,086,905	1,824,234	
	4,016,777	3,362,448	4,016,777	3,362,448	
Current	4,016,777	3,362,448	4,016,777	3,362,448	
Non-current	-	-	-	-	

7.1 Reconciliation of reinsurance contract assets - Aggregate

	Assets for remaining coverage		Assets for Incurred claims		31-Dec-25	Assets for remaining coverage		Assets for Incurred claims		31-Dec-24
	Non -Loss component	Loss recovery component	Estimate of present value for future cashflows	Risk adjustment for non financial risks	Total	Non -Loss component	Loss recovery component	Estimate of present value for future cashflows	Risk adjustment for non financial risks	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Opening Balance										
Reinsurance contract assets	1,538,213	-	1,756,877	67,357	3,362,447	857,250	-	1,618,978	69,612	2,545,840
Deferred commission	-	-	-	-	-	-	-	-	-	-
Net reinsurance asset	1,538,213	-	1,756,877	67,357	3,362,447	857,250	-	1,618,978	69,612	2,545,840
Allocation of reinsurance premium paid	(10,167,693)	-	-	9,667	(10,158,026)	(5,367,530)	-	-	1,299	(5,366,231)
Amount recovered from reinsurers	-	-	-	-	-	-	-	-	-	-
Reinsurance recoveries	-	-	3,891,199	-	3,891,199	-	-	2,592,769	-	2,592,769
Changes related to future services	-	-	-	-	-	-	-	-	-	-
Changes related to past service	-	-	(516,586)	(326)	(516,912)	-	-	(455,198)	(3,554)	(458,752)
Net expenses from reinsurance contract held	(10,167,693)	-	3,374,613	9,341	(6,783,739)	(5,367,530)	-	2,137,571	(2,255)	(3,232,214)
Reinsurance finance income	-	-	174,963	-	174,963	-	-	(16,818)	-	(16,818)
Total changes in the statement of profit or loss and OCI	(10,167,693)	-	3,549,576	9,341	(6,608,776)	(5,367,530)	-	2,120,753	(2,255)	(3,249,032)
<i>Cash flows in the period:</i>										
Reinsurance premium paid net of commission	10,559,352	-	-	-	10,559,352	6,048,494	-	-	-	6,048,494
Reinsurance claims & expenses received	-	-	(3,296,246)	-	(3,296,246)	-	-	(1,982,854)	-	(1,982,854)
Net cash inflow/(outflow)	10,559,352	-	(3,296,246)	-	7,263,106	6,048,494	-	(1,982,854)	-	4,065,640
Closing Balance	1,929,872	-	2,010,207	76,698	4,016,777	1,538,214	-	1,756,877	67,357	3,362,448

7.2 Reconciliation of general reinsurance contract assets - measured under PAA

	Asset for remaining coverage		Asset for Incurred claims		31-Dec-25	Asset for remaining coverage		Asset for Incurred claims		31-Dec-24
	Non -Loss recovery	Loss recovery	Estimate of present value for future cashflows	Risk adjustment for non financial risks	Total	Non -Loss recovery	Loss recovery	Estimate of present value for future cashflows	Risk adjustment for non financial risks	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Opening balance										
Reinsurance contract assets	1,202,508	-	1,037,768	66,058	2,306,334	638,308	-	961,727	69,612	1,669,647
Reinsurance contract assets	1,202,508	-	1,037,768	66,058	2,306,334	638,308	-	961,727	69,612	1,669,647
Allocation of reinsurance premium paid	(7,395,046)	-	-	-	(7,395,046)	(3,597,196)	-	-	-	(3,597,196)
Reinsurance recoveries	-	-	1,433,513	-	1,433,513	-	-	1,197,228	-	1,197,228
Changes related to past service	-	-	(60,721)	(326)	(61,047)	-	-	(279,906)	(3,554)	(283,460)
Net expenses from reinsurance contract held	-	-	1,372,792	(326)	1,372,466	-	-	917,322	(3,554)	913,768
Reinsurance finance income	-	-	75,543	-	75,543	-	-	(16,818)	-	(16,818)
Total changes in the stament of profit or loss and OCI	(7,395,046)	-	1,448,335	(326)	(5,947,037)	(3,597,196)	-	900,504	(3,554)	(2,700,246)
<i>Cash flows in the period:</i>										
Reinsurance premium paid net of commission	7,406,372	-	-	-	7,406,372	4,161,397	-	-	-	4,161,397
Reinsurance claims & expenses received	-	-	(1,402,638)	-	(1,402,638)	-	-	(824,463)	-	(824,463)
Net cash (outflow)/inflow	7,406,372	-	(1,402,638)	-	6,003,734	4,161,397	-	(824,463)	-	3,336,934
Closing Reinsurance assets	1,213,834	-	1,083,465	65,732	2,363,031	1,202,509	-	1,037,768	66,058	2,306,335

NOTES TO THE FINANCIAL STATEMENTS

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

	31 December 2025				Total	31 December 2024				
	Assets for remaining coverage		Assets for Incurred claims			Assets for remaining coverage		Assets for Incurred claims		
	Non -Loss component	Loss recovery component	Estimate of present value for future cashflows	Risk adjustment for non financial risks		Non -Loss component	Loss recovery component	Estimate of present value for future cashflows	Risk adjustment for non financial risks	
Opening balance	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	
Reinsurance contract assets	335,705	-	719,109	1,299	1,056,113	218,942	-	657,251	876,193	
Net reinsurance assets	335,705	-	719,109	1,299	1,056,113	218,942	-	657,251	876,193	
Allocation of reinsurance premium paid	(2,772,647)	-	-	9,667	(2,762,980)	(1,770,334)	-	-	1,299	(1,769,035)
Reinsurance recoveries	-	-	2,457,686	-	2,457,686	-	-	1,395,541	-	1,395,541
Changes related to future service	-	-	(455,865)	-	(455,865)	-	-	(175,292)	-	(175,292)
Changes related to past service	-	-	(455,865)	-	(455,865)	-	-	(175,292)	-	(175,292)
Net expenses from reinsurance contract held			2,001,820		2,001,821			1,220,249		1,220,249
Reinsurance finance income	-	-	99,420	-	99,420	-	-	-	-	-
Total changes in the statement of profit or loss and OCI	(2,772,647)		2,101,240	9,667	(661,740)	(1,770,334)		1,220,249	1,299	(548,786)
Cash flows in the period:										
Reinsurance premium paid net of commission	3,152,980	-	-	-	3,152,980	1,887,097	-	-	-	1,887,097
Reinsurance claims & expenses received	-	-	(1,893,608)	-	(1,893,608)	-	-	(1,158,391)	-	(1,158,391)
Net cash (outflow)/inflow	3,152,980		(1,893,608)		1,259,372	1,887,097		(1,158,391)		728,706
Closing Reinsurance contract assets	716,038	-	926,741	10,966	1,653,745	335,705	-	719,109	1,299	1,056,113

	Group 2025	Group 2024	Company 2025	Company 2024
	N'000	N'000	N'000	N'000
8 Other receivables and prepayments				
Prepaid rent (Note 8(a))	23,223	64,128	23,223	64,128
Staff Loan (Note 8(b))	56,084	98,663	56,084	98,663
Other prepayment	111,653	80,965	111,653	80,965
Policy loan	-	7,520	-	7,520
Interest receivable	18,075	918,130	18,075	918,130
Deposit for land	30,000	30,000	30,000	30,000
Stock brokers' current accounts	21,838	21,838	21,838	21,838
Other receivables (Note 8(c))	95,484	147,665	11,339	49,100
	<u>356,357</u>	<u>1,368,909</u>	<u>272,212</u>	<u>1,270,344</u>
Current	356,357	1,368,909	272,212	1,270,344
Non-current	-	-	-	-
	<u>356,357</u>	<u>1,368,909</u>	<u>272,212</u>	<u>1,270,344</u>
(a) Prepaid rent	N'000	N'000	N'000	N'000
Balance at the beginning of the year	39,273	93,866	39,273	93,866
Rent paid during the year	42,079	21,225	42,079	21,225
Amortised rent during the year (Note 37(c))	(58,129)	(75,818)	(58,129)	(75,818)
Balance at the end of the year	<u>23,223</u>	<u>39,273</u>	<u>23,223</u>	<u>39,273</u>
(b) Staff loans	N'000	N'000	N'000	N'000
Balance at the beginning of the year	98,704	119,008	98,704	119,008
Additions during the year	8,701	-	8,701	-
Repayment during the year	(51,318)	(20,304)	(51,318)	(20,304)
Balance at the end of the year	56,087	98,704	56,087	98,704
Expected credit loss (Note 8(d))	(3)	(41)	(3)	(41)
	<u>56,084</u>	<u>98,663</u>	<u>56,084</u>	<u>98,663</u>
(c) Other receivables	N'000	N'000	N'000	N'000
Sundry debtors	11,339	42,799	11,339	-
Other loan	29,442	55,766	-	-
SUBEB/LG fund	-	49,100	-	49,100
Due from facility management	54,703	-	-	-
Expected credit loss (Note 8(f))	-	-	-	-
	<u>95,484</u>	<u>147,665</u>	<u>11,339</u>	<u>49,100</u>
(d) Expected credit loss on staff loans	N'000	N'000	N'000	N'000
Balance at the beginning of the year	41	57	41	57.00
Allowance of credit loss during the year	(38)	(16)	(38)	(16)
Balance at the end of the year	<u>3</u>	<u>41</u>	<u>3</u>	<u>41</u>
(e) Expected credit loss on other assets	N'000	N'000	N'000	N'000
Balance at the beginning of the year	-	-	-	-
Allowance of credit loss during the year	-	-	-	-
Balance at the end of the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

	Group 2025 N'000	Group 2024 N'000	Company 2025 N'000	Company 2024 N'000
(f) Expected credit loss on other receivables				
Balance at the beginning of the year	-	561	-	561
Allowance of credit loss during the year (Note 38)	-	(561)	-	(561)
Balance at the end of the year	-	-	-	-
9 Investment Properties	N'000	N'000	N'000	N'000
Balance at the beginning of the year	8,185,378	4,567,754	7,704,379	4,567,754
Additions during the year	240,065	557,650	240,065	14,000
Disposal during the year	(356,000)	(132,400)	-	-
Fair value gain (Note 33)	2,492,686	3,192,375	2,467,686	3,122,625
Balance at the end of the year	10,562,129	8,185,379	10,412,130	7,704,379
Disposal during the year relate to the cost of property sold by the subsidiaries at N356million				
(a) Disposal of Investment Properties:				
Proceeds from the disposal of FVTPL	694,000	-	-	-
Carrying amount of FVTPL	(356,000)	-	-	-
Profit/(loss) during the year (Note 32.2)	338,000	-	-	-
(b) Carrying amount of investment properties	Balance at the beginning of the year	Additions	Fair value changes	Carrying amount
	N'000	N'000	N'000	N'000
Building At Custom Street Kakawa/Marina CBD Lagos Island	2,900,000		750,000	3,650,000
Plot A1, Block G, CBD CIPM Road Alausa Lagos	3,661,000	202,500	986,500	4,850,000
2 Plots of Land at Aponloju Close Off Engr. Adetoro Road Lekki (Ojomu Family Land)	110,000	7,565	57,435	175,000
Block 8 Plot 2 & 3 River View Devt Scheme Ii Isheri, Ogun State	60,000	-	17,000	77,000
Landed Property At Chume Nwosu Street, Off Badore Ajah, Lagos	70,000	-	15,130	85,130
2 Plots Of Land along the Lagos- Calabar Coastal Highway Okun Alfa	150,000	30,000	85,000	265,000
Block 24, Flats 1, 2 & 5 MKO Abiola Gardens, Alausa Ikeja, Lagos	195,000	-	305,000	500,000
Plot 122, Association Avenue, Dolphin Estate, Ikoyi, Lagos	250,000	-	120,000	370,000
4 Plots Of Land And 5 Blocks Of Flat At Next Estate, Mowe Ogun State	98,379	-	21,621	120,000
Flat 1, 2, 3, 4, 7 & 8 Cluster 2 Choice Estate Abijo, GRA Ibeju Lekki, Lagos	210,000	-	110,000	320,000
	7,704,379	240,065	2,467,686	10,412,129

- (b) Investment properties are held at fair value which has been determined based on valuations performed by independent valuation experts, Fola Oyekan & Associates and Oletubo & Co (Estate Surveyors & Valuers) as at 31 December 2025. The Valuers Fola Oyekan and Oletubo are registered with Financial Reporting Council of Nigeria with registration Number FRC/2012/NIESV/00000000450 and FRC/2013 /NIESV/ 00000001693 respectively.

- (c) The valuers are the industry specialists in valuing these types of investment properties. The fair value is supported by market evidence and represents the amount at which the assets could be exchanged between knowledgeable, willing buyers and knowledgeable, willing seller in an arm's length transaction at the date of valuation, in accordance with standards issued by International Valuation Standards Committee. Valuations are performed on an annual basis and the fair value gains and losses are recorded within the statement of comprehensive income.
- (d) This is an investment in land and building held primarily for generating rental income or capital appreciation. This is carried in the statement of financial position at their market value.
- (e) Additions to investment properties during the year ended 31 December 2025 relates to remedial work and construction of fence land on Okun Alfa Beach, Construction work at CBD CIPM Road Alausa.
- (f) Fair value gains on investment properties give rise to deferred tax liabilities, further disclosed in note 19.

10 (a) Investment in Subsidiaries

The Company's investment in subsidiaries is as stated below

	2025	2024
	N'000	N'000
LASACO Properties Limited	500,000	500,000
LASACO Trading and Investment Limited	500,000	500,000
	<u>1,000,000</u>	<u>1,000,000</u>

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

LASACO Assurance Plc owned 100 percent holdings in LASACO Trading and Investment Limited. The subsidiary commenced full operations in January 2024. The sum of NGN500 million represents the capital injected into the Company by LASACO Assurance Plc.

	N'000	N'000
Balance at the beginning of the year	1,000,000	638,310
Additions during the year	-	361,690
Balance at the end of the year	<u>1,000,000</u>	<u>1,000,000</u>

10 (b) The table below summarised the financial performance of the subsidiaries

	Lasaco Properties Ltd	Lasaco Trading & Investment Ltd	Total 2025	Total 2024
	N'000	N'000	N'000	N'000
Cash and cash equivalents	12,760	105,333	118,093	157,537
Trade and other receivables	84,145	38,000	122,145	98,567
Financial assets	676,487	505,022	1,181,509	584,073
Inventory	-	-	-	231,000
Investment properties	-	150,000	150,000	250,000
Intangible assets	-	900	900	900
Deferred tax liabilities	-	(47,907)	-	-
Trade and other payables	(8,367)	(10,500)	(18,867)	(20,411)
Income tax payable	(55,268)	(30,255)	(85,523)	(18,103)
	<u>709,757</u>	<u>710,593</u>	<u>1,420,350</u>	<u>1,283,563</u>
	N'000	N'000	N'000	N'000
Income	410,156	100,295	510,451	322,461
Expenses	(331,813)	(15,618)	(347,431)	(203,536)
Other operating income	84,209	25,000	109,209	182,741
Profit before tax	162,552	109,677	272,229	301,666
Taxation	(55,268)	(78,174)	(133,442)	(18,103)
Profit after tax	<u>107,284</u>	<u>31,503</u>	<u>138,787</u>	<u>283,563</u>

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

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

	Group	Group	Company	Company
	2025	2024	2025	2024
	N'000	N'000	N'000	N'000
12 Intangible assets				
Cost				
At 1 January	417,997	124,611	417,097	124,611
Addition	104,024	293,386	104,024	292,486
31 December	<u>522,021</u>	<u>417,997</u>	<u>521,121</u>	<u>417,097</u>
Amortisation				
At 1 January	106,986	47,020	106,986	47,020
Amortisation during the year	147,460	59,966	147,460	59,966
31 December	<u>254,446</u>	<u>106,986</u>	<u>254,446</u>	<u>106,986</u>
Carrying amount:				
31 December	<u>267,575</u>	<u>311,011</u>	<u>266,675</u>	<u>310,111</u>

The existing intangible asset of the Company was IFRS 17 software. The additions is the development of new Website and E- commerce platform. The cost is amortized over the period of three years which is in line with the Company's policy.

