

HEIRS LIFE ASSURANCE LIMITED
Financial statement for the year ended 31 December 2023

HEIRS LIFE ASSURANCE LIMITED
FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2023
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HEIRS LIFE ASSURANCE LIMITED
FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2023
CORPORATE INFORMATION

Company Registration Number
RC 1561351

Directors

Tony Elumelu	Chairman
Dan Okeke	Vice Chairman
Niyi Onifade	Managing Director / Chief Executive Officer
Tosin Bayo-Yusuf	Executive Director
Maryam Sani	Independent Non-Executive Director
Emmanuel Nnorom	Non-Executive Director
Adesimbo Ukiri	Non-Executive Director
Wole Fayemi	Non-Executive Director
Muhammad Bello Umar	Non-Executive Director
Suleyman A. Ndanusa	Non-Executive Director
Adaobi Nwakuche	Resigned 25 May 2023
Wasiu Amao	Retired 31 March 2023

Registered office	107B Ajose Adeogun Street Victoria Island Lagos, Nigeria
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Independent auditor	PricewaterhouseCoopers Landmark Towers, 5B Water Corporation Road, Victoria Island, Lagos Tel: +234 1 271 1700 www.pwc.com.ng
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Actuaries	Zamara Consulting Actuaries Nigeria Limited 4th Floor, Ibukun House, 70 Adetokunbo Ademola Street Victoria Island Lagos, Nigeria FRC No. FRC/2021/004/00000024023
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Ag Company secretary	Blessing Ezemelue 107B Ajose Adeogun Street Victoria Island Lagos, Nigeria
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Bankers	United Bank for Africa Plc Providus Bank Ltd Fidelity Bank Union Bank Plc Nova Merchant Bank
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Tax Consultant	Ijewere and Co.
IFRS 17 Implementation Partner (Insurance Contract)	Deloitte Nigeria

HEIRS LIFE ASSURANCE LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023
DIRECTORS' REPORT

The Directors present their report on the affairs of Heirs Life Assurance Limited ("the Company"), together with the audited financial statements and Auditors report for the year ended 31 December 2023.

Incorporation and address

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

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

Principal Activities

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

Results and dividend

The company's results for the year ended 31 December 2023 are set out in statement of profit or loss and other comprehensive income. The profit for the year has been transferred to retained earnings, as such, no dividend has been recommended. The summarised results are presented below.

	Year Ended 31st December N'000 2023	Ended 31st December N'000 2022
Insurance Revenue	7,256,831	3,764,728
Profit before tax	1,879,295	375,947

Business review and future developments

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

Directors' interest in contracts

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

Directors' Interest in Shares

The names of the Directors and their interests in the issued share capital of the Company as recorded in the Register of Directors' Shareholdings as at 31 December 2023, are as follows:

HEIRS LIFE ASSURANCE LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023
DIRECTORS' REPORT

DIRECTORS NAME	Number of Ordinary Shares held (2023)	
	Direct	Indirect
Tony Elumelu	Nil	Nil
Mr. Dan Okeke	Nil	Nil
Mr. Niyi Onifade	Nil	Nil
Mr Emmanuel Nnorom	Nil	Nil
Mr. Chiugo Ndubisi	Nil	Nil
Ms. Simbo Ukiri	Nil	Nil
Mrs. Maryam Sani	Nil	Nil
Mr.Wale Fayemi	Nil	Nil
Mr. Muhammad Bello Umar	Nil	Nil
Dr. Suleyman Abdu Ndanusa	Nil	Nil
Mrs. Tosin Bayo-Yusuf	Nil	Nil

Analysis of company's shares

According to the register of members as at 31 December 2023, the shareholding in the Company as well as substantial interests in shares was as follows:

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

Equity Range Analysis

The range of shareholding as at 31 December 2023 is as follows:

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

Post balance sheet events

There were no events after the reporting date which could have a material effect on the state of affairs of the Company as at 31st December, 2023 or the financial performance for the year ended on that date that have not been adequately provided for or disclosed.

Acquisition of own shares

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

Diversity in Employment

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

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

	Male	Female	Total HC
Executive Management	1	1	2
Senior Management	3	2	5
Middle Management	25	9	34
Officer	19	8	27
Sub Total	48	20	68

Statement of commitment to maintain positive work environment

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

Employment of physically challenged persons

It is the policy of the Company that there should be no discrimination in considering applications for employment including those from physically challenged persons. All employees whether or not physically challenged are given equal opportunities to develop. There were no physically challenged persons in the employment of the Company as at 31 December 2023.

Employee health, safety and welfare

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

Employee training and involvement

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

Research and Development

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

The Board was evaluated in respect of the Financial Year 2023 by the firm of Angela Aneke & Company Limited. The performance of the Board, Board Committees and individual directors were adjudged satisfactory and necessary feedback were communicated to individual directors.

Corporate Governance Evaluation

Corporate Governance Evaluation was undertaken in respect of the Financial Year 2023 by the firm of Angela Aneke & Company Limited. Based on its work, the firm adjudged the Company's corporate governance practices to be 'Established' and in line with global best practice. It concluded that the corporate governance framework of the Company has considerably applied the principles of the FRC Code.

Property, plant and equipment

Movement in property, plant and equipment during the period is shown in Note 15 to the financial statements. The Directors are of the opinion that the market value of the Company's property, plant and equipment is not less than the carrying value shown in the financial statements as at 31 December 2023.

Donations and gifts

The Company made the following donations during the period.

	N'000
Nigeria Immigration Service	5,541
CIIN Sponsorship	1,150
NIA-WAICA Conference Sponsorship Expense	750
NAIPCO Sponsorship	200
Bethesda Building Project-Sponsorship	250
National Insurance Conference-sponsorship	15,000
Rotary Club of Lagos	250
Nigerian Council of Registered Insurance broker (NCRIB 22ND Investiture)	1,250
Support for Nigerian Maritime Resources Development Center	1,750
Sponsorship Chartered Institute of Personnel Management	3,600
Cycology Riding club sponsorship	500
Milewave Hospitality: 2023 Hotel Expo Nigeria Conference	1,000
CSR - Project Giiv	150
Donation Support to Daily Independent Newspaper	250
2023 Marketing Edge Sponsorship	250
Champion News Media and Trust	800

HEIRS LIFE ASSURANCE LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023
DIRECTORS' REPORT

Audit committee

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

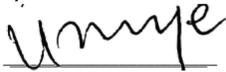
Dr Suleyman Abdu Ndanusa	Non-Executive Director (Chairman)
Mr. Muhammad Bello Umar	Non-Executive Director
Mrs. Maryam Sani	Independent Director
Ms. Simbo Ukiri	Non-Executive Director
Mr. Emmanuel Nnorom	Non-Executive Director

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

Auditors:

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

By order of the Board



Blessing Ezemelue

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

INTRODUCTION

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

GOVERNANCE STRUCTURE

The Board consists of 11 members, Nine (9) of whom act in Non-Executive capacity.

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

BOARD COMMITTEES

The Board discharges its duties through a number of standing committees whose terms of reference are subject to regular reviews. The terms of reference define the purpose of each of the Committees, their composition, frequency of meetings, responsibilities and duties, as well as expected reports to the Board. As at 31 December 2023, the Board oversaw the affairs of the Company through three (3) standing Committees. The Committees are as follows:

a. **Enterprise Risk Management Committee**- The Committee has oversight responsibility to review and approve the Company's risk management policy including risk appetite and risk strategy, retention levels, classes of insurance, reinsurance and other risk mitigation mechanisms. The Committee also has responsibility for reviewing the adequacy and effectiveness of risk management and controls; and oversees management's process for the identification of significant risks across the Company and the adequacy of prevention, detection and reporting mechanisms amongst others. The Committee met on four (4) occasions during 2023 and also presented quarterly reports of their activities for the review of the Board.

b. **Finance, Investment & General Purpose Committee** – The Committee has oversight responsibility to consider and advise the Board of Directors on all aspects of the Company's finances. This includes, among others, annual estimates of income and expenditure and the financial forecasts for the Company; reviewing the periodic management accounts of the Company as well as advising the Board of Directors on the year-end accounts; periodically reviewing and advising the Board on the solvency of Company and the safeguarding of its assets; advising the Board on relevant taxation issues, general borrowings. The Committee also has an oversight for the Company's investment. It presents the Investment Policies and Investment Plans to the Board annually for approval and ensures that investments are made in accordance with the policy. The Committee reviews and approves as appropriate strategic investment. The Committee met on three (3) occasions during 2023 and also presented quarterly reports of their activities for the review of the Board.

c. **Audit, Governance & Compliance Committee** - The Committee comprises of only Non-Executive Directors, and is responsible for reviewing quarterly Internal Audit reports as well as the Company's Compliance Report, Governance and Human Resources Report. The Committee also has oversight responsibility to review and report to the Board on matters of corporate governance, Board composition and remuneration; to provide oversight in respect of the company's internal systems for achieving compliance with legal and regulatory requirements, particularly as it pertains to good corporate governance. It establishes the criteria for Board and Board Committee memberships, reviews candidates' qualifications and potential conflict of interest, assesses the contribution of current Directors in connection with their re-nomination and makes recommendations to the Board amongst others. The Committee met three (3) times during 2023 and also presented reports of their activities for the review of the Board.

COMPOSITION OF THE BOARD AND STANDING COMMITTEES

S/No	Director	Date of Appointment	Director Status	Re-election/Retirement Status	Committee Chairmen	Committee Membership
1	Mr. Tony Elumelu	September 4,2023	Chairman		N/A	N/A
2	Mr. Dan Okeke	December 1, 2020	Vice-Chairman		N/A	N/A
3	Mr. Niyi Onifade	December 1, 2020	MD/CEO		N/A	1. FIGPC 2. ERMCC
4	Mr. Wasiu Amao	August 1, 2020	ED, Technical	March 31,2023 (retired)	N/A	1. FIGPC 2. ERMCC
5	Mrs. Maryam Sani	December 1, 2020	Independent Non-Executive Director		N/A	1. FIGPC 2. AGCC
6	Mr. Emmanuel Nnorom	February 11, 2019	Non- Executive Director		N/A	1. FIGPC 2. AGCC
7	Ms. Adesimbo Ukiri	December 1, 2020	Non-Executive Director		N/A	1. AGCC 2. ERMCC
8	Dr. Adaobi Nwaku	December 1, 2020	Non-Executive Director	25th May 2023 (not re-elected)	N/A	1. FIGPC 2. ERMCC
9	Mr. Muhammad Bello Umar	May 11, 2021	Non-Executive Director		ERMCC	1.ERMCC 2.AGCC
10	Dr Suleyman A. Ndanusa	June 8, 2021	Non Executive Director		AGCC	1. AGCC 2. ERMCC
11	Mr. Chiugo Ndubisi	February 1,2023	Non Executive Director		FIGPC	
12	Mr. Wole Fayemi	December 6,2023	Non Executive Director		N/A	

HEIRS LIFE ASSURANCE LIMITED
 FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023
 CORPORATE GOVERNANCE REPORT

Dates of Board and Board Committee Meetings and Attendance for 2023

A. Board Meetings

S/No	Director	Mar 31, 2023	May 25, 2023	Aug 02, 2023	Nov 01, 2023	Dec 06, 2023	% Attendance
1	Tony Elumelu	N/A	N/A	N/A	N/A	•	100%
2	Dan Okeke	•	•	•	•	•	100%
3	Niyi Onifade	•	•	•	•	•	100%
4	Tosin Adebayo-Yusuf	Apologies	•	•	•	•	80%
5	Maryam Sani	•	•	•	•	•	100%
6	Emmanuel N. Nnorom	•	•	•	•	•	100%
7	Adesimbo Ukiri	•	•	•	•	•	100%
8	Chiugo Ndubisi	N/A	N/A	•	•	•	100%
9	Muhammad Bello Umar	•	•	•	•	•	100%
10	Suleyman A. Ndanusa	•	•	•	•	•	100%

B. Committee Meetings

Audit, Governance and Compliance Committee

S/No	Director	Apr 20, 2023	Jul 11, 2023	Oct 26, 2023	% Attendance
1	Dr. Suleyman Abdu Ndanusa	•	•	•	100%
2	Emmanuel Nnorom	•	•	•	100%
3	Mrs. Maryam Sani	•	•	•	100%
4	Mr. Muhammad Bello Umar	•	•	•	100%
5	Mrs. Adesimbo Ukiri	•	•	•	100%

Finance, Investment and General-Purpose Committee

S/No	Director	Apr 20, 2023	Jul 11, 2023	Oct 25, 2023	% Attendance
1	Mr. Emmanuel Nnorom	•	•	•	100%
2	Mr. Niyi Onifade	•	•	•	100%
3	Mrs. Maryam Sani	•	•	•	100%
4	Mr. Chiugo Ndubisi	N/A	•	•	100%
5	Mrs. Tosin Adebayo-Yusuf	•	•	•	100%

Enterprise Risk Management Committee-

S/No	Director	Feb 21, 2023	Apr 27, 2023	Jul 13, 2023	Oct 25, 2023	% Attendance
1	Dr. Suleyman Abdu Ndanusa	•	•	•	•	100%
2	Mr. Muhammadu Bello Umar	•	•	•	•	100%
3	Ms. Adesimbo Ukiri	•	•	•	•	100%
4	Mr. Niyi Onifade	•	•	•	•	100%
5	Mrs. Tosin Adebayo-Yusuf	N/A	•	•	•	100%
6	Mr. Chiugo Ndubisi	N/A	N/A	•	•	100%

BOARD SELECTION AND APPOINTMENT PROCESS

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

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

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

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

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

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

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

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

TRAINING AND INDUCTION

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

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

- a. Identifying and Harnessing business opportunities due to low insurance penetration in Nigeria
- b. Implications of the NAICOM Revised Market Conduct 2022 on Investment
- c. Risk Management and Governance
- d. Implementation of the IFRS 17 Accounting Standards
- e. Business Sustainability - Environment, Social and Governance (ESG) factors
- f. AML/ CFT Training
- e. 2023 Insurance Directors' Conference - The Board and Insurance: Business Sustainability

DIRECTORS STANDING FOR RE-ELECTION

In accordance with the Company's Article of Association and S285(1) and (2) of the Companies and Allied Matters Act 2020, Dr Adaobi Nwakuiche, Ms Simbo Ukiri and Mr. Muhammad Bello Umar stood for re-election in 2023. Dr Adaobi Nwakuiche was not re-elected to the Board while Ms Simbo Ukiri and Mr Muhammad Bello Umar were re-elected to the Board accordingly.

GENDER DIVERSITY

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

BOARD AND GOVERNANCE EVALUATION

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

RENUMERATION STATEMENT

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

CLAWBACK POLICY

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

SUMMARY OF RISK MANAGEMENT FRAMEWORK

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

FINES & PENALTIES

The company did not pay any fine or penalty during the year under review

STATEMENT OF COMPLIANCE

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

WHISTLE BLOWING POLICY

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

ENVIRONMENT, SUSTAINABILITY AND GOVERNANCE

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

RELATIONSHIP WITH SHAREHOLDERS

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

COMPLAINTS MANAGEMENT POLICY

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

CODE OF CONDUCT & BUSINESS ETHICS

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

COMMUNICATIONS POLICY

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

HEIRS LIFE ASSURANCE LIMITED
FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2023
CERTIFICATION BY COMPANY SECRETARY

In my opinion as the Company Secretary, I hereby certify, in terms of the Companies and Allied Matters Act 2020, that for year ended 31 December 2023, the Company lodged all such returns as required of a company in terms of the Act, and that all such returns are, to the best of my knowledge and belief, true, correct and up to date.



Blessing Ezemelue
Ag. Company Secretary
FRC/2021/PRO/NBA/002/00000024914
29-Aug-24

HEIRS LIFE ASSURANCE LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023
STATEMENTS OF DIRECTORS' RESPONSIBILITIES

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

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

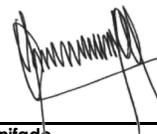
The Directors accept responsibility for the financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Financial Reporting Standards issued by the International Accounting Standards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

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

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



Tony Elumelu
Chairman
FRC/2013/PRO/DIR/003/00000002590
August 29 2024



Niyi Onifade
Managing Director/CEO
FRC/2013/PRO/DIR/003/00000002690
August 29 2024

**HEIRS LIFE ASSURANCE
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023
STATEMENTS OF DIRECTORS' CORPORATE RESPONSIBILITIES**

In line with the provision of S.405 of CAMA 2020, we have reviewed the audited financial statements of the Company for the year ended 31 December 2023 and based on our knowledge confirm as follows:

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

(II) The audited financial statements and all other financial Information Included in the statements fairly present, in all material respects, the financial condition and results of operation of the Company as of and for the year ended 31 December 2023.

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

(iv) the Company's internal controls were evaluated within 90 days of the financial reporting date and were effective as of 31 December 2023.

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

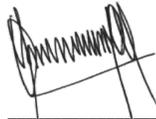
(a) There are no significant deficiencies in the design or operation of the Company's internal controls which could adversely affect the Company's ability to record, process, summarise and report financial data, and have discussed with auditors any weaknesses in the internal controls observed in the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

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

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



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



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

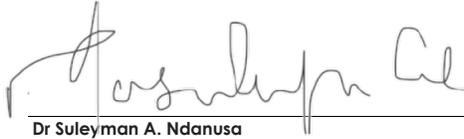
**HEIRS LIFE ASSURANCE LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023
AUDIT COMMITTEE REPORT**

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

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

We are of the opinion that the accounting and reporting policies of the Company are in accordance with legal requirements, and agreed ethical practices and the scope and planning of both the external and internal audits for the year ended 31 December 2023 were satisfactory and reinforce the Company's internal control systems.

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



Dr Suleyman A. Ndanusa

Chairman, Audit, Governance & Compliance Committee

29-Aug-24

MEMBERS OF THE BOARD, AUDIT AND COMPLIANCE COMMITTEE

Dr Suleyman A. Ndanusa	Chairman
Emmanuel Nnorom	Member
Mrs. Maryam Sani	Member
Mr. Muhammad Bello Umar	Member
Mrs, Adesimbo Ukiri	Member



Independent auditor's report

To the Members of Heirs Life Assurance Limited

Report on the audit of the financial statements

Our opinion

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

What we have audited

Heirs Life Assurance Limited's financial statements comprise:

- the statement of financial position as at 31 December 2023;
- the statement of profit or loss and other comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended;
- the statement of material accounting policies; and
- the notes to the financial statements.

Basis for opinion

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

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

Independence

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

Key audit matters

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

PricewaterhouseCoopers Chartered Accountants, Landmark Towers, 5B Water Corporation Road, Victoria Island, Lagos, Nigeria



Key audit matter	How our audit addressed the key audit matter
<p data-bbox="220 432 753 491"><i>Measurement of insurance contract liabilities – N22.2 billion (refer to notes 3.2.4 and 18)</i></p> <p data-bbox="220 541 753 695">The measurement of insurance contract liabilities involves significant judgements about estimation of fulfilment cashflows, risk adjustment, contractual service margin (CSM) and discounting by management.</p> <p data-bbox="220 732 753 856">The Company’s insurance contract liabilities comprise the following elements: liability for incurred claims and liability for remaining coverage.</p> <p data-bbox="220 905 753 1087">For insurance contracts that are more than one year, management has adopted the general measurement model (GMM) while contracts with a coverage period of one year or less are measured using the premium allocation approach (PAA) measurement.</p> <p data-bbox="220 1136 753 1226">Below, we comment on the most significant assumptions made in the valuation of insurance contract liabilities:</p> <ul data-bbox="220 1276 753 1629" style="list-style-type: none"> • The liability for remaining coverage is measured by estimating the fulfilment cashflows which is the present value of expected cash inflow and cash outflow considering risk adjustment. • The estimation of the fulfilment cash flow includes the use of significant assumption such as projected benefit payments based on mortality rates, discount rates, expense inflation rate as well as business assumptions such as expense per policy. 	<p data-bbox="792 548 1382 606">We obtained and tested samples of data inputs for all units of accounts and the expense allocation model.</p> <p data-bbox="792 655 1295 684">With the support of our actuarial experts, we:</p> <ul data-bbox="841 699 1427 1858" style="list-style-type: none"> • assessed the reasonableness of the measurement model used by performing an eligibility test to assess the appropriateness of management’s use of the PAA and GMM measurement model to value the liabilities of insurance contracts; • assessed the reasonableness of the risk adjustment methodology adopted and checked that this was in line with generally accepted actuarial techniques and also in line with the standard; • reviewed the basis for the discount rate used, compared the risk free rates used to independent external sources and checked that this was in line with generally accepted actuarial techniques and local practice; • assessed the reasonableness of the cash flow patterns used by managements. For PAA contracts, we assessed the reasonableness of the premium earning pattern and the estimation of claims payments which was based on a combination of data-driven loss ratios and industry average loss ratios. For contracts measured using GMM, we validated the reasonability of the assumptions used to derive the best estimate liabilities; • checked the mortality rates assumptions used by management in estimating the fulfilment cash flows, by comparing the rates to independent external sources for reasonableness. • checked the inflation rates adopted by management to project future expenses by comparing the rates to an independent external source for reasonableness. • validate the expense allocation model used by management by reviewing the model inputs, the methodology adopted for allocation and the model outputs.



	<ul style="list-style-type: none">assessed the reasonability of the CSM amortisation pattern for GMM contracts to ensure it reflects the provision of insurance service for the year. <p>With the support of our accounting experts, we checked the adequacy of the presentation and disclosure on insurance contract liabilities on the financial statements as well as the required disclosures in line with IFRS 17.</p>
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Other information

The directors are responsible for the other information. The other information comprises the Corporate information, Directors' report, Corporate governance report, Statement of directors' responsibilities, Statement of directors' corporate responsibilities Audit committee report, Certification by company secretary, Value Added Statement and Three Year Financial Summary but does not include the financial statements and our auditor's report thereon.

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

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

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

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

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

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

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



Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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



Report on other legal and regulatory requirements

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

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

For: **PricewaterhouseCoopers**

Chartered Accountants
Lagos, Nigeria

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



19 September 2024

HEIRS LIFE ASSURANCE LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023
STATEMENT OF MATERIAL ACCOUNTING POLICIES

General information

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

The financial statements of the company for the year ended 31 December 2023 were authorised for issue by the directors of the Heirs Life Assurance Limited on 29 August 2023.

1. Going Concern

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

1.1 Principal Accounting Policies

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

The financial statements have been prepared in accordance with and comply with International Financial Reporting Standards (IFRSs) as issued by International Accounting Standards Board ("IFRS Accounting Standards"), in the manner required by the Companies and Allied Matters Act of Nigeria, the Financial Reporting Council of Nigeria Amendment Act, 2023, the Insurance Act 2003, and relevant National Insurance Commission (NAICOM) guidelines and circulars to the extent that they do not conflict with the requirement of IFRS.

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

1.2 Basis of Measurement

The financial statements are prepared on a going concern basis in compliance with IFRS Accounting Standards and the requirements of the Companies and Allied Matter Act, Insurance Act, 2003 and regulatory guidelines as pronounced from time to time by National Insurance Commission.

1.3 IFRS9-Financial Instrument: Classification and Measurement

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

1.4 Changes in Accounting Policies

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

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

1.5 Use of estimates and Judgments

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

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

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

1.6 Regulatory authority and financial reporting

The Company is regulated by the National Insurance Commission of Nigeria (NAICOM) under the Insurance Act 2003 of Nigeria. The Act specifies certain provisions which have impact on financial reporting as follows:

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

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

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

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

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

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

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

The Financial Reporting Council Amendment Act (FRC Act), 2023 which requires the adoption of IFRS by all listed and significant public interest entities provides that in matters of financial reporting, if there is any inconsistency between the FRC Act and other Acts which are listed in section 59(1) of the FRC Act, the FRC Act shall prevail. The Financial Reporting Council of Nigeria acting under the provisions of the FRC Act has promulgated IFRS as the national financial reporting framework for Nigeria. Consequently, the following provisions of the National Insurance Act, 2003 which conflict with the provisions of IFRS have not been adopted:

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

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

1.7 Reporting period

The statement of financial position was prepared as at 31 December 2023 for a twelve months period.

2. Summary of material accounting policies

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

a. Functional and presentation currency

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

b. Basis of accounting

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

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

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

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

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FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023
STATEMENT OF MATERIAL ACCOUNTING POLICIES

c New standards that were effective during the year as at 1 January 2023

A number of standards, interpretations and amendments are effective for annual period beginning on or after 1 January 2023 and earlier application is permitted; however, the company has not early adopted the following new or amended standards in preparing these financial statements as it plans to adopt these standards at their respective effective dates as follows:

Title	Key requirements	Effective date
IFRS 17 Insurance Contracts	<p>IFRS 17 was issued in May 2017 as replacement for IFRS 4 Insurance Contracts. It requires a current measurement model where estimates are remeasured in each reporting period. Contracts are measured using the building blocks of:</p> <ul style="list-style-type: none"> • discounted probability-weighted cash flows • an explicit risk adjustment, and • contractual service margin (CSM) representing the unearned profit of the contract which is recognised as revenue over the coverage period. <p>The standard allows a choice between recognising changes in discount rates either in the statement of profit or loss or directly in other comprehensive income. The choice is likely to reflect how insurers account for their financial assets under IFRS 9.</p> <p>An optional, simplified premium allocation approach is permitted for the liability for the remaining coverage for short duration contracts, which are often written by non-life insurers.</p> <p>There is a modification of the general measurement model called the 'variable fee approach' for certain contracts written by life insurers where policyholders share in the returns from underlying items. When applying the variable fee approach, the entity's share of the fair value changes of the underlying items is included in the CSM. The results of insurers using this model are therefore likely to be less volatile than under the general model.</p> <p>The new rules will affect the financial statements and key performance indicators of all entities that issue insurance contracts or investment contracts with discretionary participation features.</p> <p>Targeted amendments made in July 2020 aimed to ease the implementation of the standard by reducing implementation costs and making it easier for entities to explain the results from applying IFRS 17 to investors and others. The amendments also deferred the application date of IFRS 17 to 1 January 2023.</p> <p>Further amendments made in December 2021 added a transition option that permits an entity to apply an optional classification overlay in the comparative period(s) presented on initial application of IFRS 17. The classification overlay applies to all financial assets, including those held in respect of activities not connected to contracts within the scope of IFRS 17. It allows those assets to be classified in the comparative period(s) in a way that aligns with how the entity expects those assets to be classified on initial application of IFRS 9. The classification can be applied on an instrument-by-instrument basis.</p>	1 January 2023
Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12	<p>The amendments to IAS 12 Income Taxes require companies to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences, and will require the recognition of additional deferred tax assets and liabilities.</p> <p>The amendment should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, entities should recognise deferred tax assets (to the extent that it is probable that they can be utilised) and deferred tax liabilities at the beginning of the earliest comparative period for all deductible and taxable temporary differences associated with:</p> <ul style="list-style-type: none"> • right-of-use assets and lease liabilities, and • decommissioning, restoration and similar liabilities, and the corresponding amounts recognised as part of the cost of the related assets. <p>The cumulative effect of recognising these adjustments is recognised in the opening balance of retained earnings, or another component of equity, as appropriate.</p> <p>IAS 12 did not previously address how to account for the tax effects of on balance sheet leases and similar transactions and various approaches were considered acceptable.</p>	1 January 2023

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<p>Classification of Liabilities as Current or Non-current – Amendments to IAS 1</p>	<p>The narrow-scope amendments to IAS 1 Presentation of Financial Statements clarify that liabilities are classified as either current or noncurrent, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the entity's expectations or events after the reporting date (e.g. the receipt of a waiver or a breach of covenant). The amendments also clarify what IAS 1 means when it refers to the 'settlement' of a liability.</p> <p>The amendments could affect the classification of liabilities, particularly for entities that previously considered management's intentions to determine classification and for some liabilities that can be converted into equity.</p> <p>They must be applied retrospectively in accordance with the normal requirements in IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors.</p>	<p>1 January 2023</p>
<p>Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2</p>	<p>The IASB amended IAS 1 to require entities to disclose their material rather than their significant accounting policies. The amendments define what is 'material accounting policy information' and explain how to identify when accounting policy information is material. They further clarified that immaterial accounting policy information does not need to be disclosed. If it is disclosed, it should not obscure material accounting information.</p> <p>To support this amendment, the IASB also amended IFRS Practice Statement 2 Making Materiality Judgements to provide guidance on how to apply the concept of materiality to accounting policy disclosures.</p>	<p>1 January 2023</p>

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

(d) New standards that have been issued but are yet to become effective during the year as at 1 January 2023

Title	Key requirements	Effective date
Amendment to IFRS 16 – Leases on sales and lease back	These amendment include requirements for sale and leaseback transactions in IFRS16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted	1 January 2024
Non-current liabilities with covenants-Amendment to IAS 1	These clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments also aim to improve information an entity provides related to liabilities subject to these conditions.	1 January 2024
Lack of Exchangeability- Amendments to IAS 21	An entity is impacted by the amendment when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations	1 January 2025
Amendment to IAS 7 and IFRS 17 (Supplier Finance Agreements)	The amendments introduce new disclosures relating to supplier finance arrangements that assist users of the financial statements to assess the effects of these arrangements on an entity's liabilities and cash flows and on an entity's exposure to liquidity risk.	1 January 2024

3. Material Accounting Policies

3.1 Foreign currency translation

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

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

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

3.2 IFRS 17 Qualitative Impacts

3.2.1 Scope

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

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

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

3.2.2 Level of aggregation

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

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

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

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

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

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

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

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

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

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

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

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

3.2.3 Recognition

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

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

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

3.2.4 Measurement of insurance contracts issued

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

3.2.4.1 Measurement on initial recognition for contracts other than PAA

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

Fulfilment cash flows (FCF) within contract boundary

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

Discount Rate

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

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

Risk adjustment (RA) for non-financial risk

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

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

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

Contractual service margin (CSM)

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

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

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

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

Insurance acquisition cash flows

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

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

3.2.4.2 Subsequent measurement under the general model

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

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

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

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

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

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

Changes in fulfilment cash flows

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

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

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

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

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

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

Recognition of the CSM in profit or loss

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

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

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

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

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

3.2.4.3 Insurance contracts under the Premium Allocation Approach (PAA)

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

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

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

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

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

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

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

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

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

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

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

3.2.4.4 Onerous Contracts

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

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

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

3.2.5 Reinsurance contracts held

3.2.5.1 Recognition

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

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

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

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

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

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

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

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

3.2.5.2 Reinsurance contracts hold measured under the general model

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

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

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

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

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

3.2.5.3 Reinsurance contracts held measured under the PAA

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

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

3.2.6 Modification and derecognition

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

(a) if the modified terms were included at contract inception and the group would have concluded that the modified contract:
is outside of the scope of IFRS 17;

- results in a different insurance contract due to separating components from the host contract;
- results in a different contract boundary;
- includes in a different group of contracts.

(b) the original contract met the definition of an insurance contract with direct participation features, but the modified contract no longer meets the definition;

(c) the original contract was accounted for by applying the PAA, but the modified contract no longer meets the PAA eligibility criteria for that approach.