13 Property, plant and equipment

Cost/Valuation	Land	Building	Furniture fittings & Equipment	Motor Vehicles	Total
<u>Cost</u>	N'000	N'000	N'000	N'000	N'000
At 1 January 2024	329,940	1,529,199	1,305,591	1,894,077	5,058,807
Additions	-	-	149,190	564,892	714,082
Reclassification	-	-	-	-	-
Disposals	-	-	(37,738)	(251,505)	(289,243)
Asset revaluation (Note 26)	162,060	133,140	-	-	295,200
At 31 December 2024	492,000	1,662,339	1,417,043	2,207,464	5,778,846
At 1 January 2025	492,000	1,662,339	1,417,043	2,207,464	5,778,846
Additions	-	-	128,797	573,675	702,472
Disposals	-	-	(1,180)	(219,875)	(221,055)
Asset revaluation (Note 26)	184,500	403,711	-	-	588,211
At 31 December 2025	676,500	2,066,050	1,544,660	2,561,264	6,848,475
<u>Accumulated depreciation</u>					
At 1 January 2024	-	-	876,099	943,138	1,819,237
Charge for the year	-	22,547	187,687	283,393	493,627
Disposals	-	-	(33,302)	(189,429)	(222,731)
Asset revaluation (Note 26)	-	(22,547)	-	-	(22,547)
At 31 December 2024	-	-	1,030,484	1,037,102	2,067,586
At 1 January 2025	-	-	1,030,484	1,037,102	2,067,586
Charge for the year	-	32,590	180,074	424,863	637,527
Disposals	-	-	(389)	(148,129)	(148,518)
Asset revaluation (Note 26)	-	(32,590)	-	-	(32,590)
At 31 December 2025	-	-	1,210,169	1,313,836	2,524,005
<u>Carrying amounts at:</u>					
31 December 2025	676,500	2,066,050	334,491	1,247,428	4,324,470
31 December 2024	492,000	1,662,339	386,559	1,170,362	3,711,260

- (i) Land and building were professionally valued as at 31 December 2025 by Messrs Fola Oyekan & Associates (Estate Surveyors and Valuers) with FRC/2012/NIESV/00000000450 based on their open market values. The revised value of the land and building were N676,500,000 and N2,066,050,000 respectively resulting in a gain on revaluation of N620,801,000 which has been credited to the property, plant, and equipment revaluation account.

- (ii) The re-valued property is the Company's Head Office building located at Plot 16, Acme Road, Ogba Industrial Estate, Ikeja, Lagos.
(iii) The Company had no capital commitments as at the statement of financial position date (2024: Nil). As at the reporting date land is being carried at revalued amount.
(iv) No impairment loss was recognised on the Company's property plant and equipment at the end of the year (31 December 2024:Nil).

14 Insurance Contract Liabilities	Group	Group	Company	Company
	2025	2024	2025	2024
	N'000	N'000	N'000	N'000
Liability for remaining coverage (LRC):	8,180,751	7,759,585	8,180,751	7,759,585
Liability for incurred claims (LIC)	7,080,574	7,510,310	7,080,574	7,510,310
	<u>15,261,325</u>	<u>15,269,895</u>	<u>15,261,325</u>	<u>15,269,895</u>

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

14.1.1 Reconciliation of Insurance Contract Liabilities - measured under PAA - (General business Insurance contract liabilities and Group Life Insurance contract liabilities).

Company	Liabilities for remaining coverage		Liabilities for incurred claims		31-Dec-25	Liabilities for remaining coverage		Liabilities for incurred claims		31-Dec-24
	Non loss component	Loss component	Estimate of present value of future cashflows	Risk adjustment	Total	Non loss component	Loss component	Estimate of present value of future cashflows	Risk adjustment	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Opening balance	5,543,813	-	7,181,950	328,359	13,054,122	3,724,792	-	4,836,103	275,916	8,836,811
Insurance contract liabilities	5,543,813	-	7,181,950	328,359	13,054,122	3,724,792	-	4,836,103	275,916	8,836,811
Net Insurance contract liabilities	5,543,813	-	7,181,950	328,359	13,054,122	3,724,792	-	4,836,103	275,916	8,836,811
Insurance revenue	(29,648,788)	-	-	-	(29,648,788)	(22,565,267)	-	-	-	(22,565,267)
Insurance service expenses:										
Incurred claims	-	-	9,352,182	-	9,352,182	-	-	13,337,383	-	13,337,383
Incurred fulfilment expenses	-	-	3,456,228	-	3,456,228	-	-	-	-	-
Insurance acquisition expenses	5,366,603	-	-	-	5,366,603	3,458,721	-	-	-	3,458,721
Changes related to future service	-	-	-	-	-	-	-	-	-	-
Changes related to past service	-	-	7,518,832	(31,244)	7,487,588	-	-	2,940,222	52,442	2,992,664
Total Insurance service expenses	5,366,603	-	20,327,242	(31,244)	25,662,601	3,458,721	-	16,277,605	52,442	19,788,766
Investment components	-	-	-	-	-	-	-	-	-	-
Insurance service results	(24,282,185)	-	20,327,242	(31,244)	(3,986,187)	(19,106,546)	-	16,277,605	52,442	(2,776,499)
Insurance finance expenses	-	-	124,231	-	124,231	-	-	(155,092)	-	(155,092)
Total changes in comprehensive income	(24,282,185)	-	20,451,473	(31,244)	(3,861,956)	(19,106,546)	-	16,122,513	52,442	(2,931,591)
Cash flows in the period:										
Premiums written	29,022,224	-	-	-	29,022,224	24,384,288	-	-	-	24,384,288
Insurance acquisition cost	(5,366,604)	-	-	-	(5,366,604)	(3,458,721)	-	-	-	(3,458,721)
Claims paid	-	-	(17,393,737)	-	(17,393,737)	-	-	(8,031,966)	-	(8,031,966)
Other Insurance expenses	-	-	(3,456,227)	-	(3,456,227)	-	-	(5,744,701)	-	(5,744,701)
Net cash inflow/(outflow)	23,655,620	-	(20,849,964)	-	2,805,656	20,925,567	-	(13,776,667)	-	7,148,900
Non-Cash flows:										
Impact of prior year premium deposit on policies recognised during the year	1,693,552	-	-	-	1,693,552	-	-	-	-	-
Impact of premium receivable on policies recognised during the year	241,726	-	-	-	241,726	-	-	-	-	-
	1,935,278	-	-	-	1,935,278	-	-	-	-	-
Closing Insurance contract liabilities	6,852,526	-	6,783,459	297,115	13,933,100	5,543,813	-	7,181,950	328,359	13,054,122

14.1.2 Reconciliation of Insurance Contract Liabilities - measured under GMM Aggregate

Company	Liabilities for remaining coverage		Liabilities for incurred claims		31-Dec-25	Liabilities for remaining coverage		Liabilities for incurred claims		31-Dec-24
	Non loss component	Loss component	Estimate of present value of future cashflows	Risk adjustment	Total	Non loss component	Loss component	Estimate of present value of future cashflows	Risk adjustment	Total
<i>General Insurance Contract liabilities</i>	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Opening balance	-	-	-	-	-	-	-	-	-	-
Opening Insurance contract assets	-	-	-	-	-	-	-	-	-	-
Opening Insurance contract liabilities	1,560,049	655,725	-	-	2,215,774	1,559,464	-	-	-	-
Net Insurance contract liabilities	1,560,049	655,725	-	-	2,215,774	1,559,464	-	-	-	1,559,464
Insurance Revenue	(1,212,557)	-	-	-	(1,212,557)	(253,787)	-	-	-	(253,787)
Insurance service expenses:										
Incurred claims	-	-	-	-	-	-	-	-	-	-
Incurred fulfilment expenses	-	-	756,662	-	756,662	-	-	138,648	-	138,648
Insurance acquisition cashflows	138,208	-	-	-	138,208	-	-	218,429	-	218,429
Changes related to future service	-	193,625	-	-	193,625	-	655,725	-	-	655,725
Changes related to past service	-	-	-	-	-	89,636	-	(89,636)	-	-
Total Insurance service expenses	138,208	193,625	756,662	-	1,088,495	89,636	655,725	267,441	-	1,012,802
Investment components	(426,797)	-	426,797	-	-	-	-	-	-	-
Insurance service results	(1,501,146)	193,625	1,183,459	-	(124,062)	(164,151)	655,725	267,441	-	759,015
Insurance finance expenses	541,109	-	-	-	541,109	149,282	-	-	-	149,282
Total changes in the statement of comprehensive income	(960,037)	193,625	1,183,459	-	417,047	(14,869)	655,725	267,442	-	908,297
<i>Cash flows in the period:</i>										
Premiums Written	17,071	-	-	-	17,071	15,454	-	-	-	15,454
Claims paid	-	-	(1,183,459)	-	(1,183,459)	-	-	(49,012)	-	(49,012)
Other Insurance expenses paid	-	-	-	-	-	-	-	(218,429)	-	(218,429)
Acquisition cost	(138,208)	-	-	-	(138,208)	-	-	-	-	-
Net cash inflow/(outflow)	(121,137)	-	(1,183,459)	-	(1,304,596)	15,454	-	(267,441)	-	(251,987)
Closing Insurance contract liabilities	478,875	849,350	-	-	1,328,225	1,560,049	655,725	-	-	2,215,774

14.1.3 Reconciliation of Insurance Contract Liabilities - Aggregate - Insurance contracts liabilities measured using PAA and GMM

Company	Liabilities for remaining coverage component		Liabilities for incurred claims		31-Dec-25	Liabilities for remaining coverage component		Liabilities for incurred claims		31-Dec-24
	Non -Loss component	Loss component	Estimate of present value of future cashflows	Risk adjustment for non financial risks	Total	Non -Loss component	Loss component	Estimate of present value of future cashflows	Risk adjustment for non financial risks	Total
Opening balance	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Insurance contract liabilities	7,103,860	655,725	7,181,951	328,359	15,269,895	4,637,477	-	4,836,105	275,916	9,749,498
Investment link	-	-	-	-	-	646,777	-	-	-	646,777
Net Insurance Contracts	7,103,860	655,725	7,181,951	328,359	15,269,895	5,284,254	-	4,836,105	275,916	10,396,275
Insurance revenue	(30,861,346)	-	-	-	(30,861,346)	(22,819,055)	-	-	-	(22,819,055)
Insurance Service Expenses:										
Incurred claims	-	-	10,108,845	-	10,108,845	-	-	10,195,234	-	10,195,234
Incurred fulfilment expenses	-	-	3,456,227	-	3,456,227	-	-	3,499,225	-	3,499,225
Insurance acquisition cashflows	5,504,811	-	-	-	5,504,811	3,458,720	-	-	-	3,458,720
Changes related to future service (LRC)	-	193,625	-	-	193,625	-	655,725	-	-	655,725
Changes related to past service	-	-	7,518,833	(31,244)	7,487,589	-	-	2,940,223	52,443	2,992,666
Insurance service expenses	5,504,811	193,625	21,083,905	(31,244)	26,751,097	3,458,720	655,725	16,634,683	52,443	20,801,570
Investment components	(426,797)	-	426,797	-	-	89,636	-	(89,636)	-	-
Insurance service results	(25,783,332)	193,625	21,510,702	(31,244)	(4,110,249)	(19,270,699)	655,725	16,545,047	52,443	(2,017,484)
Insurance finance expenses	541,109	-	124,230	-	665,339	149,282	-	(155,093)	-	(5,811)
Total changes in the statement of comprehensive income	(25,242,223)	193,625	21,634,932	(31,244)	(3,444,910)	(19,121,417)	655,725	16,389,954	52,443	(2,023,295)
Cash flows in the period:										
Premiums written	29,039,296	-	-	-	29,039,296	24,399,743	-	-	-	24,399,743
Claims paid	-	-	(18,577,197)	-	(18,577,197)	-	-	(8,080,978)	-	(8,080,978)
Other Insurance expenses paid	-	-	(3,456,227)	-	(3,456,227)	-	-	(5,963,130)	-	(5,963,130)
Acquisition cost	(5,504,811)	-	-	-	(5,504,811)	(3,458,720)	-	-	-	(3,458,720)
Net cash inflow/(outflow)	23,534,485	-	(22,033,424)	-	1,501,061	20,941,023	-	(14,044,108)	-	6,896,915
Non-Cash flows:										
Impact of prior year premium deposit on policies recognised during the year	1,693,552	-	-	-	1,693,552	-	-	-	-	-
Impact of premium receivable on policies recognised during the year	241,726	-	-	-	241,726	-	-	-	-	-
	1,935,278	-	-	-	1,935,278	-	-	-	-	-
	7,331,401	849,350	6,783,459	297,115	15,261,325	7,103,860	655,725	7,181,951	328,359	15,269,895

14.1.4 Reconciliation of Insurance Contract Liabilities - measured under PAA- Group Life Insurance contracts

Company	Liabilities for remaining coverage		Liabilities for incurred claims		31-Dec-25	Liabilities for remaining coverage		Liabilities for incurred claims		31-Dec-24
	Non loss component	Loss component	Estimate of present value of future cashflows	Risk adjustment	Total	Non loss component	Loss component	Estimate of present value of future cashflows	Risk adjustment	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Opening balance	-	-	-	-	-	-	-	-	-	-
Opening Insurance contract assets	-	-	-	-	-	-	-	-	-	-
Opening Insurance contract liabilities	1,366,603	-	2,875,824	60,392	4,302,819	1,116,839	-	2,381,111	98,217	3,596,167
Net Insurance contract liabilities	1,366,603	-	2,875,824	60,392	4,302,819	1,116,839	-	2,381,111	98,217	3,596,167
Insurance revenue	(11,954,593)	-	-	-	(11,954,593)	(8,763,440)	-	-	-	(8,763,440)
Insurance service expenses:										
Incurred claims	-	-	6,018,179	-	6,018,179	-	-	4,699,033	-	4,699,033
Other fulfilment expenses	-	-	-	-	-	-	-	-	-	-
Insurance acquisition cashflows	2,290,586	-	-	-	2,290,586	976,345	-	-	-	976,345
Changes related to future service	-	-	-	-	-	-	-	-	-	-
Changes related to past service	-	-	1,338,801	1,709	1,340,510	-	-	1,628,281	(37,825)	1,590,456
Total Insurance service expenses	2,290,586	-	7,356,980	1,709	9,649,275	-	-	-	-	-
Investment component	-	-	-	-	-	976,345	-	6,327,314	(37,825)	7,265,834
Insurance service results	(9,664,007)	-	7,356,980	1,709	(2,305,318)	(7,787,095)	-	6,327,314	(37,825)	(1,497,606)
Insurance finance expenses	-	-	(178,354)	-	(178,354)	-	-	-	-	-
Total changes in comprehensive income	(9,664,007)	-	7,178,626	1,709	(2,483,672)	(7,787,095)	-	6,327,314	(37,825)	(1,497,606)
Cash flows in the period:										
Premiums received	11,229,139	-	-	-	11,229,139	9,013,204	-	-	-	9,013,204
Claims paid	-	-	(7,097,250)	-	(7,097,250)	-	-	(5,291,885)	-	(5,291,885)
Expenses paid	-	-	-	-	-	-	-	(540,716)	-	-
Acquisition cost paid	(2,290,586)	-	-	-	(2,290,586)	(976,345)	-	-	-	(976,345)
Net cash outflow	8,938,553	-	(7,097,250)	-	1,841,303	8,036,859	-	(5,832,601)	-	2,204,258
Non-Cash flows:										
Impact of prior year premium deposit on policies recognised during the year	800,563	-	-	-	800,563	-	-	-	-	-
Impact of premium receivable on policies recognised during the year	104,267	-	-	-	104,267	-	-	-	-	-
	904,830	-	-	-	904,830	-	-	-	-	-
Closing Insurance contract liabilities	1,545,979	-	2,957,200	62,101	3,660,450	1,366,603	-	2,875,824	60,392	4,302,819

14.1.5 Reconciliation of Insurance Contract Liabilities - measured under PAA- General Insurance Contract Liabilities

Company	31-Dec-25					31-Dec-24				
	Liabilities for remaining coverage		Liabilities for incurred claims		Total	Liabilities for remaining coverage		Liabilities for incurred claims		Total
	Non loss component	Loss component	Estimate of present value of future cashflows	Risk adjustment		Non loss component	Loss component	Estimate of present value of future cashflows	Risk adjustment	
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Opening balance										
Insurance contract liabilities	4,177,210	-	4,306,126	267,967	8,751,303	2,607,953	-	2,454,993	177,698	5,240,644
Net Insurance Contracts liabilities	4,177,210	-	4,306,126	267,967	8,751,303	2,607,953	-	2,454,993	177,698	5,240,644
Insurance revenue	(17,694,195)	-	-	-	(17,694,195)	(13,801,827)	-	-	-	(253,787)
Insurance Service Expenses:										
Incurred claims	-	-	3,334,003	-	3,334,003	-	-	8,638,350	-	138,648
Acquisition expenses	3,076,017	-	-	-	3,076,017	2,482,376	-	-	-	-
expenses	-	-	3,456,228	-	3,456,228	-	-	-	-	218,429
Changes related to future service	-	-	-	-	-	-	-	-	-	-
Changes related to past service	-	-	6,180,031	(32,953)	6,147,078	-	-	1,311,940	90,270	1,402,210
Total Insurance Service expenses	3,076,017	-	12,970,262	(32,953)	16,013,326	2,482,376	-	9,950,290	90,270	12,522,936
Investment component	-	-	-	-	-	-	-	-	-	-
Insurance service results	(14,618,178)	-	12,970,262	(32,953)	(1,680,869)	(11,319,451)	-	9,950,290	90,270	(1,278,891)
Insurance finance expenses	-	-	302,585	-	302,585	-	-	(155,093)	-	149,282
Total changes in comprehensive income	(14,618,178)	-	13,272,847	(32,953)	(1,378,284)	(11,319,451)	-	9,795,197	90,270	(1,433,984)
Cash flows in the period:										
Premiums received	17,793,085	-	-	-	17,793,085	15,371,084	-	-	-	15,454
Claims paid	-	-	(10,296,487)	-	(10,296,487)	-	-	(2,740,081)	-	(49,012)
Expenses paid	-	-	(3,456,227)	-	(3,456,227)	-	-	(5,203,984)	-	-
Acquisition expenses paid	(3,076,018)	-	-	-	(3,076,018)	(2,482,376)	-	-	-	-
Net cash inflow/(outflow)	14,717,067	-	(13,752,714)	-	964,353	12,888,708	-	(7,944,065)	-	(251,987)
Non-cash flows:										
Impact of prior year premium deposit on policies recognised during the year	892,989	-	-	-	892,989	-	-	-	-	-
Impact of premium receivable on policies recognised during the year	137,459	-	-	-	137,459	-	-	-	-	-
	1,030,448	-	-	-	1,030,448	-	-	-	-	-
Closing Insurance contract liabilities	5,306,547	-	3,826,259	235,014	9,367,820	4,177,210	-	4,306,125	267,968	8,751,303