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

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

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

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

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

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

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

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

3.2.7 Presentation

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

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

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

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

3.2.7.1 Insurance revenue

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

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

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

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

- amounts allocated to the loss component;

- amounts relating to risk adjustment for non-financial risk

- repayments of investment components;

- insurance acquisition expenses;

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

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

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

- amounts allocated to the loss component;

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

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

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

3.2.7.2 Insurance service expense

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

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

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

· other directly attributable expenses incurred in the period;

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

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

3.2.7.3 Income or expenses from reinsurance contracts held

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

· amount recovered from reinsurers; and

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

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

3.2.7.4 Insurance finance income and expenses

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

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

The Company has an accounting policy choice to either present all of the period's insurance finance income or expenses in profit or loss or to split the amount between profit or loss and other comprehensive income (OCI). In considering the choice of presentation of insurance finance income or expenses, the Company considers the assets held for that portfolio and how they are accounted for.

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

3.2.8 Transition

IFRS 17 Standard has outlined 3 approaches under which the Unearned Profit for the transition balance sheet can be determined:

- Fully retrospective approach (FRA)
- Modified retrospective approach (MRA)
- Fair value approach (FVA)

An entity is required to adopt the FRA when applying IFRS 17 for the first time unless impracticable. Under FRA at the transition date, the entity will account for insurance contracts as if IFRS 17 had always been applied. Only when the FRA is impracticable, the entity is permitted to choose between MRA or FVA. When the MRA is impracticable the entity is required to apply the FVA.

Heirs Life has adopted the full retrospective approach(FRA). This approach will be applied across all the company's portfolios.

The Company concluded that reasonable and supportable information that was necessary to apply the full retrospective approach was available for all insurance contracts issued within 2 years prior to transition. Applying the fully retrospective approach, the Company identified, recognised and measured each group of insurance contracts and assets for insurance acquisition cash flows as if IFRS 17 had always applied, derecognised any existing balances that would not exist had IFRS 17 always been applied and recognised any resulting net difference in equity.

3.3 Cash and cash equivalents

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

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

3.4 Financial assets and liabilities

3.4.1 Classification

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

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

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

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

3.4.2 Initial recognition

a. Business Model Assessment

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

b. Solely payments of principal and interest

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

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

3.4.3 Subsequent measurement

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

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

b. Financial assets at amortised cost

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

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

c. Trade receivables

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

d. Loans and receivables

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

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

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

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

3.4.4 Fair value measurement

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

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

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

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

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

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

3.4.5 De-recognition of financial instruments

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

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

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

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

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

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

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

3.4.6 Impairment of assets

a. Financial assets carried at amortized cost

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

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

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

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

b. Trade receivables

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

c. Loans and receivables

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

d. Impairment of non-financial assets

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

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

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

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

3.5 Offsetting financial instruments

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

3.6 Other receivables and prepayments

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

3.7 Intangible assets

3.7.1. Software

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

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

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

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

3.8 Property, plant and equipment

3.8.1. Recognition & measurement

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

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

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

3.8.2. Subsequent costs

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

3.8.3. Subsequent measurement

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

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

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

3.8.4. Depreciation

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

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

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

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

The estimated useful life for the assets as follows

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

3.8.5. De-recognition

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

3.9 Statutory deposit

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

3.10 Investment contracts

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

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

3.11 Trade and other payables

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

3.12 Provisions

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

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

3.13 Share capital & reserves

3.13.1 Share capital.

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

3.13.2 Dividend on ordinary shares

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

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

3.14 Contingency reserves/ Asset revaluation reserve

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

3.15 Asset revaluation reserve

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

3.16 Fair value reserve

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

3.17 Earnings per share

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

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

3.18 Contingent liabilities

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

3.19 Investment and other operating income

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

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

3.20 Dividend income

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

3.21 Management and other operating expenses

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

3.22 Hypothecation of Assets

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

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

3.23 Segment reporting

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

3.24 Leases

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

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

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

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

3.25 Employee benefit

Short-term benefits

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

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

3.26 Income tax

3.26.1 Current tax

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

- Company Income tax is computed on Taxable profits
- Tertiary education tax is computed on assessable profits
- National Information Technology Development Agency levy is computed on profit before tax (i.e. Technology levy)

- Nigeria Police Trust Fund levy is computed on net profit (i.e. profit after deducting all expenses and taxes from revenue earned by the company during the year).

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

3.26.2 Minimum tax

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

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

3.26.3 Deferred taxation

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

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

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

3.27 Critical Accounting Judgement

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

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

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

3.27.1 Assessment of significance of insurance risk

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

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

3.27.2 Combination of insurance contracts:

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

3.27.3 Contract boundaries

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

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

A substantive obligation to provide services ends when:

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

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

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

3.27.4 Separation of non-insurance components from insurance contracts:

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

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

3.27.5 Separation of insurance components of an insurance contracts:

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

3.27.6 Determination of the contract boundary

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

the Company considers contractual, legal and regulatory restrictions when making its assessment and applies judgement to decide whether these restrictions have commercial substance.

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

3.27.8 Identification of portfolios

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

3.27.9 Level of aggregation

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

3.27.10 Assessment of directly attributable cash flows

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

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

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

The Company considers that the benefits of diversification occur at an issuing entity level and therefore determines the risk adjustment for non-financial risk at that level. The diversification benefit is then allocated to all groups of insurance contracts for which it has been considered in aggregate. The Company considers that the risk adjustment for non-financial risk allocated to any individual group, as the cost of uncertainty, cannot be negative.

Accordingly, when determining the allocation, correlations of non-financial risk between groups are ignored. This is because they have already been considered as part of the diversification benefits in determining the overall group-level risk adjustment. The Company allocates the total entity-level risk adjustment to groups based on the percentage of the group's expected fulfilment cash flows to the total expected fulfilment cash flows.

3.27.12 Selecting a method of allocation of coverage units

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

3.28 Key sources of estimation uncertainty

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

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

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

3.28.1 Technique for estimation of future cash flows

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

3.28.2 Estimate relating to discounting

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

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

31-Dec-23	1 year	5 years	10 years	20 years	30 years
	13%	14%	15%	16%	16%
31-Dec-22	1 year	5 years	10 years	20 years	30 years
	8%	14%	13%	14%	14%

3.28.3 Estimate relating to Risk Adjustment

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

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

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

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

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

3.28.5 Expenses

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

3.28.5.1 Future maintenance expenses

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

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

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

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

3.28.5.2 Expense inflation

The above expenses are subject to inflation at 15.53% per annum. Consumer price inflation at December 2023 was 28.92%. Both the expense inflation and expense assumption will be actively reviewed in subsequent valuations once more experience data and an expense analyses are available.

3.28.6 Mortality

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

3.28.7 Withdrawals

The lapse assumptions were determined from an adjusted pricing basis.

3.29 Expected credit loss

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

3.30 Determining the lease term

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

The following factors are normally the most relevant:

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

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

HEIRS LIFE ASSURANCE LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023
STATEMENT OF FINANCIAL POSITION

	NOTES	31 Dec 2023 N'000	31 Dec 2022 Restated N'000	1 Jan 2022 Restated N'000
ASSETS				
Cash and cash equivalents	7	1,708,093	838,251	275,532
Financial assets - FVTPL	8	28,741,039	13,101,851	6,975,688
Financial assets - Amortized cost	9	4,540,098	2,860,329	587,687
Trade receivables	10	83,239	2,083	330
Reinsurance contract Asset	11	278,318	50,477	25,990
Insurance Contract assets	12	222	-	-
Other receivables & prepayments	14	381,387	130,612	186,391
Right of use asset	13	626,124	725,268	709,198
Statutory deposits with CBN	15	800,000	800,000	800,000
Property, plant and equipment	16	333,419	247,848	149,129
Intangible assets	17	267,815	283,811	163,361
TOTAL ASSETS		37,759,754	19,040,530	9,873,306
LIABILITIES				
Insurance contract liabilities	18	22,201,429	9,753,483	2,348,378
Reinsurance contract liabilities	19	40,084	33,894	12,525
Investment contract liabilities	22	3,719,006	1,087,855	194,831
Other Insurance Contract Liabilities	20	1,655,632	291,332	25,437
Provisions & other payables	21	513,743	170,862	91,274
Lease liability	23	518,270	467,296	343,939
Income tax payable	24	18,845	3,471	532
TOTAL LIABILITIES		28,667,009	11,808,193	3,016,916
EQUITY				
Ordinary share capital	25	8,000,000	8,000,000	8,000,000
Contingency reserve	26	339,679	142,200	26,995
Retained earnings	27	753,066	(909,863)	(1,170,605)
TOTAL EQUITY		9,092,745	7,232,337	6,856,390
TOTAL EQUITY & LIABILITIES		37,759,754	19,040,530	9,873,306

These financial statements were authorised for issue by the board of directors on the 29 August 2024 and were signed on its behalf by:



Tony Elumelu
Chairman

FRC/2013/CIBN/00000002590



Niyi Onifade

Managing Director/CEO

FRC/2013/PRO/DIR/003/00000002690



Godwin Oguche

Financial Controller

FRC/2024/PRO/ICAN/001/045237

HEIRS LIFE ASSURANCE LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	31-Dec-23	31-Dec-2022 Restated
		R'000	R'000
Insurance Revenue	28a	7,256,831	3,764,728
Insurance service expenses	29a	(6,011,655)	(2,928,497)
Insurance service result from insurance contracts issued		1,245,176	836,231
Net income (expenses) from reinsurance contracts held	30a	(44,355)	(224,944)
Insurance service result		1,200,821	611,287
Investment income	32	2,856,385	1,287,376
Net loss on FVTPL investments	34	(285,109)	(179,281)
Profit on investment contracts	33	19,314	22,135
Exchange Gain/(Loss)	37a	332,034	38,076
Net credit impairment losses	36	(83,750)	(2,346)
Net Investment Income		2,838,874	1,165,960
Net finance Income from insurance contracts issued	31	489,896	550,205
Net finance expenses from reinsurance contracts held	31	(11,623)	(3,503)
Net insurance finance expenses		478,273	546,702
Net Insurance and Investment Result		4,517,968	2,323,949
Other Income	35b	510	-
Other operating expenses (Non attributable)	39b	(2,580,685)	(1,892,600)
Finance costs	40	(58,499)	(52,021)
Profit before Tax		1,879,295	379,328
Income Tax Expense		(18,887)	(3,381)
Profit for the Year		1,860,408	375,947
Other comprehensive income / (expense)			
<i>Items reclassified to profit and loss</i>			
Change in fair value of financial assets at fair value through OCI		-	-
<i>Items that will not be reclassified to profit and loss</i>			
Finance income (expenses) from insurance contracts issued		-	-
Finance income (expenses) from reinsurance contracts held		-	-
Tax		-	-
Other comprehensive income for the year net of tax		-	-
Total comprehensive income for the year		1,860,408	375,947

HEIRS LIFE ASSURANCE LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023
STATEMENT OF CHANGES IN EQUITY

		31 Dec 2023			
(All amount are in thousands of Naira)	Note	Share Capital	Contingency Reserve	Retained Earning	Total
Opening balance as at 1 January 2023	25-27	8,000,000	142,200	(909,863)	7,232,337
Profit for the period	27	-	-	1,860,408	1,860,408
Net insurance finance income and expenses					-
Movement in contingency reserve	26	-	197,479	(197,479)	-
Balance as at 31 Dec 2023		8,000,000	339,679	753,066	9,092,745

		31 Dec 2022			
(All amount are in thousands of Naira)	Note	Share Capital	Restated Contingency Reserve	Retained Earning	Total
Opening balance as at 1 January 2022 (as previously reported)	25-27	8,000,000	26,995	(305,248)	7,721,747
IFRS 17 Transition Adjustment	27	-	-	(865,357)	(865,357)
Restated opening Balance (IFRS 17)		8,000,000	26,995	(1,170,605)	6,856,390
Profit for the period	27	-	-	375,947	375,947
Movement in contingency reserve	26	-	115,205	(115,205)	-
Balance as at 31 Dec 2022		8,000,000	142,200	(909,863)	7,232,337

HEIRS LIFE ASSURANCE LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023
STATEMENT OF CASHFLOW

	Note	31 December 2023 N'000	31 December 2022 N'000
Cash flows from operating activities:			
Premium received from policyholders	10	19,601,045	11,518,793
Cash received from investment contract liability	23a	4,124,976	1,094,637
Cash withdrawals from investment contract liability	23a	(1,612,869)	(212,399)
Unallocated premium	21a	1,364,300	284,395
Fees and commission income	11.1	158,811	128,132
Re-insurance expense paid	11.1,11.2,&19	(564,387)	(559,135)
Claims recoveries	11.1	127,946	199,389
Commission and Maintenance expenses paid	18.2&18.3	(2,612,227)	(1,302,493)
Claims paid	18.2&18.3	(2,952,920)	(1,426,512)
Payment to employees		(1,284,428)	(791,103)
Other operating cash payment		(571,845)	(754,451)
Tax paid	25	(3,513)	(442)
Statutory deposit		-	-
Net cash outflow used in operating activities		15,774,889	8,178,811
Cash flows from investing activities:			
Interest received	7&8	2,149,728	1,201,509
Acquisition of PPE & Intangible asset	16&17	(237,586)	(335,622)
Purchases of investment securities	7&8	(36,846,843)	(24,951,923)
Maturities of investment securities	7&8	20,037,181	16,474,730
Net cashflow from investing activities		(14,897,520)	(7,611,305)
Cash flows from financing activities			
Paid up capital received from shareholders		-	-
Principal elements of lease payment	23	(7,526)	(4,785)
Net cashflow from financing activities		(7,526)	(4,785)
Net increase in cash and cash equivalent		869,843	562,720
Cash and cash equivalent, beginning of period		838,251	275,531
Net increase in cash and cash equivalent		869,843	562,720
Cash and cash equivalent, end of period	7	1,708,094	838,251

4. Enterprise Risk Management

4.1 Introduction

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

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

4.1.2 Risk Management Overview

For the year 2023, the risk management activities of Heirs Life Assurance Limited (HLA) improved with the update of the enterprise risk management framework and risk appetite for the financial year. The resultant risk profile of the business for the year 2023 remains stable in the low-risk region with 75% concentration.

We have examined HLA's risks and the best strategies to mitigate negative returns and pursue positive returns for the 2023 fiscal year. To do so, we place great importance on digitising our ERM processes, deploying easy-to-use methodologies for front-end and end users, improving risk insights and analytics, and building risk management knowledge and capacity within the business.

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

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

The strategic risk management intent for the financial year 2023 was heavy on addressing all material risk issues with a target of not exceeding 10 top risk issues reported per quarter to the Board.

4.1.3 Risk Management Strategy

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

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

4.1.4 Risk Management Objectives

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

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

4.2 Governance Structure

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



Please see below the stakeholders and their respective responsibilities:

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

4.3 Risk Appetite

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

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

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

4.3.1 Key Risk Performance Areas

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

4.3.2 Risk Management System

Our activities and initiatives to improve our risk management system at HLA for the year 2023 include:

- i. Risk Technology and Digitisation Plan: The business designed the technology and digitisation plan for implementation in 2024 and 2025. The Board approved the execution of the plan. The risk technology aims to enable the business to assess risk objectively and timely to support strategic business decision-making. Pursuing a long-term digital initiative is aimed at delivering an integrated risk management system (IRMS) to manage the risk database for financial and non-financial risk data, analysis, models, and reports. Maintaining an active risk register and risk appetite as well as a workflow system will aid proactive risk management and communication.
- ii. Policies and Processes Plan: The business has simplified the company's risk management processes and policies by consolidating these areas for optimality. HLA continues to develop a customised approach to risk management and embedding proactiveness in risk actions and advocacy. To drive business resilience and continuity, we promote a shift from a reactive risk management culture to a proactive risk management culture.
- iii. People and Culture Plan: Building enhanced risk management cultures, the business has enforced risk ownership and accountability for managing risks identified and implementing relevant controls at the business unit level. Our people are empowered to stay ahead of the risk curves and implement internal controls against disruptions and controllable events under normal and stressed business conditions. To achieve this, we integrate risk management activities into daily and routine business operations to eliminate surprises resulting in financial and/or non-financial loss to the business.
- iv. Governance and Reporting Plan: Strategic risk governance and reporting is an integral aspect of the risk management activities at HLA. To support our risk reporting, monitoring, and communication activities, the business clearly defined the reporting process and channels for effective reporting across the business. The business has instituted the Management Enterprise Risk Management Committee to support technical risk management to advise and support the risk management function for effective reporting to the Board. HLA continues to implement the three lines of defence rule designed by the COSO Enterprise Risk Management Framework as directed by NAICOM.

4.3.3 Risk Identification

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

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

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

4.3.4 Risk Mitigation & Controls

HLA produces risk mitigation strategies for all categories of risks documented after evaluating the residual risk level of each risk.

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

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

4.3.5 Risk Monitoring & Reporting

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

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

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

5. Insurance risk

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

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

The major insurance risks during the period were unremitted premiums by brokers within the credit notes validity period stipulated by NAICOM, the extended service turnaround time for policy underwriting and claims settlement, and an uptick in policy cancellations by policyholders due to inflationary impact on the standard of living. To manage these risks, the business enforced the 'no premium, no insurance cover' rule by NAICOM, periodic policy issuance and claims settlement reviews were conducted, and process enhancements through automation of underwriting and claims processes.

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

5.1 Underwriting risk

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

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

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

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

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

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

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

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

5.2 Severity of claims

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

5.3 Concentration risks

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

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

	Gross		Reinsurance		Net	
	2023	2022	2023	2022	2023	2022
TERM	234,540	100,862	(183)	2,143	234,723	98,719
ENDOWMENT	388,193	341,591	(21,051)	(15,187)	409,243	356,778
KEYMAN	3,318	2	1,210	-	2,108	2
WHOLELIFE	2,005	966	37	125	1,968	842
ANNUITY	14,691,440	6,671,362	-	-	14,691,440	6,671,362
TRIPLEPAY	5,542,785	1,750,242	(18,850)	(18,707)	5,561,635	1,768,949
GROUPLIFE	1,254,064	736,373	224,433	34,710	1,029,631	701,663
CREDITLIFE	84,619	151,265	52,638	13,023	31,981	138,242
GROUPMORTGAGE	-	-	-	-	-	-
HOSPITAL_CASH	391	-	-	-	391	-
SMART_SCHOOL	73	-	-	-	73	-
CREDITLIFE_IND	(222)	819	-	477	(222)	342
MORTGAGE	1	-	-	-	1	-
Total	22,201,208	9,753,483	238,235	16,583	21,962,973	9,736,900

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

N'000	2023	2022
Nigeria	22,201,208	9,753,483
Rest of Africa	Nil	Nil
Europe	Nil	Nil
USA	Nil	Nil
Others	Nil	Nil

5.3.1 Sources of volatility in the estimation of liabilities exposures

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

5.3.2 Annuity Risk

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

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

5.3.3 Liability Valuation

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

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

Actuarial Valuation of Liabilities		
N'000	2023	2022
Individual Life	6,171,085	2,193,664
Annuity	14,691,440	6,671,362
Group Life	1,338,682	888,457
Insurance Contracts	22,201,207	9,753,483
Reinsurance Contracts	40,084	33,894

Actuarial Valuation of Liabilities		
Count'	2023	2022
Individual Life	31,343	13,451
Annuity	2,973	1,269
Group Life	988	1,094
Insurance Contracts	35,304	15,814

5.3.4 Concentration Risk- Outstanding Claims

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

N'000	2023		2022	
	Gross Liability	Net Reinsurance Asset	Gross Liability	Net Reinsurance Asset
Individual Life	6,225,870	6,225,870	2,194,834	2,194,834
Annuity	14,703,851	14,703,851	6,671,362	6,671,362
Group Life	1,339,874	1,339,874	887,638	887,638

5.4 Valuation Assumptions

The valuation assumptions table for 31 Dec 2022 and 31 Dec 2023 provides key metrics that the company relies on to assess its insurance liabilities. These assumptions are critical for determining the present value of future cash flows, which is fundamental to accurate reserve calculations and overall financial health of the company.

	31-Dec-23	31-Dec-22
Interest rate - Annuities	Yield curve (obtained from the Nigerian Actuarial Society - NAS)	13.23%
Interest rate - Assurances	Yield curve (obtained from the Nigerian Actuarial Society - NAS)	9.10%
Inflation rate	16%	12%
Mortality experience - Assurances	UK's Mortality of Assured Lives A1967-70 (A6770)	UK's Mortality of Assured Lives A1967-70 (A6770)
Mortality experience - Annuity	PA90 Ultimate Mortality Tables with an age rating of -5	PA90 Ultimate Mortality Tables with an age rating of -5
Risk Adjustment	Provision for adverse deviation (pfAD)	Provision for adverse deviation (pfAD)

Risk Adjustment Shock

The risk adjustment shock parameters illustrate the company's sensitivity to changes in key assumptions:

Parameter	Provision for Adverse Deviation Shock
Mortality	0.15%
Expense	30%
Lapse	10%

Per Policy Renewal Expenses

This table outlines the costs associated with renewing different types of policies for 2022 and 2023:

Product Segment	31-Dec-23	31-Dec-22
Endowment	25,347	25,347
Annuity	24,384	46,329
Term	9,543	9,543
Triple Pay	13,341	25,347
Whole Life	-	-
Keyman	-	-
Mortgage	-	-

5.5 Sensitivity analysis of carrying amounts to changes in assumptions

N'000	Change in assumption	31st Dec 2023			31st Dec 2022		
		Insurance contract liabilities	Reinsurance contract liabilities/(Asset)	Impact on Profit	Insurance contract liabilities	Reinsurance contract liabilities(Asset)	Impact on Profit
Yield Curve	-1%	21,342,205	38,626	(479,712)	8,946,124.42	32,751.52	(82,223.39)
Yield Curve	+1%	19,977,585	36,033	887,500	7,873,505.21	29,461.57	887,500.07
					-	-	-
Mortality	-0.2%	22,002,119	44,645	(1,145,646)	9,621,161.85	35,640.51	(1,145,645.92)
Mortality	+0.2%	20,686,317	30,167	184,634	8,571,976.25	28,093.49	184,633.93
					-	-	-
Expenses	-20%	22,008,989	38,626	(1,146,496)	9,623,294.213	32,658.94	(1,146,496.07)
Expenses	+20%	20,675,659	36,033	189,426	8,568,904.65	29,593.67	189,425.64
					-	-	-
Laspes	-10%	22,011,737	38,624	(1,149,243)	9,624,813.73	32,908.58	(1,149,243.01)
Laspes	+10%	20,674,200	36,035	190,884	8,567,996.18	29,348.26	190,883.86

A sensitivity analysis of exposure to insurance risk.

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

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

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

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

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

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

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

5. Capital Adequacy

The National Insurance Commission (NAICOM) establishes and monitors capital requirements for insurance companies. The capital management component aims to provide a quantitative approach to measuring risk, and determining the necessary regulatory and economic capital for the company's Enterprise Risk. This approach meets all relevant regulatory requirements outlined in the regulation on Enterprise Risk, where applicable.

Throughout the period, the company complied with all capital requirements. As of December 31, 2023, the company's authorized share capital is N8,000,000,000, adhering to the Insurance Act's minimum capital requirement of N2 billion.

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

Balance Sheet, N'm	YTD 2023	YTD 2022	Changes		
Asset	37,760	19,041	98%	Assets N37.8bn	Margin N9.4bn
Liability	28,667	11,808	143%		
Margin	9,093	7,232	26%		Liabilities N28.3b
Tier 1 Capital	2,000	2,000	0%		
Available Capital	9,093	7,232	26%		
Capital Adjustment	-	-	0%		
Tier 2 Capital	9,093	7,232	26%		
Solvency Ratio	455%	362%	26%		

	31-12-2023	31-12-2022
	N'000	N'000
Ordinary share capital	8,000,000	8,000,000
Contingency reserve	339,679	142,200
Retained earnings	<u>753,066</u>	<u>-909,863</u>
Shareholders Fund	<u>9,092,745</u>	<u>7,232,337</u>
Regulatory required capital	2,000,000	2,000,000
Excess capital reserve	<u>7,092,745</u>	<u>5,232,337</u>

5.1 Solvency Margin

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

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

The solvency margin is as follows:

	31-Dec-23			31-Dec-22		
Solvency Margin	Admissible	Inadmissible	Total	Admissible	Inadmissible	Total
	N'000	N'000	N'000	N'000	N'000	N'000
Cash and Cash Equivalents	1,708,093	-	1,708,093	838,251	-	838,251
Financial Assets at FVTPL	28,741,039	-	28,741,039	13,101,851	-	13,101,851
Financial Assets at Amortised cost	4,540,098	-	4,540,098	2,860,329	-	2,860,329
Trade receivable	83,239	-	83,239	2,083	-	2,083
Reinsurance Contract Assets	278,318	-	278,318	50,477	-	50,477
Insurance Contract Assets	222	-	222	-	-	-
Other Receivables & Prepayments	52,116	329,271	381,387	22,880	107,732	130,612
Right of Use Asset	-	626,124	626,124	-	725,268	725,268
Statutory Deposits with CBN	800,000	-	800,000	800,000	-	800,000
Property, Plant and Equipment	333,420	-	333,419	247,848	-	247,848
Intangible Assets	-	267,815	267,815	-	283,811	283,811
Total Admissible Assets (a)	36,536,545	1,223,210	37,759,754	17,923,719	1,116,811	19,040,530
Less: Admissible liabilities						
Trade Payables	1,655,632	-	1,655,632	291,332	-	291,332
Provisions & Other Payables	513,743	-	513,743	170,862	-	170,862
Insurance Contract Liabilities	22,201,429	-	22,201,429	9,753,483	-	9,753,483
Reinsurance Contract Liabilities	40,084	-	40,084	33,894	-	33,894
Investment Contract Liabilities	3,719,006	-	3,719,006	1,087,855	-	1,087,855
Lease Liability	518,270	-	518,270	467,296	-	467,296
Current income tax	18,845	-	18,845	3,471	-	3,471
Total Admissible Liability (b)	28,667,009	-	28,667,009	11,808,193	-	11,808,193
Solvency Margin (a-b)	7,869,536	1,223,210	9,092,745	6,115,526	1,116,811	7,232,337
Insurance Revenue	7,256,831			3,764,728		
Reinsurance expense	-44,355			-224,944		
Net Premium Income	7,212,476			3,539,784		
Subject to higher of:						
15% of net premium income or	1,081,871			530,968		
Minimum capital requirement	2,000,000			2,000,000		
Solvency Margin Ratio	393%			306%		

5.2 Capital Risk Management

Capital risk is the risk of the inability to maintain adequate risk-based capital to cover all material risks based on Solvency II requirements. That is, the potential failure to comply with the mandatory minimum capital to cover credit, market, and operational risks up to a 99.9% confidence level.

The business quarterly assesses the level of risk-based capital available for the business. The solvency report is prepared in line with NAICOM's Prudential Guidelines 2022 section 6.4.0.

The capital coverage ratio moved from 297% in 2022 to 165% in 2023. The impact on capital requirement is driven by the introduction of the impact of currency risk and spread risk from adverse movements in the yield curve on bond portfolios. The stressed capital level exceeded the regulatory minimum requirement level of 150%.

The Own Risk and Solvency Assessment (ORSA) process at Heirs Life Assurance Limited (HLA) identifies, assesses, monitors, manages, and reports risk exposures, ensuring the necessary own funds to meet capital adequacy and solvency requirements. HLA used both the standard formula model to conduct a comprehensive review of all risks and their impact on solvency.

The Board of Directors supervised this assessment to determine the Company's capital needs under normal and stressed conditions, aiding strategic decision-making. The solvency process reviewed the firm's strategy, business model, risk appetite compliance, and risk and controls self-assessment (RCSA) results to derive the capital requirements.

HLA regularly assesses capital adequacy across various assets, liabilities, and risks, taking necessary actions to maintain its capital position. The company's capital management approach includes setting target risk-adjusted rates of return to align with performance objectives and enhance shareholder value.

This risk-based capital measure ensures that HLA can meet its liabilities, maintain solvency, and protect policyholders. This report confirms that the Company has sufficient assets over liabilities to withstand unforeseen events and maintain solvency. The management of HLA is committed to maintaining a robust capital level for normal and stressed business conditions.