14.1.6 Reconciliation of the components of insurance contract liabilities - GMM Portfolios

Reconciliation of carrying amount of BEL/RA/CSM	Estimates of present value of future cashflows	Risks Adjustment	CSM	31 Dec 2025 Total	Estimates of present value of future cashflows	Risks Adjustment	CSM	31 Dec 2024 Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Opening Insurance contract assets	-	-	-	-	-	-	-	-
Opening Insurance contract liabilities	2,054,763	13,544	147,467	2,215,774	1,382,948	65,041	111,475	1,559,464
Net opening balance	2,054,763	13,544	147,467	2,215,774				
Changes related to current services								
CSM for service provided	-	-	(902,740)	(902,740)	-	-	(29,364)	(29,364)
Risk adjustments related to expired	-	(3,169)	-	(3,169)	-	(53,911)	-	(53,911)
Experience adjustments	588,222	-	-	588,222	186,564	-	-	186,564
Total changes related to current services	588,222	(3,169)	(902,740)	(317,687)	186,564	(53,911)	(29,364)	103,289
Changes related to future service								
New contract recognised	22,169	573	-	22,742	33,094	719	-	33,813
Changes in estimates reflected in	(727,631)	(9,816)	737,447	-	(52,881)	1,000	51,881	-
Changes in estimates resulting in contract losses	170,039	844	-	170,883	621,217	695	-	621,912
Total changes related to future services	(535,423)	(8,399)	737,447	193,625	601,430	2,414	51,881	655,725
Changes that relates to past services								
Adjustments for liabilities for incurred claims	-	-	-	-	-	-	-	-
Total changes related to past services	-	-	-	-	-	-	-	-
Insurance service results	(52,799)	11,568	165,293	124,062	(787,994)	51,497	(22,517)	(759,014)
Insurance finance expenses	523,284	-	17,825	541,109	135,807	-	13,475	149,282
Total changes in comprehensive income	(576,083)	11,568	147,468	(417,047)	(923,801)	51,497	(35,992)	(908,296)
Total cash flows	(1,304,596)	-	-	(1,304,596)	(251,986)	-	-	(251,986)
Closing Insurance contract liabilities	1,326,250	1,976	(1)	1,328,225	2,054,763	13,544	147,467	2,215,774

LASACO ASSURANCE PLC
CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS, 31 DECEMBER 2025
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

14.1.7 Reconciliation of Insurance Contract Liabilities -Investment Link

Company	Liability for Remaining coverage (LRC)		Liability for Incurred claims		31-Dec-25	Liability for Remaining coverage (LRC)		Liability for Incurred claims		31-Dec-24
	Non loss component	Loss component	Estimate of present value of future cashflows	Risk adjustment		Total	Non loss component	Loss component	Estimate of present value of future cashflows	
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Opening insurance contract assets	-	-	-	-	-	-	-	-	-	-
Opening insurance contract liabilities	807,954	627,342	-	-	1,435,296	684,826	-	-	-	684,826
Net opening balance	807,954	627,342	-	-	1,435,296	684,826	-	-	-	684,826
Insurance revenue	(196,460)	-	-	-	(196,460)	(71,689)	-	-	-	(71,689)
<i>Insurance service expenses:</i>										
Incurred claims & other expenses	-	-	14,969	-	14,969	-	-	170,668	-	170,668
Acquisitions expenses	138,095	-	-	-	138,095	-	-	-	-	-
Changes related to future service	-	196,603	-	-	196,603	-	627,342	-	-	627,342
Changes related to past service	-	-	-	-	-	-	-	-	-	-
Total insurance service expenses	138,095	196,603	14,969	-	349,667	-	627,342	170,668	-	4,936,366
Investment components	(426,797)	-	426,797	-	-	89,636	-	(89,636)	-	-
Insurance service results	(485,162)	196,603	441,766	-	153,207	17,947	627,342	81,032	-	726,321
Insurance finance expenses	270,999	-	-	-	270,999	89,779	-	-	-	89,779
Total changes in comprehensive income	(214,163)	196,603	441,766	-	424,206	107,726	627,342	81,032	-	816,100
Premium received	15,859	-	-	-	15,859	15,402	-	-	-	15,402
Claims and expenses paid	-	-	(441,766)	-	(441,766)	-	-	(81,032)	-	(81,032)
Acquisition cost paid	(138,095)	-	-	-	(138,095)	-	-	-	-	-
Total cash flows	(122,236)	-	(441,766)	-	(564,002)	15,402	-	(81,032)	-	(65,630)
Closing Insurance contract assets	-	-	-	-	-	-	-	-	-	-
Closing Insurance contract liabilities	471,555	823,945	-	-	1,295,500	807,954	627,342	-	-	1,435,296
Net closing balance	471,555	823,945	-	-	1,295,500	807,954	627,342	-	-	1,435,296

14.1.8 Reconciliation of Insurance Contract Liabilities -Annuity

Reconciliation of carrying amounts by LRC/LIC	Liability for Remaining coverage (LRC) 31-Dec-25					Liability for Remaining coverage (LRC) 31-Dec-24				
	Liability for Remaining coverage (LRC)		Liability for Incurred claims		Total	Liability for Remaining coverage (LRC)		Liability for Incurred claims		Total
	Non onerous	Onerous	Estimate of present value of future cashflows	Risk adjustment		Non onerous	Onerous	Estimate of present value of future cashflows	Risk adjustment	
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	
Opening insurance contract liabilities	747,668	-	-	-	747,668	852,393	-	-	-	852,393
Net opening balance	747,668	-	-	-	747,668	852,393	-	-	-	852,393
Insurance revenue	(1,012,817)	-	-	-	(1,012,817)	(164,582)	-	-	-	(164,582)
<i>Insurance service expenses:</i>										
Incurred claims & other expenses	-	-	-	741,694	741,694	-	-	-	183,019	183,019
Acquisitions expenses	-	-	-	-	-	-	-	-	-	-
Changes related to future service	-	-	-	-	-	-	-	-	-	-
Changes related to past service	-	-	-	-	-	-	-	-	-	-
Total insurance service expenses	-	-	-	741,694	741,694	-	-	-	183,019	183,019
Investment components	-	-	-	-	-	-	-	-	-	-
Insurance service results	(1,012,817)	-	-	741,694	(271,123)	(164,582)	-	-	183,019	18,437
Insurance finance expenses	265,149	-	-	-	265,149	59,857	-	-	-	59,857
Total changes in comprehensive incor	(747,668)	-	-	741,694	(5,974)	(104,725)	-	-	183,019	78,294
Premium received	-	-	-	-	-	-	-	-	-	-
Claims and expenses paid	-	-	-	(741,694)	(741,694)	-	-	-	(183,019)	(183,019)
Acquisition cost paid	-	-	-	-	-	-	-	-	-	-
Total cash flows	-	-	-	(741,694)	(741,694)	-	-	-	(183,019)	(183,019)
Closing Insurance contract assets	-	-	-	-	-	-	-	-	-	-
Closing Insurance contract liabilities	-	-	-	-	-	747,668	-	-	-	747,668
Net closing balance	-	-	-	-	-	747,668	-	-	-	747,668

14.1.9 Reconciliation of Insurance Contract Liabilities -Endowment

Reconciliation of carrying amounts by LRC/LIC	Liability for Remaining coverage (LRC) 31-Dec-25					Liability for Remaining coverage (LRC) 31-Dec-24				
	Liability for Remaining coverage (LRC)		Liability for Incurred claims		Total	Liability for Remaining coverage (LRC)		Liability for Incurred claims		Total
	Non onerous	Onerous	Estimate of present value of future cashflows	Risk adjustment		Non onerous	Onerous	Estimate of present value of future cashflows	Risk adjustment	
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	
Opening insurance contract liabilities	5,933	26,861	-	-	32,794	16,866	-	-	-	16,866
Net opening balance	5,933	26,861	-	-	32,794	16,866	16,866	16,866	16,866	16,866
Insurance revenue	(2,097)	-	-	-	(2,097)	(10,527)	-	-	-	(10,527)
<i>Insurance service expenses:</i>										
Incurred claims & other expenses	-	-	-	-	-	-	-	-	3,388	3,388
Acquisitions expenses	-	-	-	-	-	-	-	-	-	-
Changes related to future service	-	(4,276)	-	-	(4,276)	-	26,861	-	-	26,861
Changes related to past service	-	-	-	-	-	-	-	-	-	-
Total insurance service expenses	-	(4,276)	-	-	(4,276)	(10,527)	26,861	-	3,388	19,722
Investment components	-	-	-	-	-	-	-	-	-	-
Insurance service results	(2,097)	(4,276)	-	-	(6,373)	(10,527)	26,861	-	3,388	19,722
Insurance finance expenses	4,965	-	-	-	4,965	(407)	-	-	-	(407)
Total changes in comprehensive incor	2,868	(4,276)	-	-	(1,408)	(10,934)	26,861	-	3,388	19,315
Premium received	-	-	-	-	-	-	-	-	-	-
Claims and expenses paid	-	-	-	-	-	-	-	-	(3,388)	(3,388)
Acquisition cost paid	-	-	-	-	-	-	-	-	-	-
Total cash flows	-	-	-	-	-	-	-	-	(3,388)	(3,388)
Closing Insurance contract assets	-	-	-	-	-	-	-	-	-	(6,776)
Closing Insurance contract liabilities	8,801	22,585	-	-	31,386	5,932	26,861	-	-	32,793
Net closing balance	8,801	22,585	-	-	31,386	5,932	26,861	-	-	32,794

14.1.10

Reconciliation of Insurance Contract Liabilities -Protection GMM measurement										
Reconciliation of carrying amounts by LRC/LIC	Liability for Remaining coverage (LRC) 31-Dec-25					Liability for Remaining coverage (LRC) 31-Dec-24				
	Liability for Remaining coverage (LRC)		Liability for Incurred claims			Liability for Remaining coverage (LRC)		Liability for Incurred claims		
	Non onerous	Onerous	Estimate of present value of future cashflows	Risk adjustment	Total	Non onerous	Onerous	Estimate of present value of future cashflows	Risk adjustment	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	
Opening insurance contract liabilities	(1,506)	1,522	-	-	16	5,378	-	-	-	5,378
Net opening balance	(1,506)	1,522	-	-	16	5,378	-	-	-	5,378
Insurance revenue	(1,184)	-	-	-	(1,184)	(6,989)	-	-	-	(6,989)
<i>Insurance service expenses:</i>										
Incurred claims & other expenses	-	-	-	-	-	-	-	-	2	2
Acquisitions expenses	113	-	-	-	113	-	-	-	-	-
Changes related to future service	-	1,297	-	-	1,297	-	1,522	-	-	1,522
Changes related to past service	-	-	-	-	-	-	-	-	-	-
Total insurance service expenses	113	1,297	-	-	1,410	-	1,522	-	2	1,524
Investment components	-	-	-	-	-	-	-	-	-	-
Insurance service results	(1,071)	1,297	-	-	226	(6,989)	1,522	-	2	(5,465)
Insurance finance expenses	(3)	-	-	-	(3)	52	-	-	-	52
Total changes in comprehensive incor	(1,074)	1,297	-	-	223	(6,937)	1,522	-	2	(5,413)
Premium received	1,212	-	-	-	1,212	53	-	-	-	53
Claims and expenses paid	-	-	-	-	-	-	-	-	(2)	(2)
Acquisition cost paid	(113)	-	-	-	(113)	-	-	-	-	-
Total cash flows	1,099	-	-	-	1,099	53	-	-	(2)	51
Closing Insurance contract assets	-	-	-	-	-	-	-	-	-	-
Closing Insurance contract liabilities	(1,481)	2,819	-	-	1,338	(1,506)	1,522	-	-	16
Net closing balance	(1,481)	2,819	-	-	1,338	(1,506)	1,522	-	-	16

14.1.11 Reconciliation of the components of insurance contract liabilities - Endowment

Company	31-Dec-25				31-Dec-24			
	Estimate of present value of future cashflows N'000	Risk adjustment N'000	CSM N'000	Total N'000	Estimate of present value of future cashflows N'000	Risk adjustment N'000	CSM N'000	Total N'000
Opening Insurance contract assets	-	-	-	-	-	-	-	-
Opening insurance contract liabilities	32,151	643	-	32,794	7,680	9,182	5	16,867
Net opening balance	32,151	643	-	32,794	7,680	9,182	5	16,867
Changes related to current services								
CSM for service provided	-	-	-	-	-	-	-	-
Risk adjustment release for expired risks	-	(575)	-	(575)	-	(9,018)	-	(9,018)
Experience adjustments	(1,522)	-	-	(1,522)	1,879	-	-	1,879
Total changes related to current services	(1,522)	(575)	-	(2,097)	1,879	(9,018)	-	(7,139)
Changes related to future services								
New contracts recognised	-	-	-	-	-	-	-	-
Changes in estimates reflected in CSM	-	-	-	-	7	-	(4)	-
Changes in estimates resulting in contract losses	(4,823)	547	-	(4,276)	26,381	480	-	26,861
Total changes related to future services	(4,823)	547	-	(4,276)	26,388	480	(4)	26,861
Changes related to past services								
Adjustments to liabilities for incurred claims	-	-	-	-	-	-	-	-
Total changes related to past services	-	-	-	-	-	-	-	-
Insurance service results	6,345	28	-	6,373	(28,266)	8,538	6	(19,722)
Insurance finance expenses	4,965	-	-	4,965	(407)	-	-	(407)
Total changes in comprehensive income	1,380	28	-	1,408	(27,859)	8,538	6	(19,315)
Total cash flows	-	-	-	-	(3,388)	-	-	(3,388)
Closing insurance contract assets	-	-	-	-	-	-	-	-
Closing insurance contract liabilities	30,771	615	-	31,386	32,151	643	-	32,794
Net closing balance	30,771	615	-	31,386	32,151	643	-	32,794

14.1.12 Reconciliation of the components of insurance contract liabilities - Investment Linked

	31-Dec-25				31-Dec-24			
	Estimate of present value of future cashflows N'000	Risk adjustment N'000	CSM N'000	Total N'000	Estimate of present value of future cashflows N'000	Risk adjustment N'000	CSM N'000	Total N'000
Opening Insurance contract assets	-	-	-	-	-	-	-	-
Opening insurance contract liabilities	1,434,164	1,133	(1)	1,435,296	667,301	17,349	176	684,826
Net opening balance	1,434,164	1,133	(1)	1,435,296	667,301	17,349	176	684,826
Changes related to current services								
CSM for service provided	-	-	-	-	-	-	-	-
Risk adjustment release for expired risks	-	(641)	-	(641)	-	(17,153)	-	(17,153)
Experience adjustments	(42,755)	-	-	(42,755)	116,132	-	-	116,132
Total changes related to current services	(42,755)	(641)	-	(43,396)	116,132	(17,153)	-	98,979
Changes related to future services								
New contracts recognised	22,169	573	-	22,742	33,067	719	-	33,786
Changes in estimates reflected in CSM	-	-	-	-	198	-	(198)	-
Changes in estimates resulting in contract losses	173,591	270	-	173,861	593,338	218	-	593,556
Total changes related to future services	195,760	843	-	196,603	626,603	937	(198)	627,342
Changes related to past services								
Adjustments to liabilities for incurred claims	-	-	-	-	-	-	-	-
Total changes related to past services	-	-	-	-	-	-	-	-
Insurance service results	(153,005)	(202)	-	(153,207)	(742,735)	16,216	198	(726,321)
Insurance finance expenses	270,999	-	-	270,999	89,758	-	21	89,779
Total changes in comprehensive income	(424,004)	(202)	-	(424,206)	(832,493)	16,216	177	(816,100)
Total cash flows	(564,001)	-	-	(564,001)	(65,630)	-	-	(65,630)
Closing insurance contract assets	-	-	-	-	-	-	-	-
Closing insurance contract liabilities	1,294,167	1,335	(1)	1,295,501	1,434,164	1,133	(1)	1,435,296
Net closing balance	1,294,167	1,335	(1)	1,295,501	1,434,164	1,133	(1)	1,435,296

14.1.13 Reconciliation of the components of insurance contract liabilities - Annuity

	31-Dec-25				31-Dec-24			
	Estimate of N'000	adjustment N'000	CSM N'000	Total N'000	Estimate of N'000	adjustment N'000	CSM N'000	Total N'000
Opening insurance contract assets	-	-	-	-	-	-	-	-
Opening insurance contract liabilities	588,434	11,768	147,466	747,668	707,518	33,588	111,287	852,393
Net opening balance	588,434	11,768	147,466	747,668	707,518	33,588	111,287	852,393
Changes related to current services								
CSM for service provided	-	-	(901,683)	(901,683)	-	-	(29,344)	(29,344)
Risk adjustment release for expired risks	-	(1,952)	-	(1,952)	-	(22,820)	-	(22,820)
Experience adjustments	632,512	-	-	632,512	70,602	-	-	70,602
Total changes related to current services	632,512	(1,952)	(901,683)	(271,123)	70,602	(22,820)	(29,344)	18,438
Changes related to future services								
New contracts recognised	-	-	-	-	-	-	-	-
Changes in estimates reflected in CSM	(726,574)	(9,817)	736,391	-	-	-	-	-
Changes in estimates resulting in contract losses	-	-	-	-	(53,072)	1,000	52,072	-
Total changes related to future services	(726,574)	(9,817)	736,391	-	(53,072)	1,000	52,072	-
Changes related to past services								
Adjustments to liabilities for incurred claims	-	-	-	-	-	-	-	-
Total changes related to past services	-	-	-	-	-	-	-	-
Insurance service results	94,062	11,769	165,292	271,123	(17,530)	21,820	(22,728)	(18,438)
Insurance finance expenses	247,323	-	17,826	265,149	46,405	-	13,451	59,856
Total changes in comprehensive income	(153,261)	11,769	147,466	5,974	(63,935)	(21,820)	(36,179)	(78,294)
Total cash flows	(741,694)	-	-	(741,694)	(55,149)	-	-	(55,149)
Closing insurance contract assets								
Closing insurance contract assets	-	-	-	-	-	-	-	-
Closing insurance contract liabilities								
Closing insurance contract liabilities	-	-	-	-	588,434	11,768	147,466	747,668
Net closing balance	-	-	-	-	588,434	11,768	147,466	747,668

14.1.14 Reconciliation of the components of insurance contract liabilities - Protection

	31-Dec-25				31-Dec-23			
	Estimate of N'000	adjustment N'000	CSM N'000	Total N'000	Estimate of N'000	adjustment N'000	CSM N'000	Total N'000
Opening Insurance contract assets	-	-	-	-	-	-	-	-
Opening insurance contract liabilities	17	0	(1)	16	449	4,922	7	5,378
Net opening balance	17	0	(1)	16	449	4,922	7	5,378
Changes related to current services								
CSM for service provided	-	-	(1,057)	(1,057)	-	-	(20)	(20)
Risk adjustment release for expired risks	-	(0)	-	(0)	-	(4,919)	-	(4,919)
Experience adjustments	(14)	-	-	(14)	(2,049)	(3)	-	(2,049)
Total changes related to current services	(14)	(0)	(1,057)	(1,071)	(2,049)	(4,922)	(20)	(6,988)
Changes related to future services								
New contracts recognised	-	-	-	-	28	-	-	28
Changes in estimates reflected in CSM	(1,057)	-	1,057	-	(12)	-	12	-
Changes in estimates resulting in contract losses	1,271	26	-	1,297	1,497	-	-	1,494
Total changes related to future services	214	26	1,057	1,297	(536)	-	12	1,522
Changes related to past services								
Adjustments to liabilities for incurred claims	-	-	-	-	-	-	-	-
Total changes related to past services	-	-	-	-	-	-	-	-
Insurance service results	(200)	(26)	-	(226)	(536)	-	8	5,466
Insurance finance expenses	(2)	-	-	(2)	33	-	-	33
Total changes in comprehensive income	(198)	(26)	-	(224)	(569)	-	8	5,413
Total cash flows	1,099	-	-	1,099	137	-	-	51
Closing insurance contract assets	-	-	-	-	-	-	-	-
Closing insurance contract liabilities	1,314	26	(1)	1,339	17	-	(1)	16
Net closing balance	1,314	26	(1)	1,339	17	-	(1)	16

14.3 The age analysis of liability for outstanding claims (excluding IBNR) as at 31 December 2025 is as follows:

S/N	Days	No of claimants	Amount N'000
1	0 - 90days	1,444	1,003,543
2	91 - 180 days	349	520,795
3	181 - 270days	147	21,639
4	271 - 365days	155	406,489
5	Above 365days	261	409,666
	Total	2,356	2,362,132

S/N	REASON	0-90days		91-180days		181-270days		271-365		ABOVE 365days		TOTAL	
		QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT
1	Discharged voucher signed and returned to policy holders												
2	Discharged voucher not yet signed	724	938	96	453,247	3	725	2	750	68	59,056	893	1,451,374
3	Claims reported but incomplete documentation	95	54	160	64,549	116	20,915	188	316,640	467	270,405	1026	726,456
4	Awaiting adjusters final report	36	12	4	3,000	0	0	16	89,100	381	80,206	437	184,306
	TOTAL	855	1,004	260	520,795.68	119	21,639.96	206	406,489.60	916	409,666.77	2356	2,362,135.99

There are total number of 407 outstanding claims for Non Life as at the year ended 31 December 2025. 121 outstanding claims are pending substantiating documents while 207 outstanding claims are awaiting adjusters' report. 79 discharged vouchers are being awaited.

There are total number of 265 outstanding claims for Life busines as at the year ended 31 December 2025. 125 outstanding claims are pending substantiating documents while Nil claims are awaiting adjusters' report and discharged vouchers not returned by clients are 140.

	Group 2025	Group 2024	Company 2025	Company 2024
	N'000	N'000	N'000	N'000
15 Transfer of Retiree Life Annuity (RLA) Portfolio (no				
Balance at the beginning of the year	747,668	852,393	747,668	852,393
Actuarial adjustment	-	(104,725)	-	(104,725)
Investment Income	24,248	-	24,248	-
Withdrawal during the year	(94,822)	-	(94,822)	-
	677,094	747,668	677,094	747,668
Amount transferred	(655,126)	-	(655,126)	-
Balance (Note 36)	21,968	747,668	21,968	747,668

15.1 With regulatory approval from National Insurance Commission, Lasaco Assurance Plc exited the RLA business lne in 2025 and transferred the portfolio to Cornerstone Insurance Plc

	Group 2025 N'000	Group 2024 N'000	Company 2025 N'000	Company 2024 N'000
16 Other technical liabilities				
Premium payable (Note 16(a))	-	6,958	-	6,958
Commission payables (Note 16(b))	22,431	28,241	22,431	28,241
Premium Deposit (Note 16©)	1,307,238	1,693,552	1,307,238	1,693,552
	<u>1,329,669</u>	<u>1,728,751</u>	<u>1,329,669</u>	<u>1,728,751</u>
Current	1,329,669	1,728,751	1,329,669	1,728,751
Non - current	-	-	-	-

	N'000	N'000	N'000	N'000
(a) Premium payable				
Co-Insurance premium payable	-	6,958	-	6,958
	<u>-</u>	<u>6,958</u>	<u>-</u>	<u>6,958</u>

	N'000	N'000	N'000	N'000
Movement in Co- insurance premium payable				
Balance at the beginning of the year	-	165,947	-	165,947
Premium received on Co- insurance businesses	-	8,757,559	-	8,757,559
Co insurance premium paid during the year	-	(8,916,548)	-	(8,916,548)
Balance at the end of the year	<u>-</u>	<u>6,958</u>	<u>-</u>	<u>6,958</u>

	N'000	N'000	N'000	N'000
(b) Movement in commission payable				
Balance at the beginning of the year	28,241	10,116	28,241	10,116
Acquisition cost	5,504,811	3,476,846	5,504,811	3,476,846
Commission paid	(5,510,621)	(3,458,721)	(5,510,621)	(3,458,721)
	<u>22,431</u>	<u>28,241</u>	<u>22,431</u>	<u>28,241</u>

	N'000	N'000	N'000	N'000
(C) Movement in premium deposit				
Balance at the beginning of the year	1,693,552	1,027,018	1,693,552	1,027,018
Deposit during the year	1,307,238	1,693,552	1,307,238	1,693,552
Amount applied during the year	(1,693,552)	(1,027,018)	(1,693,552)	(1,027,018)
Balance at the end of the year	<u>1,307,238</u>	<u>1,693,552</u>	<u>1,307,238</u>	<u>1,693,552</u>

Premium deposit represents payment received in advance from clients in respect of future insurance contracts

	N'000	N'000	N'000	N'000
17 Other payables and accruals				
17.1 Accruals (Note 17(a))	325,452	587,788	325,453	587,788
Unclaimed Dividend payable (Note 17(b))	412,838	567,518	412,838	567,518
Other creditors (Note 17(c))	101,923	59,499	127,023	39,088
SUBEB/LG managed fund	194,905	-	194,905	-
Payable on Cooperative scheme	6,475	11,769	6,475	11,769
	<u>1,041,593</u>	<u>1,226,574</u>	<u>1,066,695</u>	<u>1,206,163</u>

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

	N'000	N'000	N'000	N'000
(a) Accruals				
Audit fees	15,920	16,500	15,920	16,500
Bonus	-	-	-	-
Reinsurance M & D	-	137,475	-	137,475
NAICOM Levy	309,533	243,995	309,533	243,995
Other Consultancy fees	-	20,588	-	20,588
Retirement benefits	-	118,695	-	118,695
Payable for Corporate gifts	-	50,535	-	50,535
	<u>325,453</u>	<u>587,788</u>	<u>325,453</u>	<u>587,788</u>

LASACO ASSURANCE PLC
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(b) Unclaimed Dividend Payable

This represents Unclaimed Dividend returned to the Company by Apel Capital & Trust Limited for investment as required by Securities and Exchange Commission. The movement to Securities and Exchange was a directive from commission regard remittance of unclaimed dividend funds

	Group 2025 N'000	Group 2024 N'000	Company 2025 N'000	Company 2024 N'000
Movement in unclaimed dividend payable				
Balance at the beginning of the year	567,518	518,429	567,518	518,429
Transfer to Security and Exchange Commission	(154,680)	49,089	(154,680)	49,089
Balance at the end of the year	412,838	567,518	412,838	567,518

(c) Other creditors include the following:

	N'000	N'000	N'000	N'000
Paye-As-You-Earn (PAYE)	29,122	28,846	29,122	28,846
Withholding tax	21,571	-	21,571	-
Value added tax	22,374	-	22,374	-
National Housing Fund	9,891	10,242	9,891	10,242
Pension payable	14,498	-	14,498	-
Amount due to Lasaco Trading and Investment			29,450	
Assibit remittance for December	4,467	-	117	-
	101,923	39,088	127,023	39,088

18 Taxation

(a) Per statement of financial position

	N'000	N'000	N'000	N'000
Balance at the beginning of the year	350,396	340,276	350,396	340,276
Income tax for the year	180,512	96,328	105,038	84,828
Development levy	10,061	-	-	-
Education tax	-	3,566	-	-
Information technology development levy	-	23,113	-	20,097
Police fund levy	-	100	-	100
Payment during the year	(244,106)	(94,905)	(244,106)	(94,905)
Balance at the end of the year	296,863	368,479	211,329	350,396

	Group 2025 N'000	Group 2024 N'000	Company 2025 N'000	Company 2024 N'000
(b) Per Income Statement				
Income tax	75,462	-	-	-
Minimum tax	105,038	96,328	105,038	84,828
Development levy	10,061	-	-	-
Education Tax	-	3,566	-	-
Police fund Levy	-	100	-	100
Underprovision- prior year	12	-	-	-
Deferred tax (Note 19 (i))	47,907	-	-	-
	<u>238,480</u>	<u>99,994</u>	<u>105,038</u>	<u>84,928</u>
Information Technology Levy	-	23,113	-	20,096
	<u>238,480</u>	<u>123,108</u>	<u>105,038</u>	<u>105,025</u>

(c) Recognition of tax charge

(Loss)/profit before tax differs from the theoretical amount that would arise using the basic tax rate as follows

	2025 N'000	2024 N'000
(Loss)/profit before income tax	<u>(2,887,404)</u>	<u>1,640,507</u>
Tax calculated at the corporate tax rate	(866,221)	492,152
Effect of:		
Effect of other income not exempted from taxation	(5,084,761)	(4,458,828)
Effect of expenses that are not deductible in determining taxation profit	4,026,818	2,730,001
Total loss as per income tax computations	1,916,251	1,224,004
National Information Tech Dev Fund Levy paid	(6,210)	(5,041)
Minimum tax	105,038	84,828
Balancing charge	14,124	18,253
Balancing allowance	-	(542)
Effect of deferred tax	-	-
NITDA levy	-	20,096
Police Fund Levy	-	100
Underprovision	-	-
Total income tax expense in income statement	<u>105,038</u>	<u>105,025</u>
Effective tax rate	<u>(0.04)</u>	<u>0.06</u>

(i) The tax rate used for the 2025 and 2024 reconciliation above is the corporate tax rate of 30% and 3% for tertiary education tax payable by corporate entities in Nigeria on taxable profits under tax laws in the Country, for the year ended 31 December 2025.

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

(iii) Information Technology Development Levy

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

(iv) The amount provided as Nigerian Policy Trust Fund Levy was computed at the rate of 0.005% of the net profit in line with section (i)(b) of the Nigerian Police Trust Fund (Establishment) Act, 2019 signed into law on 24 June 2019.

(v) The charge for education tax is based on the provisions of the Education Tax Act, CAP E4, LFN, 2004 which is 3% of the assessable profit for the year.

	Group 2025 N'000	Group 2024 N'000	Company 2025 N'000	Company 2024 N'000
19 Deferred Taxation				
i) Deferred tax Liabilities				
Balance at the beginning of the year	408,017	376,242	408,017	376,242
Charge for the year (Note 18(b))	47,907	-	-	-
Assets revaluation reserve (Note 26)	493,977	31,775	493,977	31,775
Balance at the end of the year	<u>949,901</u>	<u>408,017</u>	<u>901,994</u>	<u>408,017</u>

As a result of the accelerated rate of capital allowance, the carrying amount of the Company's property, plant, and equipment at the statement of financial position date exceeded their corresponding tax written-down value by N2,610,216,000 (2024: N2,207,506,000) resulting in deferred tax liabilities of N783,028,000 (2024: N662,252,000) and deferred tax assets of N3,100,153,000 (2024: N3,871,983,000) resulting from capital allowance and fiscal loss. Unrealised foreign exchange gain of N1,878,872,000 reported during the year (2024: N10,819,523,000) resulted in deferred tax liability of N620,028,000 (2024: liability N1,662,384,000). Fair value gain on financial assets of N2,467,686,000 resulted in the deferred tax liability of N740,306,000 (2024: Nil).

	Opening balance as at 1 January 2025 N'000	Recognized in net income N'000	Recognized in OCI N'000	Recognised directly in equity N'000	Closing Balance at 31 December 2025 N'000
Deferred tax liabilities					
Deferred tax on revaluation surplus on property, plant and equipment	158,757	-	493,977	-	652,734
..... carrying value of PPE and TWDV	378,246	404,819	-	-	783,065
Unrealised foreign exchange gains	465,365	154,663	-	-	620,028
Fair value gain on investment properties	-	740,306	-	-	740,306
Total	1,002,368	1,299,787	493,977	-	2,796,133
Deferred tax assets					
Unutilised capital allowance	(626,126)	(551,563)	-	-	(1,177,689)
Fiscal losses C/fwd	-	(1,922,464)	-	-	(1,922,464)
Sub total	(626,126)	(2,474,027)	-	-	(3,100,153)
Deferred tax liabilities	376,242	(1,174,240)	493,977	-	(304,021)

	Group N'000 2025	Group N'000 2024	Company N'000 2025	Company N'000 2025
20 Share Capital				
Issued and fully paid ordinary shares of 50k each				
Balance as at 1st January 2025	916,793	916,793	916,793	916,793
Issued during the year	4,625,000	-	4,625,000	-
	<u>5,541,793</u>	<u>916,793</u>	<u>5,541,793</u>	<u>916,793</u>

During the period, the Company undertook a private placement involving the issuance of 9,250,000,000 ordinary shares of 50 kobo each at an issue price of ₦1.20 per share. An initial sum of ₦3.5 billion was raised as at 31 December 2024, while an additional ₦7.6 billion was received in January 2025, bringing the total gross proceeds to ₦11.1 billion. Following the completion and finalization of the share issuance, the Company recognized net proceeds of ₦10,823,312,062, after deducting directly attributable share issuance costs. The net proceeds have been accounted for as an increase in share capital and share premium in line with applicable accounting standards.