Economic Capital and Solvency Assessment, N'm		31/12/2023	31/12/2022
Life Underwriting Risk	Mortality Risk	2,292	1,371
	Longevity Risk	4,942	418
	Life Expense Risk	-	778
	Catastrophe Risk	-	7
	SCR Risk Exposure	7,234	2,574
	SCR Risk Adjustment	2,334	820
	SCR Adjusted Risk Exposure	4,900	1,754
Market Risk	Interest Rate Risk	248	154
	Spread Risk	1,491	-
	Currency Risk	0.18	-
	Concentration Risk	249	211
	SCR Risk Exposure	1,988	364
	SCR Risk Adjustment	276	74
	SCR Adjusted Risk Exposure	1,712	290
Counterparty Default Risk	Type 1 Risk	67	83
	SCR Risk Exposure	67	83
	SCR Unadjusted Risk Exposure	67	83
Undiversified BSCR		6,679	2,126
Diversification Credit		1,079	254
Basic SCR		5,600	1,872
Operational Risk		104	562
Final SF SCR		5,704	2,434
Pre-Corridor MCR		1,236	819
Post-Corridor MCR (based on SF SCR)		1,426	819
Early Warning Indicator		3,707	2,458
Shareholders Fund		9,093	7,232
EC as a Per% of Available Capital		63%	34%
Capital Coverage Ratio		159%	297%

SCR: Solvency Capital Requirement

BSCR: Basic Solvency Capital Requirement

MCR: Minimum Capital Requirement

EC: Economic Capital

5.3 Credit Risk Management

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

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

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

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

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

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

Maximum exposure to credit risk

	31-12-2023	Restated	Restated
	N'000	31-12-2022	01-Jan-22
		N'000	
Cash and cash equivalents	1,708,093	838,251	275,531
Financial assets - FVTPL	28,741,039	13,101,851	6,975,688
Financial assets - Amortized cost	4,540,098	2,860,329	587,687
Trade receivables	83,239	2,083	330
Reinsurance contract Asset	278,318	50,477	25,990
Insurance Contract assets	222	-	-
Other receivables & prepayments	56,533	130,612	8,072
Statutory deposit	800,000	800,000	800,000
Total assets exposed to credit risk	36,207,540	17,783,603	8,673,299

Geographical Sectors

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

Credit Quality

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

As at 31 December 2023	AAA-A	BBB-B	Unrated	Total
Cash and cash equivalents		1,397,135	310,958	1,708,093
Financial assets - FVTPL	20,677,162	8,063,877	-	28,741,039
Financial assets - amortized Cost	2,031,920	1,920,025	588,153	4,540,098
Trade receivables	-	-	83,239	83,239
Reinsurance assets	-	-	278,318	278,318
Insurance contract asset	-	-	222	222
Other receivables	-	-	56,533	56,533
Statutory deposits with CBN	-	800,000	-	800,000
	22,709,081	12,181,037	1,317,421	36,207,540

As at 31 December 2022	AAA-A	BBB-B	Unrated	Total
Cash and cash equivalents	-	793,379	44,872	838,251
Financial assets - FVTPL	9,668,329	3,433,522	-	13,101,851
Financial assets - amortized Cost	2,597,550	-	262,779	2,860,329
Trade receivables	-	-	2,083	2,083
Reinsurance assets	-	-	50,477	50,477
Other receivables	-	-	130,612	130,612
Statutory deposits with CBN	-	-	800,000	800,000
	12,265,879	4,226,901	1,290,824	17,783,603

Industry Sectors

The company is exposed to various industries as shown below

As at 31 December 2023	Financial institution N'000	Government N'000	Consumer/ other corporate entity N'000	Total N'000
Cash and cash equivalents	1,708,093	-	-	1,708,093
Financial assets - FVTPL	28,741,039	-	-	28,741,039
Financial assets - amortized Cost	4,445,084	95,014	-	4,540,098
Trade receivables	-	-	83,239	83,239
Reinsurance assets	-	-	278,318	278,318
Insurance contract asset	-	-	222	222
Other receivables	-	-	56,533	56,533
Statutory deposits with CBN	800,000	-	-	800,000
	35,694,215	95,014	418,310	36,207,540

As at 31 December 2022	Financial institution N'000	Government N'000	Consumer/ other corporate entity N'000	Total N'000
Cash and cash equivalents	838,251	-	-	838,251
Financial assets - FVTPL	110,413	12,991,438	-	13,101,851
Financial assets - amortized Cost	2,645,332	-	214,997	2,860,329
Trade receivables	-	-	2,083	2,083
Reinsurance assets	-	-	50,477	50,477
Insurance contract asset	-	-	-	-
Other receivables	-	-	130,612	130,612
Statutory deposits with CBN	800,000	-	-	800,000
	4,393,996	12,991,438	398,170	17,783,603

Financial instruments measured at fair value

The table below analyses financial instruments and other assets and liabilities measured at fair value at the end of the year, by the level in the fair value hierarchy into which the fair value measurement is categorised:

	Company 31-Dec-23			
	Level 1 N'000	Level 2 N'000	Level 3 N'000	Total balance N'000
Carried at FVTPL:				
Financial assets - FVTPL	28,741,039	-	-	28,741,039
Carried at amortized cost:				
Cash and cash equivalents	-	-	1,708,093	1,708,093
Financial assets - amortized Cost	-	3,682,740	857,358	4,540,098
Trade receivables	-	-	83,239	83,239
Reinsurance contract assets	-	-	278,318	278,318
Insurance contract assets	-	-	222	222
Other receivables	-	-	56,533	56,533
Statutory deposits with CBN	-	-	800,000	800,000
	28,741,039	3,682,740	3,783,761	36,207,540

Carried at FVTPL:

Financial assets - FVTPL

Carried at amortized cost:

Cash and cash Equivalents
 Financial assets - Amortized Cost
 Trade receivables
 Reinsurance assets
 Other receivables
 Statutory deposits with CBN

Company 31-Dec-22			
Level 1 N'000	Level 2 N'000	Level 3 N'000	Total balance N'000
13,101,851	-	-	13,101,851
-	-	838,251	838,251
-	2,154,244	706,085	2,860,329
-	-	2,083	2,083
-	-	50,477	50,477
-	-	130,612	130,612
-	-	800,000	800,000
13,101,851	2,154,244	2,527,508	17,783,603

5.4 Reinsurance Assets & Credit Quality

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

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

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

As at 31 December 2023	AAA-A 180,906.50	BBB-B 97,411.19	Unrated -	Total 278,317.69
As at 31 December 2022	AAA-A 32,810.09	BBB-B 17,666.97	Unrated -	Total 50,477.06

5.5 Credit Risk Measurement

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

6 Financial Risk Management

6.1 Market Risk Management

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

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

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

To hedge against market volatility losses, the business holds 80% of its investment in government bonds and treasury bills, 13% in money market placements, and 7% in corporate bonds. This distribution enables the business to comply with NAICOM's prudential guidelines and protect the invested funds to enhance business profitability.

The proposed risk digitization initiative of the business will enable the business to conduct Value-at-Risk (VaR) analysis and stress testing with the integration with the investment database. This will improve the limits management and portfolio attribution performance.

Furthermore, with continuous stress testing, scenario analysis and holding to maturity strategy, the business is able to mitigate this impact.

6.2 Foreign exchange risks

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

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

Assets	31-Dec-23				
	Total	NGN	USD	EUR	GBP
in thousands of naira					
Cash and cash equivalents	1,708,093	1,696,474	10,626	570	423
Financial assets - FVTPL	28,741,039	28,741,039	-	-	-
Financial assets - Amortized cost	4,540,098	3,774,928	765,170	-	-
Trade receivables	83,239	83,239	-	-	-
Reinsurance contract Asset	278,318	278,318	-	-	-
Insurance Contract assets	222	222	-	-	-
Other receivables & prepayments	56,533	56,533	-	-	-
Statutory deposits with CBN	800,000	800,000	-	-	-
Total Financial Assets	36,207,542	35,430,753	775,796	570	423
Financial Liabilities					
Insurance contract liabilities	22,201,429	22,201,429	-	-	-
Reinsurance contract liabilities	40,084	40,084	-	-	-
Investment contract liabilities	3,719,006	3,674,195	44,811	-	-
Other Insurance Contract Liabilities	1,655,632	1,655,632	-	-	-
Provisions & other payables	513,743	513,743	-	-	-
Lease liability	518,270	518,270	-	-	-
Total Financial Liabilities	28,648,164	28,603,353	44,811	-	-

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

Assets	31-Dec-22				
	Total	NGN	USD	EUR	GBP
<i>in thousands of naira</i>					
Cash and cash equivalents	838,251	785,185	52,589	276	201
Financial assets - FVTPL	13,101,851	13,101,851	-	-	-
Financial assets - Amortized cost	2,860,329	2,382,122	478,207	-	-
Trade receivables	-	-	-	-	-
Reinsurance contract Asset	50,477	50,477	-	-	-
Insurance Contract assets	-	-	-	-	-
Other receivables & prepayments	130,612	130,612	-	-	-
Statutory deposits with CBN	800,000	800,000	-	-	-
Total Financial Assets	17,781,520	17,250,247	530,796	276	201
Financial Liabilities					
Insurance contract liabilities	9,753,483	9,753,483	-	-	-
Reinsurance contract liabilities	33,894	33,894	-	-	-
Investment contract liabilities	1,087,855	1,087,855	-	-	-
Other Insurance Contract Liabilities	291,332	291,332	-	-	-
Provisions & other payables	170,862	170,862	-	-	-
Lease liability	467,296	467,296	-	-	-
Total Financial Liabilities	11,804,722	11,804,722	-	-	-

6.3 Interest rate risks

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

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

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

A summary of interest rate gap position of non-trading portfolios was as follows:

Financial Assets	31 Dec 2023		
	Carrying Amount N'000	Fixed interest N'000	Non-interest bearing N'000
Cash and cash equivalents	1,708,093	394,538	1,313,555
Financial assets - FVTPL	28,741,039	28,741,039	-
Financial assets - Amortized cost	4,540,098	4,540,098	-
Trade receivables	83,239	-	83,239
Reinsurance contract Asset	278,318	-	278,318
Insurance Contract assets	222	-	222
Other receivables & prepayments	56,533	52,117	4,416
Statutory deposit	800,000	-	800,000
Total Financial Assets	36,207,540	33,727,792	2,479,748
Financial Liabilities			
Insurance contract liabilities	22,201,429	-	22,201,429
Reinsurance contract liabilities	40,084	-	40,084
Investment contract liabilities	3,719,006	3,719,006	-
Other Insurance Contract Liabilities	1,655,632	-	1,655,632
Provisions & other payables	513,743	-	513,743
Lease liability	518,270	-	518,270
Total Financial Liabilities	28,648,164	3,719,006	24,929,158
Net Exposures	7,559,376	30,008,786	(22,449,410)

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	31 Dec 2022		
	Carrying Amount N'000	Fixed interest N'000	Non-interest bearing N'000
Financial Assets			
Cash and cash equivalents	838,251	457,160	381,091
Financial assets - FVTPL	13,101,851	13,101,851	-
Financial assets - Amortized cost	2,860,329	2,860,329	-
Trade receivables	2,083	-	2,083
Reinsurance contract Asset	50,477	-	50,477
Insurance Contract assets	-	-	-
Other receivables & prepayments	130,612	23,066	107,546
Statutory deposit	800,000	800,000	-
Total Financial Assets	17,783,603	17,242,406	541,197
Financial Liabilities			
Insurance contract liabilities	9,753,483	-	9,753,483
Reinsurance contract liabilities	33,894	-	33,894
Investment contract liabilities	1,087,855	1,087,855	-
Other Insurance Contract Liabilities	291,332	-	291,332
Provisions & other payables	170,862	-	170,862
Lease liability	467,296	-	467,296
Total Financial Liabilities	11,804,722	1,087,855	10,716,867
Net Exposures	5,978,881	16,154,551	(10,175,670)

6.2.1 Liquidity Risk Management

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

Liquidity risk is the risk of incurring losses resulting from the inability to meet payment obligations in a timely way or at a reasonable cost. Liquidity risk is the risk of being unable to buy or sell assets in a specific quantity during a given time without altering the asset's value.

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

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

HLA strives to maintain an adequate level of HQLA to ensure that its liquidity position is resilient through various business cycles without failure to meet its liability obligations to policyholders and other business clients.

The below is our stress test benchmark for liquidity risks:

Stress Test Benchmark	Mild	Medium	Severe
Increase in regulatory capital requirement	50%	87.5%	125%
Negative inflationary impact on liabilities estimates	29%	35%	40%
Negative inflationary impact on operating costs	300%	350%	500%
Credit Risk from Increase in investment counterparties defaults.	5%	10%	15%
Credit Risk from Increase in reinsurance counterparties defaults.	5%	10%	15%
Decrease in investment returns & premium inflow due to negative economic growth rate	30%	45%	55%
Increase in policy withdrawal rate (terminations & surrenders)	30%	45%	55%
Reduction in required stable funding	25%	35%	45%
Reduction in available stable funding	25%	35%	45%
To determine the value of HQLA at which the LCR is X%	100%	100%	100%
To determine the value of Liquid Assets at which Liquidity ratio is Y%	50%	50%	50%

6.2.2 Maturity analysis (contractual undiscounted cashflow basis)

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

	Carrying amount	Gross nominal	0 - 3 months	3 - 6 months	6 - 9 months	9 months - 1 year	>1 year
	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Cash and cash equivalents	1,708,093	1,722,205	1,722,205	-	-	-	-
Financial assets at amortised cost	4,540,098	48,154,417	772,226	1,745,197	-	2,513,395	43,123,599
Financial assets at fair value through profit or loss	28,741,039	5,736,511	951,635	2,014,169	206,941	-	2,563,766
Other receivables	83,239	83,239	83,239	-	-	-	-
Other receivables	56,533	56,533	-	4416	-	40,110	12,007
Statutory deposit	800,000	800,000	-	-	-	-	800,000
Total financial assets	35,929,002	56,552,905	3,529,305	3,763,782	206,941	2,553,505	46,499,372
Investment contract liabilities	3,719,006	3,719,006	-	-	-	-	3,719,006
Trade payables	1,655,632	1,655,632	1,655,632	-	-	-	-
Other payables and accruals	513,743	513,743	513,743	-	-	-	-
Lease liability	518,270	662,926	-	-	-	-	662,926
Total financial liabilities	6,406,651	6,551,307	2,169,375	0	0	0	4,381,932
Net Financial Asset	29,522,351	50,001,598	1,359,930	3,763,782	206,941	2,553,505	42,117,440

The amounts disclosed in the table are the contractual undiscounted cash flows as of 31 December 2022:

	Carrying amount	Gross nominal	0 - 3 months	3 - 6 months	6 - 9 months	9 months - 1 year	>1 year
	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Cash and cash equivalents	838,251	843,890	843,890	-	-	-	-
Financial assets at amortised cost	13,101,851	22,657,561	462,863	3,415,715	-	6,290,928	12,488,055
Financial assets at fair value through profit or loss	2,860,329	3,691,732	1,993,456	-	-	-	1,698,276
Trade receivables	2,083	2,083	2,083	-	-	-	-
Other receivables	130,612	130,612	-	-	-	130,612	-
Statutory deposit	800,000	-	-	-	-	-	-
Total financial assets	17,733,126	27,325,878	3,302,292	3,415,715	-	6,421,540	14,186,331
Investment contract liabilities	1,087,855	1,087,855	-	-	108,785	-	979,069
Trade payables	291,332	291,332	291,332	-	-	-	-
Other payables and accruals	170,862	170,862	170,862	-	-	-	-
Lease Liabilities	467,296	572,496	572,496	-	-	-	-
Total financial liabilities	2,017,345	2,122,545	1,034,690	-	108,785	-	979,069
Net Financial Asset	15,715,781	25,203,333	2,267,602	3,415,715	(108,785)	6,421,540	13,207,262

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

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

Gross of Reinsurance

PORTFOLIO	Year 1	Year 2	Year 3	Year 4	Year 5	Total - >Undiscounted IBNR+OCR
GROUP (CREDIT & MORTGAGE)	20,551,478	13,700,985	17,126,231	10,275,739	6,850,493	68,504,926
INDIVIDUAL CREDIT LIFE	1,684	1,122	1,403	842	561	5,612
GROUP LIFE	173,350,514	115,567,010	144,458,762	86,675,257	57,783,505	577,835,048
HOSPITAL CASH	34,380	22,920	28,650	17,190	11,460	114,600
SMART SCHOOL	10,404	6,936	8,670	5,202	3,468	34,680
Total	193,948,460	129,298,973	161,623,716	96,974,230	64,649,487	646,494,865

Net of Reinsurance

PORTFOLIO	Year 1	Year 2	Year 3	Year 4	Year 5	Total - >Undiscounted IBNR+OCR
GROUP (CREDIT & MORTGAGE)	-	-	-	-	-	-
INDIVIDUAL CREDIT LIFE	-	-	-	-	-	-
GROUP LIFE	52,655,876	35,103,917	43,879,896	26,327,938	17,551,959	175,519,586
HOSPITAL CASH	-	-	-	-	-	-
SMART SCHOOL	-	-	-	-	-	-
Total	52,655,876	35,103,917	43,879,896	26,327,938	17,551,959	175,519,586

6.3.3 Asset and Liability Management (ALM)

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

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	Year ended 31-Dec-23 N'000	Year ended 31-Dec-22 N'000	01-Jan-22 N'000
7 Cash and cash equivalents			
Cash & bank balances - Local	369,287	328,117	165,159
Cash & bank balances - Foreign	11,620	52,974	1,865
Placements with banks	1,327,186	457,160	108,507
	<u>1,708,093</u>	<u>838,251</u>	<u>275,532</u>
Placement with banks are held for less than 90 days			
8 Investment Securities valued at FVTPL			
Treasury bills (see note 8a)	4,259,912	5,874,099	5,985,976
FGN bonds (see note 8b)	24,383,507	7,117,339	888,788
Corporate bonds (see note 8c)	97,619	98,830	100,924
Money Market Mutual Fund(see note 8d)	-	11,583	-
	<u>28,741,039</u>	<u>13,101,851</u>	<u>6,975,689</u>
Treasury bills			
Current	-	-	1,678,676
Non Current	4,259,912	5,874,099	4,307,300
	<u>4,259,912</u>	<u>5,874,099</u>	<u>5,985,976</u>
FGN Bonds			
Non Current	<u>24,383,507</u>	<u>7,117,339</u>	<u>888,788</u>
8a Treasury bills movement			
Opening balance	5,874,099	5,985,976	-
Additions	4,717,939	10,131,025	6,351,651
Fair value gain	29,982	78,122	65,043
Interest income	470,743	-	-
Maturities	(6,832,850)	(10,321,024)	(430,718)
Treasury bills as at 31 December	<u>4,259,912</u>	<u>5,874,099</u>	<u>5,985,976</u>
8b FGN bond movement			
Opening balance	7,117,339	888,788	-
Additions	17,487,693	6,431,808	909,131
Fair value gain/(loss)	(313,946)	(203,257)	(20,343)
Interest Income	1,677,890	-	-
Interest Received	(1,585,469)	-	-
Balance as at 31 December	<u>24,383,507</u>	<u>7,117,339</u>	<u>888,788</u>
8c Corporate bond movement			
Opening balance	98,830	100,925.26	-
Additions	-	496	101,244
Fair value gain/(loss)	(1,145)	(2,591)	(319)
Interest Income	12,501	-	-
Interest received	(12,568)	-	-
Bond as at 31 December	<u>97,619</u>	<u>98,830</u>	<u>100,924</u>
Non Current	<u>97,619</u>	<u>98,830</u>	<u>100,924</u>
8d Money Market Mutual Fund			
Opening balance	11,583	-	-
Additions	-	11,363.04	-
Interest Income	1,524	220.00	-
Interest Income Received	(1,524)	-	-
Redemption	(11,583)	-	-
Balance as at 31 December	<u>-</u>	<u>11,583.04</u>	<u>-</u>

	Year ended 31-Dec-23 N'000	Year ended 31-Dec-22 N'000	01-Jan-22 N'000	
9 Investments carried at amortised cost				
Money market placement (see note 8a)	765,170	709,534	588,791	
Corporate Bond (see note 8b)	1,405,647	1,303,633	-	
Commercial Paper (See note 8c)	2,295,330	850,611	-	
Investment in State Bonds	95,452	-	-	
Provision for expected credit losses (ECL) allowance (see note 8e)	(21,502)	(3,450)	(1,104)	
	<u>4,540,098</u>	<u>2,860,329</u>	<u>587,687</u>	
Non Current	<u>4,540,098</u>	<u>2,860,329</u>	<u>587,687</u>	
9a Money market placement				
Opening Balance	709,534	588,791.00	-	
Additions	11,031,652	6,294,767	577,099	
Interest income	171,992	44,725	63,892	
Interest received	(167,054)	-	-	
Maturities	(10,980,954)	(6,218,749)	(52,200)	
Placements as at 31 December	<u>765,170</u>	<u>709,534</u>	<u>588,791</u>	
9b Corporate bond				
Opening Balance	1,303,633	1,250,000	-	
Additions	100,000	-	-	
Interest income	195,321	53,633	-	
Interest received	(193,307)	-	-	
Corporate bond as at 31 December	<u>1,405,647</u>	<u>1,303,633</u>	<u>-</u>	
9c Commercial paper				
Opening Balance	850,611	-	-	
Additions	3,415,555	845,952.31	-	
Interest Income	240,957	4,659.15	-	
Maturities	(2,211,794)	-	-	
Commercial paper as at 31 December	<u>2,295,330</u>	<u>850,611.46</u>	<u>-</u>	
9d State Bonds				
Opening Balance	-	-	-	
Additions	94,003	-	-	
Interest income	8,678	-	-	
Interest received	(7,229)	-	-	
State Bonds as at 31 December	<u>95,452</u>	<u>-</u>	<u>-</u>	
9e Movement in expected credit lossess				
Opening Balance	(3,450)	(1,103.84)	-	
Charged during the year (see note 37)	(18,052)	(2,346)	(1,104)	
Closing balance	<u>(21,502)</u>	<u>(3,450)</u>	<u>(1,104)</u>	
10 Trade receivables				
Opening Trade Receivable	2,083	330	-	
Gross Premium written	19,747,899	11,520,546	-	
Gross Premium Received	(19,601,045)	(11,518,793)	-	
Less Impairment	(65,698)	-	-	
Total	<u>83,239</u>	<u>2,083</u>	<u>-</u>	
Current	<u>83,239</u>	<u>2,083</u>	<u>330</u>	
10a				
Age analysis of premium receivable	Policy count	Amount	Policy count	Policy count
Within 14 days	1	10,241	3	2,083
Within 15-30 days	3	72,998	1	-
Within 31-90 days	-	-	-	-
Within 91-180 days	-	-	-	-
Above 180 days	-	-	-	-
Total	<u>83,239</u>	<u>83,239</u>	<u>2,083</u>	<u>330</u>

	Year ended 31-Dec-23 N'000	Year ended 31-Dec-22 N'000	01-Jan-22 N'000
11 Reinsurance contract Assets*			
Contracts Measured Under GMM*:			
Asset for Remaining Coverage:			
-Excluding loss component	1248	170	1
-Loss component	-	2097	-
Asset for Remaining Coverage:	<u>1,248</u>	<u>2,268</u>	<u>1</u>
Contracts Measured Under PAA:			
Asset for Remaining Coverage:			
-Excluding loss component	87,032	48,101	(33,619)
-Loss component	-	-	-
Asset for Incurred Claims			
-Present Value of future cashflows	175,520	108	56,234
-Risk Adjustment	14,518	-	3,374
	<u>277,070</u>	<u>48,210</u>	<u>25,990</u>
Total Reinsurance Contract Asset	<u>278,318</u>	<u>50,477</u>	<u>25,991</u>
Current	51,970	411	56,236
Non-Current	<u>226,348</u>	<u>50,066</u>	<u>(30,246)</u>
Total Reinsurance Contract Asset	<u>278,318</u>	<u>50,477</u>	<u>25,991</u>

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

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

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

31-Dec-23	Asset for remaining coverage		Asset for incurred claims		Total #000
	Excluding loss recovery component	Loss recovery component	Present Value of Cashflows	Risk Adjustment	
	#000	#000	#000	#000	
Opening Reinsurance Contract Liabilities	-	-	-	-	-
Opening Reinsurance Contract Assets	48,101	-	108	-	48,210
Net reinsurance contract assets / (liabilities) opening balance	48,101	-	108	-	48,210
Allocation of reinsurance premiums	(341,819)	-	-	-	(341,819)
Amounts recoverable from reinsurers for incurred claims	-	-	292,740	14,518	307,259
Amounts recoverable for incurred claims and other expenses	-	-	292,849	14,518	307,367
Changes to amounts recoverable for incurred claims	-	-	(108)	-	(108)
Loss-recovery on onerous underlying contracts and adjustments	-	-	-	-	-
Reinsurance investment components	-	-	-	-	-
Net income or expense from reinsurance contracts held	(341,819)	-	292,740	14,518	(34,561)
Reinsurance finance income	-	-	-	-	-
Foreign Currency Movements	-	-	-	-	-
Total changes in the statement of comprehensive income	(341,819)	-	292,740	14,518	(34,561)
Cash flows	-	-	-	-	-
Premiums paid	539,562	-	-	-	539,562
Commission received	(158,811)	-	-	-	(158,811)
Claims recovered	-	-	(117,329)	-	(117,329)
Total cash flows	380,750	-	(117,329)	-	263,421
Other movements	-	-	-	-	-
Net reinsurance contract assets / (liabilities) closing balance	87,032	-	175,520	14,518	277,070
Closing Reinsurance Contract Liabilities	-	-	-	-	-
Closing Reinsurance Contract Assets	87,032	-	175,520	14,518	277,070
Net reinsurance contract assets / (liabilities) closing balance	87,032	-	175,520	14,518	277,070

31-Dec-22	Asset for remaining coverage		Asset for incurred claims		Total #000
	Excluding loss recovery component	Loss recovery component	Present Value of Cashflows	Risk Adjustment	
	#000	#000	#000	#000	
Opening Reinsurance Contract Assets	(33,619)	-	56,234	3,374	25,990
Net reinsurance contract assets / (liabilities) opening balance	(33,619)	-	56,234	3,374	25,990
Allocation of reinsurance premiums	(341,961)	-	-	-	(341,961)
Amounts recoverable from reinsurers for incurred claims	-	-	143,263	(3,374)	139,889
Amounts recoverable for incurred claims and other expenses	-	-	199,497	-	199,497
Changes to amounts recoverable for incurred claims	-	-	(56,234)	(3,374)	(59,608)
Net income or expense from reinsurance contracts held	(341,961)	-	143,263	(3,374)	(202,072)
Reinsurance finance income	-	-	-	-	-
Total changes in the statement of comprehensive income	(341,961)	-	143,263	(3,374)	(202,072)
Cash flows	-	-	-	-	-
Premiums paid	551,813	-	-	-	551,813
Commission received	(128,132)	-	-	-	(128,132)
Claims recovered	-	-	(199,389)	-	(199,389)
Total cash flows	423,681	-	(199,389)	-	224,292
Other movements	-	-	-	-	-
Net reinsurance contract assets / (liabilities) closing balance	48,101	-	108	-	48,210
Closing Reinsurance Contract Liabilities	-	-	-	-	-
Closing Reinsurance Contract Assets	48,101	-	108	-	48,210
Net reinsurance contract assets / (liabilities) closing balance	48,101	-	108	-	48,210

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

The following tables shows the reconciliation of reinsurance contract asset (on an Portfolio level) from Opening to Closing for Contracts Measured under PAA. This note sums up to note 10.1

31-Dec-23

	GROUPLIFE				
	Asset for remaining coverage		Asset for incurred claims		Total
	Excluding loss recovery component	Loss recovery component	Present Value of Cashflows	Risk Adjustment	
№'000	№'000	№'000	№'000	№'000	
Opening Reinsurance Contract Liabilities	-	-	-	-	-
Opening Reinsurance Contract Assets	34,601	-	108	-	34,710
Net reinsurance contract assets / (liabilities) opening balance	34,601	-	108	-	34,710
Allocation of reinsurance premiums	(277,013)	-	-	-	(277,013)
Amounts recoverable from reinsurers for incurred claims	-	-	292,740	14,518	307,259
Amounts recoverable for incurred claims and other expenses	-	-	292,849	14,518	307,367
Changes to amounts recoverable for incurred claims	-	-	(108)	-	(108)
Loss-recovery on onerous underlying contracts and adjustments	-	-	-	-	-
Reinsurance investment components	-	-	-	-	-
Net income or expense from reinsurance contracts held	(277,013)	-	292,740	14,518	30,245
Reinsurance finance income	-	-	-	-	-
Foreign Currency Movements	-	-	-	-	-
Total changes in the statement of comprehensive income	(277,013)	-	292,740	14,518	30,245
Cash flows					
Premiums paid	432,578	-	-	-	432,578
Commission received	(155,771)	-	-	-	(155,771)
Claims recovered	-	-	(117,329)	-	(117,329)
Total cash flows	276,807	-	(117,329)	-	159,478
Net reinsurance contract assets / (liabilities) closing balance	34,395	-	175,520	14,518	224,433
Closing Reinsurance Contract Liabilities	-	-	-	-	-
Closing Reinsurance Contract Assets	34,395	-	175,520	14,518	224,433
Net reinsurance contract assets / (liabilities) closing balance	34,395	-	175,520	14,518	224,433

31-Dec-22

	GROUPLIFE				
	Asset for remaining coverage		Asset for incurred claims		Total
	Excluding loss recovery component	Loss recovery component	Present Value of Cashflows	Risk Adjustment	
№'000	№'000	№'000	№'000	№'000	
Opening Reinsurance Contract Liabilities	-	-	-	-	-
Opening Reinsurance Contract Assets	(36,607)	-	50,091	3,005	16,490
Net reinsurance contract assets / (liabilities) opening balance	(36,607)	-	50,091	3,005	16,490
Allocation of reinsurance premiums	(331,716)	-	-	-	(331,716)
Amounts recoverable from reinsurers for incurred claims	-	-	149,406	(3,005)	149,406
Amounts recoverable for incurred claims and other expenses	-	-	199,497	-	199,497
Changes to amounts recoverable for incurred claims	-	-	(50,091)	(3,005)	(53,097)
Loss-recovery on onerous underlying contracts and adjustments	-	-	-	-	-
Reinsurance investment components	-	-	-	-	-
Net income or expense from reinsurance contracts held	(331,716)	-	149,406	(3,005)	(182,310)
Reinsurance finance income	-	-	-	-	-
Foreign Currency Movements	-	-	-	-	-
Total changes in the statement of comprehensive income	(331,716)	-	149,406	(3,005)	(185,315)
Cash flows					
Premiums paid	521,856	-	-	-	521,856
Commission received	(118,931)	-	-	-	(118,931)
Claims recovered	-	-	(199,389)	-	(199,389)
Total cash flows	402,925	-	(199,389)	-	203,535
Net reinsurance contract assets / (liabilities) closing balance	34,601	-	108	-	34,710
Closing Reinsurance Contract Liabilities	-	-	-	-	-
Closing Reinsurance Contract Assets	34,601	-	108	-	34,710
Net reinsurance contract assets / (liabilities) closing balance	34,601	-	108	-	34,710

	CREDITLIFE				
	Asset for remaining coverage		Asset for incurred claims		Total
	Excluding loss recovery component	Loss recovery component	Present Value of Cashflows	Risk Adjustment	
№'000	№'000	№'000	№'000	№'000	
Opening Reinsurance Contract Liabilities	-	-	-	-	-
Opening Reinsurance Contract Assets	13,023	-	-	-	13,023
Net reinsurance contract assets / (liabilities) opening balance	13,023	-	-	-	13,023
Allocation of reinsurance premiums	(64,329)	-	-	-	(64,329)
Amounts recoverable from reinsurers for incurred claims	-	-	-	-	-
Amounts recoverable for incurred claims and other expenses	-	-	-	-	-
Changes to amounts recoverable for incurred claims	-	-	-	-	-
Loss-recovery on onerous underlying contracts and adjustments	-	-	-	-	-
Reinsurance investment components	-	-	-	-	-
Net income or expense from reinsurance contracts held	(64,329)	-	-	-	(64,329)
Reinsurance finance income	-	-	-	-	-
Foreign Currency Movements	-	-	-	-	-
Total changes in the statement of comprehensive income	(64,329)	-	-	-	(64,329)

	CREDITLIFE				
	Asset for remaining coverage		Asset for incurred claims		Total
	Excluding loss recovery component	Loss recovery component	Present Value of Cashflows	Risk Adjustment	
№'000	№'000	№'000	№'000	№'000	
Opening Reinsurance Contract Liabilities	-	-	-	-	-
Opening Reinsurance Contract Assets	2,988	-	6,143	369	9,500
Net reinsurance contract assets / (liabilities) opening balance	2,988	-	6,143	369	9,500
Allocation of reinsurance premiums	(8,659)	-	-	-	(8,659)
Amounts recoverable from reinsurers for incurred claims	-	-	(6,143)	(369)	(6,143)
Amounts recoverable for incurred claims and other expenses	-	-	-	-	-
Changes to amounts recoverable for incurred claims	-	-	(6,143)	(369)	(6,512)
Loss-recovery on onerous underlying contracts and adjustments	-	-	-	-	-
Reinsurance investment components	-	-	-	-	-
Net income or expense from reinsurance contracts held	(8,659)	-	(6,143)	(369)	(14,802)
Reinsurance finance income	-	-	-	-	-
Foreign Currency Movements	-	-	-	-	-
Total changes in the statement of comprehensive income	(8,659)	-	(6,143)	(369)	(15,170)