Number	Group N'000 2025	Group N'000 2024	Company N'000 2025	Company N'000 2025
Ordinary shares of 50k each	11,083,586	1,833,586	11,083,586	1,833,586
21 Share Premium	N'000	N'000	N'000	N'000
Balance at the beginning and end of the year	3,690,991	3,690,991	3,690,991	3,690,991
Issued during the year at 70k per share	6,475,000	-	6,475,000	-
Share issuance cost	(276,688)	-	(276,688)	-
Balance at the end of the year	9,889,303	3,690,991	9,889,303	3,690,991
21(a) Cash received from issue of shares	N'000	N'000	N'000	N'000
Share capital (Note 20)	4,625,000	-	4,625,000	-
Share premium (Note 21)	6,198,312	-	6,198,312	-
Total funds received	10,823,312	-	10,823,312	-
22 Deposit for shares	N'000	N'000	N'000	N'000
Balance at the beginning of the year	-	3,500,000	-	3,500,000
Transfer to share offer account	-	(3,500,000)	-	(3,500,000)
Balance at the end of the year	-	-	-	-
23 Statutory contingency reserve	Group 2025 N'000	Group 2024 N'000	Company 2025 N'000	Company 2024 N'000
Balance at the beginning of the year	3,568,838	3,017,419	3,568,838	3,017,419
Transfer from revenue reserve (Note 24)	686,216	551,419	686,216	551,419
Balance at the end of the year	4,255,054	3,568,838	4,255,054	3,568,838
24 Retained earnings	Group 2025 N'000	Group 2024 N'000	Company 2025 N'000	Company 2024 N'000
Balance at the beginning of the year	2,825,852	1,558,207	2,542,270	1,558,207
Profit for the year	(2,849,717)	1,819,064	(2,992,442)	1,535,482
Transfer to contingency reserves (Note 23)	(686,216)	(551,419)	(686,216)	(551,419)
Dividend paid	-	-	-	-
Balance at the end of the year	(710,081)	2,825,852	(1,136,388)	2,542,270
25 Fair value through other comprehensive income reserve	N'000	N'000	N'000	N'000
Balance at the beginning of the year	437,340	437,340	437,340	437,340
Fair value loss during the year (5.2b)	(2,805)	-	(2,805)	-
Balance at the end of the year	434,535	437,340	434,535	437,340

Statutory contingency reserve is calculated in accordance with the Insurance Act, a contingency reserve is credited with the greater of 3% of total premiums of N18.8 billion or 20% of profits for general business and 1% of total premiums of N12.2 billion or 10% of profits for life business. This shall accumulate until it reaches the amount of greater of minimum paid-up capital or 50 percent of net premium.

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

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

	Group 2025 N'000	Group 2024 N'000	Company 2025 N'000	Company 2024 N'000
26 Asset revaluation reserve				
Balance at the beginning of the year	822,792	536,820	822,792	536,820
Accumulated depreciation (Note 13)	32,590	22,547	32,590	22,547
Revaluation surplus (Note 13)	588,211	295,200	588,211	295,200
	<u>1,443,593</u>	<u>854,567</u>	<u>1,443,593</u>	<u>854,567</u>
Transferred to deferred tax (Note 19)	(493,977)	(31,775)	(493,977)	(31,775)
Balance at the end of the year	<u>949,616</u>	<u>822,792</u>	<u>949,616</u>	<u>822,792</u>

- (i) The revaluation surplus was N588million (2024:N295million) on property plant and equipment during the year ended 31 December 2025.

	Group 2025 N'000	Group 2024 N'000	Parent 2025 N'000	Parent 2024 N'000
32 Investment Income				
Interest revenue calculated using effective interest method (Note 32.1)	3,435,606	2,204,375	3,263,656	2,079,310
Other investment income (Note 32.2)	100,025	47,003	100,025	47,003
	3,535,631	2,251,378	3,363,681	2,126,313
32.1 Interest revenue calculated using effective interest method	N'000	N'000	N'000	N'000
Interest from fixed deposit - annuity investments	-	44,656	-	44,656
Interest on bonds	154,980	207,787	154,980	207,787
Interest from statutory deposit	110,197	62,816	110,197	62,816
	265,177	315,259	265,177	315,259
Interest earned on fixed deposits	3,082,486	1,838,866	2,910,536	1,713,801
Interest earned on treasury bills	87,943	50,250	87,943	50,250
	3,435,606	2,204,375	3,263,656	2,079,310
32.2 Other investment income	N'000	N'000	N'000	N'000
Dividend income	100,025	47,003	100,025	47,003
	100,025	47,003	100,025	47,003
32.3 Investment Income distribution	N'000	N'000	N'000	N'000
Attributable to Annuity fund holders	-	-	-	-
Attributable to Policy holders	1,493,197	0	1,292,842	-
Attributable to Share holders	2,042,434	1,143,743	1,939,264	1,018,678
	3,535,631	1,143,743	3,232,106	1,018,678
33 Fair value gains				
<i>Investment properties</i>	N'000	N'000	N'000	N'000
Fair value gain (Note 9)	2,492,686	3,192,375	2,467,686	3,122,625
<i>Financial assets at fair value through profit or loss:</i>				
Realized gain on fair value through profit or loss(note5.1(b))	305,421	-	305,421	-
Fair value gain/(loss) (Note 5.1)	93,015	(10,373)	93,015	(10,373)
	2,891,122	3,182,002	2,866,122	3,112,252
34 Net foreign exchange gains	N'000	N'000	N'000	N'000
Exchange (loss)/gain on foreign currency denominate cash and cash equivalent	(76,612)	1,801,972	(76,612)	1,801,972
Exchange gain on fixed deposits above 90 days	-	1,488,387	-	1,438,739
Exchange gain on unquoted investment (note 5.2(b))	571,476	-	571,476	-
	494,864	3,290,359	494,864	3,240,711
The foreign exchange gains were a result of the revaluation of the currency in 2025. The Company revalued its deposits, unquoted investment and domiciliary account balances hence the exchange gain of N494m (2024: N3.2bn).				
35 Other operating income	N'000	N'000	N'000	N'000
(Loss)/profit on sale of property,plant and equipment (Note 39)	(6,223)	15,299	(6,223)	15,299
Profit from sales of Investment properties	-	27,600	-	-
Profit on Transfer of Retiree Life Annuity (RLA) Portfolio (note 15)	21,968	-	21,968	-
Facility management fees	83,484	95,905	-	-
Rental income	23,463	16,500	23,463	16,500
Profit on sales of investment properties	338,000	-	-	-
SUBEB funds management fee	60,620	-	60,620	-
Other sundry income	85,705	271,574	84,479	269,565
	607,017	426,878	184,307	301,364

	Group 2025 N'000	Group 2024 N'000	Parent 2025 N'000	Parent 2024 N'000
37 Management Expenses				
Employee benefit expenses (Note 37(b))	2,094,957	2,604,346	2,094,957	2,604,346
Other management expenses (Note 37(c))	2,743,226	1,784,672	2,404,923	1,716,360
Directors expenses (Note 40)	956,173	759,966	955,083	759,966
AGM expenses	64,800	42,110	64,800	42,110
Auditors' fees	27,516	16,500	23,416	16,500
Insurance levy	309,655	243,997	309,655	243,997
Amortisation (Note 12)	147,460	59,966	147,460	59,966
Depreciation (Note 13)	637,527	493,627	637,527	493,627
	6,981,314	6,005,184	6,637,821	5,936,872
b Employee benefit expenses				
Salaries and Wages	1,606,322	2,200,567	1,606,322	2,200,567
Medical Expenses	38,820	92,117	38,820	92,117
Staff Training	201,431	155,816	201,431	155,816
Nigeria Social Insurance Trust Fund & ITF	39,640	64,600	39,640	64,600
Employers' Pension Contribution	92,799	91,246	92,799	91,246
	1,979,012	2,604,346	1,979,012	2,604,346
Gratuity	115,945		115,945	
	2,094,957	2,604,346	2,094,957	2,604,346
c Other Management Expenses				
Travelling expenses	167,025	55,586	167,025	55,586
Asset maintenance	183,018	116,800	183,018	116,800
Levies and Subscriptions	52,176	101,378	52,176	101,378
Bank charges	72,854	159,204	72,351	133,534
Electricity	58,269	90,927	58,269	90,927
Internet subscription	147,343	129,089	147,343	129,089
Advertising/ publicity	97,082	107,408	97,082	107,408
Donations	-	8,248	-	8,248
Office expenses	71,544	179,735	70,487	137,093
Professional fees	217,550	97,927	217,550	97,927
Office rent (Note 8(a))	58,129	38,222	58,129	38,222
Fines and Penalties	234,226	11,895	234,226	11,895
Insurance of assets	157,676	80,630	157,676	80,630
Fuelling expenses	231,131	94,320	231,131	94,320
Printing	18,167	18,529	18,167	18,529
Vat Expenses	269,058	38,933	269,058	38,933
Corporate gift	71,265	33,793	71,265	33,793
Subscription to Professional Association	35,294	44,511	35,294	44,511
Investment Expenses	26,226	38,775	26,226	38,775
Staff group life premium	20,857	43,030	20,857	43,030
Withholding tax paid	59,295	35,803	59,295	35,803
Postage	3,194	2,749	3,194	2,749
Securiti charges	6,024	6,024	6,024	6,024
Cleaning Expenses	17,139	32,642	17,139	32,642
Registrar Fee	6,072	12,741	6,072	12,741
Filing fee	5,120	2,974	5,120	2,974
CSCS Due	4,460	26,877	4,460	26,877
Telephone	1,260	31,440	1,260	31,440
Entertainment	37,570	22,417	37,570	22,417
End of the year Gift	77,459	39,674	77,459	39,674
Project management expenses	336,743	-	-	-
	2,743,226	1,784,672	2,404,923	1,716,360

	Group 2025 N'000	Group 2024 N'000	Company 2025 N'000	Company 2024 N'000
38 Net impairment writeback/(loss) on financial assets				
(Allowance)/write back of credit losses - Cash (Note 4(b))	4,231	22,826	4,231	22,826
(Allowance)/write back of credit losses - Financial assets at amortised cost (Note 5.3(e))	1,042	(928)	1,042	(928)
(Allowance)/write back of credit losses - Staff loan (Note 8(d))	38	16	38	16
Allowance of credit losses - other receivables (Note 8(f))	-	561	-	561
Write back of credit losses - other assets (Note 8(e))	-	-	-	-
	<u>5,311</u>	<u>22,475</u>	<u>5,311</u>	<u>22,475</u>
39 (loss)/profit on disposal of property, plant and equipment				
Cost (Note 13)	221,055	289,243	221,055	289,243
Accumulated depreciation (Note 13)	(148,518)	(222,731)	(148,518)	(222,731)
Carrying amount	<u>72,537</u>	<u>66,512</u>	<u>72,537</u>	<u>66,512</u>
Sales proceeds	66,314	81,811	66,314	81,811
Carrying amount (as above)	<u>(72,537)</u>	<u>(66,512)</u>	<u>(72,537)</u>	<u>(66,512)</u>
	<u>(6,223)</u>	<u>15,299</u>	<u>(6,223)</u>	<u>15,299</u>
40 <u>Supplementary profit and loss information</u>				
(a) Profit before taxation is arrived at after charging:				
Amortisation of intangible asset (Note 12)	147,460	59,966	147,460	59,966
Depreciation of property, plant and equipment (Note 13)	637,527	493,627	637,527	493,627
Auditors' fees (Note 37)	16,500	16,500	16,500	16,500
Directors' expenses (Note 37)	955,083	759,966	955,083	759,966
and after crediting /charging:				
Loss on disposal of property,plant and equipment (Note 39)	6,223	15,299	6,223	15,299
Gain on investment properties (Note 33)	2,467,686	3,122,625	2,467,686	3,122,625
Foreign exchange gains (Note 34)	494,864	3,240,711	494,864	3,240,711

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

(c) **Staff Costs**

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

	Number	Number	Number	Number
Managerial	31	34	31	34
Senior	83	90	83	90
Junior	13	14	13	14
	<u>127</u>	<u>138</u>	<u>127</u>	<u>138</u>

Employees Remunerated at Higher Rates

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

N	N	Group Number	Group Number	Parent Number	Parent Number
500,001 - 1,000,000		-			
1,000,001 - 2,000,000		14	15	14	15
2,000,001 - 3,000,000		23	23	23	23
3,000,001 - 4,000,000		23	23	23	23
4,000,001 - 5,000,000		28	32	28	32
5,000,001 - Above		39	49	39	49
		<u>127</u>	<u>142</u>	<u>127</u>	<u>142</u>

Chairman's and Directors' Emoluments

Aggregate emoluments of the directors were:

	N'000	N'000	N'000	N'000
Directors Fees	17,000	17,000	17,000	17,000
Executive compensation	162,560	162,560	162,560	162,560
Other directors expenses	775,522	759,966	775,522	759,966

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

N	N
Below	10,000,000
10,000,001	20,000,000
20,000,001	and Above

Group	Group	Parent	Parent
2025	2024	2025	2024
Number	Number	Number	Number
6	5	6	5
3	3	3	3

The Highest paid Director earned N86million in 2025 (2024:N64m)

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

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

Net loss attributable to ordinary shareholders for basic and diluted EPS

Weighted average number of ordinary shares for EPS

Basic Earnings/(Loss) Per Share (kobo)

Diluted Basic Earnings Per Share (kobo)

	N'000	N'000	N'000
Net loss attributable to ordinary shareholders for basic and diluted EPS	(2,849,717)	1,819,064	(2,992,442)
Weighted average number of ordinary shares for EPS	11,083,586	1,833,586	11,083,586
Basic Earnings/(Loss) Per Share (kobo)	(25.71)	99.2	(27.00)
Diluted Basic Earnings Per Share (kobo)	(25.71)	99.2	(27.00)

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

42 **Related party disclosures**

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

Transactions with key management personnel

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

Other related party	Premium N'000	Claims N'000	Premium N'000	Claims N'000	Relationship
Lagos State Government	2,098,451	1,654,980	2,985,842	1,528,821	Indirect shareholding

43 **Cash flow from operating activities**

Operating profit/(loss) before tax

Adjustment for non-operating items:

Depreciation - Property, plant & equipment

Amortisation - Intangible assets

Write back of expected credit losses

Guaranteed interest

Actuarial adjustment on investment contract liabilities (Note 15)

(Profit)/loss on disposal of property and equipment

(Profit)/loss on investment properties

Net foreign exchange gain

Fair value gain on investment properties

Realized (gain) on quoted equities

Fair value loss/(gain) on quoted investment

Accrued interest capitalised on bonds

Interest earned on fixed deposits

Interest earned on treasury bills

Other investment income

Cash flow before changes in working capital

Changes in operating assets and liabilities

Increase in amount due from Insurance Brokers

Decrease in receivable from Coinsurance companies

(Increase)/decrease in receivable from reinsurance companies

(Increase)/decrease in Reinsurance Contract assets

(Increase)/decrease in other receivables and prepayments

Increase/(decrease) in Insurance contract liabilities

Decrease in investment contract liabilities

Increase/(decrease) in trade payables

(Decrease)/increase in other payables

Net cash outflow from operating activities

Tax paid

Net Cash absorbed in operating activities

Note	N'000	N'000	N'000	N'000
Operating profit/(loss) before tax	(2,611,237)	1,942,172	(2,887,404)	1,640,507
Depreciation - Property, plant & equipment	13	637,527	493,627	637,527
Amortisation - Intangible assets	12	147,460	59,966	147,460
Write back of expected credit losses	38	(5,311)	(22,475)	(5,311)
Guaranteed interest		-	-	-
Actuarial adjustment on investment contract liabilities (Note 15)	15	-	641,659	-
(Profit)/loss on disposal of property and equipment	39	6,223	(15,299)	6,223
(Profit)/loss on investment properties	35	(338,000)	-	-
Net foreign exchange gain	34	(494,864)	(3,290,359)	(494,864)
Fair value gain on investment properties	33	(2,492,686)	(3,192,375)	(2,467,686)
Realized (gain) on quoted equities	33	(305,421)	-	(305,421)
Fair value loss/(gain) on quoted investment	33	(93,015)	10,373	(93,015)
Accrued interest capitalised on bonds	5.3 (a)	(154,980)	(207,787)	(154,980)
Interest earned on fixed deposits	32.1	(3,082,486)	(1,838,866)	(2,910,536)
Interest earned on treasury bills	5.3(d)	(87,943)	(50,250)	(87,943)
Other investment income	32.2	(100,025)	(47,003)	(100,025)
Cash flow before changes in working capital		(8,974,758)	(5,516,617)	(8,715,975)
Changes in operating assets and liabilities				
Increase in amount due from Insurance Brokers		(241,725)	(411,922)	(241,725)
Decrease in receivable from Coinsurance companies		242,825	77,548	242,825
(Increase)/decrease in receivable from reinsurance companies		-	(135,642)	-
(Increase)/decrease in Reinsurance Contract assets		(391,658)	(680,965)	(391,658)
(Increase)/decrease in other receivables and prepayments		331,962	(832,865)	450,672
Increase/(decrease) in Insurance contract liabilities		(8,570)	5,520,400	(8,570)
Decrease in investment contract liabilities		-	(646,777)	-
Increase/(decrease) in trade payables		(289,328)	525,670	(289,328)
(Decrease)/increase in other payables		(69,034)	230,438	(139,468)
Net cash outflow from operating activities		(9,400,286)	(1,870,732)	(9,093,227)
Tax paid		(244,106)	(94,905)	(244,106)
Net Cash absorbed in operating activities		(9,644,392)	(1,965,637)	(9,337,333)

44 **Capital Commitments**

The were no capital commitments at 31 December 2025 (2024: Nil)

45 **Contingent liabilities**

There were no material contingent liabilities as at 31 December 2025 (2024 Nil).

46 **Comparative Figures**

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

47 **Contingencies and commitments**

(a) **Legal Proceedings**

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

(b) **Contravention of laws and regulations**

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

Regulators	Description of penalty	Description	Number of times	Year on contravention	Amount of penalty (N)
National Insurance Commission	Late filling of 2024 audited financial	Penalty on infraction on risk based audit from 2021-2023	1	2025	204,335,683
National Insurance Commission	Late filling of 1st quarter 2024 returns	Penalty for dealing with unregistered broker	1	2025	2,500,000
					<u>206,835,683</u>

48 **Events after the reporting year**

There were no significant events after reporting date which could have had a material effect on the consolidated financial statements for the year ended 31 December 2025.

49 Segment information

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

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

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

49.1 Segment profit or loss and other comprehensive income

	31-Dec-25			31-Dec-24		
	Non-Life N'000	Life N'000	Total N'000	Non-Life N'000	Life N'000	Total N'000
Insurance revenue	17,694,195	13,167,150	30,861,346	13,801,829	9,017,225	22,819,054
Insurance service expenses	(16,013,327)	(10,737,770)	(26,751,097)	(12,522,935)	(8,278,636)	(20,801,571)
Net expenses from reinsurance contract held	(6,022,580)	(761,159)	(6,783,739)	(2,683,428)	(548,785)	(3,232,213)
Insurance service result	(4,341,712)	1,668,221	(2,673,491)	(1,404,534)	189,804	(1,214,730)
Interest revenue calculated using effective interest method	2,981,395	282,261	3,263,656	1,656,300	423,010	2,079,310
Other Investment income	100,001	24	100,025	46,992	11	47,003
Net fair value gain on financial assets at fair value through P or L	1,987,942	878,181	2,866,123	3,010,627	101,625	3,112,252
Net impairment writeback/(loss) on financial assets	7,900	(2,589)	5,311	19,749	2,726	22,475
Profit on investment contract liabilities	-	21,968	21,968	-	-	-
Investment results	5,077,238	1,179,845	6,257,083	4,733,668	527,372	5,261,040
Insurance finance (expenses)/income	(302,585)	(362,755)	(665,340)	155,091	(149,281)	5,810
Reinsurance finance income/(expenses)	75,543	99,420	174,963	(16,818)	-	(16,818)
Net foreign exchange gain	468,675	26,189	494,864	2,068,199	1,172,512	3,240,711
Net investment result	5,318,871	942,699	6,261,570	6,940,140	1,550,603	8,490,743
Net insurance and investment results	977,159	2,610,920	3,588,079	5,535,606	1,740,407	7,276,013
Other operating income	168,342	220	168,562	295,997	5,367	301,364
Operating expenses	(4,983,033)	(1,661,011)	(6,644,044)	(3,821,952)	(2,114,918)	(5,936,870)
(Loss)/profit before taxation	(3,837,532)	950,129	(2,887,403)	2,009,651	(369,144)	1,640,507
Income tax	(103,834)	(1,204)	(105,038)	(99,417)	(5,608)	(105,025)
(Loss)/profit after taxation	(3,941,366)	948,925	(2,992,442)	1,910,234	(374,752)	1,535,482

49.2 Segment Statement of financial Position	2025				2024			
	Non-Life N'000	Life N'000	Elimination of Inter Company balances N'000	Total N'000	Non-Life N'000	Life N'000	Elimination of Inter Company balances N'000	Total N'000
Assets								
Cash and cash equivalents	10,066,714	3,450,869	-	13,517,583	7,075,141	2,528,279	-	9,603,420
Financial Assets:								
- At fair value through profit or loss	355,462	1,990	-	357,452	379,050	8,630	-	387,680
- At amortised cost	1,016,182	1,116,902	-	2,133,084	1,419,750	335,886	-	1,755,636
- At fair value through other comprehensive income	795,452	63,997	-	859,449	227,340	63,437	-	290,777
Trade receivables	899,756	110,187	-	1,009,943	646,031	365,012	-	1,011,043
Reinsurance contract assets	2,363,031	1,653,746	-	4,016,777	2,713,341	649,107	-	3,362,448
Other receivables and prepayments	805,744	39,317	(572,849)	272,212	1,217,468	4,930,676	(4,877,800)	1,270,344
Investment property	6,322,130	4,090,000	-	10,412,130	7,396,000	308,379	-	7,704,379
Investment in subsidiary	3,000,000	-	(2,000,000)	1,000,000	3,000,000	-	(2,000,000)	1,000,000
Statutory deposit	320,150	215,000	-	535,150	320,150	215,000	-	535,150
Intangible assets	266,675	-	-	266,675	310,111	-	-	310,111
Property, plant and equipment	4,231,314	93,156	-	4,324,470	3,571,526	139,734	-	3,711,260
Total assets	30,442,610	10,835,164	(2,572,849)	38,704,925	28,275,908	9,544,140	(6,877,800)	30,942,248
Liabilities and shareholders' equity								
Liabilities								
Insurance contract liabilities	9,367,819	5,893,506	-	15,261,325	8,751,301	6,518,592	-	15,269,893
Investment contract liabilities	-	-	-	-	-	-	-	-
Other technical liabilities	727,344	602,325	-	1,329,669	1,385,947	342,804	-	1,728,751
Other payables and accruals	928,032	711,511	(572,849)	1,066,694	5,982,236	101,730	(4,877,800)	1,206,166
Income tax liabilities	161,412	49,917	-	211,329	246,556	103,841	-	350,397
Deferred tax liabilities	886,418	15,576	-	901,994	392,441	15,576	-	408,017
Total liabilities	12,071,025	7,272,835	(572,849)	18,771,011	16,758,481	7,082,543	(4,877,800)	18,963,224
Shareholders' equity								
Share capital	5,541,793	2,000,000	(2,000,000)	5,541,793	916,793	2,000,000	(2,000,000)	916,793
Share premium	9,889,303	-	-	9,889,303	3,690,991	-	-	3,690,991
Deposit for shares	-	-	-	-	-	-	-	-
Contingency reserves	3,533,572	721,482	-	4,255,054	2,968,866	599,972	-	3,568,838
Retained earnings	(1,848,592)	712,204	-	(1,136,388)	2,657,481	(115,211)	-	2,542,270
FVOCI reserves	305,892	128,643	-	434,535	309,257	128,083	-	437,340
Revaluation reserves	949,616	-	-	949,616	822,792	-	-	822,792
Total equity	18,371,584	3,562,329	(2,000,000)	19,933,913	11,366,180	2,612,844	(2,000,000)	11,979,024
Total liabilities and shareholders' equity	30,442,610	10,835,164	(2,572,849)	38,704,925	28,124,661	9,695,387	(6,877,800)	30,942,248

50 Hypothecation

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

	Policy Holders' Fund				Shareholders' Fund		
	Non-Life	Life			TOTAL	TOTAL FUNDS	
AS AT DECEMBER 2025		Life	Annuity	Investment Linked	Total		
	N'000	N'000	N'000	N'000		N'000	
COMPANY							
Cash and cash equivalents	4,555,184	1,391,651	-	69,939	6,016,774	7,500,809	13,517,583
Financial Assets:							
Quoted shares	355,462	1,990	-	-	357,452	-	357,452
Government Bond		904,697	-	-	904,697	-	904,697
Placement with financial institutions	-	-	-	1,228,387	1,228,387	-	-
- At fair value through other comprehensive income	-	-	-	-	-	859,449	859,449
Investment in subsidiaries	-	-	-	-	-	1,000,000	1,000,000
Trade receivables						1,446,690	1,446,690
Reinsurance contract assets	2,363,031	1,653,746	-	-	4,016,777	-	4,016,777
Other receivables and prepayments	-	-	-	-	-	272,212	272,212
Investment properties	2,341,955	1,609,301	-	453,425	4,404,682	6,007,449	10,412,130
Statutory deposit	-	-	-	-	-	535,150	535,150
Intangible assets	-	-	-	-	-	266,675	266,675
Property, plant and equipment	-	-	-	-	-	4,324,470	4,324,470
Total Assets	9,615,632	5,561,385	-	1,751,751	16,928,769	22,212,904	39,141,672
Liabilities:							
Insurance contract liabilities	9,367,819	4,598,004	-	1,295,501	15,261,324	-	15,261,324
Investment contract liabilities	-	-	-	-	-	-	-
Other technical liabilities	-	-	-	-	-	1,329,669	1,329,669
Other payables and accruals	-	-	-	-	-	1,066,695	1,066,695
Income tax liabilities	-	-	-	-	-	211,329	211,329
Deferred tax liabilities	-	-	-	-	-	901,994	901,994
Total Liabilities	9,367,819	4,598,004	-	1,295,501	15,261,324	3,509,687	18,771,011
Related Companies Loans							
Assets Cover	247,813	963,381	-	456,250	1,667,445	18,703,217	20,370,661

51 Capital Management Policy

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

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

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

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

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

(a) Minimum Capital Requirement

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

(b) Solvency Status

The Company met the criteria for solvency margin as stated in Extant Insurance Regulations, the solvency margin maintained is N12,410,324,000

(c) Capital Adequacy Test

Based on the capital adequacy calculation below, LASACO Assurance Plc has a surplus of N5.7billion.

	2025	
	N'000	N'000
Admissible assets		30,279,341
Less:		
Inadmissible assets		-
Admissible liabilities		(17,869,017)
Solvency margin		<u>12,410,324</u>

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

(d) SOLVENCY MARGIN AS AT 31ST DECEMBER 2025

ITEMS	TOTAL	ADMISSIBLE	NON ADMISSIBLE
	N'000	N'000	N'000
Assets			
Cash and Cash equivalents	13,517,583	13,517,583	-
Placement with Financial Institutions	1,228,387	1,228,387	-
Government Bonds	904,697	904,697	-
Quoted shares	357,452	357,452	-
Unquoted shares	859,449	-	859,449
Mortgage loans	56,084	56,084	-
Loan to policy holders	-	-	-
Loan to staff	-	-	-
Other loan and Invested assets	-	-	-
Premium receivables	1,009,943	1,009,943	-
Other receivables & prepayments	216,128	-	216,128
Reinsurance contract assets	4,016,777	4,016,777	-
Investment in subsidiaries	1,000,000	1,000,000	-
Investment properties	10,412,130	6,071,349	4,340,781
Property, Plant & Equipment	4,324,470	1,581,919	2,742,551
Statutory deposits	535,150	535,150	-
Other asset - Intangible assets	266,675	-	266,675
Total	38,704,925	30,279,341	8,425,584
Liabilities			
Insurance contract liabilities	15,261,325	15,261,325	-
Investment contract liabilities	-	-	-
Other technical liabilities	1,329,669	1,329,669	-
Provision and other payables	1,066,694	1,066,694	-
Tax payable	211,329	211,329	-
Other liabilities - Deferred tax	901,994	-	901,994
Total	18,771,011	17,869,017	901,994
Available solvency margin		12,410,324	
Required solvency margin higher of:			
a. 15% of Net premium (15%*16,884,632)	4,629,202		
b. Minimum Capital required	5,000,000	(5,000,000)	
Surplus solvency margin		7,410,324	
Level of Solvency		248%	

52 Financial Risk Management

Credit risk

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

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

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

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

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

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

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

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

RISK MANAGEMENT FRAMEWORK

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

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

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

The risk model comprises:

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

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

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

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

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

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

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

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

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

Impairment assessment (Policy applicable from 1 January 2018)

The Company's ECL assessment and measurement method is set out below.

Significant increase in credit risk, default and cure

Financial Risk Management continued

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

The Company's process to assess changes in credit risk is multi-factor and has three main elements (or 'pillars'):

- quantitative element (i.e. reflecting a quantitative comparison of PD at the reporting date and PD at initial recognition);
- a qualitative element; and
- 'backstop' indicators

Quantitative elements

The quantitative element is the primary indicator of significant increases in credit risk, with the qualitative element playing a secondary role. The quantitative element is calculated based on the change in lifetime PDs by comparing:

- the remaining lifetime PD as at the reporting date; with
- the remaining lifetime PD for this point in time that was estimated based on facts and circumstances at the time of initial recognition of the exposure (adjusted where relevant for changes in prepayment expectations)

Definition of default

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

- The Company considers that the obligor is unlikely to pay its credit obligations to the Company in full, without recourse by the insurer to actions such as realising security (if held).
- The obligor is past due more than 90 days on any material credit obligation to the Company.

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

Qualitative elements

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

Backstop indicators

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

Expected credit losses

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

Amounts arising from ECL

Inputs, assumptions and techniques used for estimating impairment.

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

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

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

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

Financial Risk Management continued

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

The Company monitors the effectiveness of the criteria used to identify significant increase in credit risk by regular reviews to confirm that:

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

Modified financial assets

The contractual terms of a financial asset may be modified for a number of reasons, including changing market conditions and other factors not related to a current or potential credit deterioration of the borrower. An existing financial asset whose terms have been modified may be derecognized and the renegotiated asset recognized as a new financial asset at fair value in accordance with the accounting policies. When the terms of a financial asset are modified and the modification does not result in derecognition, the determination of whether the asset's credit risk has increased significantly reflects a comparison of:

- Its risk of default occurring at the reporting date based on the modified term; with
- The risk of default occurring estimated based on data on initial recognition and the original contractual terms.

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

An overview of the approach to estimating ECLs is set out in Note 1.4 Significant accounting judgements, estimates and assumptions. To ensure completeness and accuracy, the Company obtains the data used from third party sources (Central Bank of Nigeria, Trading Economies). The following tables set out the key drivers of expected loss and the assumptions used for the Company's base case estimate, ECLs based on the base case, plus the effect of the use of multiple economic scenarios as at 31 December 2024 and 31 December 2025.

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

Key drivers	ECL scenario	Assigned probability	2026	2027	2028	2029
31-Dec-25						
Inflation Rate	Upturn	78%	11	10.16	10.05	1071
	Base-case	9%	12.62	11.78	11.67	12.33
	Downturn	13%	15.15	14.31	14.2	14.86
Unemployment Rate	Upturn	78%	4	4.79	4.73	4.7
	Base-case	9%	4.8	4.87	4.73	4.93
	Downturn	13%	5	4.99	4.93	4.73
Crude oil Price (USD per barrel)	Upturn	78%	66.22	62.47	69.22	72.44
	Base-case	9%	54.96	51.21	57.96	61.18
	Downturn	13%	37.7	33.95	40.7	43.92
01-Jan-25						
	ECL scenario	Assigned probability	2025	2026	2027	2028
Inflation Rate	Upturn	81%	38.05	39.1	40.26	39.4
	Base-case	77%	42.65	42.5	43.63	42.88
	Downturn	9%	44.2	45.63	46.76	45.97
Unemployment Rate	Upturn	10%	31.56	31	32	38
	Base-case	81%	34	34.2	34.75	37.94
	Downturn	9%	33.17	34.75	36.08	33.23
Crude oil Price (USD per barrel)	Upturn	81%	54.76	60.16	62.5	62.5
	Base-case	9%	53.45	54.95	57.3	57.3
	Downturn	9%	53.45	54.95	57.3	57.3

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

31 December 2025		Cash and cash	Debt	Other
In thousand of Nigerian Naira		equivalents	Instruments at	receivables
			amortised cost	
Upside	9%	249,239	110,903	251
Base	78%	290,930	128,344	302
Downside	13%	354,709	155,251	785
Total		894,878	394,498	1,338

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

Exposure to credit risk

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

In thousand of Nigerian Naira			2025	2024
		Note		
Cash and cash equivalents	4		14,817,185	10,345,031
Debt instrument at amortised cost	5.3		2,133,084	1,755,636
Other receivable(excluding prepayments)	8		188,620	1,223,816
Carrying amount			17,138,889	13,324,483

The amount reported above is gross exposure recognised on cash and cash equivalents, debt instruments at amortised cost and other receivables.

Other receivables excluding prepayment N188m (2024:N1.2b) out of which N30 million relate to deposit for land as these are not financial instruments.

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

Analysis of risk Concentration

The Company's concentrations of risk are managed by client/counterparty, and industry sector. The maximum credit exposure to any client or counterparty as of 31 December 2025 was N14.8bn (2024: N10.3 Billion).