HEIRS LIFE ASSURANCE LIMITED
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 NOTES TO THE FINANCIAL STATEMENTS

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	CREDITLIFE_IND				
	Asset for remaining coverage		Asset for incurred claims		Total
	Excluding loss recovery component	Loss recovery component	Present Value of Cashflows	Risk Adjustment	
	₺'000	₺'000	₺'000	₺'000	₺'000
Opening Reinsurance Contract Liabilities	-	-	-	-	-
Opening Reinsurance Contract Assets	477	-	-	-	477
Net reinsurance contract assets / (liabilities) opening balance	477	-	-	-	477
Allocation of reinsurance premiums	(477)	-	-	-	(477)
Amounts recoverable from reinsurers for incurred claims	-	-	-	-	-
Amounts recoverable for incurred claims and other expenses	-	-	-	-	-
Changes to amounts recoverable for incurred claims	-	-	-	-	-
Loss-recovery on onerous underlying contracts and adjustments	-	-	-	-	-
Reinsurance investment components	-	-	-	-	-
Net income or expense from reinsurance contracts held	(477)	-	-	-	(477)
Reinsurance finance income	-	-	-	-	-
Foreign Currency Movements	-	-	-	-	-
Total changes in the statement of comprehensive income	(477)	-	-	-	(477)
Cash flows					
Premiums paid	-	-	-	-	-
Commission received	-	-	-	-	-
Claims recovered	-	-	-	-	-
Total cash flows	-	-	-	-	-
Other movements	-	-	-	-	-
Net reinsurance contract assets / (liabilities) closing balance	-	-	-	-	-
Closing Reinsurance Contract Liabilities	-	-	-	-	-
Closing Reinsurance Contract Assets	-	-	-	-	-
Net reinsurance contract assets / (liabilities) closing balance	-	-	-	-	-

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	CREDITLIFE_IND				
	Asset for remaining coverage		Asset for incurred claims		Total
	Excluding loss recovery component	Loss recovery component	Present Value of Cashflows	Risk Adjustment	
	₺'000	₺'000	₺'000	₺'000	₺'000
Opening Reinsurance Contract Liabilities	-	-	-	-	-
Opening Reinsurance Contract Assets	-	-	-	-	-
Net reinsurance contract assets / (liabilities) opening balance	-	-	-	-	-
Allocation of reinsurance premiums	(1,586)	-	-	-	(1,586)
Amounts recoverable from reinsurers for incurred claims	-	-	-	-	-
Amounts recoverable for incurred claims and other expenses	-	-	-	-	-
Changes to amounts recoverable for incurred claims	-	-	-	-	-
Loss-recovery on onerous underlying contracts and adjustments	-	-	-	-	-
Reinsurance investment components	-	-	-	-	-
Net income or expense from reinsurance contracts held	(1,586)	-	-	-	(1,586)
Reinsurance finance income	-	-	-	-	-
Foreign Currency Movements	-	-	-	-	-
Total changes in the statement of comprehensive income	(1,586)	-	-	-	(1,586)
Cash flows					
Premiums paid	-	-	-	-	-
Commission received	2,063	-	-	-	2,063
Claims recovered	-	-	-	-	-
Total cash flows	2,063	-	-	-	2,063
Other movements	-	-	-	-	-
Net reinsurance contract assets / (liabilities) closing balance	477	-	-	-	477
Closing Reinsurance Contract Liabilities	-	-	-	-	-
Closing Reinsurance Contract Assets	477	-	-	-	477
Net reinsurance contract assets / (liabilities) closing balance	477	-	-	-	477

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

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

31-Dec-23

	Asset for remaining coverage			Total #’000
	Excluding loss recovery component	Loss recovery component	Asset for incurred claims	
	#’000	#’000	#’000	
Opening Reinsurance Contract Liabilities	-	-	-	-
Opening Reinsurance Contract Assets	125	-	-	125
Net reinsurance contract assets / (liabilities) opening balance	125	-	-	125
Allocation of reinsurance premiums	(2)	-	-	(2)
Amounts recoverable from reinsurers for incurred claims	-	-	669	669
Amounts recoverable for incurred claims and other expenses	-	-	669	669
Changes to amounts recoverable for incurrec	-	-	-	-
Net income or expense from reinsurance contracts held	(2)	-	669	667
Reinsurance finance income	(92)	-	-	(92)
Total changes in the statement of comprehensive income	(94)	-	669	575
Cash flows				
Premiums paid	1,217	-	-	1,217
Commission received	-	-	-	-
Claims recovered	-	-	(669)	(669)
Total cash flows	1,217	-	(669)	547
Other movements	-	-	-	-
Net reinsurance contract assets / (liabilities) closing balance	1,248	-	-	1,248
Closing Reinsurance Contract Liabilities	-	-	-	-
Closing Reinsurance Contract Assets	1,248	-	-	1,248
Net reinsurance contract assets / (liabilities) closing balance	1,248	-	-	1,248

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	Asset for remaining coverage			Total #’000
	Excluding loss recovery component	Loss recovery component	Asset for incurred claims	
	#’000	#’000	#’000	
Opening Reinsurance Contract Liabilities	-	-	-	-
Opening Reinsurance Contract Assets	1	-	-	1
Net reinsurance contract assets / (liabilities) opening balance	1	-	-	1
Allocation of reinsurance premiums	(987)	-	-	(987)
Amounts recoverable from reinsurers for incurred claims	-	2,097	-	2,097
Amounts recoverable for incurred claims and other expenses	-	(848)	-	(848)
Changes to amounts recoverable for incurrec	-	-	-	-
Net income or expense from reinsurance contracts held	(987)	2,097	-	1,110
Reinsurance finance income	158	-	-	158
Total changes in the statement of comprehensive income	(829)	2,097	-	1,268
Cash flows				
Premiums paid	998	-	-	998
Commission received	-	-	-	-
Claims recovered	-	-	-	-
Total cash flows	998	-	-	998
Other movements	-	-	-	-
Net reinsurance contract assets / (liabilities) closing balance	170	2,097	-	2,268
Closing Reinsurance Contract Liabilities	-	-	-	-
Closing Reinsurance Contract Assets	170	2,097	-	2,268
Net reinsurance contract assets / (liabilities) closing balance	170	2,097	-	2,268

Term assurance resulted in a reinsurance contract liability in the current reporting period and is included in note 20.1.1

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

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

	31-Dec-23				31-Dec-22			
	TERM		Asset for incurred claims	Total	TERM		Asset for incurred claims	Total
	Asset for remaining coverage Excluding loss recovery component	Loss recovery component			Asset for remaining coverage Excluding loss recovery component	Loss recovery component		
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	
Opening Reinsurance Contract Liabilities	-	-	-	-	-	-	-	
Opening Reinsurance Contract Assets	-	-	-	-	1	-	1	
Net reinsurance contract assets / (liabilities) opening balance	-	-	-	-	1	-	1	
Allocation of reinsurance premiums	-	-	-	-	(983)	-	(983)	
Amounts recoverable from reinsurers for incurred claims	-	-	-	-	-	2,097	2,097	
Amounts recoverable for incurred claims at	-	-	-	-	-	(848)	(848)	
Changes to amounts recoverable for incurred claims	-	-	-	-	-	-	-	
Loss-recovery on onerous underlying contracts and adjustments	-	-	-	-	-	2,945	-	
Reinsurance investment components	-	-	-	-	-	-	-	
Net income or expense from reinsurance contracts held	-	-	-	-	(983)	2,097	1,114	
Reinsurance finance income	-	-	-	-	53	-	53	
Foreign Currency Movements	-	-	-	-	-	-	-	
Total changes in the statement of comprehensive income	-	-	-	-	(931)	2,097	1,166	
Cash flows								
Premiums paid	-	-	-	-	976	-	976	
Commission received	-	-	-	-	-	-	-	
Claims recovered	-	-	-	-	-	-	-	
Total cash flows	-	-	-	-	976	-	976	
Other movements	-	-	-	-	-	-	-	
Net reinsurance contract assets / (liabilities) closing balance	-	-	-	-	46	2,097	2,143	
Closing Reinsurance Contract Liabilities	-	-	-	-	-	-	-	
Closing Reinsurance Contract Assets	-	-	-	-	46	2,097	2,143	
Net reinsurance contract assets / (liabilities) closing balance	-	-	-	-	46	2,097	2,143	

	KEYMAN				KEYMAN			
	Asset for remaining coverage		Asset for incurred claims	Total	Asset for remaining coverage		Asset for incurred claims	Total
	Excluding loss recovery component	Loss recovery component			Excluding loss recovery component	Loss recovery component		
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	
Opening Reinsurance Contract Liabilities	-	-	-	-	-	-	-	
Opening Reinsurance Contract Assets	0	-	-	0	-	-	-	
Net reinsurance contract assets / (liabilities) opening balance	0	-	-	0	-	-	-	
Allocation of reinsurance premiums	(1)	-	-	(1)	(0)	-	(0)	
Amounts recoverable from reinsurers for inc	-	-	669	669	-	-	-	
Amounts recoverable for incurred claims and other expenses	-	-	669	669	-	-	-	
Changes to amounts recoverable for incurred claims	-	-	-	-	-	-	-	
Loss-recovery on onerous underlying contracts and adjustments	-	-	-	-	-	-	-	
Reinsurance investment components	-	-	-	-	-	-	-	
Net income or expense from reinsurance contracts held	(1)	-	669	669	(0)	-	(0)	
Reinsurance finance income	(6)	-	-	(6)	0	-	0	
Foreign Currency Movements	-	-	-	-	-	-	-	
Total changes in the statement of comprehensive income	(6)	-	669	663	0	-	0	
Cash flows								
Premiums paid	1,217	-	-	1,217	-	-	-	
Commission received	-	-	-	-	-	-	-	
Claims recovered	-	-	(669)	(669)	-	-	-	
Total cash flows	1,217	-	(669)	547	-	-	-	
Other movements	-	-	-	-	-	-	-	
Net reinsurance contract assets / (liabilities) closing balance	1,210	-	-	1,210	0	-	0	
Closing Reinsurance Contract Liabilities	-	-	-	-	-	-	-	
Closing Reinsurance Contract Assets	1,210	-	-	1,210	0	-	0	
Net reinsurance contract assets / (liabilities) closing balance	1,210	-	-	1,210	0	-	0	

	WHOLELIFE				WHOLELIFE			
	Asset for remaining Excluding loss recovery component	Loss recovery component	Asset for incurred claims	Total	Asset for remaining Excluding loss recovery component	Loss recovery component	Asset for incurred claims	Total
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Opening Reinsurance Contract Liabilities	-	-	-	-	-	-	-	-
Opening Reinsurance Contract Assets	125	-	-	125	0	-	-	0
Net reinsurance contract assets / (liabilities) opening balance	125	-	-	125	0	-	-	0
Allocation of reinsurance premiums	(1)			(1)	(3)			(3)
Amounts recoverable from reinsurers for incurred claims	-	-	-	-	-	-	-	-
Amounts recoverable for incurred claims and other expenses		-	-	-		-	-	-
Changes to amounts recoverable for incurred claims			-	-			-	-
Loss-recovery on onerous underlying contracts and adjustments		-	-	-		-	-	-
Reinsurance investment components	-	-	-	-	-	-	-	-
Net income or expense from reinsurance contracts held	(1)	-	-	(1)	(3)	-	-	(3)
Reinsurance finance income	(86)	-	-	(86)	105	-	-	105
Foreign Currency Movements	-	-	-	-	-	-	-	-
Total changes in the statement of comprehensive income	(87)	-	-	(87)	102	-	-	102
Cash flows								
Premiums paid	-			-	23			23
Commission received	-			-	-			-
Claims recovered			-	-			-	-
Total cash flows	-	-	-	-	23	-	-	23
Other movements	-			-	-			-
Net reinsurance contract assets / (liabilities) closing balance	37	-	-	37	125	-	-	125
Closing Reinsurance Contract Liabilities	-	-	-	-	-	-	-	-
Closing Reinsurance Contract Assets	37	-	-	37	125	-	-	125
Net reinsurance contract assets / (liabilities) closing balance	37	-	-	37	125	-	-	125

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

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

31-Dec-23

	Estimates of present value of future cashflows R'000	Risk adjustment for non-financial risk R'000	Contractual service margin R'000	Total R'000
Opening Reinsurance Contract Liabilities	-	-	-	-
Opening Reinsurance Contract Assets	(36)	(42)	203	125
Net reinsurance contract assets/(liabilities) opening balance	(36)	(42)	203	125
Changes that relate to current service				
Contractual service margin recognised for services received	-	-	-	-
Risk adjustment recognized for the risk expired	-	5	-	5
Experience adjustments	662	-	-	662
	662	5	-	667
Changes that relate to future service				
Contracts initially recognised in the period	(609)	-	609	-
Changes in estimates that adjust the contractual service margin	(1,201)	40	1,162	-
Changes in estimates that do not adjust the contractual service margin	-	-	-	-
	(1,810)	40	1,771	-
Changes that relate to past service				
Changes in amounts recoverable arising from changes in liabilities	-	-	-	-
Net income or expense from reinsurance contracts held	(1,148)	45	1,771	667
Reinsurance finance income	(160)	(4)	72	(92)
Foreign Currency Movements	-	-	-	-
Total changes in the statement of comprehensive income	(1,308)	41	1,843	575
Cash flows				
Premiums paid	1,217	-	-	1,217
Commission received	-	-	-	-
Claims recovered	(669)	-	-	(669)
Total cash flows	548	-	-	548
Net reinsurance contract assets/(liabilities) closing balance	(796)	(1)	2,045	1,248
Closing Reinsurance Contract Liabilities	-	-	-	-
Closing Reinsurance Contract Assets	(796)	(1)	2,045	1,248
Net reinsurance contract assets/(liabilities) closing balance	(796)	(1)	2,045	1,248

31-Dec-22

	Estimates of present value of future cashflows R'000	Risk adjustment for non-financial risk R'000	Contractual service margin R'000	Total R'000
Opening Reinsurance Contract Liabilities	-	-	-	-
Opening Reinsurance Contract Assets	(13)	(0)	14	1
Net reinsurance contract assets/(liabilities) opening balance	(13)	(0)	14	1
Changes that relate to current service				
Contractual service margin recognised for services received	-	-	635	635
Risk adjustment recognized for the risk expired	-	0	-	0
Experience adjustments	(1,621)	-	-	(1,621)
	(1,621)	0	635	(987)
Changes that relate to future service				
Contracts initially recognised in the period	(626)	(1)	627	-
Changes in estimates that adjust the contractual service margin	432	(40)	(392)	-
Changes in estimates that do not adjust the contractual service margin	-	-	2,097	2,097
	(194)	(42)	2,333	2,097
Changes that relate to past service				
Changes in amounts recoverable arising from changes in liabilities	-	-	-	-
Net income or expense from reinsurance contracts held	(1,815)	(42)	2,967	1,110
Reinsurance finance income	98	(0)	60	158
Foreign Currency Movements	-	-	-	-
Total changes in the statement of comprehensive income	(1,717)	(42)	3,027	1,268
Cash flows				
Premiums paid	998	-	-	998
Commission received	-	-	-	-
Claims recovered	-	-	-	-
Total cash flows	998	-	-	998
Net reinsurance contract assets/(liabilities) closing balance	(732)	(42)	3,042	2,268
Closing Reinsurance Contract Liabilities	-	-	-	-
Closing Reinsurance Contract Assets	(732)	(42)	3,042	2,268
Net reinsurance contract assets/(liabilities) closing balance	(732)	(42)	3,042	2,268

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

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

	31-Dec-23				31-Dec-22			
	Estimates of present value of future cashflows #’000	TERM Risk adjustment for non-financial risk #’000	Contractual service margin #’000	Total #’000	Estimates of present value of future cashflows #’000	TERM Risk adjustment for non-financial risk #’000	Contractual service margin #’000	Total #’000
Opening Reinsurance Contract Liabilities	-	-	-	-	-	-	-	-
Opening Reinsurance Contract Assets	-	-	-	-	-	-	1	1
Net reinsurance contract assets/(liabilities) opening balance	-	-	-	-	-	-	1	1
Changes that relate to current service								
Contractual service margin recognised for services received	-	-	-	-	-	-	638	638
Risk adjustment recognized for the risk expired	-	-	-	-	-	-	-	-
Experience adjustments	-	-	-	-	(1,621)	-	-	(1,621)
	-	-	-	-	(1,621)	-	638	(983)
Changes that relate to future service								
Contracts initially recognised in the period	-	-	-	-	(486)	-	486	-
Changes in estimates that adjust the contractual service margin	-	-	-	-	428	-	(428)	-
Changes in estimates that do not adjust the contractual service margin	-	-	-	-	-	-	2,097	2,097
	-	-	-	-	(58)	-	2,155	2,097
Changes that relate to past service								
Changes in amounts recoverable arising from changes in liability for incurred claims	-	-	-	-	-	-	-	-
Net income or expense from reinsurance contracts held	-	-	-	-	(1,679)	-	2,793	1,114
Reinsurance finance income	-	-	-	-	7	-	46	53
Foreign Currency Movements	-	-	-	-	-	-	-	-
Total changes in the statement of comprehensive income	-	-	-	-	(1,672)	-	2,839	1,166
Cash flows								
Premiums paid	-	-	-	-	976	-	-	976
Commission received	-	-	-	-	-	-	-	-
Claims recovered	-	-	-	-	-	-	-	-
Total cash flows	-	-	-	-	976	-	-	976
Net reinsurance contract assets/(liabilities) closing balance	-	-	-	-	(696)	-	2,839	2,143
Closing Reinsurance Contract Liabilities	-	-	-	-	-	-	-	-
Closing Reinsurance Contract Assets	-	-	-	-	(696)	-	2,839	2,143
Net reinsurance contract assets/(liabilities) closing balance	-	-	-	-	(696)	-	2,839	2,143

	KEYMAN				KEYMAN			
	Estimates of present value of future cashflows #’000	Risk adjustment for non-financial risk #’000	Contractual service margin #’000	Total #’000	Estimates of present value of future cashflows #’000	Risk adjustment for non-financial risk #’000	Contractual service margin #’000	Total #’000
Opening Reinsurance Contract Liabilities	-	-	-	-	-	-	-	-
Opening Reinsurance Contract Assets	-	-	0	0	-	-	-	-
Net reinsurance contract assets/(liabilities) opening balance	-	-	0	0	-	-	-	-
Changes that relate to current service								
Contractual service margin recognised for services received	-	-	0	0	-	-	(0)	(0)
Risk adjustment recognized for the risk expired	-	-	-	-	-	-	-	-
Experience adjustments	668	-	-	668	-	-	-	-
	668	-	0	669	-	-	(0)	(0)
Changes that relate to future service								
Contracts initially recognised in the period	(609)	-	609	-	(2)	-	2	-
Changes in estimates that adjust the contractual service margin	(1,222)	-	1,222	-	2	-	(2)	-
Changes in estimates that do not adjust the contractual service margin	-	-	-	-	-	-	-	-
	(1,831)	-	1,831	-	0	-	(0)	-
Changes that relate to past service								
Changes in amounts recoverable arising from changes in liability for incurred claims	-	-	-	-	-	-	-	-
Net income or expense from reinsurance contracts held	(1,163)	-	1,831	669	0	-	(0)	(0)
Reinsurance finance income	(59)	-	53	(6)	(0)	-	0	0
Foreign Currency Movements	-	-	-	-	-	-	-	-
Total changes in the statement of comprehensive income	(1,221)	-	1,884	663	(0)	-	0	0
Cash flows								
Premiums paid	1,217	-	-	1,217	-	-	-	-
Commission received	-	-	-	-	-	-	-	-
Claims recovered	-669	-	-	(669)	-	-	-	-
Total cash flows	547	-	-	547	-	-	-	-
Net reinsurance contract assets/(liabilities) closing balance	(674)	-	1,884	1,210	(0)	-	0	0
Closing Reinsurance Contract Liabilities	-	-	-	-	-	-	-	-
Closing Reinsurance Contract Assets	(674)	-	1,884	1,210	-	-	0	0
Net reinsurance contract assets/(liabilities) closing balance	(674)	-	1,884	1,210	-	-	0	0

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	WHOLELIFE				WHOLELIFE			
	Estimates of present value of future cashflows R'000	Risk adjustment for non-financial risk R'000	Contractual service margin R'000	Total R'000	Estimates of present value of future cashflows R'000	Risk adjustment for non-financial risk R'000	Contractual service margin R'000	Total R'000
Opening Reinsurance Contract Liabilities	-	-	-	-	-	-	-	-
Opening Reinsurance Contract Assets	(36)	(42)	203	125	(13)	(0)	14	0
Net reinsurance contract assets/(liabilities) opening balance	(36)	(42)	203	125	(13)	(0)	14	0
Changes that relate to current service								
Contractual service margin recognised for services received	-	-	(0)	(0)	-	-	(3)	(3)
Risk adjustment recognized for the risk expired	-	5	-	5	-	0	-	0
Experience adjustments	(6)	-	-	(6)	-	-	-	-
	(6)	5	(0)	(1)	-	0	(3)	(3)
Changes that relate to future service								
Contracts initially recognised in the period	-	-	-	-	(138)	(1)	140	-
Changes in estimates that adjust the contractual service margin	20	40	(60)	-	2	(40)	38	-
Changes in estimates that do not adjust the contractual service margin	-	-	-	-	-	-	-	-
	20	40	(60)	-	(136)	(42)	178	-
Changes that relate to past service								
Changes in amounts recoverable arising from changes in liability for incurred claims	-	-	-	-	-	-	-	-
Net income or expense from reinsurance contracts held	14	45	(61)	(1)	(136)	(42)	174	(3)
Reinsurance finance income	(102)	(4)	19	(86)	91	(0)	14	105
Foreign Currency Movements	-	-	-	-	-	-	-	-
Total changes in the statement of comprehensive income	(87)	41	(42)	(87)	(45)	(42)	189	102
Cash flows								
Premiums paid	-	-	-	-	23	-	-	23
Commission received	-	-	-	-	-	-	-	-
Claims recovered	-	-	-	-	-	-	-	-
Total cash flows	-	-	-	-	23	-	-	23
Net reinsurance contract assets/(liabilities) closing balance	(123)	(1)	161	37	(36)	(42)	203	125
Closing Reinsurance Contract Liabilities	-	-	-	-	-	-	-	-
Closing Reinsurance Contract Assets	(123)	(1)	161	37	(36)	(42)	203	125
Net reinsurance contract assets/(liabilities) closing balance	(123)	(1)	161	37	(36)	(42)	203	125

	Year ended 31-Dec-23 N'000	Year ended 31-Dec-22 N'000
12 Insurance contract Assets*		
Contracts Measured Under PAA:		
Asset for Remaining Coverage:		
-Excluding loss component	227	-
-Loss component	-	-
Asset for Incurred Claims		
- Present Value of future cashflows	(6)	-
- Risk Adjustment	(0)	-
Total Insurance Contract Assets	<u>222</u>	<u>-</u>
Current	2	-
Non-Current	<u>220</u>	<u>-</u>
Total Insurance Contract Assets	<u><u>222</u></u>	<u><u>-</u></u>

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

The following table shows the reconciliation of insurance contract asset (on an aggregate level) from Opening to Closing for Contracts Measured under PAA. Only the Credit Life Individual Portfolio is resulted in an insurance asset.

	CREDITLIFE_IND				Total N'000
	Asset for remaining coverage		Asset for incurred claims		
	Excluding loss recovery component N'000	Loss recovery component N'000	Present Value of Cashflows N'000	Risk Adjustment N'000	
Opening Insurance Contract Liabilities	(819)	-	-	-	(819)
Opening Insurance Contract Assets	-	-	-	-	-
Net insurance contract (liabilities)/assets opening balance	(819)	-	-	-	(819)
Insurance revenue	1,061				1,061
Insurance service expenses	(0)	-	(6)	(0)	(6)
Incurred claims and other directly attributable expenses		-	(6)	(0)	(6)
Changes to liabilities for incurred claims			-		-
Losses on onerous contracts and reversal of those losses		-			-
Amortisation of insurance acquisition cash flows	(0)				(0)
Investment components	-	-	-	-	-
Net income or expense from insurance contracts issued	1,061	-	(6)	(0)	1,055
Insurance finance expenses	-	-	-	-	-
Foreign Currency Movements	-	-	-	-	-
Total changes in the statement of comprehensive income	1,061	-	(6)	(0)	1,055
Cash flows					
Premiums received	(15)				(15)
Claims and other expenses paid	-		-		-
Insurance acquisition cash flows	1				1
Total cash flows	(14)	-	-	-	(14)
Other movements					-
Net insurance contract (liabilities)/assets closing balance	227	-	(6)	(0)	222
Closing Insurance Contract Liabilities	-	-	0	(0)	-
Closing Insurance Contract Assets	227	-	(6)	-	222
Net insurance contract (liabilities)/assets closing balance	227	-	(6)	(0)	222

The Credit Life Individual portfolio resulted in an insurance contract liability in the prior year. Hence, reported in note 19.2.1

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FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2023
NOTES TO THE FINANCIAL STATEMENTS

	Year ended 31-Dec-23 N'000	Year ended 31-Dec-22 N'000	01-Jan-22 N'000
13 Right of use asset			
Balance as at 1 January	911,164	799,767	-
Additions during the year	-	111,397	799,767
Balance as at 31 December	911,164	911,164	799,767
Accumulated depreciation			
Balance as at 1 January	185,896	90,569	-
Charge for the year	99,144	95,327	90,569
Balance as at 31 December	285,040	185,896	90,569
Carrying amount:			
Balance as at 31 December	626,124	725,268	709,198
Non current	626,124	725,268	709,198
The Right of Use asset relates to Lease of Office Building classified in line with provision of IFRS 16-Lease. The duration of the lease is for a period of 2 years with an extension of 2 years			
14 Other receivables & prepayments			
Prepayments (see note 14a)*	300,666	107,719	177,464
Other receivables (see note 14b)**	29,177	23,466	9,499
Staff Loan	52116		
Allowance for impairment on other receivables (see note 14c)	(572)	(572)	(571.94)
	381,387	130,612	186,391
Non current	381,387	130,612	186,391
* Prepayments consist of prepaid rent and prepaid IT expenses			
** Other receivables consist of sundry debtors, staff advances, cash advances and staff loans			
14a Prepayments			
Balance as at 1 January		-	
Balance as at 1 January	107,719	107,719	-
Additions during the year	465,759	250,448	297,943
Amortization during the year	(272,812)	(250,448)	(120,479)
Balance as at 31 December	300,666	107,719	177,464
14b Other receivables			
Balance as at 31 December		-	
Balance as at 1 January	23,466	9,499	-
Additions during the year		57,695	9,498.51
Amortization during the year	5,711	(43,727)	-
Balance as at 31 December	29,177	23,466	9,499
14c Impairment charges on other receivable			
Balance as at 31 December		-	
Balance as at 1 January	-	(572)	-
Movement during the year	(572)	572	(571.94)
Balance as at 31 December	(572)	-	(572)
15 Statutory deposits			
Deposits with CBN	800,000	800,000	800,000

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

16 Property and equipment

Cost:	Motor vehicles	Computer	Office	Office	Plant and	Total
	N'000	Equipment	Furniture & Fittings	Equipment	Machinery	
At 1 January 2023	61,457	48,146	196,272	13,409	-	319,284
Additions during the year	64,422	42,359	40,759	5,396	12,929	165,865
Disposals/write-off during the year	-	(392)	-	-	-	(392)
Balance as at 31 Dec 2023	125,879	90,113	237,031	18,805	12,929	484,757
Accumulated Depreciation:						
At 1 January 2023	14,072	10,757	44,205	2,404	-	71,438
Charge for the year	19,854	12,957	43,496	2,956	827	80,090
Disposals/write-off during the year	-	(190)	-	-	-	(190)
Balance as at 31 Dec 2023	33,926	23,524	87,701	5,360	827	151,338
Carrying Amount:						
Balance as at 31 Dec 2023	91,953	66,589	149,330	13,445	12,102	333,419
Cost:	Motor vehicles	Computer	Office	Office	Plant and	Total
	N'000	Equipment	Furniture & Fittings	Equipment	Machinery	N'000
		N'000	N'000	N'000	N'000	N'000
At 1 January 2022	26,850	27,397	111,387	5,110	-	170,744
Additions during the year	34,607	20,749	84,885	8,299	-	148,540
Balance as at 31 Dec 2022	61,457	48,146	196,272	13,409	-	319,284
Accumulated Depreciation:						
At 1 January 2022	4,475	2,558	14,125	457	-	21,615
Charge for the year	9,597	8,199	30,081	1,946	-	49,823
Balance as at 31 Dec 2022	14,072	10,757	44,205	2,404	-	71,438
Carrying Amount:						
Balance as at 31 Dec 2022	47,385	37,389	152,066	11,006	-	247,846

17 **Intangible assets**

Cost:	Software		
	31-Dec-23 N'000	31-Dec-22 N'000	01-Jan-22 N'000
At 1 January	368,631	181,549	-
<i>Additions during the year</i>	71,721	187,082	181,549
Balance as at 31 Dec	440,352	368,631	181,549
Accumulated Amortisation			
At 1 January	84,820	18,188	-
<i>Charge for the year</i>	87,717	66,632	18,188
Balance as at 31 Dec	172,537	84,820	18,188
Carrying Amount:			
Balance as at 31 Dec	267,815	283,811	163,361

	Year ended 31-Dec-23 N'000	Year ended 31-Dec-22 N'000	1-Jan-22 N'000
18 Insurance Contract Liabilities			
Contracts Measured Under GMM*:			
Liability for Remaining Coverage:			
-Excluding loss component	17,117,526	7,208,248	1,237,250
-Loss component	3,744,757	1,656,779	711,750
Liability for Incurred Claims	-	-	-
	<u>20,862,283</u>	<u>8,865,026</u>	<u>1,949,000</u>
Contracts Measured Under PAA:			
Liability for Remaining Coverage:			
-Excluding loss component	589,300	487,687	219,973
-Loss component	34,103	-	30,799
Liability for Incurred Claims			
- Present Value of future cashflows	662,589	378,084	140,193
- Risk Adjustment	53,155	22,685	8,412
	<u>1,339,146</u>	<u>888,457</u>	<u>399,377</u>
Total Insurance Contract Liabilities	<u>22,201,429</u>	<u>9,753,483</u>	<u>2,348,377</u>
Current	289,151	282,561	474,303
Non-Current	21,912,278	9,470,923	1,874,074
Total Insurance Contract Liabilities	<u>22,201,429</u>	<u>9,753,483</u>	<u>2,348,377</u>

18.1 Insurance and Reinsurance Contract Balances Per Portfolio

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

Contracts measured using Premium allocation approach

31-Dec-23	GROUPLIFE #’000	CREDITLIFE #’000	GROUPMORTGA #’000	HOSPITAL_CA GE #’000	SMART_SCHO SH #’000	CREDITLIFE_I OL #’000	ND #’000	Total #’000
Insurance Contract assets	-	-	-	-	-	-	222	222
Insurance Contract liabilities	(1,254,064)	(84,619)	-	-	(391)	(73)	-	(1,339,146)
Reinsurance Contract assets	224,433	52,638	-	-	-	-	-	277,070
ReinsuranceContract liabilities	-	-	-	-	-	-	-	-

31-Dec-22	GROUPLIFE #’000	CREDITLIFE #’000	GROUPMORTGAG #’000	HOSPITAL_CA #’000	SMART_SCHO #’000	CREDITLIFE_IN #’000	Total #’000
Insurance Contract assets	-	-	-	-	-	-	-
Insurance Contract liabilities	(736,373)	(151,265)	-	-	-	(819)	(888,457)
Reinsurance Contract assets	34,710	13,023	-	-	-	477	48,210
ReinsuranceContract liabilities	-	-	-	-	-	-	-

1-Jan-22	GROUPLIFE #’000	CREDITLIFE #’000	GROUPMORTGAG #’000	HOSPITAL_CA #’000	SMART_SCHO #’000	CREDITLIFE_IN #’000	Total #’000
Insurance Contract assets	-	-	-	-	-	-	-
Insurance Contract liabilities	309,437	89,940	-	-	-	-	399,377
Reinsurance Contract assets	16,490	9,500	-	-	-	-	25,990
ReinsuranceContract liabilities	-	-	-	-	-	-	-

Contracts measured using General Measurement Model

31-Dec-23	TERM #’000	ENDOWMENT #’000	KEYMAN #’000	WHOLELIFE #’000	ANNUITY #’000	TRIPLEPAY #’000	MORTGAGE #’000	Total #’000
Insurance Contract assets	-	-	-	-	-	-	-	-
Insurance Contract liabilities	(234,540)	(388,193)	(3,318)	(2,005)	(14,691,440)	(5,542,785)	(1)	(20,862,283)
Reinsurance Contract assets	-	-	1,210	37	-	-	-	1,248
ReinsuranceContract liabilities	(183)	(21,051)	-	-	-	(18,850)	-	(40,083)

31-Dec-22	TERM #’000	ENDOWMENT #’000	KEYMAN #’000	WHOLELIFE #’000	ANNUITY #’000	TRIPLEPAY #’000	MORTGAGE #’000	Total #’000
Insurance Contract assets	-	-	-	-	-	-	-	-
Insurance Contract liabilities	(100,862)	(341,591)	(2)	(966)	(6,671,362)	(1,750,242)	-	(8,865,026)
Reinsurance Contract assets	2,143	-	0	125	-	-	-	2,268
ReinsuranceContract liabilities	-	(15,187)	-	-	-	(18,707)	-	(33,894)

1-Jan-22	TERM #’000	ENDOWMENT #’000	KEYMAN #’000	WHOLELIFE #’000	ANNUITY #’000	TRIPLEPAY #’000	MORTGAGE #’000	Total #’000
Insurance Contract assets	-	-	-	-	-	-	-	-
Insurance Contract liabilities	90,248	809,515	-	256	600,991	447,989	-	1,949,000
Reinsurance Contract assets	1	-	-	0	-	-	-	1
ReinsuranceContract liabilities	-	4,576	-	-	-	7,949	-	12,525

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

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

31-Dec-23

	Liability for remaining coverage		Liability for incurred claims		Total R'000
	Excluding loss component R'000	Loss component R'000	Present value of future cashflows R'000	Risk Adjustment R'000	
Opening Insurance Contract Liabilities	(470,769)	-	(394,184)	(22,685)	(887,638)
Opening Insurance Contract Assets	-	-	-	-	-
Net insurance contract (liabilities)/assets opening balance	(470,769)	-	(394,184)	(22,685)	(887,638)
Insurance revenue	2,200,743	-	-	-	2,200,743
Insurance service expenses	(385,905)	(34,103)	(962,636)	(30,470)	(1,413,113)
Incurred claims and other directly attributable expenses	-	-	(1,340,720)	(30,470)	(1,371,191)
Changes to liabilities for incurred claims	-	-	378,084	-	378,084
Losses on onerous contracts and reversal of those losses	-	(34,103)	-	-	(34,103)
Amortisation of insurance acquisition cash flows	(385,905)	-	-	-	(385,905)
Investment components	-	-	-	-	-
Net income or expense from insurance contracts issued	1,814,838	(34,103)	(962,636)	(30,470)	787,630
Insurance finance expenses	-	-	-	-	-
Foreign Currency Movements	-	-	-	-	-
Total changes in the statement of comprehensive income	1,814,838	(34,103)	(962,636)	(30,470)	787,630
Cash flows	-	-	-	-	-
Premiums received	(2,222,436)	-	-	-	(2,222,436)
Claims and other expenses paid	-	-	694,231	-	694,231
Insurance acquisition cash flows	289,066	-	-	-	289,066
Total cash flows	(1,933,369)	-	694,231	-	(1,239,138)
Net insurance contract (liabilities)/assets opening balance	(589,300)	(34,103)	(662,589)	(53,155)	(1,339,146)
Closing Insurance Contract Liabilities	(589,300)	(34,103)	(662,589)	(53,155)	(1,339,146)
Closing Insurance Contract Assets	-	-	-	-	-
Net insurance contract (liabilities)/assets opening balance	(589,300)	(34,103)	(662,589)	(53,155)	(1,339,146)

31-Dec-22

	Liability for remaining coverage		Liability for incurred claims		Total R'000
	Excluding loss component R'000	Loss component R'000	Present value of future cashflows R'000	Risk Adjustment R'000	
Opening Insurance Contract Liabilities	(219,973)	(30,799)	(140,193)	(8,412)	(399,377)
Opening Insurance Contract Assets	-	-	-	-	-
Net insurance contract (liabilities)/assets opening balance	(219,973)	(30,799)	(140,193)	(8,412)	(399,377)
Insurance revenue	1,752,784	-	-	-	1,752,784
Insurance service expenses	(286,869)	30,799	(914,306)	(14,273)	(1,184,650)
Incurred claims and other directly attributable expenses	-	30,799	(1,054,499)	(14,273)	(1,037,974)
Changes to liabilities for incurred claims	-	-	140,193	-	140,193
Losses on onerous contracts and reversal of those losses	-	-	-	-	-
Amortisation of insurance acquisition cash flows	(286,869)	-	-	-	(286,869)
Investment components	-	-	-	-	-
Net income or expense from insurance contracts issued	1,465,914	30,799	(914,306)	(14,273)	568,134
Insurance finance expenses	-	-	-	-	-
Foreign Currency Movements	-	-	-	-	-
Total changes in the statement of comprehensive income	1,465,914	30,799	(914,306)	(14,273)	568,134
Cash flows	-	-	-	-	-
Premiums received	(2,006,489)	-	-	-	(2,006,489)
Claims and other expenses paid	-	-	676,415	-	676,415
Insurance acquisition cash flows	272,861	-	-	-	272,861
Total cash flows	(1,733,628)	-	676,415	-	(1,057,214)
Net insurance contract (liabilities)/assets opening balance	(487,687)	-	(378,084)	(22,685)	(888,457)
Closing Insurance Contract Liabilities	(487,687)	-	(378,084)	(22,685)	(888,457)
Closing Insurance Contract Assets	-	-	-	-	-
Net insurance contract (liabilities)/assets opening balance	(487,687)	-	(378,084)	(22,685)	(888,457)

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

The following tables shows the reconciliation of insurance contract liabilities (on an Portfolio level) from Opening to Closing for Contracts Measured under PAA. This note sums up to note 17.2

31-Dec-23

	GROUPLIFE				
	Liability for remaining coverage		Liability for incurred claims		Total
	Excluding loss component	Loss component	Present value of cashflows	Risk Adjustment	
	№'000	№'000	№'000	№'000	№'000
Opening Insurance Contract Liabilities	(354,860)	-	(360,757.32)	(20,755)	(736,373)
Opening Insurance Contract Assets	-	-	-	-	-
Net insurance contract (liabilities)/assets opening balance	(354,860)	-	(360,757)	(20,755)	(736,373)
Insurance revenue	1,937,155	-	-	-	1,937,155
Insurance service expenses	(330,749)	-	(919,230)	(27,875)	(1,277,854)
Included claims and other directly attributable expenses	-	-	(1,265,155)	(27,875)	(1,293,030)
Changes to liabilities for incurred claims	-	-	345,924.70	-	345,925
Losses on onerous contracts and reversal of those losses	-	-	-	-	-
Amortisation of insurance acquisition cash flows	(330,749)	-	-	-	(330,749)
Investment components	-	-	-	-	-
Net income or expense from insurance contracts issued	1,606,406	-	(919,230)	(27,875)	659,301
Insurance finance expenses	-	-	-	-	-
Foreign Currency Movements	-	-	-	-	-
Total changes in the statement of comprehensive income	1,606,406	-	(919,230)	(27,875)	659,301
Cash flows	-	-	-	-	-
Premiums received	(2,069,415)	-	-	-	(2,069,415)
Claims and other expenses paid	-	-	673,408	-	673,408
Insurance acquisition cash flows	219,015	-	-	-	219,015
Total cash flows	(1,850,400)	-	673,408	-	(1,176,992)
Other movements	-	-	-	-	-
Net insurance contract (liabilities)/assets closing balance	(598,854)	-	(606,580)	(48,631)	(1,254,064)
Closing Insurance Contract Liabilities	(598,854)	-	(606,579.51)	(48,631)	(1,254,064)
Closing Insurance Contract Assets	-	-	-	-	-
Net insurance contract (liabilities)/assets closing balance	(598,854)	-	(606,580)	(48,631)	(1,254,064)

31-Dec-22

	GROUPLIFE				
	Liability for remaining coverage		Liability for incurred claims		Total
	Excluding loss component	Loss component	Present value of cashflows	Risk Adjustment	
	№'000	№'000	№'000	№'000	№'000
Opening Insurance Contract Liabilities	(193,277)	-	(109,585)	(6,575)	(309,437)
Opening Insurance Contract Assets	-	-	-	-	-
Net insurance contract (liabilities)/assets opening balance	(193,277)	-	(109,585)	(6,575)	(309,437)
Insurance revenue	1,500,386	-	-	-	1,500,386
Insurance service expenses	(243,345)	-	(839,320)	(14,180)	(1,096,846)
Included claims and other directly attributable expenses	-	-	(948,905)	(14,180)	(963,086)
Changes to liabilities for incurred claims	-	-	109,585	-	109,585
Losses on onerous contracts and reversal of those losses	-	-	-	-	-
Amortisation of insurance acquisition cash flows	(243,345)	-	-	-	(243,345)
Investment components	-	-	-	-	-
Net income or expense from insurance contracts issued	1,257,041	-	(839,320)	(14,180)	403,540
Insurance finance expenses	-	-	-	-	-
Foreign Currency Movements	-	-	-	-	-
Total changes in the statement of comprehensive income	1,257,041	-	(839,320)	(14,180)	403,540
Cash flows	-	-	-	-	-
Premiums received	(1,649,461)	-	-	-	(1,649,461)
Claims and other expenses paid	-	-	602,980	-	602,980
Insurance acquisition cash flows	216,005	-	-	-	216,005
Total cash flows	(1,433,456)	-	602,980	-	(830,476)
Other movements	-	-	-	-	-
Net insurance contract (liabilities)/assets closing balance	(369,693)	-	(345,925)	(20,755)	(736,373)
Closing Insurance Contract Liabilities	(369,693)	-	(345,925)	(20,755)	(736,373)
Closing Insurance Contract Assets	-	-	-	-	-
Net insurance contract (liabilities)/assets closing balance	(369,693)	-	(345,925)	(20,755)	(736,373)

	CREDITLIFE				
	Liability for remaining coverage		Liability for incurred claims		Total
	Excluding loss component	Loss component	Present value of cashflows	Risk Adjustment	
	№'000	№'000	№'000	№'000	№'000
Opening Insurance Contract Liabilities	(115,909)	-	(33,427)	(1,930)	(151,265)
Opening Insurance Contract Assets	-	-	-	-	-
Net insurance contract (liabilities)/assets opening balance	(115,909)	-	(33,427)	(1,930)	(151,265)
Insurance revenue	263,468	-	-	-	263,468
Insurance service expenses	(55,149)	(34,103)	(43,257)	(2,586)	(135,095)
Included claims and other directly attributable expenses	-	-	(75,416)	(2,586)	(78,003)
Changes to liabilities for incurred claims	-	-	32,160	-	32,160
Losses on onerous contracts and reversal of those losses	-	(34,103)	-	-	(34,103)
Amortisation of insurance acquisition cash flows	(55,149)	-	-	-	(55,149)
Investment components	-	-	-	-	-
Net income or expense from insurance contracts issued	208,319	(34,103)	(43,257)	(2,586)	128,373
Insurance finance expenses	-	-	-	-	-
Foreign Currency Movements	-	-	-	-	-
Total changes in the statement of comprehensive income	208,319	(34,103)	(43,257)	(2,586)	128,373
Cash flows	-	-	-	-	-
Premiums received	(152,581)	-	-	-	(152,581)
Claims and other expenses paid	-	-	20,823	-	20,823
Insurance acquisition cash flows	70,030	-	-	-	70,030
Total cash flows	(82,551)	-	20,823	-	(61,727)
Other movements	-	-	-	-	-
Net insurance contract (liabilities)/assets closing balance	9,859	(34,103)	(55,860)	(4,516)	(84,619)
Closing Insurance Contract Liabilities	9,859	(34,103)	(55,860)	(4,516)	(84,619)
Closing Insurance Contract Assets	-	-	-	-	-
Net insurance contract (liabilities)/assets closing balance	9,859	(34,103)	(55,860)	(4,516)	(84,619)

	CREDITLIFE				
	Liability for remaining coverage		Liability for incurred claims		Total
	Excluding loss component	Loss component	Present value of cashflows	Risk Adjustment	
	№'000	№'000	№'000	№'000	№'000
Opening Insurance Contract Liabilities	(26,696)	(30,799)	(30,608)	(1,837)	(89,940)
Opening Insurance Contract Assets	-	-	-	-	-
Net insurance contract (liabilities)/assets opening balance	(26,696)	(30,799)	(30,608)	(1,837)	(89,940)
Insurance revenue	250,318	-	-	-	250,318
Insurance service expenses	(43,419)	30,799	(74,986)	(93)	(87,699)
Included claims and other directly attributable expenses	-	30,799	(105,594)	(93)	(74,888)
Changes to liabilities for incurred claims	-	-	30,608	-	30,608
Losses on onerous contracts and reversal of those losses	-	-	-	-	-
Amortisation of insurance acquisition cash flows	(43,419)	-	-	-	(43,419)
Investment components	-	-	-	-	-
Net income or expense from insurance contracts issued	206,899	30,799	(74,986)	(93)	162,619
Insurance finance expenses	-	-	-	-	-
Foreign Currency Movements	-	-	-	-	-
Total changes in the statement of comprehensive income	206,899	30,799	(74,986)	(93)	162,619
Cash flows	-	-	-	-	-
Premiums received	(353,895)	-	-	-	(353,895)
Claims and other expenses paid	-	-	73,434	-	73,434
Insurance acquisition cash flows	56,517	-	-	-	56,517
Total cash flows	(297,379)	-	73,434	-	(223,944)
Other movements	-	-	-	-	-
Net insurance contract (liabilities)/assets closing balance	(117,175)	-	(32,160)	(1,930)	(151,265)
Closing Insurance Contract Liabilities	(117,175)	-	(32,160)	(1,930)	(151,265)
Closing Insurance Contract Assets	-	-	-	-	-
Net insurance contract (liabilities)/assets closing balance	(117,175)	-	(32,160)	(1,930)	(151,265)

	HOSPITAL_CASH					HOSPITAL_CASH				
	Liability for remaining coverage		Liability for incurred claims		Total	Liability for remaining coverage		Liability for incurred claims		Total
	Excluding loss component	Loss component	Present value of cashflows	Risk Adjustment		Excluding loss component	Loss component	Present value of cashflows	Risk Adjustment	
N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	
Opening Insurance Contract Liabilities	-	-	-	-	-	-	-	-	-	-
Opening Insurance Contract Assets	-	-	-	-	-	-	-	-	-	-
Net insurance contract (liabilities)/assets opening balance	-	-	-	-	-	-	-	-	-	-
Insurance revenue	69	-	-	-	69	-	-	-	-	-
Insurance service expenses	(5)	-	(115)	(7)	(127)	-	-	-	-	-
Included claims and other directly attributable expenses	-	-	(115)	(7)	(121)	-	-	-	-	-
Changes to liabilities for incurred claims	-	-	-	-	-	-	-	-	-	-
Losses on onerous contracts and reversal of those losses	-	-	-	-	-	-	-	-	-	-
Amortisation of insurance acquisition cash flows	(5)	-	-	-	(5)	-	-	-	-	-
Investment components	-	-	-	-	-	-	-	-	-	-
Net income or expense from insurance contracts issued	64	-	(115)	(7)	(58)	-	-	-	-	-
Insurance finance expenses	-	-	-	-	-	-	-	-	-	-
Foreign Currency Movements	-	-	-	-	-	-	-	-	-	-
Total changes in the statement of comprehensive income	64	-	(115)	(7)	(58)	-	-	-	-	-
Cash flows	-	-	-	-	-	-	-	-	-	-
Premiums received	(350)	-	-	-	(350)	-	-	-	-	-
Claims and other expenses paid	-	-	-	-	-	-	-	-	-	-
Insurance acquisition cash flows	17	-	-	-	17	-	-	-	-	-
Total cash flows	(333)	-	-	-	(333)	-	-	-	-	-
Other movements	-	-	-	-	-	-	-	-	-	-
Net insurance contract (liabilities)/assets closing balance	(269)	-	(115)	(7)	(391)	-	-	-	-	-
Closing Insurance Contract Liabilities	(269)	-	(115)	(7)	(391)	-	-	-	-	-
Closing Insurance Contract Assets	-	-	-	-	-	-	-	-	-	-
Net insurance contract (liabilities)/assets closing balance	(269)	-	(115)	(7)	(391)	-	-	-	-	-

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	SMART_SCHOOL					SMART_SCHOOL				
	Liability for remaining coverage		Liability for incurred claims		Total	Liability for remaining coverage		Liability for incurred claims		Total
	Excluding loss component	Loss component	Present value of cashflows	Risk Adjustment		Excluding loss component	Loss component	Present value of cashflows	Risk Adjustment	
N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	
Opening Insurance Contract Liabilities	-	-	-	-	-	-	-	-	-	-
Opening Insurance Contract Assets	-	-	-	-	-	-	-	-	-	-
Net insurance contract (liabilities)/assets opening balance	-	-	-	-	-	-	-	-	-	-
Insurance revenue	51	-	-	-	51	-	-	-	-	-
Insurance service expenses	(1)	-	(35)	(2)	(38)	-	-	-	-	-
Included claims and other directly attributable expenses	-	-	(35)	(2)	(37)	-	-	-	-	-
Changes to liabilities for incurred claims	-	-	-	-	-	-	-	-	-	-
Losses on onerous contracts and reversal of those losses	-	-	-	-	-	-	-	-	-	-
Amortisation of insurance acquisition cash flows	(1)	-	-	-	(1)	-	-	-	-	-
Investment components	-	-	-	-	-	-	-	-	-	-
Net income or expense from insurance contracts issued	50	-	(35)	(2)	13	-	-	-	-	-
Insurance finance expenses	-	-	-	-	-	-	-	-	-	-
Foreign Currency Movements	-	-	-	-	-	-	-	-	-	-
Total changes in the statement of comprehensive income	50	-	(35)	(2)	13	-	-	-	-	-
Cash flows	-	-	-	-	-	-	-	-	-	-
Premiums received	(90)	-	-	-	(90)	-	-	-	-	-
Claims and other expenses paid	-	-	-	-	-	-	-	-	-	-
Insurance acquisition cash flows	4	-	-	-	4	-	-	-	-	-
Total cash flows	(86)	-	-	-	(86)	-	-	-	-	-
Other movements	-	-	-	-	-	-	-	-	-	-
Net insurance contract (liabilities)/assets closing balance	(36)	-	(35)	(2)	(73)	-	-	-	-	-
Closing Insurance Contract Liabilities	(36)	-	(35)	(2)	(73)	-	-	-	-	-
Closing Insurance Contract Assets	-	-	-	-	-	-	-	-	-	-
Net insurance contract (liabilities)/assets closing balance	(36)	-	(35)	(2)	(73)	-	-	-	-	-

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	CREDITLIFE_IND				Total
	Liability for remaining coverage		Liability for incurred claims		
	Excluding loss component	Loss component	Present value of cashflows	Risk Adjustment	
	№'000	№'000	№'000	№'000	№'000
Opening Insurance Contract Liabilities	-	-	-	-	-
Opening Insurance Contract Assets	-	-	-	-	-
Net insurance contract (liabilities)/assets opening balance	-	-	-	-	-
Insurance revenue	-	-	-	-	-
Insurance service expenses	-	-	-	-	-
Incurring claims and other directly attributable expenses	-	-	-	-	-
Changes to liabilities for incurred claims	-	-	-	-	-
Losses on onerous contracts and reversal of those losses	-	-	-	-	-
Amortisation of insurance acquisition cash flows	-	-	-	-	-
Investment components	-	-	-	-	-
Net income or expense from insurance contracts issued	-	-	-	-	-
Insurance finance expenses	-	-	-	-	-
Foreign Currency Movements	-	-	-	-	-
Total changes in the statement of comprehensive income	-	-	-	-	-
Cash flows	-	-	-	-	-
Premiums received	-	-	-	-	-
Claims and other expenses paid	-	-	-	-	-
Insurance acquisition cash flows	-	-	-	-	-
Total cash flows	-	-	-	-	-
Other movements	-	-	-	-	-
Net insurance contract (liabilities)/assets closing balance	-	-	-	-	-
Closing Insurance Contract Liabilities	-	-	-	-	-
Closing Insurance Contract Assets	-	-	-	-	-
Net insurance contract (liabilities)/assets closing balance	-	-	-	-	-

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	CREDITLIFE_IND				Total
	Liability for remaining coverage		Liability for incurred claims		
	Excluding loss component	Loss component	Present value of cashflows	Risk Adjustment	
	№'000	№'000	№'000	№'000	№'000
Opening Insurance Contract Liabilities	-	-	-	-	-
Opening Insurance Contract Assets	-	-	-	-	-
Net insurance contract (liabilities)/assets opening balance	-	-	-	-	-
Insurance revenue	2,080	-	-	-	2,080
Insurance service expenses	(105)	-	-	-	(105)
Incurring claims and other directly attributable expenses	-	-	-	-	-
Changes to liabilities for incurred claims	-	-	-	-	-
Losses on onerous contracts and reversal of those losses	-	-	-	-	-
Amortisation of insurance acquisition cash flows	-	-	-	-	-
Investment components	-	-	-	-	-
Net income or expense from insurance contracts issued	1,974	-	-	-	1,974
Insurance finance expenses	-	-	-	-	-
Foreign Currency Movements	-	-	-	-	-
Total changes in the statement of comprehensive income	1,974	-	-	-	1,974
Cash flows	-	-	-	-	-
Premiums received	-	-	-	-	-
Claims and other expenses paid	(3,133)	-	-	-	(3,133)
Insurance acquisition cash flows	-	-	-	-	-
Total cash flows	(2,794)	-	-	-	(2,794)
Other movements	-	-	-	-	-
Net insurance contract (liabilities)/assets closing balance	(819)	-	-	-	(819)
Closing Insurance Contract Liabilities	(819)	-	-	-	(819)
Closing Insurance Contract Assets	-	-	-	-	-
Net insurance contract (liabilities)/assets closing balance	(819)	-	-	-	(819)

HEIRS LIFE ASSURANCE LIMITED
FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2023
NOTES TO THE FINANCIAL STATEMENT

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

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

31-Dec-23

	Liability for remaining coverage		Liability for incurred claims	Total
	Excluding loss component	Loss component		
	₦'000	₦'000	₦'000	₦'000
Opening Insurance Contract Liabilities	(7,208,248)	(1,656,779)	-	(8,865,026)
Opening Insurance Contract Assets	-	-	-	-
Net insurance contract (liabilities)/assets opening balance	(7,208,248)	(1,656,779)	-	(8,865,026)
Insurance revenue	5,055,027	-	-	5,055,027
Insurance service expenses	(352,739)	(2,068,819)	(2,176,979)	(4,598,536)
Incurred claims and other directly attributable expenses	-	0	(2,183,985)	(2,183,985)
Changes to liabilities for incurred claims	-	-	7,006	7,006
Losses on onerous contracts and reversal of those losses	-	(2,068,819)	-	(2,068,819)
Amortisation of insurance acquisition cash flows	(352,739)	-	-	(352,739)
Investment components	81,710	-	(81,710)	-
Net income or expense from insurance contracts issued	4,783,999	(2,068,819)	(2,258,689)	456,491
Insurance finance expenses	509,056	(19,160)	-	489,896
Foreign Currency Movements	-	-	-	-
Total changes in the statement of comprehensive income	5,293,055	(2,087,978)	(2,258,689)	946,388
Cash flows	-	-	-	-
Premiums received	(17,525,495)	-	-	(17,525,495)
Claims and other expenses paid	-	-	2,258,689	2,258,689
Insurance acquisition cash flows	2,323,161	-	-	2,323,161
Total cash flows	(15,202,333)	-	2,258,689	(12,943,644)
Other movements	-	-	-	-
Net insurance contract (liabilities)/assets closing balance	(17,117,526)	(3,744,757)	-	(20,862,283)
Closing Insurance Contract Liabilities	(17,117,526)	(3,744,757)	-	(20,862,283)
Closing Insurance Contract Assets	-	-	-	-
Net insurance contract (liabilities)/assets closing balance	(17,117,526)	(3,744,757)	-	(20,862,283)

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	Liability for remaining coverage		Liability for incurred claim	Total
	Excluding loss component	Loss component		
	₦'000	₦'000	Present value of future cashflows ₦'000	₦'000
Opening Insurance Contract Liabilities	(1,237,250)	(711,750)	-	(1,949,000)
Opening Insurance Contract Assets	-	-	-	-
Net insurance contract (liabilities)/assets opening balance	(1,237,250)	(711,750)	-	(1,949,000)
Insurance revenue	2,011,944	-	-	2,011,944
Insurance service expenses	(125,715)	(894,730)	(723,404)	(1,743,849)
Incurred claims and other directly attributable expenses	-	-	(754,585)	(754,585)
Changes to liabilities for incurred claims	-	-	31,181	31,181
Losses on onerous contracts and reversal of those losses	-	(894,728)	-	(894,728)
Amortisation of insurance acquisition cash flows	(125,715)	-	-	(125,715)
Investment components	26,694	-	(26,694)	-
Net income or expense from insurance contracts issued	1,912,923	(894,730)	(750,097)	268,095
Insurance finance expenses	600,504	(50,299)	-	550,205
Foreign Currency Movements	-	-	-	-
Total changes in the statement of comprehensive income	2,513,427	(945,029)	(750,097)	818,301
Cash flows	-	-	-	-
Premiums received	(9,514,057)	-	-	(9,514,057)
Claims and other expenses paid	-	-	750,097	750,097
Insurance acquisition cash flows	1,029,633	-	-	1,029,633
Total cash flows	(8,484,425)	-	750,097	(7,734,327)
Other movements	-	-	-	-
Net insurance contract (liabilities)/assets closing balance	(7,208,248)	(1,656,779)	-	(8,865,026)
Closing Insurance Contract Liabilities	(7,208,248)	(1,656,779)	-	(8,865,026)
Closing Insurance Contract Assets	-	-	-	-
Net insurance contract (liabilities)/assets closing balance	(7,208,248)	(1,656,779)	-	(8,865,026)

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

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

31-Dec-23

	TERM			Total R'000
	Liability for remaining coverage Excluding loss component R'000	Loss component R'000	Liability for incurred claims R'000	
	Opening Insurance Contract Liabilities	55,021	(155,883)	
Opening Insurance Contract Assets	-	-	-	-
Net insurance contract (liabilities)/assets opening balance	55,021	(155,883)	-	(100,862)
Insurance revenue	178,421	-	-	178,421
Insurance service expenses	(1,602)	(235,365)	(5,367)	(242,332)
Incurred claims and other directly attributable expenses	-	-	(5,976)	(5,976)
Changes to liabilities for incurred claims	-	-	608	608
Losses on onerous contracts and reversal of those losses	-	(235,365)	-	(235,365)
Amortisation of insurance acquisition cash flows	(1,602)	-	-	(1,602)
Investment components	-	-	-	-
Net income or expense from insurance contracts issued	176,820	(235,365)	(5,367)	(63,913)
Insurance finance expenses	(57,488)	(11,749)	-	(69,237)
Foreign Currency Movements	-	-	-	-
Total changes in the statement of comprehensive income	119,331	(247,114)	(5,367)	(133,150)
Cash flows				
Premiums received	(7,547)	-	-	(7,547)
Claims and other expenses paid	-	-	5,367	5,367
Insurance acquisition cash flows	1,652	-	-	1,652
Total cash flows	(5,895)	-	5,367	(528)
Other movements	-	-	-	-
Net insurance contract (liabilities)/assets closing balance	168,457	(402,997)	-	(234,540)
Closing Insurance Contract Liabilities	168,457	(402,997)	-	(234,540)
Closing Insurance Contract Assets	-	-	-	-
Net insurance contract (liabilities)/assets closing balance	168,457	(402,997)	-	(234,540)

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	TERM			Total R'000
	Liability for remaining coverage Excluding loss component R'000	Loss component R'000	Liability for incurred claims R'000	
	Opening Insurance Contract Liabilities	15,279	(105,527)	
Opening Insurance Contract Assets	-	-	-	-
Net insurance contract (liabilities)/assets opening balance	15,279	(105,527)	-	(90,248)
Insurance revenue	80,998	-	-	80,998
Insurance service expenses	(2,202)	(44,095)	(18,182)	(64,479)
Incurred claims and other directly attributable expenses	-	-	(35,330)	(35,330)
Changes to liabilities for incurred claims	-	-	17,148	17,148
Losses on onerous contracts and reversal of those losses	-	(44,095)	-	(44,095)
Amortisation of insurance acquisition cash flows	(2,202)	-	-	(2,202)
Investment components	-	-	-	-
Net income or expense from insurance contracts issued	78,796	(44,095)	(18,182)	16,519
Insurance finance expenses	(28,098)	(6,261)	-	(34,358)
Foreign Currency Movements	-	-	-	-
Total changes in the statement of comprehensive income	50,698	(50,356)	(18,182)	(17,839)
Cash flows				
Premiums received	(12,286)	-	-	(12,286)
Claims and other expenses paid	-	-	18,182	18,182
Insurance acquisition cash flows	1,330	-	-	1,330
Total cash flows	(10,956)	-	18,182	7,225
Other movements	-	-	-	-
Net insurance contract (liabilities)/assets closing balance	55,021	(155,883)	-	(100,862)
Closing Insurance Contract Liabilities	55,021	(155,883)	-	(100,862)
Closing Insurance Contract Assets	-	-	-	-
Net insurance contract (liabilities)/assets closing balance	55,021	(155,883)	-	(100,862)

	ENDOWMENT			Total R'000
	Asset for remaining coverage Excluding loss recovery component R'000	Loss recovery component R'000	Asset for incurred claims R'000	
	Opening Insurance Contract Liabilities	(272,012)	(69,579)	
Opening Insurance Contract Assets	-	-	-	-
Net insurance contract (liabilities)/assets opening balance	(272,012)	(69,579)	-	(341,591)
Insurance revenue	792,422	-	-	792,422
Insurance service expenses	(168,204)	(24,548)	(129,172)	(321,924)
Incurred claims and other directly attributable expenses	-	-	(130,024)	(130,024)
Changes to liabilities for incurred claims	-	-	852	852
Losses on onerous contracts and reversal of those losses	-	(24,548)	-	(24,548)
Amortisation of insurance acquisition cash flows	(168,204)	-	-	(168,204)
Investment components	-	-	-	-
Net income or expense from insurance contracts issued	624,219	(24,548)	(129,172)	470,499
Insurance finance expenses	(223,814)	(28,303)	-	(252,116)
Foreign Currency Movements	-	-	-	-
Total changes in the statement of comprehensive income	400,405	(52,851)	(129,172)	218,382
Cash flows				
Premiums received	(1,244,030)	-	-	(1,244,030)
Claims and other expenses paid	-	-	129,172	129,172
Insurance acquisition cash flows	849,875	-	-	849,875
Total cash flows	(394,155)	-	129,172	(264,983)
Other movements	-	-	-	-
Net insurance contract (liabilities)/assets closing balance	(265,763)	(122,430)	-	(388,193)
Closing Insurance Contract Liabilities	(265,763)	(122,430)	-	(388,193)
Closing Insurance Contract Assets	-	-	-	-
Net insurance contract (liabilities)/assets closing balance	(265,763)	(122,430)	-	(388,193)