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

Industry analysis

31 December 2025 In thousand of Nigerian Naira	Financial services	Government	Others	Total
Cash and cash equivalents	14,817,185	-	-	14,817,185
Debt instruments at amortised cost	-	2,133,084	-	2,133,084
Other receivable(excluding prepayments)	-	-	188,620	188,620
	14,817,185	2,133,084	188,620	17,138,889

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

54 RISK MANAGEMENT FRAMEWORK

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

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

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

Insurance Risk

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

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

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

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

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

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

55 RISK MANAGEMENT FRAMEWORK

Life Insurance Contracts

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

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

Mortality risk - risk of loss arising due to policyholders' death experience being different from expected;

Morbidity risk - risk of loss arising due to policyholder health experience being different from expected;

Longevity risk - risk of loss arising due to the annuitant living longer from expected;

Investment return risk - risk of loss arising from actual returns being different from expected;

Expense risk - risk of loss arising from expense experience being different from expected

Policyholder decision risk - risk of loss arising due to policyholder experiences (lapses and surrenders) being different from expected.

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

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

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

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

Key Assumptions

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

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

Mortality and morbidity rates

- Assumptions are based on standard industry and national tables, according to the type of contract written and the territory in which the insured person resides. They reflect recent historical experience and are adjusted when appropriate to reflect the Company's own experiences. An appropriate, but not excessive, prudent allowance is made for expected future improvements. Assumptions are differentiated by sex, underwriting class and contract type.
- An increase in rates will lead to a larger number of claims (and claims could occur sooner than anticipated), which will increase the expenditure and reduce profits for the shareholders.

Longevity

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

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

• **Investment return**

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

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

• **Expenses**

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

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

• **Lapse and surrender rates**

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

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

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

Non-life insurance contracts (which comprise general insurance)

The Company principally issues the following types of general insurance contracts: motor, fire, marine and aviation, Oil and Gas, General Accidents, bonds etc.

Risks under non-life insurance policies usually cover twelve months duration.

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

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

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

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

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

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

TABLE 1

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

	31-Dec-25			31-Dec-24		
	Gross Insurance contract liabilities	Reinsurance Contract liabilities	Net Insurance contract liabilities	Gross Insurance contract liabilities	Reinsurance Contract liabilities	Net Insurance Contract liabilities
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Motor	147,855	47,497	100,358	771,663	27,539	744,124
Fire	898,758	133,045	765,713	1,490,548	677,899	812,649
General accident	629,194	349,397	279,797	1,135,057	426,736	708,321
Marine	257,241	200,640	56,601	818,614	402,396	416,218
Aviation	187,175		187,175	308,303	73,026	235,277
Engineering	642,646	354,853	287,793	1,366,523	416,643	949,880
Bond	65,612	31,555	34,057	694,376	303,109	391,267
Oil and gas	1,232,790	-	1,232,790	2,166,218	385,996	1,780,222
Total	4,061,271	1,116,987	2,944,284	8,751,302	2,713,344	6,037,958

Key assumptions

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

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

Sensitivities

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

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

Loss Development Factors

Loss year	Development year							
	1 --> 2	2 --> 3	3 --> 4	4 --> 5	5 --> 6	6 --> 7	7 --> 8	8 --> 9
2017	1.565	1.015	1.004	1.000	1.000	1.000	1.000	1.000
2018	1.299	2.043	1.002	1.000	1.002	1.000	1.000	-
2019	1.773	1.098	1.010	1.015	1.000	1.000	-	-
2020	9.830	1.336	1.011	1.000	1.000	-	-	-
2021	2.518	1.123	1.002	1.000	-	-	-	-
2022	1.277	1.054	1.000	-	-	-	-	-
2023	2.604	1.011	-	-	-	-	-	-
2024	2.604	-	-	-	-	-	-	-
2025	-	-	-	-	-	-	-	-
IALDF Devt Factors*	1.917	1.132	1.005	1.000	1.000	1.000	1.000	1.000
Cumulative DF	2.181	1.138	1.005	1.000	1.000	1.000	1.000	1.000
	2024	2023	2022	2021	2020	2019	2018	2017
Premium ('000)	2,698,435	1,954,466	1,142,391	715,622	669,773	375,018	286,837	314,187
Est. Loss factor (1-1/(cumu	54.15%	12.12%	0.54%	0.04%	0.03%	0.00%	0.00%	0.00%
Ultimate claims ratio	28.70%							
Loss reserve (Attritonal)	489,213	=sumproduct({Premium},{Estimated IBNR factor})*Ultimate claims ratio						
Discounted Loss reserve (At	464,884	includes an adjustment for future inflation						

*This is the average of the 25% and 75% percentiles of the LDFs, which excludes extremem values from the calculation

Large Claims

Loss Year	Exposure / Premium N'000	Total Paid Amounts N'000	Number of Large Losses	Claim Frequency	Average Paid Cost N'000	Ultimate Avg Cost	Ultimate Frequency	Ultimate Paid Amounts N'000	Large Loss Reserves N'000
2017	203,547	0	0	0.000000%	0	0	0.00000%	0	0
2018	314,187	0	0	0.000000%	0	0	0.00000%	0	0
2019	286,837	0	0	0.000000%	0	0	0.00000%	0	0
2020	375,018	0	0	0.000000%	0	0	0.00000%	0	0
2021	669,773	863,307	1	0.000149%	863,307	863,307	0.00015%	863,307	0
2022	715,622	0	0	0.000000%	0	0	0.00000%	0	0
2023	1,142,391	0	0	0.000000%	0	0	0.00000%	0	0
2024	1,954,466	0	0	0.000000%	0	0	0.00000%	0	0
2025	2,698,435	0	1	0.000037%	0	431,654	0.00002%	278,648	278,648
								Large claims	278,648
								Attritonal claims	464,884
								Total	743,533
								Reported Outstanding Claim	340,540
								Gross Loss Reserve (subject to minimum 110.0% reported O/S claims)	743,533
								Gross IBNR	402,993

Loss year	Attritional Claims Incremental Claims ('000)								
	1	2	3	4	5	6	7	8	9
2017	35,799	58,539	16,259	66,035	26,776	4,655	626	4,753	-
2018	61,131	33,992	90,144	51,303	4,505	322	5,128	-	-
2019	47,579	146,866	41,046	6,004	2,205	2,178	-	-	-
2020	79,116	87,049	18,737	9,002	2,238	630	-	-	-
2021	70,165	59,970	10,738	3,961	2,133	-	-	-	-
2022	113,040	58,174	27,690	7,730	-	-	-	-	-
2023	160,869	151,541	18,393	-	-	-	-	-	-
2024	80,605	208,469	-	-	-	-	-	-	-
2025	-	-	-	-	-	-	-	-	-

Loss year	Inflation Adjusted Incremental Claims (N'000)											
	1	2	3	4	5	6	7	8	9	10	11	12
2017	144,377	211,849	52,545	184,374	64,654	9,262	971	5,473	-	-	-	-
2018	221,230	109,856	251,687	123,879	8,965	500	5,905	-	-	-	-	-
2019	153,767	410,058	99,112	11,947	3,423	2,508	-	-	-	-	-	-
2020	221,161	210,194	37,287	13,973	2,577	630	-	-	-	-	-	-
2021	178,965	119,340	16,668	4,561	2,133	-	-	-	-	-	-	-
2022	139,627	90,301	31,885	7,730	-	-	-	-	-	-	-	-
2023	175,466	174,503	18,393	-	-	-	-	-	-	-	-	-
2024	185,243	208,469	-	-	-	-	-	-	-	-	-	-
2025	80,605	-	-	-	-	-	-	-	-	-	-	-

Loss year	Inflation Adjusted Cumulative Claims (N'000)											
	1	2	3	4	5	6	7	8	9	10	11	12
2016	144,377	356,226	408,771	593,145	657,799	667,061	668,032	673,505	673,505	-	-	-
2017	221,230	331,086	582,772	706,652	715,617	716,117	722,022	722,022	-	-	-	-
2018	153,767	563,825	662,937	674,884	678,307	680,815	680,815	-	-	-	-	-
2019	221,161	431,354	468,641	482,614	485,191	485,821	-	-	-	-	-	-
2020	178,965	298,928	314,973	319,533	321,666	-	-	-	-	-	-	-
2021	139,627	349,969	261,814	269,544	-	-	-	-	-	-	-	-
2022	175,466	393,712	368,361	-	-	-	-	-	-	-	-	-
2023	185,243	-	-	-	-	-	-	-	-	-	-	-
2024	80,605	-	-	-	-	-	-	-	-	-	-	-

Dev't Factor	2.081	1.198	1.128	1.020	1.005	1.003	1.004	1.000				
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Loss Development Factors

Loss year	Development year									loss reserve
	1	2	3	4	5	6	7	8	9	
2017	144,377	356,226	408,771	593,145	657,799	667,032	668,032	673,505	673,505	
2018	221,230	331,086	582,772	706,652	715,617	716,117	722,022	722,022	722,022	0
2019	153,767	563,825	662,937	674,884	678,307	680,815	680,815	683,131	683,131	2,316
2020	221,161	431,354	468,641	485,191	485,191	485,821	487,252	488,910	488,910	3,088
2021	178,965	298,304	314,973	321,666	321,666	323,144	324,096	325,200	325,200	3,533
2022	139,627	229,928	261,814	276,879	276,879	278,154	278,975	279,927	279,927	10,383
2023	175,466	349,969	368,361	424,355	424,355	426,322	427,588	429,055	429,055	60,694
2024	185,243	393,712	469,164	540,874	540,874	543,392	545,013	546,893	546,893	154,181
2025	80,605	166,750	198,893	229,442	229,442	230,515	231,205	232,006	232,006	151,401

*Projected claims have been adjusted by
 Loss reserve (Attritional) 384,595

Loss Year	Exposure / Premium N'000	Total Paid Amounts N'000	Number of Large Losses	Claim Frequency	Average Paid Cost N'000	Ultimate Avg Cost	Ultimate Frequency	Ultimate Paid Amounts N'000	Large Loss Reserves N'000
2017	893,404	61,262	8	0.000090%	7,658	7,658	0.00090%	61,262	0
2018	851,843	61,221	10	0.001174%	6,122	6,122	0.00117%	61,221	0
2019	733,506	156,427	25	0.003408%	6,257	6,257	0.00341%	156,427	0
2020	1,213,163	116,981	16	0.001319%	7,311	7,311	0.00132%	116,981	0
2021	1,195,115	0	0	0.000000%	0	0	0.00000%	0	0
2022	1,615,548	149,892	7	0.000433%	21,413	21,413	0.00043%	149,892	0
2023	2,182,407	467,630	16	0.000733%	29,227	29,227	0.00073%	467,630	0
2024	2,608,972	686,512	22	0.000843%	31,205	31,205	0.00088%	686,512	0
2025	2,909,795	168,879	1	0.000034%	168,879	168,879	0.00073%	377,415	208,536
								Large claims	208,536
								Attritional claims	384,595
								Total	593,132
								Reported Outstanding Claim	308,383
								Gross Loss Reserve (subject to minimum 110.0% reported O/S claims)	593,132
								Gross IBNR	284,749

Loss Development Factors

Loss year	t year							
	1 --> 2	2 --> 3	3 --> 4	4 --> 5	5 --> 6	6 --> 7	7 --> 8	8 --> 9
2017	1.203	3.505	1.008	1.000	1.000	1.000	1.000	1.000
2018	8.038	1.022	1.014	1.000	1.000	1.000	1.000	
2019	1.605	1.002	1.002	1.194	1.000	1.000		
2020	1.103	1.028	1.186	1.000	1.000			
2021	5,954.000	1.105	1.017	1.000				
2022	4.155	1.028	1.074					
2023	1.342	1.421						
2024	36.267							
2025	-	-	-	-	-	-	-	-
IALDF Devt Factors*	3.891	1.144	1.035	1.000	1.000	1.000	1.000	1.000
Cumulative DF	4.605	1.184	1.035	1.000	1.000	1.000	1.000	1.000

	2025	2024	2023	2022	2021	2020	2019	2018
Premium ('000)	1,882,829	1,559,736	935,211	972,329	470,038	387,466	322,779	220,298
Est. Loss factor (1-1/(cumul DF))	65.35%	21.35%	10.40%	5.83%	0.00%	0.00%	0.00%	0.00%
Ultimate claims ratio	25.00%							
Loss reserve (Attrititional)	429,350 =sumproduct({Premium},{Estimated IBNR factor})*Ultimate claims ratio							
Discounted Loss reserve (Attrititional)	418,526 includes an adjustment for future inflation							

*This is the average of the 25% and 75% percentiles of the LDFs, which excludes extremem values from the calculation

Large Claims

Loss Year	Exposure / Premium N'000	Total Paid Amounts N'000	Number of Large Losses	Claim Frequency	Average Paid Cost N'000	Ultimate Avg Cost	Ultimate Frequency	Ultimate Paid Amounts N'000	Large Loss Reserves N'000
2017	282,589	0	0	0.000000%	0	0	0.000000%	0	0
2018	220,298	0	0	0.000000%	0	0	0.000000%	0	0
2019	322,779	0	0	0.000000%	0	0	0.000000%	0	0
2020	387,466	409,750	1	0.0000258%	409,750	409,750	0.000000%	409,750	0
2021	470,038	0	0	0.000000%	0	0	0.000000%	0	0
2022	972,329	95,460	1	0.000103%	95,450	95,460	0.00010%	95,460	0
2023	935,211	0	0	0.000000%	0	0	0.000000%	0	0
2024	1,559,736	189,286	1	0.000064%	189,286	189,286	0.00006%	189,286	0
2025	1,882,829	0	1	0.000053%	0	173,624	0.00006%	185,919	185,919
								Large claims	185,919
								Attrititional claims	418,526
								Total	604,445
								Reported Outstanding Claim	344,349
								Gross Loss Reserve (subject to minimum 110.0% reported O/S claims)	604,444
								Gross IBNR	260,096

AVIATION

Attritional Claims Incremental Claims ('000)									
Loss year	1	2	3	4	5	6	7	8	9
2017	878	1,271	27	-			-	-	-
2018	7,221	1,905	-	225			-	-	-
2019	10,246	153	-	1,311			-	-	-
2020	54	-	206	-			-	-	-
2021	2,750	1,706	2,910	5,093			-	-	-
2022	27,682	61,194	3,727	10,381			-	-	-
2023	5,827	92,762	3,725	-			-	-	-
2024	53,057	76,643	-	-			-	-	-
2025	49,304	-	-	-			-	-	-

Inflation Adjusted Incremental Claims (N'000)									
Loss year	1	2	3	4	5	6	7	8	9
2017	3,542	4,598	87	-	-	-	-	-	-
2018	26,132	6,157	-	544	-	-	-	-	-
2019	33,113	427	-	2,608	-	-	45		
2020	151	-	409	-	-	-			
2021	6,640	3,395	4,517	5,864	-				
2022	55,086	94,989	4,292	10,381					
2023	9,046	106,818	3,725						
2024	61,096	76,643							
2025	49,304								

Inflation Adjusted Cumulative Claims (N'000)									
Loss year	1	2	3	4	5	6	7	8	9
2017	3,542	8,140	8,228	8,228	8,228	8,228	8,008	8,228	8,228
2018	26,132	32,289	32,289	32,833	32,833	32,833	32,833	32,833	
2019	33,113	33,539	33,539	36,147	36,147	36,147	36,192		
2020	151	151	560	560	560	560			
2021	6,640	10,034	14,551	20,416	20,416				
2022	55,086	150,075	154,367	164,748					
2023	9,046	115,863	119,588						
2024	61,096	137,739							
2025	49,304								
Dev't Factors	2.504	1.032	1.080	1.000	1.000	1.000	1.000	1.000	

LASACO ASSURANCE PLC
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Loss Development Factors

Loss year	Development year									Loss reserve	
	1	2	3	4	5	6	7	8	9		
2017	3,542	8,140	8,228	8,228	8,228	8,228	8,228	8,228	8,228	8,228	
2018	26,132	32,289	32,833	32,833	32,833	32,833	32,833	32,833	32,833	32,833	0
2019	33,113	33,539	33,539	36,147	36,147	36,147	36,192	36,192	36,192	36,192	0
2020	151	151	560	560	560	560	560	560	560	560	0
2021	6,640	10,034	14,551	20,416	20,416	20,416	20,416	20,416	20,416	20,416	10
2022	55,086	150,075	154,367	164,748	164,748	164,748	164,748	164,748	164,748	164,748	84
2023	9,046	115,863	119,588	128,592	128,592	128,592	128,592	128,592	128,592	128,592	9070
2024	61,096	137,739	142,696	153,453	153,453	153,453	153,453	153,453	153,453	153,453	15792
2025	49,304	122,636	127,079	136,721	136,721	136,721	136,721	136,721	136,721	136,721	87488