	ENDOWMENT			Total R'000
	Asset for remaining coverage Excluding loss recovery component R'000	Loss recovery component R'000	Asset for incurred claims R'000	
	Opening Insurance Contract Liabilities	(326,415)	(483,100)	
Opening Insurance Contract Assets	-	-	-	-
Net insurance contract (liabilities)/assets opening balance	(326,415)	(483,100)	-	(809,515)
Insurance revenue	591,575	-	-	591,575
Insurance service expenses	(36,811)	453,024	(79,134)	337,078
Incurred claims and other directly attributable expenses	-	-	(80,393)	(80,393)
Changes to liabilities for incurred claims	-	-	1,259	1,259
Losses on onerous contracts and reversal of those losses	-	453,024	-	453,024
Amortisation of insurance acquisition cash flows	(36,811)	-	-	(36,811)
Investment components	-	-	-	-
Net income or expense from insurance contracts issued	554,764	453,024	(79,134)	928,653
Insurance finance expenses	(27,198)	(39,503)	-	(66,700)
Foreign Currency Movements	-	-	-	-
Total changes in the statement of comprehensive income	527,566	413,521	(79,134)	861,953
Cash flows				
Premiums received	(530,585)	-	-	(530,585)
Claims and other expenses paid	-	-	79,134	79,134
Insurance acquisition cash flows	57,421	-	-	57,421
Total cash flows	(473,164)	-	79,134	(394,030)
Other movements	-	-	-	-
Net insurance contract (liabilities)/assets closing balance	(272,012)	(69,579)	-	(341,591)
Closing Insurance Contract Liabilities	(272,012)	(69,579)	-	(341,591)
Closing Insurance Contract Assets	-	-	-	-
Net insurance contract (liabilities)/assets closing balance	(272,012)	(69,579)	-	(341,591)

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	KEYMAN			Total
	Liability for remaining coverage	Loss	Liability for	
	Excluding loss component	component	incurred claims	
	№'000	№'000	№'000	№'000
Opening Insurance Contract Liabilities	(2)	-	-	(2)
Opening Insurance Contract Assets	-	-	-	-
Net insurance contract (liabilities)/assets opening balance	(2)	-	-	(2)
Insurance revenue	86	-	-	86
Insurance service expenses	-	-	-	-
Incurring claims and other directly attributable expenses	-	-	-	-
Changes to liabilities for incurred claims	-	-	-	-
Losses on onerous contracts and reversal of those losses	-	-	-	-
Amortisation of insurance acquisition cash flows	-	-	-	-
Investment components	-	-	-	-
Net income or expense from insurance contracts issued	86	-	-	86
Insurance finance expenses	(6)	-	-	(6)
Foreign Currency Movements	-	-	-	-
Total changes in the statement of comprehensive income	80	-	-	80
Cash flows				
Premiums received	(3,568)	-	-	(3,568)
Claims and other expenses paid	-	-	-	-
Insurance acquisition cash flows	171	-	-	171
Total cash flows	(3,396)	-	-	(3,396)
Other movements	-	-	-	-
Net insurance contract (liabilities)/assets closing balance	(3,318)	-	-	(3,318)
Closing Insurance Contract Liabilities	(3,318)	-	-	(3,318)
Closing Insurance Contract Assets	-	-	-	-
Net insurance contract (liabilities)/assets closing balance	(3,318)	-	-	(3,318)

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	KEYMAN			Total
	Liability for remaining coverage	Loss	Liability for	
	Excluding loss component	component	incurred claims	
	№'000	№'000	№'000	№'000
Opening Insurance Contract Liabilities	-	-	-	-
Opening Insurance Contract Assets	-	-	-	-
Net insurance contract (liabilities)/assets opening balance	-	-	-	-
Insurance revenue	7	-	-	7
Insurance service expenses	-	-	-	-
Incurring claims and other directly attributable expenses	-	-	-	-
Changes to liabilities for incurred claims	-	-	-	-
Losses on onerous contracts and reversal of those losses	-	-	-	-
Amortisation of insurance acquisition cash flows	-	-	-	-
Investment components	-	-	-	-
Net income or expense from insurance contracts issued	7	-	-	7
Insurance finance expenses	(1)	-	-	(1)
Foreign Currency Movements	-	-	-	-
Total changes in the statement of comprehensive income	6	-	-	6
Cash flows				
Premiums received	(8)	-	-	(8)
Claims and other expenses paid	-	-	-	-
Insurance acquisition cash flows	-	-	-	-
Total cash flows	(8)	-	-	(8)
Other movements	-	-	-	-
Net insurance contract (liabilities)/assets closing balance	(2)	-	-	(2)
Closing Insurance Contract Liabilities	(2)	-	-	(2)
Closing Insurance Contract Assets	-	-	-	-
Net insurance contract (liabilities)/assets closing balance	(2)	-	-	(2)

	WHOLELIFE			Total
	Liability for remaining coverage	Loss	Liability for	
	Excluding loss component	component	incurred claims	
	№'000	№'000	№'000	№'000
Opening Insurance Contract Liabilities	(833)	(133)	-	(966)
Opening Insurance Contract Assets	-	-	-	-
Net insurance contract (liabilities)/assets opening balance	(833)	(133)	-	(966)
Insurance revenue	249	-	-	249
Insurance service expenses	(1)	(3)	-	(4)
Incurring claims and other directly attributable expenses	-	-	-	-
Changes to liabilities for incurred claims	-	-	-	-
Losses on onerous contracts and reversal of those losses	-	(3)	-	(3)
Amortisation of insurance acquisition cash flows	(1)	-	-	(1)
Investment components	-	-	-	-
Net income or expense from insurance contracts issued	248	(3)	-	246
Insurance finance expenses	180	(45)	-	135
Foreign Currency Movements	-	-	-	-
Total changes in the statement of comprehensive income	429	(48)	-	380
Cash flows				
Premiums received	(1,491)	-	-	(1,491)
Claims and other expenses paid	-	-	-	-
Insurance acquisition cash flows	71	-	-	71
Total cash flows	(1,419)	-	-	(1,419)
Other movements	-	-	-	-
Net insurance contract (liabilities)/assets closing balance	(1,824)	(182)	-	(2,005)
Closing Insurance Contract Liabilities	(1,824)	(182)	-	(2,005)
Closing Insurance Contract Assets	-	-	-	-
Net insurance contract (liabilities)/assets closing balance	(1,824)	(182)	-	(2,005)

	WHOLELIFE			Total
	Liability for remaining coverage	Loss	Liability for	
	Excluding loss component	component	incurred claims	
	№'000	№'000	№'000	№'000
Opening Insurance Contract Liabilities	(256)	-	-	(256)
Opening Insurance Contract Assets	-	-	-	-
Net insurance contract (liabilities)/assets opening balance	(256)	-	-	(256)
Insurance revenue	723	-	-	723
Insurance service expenses	(0)	(133)	-	(134)
Incurring claims and other directly attributable expenses	-	-	-	-
Changes to liabilities for incurred claims	-	-	-	-
Losses on onerous contracts and reversal of those losses	-	(133)	-	(133)
Amortisation of insurance acquisition cash flows	(0)	-	-	(0)
Investment components	-	-	-	-
Net income or expense from insurance contracts issued	723	(133)	-	589
Insurance finance expenses	(124)	-	-	(124)
Foreign Currency Movements	-	-	-	-
Total changes in the statement of comprehensive income	599	(133)	-	465
Cash flows				
Premiums received	(1,318)	-	-	(1,318)
Claims and other expenses paid	-	-	-	-
Insurance acquisition cash flows	143	-	-	143
Total cash flows	(1,175)	-	-	(1,175)
Other movements	-	-	-	-
Net insurance contract (liabilities)/assets closing balance	(833)	(133)	-	(966)
Closing Insurance Contract Liabilities	(833)	(133)	-	(966)
Closing Insurance Contract Assets	-	-	-	-
Net insurance contract (liabilities)/assets closing balance	(833)	(133)	-	(966)

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	ANNUITY			
	Liability for remaining coverage Excluding loss component	Loss component	Liability for incurred claims	Total
	₦'000	₦'000	₦'000	₦'000
Opening Insurance Contract Liabilities	(5,434,959)	(1,236,403)	-	(6,671,362)
Opening Insurance Contract Assets	-	-	-	-
Net insurance contract (liabilities)/assets				
opening balance	(5,434,959)	(1,236,403)	-	(6,671,362)
Insurance revenue	1,834,648			1,834,648
Insurance service expenses	(65,129)	(2,099,807)	(1,598,839)	(3,763,775)
Incurred claims and other directly attributable expenses			(1,600,353)	(1,600,353)
Changes to liabilities for incurred claims			1,514	1,514
Losses on onerous contracts and reversal of those losses		(2,099,807)		(2,099,807)
Amortisation of insurance acquisition cash flows	(65,129)			(65,129)
Investment components excluded from insurance revenue and insurance service	81,710	-	(81,710)	-
Net income or expense from insurance				
contracts issued	1,851,230	(2,099,807)	(1,680,549)	(1,929,126)
Insurance finance expenses	1,414,527	140,884	-	1,555,412
Foreign Currency Movements	-	-	-	-
Total changes in the statement of comprehensive income	3,265,757	(1,958,923)	(1,680,549)	(373,714)
Cash flows				
Premiums received	(10,439,064)			(10,439,064)
Claims and other expenses paid	-		1,680,549	1,680,549
Insurance acquisition cash flows	1,112,151			1,112,151
Total cash flows	(9,326,912)	-	1,680,549	(7,646,364)
Other movements				
Net insurance contract (liabilities)/assets				
closing balance	(11,496,115)	(3,195,326)	-	(14,691,441)
Closing Insurance Contract Liabilities	(11,496,115)	(3,195,326)	-	(14,691,440)
Closing Insurance Contract Assets	-	-	-	-
Net insurance contract (liabilities)/assets				
closing balance	(11,496,115)	(3,195,326)	-	(14,691,440)

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	ANNUITY			
	Liability for remaining coverage Excluding loss component	Loss component	Liability for incurred claims	Total
	₦'000	₦'000	₦'000	₦'000
Opening Insurance Contract Liabilities	(575,045)	(25,947)	-	(600,991)
Opening Insurance Contract Assets	-	-	-	-
Net insurance contract (liabilities)/assets				
opening balance	(575,045)	(25,947)	-	(600,991)
Insurance revenue	689,282			689,282
Insurance service expenses	(18,593)	(1,210,803)	(409,789)	(1,639,186)
Incurred claims and other directly attributable expenses	-		(409,789)	(409,789)
Changes to liabilities for incurred claims	-	-	-	-
Losses on onerous contracts and reversal of those losses	-	(1,210,803)	-	(1,210,803)
Amortisation of insurance acquisition cash flows	(18,593)			(18,593)
Investment components excluded from insurance revenue and insurance service	26,694	-	(26,694)	-
Net income or expense from insurance				
contracts issued	697,382	(1,210,803)	(436,483)	(949,904)
Insurance finance expenses	430,276	347	-	430,622
Foreign Currency Movements	-	-	-	-
Total changes in the statement of comprehensive income	1,127,658	(1,210,457)	(436,483)	(519,281)
Cash flows				
Premiums received	(6,714,198)			(6,714,198)
Claims and other expenses paid	-		436,483	436,483
Insurance acquisition cash flows	726,626			726,626
Total cash flows	(5,987,572)	-	436,483	(5,551,090)
Other movements				
Net insurance contract (liabilities)/assets				
closing balance	(5,434,959)	(1,236,403)	-	(6,671,362)
Closing Insurance Contract Liabilities	(5,434,959)	(1,236,403)	-	(6,671,362)
Closing Insurance Contract Assets	-	-	-	-
Net insurance contract (liabilities)/assets				
closing balance	(5,434,959)	(1,236,403)	-	(6,671,362)

	TRIPLEPAY			
	Liability for remaining coverage Excluding loss component	Loss component	Liability for incurred claims	Total
	₦'000	₦'000	₦'000	₦'000
Opening Insurance Contract Liabilities	(1,555,462)	(194,780)	-	(1,750,242)
Opening Insurance Contract Assets	-	-	-	-
Net insurance contract (liabilities)/assets				
opening balance	(1,555,462)	(194,780)	-	(1,750,242)
Insurance revenue	2,249,197			2,249,197
Insurance service expenses	(117,803)	290,906	(443,601)	(270,498)
Incurred claims and other directly attributable expenses			(447,632)	(447,632)
Changes to liabilities for incurred claims			4,031	4,031
Losses on onerous contracts and reversal of those losses		290,906		290,906
Amortisation of insurance acquisition cash flows	(117,803)			(117,803)
Investment components	-	-	-	-
Net income or expense from insurance				
contracts issued	2,131,394	290,906	(443,601)	1,978,699
Insurance finance expenses	(624,342)	(119,947)	-	(744,290)
Foreign Currency Movements	-	-	-	-
Total changes in the statement of comprehensive income	1,507,051	170,959	(443,601)	1,234,409
Cash flows				
Premiums received	(5,829,794)			(5,829,794)
Claims and other expenses paid	-		443,601	443,601
Insurance acquisition cash flows	359,241			359,241
Total cash flows	(5,470,553)	-	443,601	(5,026,952)
Other movements				
Net insurance contract (liabilities)/assets				
closing balance	(5,518,964)	(23,821)	-	(5,542,785)
Closing Insurance Contract Liabilities	(5,518,964)	(23,821)	-	(5,542,785)
Closing Insurance Contract Assets	-	-	-	-
Net insurance contract (liabilities)/assets				
closing balance	(5,518,964)	(23,821)	-	(5,542,785)

	TRIPLEPAY			
	Liability for remaining coverage Excluding loss component	Loss component	Liability for incurred claims	Total
	₦'000	₦'000	₦'000	₦'000
Opening Insurance Contract Liabilities	(350,813)	(97,176)	-	(447,989)
Opening Insurance Contract Assets	-	-	-	-
Net insurance contract (liabilities)/assets				
opening balance	(350,813)	(97,176)	-	(447,989)
Insurance revenue	649,359			649,359
Insurance service expenses	(68,108)	(92,721)	(216,299)	(377,129)
Incurred claims and other directly attributable expenses	-		(229,073)	(229,073)
Changes to liabilities for incurred claims	-	-	12,774	12,774
Losses on onerous contracts and reversal of those losses	-	(92,721)	-	(92,721)
Amortisation of insurance acquisition cash flows	(68,108)			(68,108)
Investment components	-	-	-	-
Net income or expense from insurance				
contracts issued	581,251	(92,721)	(216,299)	272,231
Insurance finance expenses	225,648	(4,882)	-	220,766
Foreign Currency Movements	-	-	-	-
Total changes in the statement of comprehensive income	806,900	(97,604)	(216,299)	492,997
Cash flows				
Premiums received	(2,255,662)			(2,255,662)
Claims and other expenses paid	-		216,299	216,299
Insurance acquisition cash flows	244,113			244,113
Total cash flows	(2,011,549)	-	216,299	(1,795,250)
Other movements				
Net insurance contract (liabilities)/assets				
closing balance	(1,555,462)	(194,780)	-	(1,750,242)
Closing Insurance Contract Liabilities	(1,555,462)	(194,780)	-	(1,750,242)
Closing Insurance Contract Assets	-	-	-	-
Net insurance contract (liabilities)/assets				
closing balance	(1,555,462)	(194,780)	-	(1,750,242)

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	MORTGAGE			Total #’000
	Liability for remaining coverage Excluding loss component #’000	Loss component #’000	Liability for incurred claims #’000	
Opening Insurance Contract Liabilities	-	-	-	-
Opening Insurance Contract Assets	-	-	-	-
Net insurance contract (liabilities)/assets o	-	-	-	-
Insurance revenue	3			3
Insurance service expenses		(2)		(2)
Incurring claims and other directly attributable expenses		0	-	0
Changes to liabilities for incurred claims			-	-
Losses on onerous contracts and reversal of those losses		(2)	-	(2)
Amortisation of insurance acquisition cash			-	-
Investment components				
Net income or expense from insurance cor	3	(2)		1
Insurance finance expenses	(1)	-	-	(1)
Foreign Currency Movements	-	-	-	-
Total changes in the statement of compreh	2	(2)		0
Cash flows				
Premiums received	(1)			(1)
Claims and other expenses paid			-	-
Insurance acquisition cash flows			-	-
Total cash flows	(1)			(1)
Other movements				
Net insurance contract (liabilities)/assets c	1	(2)		(1)
Closing Insurance Contract Liabilities	1	(2)	-	(1)
Closing Insurance Contract Assets	-	-	-	-
Net insurance contract (liabilities)/assets c	1	(2)		(1)

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	MORTGAGE			Total #’000
	Liability for remaining coverage Excluding loss component #’000	Loss component #’000	Liability for incurred claims #’000	
Opening Insurance Contract Liabilities	-	-	-	-
Opening Insurance Contract Assets	-	-	-	-
Net insurance contract (liabilities)/assets o	-	-	-	-
Insurance revenue				
Insurance service expenses				
Incurring claims and other directly attributable expenses			-	-
Changes to liabilities for incurred claims			-	-
Losses on onerous contracts and reversal of those losses			-	-
Amortisation of insurance acquisition cash			-	-
Investment components				
Net income or expense from insurance cor				
Insurance finance expenses			-	-
Foreign Currency Movements			-	-
Total changes in the statement of compreh				
Cash flows				
Premiums received			-	-
Claims and other expenses paid			-	-
Insurance acquisition cash flows			-	-
Total cash flows				
Other movements				
Net insurance contract (liabilities)/assets c				
Closing Insurance Contract Liabilities			-	-
Closing Insurance Contract Assets			-	-
Net insurance contract (liabilities)/assets c				

HEIRS LIFE ASSURANCE LIMITED
 FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2023
 NOTES TO THE FINANCIAL STATEMENT

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

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

31-Dec-23

	Estimates of present value of future cashflows N'000	Risk adjustment for non-financial risk N'000	Contractual service margin N'000	Total N'000
Opening Insurance Contract Liabilities	(7,730,811)	(554,067)	(580,149)	(8,865,026)
Opening Insurance Contract Assets	-	-	-	-
Net life insurance contract (liabilities)/assets opening balance	(7,730,811)	(554,067)	(580,149)	(8,865,026)
Changes that relate to current service				
Contractual service margin recognised for services provided	-	-	1,223,242	1,223,242
Risk adjustment recognized for the risk expired	-	298,661	-	298,661
Experience adjustments	1,250,150	-	-	1,250,150
	1,250,150	298,661	1,223,242	2,772,053
Changes that relate to future service				
Contracts initially recognised in the period	2,611,444	(1,209,238)	(4,516,203)	(3,113,997)
Changes in estimates that adjust the contractual service margin	1,150,910	696,690	(1,847,600)	-
Changes in estimates that do not adjust the contractual service margin	320,720	470,709	-	791,429
	4,083,073	(41,839)	(6,363,803)	(2,322,569)
Changes that relate to past service				
Adjustments to liabilities for incurred claims	7,006	-	-	7,006
Insurance Service Result	5,340,229	256,822	(5,140,562)	456,490
Insurance finance expenses	1,091,923	(153,608)	(448,417)	489,897
Foreign Currency Movements	-	-	-	-
Total changes in the statement of comprehensive income	6,432,152	103,213	(5,588,979)	946,387
Cash flows				
Premiums received	(17,525,494)	-	-	(17,525,494)
Claims and other expenses paid	2,258,689	-	-	2,258,689
Insurance acquisition cash flows	2,323,161	-	-	2,323,161
Total cash flows	(12,943,643)	-	-	(12,943,643)
Net life insurance contract (liabilities)/assets closing balance	(14,242,302)	(450,854)	(6,169,127)	(20,862,283)
Closing Insurance Contract Liabilities	(14,242,302)	(450,854)	(6,169,127)	(20,862,283)
Closing Insurance Contract Assets	-	-	-	-
Net life insurance contract (liabilities)/assets closing balance	(14,242,302)	(450,854)	(6,169,127)	(20,862,283)

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	Estimates of present value of future cashflows N'000	Risk adjustment for non-financial risk N'000	Contractual service margin N'000	Total N'000
Opening Insurance Contract Liabilities	(1,621,170)	(272,082)	(55,748)	(1,949,000)
Opening Insurance Contract Assets	-	-	-	-
Net life insurance contract (liabilities)/assets opening balance	(1,621,170)	(272,082)	(55,748)	(1,949,000)
Changes that relate to current service				
Contractual service margin recognised for services provided	-	-	246,069	246,069
Risk adjustment recognized for the risk expired	-	253,610	-	253,610
Experience adjustments	956,421	-	-	956,421
	956,421	253,610	246,069	1,456,101
Changes that relate to future service				
Contracts initially recognised in the period	(1,198,929)	(1,018,755)	(1,662,659)	(3,880,344)
Changes in estimates that adjust the contractual service margin	(1,100,542)	47,394	1,053,148	(0)
Changes in estimates that do not adjust the contractual service margin	2,104,481	556,676	-	2,661,157
	(194,991)	(414,685)	(609,511)	(1,219,186)
Changes that relate to past service				
Adjustments to liabilities for incurred claims	31,181	-	-	31,181
Insurance Service Result	792,611	(161,075)	(363,441)	268,095
Insurance finance expenses	832,075	(120,910)	(160,960)	550,205
Foreign Currency Movements	-	-	-	-
Total changes in the statement of comprehensive income	1,624,686	(281,985)	(524,401)	818,301
Cash flows				
Premiums received	(9,514,057)	-	-	(9,514,057)
Claims and other expenses paid	750,097	-	-	750,097
Insurance acquisition cash flows	1,029,633	-	-	1,029,633
Total cash flows	(7,734,327)	-	-	(7,734,327)
Net life insurance contract (liabilities)/assets closing balance	(7,730,811)	(554,067)	(580,149)	(8,865,026)
Closing Insurance Contract Liabilities	(7,730,811)	(554,067)	(580,149)	(8,865,026)
Closing Insurance Contract Assets	-	-	-	-
Net life insurance contract (liabilities)/assets closing balance	(7,730,811)	(554,067)	(580,149)	(8,865,026)

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

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

31-Dec-23

	TERM			
	Estimates of present value of future cashflows	Risk adjustment for non-financial risk	Contractual service margin	Total
	₦'000	₦'000	₦'000	₦'000
Opening Insurance Contract Liabilities	(76,565)	(24,297)	-	(100,862)
Opening Insurance Contract Assets	-	-	-	-
Net life insurance contract (liabilities)/assets opening balance	(76,565)	(24,297)	-	(100,862)
Changes that relate to current service				
Contractual service margin recognised for services provided	-	-	-	-
Risk adjustment recognized for the risk expired	-	101,395	-	101,395
Experience adjustments	166,489	-	-	166,489
	166,489	101,395	-	267,884
Changes that relate to future service				
Contracts initially recognised in the period	(587,194)	(174,431)	(436)	(762,061)
Changes in estimates that adjust the contractual service margin	(473,76)	-	474	(0)
Changes in estimates that do not adjust the contractual service margin	370,451	59,205	-	429,656
	(217,217)	(115,226)	38	(332,405)
Changes that relate to past service				
Adjustments to liabilities for incurred claims	608	-	-	608
Insurance Service Result	(50,119)	(13,831)	38	(63,912)
Insurance finance expenses	(51,887)	(17,312)	(38)	(69,237)
Foreign Currency Movements	-	-	-	-
Total changes in the statement of comprehensive income	(102,007)	(31,143)	(0)	(133,150)
Cash flows				
Premiums received	(7,547)	-	-	(7,547)
Claims and other expenses paid	5,367	-	-	5,367
Insurance acquisition cash flows	1,652	-	-	1,652
Total cash flows	(528)	-	-	(528)
Net life insurance contract (liabilities)/assets closing balance	(179,100)	(55,440)	(0)	(234,540)
Closing Insurance Contract Liabilities	(179,100)	(55,440)	-	(234,540)
Closing Insurance Contract Assets	-	-	-	-
Net life insurance contract (liabilities)/assets closing balance	(179,100)	(55,440)	-	(234,540)

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	TERM			
	Estimates of present value of future cashflows	Risk adjustment for non-financial risk	Contractual service margin	Total
	₦'000	₦'000	₦'000	₦'000
Opening Insurance Contract Liabilities	(68,089)	(22,159)	-	(90,248)
Opening Insurance Contract Assets	-	-	-	-
Net life insurance contract (liabilities)/assets opening balance	(68,089)	(22,159)	-	(90,248)
Changes that relate to current service				
Contractual service margin recognised for services provided	-	-	-	-
Risk adjustment recognized for the risk expired	-	58,623	-	58,623
Experience adjustments	67,695	-	-	67,695
	67,695	58,623	-	126,318
Changes that relate to future service				
Contracts initially recognised in the period	(254,115)	(86,298)	(37)	(340,449)
Changes in estimates that adjust the contractual service margin	(40)	-	40	(0)
Changes in estimates that do not adjust the contractual service margin	177,806	35,696	-	213,501
	(76,349)	(50,602)	3	(126,947)
Changes that relate to past service				
Adjustments to liabilities for incurred claims	17,148	-	-	17,148
Insurance Service Result	8,495	8,021	3	16,519
Insurance finance expenses	(24,196)	(10,159)	(3)	(34,358)
Foreign Currency Movements	-	-	-	-
Total changes in the statement of comprehensive income	(15,701)	(2,138)	(0)	(17,839)
Cash flows				
Premiums received	(12,286)	-	-	(12,286)
Claims and other expenses paid	18,182	-	-	18,182
Insurance acquisition cash flows	1,330	-	-	1,330
Total cash flows	7,225	-	-	7,225
Net life insurance contract (liabilities)/assets closing balance	(76,565)	(24,297)	(0)	(100,862)
Closing Insurance Contract Liabilities	(76,565)	(24,297)	-	(100,862)
Closing Insurance Contract Assets	-	-	-	-
Net life insurance contract (liabilities)/assets closing balance	(76,565)	(24,297)	-	(100,862)

	ENDOWMENT			
	Estimates of present value of future cashflows	Risk adjustment for non-financial risk	Contractual service margin	Total
	₦'000	₦'000	₦'000	₦'000
Opening Insurance Contract Liabilities	(37,268)	(79,464)	(224,859)	(341,591)
Opening Insurance Contract Assets	-	-	-	-
Net life insurance contract (liabilities)/assets opening balance	(37,268)	(79,464)	(224,859)	(341,591)
Changes that relate to current service				
Contractual service margin recognised for services provided	-	-	276,736	276,736
Risk adjustment recognized for the risk expired	-	50,651	-	50,651
Experience adjustments	193,188	-	-	193,188
	193,188	50,651	276,736	520,575
Changes that relate to future service				
Contracts initially recognised in the period	4,376	(200,157)	(306,642)	(502,423)
Changes in estimates that adjust the contractual service margin	85,053.73	176,236	(261,289)	-
Changes in estimates that do not adjust the contractual service margin	438,814	12,681	-	451,495
	528,243	(11,240)	(567,931)	(50,928)
Changes that relate to past service				
Adjustments to liabilities for incurred claims	852	-	-	852
Net income or expense from insurance contracts held	722,283	39,411	(291,195)	470,499
Insurance finance expenses	(179,634)	(24,359)	(48,123)	(252,116)
Foreign Currency Movements	-	-	-	-
Total changes in the statement of comprehensive income	542,649	15,052	(339,319)	218,382
Cash flows				
Premiums received	(1,244,030)	-	-	(1,244,030)
Claims and other expenses paid	129,172	-	-	129,172
Insurance acquisition cash flows	849,875	-	-	849,875
Total cash flows	(264,984)	-	-	(264,984)
Net life insurance contract (liabilities)/assets closing balance	240,397	(64,413)	(564,178)	(388,193)
Closing Insurance Contract Liabilities	240,397	(64,413)	(564,178)	(388,193)
Closing Insurance Contract Assets	-	-	-	-
Net life insurance contract (liabilities)/assets closing balance	240,397	(64,413)	(564,178)	(388,193)

	ENDOWMENT			
	Estimates of present value of future cashflows	Risk adjustment for non-financial risk	Contractual service margin	Total
	₦'000	₦'000	₦'000	₦'000
Opening Insurance Contract Liabilities	(615,726)	(172,896)	(20,893)	(809,515)
Opening Insurance Contract Assets	-	-	-	-
Net life insurance contract (liabilities)/assets opening balance	(615,726)	(172,896)	(20,893)	(809,515)
Changes that relate to current service				
Contractual service margin recognised for services provided	-	-	125,815	125,815
Risk adjustment recognized for the risk expired	-	112,022	-	112,022
Experience adjustments	341,227	-	-	341,227
	341,227	112,022	125,815	579,064
Changes that relate to future service				
Contracts initially recognised in the period	(309,321)	(273,529)	(389,544)	(972,394)
Changes in estimates that adjust the contractual service margin	(104,901)	6,692	98,209	-
Changes in estimates that do not adjust the contractual service margin	1,030,663	290,062	-	1,320,725
	616,441	23,225	(291,336)	348,331
Changes that relate to past service				
Adjustments to liabilities for incurred claims	1,259	-	-	1,259
Net income or expense from insurance contracts held	958,927	135,248	(165,521)	928,653
Insurance finance expenses	13,560	(41,816)	(38,445)	(66,700)
Foreign Currency Movements	-	-	-	-
Total changes in the statement of comprehensive income	972,487	93,432	(203,966)	861,953
Cash flows				
Premiums received	(530,585)	-	-	(530,585)
Claims and other expenses paid	79,134	-	-	79,134
Insurance acquisition cash flows	57,421	-	-	57,421
Total cash flows	(394,030)	-	-	(394,030)
Net life insurance contract (liabilities)/assets closing balance	(37,268)	(79,464)	(224,859)	(341,591)
Closing Insurance Contract Liabilities	(37,268)	(79,464)	(224,859)	(341,591)
Closing Insurance Contract Assets	-	-	-	-
Net life insurance contract (liabilities)/assets closing balance	(37,268)	(79,464)	(224,859)	(341,591)

31-Dec-23

	KEYMAN			
	Estimates of present value of future cashflows	Risk adjustment for non-financial risk	Contractual service margin	Total
	№'000	№'000	№'000	№'000
Opening Insurance Contract Liabilities	(1)	(1)	(0)	(2)
Opening Insurance Contract Assets	-	-	-	-
Net life insurance contract (liabilities)/assets opening balance	(1)	(1)	(0)	(2)
Changes that relate to current service				
Contractual service margin recognised for services provided	-	-	44	44
Risk adjustment recognized for the risk expired	-	10	-	10
Experience adjustments	32	-	-	32
	32	10	44	86
Changes that relate to future service				
Contracts initially recognised in the period	2,824	(57)	(2,767)	-
Changes in estimates that adjust the contractual service margin	3,190.10	(25)	(3,165)	-
Changes in estimates that do not adjust the contractual service margin	-	-	-	-
	6,015	(82)	(5,932)	-
Changes that relate to past service				
Adjustments to liabilities for incurred claims	-	-	-	-
Net income or expense from insurance contracts held	6,046	(72)	(5,888)	86
Insurance finance expenses	240	(5)	(241)	(6)
Foreign Currency Movements	-	-	-	-
Total changes in the statement of comprehensive income	6,286	(77)	(6,129)	80
Cash flows				
Premiums received	(3,568)	-	-	(3,568)
Claims and other expenses paid	-	-	-	-
Insurance acquisition cash flows	171	-	-	171
Total cash flows	(3,396)	-	-	(3,396)
Net life insurance contract (liabilities)/assets closing balance	2,889	(78)	(6,129)	(3,318)
Closing Insurance Contract Liabilities	2,889	(78)	(6,129)	(3,318)
Closing Insurance Contract Assets	-	-	-	-
Net life insurance contract (liabilities)/assets closing balance	2,889	(78)	(6,129)	(3,318)

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	KEYMAN			
	Estimates of present value of future cashflows	Risk adjustment for non-financial risk	Contractual service margin	Total
	№'000	№'000	№'000	№'000
Opening Insurance Contract Liabilities	-	-	-	-
Opening Insurance Contract Assets	-	-	-	-
Net life insurance contract (liabilities)/assets opening balance	-	-	-	-
Changes that relate to current service				
Contractual service margin recognised for services provided	-	-	0	0
Risk adjustment recognized for the risk expired	-	5	-	5
Experience adjustments	1	-	-	1
	1	5	0	7
Changes that relate to future service				
Contracts initially recognised in the period	(5)	(6)	-	(10)
Changes in estimates that adjust the contractual service margin	0	0	(0)	-
Changes in estimates that do not adjust the contractual service margin	10	-	-	10
	6	(6)	(0)	(0)
Changes that relate to past service				
Adjustments to liabilities for incurred claims	-	-	-	-
Net income or expense from insurance contracts held	7	(0)	(0)	7
Insurance finance expenses	(0)	(1)	-	(1)
Foreign Currency Movements	-	-	-	-
Total changes in the statement of comprehensive income	7	(1)	(0)	6
Cash flows				
Premiums received	(8)	-	-	(8)
Claims and other expenses paid	-	-	-	-
Insurance acquisition cash flows	-	-	-	-
Total cash flows	(8)	-	-	(8)
Net life insurance contract (liabilities)/assets closing balance	(1)	(1)	(0)	(2)
Closing Insurance Contract Liabilities	(1)	(1)	(0)	(2)
Closing Insurance Contract Assets	-	-	-	-
Net life insurance contract (liabilities)/assets closing balance	(1)	(1)	(0)	(2)

	WHOLELIFE			
	Estimates of present value of future cashflows	Risk adjustment for non-financial risk	Contractual service margin	Total
	№'000	№'000	№'000	№'000
Opening Insurance Contract Liabilities	578	(174)	(1,370)	(966)
Opening Insurance Contract Assets	-	-	-	-
Net life insurance contract (liabilities)/assets opening balance	578	(174)	(1,370)	(966)
Changes that relate to current service				
Contractual service margin recognised for services provided	-	-	16	16
Risk adjustment recognized for the risk expired	-	48	-	48
Experience adjustments	185	-	-	185
	185	48	16	249
Changes that relate to future service				
Contracts initially recognised in the period	1,996	(248)	(1,748)	-
Changes in estimates that adjust the contractual service margin	669.81	43	(713)	-
Changes in estimates that do not adjust the contractual service margin	(4)	0	-	(4)
	2,662	(205)	(2,461)	(4)
Changes that relate to past service				
Adjustments to liabilities for incurred claims	-	-	-	-
Net income or expense from insurance contracts held	2,847	(156)	(2,445)	246
Insurance finance expenses	452	(37)	(281)	135
Foreign Currency Movements	-	-	-	-
Total changes in the statement of comprehensive income	3,299	(193)	(2,726)	380
Cash flows				
Premiums received	(1,491)	-	-	(1,491)
Claims and other expenses paid	-	-	-	-
Insurance acquisition cash flows	71	-	-	71
Total cash flows	(1,419)	-	-	(1,419)
Net life insurance contract (liabilities)/assets closing balance	2,458	(368)	(4,096)	(2,005)
Closing Insurance Contract Liabilities	2,458	(368)	(4,096)	(2,005)
Closing Insurance Contract Assets	-	-	-	-
Net life insurance contract (liabilities)/assets closing balance	2,458	(368)	(4,096)	(2,005)

	WHOLELIFE			
	Estimates of present value of future cashflows	Risk adjustment for non-financial risk	Contractual service margin	Total
	№'000	№'000	№'000	№'000
Opening Insurance Contract Liabilities	5,951	(603)	(5,604)	(256)
Opening Insurance Contract Assets	-	-	-	-
Net life insurance contract (liabilities)/assets opening balance	5,951	(603)	(5,604)	(256)
Changes that relate to current service				
Contractual service margin recognised for services provided	-	-	23	23
Risk adjustment recognized for the risk expired	-	180	-	180
Experience adjustments	530	-	-	530
	530	180	23	733
Changes that relate to future service				
Contracts initially recognised in the period	4,276	(750)	(3,526)	-
Changes in estimates that adjust the contractual service margin	(9,137)	545	8,592	-
Changes in estimates that do not adjust the contractual service margin	(724)	580	-	(144)
	(5,586)	375	5,066	(144)
Changes that relate to past service				
Adjustments to liabilities for incurred claims	-	-	-	-
Net income or expense from insurance contracts held	(5,055)	556	5,089	589
Insurance finance expenses	858	(127)	(855)	(124)
Foreign Currency Movements	-	-	-	-
Total changes in the statement of comprehensive income	(4,198)	429	4,234	465
Cash flows				
Premiums received	(1,318)	-	-	(1,318)
Claims and other expenses paid	-	-	-	-
Insurance acquisition cash flows	143	-	-	143
Total cash flows	(1,175)	-	-	(1,175)
Net life insurance contract (liabilities)/assets closing balance	578	(174)	(1,370)	(966)
Closing Insurance Contract Liabilities	578	(174)	(1,370)	(966)
Closing Insurance Contract Assets	-	-	-	-
Net life insurance contract (liabilities)/assets closing balance	578	(174)	(1,370)	(966)

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	ANNUITY			
	Estimates of present value of future cashflows	Risk adjustment for non-financial risk	Contractual service margin	Total
	₦'000	₦'000	₦'000	₦'000
Opening Insurance Contract Liabilities	(6,404,856)	(266,506)	-	(6,671,362)
Opening Insurance Contract Assets	-	-	-	-
Net life insurance contract (liabilities)/assets opening balance	(6,404,856)	(266,506)	-	(6,671,362)
Changes that relate to current service				
Contractual service margin recognised for services provided	-	-	71,829	71,829
Risk adjustment recognized for the risk expired	-	(26,227)	-	(26,227)
Experience adjustments	249,004	-	-	249,004
	249,004	(26,227)	71,829	294,607
Changes that relate to future service				
Contracts initially recognised in the period	2,917,927	(350,438)	(3,093,486)	(525,997)
Changes in estimates that adjust the contractual service margin	(672,240.61)	89,668	582,573	-
Changes in estimates that do not adjust the contractual service margin	(1,983,859)	284,609	-	(1,699,249)
	261,827	23,839	(2,510,913)	(2,225,247)
Changes that relate to past service				
Adjustments to liabilities for incurred claims	1,514	-	-	1,514
Net income or expense from insurance contracts held	512,345	(2,387)	(2,439,084)	(1,929,126)
Insurance finance expenses	1,878,642	(53,744)	(269,486)	1,555,412
Foreign Currency Movements	-	-	-	-
Total changes in the statement of comprehensive income	2,390,987	(56,132)	(2,708,570)	(373,714)
Cash flows				
Premiums received	(10,439,064)	-	-	(10,439,064)
Claims and other expenses paid	1,680,549	-	-	1,680,549
Insurance acquisition cash flows	1,112,151	-	-	1,112,151
Total cash flows	(7,646,364)	-	-	(7,646,364)
Net life insurance contract (liabilities)/assets closing balance	(11,660,232)	(322,638)	(2,708,570)	(14,691,440)
Closing Insurance Contract Liabilities	(11,660,232)	(322,638)	(2,708,570)	(14,691,440)
Closing Insurance Contract Assets	-	-	-	-
Net life insurance contract (liabilities)/assets closing balance	(11,660,232)	(322,638)	(2,708,570)	(14,691,440)

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	ANNUITY			
	Estimates of present value of future cashflows	Risk adjustment for non-financial risk	Contractual service margin	Total
	₦'000	₦'000	₦'000	₦'000
Opening Insurance Contract Liabilities	(552,995)	(30,886)	(17,110)	(600,991)
Opening Insurance Contract Assets	-	-	-	-
Net life insurance contract (liabilities)/assets opening balance	(552,995)	(30,886)	(17,110)	(600,991)
Changes that relate to current service				
Contractual service margin recognised for services provided	-	-	-	-
Risk adjustment recognized for the risk expired	-	(9,853)	-	(9,853)
Experience adjustments	300,610	-	-	300,610
	300,610	(9,853)	-	290,757
Changes that relate to future service				
Contracts initially recognised in the period	(495,325)	(233,630)	(56,385)	(785,340)
Changes in estimates that adjust the contractual service margin	(80,379)	-	80,379	-
Changes in estimates that do not adjust the contractual service margin	(487,960)	32,639	-	(455,320)
	(1,063,664)	(200,991)	23,994	(1,240,661)
Changes that relate to past service				
Adjustments to liabilities for incurred claims	-	-	-	-
Net income or expense from insurance contracts held	(763,054)	(210,844)	23,994	(949,904)
Insurance finance expenses	462,283	(24,777)	(6,884)	430,622
Foreign Currency Movements	-	-	-	-
Total changes in the statement of comprehensive income	(300,771)	(235,620)	17,110	(519,281)
Cash flows				
Premiums received	(6,714,198)	-	-	(6,714,198)
Claims and other expenses paid	436,483	-	-	436,483
Insurance acquisition cash flows	726,626	-	-	726,626
Total cash flows	(5,551,090)	-	-	(5,551,090)
Net life insurance contract (liabilities)/assets closing balance	(6,404,856)	(266,506)	(0)	(6,671,362)
Closing Insurance Contract Liabilities	(6,404,856)	(266,506)	-	(6,671,362)
Closing Insurance Contract Assets	-	-	-	-
Net life insurance contract (liabilities)/assets closing balance	(6,404,856)	(266,506)	-	(6,671,362)

	TRIPLEPAY			
	Estimates of present value of future cashflows	Risk adjustment for non-financial risk	Contractual service margin	Total
	₦'000	₦'000	₦'000	₦'000
Opening Insurance Contract Liabilities	(1,212,699)	(183,624)	(353,919)	(1,750,242)
Opening Insurance Contract Assets	-	-	-	-
Net life insurance contract (liabilities)/assets opening balance	(1,212,699)	(183,624)	(353,919)	(1,750,242)
Changes that relate to current service				
Contractual service margin recognised for services provided	-	-	874,616	874,616
Risk adjustment recognized for the risk expired	-	172,784	-	172,784
Experience adjustments	641,253	-	-	641,253
	641,253	172,784	874,616	1,688,653
Changes that relate to future service				
Contracts initially recognised in the period	271,516	(483,907)	(1,111,124)	(1,323,516)
Changes in estimates that adjust the contractual service margin	1,734,710.49	430,769	(2,165,479)	-
Changes in estimates that do not adjust the contractual service margin	1,495,317	114,213	-	1,609,530
	3,501,544	61,074	(3,276,603)	286,015
Changes that relate to past service				
Adjustments to liabilities for incurred claims	4,031	-	-	4,031
Net income or expense from insurance contracts held	4,146,828	233,858	(2,401,987)	1,978,699
Insurance finance expenses	(555,890)	(58,151)	(130,248)	(744,290)
Foreign Currency Movements	-	-	-	-
Total changes in the statement of comprehensive income	3,590,938	175,707	(2,532,235)	1,234,409
Cash flows				
Premiums received	(5,829,794)	-	-	(5,829,794)
Claims and other expenses paid	443,601	-	-	443,601
Insurance acquisition cash flows	359,241	-	-	359,241
Total cash flows	(5,026,952)	-	-	(5,026,952)
Net life insurance contract (liabilities)/assets closing balance	(2,648,713)	(7,918)	(2,886,155)	(5,542,785)
Closing Insurance Contract Liabilities	(2,648,713)	(7,918)	(2,886,155)	(5,542,785)
Closing Insurance Contract Assets	-	-	-	-
Net life insurance contract (liabilities)/assets closing balance	(2,648,713)	(7,918)	(2,886,155)	(5,542,785)

	TRIPLEPAY			
	Estimates of present value of future cashflows	Risk adjustment for non-financial risk	Contractual service margin	Total
	₦'000	₦'000	₦'000	₦'000
Opening Insurance Contract Liabilities	(390,311)	(45,538)	(12,141)	(447,989)
Opening Insurance Contract Assets	-	-	-	-
Net life insurance contract (liabilities)/assets opening balance	(390,311)	(45,538)	(12,141)	(447,989)
Changes that relate to current service				
Contractual service margin recognised for services provided	-	-	120,231	120,231
Risk adjustment recognized for the risk expired	-	92,633	-	92,633
Experience adjustments	246,358	-	-	246,358
	246,358	92,633	120,231	459,222
Changes that relate to future service				
Contracts initially recognised in the period	(144,440)	(424,543)	(1,213,167)	(1,782,150)
Changes in estimates that adjust the contractual service margin	(906,086)	40,157	865,929	-
Changes in estimates that do not adjust the contractual service margin	1,384,686	197,699	-	1,582,385
	334,160	(186,688)	(347,238)	(199,765)
Changes that relate to past service				
Adjustments to liabilities for incurred claims	12,774	-	-	12,774
Net income or expense from insurance contracts held	593,292	(94,055)	(227,006)	272,231
Insurance finance expenses	379,569	(44,032)	(114,772)	220,766
Foreign Currency Movements	-	-	-	-
Total changes in the statement of comprehensive income	972,862	(138,086)	(341,778)	492,997
Cash flows				
Premiums received	(2,255,662)	-	-	(2,255,662)
Claims and other expenses paid	216,299	-	-	216,299
Insurance acquisition cash flows	244,113	-	-	244,113
Total cash flows	(1,795,250)	-	-	(1,795,250)
Net life insurance contract (liabilities)/assets closing balance	(1,212,699)	(183,624)	(353,919)	(1,750,242)
Closing Insurance Contract Liabilities	(1,212,699)	(183,624)	(353,919)	(1,750,242)
Closing Insurance Contract Assets	-	-	-	-
Net life insurance contract (liabilities)/assets closing balance	(1,212,699)	(183,624)	(353,919)	(1,750,242)

HEIRS LIFE ASSURANCE LIMITED
 FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2023
 NOTES TO THE FINANCIAL STATEMENT

18.5 Amounts determined on transition to IFRS17 per Portfolio

31-Dec-23

Insurance Contracts issued

Insurance Revenue

New contracts and contracts measured under the full retrospective approach at transition
 Contracts measured under the modified retrospective approach at transition
 Contracts measured under the fair value approach at transition

TERM	ENDOWMENT	KEYMAN	WHOLELIFE	ANNUITY	GROUPLIFE	CREDITLIFE	GROUPMORTGAGE	HOSPITAL_CASH	SMART_SCHOOL	CREDITLIFE_IND	TRIPLEPAY	MORTGAGE	Total
№'000	№'000	№'000	№'000	№'000	№'000	№'000	№'000	№'000	№'000	№'000	№'000	№'000	№'000
178,421	792,422	84	249	1,916,358	1,937,155	263,468	-	69	51	1,061	2,249,197	3	7,338,540
-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-
178,421	792,422	84	249	1,916,358	1,937,155	263,468	-	69	51	1,061	2,249,197	3	7,338,540

CSM

New contracts and contracts measured under the full retrospective approach at transition
 Contracts measured under the modified retrospective approach at transition
 Contracts measured under the fair value approach at transition

-	564,178	6,129	4,096	2,708,570	-	-	-	-	-	-	2,886,155	-	6,169,127
-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	564,178	6,129	4,096	2,708,570	-	-	-	-	-	-	2,886,155	-	6,169,127

Reinsurance Contracts Held

CSM

New contracts and contracts measured under the full retrospective approach at transition
 Contracts measured under the modified retrospective approach at transition
 Contracts measured under the fair value approach at transition

183	(28,194)	(1,884)	(161)	-	-	-	-	-	-	-	(38,352)	-	(68,409)
-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-
183	(28,194)	(1,884)	(161)	-	-	-	-	-	-	-	(38,352)	-	(68,409)

31-Dec-22

Insurance Contracts issued

Insurance Revenue

New contracts and contracts measured under the full retrospective approach at transition
 Contracts measured under the modified retrospective approach at transition
 Contracts measured under the fair value approach at transition

80,998	591,575	7	723	715,975	1,500,386	250,318	-	-	-	2,080	649,359	-	3,791,422
-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-
80,998	591,575	7	723	715,975	1,500,386	250,318	-	-	-	2,080	649,359	-	3,791,422

CSM

New contracts and contracts measured under the full retrospective approach at transition
 Contracts measured under the modified retrospective approach at transition
 Contracts measured under the fair value approach at transition

-	224,859	0	1,370	-	-	-	-	-	-	-	353,919	-	580,149
-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	224,859	0	1,370	-	-	-	-	-	-	-	353,919	-	580,149

Reinsurance Contracts Held

CSM

New contracts and contracts measured under the full retrospective approach at transition
 Contracts measured under the modified retrospective approach at transition
 Contracts measured under the fair value approach at transition

(2,839)	(17,546)	(0)	(203)	-	-	-	-	-	-	-	(26,458)	-	(47,046)
-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-
(2,839)	(17,546)	(0)	(203)	-	-	-	-	-	-	-	(26,458)	-	(47,046)

18.6 Insurance revenue and the CSM by transition method

2023-12-31	TERM				ENDOWMENT				KEYMAN				WHOLELIFE			
	New contracts and contracts measured under the full retrospective approach at transition	Contracts measured under the fair value approach at transition	Contracts measured under the modified retrospective approach at transition	Total	New contracts and contracts measured under the full retrospective approach at transition	Contracts measured under the fair value approach at transition	Contracts measured under the modified retrospective approach at transition	Total	New contracts and contracts measured under the full retrospective approach at transition	Contracts measured under the fair value approach at transition	Contracts measured under the modified retrospective approach at transition	Total	New contracts and contracts measured under the full retrospective approach at transition	Contracts measured under the fair value approach at transition	Contracts measured under the modified retrospective approach at transition	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Insurance Revenue	178,421	-	-	178,421	792,422	-	-	792,422	84	-	-	84	249	-	-	249
Opening CSM	-	-	-	-	224,859	-	-	224,859	0	-	-	0	1,370	-	-	1,370
Changes that relate to current service																
CSM recognised in profit and loss for the services provided	-	-	-	-	(276,736)	-	-	(276,736)	(44)	-	-	(44)	(16)	-	-	(16)
Changes that relate to future service																
Changes in estimates that adjust the CSM	(474)	-	-	(474)	261,289	-	-	261,289	3,165	-	-	3,165	713	-	-	713
Contracts initially recognised in the period	436	-	-	436	306,642	-	-	306,642	2,767	-	-	2,767	1,748	-	-	1,748
Finance expenses from insurance contracts issued	(38)	-	-	(38)	291,195	-	-	291,195	5,888	-	-	5,888	2,445	-	-	2,445
Foreign Currency Movements	38	-	-	38	48,123	-	-	48,123	241	-	-	241	281	-	-	281
Total amounts recognised in comprehensive income	0	-	-	0	339,319	-	-	339,319	6,129	-	-	6,129	2,726	-	-	2,726
Closing CSM	0	-	-	0	564,178	-	-	564,178	6,129	-	-	6,129	4,096	-	-	4,096
2022-12-31	TERM				ENDOWMENT				KEYMAN				WHOLELIFE			
	New contracts and contracts measured under the full retrospective approach at transition	Contracts measured under the fair value approach at transition	Contracts measured under the modified retrospective approach at transition	Total	New contracts and contracts measured under the full retrospective approach at transition	Contracts measured under the fair value approach at transition	Contracts measured under the modified retrospective approach at transition	Total	New contracts and contracts measured under the full retrospective approach at transition	Contracts measured under the fair value approach at transition	Contracts measured under the modified retrospective approach at transition	Total	New contracts and contracts measured under the full retrospective approach at transition	Contracts measured under the fair value approach at transition	Contracts measured under the modified retrospective approach at transition	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Insurance Revenue	80,998,155	-	-	80,998,155	591,575,406	-	-	591,575,406	6,587	-	-	6,587	722,880	-	-	722,880
Opening CSM	-	-	-	-	20,893,208	-	-	20,893,208	-	-	-	-	5,604,202	-	-	5,604,202
Changes that relate to current service																
CSM recognised in profit and loss for the services provided	-	-	-	-	(125,814,878)	-	-	(125,814,878)	(79)	-	-	(79)	(22,957)	-	-	(22,957)
Changes that relate to future service																
Changes in estimates that adjust the CSM	(39,936)	-	-	(39,936)	(98,208,634)	-	-	(98,208,634)	239	-	-	239	(8,592,127)	-	-	(8,592,127)
Contracts initially recognised in the period	36,515	-	-	36,515	389,544,466	-	-	389,544,466	-	-	-	-	3,525,926	-	-	3,525,926
Finance expenses from insurance contracts issued	(3,420)	-	-	(3,420)	165,520,953	-	-	165,520,953	160	-	-	160	(5,089,157)	-	-	(5,089,157)
Foreign Currency Movements	3,420	-	-	3,420	38,444,851	-	-	38,444,851	-	-	-	-	855,200	-	-	855,200
Total amounts recognised in comprehensive income	0	-	-	0	203,965,804	-	-	203,965,804	160	-	-	160	(4,233,957)	-	-	(4,233,957)
Closing CSM	0	-	-	0	224,859,012	-	-	224,859,012	160	-	-	160	1,370,245	-	-	1,370,245

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	ANNUITY				TRIPLEPAY				MORTGAGE				TOTAL			
	New contracts and contracts measured under the full retrospective approach at transition	Contracts measured under the fair value approach at transition	Contracts measured under the modified retrospective approach at transition	Total	New contracts and contracts measured under the full retrospective approach at transition	Contracts measured under the fair value approach at transition	Contracts measured under the modified retrospective approach at transition	Total	New contracts and contracts measured under the full retrospective approach at transition	Contracts measured under the fair value approach at transition	Contracts measured under the modified retrospective approach at transition	Total	New contracts and contracts measured under the full retrospective approach at transition	Contracts measured under the fair value approach at transition	Contracts measured under the modified retrospective approach at transition	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Insurance Revenue	1,916,358	-	-	1,916,358	2,249,197	-	-	2,249,197	3	-	-	3	5,137,917	-	-	5,137,917
Opening CSM	-	-	-	-	353,919	-	-	353,919	-	-	-	-	580,149	-	-	580,149
Changes that relate to current service																
CSM recognised in profit and loss for the services provided	(71,829)	-	-	(71,829)	(874,616)	-	-	(874,616)	-	-	-	-	(1,223,242)	-	-	(1,223,242)
Changes that relate to future service																
Changes in estimates that adjust the CSM	(582,573)	-	-	(582,573)	2,165,479	-	-	2,165,479	(0)	-	-	(0)	1,847,600	-	-	1,847,600
Contracts initially recognised in the period	3,093,486	-	-	3,093,486	1,111,124	-	-	1,111,124	-	-	-	-	4,516,203	-	-	4,516,203
Finance expenses from insurance contracts issued	2,439,084	-	-	2,439,084	2,401,987	-	-	2,401,987	(0)	-	-	(0)	5,140,562	-	-	5,140,562
Foreign Currency Movements	269,486	-	-	269,486	130,248	-	-	130,248	-	-	-	-	448,417	-	-	448,417
Total amounts recognised in comprehensive income	2,708,570	-	-	2,708,570	2,532,235	-	-	2,532,235	(0)	-	-	(0)	5,588,979	-	-	5,588,979
Closing CSM	2,708,570	-	-	2,708,570	2,886,155	-	-	2,886,155	(0)	-	-	(0)	6,169,127	-	-	6,169,127

2022-12-31	ANNUITY				TRIPLEPAY				MORTGAGE				TOTAL			
	New contracts and contracts measured under the full retrospective approach at transition	Contracts measured under the fair value approach at transition	Contracts measured under the modified retrospective approach at transition	Total	New contracts and contracts measured under the full retrospective approach at transition	Contracts measured under the fair value approach at transition	Contracts measured under the modified retrospective approach at transition	Total	New contracts and contracts measured under the full retrospective approach at transition	Contracts measured under the fair value approach at transition	Contracts measured under the modified retrospective approach at transition	Total	New contracts and contracts measured under the full retrospective approach at transition	Contracts measured under the fair value approach at transition	Contracts measured under the modified retrospective approach at transition	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Insurance Revenue	715,975,365	-	-	715,975,365	649,359,446	-	-	649,359,446	-	-	-	-	2,038,637,839	-	-	2,038,637,839
Opening CSM	17,109,525	-	-	17,109,525	12,140,692	-	-	12,140,692	-	-	-	-	55,747,627	-	-	55,747,627
Changes that relate to current service																
CSM recognised in profit and loss for the services provided	-	-	-	-	(120,339,977)	-	-	(120,339,977)	-	-	-	-	(246,177,891)	-	-	(246,177,891)
Changes that relate to future service																
Changes in estimates that adjust the CSM	(80,379,011)	-	-	(80,379,011)	(865,468,873)	-	-	(865,468,873)	-	-	-	-	(1,052,688,341)	-	-	(1,052,688,341)
Contracts initially recognised in the period	56,385,370	-	-	56,385,370	1,213,166,581	-	-	1,213,166,581	-	-	-	-	1,662,658,859	-	-	1,662,658,859
Finance expenses from insurance contracts issued	(23,993,640)	-	-	(23,993,640)	227,357,731	-	-	227,357,731	-	-	-	-	363,792,627	-	-	363,792,627
Foreign Currency Movements	6,884,115	-	-	6,884,115	114,772,006	-	-	114,772,006	-	-	-	-	160,959,592	-	-	160,959,592
Total amounts recognised in comprehensive income	(17,109,525)	-	-	(17,109,525)	342,129,737	-	-	342,129,737	-	-	-	-	524,752,219	-	-	524,752,219
Closing CSM	0	-	-	0	354,270,428	-	-	354,270,428	-	-	-	-	580,499,846	-	-	580,499,846

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18.7 Impact of contracts recognised in the period

2023-12-31	TERM			ENDOWMENT			KEYMAN			TRIPLEPAY		
	Non-onerous contracts originated N'000	Onerous contracts originated N'000	Total N'000	Non-onerous contracts originated N'000	Onerous contracts originated N'000	Total N'000	Non-onerous contracts originated N'000	Onerous contracts originated N'000	Total N'000	Non-onerous contracts originated N'000	Onerous contracts originated N'000	Total N'000
Estimates of the present value of future cash outflows												
- insurance acquisition cash flows	77	189,014	189,092	6,461	45,957	52,418	25	-	25	10,452	95,551	106,003
- claims and other directly attributable expenses	379	451,316	451,695	1,469,175	1,940,798	3,409,973	692	-	692	5,768,470	7,212,484	12,980,955
Estimates of the present value of future cash outflows	457	640,330	640,787	1,475,636	1,986,755	3,462,391	717	-	717	5,778,922	7,308,036	13,086,958
Estimates of the present value of future cash inflows	(1,083)	(52,509)	(53,593)	(1,812,050)	(1,654,716)	(3,466,767)	(3,542)	-	(3,542)	(6,927,016)	(6,431,458)	(13,358,474)
Risk adjustment for non-financial risk	191	174,240	174,431	29,772	170,385	200,157	57	-	57	36,969	446,938	483,907
CSM	436	-	436	306,642	-	306,642	2,767	-	2,767	1,111,124	(0)	1,111,124
Increase in insurance contract liabilities from contracts recognised in the period	0	762,061	762,061	0	502,423	502,423	(0)	-	(0)	(0)	1,323,516	1,323,516

2023-12-31	TERM			ENDOWMENT			KEYMAN			TRIPLEPAY		
	Non-onerous contracts originated N'000	Onerous contracts originated N'000	Total N'000	Non-onerous contracts originated N'000	Onerous contracts originated N'000	Total N'000	Non-onerous contracts originated N'000	Onerous contracts originated N'000	Total N'000	Non-onerous contracts originated N'000	Onerous contracts originated N'000	Total N'000
Estimates of the present value of future cash outflows												
- insurance acquisition cash flows	114	80,642	80,756	1,660	49,431	51,091	-	14	14	1,524	69,102	70,626
- claims and other directly attributable expenses	2,942	207,702	210,644	669,265	3,225,074	3,894,338	-	2	2	992,768	8,986,354	9,979,121
Estimates of the present value of future cash outflows	3,056	288,344	291,400	670,925	3,274,504	3,945,429	-	17	17	994,292	9,055,456	10,049,748
Estimates of the present value of future cash inflows	(3,333)	(33,953)	(37,286)	(1,079,428)	(2,556,681)	(3,636,109)	-	(12)	(12)	(2,236,043)	(7,669,264)	(9,905,307)
Risk adjustment for non-financial risk	240	86,057	86,298	18,958	254,571	273,529	-	6	6	28,584	395,959	424,543
CSM	37	-	37	389,544	-	389,544	-	-	-	1,213,167	-	1,213,167
Increase in insurance contract liabilities from contracts recognised in the period	0	340,449	340,449	-	972,394	972,394	-	10	10	(0)	1,782,150	1,782,150

2023-12-31	ANNUITY			MORTGAGE			WHOLELIFE			TOTAL		
	Non-onerous contracts originated N'000	Onerous contracts originated N'000	Total N'000	Non-onerous contracts originated N'000	Onerous contracts originated N'000	Total N'000	Non-onerous contracts originated N'000	Onerous contracts originated N'000	Total N'000	Non-onerous contracts originated N'000	Onerous contracts originated N'000	Total N'000
Estimates of the present value of future cash outflows												
- insurance acquisition cash flows	65,622	48,802	114,424	-	8	8	42	-	42	82,679	379,332	462,012
- claims and other directly attributable expenses	2,617,057	4,316,847	6,933,904	-	3	3	1,898	-	1,898	9,857,672	13,921,449	23,779,121
Estimates of the present value of future cash outflows	2,682,678	4,365,649	7,048,328	-	11	11	1,941	-	1,941	9,940,351	14,300,781	24,241,132
Estimates of the present value of future cash inflows	(5,922,711)	(4,043,543)	(9,966,254)	-	(3)	(3)	(3,937)	-	(3,937)	(14,670,339)	(12,182,230)	(26,852,569)
Risk adjustment for non-financial risk	146,547	203,891	350,438	-	3	3	248	-	248	213,784	995,456	1,209,240
CSM	3,093,486	-	3,093,486	-	-	-	1,748	-	1,748	4,516,203	(0)	4,516,203
Increase in insurance contract liabilities from contracts recognised in the period	-	525,997	525,997	-	10	10	0	-	0	-	3,114,007	3,114,007