*Projected claims have been adjusted by inflation and discounted

Loss reserve (Attritional) 112,445

Large Claims

Loss Year	Exposure / Premium N'000	Total Paid Amounts N'000	Number of Large Losses	Claim Frequency	Average Paid Cost N'000	Ultimate Avg Cost	Ultimate Frequency	Ultimate Paid Amounts N'000	Large Loss Reserves N'000
2017	0	0	0	0.000000%	0	0	0.00000%	0	0
2018	11,449	0	0	0.000000%	0	0	0.00000%	0	0
2019	43,446	0	0	0.000000%	0	0	0.00000%	0	0
2020	74,052	0	0	0.000000%	0	0	0.00000%	0	0
2021	265,396	0	0	0.000149%	0	0	0.00015%	0	0
2022	228,610	0	0	0.000000%	0	0	0.00000%	0	0
2023	293,946	205,600	1	0.000340%	205,600	205,600	0.00003%	205,600	0
2024	604,816	93,600	1	0.000165%	93,600	93,600	0.00017%	93,600	0
2025	632,075	0	1	0.000158%	0	99,733	0.00014%	87,806	87,806
								Large claims	63,473
								Attritional claims	112,445
								Total	175,917
								Reported Outstanding Claim	29,138
								Gross Loss Reserve (subject to minimum 110.0% reported O/S claims)	175,917
								Gross IBNR	146,780

Loss Development Factors

Loss year	t year							
	1 --> 2	2 --> 3	3 --> 4	4 --> 5	5 --> 6	6 --> 7	7 --> 8	8 --> 9
2017	5.325	1.351	4.799	1.065	1.000	1.000	1.000	1.000
2018	5.103	6.701	1.015	1.195	1.000	1.000	1.000	
2019	1.000	1.000	1.036	1.116	1.000	1.000		
2020	1.214	1.043	1.293	1.000	1.000			
2021	1.000	2.823	1.000	1.000				
2022	1.004	1.000	1.000					
2023	1.000	7.475						
2024	1.000							
2025	0	0	0	0	0	0	0	0
IALDF Devt Factors*	1.054	3.337	1.068	1.000	1.000	1.000	1.000	1.000
Cumulative DF	3.866	3.667	1.018	1.000	1.000	1.000	1.000	1.000

	2025	2024	2023	2022	2021	2020	2019	2018
Premium ('000)	4,839,467	3,493,287	1,544,001	1,313,657	1,248,289	1,162,125	1,205,060	3,451,539
Est. Loss factor (1-1/(cumu	94.13%	85.38%	53.28%	9.57%	0.05%	0.00%	0.00%	0.00%
Ultimate claims ratio	3.94%							
Loss reserve (Attritonal)	334,616	=sumproduct({Premium},{Estimated IBNR factor})*Ultimate claims ratio						
Discounted Loss reserve (At	239,742	includes an adjustment for future inflation						

*This is the average of the

Large Claims

Loss Year	Exposure / Premium N'000	Total Paid Amounts N'000	Number of Large Losses	Claim Frequency	Average Paid Cost N'000	Ultimate Avg Cost	Ultimate Frequency	Ultimate Paid Amounts N'000	Large Loss Reserves N'000
2017	2,206,515	1,056,532	2	0.000091%	528,266	528,266	0.00009%	1,056,532	0
2018	3,451,539	682,180	2	0.000058%	341,090	341,090	0.00006%	682,180	0
2019	1,205,060	0	0	0.000000%	0	0	0.00000%	0	0
2020	1,162,125	0	0	0.000000%	0	0	0.00000%	0	0
2021	1,248,289	0	0	0.000000%	863,307	0	0.00000%	0	0
2022	1,313,657	0	0	0.000000%	0	0	0.00000%	0	0
2023	1,544,001	0	0	0.000000%	0	0	0.00000%	0	0
2024	3,493,287	5,028,765	2	0.000057%	2,514,382	2,514,382	0.00006%	5,028,765	0
2025	4,839,467	0	1	0.000021%	0	966,782	0.00003%	1,600,424	1,600,424
								Large claims	921,078
								Attritonal claims	239,742
								Total	1,160,820

Reported Outstanding Claim 111,639

Gross Loss Reserve (subject to minimum 110.0% reported O/S claims) 1,160,820

Gross IBNR 1,049,180

BF DEVT FACTOR (A)	1.340	1.011	1.004	1.000	1.000	1.000	1.000	1.000
IALDF Devt Factors* (B)	1.348	1.008	1.004	1.000	1.000	1.000	1.000	1.000
Average [(A) (B)]	1.344	1.009	1.004	1.000	1.000	1.000	1.000	1.000
Cumulative DF	1.362	1.014	1.004	1.000	1.000	1.000	1.000	1.000
	2025	2024	2023	2022	2021	2020	2019	2018
Premium ('000)	2,294,338	2,059,007	2,213,041	1,564,171	1,370,636	551,971	702,662	348,186
Est. Loss factor (1-1/(cumu	26.50%	1.54%	0.46%	0.04%	0.01%	0.00%	0.00%	0.00%
Ultimate claims ratio	18.51%							
Loss reserve (Attritional)	120,415	=sumproduct({Premium},{Estimated IBNR factor})*Ultimate claims ratio						
Discounted Loss reserve (At	116,594	includes an adjustment for future inflation						

*This is the average of the
Large Claims

Loss Year	Exposure / Premium N'000	Total Paid Amounts N'000	Number of Large Losses	Claim Frequency	Average Paid Cost N'000	Ultimate Avg Cost	Ultimate Frequency	Ultimate Paid Amounts N'000	Large Loss Reserves N'000
2017	360,177	0	0	0.000000%	0	0	0.00000%	0	0
2018	348,186	17,804	2	0.000574%	8,902	8,902	0.00057%	17,804	0
2019	702,662	5,587	1	0.000142%	5,587	5,587	0.00014%	5,587	0
2020	551,971	20,728	3	0.000544%	6,909	6,909	0.00054%	20,728	0
2021	1,370,636	41,965	2	0.000146%	20,982	20,982	0.00015%	41,965	0
2022	1,564,171	29,254	4	0.000256%	7,313	7,313	0.00026%	29,254	0
2023	2,213,041	133,618	6	0.000271%	22,270	22,270	0.00027%	133,618	0
2024	2,059,007	92,234	8	0.000389%	11,529	11,529	0.00039%	92,234	0
2025	2,294,338	55,421	1	0.000044%	55,421	14,689	0.00024%	79,374	278,648

Large claims 23,953

Attritional claims 116,594

Total 140,547

Reported Outstanding Claim **70,261**

Gross Loss Reserve (subject to minimum 110.0% reported O/S claims) **140,547**

Gross IBNR 70,286

Loss Development Factors

BF DEVT FACTOR A	3.125	1.037	1.023	1.000	1.000	1.000	1.000	1.000	1.000
IALDF Devt Factors*	3.058	1.054	1.027	1.008	1.000	1.000	1.000	1.000	1.000
Cumulative DF	3.338	1.092	1.035	1.008	1.000	1.000	1.000	1.000	1.000

	2025	2024	2023	2022	2021	2020	2019	2018
Premium ('000)	2,698,435	1,954,466	1,142,391	715,622	669,773	375,018	286,837	314,187
Est. Loss factor (1-1/(cumu	54.15%	12.12%	0.54%	0.04%	0.03%	0.00%	0.00%	0.00%
Ultimate claims ratio	28.70%							
Loss reserve (Attritional)	489,213	=sumproduct({Premium},{Estimated IBNR factor})*Ultimate claims ratio						
Discounted Loss reserve (At	464,884	includes an adjustment for future inflation						

*This is the average of the 25% and 75% percentiles of the LDFs, which excludes extremem values from the calculation

Large Claims

Loss Year	Exposure / Premium N'000	Total Paid Amounts N'000	Number of Large Losses	Claim Frequency	Average Paid Cost N'000	Ultimate Avg Cost	Ultimate Frequency	Ultimate Paid Amounts N'000	Large Loss Reserves N'000
2017	147,608	0	0	0.000000%	0	0	0.00000%	0	0
2018	143,302	53,178	1	0.000698%	53,178	53,178	0.00070%	53,178	0
2019	199,306	0	0	0.000000%	0	0	0.00000%	0	0
2020	311,069	0	0	0.000000%	0	0	0.00000%	0	0
2021	298,667	15,021	1	0.000335%	15,021	15,021	0.00033%	15,021	0
2022	391,036	22,425	1	0.000256%	22,425	22,425	0.00026%	22,425	0
2023	455,543	32,063	1	0.000220%	32,063	32,063	0.00022%	32,063	0
2024	769,834	496,655	5	0.000649%	99,331	99,331	0.00065%	496,655	0
2025	1,074,712	90,450	1	0.000093%	90,450	70,979	0.00027%	209,367	1,189

Large claims 1,189

Attrititional claims 12,086

Total 23,978

Reported Outstanding Claim 20,417

Gross Loss Reserve (subject to minimum 110.0% reported O/S claims) 23,978

Gross IBNR 356

LASACO ASSURANCE PLC
 NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS, 31 DECEMBER 2025
 RISK MANAGEMENT FRAMEWORK

BOND

Loss Year	Total Claims	Premiums	Claims Ratio
2023	0	595,231	0.00%
2024	0	1,576,997	0.00%
2025	0	2,033,654	0.00%

Ultimate loss ratio	1.50%
Expected loss	63,088,236
Claims paid	0
Gross loss	63,088,236
Outstanding claims	1,274,000
Gross IBNR	61,814,236

Market risk

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

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

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

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

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

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

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

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

Capital Risk

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

Portfolio Risk:

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

Inflation risk:

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

Liquidity Risk:

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

Credit or Default Risk

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

Event Risk:

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

Market Risk:

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

Interest rate risk:

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

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

The Company has no significant concentration of interest rate risk.

The Company's exposure to interest rate risk and a sensitivity analysis for financial liabilities is disclosed in the financial statements.

Currency risk:

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

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

The Company has no significant concentration of currency risk.

Price risk

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

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

The Company has no significant concentration of price risk.

The Company will adopt a top down approach for defining its investment appetite. This is reviewed by senior management and approved by the Board Investment Committee (BIC) to ensure amongst other things that the investment risk assumed is commensurate with its strategy.

The following investment risk appetite statements guide the Company:-

- Except as waived by BIC after proper feasibility study, investment/trading transactions that do not fall within our target market and defined risk appetite are not undertaken, no matter how profitable the transactions may be.
- The Company does not enter into any transaction that is illegal, unethical or contravenes any applicable laws, regulations, or professional code of conduct, or is capable of damaging our corporate image or that of our key officers.
- Business is not transacted with any organisation with perceived likelihood of failure or that shows signs of going concern challenges.

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

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

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

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

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

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

Investment risk exposures are mitigated by:

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

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

Operational risks

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

56 FINANCIAL ASSETS AND LIABILITIES

Accounting classification measurement basis and fair values

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

	Amortised cost N'000	FVTPL assets N'000	FVOCI assets N'000	Other assets N'000	Other financial liabilities at amortised cost N'000	Total carrying amount N'000	Fair value amount N'000
31 December 2025							
Cash and cash equivalents	14,817,185	-	-	-	-	14,817,185	14,817,185
Financial assets	2,133,084	357,452	859,449	-	-	3,349,985	3,349,985
Trade receivables	-	-	-	1,009,943	-	1,009,943	1,009,943
Other receivables excluding prepayments	-	-	-	221,481	-	221,481	221,481
	16,950,269	357,452	859,449	1,231,424	-	19,398,594	19,398,594
Insurance contract liabilities	-	-	-	-	15,261,325	15,261,325	15,261,325
Investment contract liabilities	-	-	-	-	-	-	-
Trade and other payables	-	-	-	-	2,371,262	2,371,262	2,371,262
	-	-	-	-	17,632,587	17,632,587	17,632,587
31 December 2024							
Cash and cash equivalents	10,345,031	-	-	-	-	10,345,031	10,345,031
Financial assets	1,755,636	387,680	290,777	-	-	2,434,093	2,434,093
Trade receivables	-	-	-	1,011,043	-	1,011,043	1,011,043
Other receivables excluding prepayments	-	-	-	1,223,816	-	1,223,816	1,223,816
	12,100,667	387,680	290,777	2,234,859	-	15,013,983	15,013,983
Insurance contract liabilities	-	-	-	-	9,749,498	9,749,498	9,749,498
Investment contract liabilities	-	-	-	-	646,777	646,777	646,777
Trade and other payables	-	-	-	-	2,916,635	2,916,635	2,916,635
	-	-	-	-	13,312,910	13,312,910	13,312,910

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OTHER NATIONAL DISCLOSURE
STATEMENT OF VALUE ADDED

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	2025		2024	
	N'000	%	N'000	%
Premium, investment and other income	#REF!		31,969,671	
Commissions, claims paid and other operational costs	<u>#REF!</u>		<u>(26,869,560)</u>	
Value added	<u>268,707</u>	<u>(100)</u>	<u>5,100,141</u>	<u>100</u>
DISTRIBUTED AS FOLLOWS:				
EMPLOYEES				
Staff costs	2,094,957	780	2,604,346	51
GOVERNMENT				
Taxation	238,480	89	123,108	2
ASSET REPLACEMENT				
Depreciation and amortisation	784,987	292	553,593	11
CONTRACTION/EXPANSION -				
Shareholder's interest	-	-	-	-
(Loss)/profit after taxation	<u>(2,849,717)</u>	<u>(1,061)</u>	<u>1,819,094</u>	<u>36</u>
Value added	<u>268,707</u>	<u>100</u>	<u>5,100,141</u>	<u>100</u>

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

	IFRS 17				
	2025	2024	2023	2022	2021
	N'000	N'000	N'000	N'000	N'000
Assets					
Cash and cash equivalents	14,817,185	10,345,031	8,713,710	9,414,470	9,438,005
Financial assets	3,349,985	2,434,093	5,439,841	4,255,312	4,906,130
Trade receivables	1,009,943	1,011,043	676,669	447,817	346,199
Reinsurance assets	4,016,777	3,362,448	2,545,841	2,311,302	3,274,813
Other receivables & prepayments	356,357	1,368,909	1,174,354	208,660	300,013
Investment properties	10,562,129	8,185,379	4,567,754	4,400,842	3,604,045
Investment in subsidiaries	-	-	-	638,310	-
Statutory deposit	535,150	535,150	535,150	535,150	535,150
Intangible assets	267,575	311,011	77,591	106,270	19
Property, plant and equipment	4,324,470	3,711,260	3,239,570	3,279,833	2,117,783
Total Assets	39,239,571	31,264,324	26,970,480	25,597,966	24,522,157
Liabilities and equity					
Insurance contract liabilities	15,261,325	15,269,897	9,749,498	8,115,254	9,533,463
Investment contract liabilities	-	-	646,777	1,067,294	1,076,506
Trade payables	1,329,669	1,728,751	1,203,081	2,289,030	652,015
Other payables and accruals	1,041,593	1,226,574	997,036	1,386,126	828,870
Retirement benefit obligations	-	-	-	-	1,456,211
Income tax liabilities	296,863	368,479	340,276	278,249	253,427
Deferred tax liabilities	949,901	408,017	376,242	127,584	105,310
Total liabilities	18,879,351	19,001,718	13,312,910	13,263,537	13,905,802
Equity					
Issued share capital	5,541,793	916,793	916,793	916,793	916,793
Share premium	9,889,303	3,690,991	3,690,991	3,690,991	3,690,991
Deposit for shares	-	-	3,500,000	3,500,000	3,500,000
Contingency reserve	4,255,054	3,568,838	3,017,419	2,632,016	2,331,577
Retained earnings	(710,081)	2,825,852	1,558,207	901,027	(22,623)
FVOCI reserves	434,535	437,340	437,340	437,340	437,340
Revaluation reserve	949,616	822,792	536,820	256,262	55,801
Reserve on actuarial valuation of gratuity	-	-	-	-	(293,524)
Total equity	20,360,220	12,262,606	13,657,570	12,334,429	10,616,355
Total liabilities and equity	39,239,571	31,264,324	26,970,480	25,597,966	24,522,157

	IFRS 17				
	2025	2024	2023	2022	2021
	N'000	N'000	N'000	N'000	N'000
Insurance service result	30,861,346	22,819,054	498,479	2,297,399	-
Underwriting profit	-	-	-	-	1,975,929
(Loss)/profit before taxation	(2,611,237)	1,942,172	1,680,195	1,579,296	696,436
Taxation	(238,480)	(123,108)	(362,574)	(61,683)	(17,079)
(Loss)/profit after taxation	(2,849,717)	1,819,064	1,317,621	1,517,613	679,357
Net fair value gain on financial assets					
FVOCI	-	-	-	-	-
Gain/(loss) on revaluation reserve	126,824	285,972	280,558	200,461	(695,812)
Actuarial loss on gratuity	-	-	-	-	(266,688)
Total comprehensive (loss)/income for the year	(2,722,893)	2,105,036	1,598,179	1,718,074	(283,143)
(Loss)/earnings per share(kobo):					
- Actual and Adjusted	(25.71)	99.2	71.9	9.3	4.3