2023-12-31	ANNUITY			MORTGAGE			WHOLELIFE			TOTAL		
	Non-onerous contracts originated N'000	Onerous contracts originated N'000	Total N'000	Non-onerous contracts originated N'000	Onerous contracts originated N'000	Total N'000	Non-onerous contracts originated N'000	Onerous contracts originated N'000	Total N'000	Non-onerous contracts originated N'000	Onerous contracts originated N'000	Total N'000
Estimates of the present value of future cash outflows												
- insurance acquisition cash flows	29,778	42,319	72,097	-	-	-	22	-	22	33,098	241,508	274,606
- claims and other directly attributable expenses	2,693,206	4,095,219	6,788,425	-	-	-	3,946	-	3,946	4,362,127	16,514,350	20,876,478
Estimates of the present value of future cash outflows	2,722,985	4,137,538	6,860,522	-	-	-	3,968	-	3,968	4,395,226	16,755,858	21,151,084
Estimates of the present value of future cash inflows	(2,820,735)	(3,544,463)	(6,365,197)	-	-	-	(8,244)	-	(8,244)	(6,147,781)	(13,804,373)	(19,952,154)
Risk adjustment for non-financial risk	41,365	192,266	233,630	-	-	-	750	-	750	89,897	928,858	1,018,755
CSM	56,385	-	56,385	-	-	-	3,526	-	3,526	1,662,659	-	1,662,659
Increase in insurance contract liabilities from contracts recognised in the period	0	785,340	785,340	-	-	-	-	-	-	0	3,880,344	3,880,344

18.8 Expected recognition of the contractual service margin

Insurance contracts issued								Total CSM for insurance contracts issued N'000
Number of years until expected to be recognised	TERM	ENDOWMENT	KEYMAN	WHOLELIFE	ANNUITY	TRIPLEPAY		
31-Dec-23		N'000	N'000	N'000	N'000	N'000		
1	-	367,377	6,049	25	119,903	1,479,207	1,972,561	
2	-	127,009	23	27	118,528	840,450	1,086,037	
3	-	31,934	24	29	117,031	305,641	454,658	
4	-	13,457	23	32	115,411	95,925	224,847	
5	-	5,072	11	34	113,665	83,842	202,624	
6-10	-	15,816	-	217	537,463	66,168	619,664	
>10	-	3,514	-	3,732	1,586,568	14,922	1,608,736	
Total	-	564,178	6,129	4,096	2,708,570	2,886,155	6,169,127	

Number of years until expected to be recognised	TERM	ENDOWMENT	KEYMAN	WHOLELIFE	ANNUITY	TRIPLEPAY	Total CSM for insurance contracts issued N'000
31-Dec-22		N'000	N'000	N'000	N'000	N'000	
1	-	47,272	0	4	-	78,944	
2	-	37,885	-	5	-	57,758	95,647
3	-	34,520	-	5	-	61,572	96,097
4	-	32,683	-	5	-	53,202	85,890
5	-	25,650	-	6	-	56,106	81,762
6-10	-	42,356	-	40	-	46,533	88,929
>10	-	4,494	-	1,305	-	156	5,955
Total	-	224,859	0	1,370	-	354,270	580,500

Reinsurance contracts held								Total CSM for reinsurance contracts held N'000
Number of years until expected to be recognised	TERM	ENDOWMENT	KEYMAN	WHOLELIFE	ANNUITY	TRIPLEPAY		
31-Dec-23		N'000	N'000	N'000	N'000	N'000		
1	112	(16,543)	(1,886)	(1)	-	(18,199)	(36,517)	
2	26	(7,944)	1	(1)	-	(12,461)	(20,378)	
3	24	(2,538)	0	(1)	-	(4,671)	(7,185)	
4	14	(420)	0	(1)	-	(653)	(1,059)	
5	7	(268)	0	(1)	-	(1,110)	(1,372)	
6-10	(0)	(192)	-	(5)	-	(1,010)	(1,207)	
>10	(0)	(290)	-	(153)	-	(248)	(691)	
Total	183	(28,194)	(1,884)	(161)	-	(38,352)	(68,409)	

Number of years until expected to be recognised	TERM	ENDOWMENT	KEYMAN	WHOLELIFE	ANNUITY	TRIPLEPAY	Total CSM for reinsurance contracts held N'000
31-Dec-22		N'000	N'000	N'000	N'000	N'000	
1	(1,228)	(3,671)	(0)	(1)	-	(5,903)	
2	(416)	(2,959)	-	(1)	-	(3,262)	(6,638)
3	(242)	(2,702)	-	(1)	-	(4,583)	(7,527)
4	(216)	(2,559)	-	(1)	-	(3,220)	(5,996)
5	(180)	(1,973)	-	(1)	-	(4,167)	(6,321)
6-10	(308)	(3,315)	-	(6)	-	(4,453)	(8,082)
>10	(249)	(367)	-	(193)	-	(869)	(1,678)
Total	(2,839)	(17,546)	(0)	(203)	-	(26,458)	(47,046)

	Year ended 31-Dec-23 N'000	Year ended 31-Dec-22 N'000	Year ended 01-Jan-22 N'000
19 Reinsurance contract Liabilities*			
Liability for Remaining Coverage**			
-Excluding loss component	40,611	34,102	12,804
-Loss component	(527)	(208)	(280)
Liability for Incurred Claims	-	-	-
	<u>40,084</u>	<u>33,894</u>	<u>12,525</u>
Current	(53,396)	(19,876)	(12,019)
Non-Current	93,480	53,770	24,543
Total Insurance Contract Assets	<u>40,084</u>	<u>33,894</u>	<u>12,525</u>

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

** Refer to note 20.2

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

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

31-Dec-23

	Asset for remaining coverage			Total
	Excluding loss recovery component	Loss recovery component	Asset for incurred claims	
	N'000	N'000	N'000	N'000
Opening Reinsurance Contract Liabilities	(34,102)	208	-	(33,894)
Opening Reinsurance Contract Assets	46	2,097	-	2,143
Net reinsurance contract assets / (liabilities) opening balance	(34,056)	2,305	-	(31,751)
Allocation of reinsurance premiums	(18,413)	-	-	(18,413)
Amounts recoverable from reinsurers for incurred claims	-	(1,996)	9,948	7,952
Amounts recoverable for incurred claims and other expenses	-	(3,127)	9,948	6,821
Changes to amounts recoverable for incurred claims	-	-	-	-
Net income or expense from reinsurance contracts held	(18,413)	(1,996)	9,948	(10,461)
Reinsurance finance income	(11,749)	217	-	(11,532)
Total changes in the statement of comprehensive income	(30,162)	(1,779)	9,948	(21,993)
Cash flows	-	-	-	-
Premiums paid	23,608	-	-	23,608
Commission received	-	-	-	-
Claims recovered	-	-	(9,948)	(9,948)
Total cash flows	23,608	-	(9,948)	13,661
Net reinsurance contract assets / (liabilities) closing balance	(40,610)	526	-	(40,083)
Closing Reinsurance Contract Liabilities	(40,610)	527	-	(40,083)
Closing Reinsurance Contract Assets	-	-	-	-
Net reinsurance contract assets / (liabilities) closing balance	(40,610)	527	-	(40,083)

31-Dec-22

	Asset for remaining coverage			Total
	Excluding loss recovery component	Loss recovery component	Asset for incurred claims	
	N'000	N'000	N'000	N'000
Opening Reinsurance Contract Liabilities	(12,804)	280	-	(12,525)
Opening Reinsurance Contract Assets	-	-	-	-
Net reinsurance contract assets / (liabilities) opening balance	(12,804)	280	-	(12,525)
Allocation of reinsurance premiums	(23,885)	-	-	(23,885)
Amounts recoverable from reinsurers for incurred claims	-	(98)	-	(98)
Amounts recoverable for incurred claims and other expenses	-	(270)	-	(270)
Changes to amounts recoverable for incurred claims	-	-	-	-
Net income or expense from reinsurance contracts held	(23,885)	(98)	-	(23,982)
Reinsurance finance income	(3,687)	26	-	(3,661)
Total changes in the statement of comprehensive income	(27,572)	(71)	-	(27,643)
Cash flows	-	-	-	-
Premiums paid	6,274	-	-	6,274
Commission received	-	-	-	-
Claims recovered	-	-	-	-
Total cash flows	6,274	-	-	6,274
Net reinsurance contract assets / (liabilities) closing balance	(34,102)	208	-	(33,894)
Closing Reinsurance Contract Liabilities	(34,102)	208	-	(33,894)
Closing Reinsurance Contract Assets	-	-	-	-
Net reinsurance contract assets / (liabilities) closing balance	(34,102)	208	-	(33,894)

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

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

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	TERM			
	Asset for remaining coverage		Asset for incurred claims	Total
	Excluding loss recovery component	Loss recovery component		
	№'000	№'000	№'000	№'000
Opening Reinsurance Contract Liabilities	-	-	-	-
Opening Reinsurance Contract Assets	46	2,097	-	2,143
Net reinsurance contract assets / (liabilities) opening balance	46	2,097	-	2,143
Allocation of reinsurance premiums	(88)	-	-	(88)
Amounts recoverable from reinsurers for incurred claims	-	(2,294)	-	(2,294)
Amounts recoverable for incurred claims and other expenses	-	(2,900)	-	(2,900)
Changes to amounts recoverable for incurred claims	-	-	-	-
Loss-recovery on onerous underlying contracts and adjustments	-	607	-	607
Reinsurance investment components	-	-	-	-
Net income or expense from reinsurance contracts held	(88)	(2,294)	-	(2,382)
Reinsurance finance income	(140)	196	-	56
Foreign Currency Movements	-	-	-	-
Total changes in the statement of comprehensive income	(229)	(2,097)	-	(2,326)
Cash flows				
Premiums paid	-	-	-	-
Commission received	-	-	-	-
Claims recovered	-	-	-	-
Total cash flows	-	-	-	-
Other movements	-	-	-	-
Net reinsurance contract assets / (liabilities) closing balance	(183)	(0)	-	(183)
Closing Reinsurance Contract Liabilities	(183)	(0)	-	(183)
Closing Reinsurance Contract Assets	-	-	-	-
Net reinsurance contract assets / (liabilities) closing balance	(183)	(0)	-	(183)

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	TERM			
	Asset for remaining coverage		Asset for incurred claims	Total
	Excluding loss recovery component	Loss recovery component		
	№'000	№'000	№'000	№'000
Opening Reinsurance Contract Liabilities	-	-	-	-
Opening Reinsurance Contract Assets	-	-	-	-
Net reinsurance contract assets / (liabilities) opening balance	-	-	-	-
Allocation of reinsurance premiums	-	-	-	-
Amounts recoverable from reinsurers for incurred claims	-	-	-	-
Amounts recoverable for incurred claims and other expenses	-	-	-	-
Changes to amounts recoverable for incurred claims	-	-	-	-
Loss-recovery on onerous underlying contracts and adjustments	-	-	-	-
Reinsurance investment components	-	-	-	-
Net income or expense from reinsurance contracts held	-	-	-	-
Reinsurance finance income	-	-	-	-
Foreign Currency Movements	-	-	-	-
Total changes in the statement of comprehensive income	-	-	-	-
Cash flows				
Premiums paid	-	-	-	-
Commission received	-	-	-	-
Claims recovered	-	-	-	-
Total cash flows	-	-	-	-
Other movements	-	-	-	-
Net reinsurance contract assets / (liabilities) closing balance	-	-	-	-
Closing Reinsurance Contract Liabilities	-	-	-	-
Closing Reinsurance Contract Assets	-	-	-	-
Net reinsurance contract assets / (liabilities) closing balance	-	-	-	-

	ENDOWMENT			
	Asset for remaining coverage		Asset for incurred claims	Total
	Excluding loss recovery component	Loss recovery component		
	№'000	№'000	№'000	№'000
Opening Reinsurance Contract Liabilities	(15,198)	12	-	(15,187)
Opening Reinsurance Contract Assets	-	-	-	-
Net reinsurance contract assets / (liabilities) opening balance	(15,198)	12	-	(15,187)
Allocation of reinsurance premiums	(5,734)	-	-	(5,734)
Amounts recoverable from reinsurers for incurred claims	-	499	1,211	1,711
Amounts recoverable for incurred claims and other expenses	-	(186)	1,211	1,025
Changes to amounts recoverable for incurred claims	-	-	-	-
Loss-recovery on onerous underlying contracts and adjustments	-	685	-	685
Reinsurance investment components	-	-	-	-
Net income or expense from reinsurance contracts held	(5,734)	499	1,211	(4,024)
Reinsurance finance income	(3,345)	2	-	(3,344)
Foreign Currency Movements	-	-	-	-
Total changes in the statement of comprehensive income	(9,080)	501	1,211	(7,367)
Cash flows				
Premiums paid	2,715	-	-	2,715
Commission received	-	-	-	-
Claims recovered	-	-	(1,211)	(1,211)
Total cash flows	2,715	-	(1,211)	1,504
Other movements	-	-	-	-
Net reinsurance contract assets / (liabilities) closing balance	(21,563)	513	-	(21,051)
Closing Reinsurance Contract Liabilities	(21,563)	513	-	(21,051)
Closing Reinsurance Contract Assets	-	-	-	-
Net reinsurance contract assets / (liabilities) closing balance	(21,563)	513	-	(21,051)

	ENDOWMENT			
	Asset for remaining coverage		Asset for incurred claims	Total
	Excluding loss recovery component	Loss recovery component		
	№'000	№'000	№'000	№'000
Opening Reinsurance Contract Liabilities	(4,787)	211	-	(4,576)
Opening Reinsurance Contract Assets	-	-	-	-
Net reinsurance contract assets / (liabilities) opening balance	(4,787)	211	-	(4,576)
Allocation of reinsurance premiums	(11,335)	-	-	(11,335)
Amounts recoverable from reinsurers for incurred claims	-	(219)	-	(219)
Amounts recoverable for incurred claims and other expenses	-	(40)	-	(40)
Changes to amounts recoverable for incurred claims	-	-	-	-
Loss-recovery on onerous underlying contracts and adjustments	-	(179)	-	(179)
Reinsurance investment components	-	-	-	-
Net income or expense from reinsurance contracts held	(11,335)	(219)	-	(11,555)
Reinsurance finance income	(605)	20	-	(585)
Foreign Currency Movements	-	-	-	-
Total changes in the statement of comprehensive income	(11,940)	(200)	-	(12,140)
Cash flows				
Premiums paid	1,529	-	-	1,529
Commission received	-	-	-	-
Claims recovered	-	-	-	-
Total cash flows	1,529	-	-	1,529
Other movements	-	-	-	-
Net reinsurance contract assets / (liabilities) closing balance	(15,198)	12	-	(15,187)
Closing Reinsurance Contract Liabilities	(15,198)	12	-	(15,187)
Closing Reinsurance Contract Assets	-	-	-	-
Net reinsurance contract assets / (liabilities) closing balance	(15,198)	12	-	(15,187)

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	TRIPLEPAY			
	Asset for remaining coverage			Total
	Excluding loss recovery component	Loss recovery component	Asset for incurred claims	
№'000	№'000	№'000	№'000	
Opening Reinsurance Contract Liabilities	(18,904)	197	-	(18,707)
Opening Reinsurance Contract Assets	-	-	-	-
Net reinsurance contract assets / (liabilities) opening balance	(18,904)	197	-	(18,707)
Allocation of reinsurance premiums	(12,591)			(12,591)
Amounts recoverable from reinsurers for incurred claims	-	(202)	8,737	8,535
Amounts recoverable for incurred claims and other expenses		(41)	8,737	8,696
Changes to amounts recoverable for incurred claims			-	-
Loss-recovery on onerous underlying contracts and adjustments		(161)		(161)
Reinsurance investment components	-	-	-	-
Net income or expense from reinsurance contracts held	(12,591)	(202)	8,737	(4,056)
Reinsurance finance income	(8,263)	19	-	(8,244)
Foreign Currency Movements	-	-	-	-
Total changes in the statement of comprehensive income	(20,854)	(182)	8,737	(12,300)
Cash flows				
Premiums paid	20,894			20,894
Commission received	-			-
Claims recovered			(8,737)	(8,737)
Total cash flows	20,894	-	(8,737)	12,157
Other movements	-	-	-	-
Net reinsurance contract assets / (liabilities) closing balance	(18,864)	14	-	(18,850)
Closing Reinsurance Contract Liabilities	(18,864)	14	-	(18,850)
Closing Reinsurance Contract Assets	-	-	-	-
Net reinsurance contract assets / (liabilities) closing balance	(18,864)	14	-	(18,850)

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	TRIPLEPAY			
	Asset for remaining coverage			Total
	Excluding loss recovery component	Loss recovery component	Asset for incurred claims	
№'000	№'000	№'000	№'000	
Opening Reinsurance Contract Liabilities	(8,017)	68	-	(7,949)
Opening Reinsurance Contract Assets	-	-	-	-
Net reinsurance contract assets / (liabilities) opening balance	(8,017)	68	-	(7,949)
Allocation of reinsurance premiums	(12,549)			(12,549)
Amounts recoverable from reinsurers for incurred claims	-	122	-	122
Amounts recoverable for incurred claims and other expenses		(229)	-	(229)
Changes to amounts recoverable for incurred claims			-	-
Loss-recovery on onerous underlying contracts and adjustments		351		351
Reinsurance investment components	-	-	-	-
Net income or expense from reinsurance contracts held	(12,549)	122	-	(12,427)
Reinsurance finance income	(3,082)	6	-	(3,076)
Foreign Currency Movements	-	-	-	-
Total changes in the statement of comprehensive income	(15,632)	128	-	(15,503)
Cash flows				
Premiums paid	4,745			4,745
Commission received	-			-
Claims recovered			-	-
Total cash flows	4,745	-	-	4,745
Other movements	-	-	-	-
Net reinsurance contract assets / (liabilities) closing balance	(18,904)	197	-	(18,707)
Closing Reinsurance Contract Liabilities	(18,904)	197	-	(18,707)
Closing Reinsurance Contract Assets	-	-	-	-
Net reinsurance contract assets / (liabilities) closing balance	(18,904)	197	-	(18,707)

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19.2 Reconciliation of the measurement components of reinsurance contract liabilities - Entity Level

The following tables shows the reconciliation of the measurement component of the reinsurance contract liabilities at an Aggregate Level. This disclosure is specific to the Portfolios measured under GMM. The portfolios measured in this note include: Term Assurance, Endowment and Triple Pay.

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	Estimates of present value of future cashflows R'000	Risk adjustment for non-financial risk R'000	Contractual service margin R'000	Total R'000
Opening Reinsurance Contract Liabilities	(73,708)	(4,189)	44,004	(33,894)
Opening Reinsurance Contract Assets	(696)	-	2,839	2,143
Net reinsurance contract assets/(liabilities) opening balance	(74,405)	(4,189)	46,843	(31,751)
Changes that relate to current service	-	-	-	-
Contractual service margin recognised for services received	-	-	(15,463)	(15,463)
Risk adjustment recognized for the risk expired	-	2,081	-	2,081
Experience adjustments	4,916	-	-	4,916
	4,916	2,081	(15,463)	(8,465)
Changes that relate to future service	-	-	-	-
Contracts initially recognised in the period	(176,405)	(14,877)	191,282	-
Changes in estimates that adjust the contractual service margin	166,920	8,255	(175,175)	-
Changes in estimates that do not adjust the contractual service margin	-	-	(1,996)	(1,996)
	(9,485)	(6,621)	14,111	(1,996)
Changes that relate to past service	-	-	-	-
Changes in amounts recoverable arising from changes in liability for	-	-	-	-
Net income or expense from reinsurance contracts held	(4,569)	(4,540)	(1,352)	(10,461)
Reinsurance finance income	(30,743)	(1,661)	20,872	(11,531)
Foreign Currency Movements	-	-	-	-
Total changes in the statement of comprehensive income	(35,312)	(6,201)	19,520	(21,993)
Cash flows	-	-	-	-
Premiums paid	23,608	-	-	23,608
Commission received	-	-	-	-
Claims recovered	(9,948)	-	-	(9,948)
Total cash flows	13,661	-	-	13,661
Net reinsurance contract assets/(liabilities) closing balance	(96,056)	(10,391)	66,363	(40,084)
Closing Reinsurance Contract Liabilities	(96,056)	(10,391)	66,363	(40,084)
Closing Reinsurance Contract Assets	-	-	-	-
Net reinsurance contract assets/(liabilities) closing balance	(96,056)	(10,391)	66,363	(40,084)

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	Estimates of present value of future cashflows R'000	Risk adjustment for non-financial risk R'000	Contractual service margin R'000	Total R'000
Opening Reinsurance Contract Liabilities	(49,364)	(3,331)	40,171	(12,525)
Opening Reinsurance Contract Assets	-	-	-	-
Net reinsurance contract assets/(liabilities) opening balance	(49,364)	(3,331)	40,171	(12,525)
Changes that relate to current service	-	-	-	-
Contractual service margin recognised for services received	-	-	(23,042)	(23,042)
Risk adjustment recognized for the risk expired	-	1,903	-	1,903
Experience adjustments	(2,746)	-	-	(2,746)
	(2,746)	1,903	(23,042)	(23,885)
Changes that relate to future service	-	-	-	-
Contracts initially recognised in the period	(114,052)	(11,163)	125,215	(0)
Changes in estimates that adjust the contractual service margin	103,975	9,758	(113,733)	-
Changes in estimates that do not adjust the contractual service margin	-	-	(98)	(98)
	(10,077)	(1,404)	11,384	(98)
Changes that relate to past service	-	-	-	-
Changes in amounts recoverable arising from changes in liability for	-	-	-	-
Net income or expense from reinsurance contracts held	(12,823)	499	(11,658)	(23,982)
Reinsurance finance income	(17,795)	(1,358)	15,491	(3,661)
Foreign Currency Movements	-	-	-	-
Total changes in the statement of comprehensive income	(30,618)	(859)	3,833	(27,643)
Cash flows	-	-	-	-
Premiums paid	6,274	-	-	6,274
Commission received	-	-	-	-
Claims recovered	-	-	-	-
Total cash flows	6,274	-	-	6,274
Net reinsurance contract assets/(liabilities) closing balance	(73,708)	(4,189)	44,004	(33,894)
Closing Reinsurance Contract Liabilities	(73,708)	(4,189)	44,004	(33,894)
Closing Reinsurance Contract Assets	-	-	-	-
Net reinsurance contract assets/(liabilities) closing balance	(73,708)	(4,189)	44,004	(33,894)

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19.2.1 Reconciliation of the measurement components of reinsurance contract liabilities - GMM - Per Portfolio

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

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	TERM				31-Dec-22			
	Estimates of present value of future cashflows	Risk adjustment for non-financial risk	Contractual service margin	Total	Estimates of present value of future cashflows	Risk adjustment for non-financial risk	Contractual service margin	Total
Opening Reinsurance Contract Liabilities	-	-	-	-	-	-	-	-
Opening Reinsurance Contract Assets	(696)	-	2,839	2,143	-	-	-	-
Net reinsurance contract assets/(liabilities) opening balance	(696)	-	2,839	2,143	-	-	-	-
Changes that relate to current service								
Contractual service margin recognised for services received	-	-	459	459	-	-	-	-
Risk adjustment recognized for the risk expired	-	-	-	-	-	-	-	-
Experience adjustments	(547)	-	-	(547)	-	-	-	-
	(547)	-	459	(88)	-	-	-	-
Changes that relate to future service								
Contracts initially recognised in the period	31	-	(31)	-	-	-	-	-
Changes in estimates that adjust the contractual service margin	1,420	-	(1,420)	-	-	-	-	-
Changes in estimates that do not adjust the contractual service margin	-	-	(2,294)	(2,294)	-	-	-	-
	1,450	-	(3,744)	(2,294)	-	-	-	-
Changes that relate to past service								
Changes in amounts recoverable arising from changes in liability for incurred claims	-	-	-	-	-	-	-	-
Net income or expense from reinsurance contracts held	903	-	(3,285)	(2,382)	-	-	-	-
Reinsurance finance income	(207)	-	263	56	-	-	-	-
Foreign Currency Movements	-	-	-	-	-	-	-	-
Total changes in the statement of comprehensive income	696	-	(3,022)	(2,326)	-	-	-	-
Cash flows								
Premiums paid	-	-	-	-	-	-	-	-
Commission received	-	-	-	-	-	-	-	-
Claims recovered	-	-	-	-	-	-	-	-
Total cash flows	-	-	-	-	-	-	-	-
Net reinsurance contract assets/(liabilities) closing balance	0	-	(183)	(183)	-	-	-	-
Closing Reinsurance Contract Liabilities	-	-	(183)	(183)	-	-	-	-
Closing Reinsurance Contract Assets	-	-	-	-	-	-	-	-
Net reinsurance contract assets/(liabilities) closing balance	-	-	(183)	(183)	-	-	-	-

	ENDOWMENT				31-Dec-22			
	Estimates of present value of future cashflows	Risk adjustment for non-financial risk	Contractual service margin	Total	Estimates of present value of future cashflows	Risk adjustment for non-financial risk	Contractual service margin	Total
Opening Reinsurance Contract Liabilities	(32,010)	(722)	17,546	(15,187)	(22,607)	(1,412)	19,443	(4,576)
Opening Reinsurance Contract Assets	-	-	-	-	-	-	-	-
Net reinsurance contract assets/(liabilities) opening balance	(32,010)	(722)	17,546	(15,187)	(22,607)	(1,412)	19,443	(4,576)
Changes that relate to current service								
Contractual service margin recognised for services received	-	-	(5,082)	(5,082)	-	-	(11,077)	(11,077)
Risk adjustment recognized for the risk expired	-	(15)	-	(15)	-	736	-	736
Experience adjustments	574	-	574	1,148	(994)	-	-	(994)
	574	(15)	(5,082)	(4,523)	(994)	736	(11,077)	(11,335)
Changes that relate to future service								
Contracts initially recognised in the period	(100,940)	(4,306)	105,246	-	(53,525)	(3,700)	57,225	(0)
Changes in estimates that adjust the contractual service margin	99,506	1,369	(100,875)	-	50,874	4,133	(55,007)	-
Changes in estimates that do not adjust the contractual service margin	-	-	499	499	-	-	(219)	(219)
	(1,434)	(2,937)	4,870	499	(2,651)	433	1,998	(219)
Changes that relate to past service								
Changes in amounts recoverable arising from changes in liability for incurred claims	-	-	-	-	-	-	-	-
Net income or expense from reinsurance contracts held	(859)	(2,952)	(213)	(4,024)	(3,645)	1,169	(9,079)	(11,555)
Reinsurance finance income	(13,767)	(438)	10,861	(3,344)	(7,287)	(479)	7,181	(585)
Foreign Currency Movements	-	-	-	-	-	-	-	-
Total changes in the statement of comprehensive income	(14,626)	(3,390)	10,649	(7,367)	(10,932)	690	(1,898)	(12,140)
Cash flows								
Premiums paid	2,715	-	-	2,715	1,529	-	-	1,529
Commission received	-	-	-	-	-	-	-	-
Claims recovered	(1,211)	-	-	(1,211)	-	-	-	-
Total cash flows	1,504	-	-	1,504	1,529	-	-	1,529
Net reinsurance contract assets/(liabilities) closing balance	(45,133)	(4,112)	28,194	(21,051)	(32,010)	(722)	17,546	(15,187)
Closing Reinsurance Contract Liabilities	(45,133)	(4,112)	28,194	(21,051)	(32,010)	(722)	17,546	(15,187)
Closing Reinsurance Contract Assets	-	-	-	-	-	-	-	-
Net reinsurance contract assets/(liabilities) closing balance	(45,133)	(4,112)	28,194	(21,051)	(32,010)	(722)	17,546	(15,187)

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	TRIPLEPAY				TRIPLEPAY			
	Estimates of present value of future cashflows #000	Risk adjustment for non-financial risk #000	Contractual service margin #000	Total #000	Estimates of present value of future cashflows #000	Risk adjustment for non-financial risk #000	Contractual service margin #000	Total #000
Opening Reinsurance Contract Liabilities	(41,698)	(3,467)	26,458	(18,707)	(26,758)	(1,919)	20,727	(7,949)
Opening Reinsurance Contract Assets	-	-	-	-	-	-	-	-
Net reinsurance contract assets/(liabilities) opening balance	(41,698)	(3,467)	26,458	(18,707)	(26,758)	(1,919)	20,727	(7,949)
Changes that relate to current service								
Contractual service margin recognised for services received			(10,839)	(10,839)			(11,965)	(11,965)
Risk adjustment recognized for the risk expired		2,096		2,096		1,168		1,168
Experience adjustments	4,889			4,889	(1,752)			(1,752)
	4,889	2,096	(10,839)	(3,854)	(1,752)	1,168	(11,965)	(12,549)
Changes that relate to future service								
Contracts initially recognised in the period	(75,496)	(10,571)	86,067	-	(60,527)	(7,463)	67,990	-
Changes in estimates that adjust the contractual service margin	65,994	6,886	(72,880)	-	53,101	5,625	(58,726)	-
Changes in estimates that do not adjust the contractual service margin			(202)	(202)			122	122
	(9,502)	(3,685)	12,985	(202)	(7,427)	(1,838)	9,386	122
Changes that relate to past service								
Changes in amounts recoverable arising from changes in liability for incurred claims	-	-	-	-	-	-	-	-
Net income or expense from reinsurance contracts held	(4,613)	(1,588)	2,146	(4,056)	(9,179)	(670)	(2,579)	(12,427)
Reinsurance finance income	(16,769)	(1,223)	9,748	(8,244)	(10,507)	(879)	8,310	(3,076)
Foreign Currency Movements	-	-	-	-	-	-	-	-
Total changes in the statement of comprehensive income	(21,382)	(2,811)	11,893	(12,300)	(19,686)	(1,549)	5,731	(15,503)
Cash flows								
Premiums paid	20,894			20,894	4,745			4,745
Commission received				-	-			-
Claims recovered	(8,737)			(8,737)				
Total cash flows	12,157	-	-	12,157	4,745	-	-	4,745
Net reinsurance contract assets/(liabilities) closing balance	(50,923)	(6,278)	38,352	(18,850)	(41,698)	(3,467)	26,458	(18,707)
Closing Reinsurance Contract Liabilities	(50,923)	(6,278)	38,352	(18,850)	(41,698)	(3,467)	26,458	(18,707)
Closing Reinsurance Contract Assets	-	-	-	-	-	-	-	-
Net reinsurance contract assets/(liabilities) closing balance	(50,923)	(6,278)	38,352	(18,850)	(41,698)	(3,467)	26,458	(18,707)

	Year ended 31-Dec-23 N'000	Restated Year ended 31-Dec-22 N'000	Restated 01-Jan-22 N'000
20 Other Insurance contract Liabilities			
Unallocated Premium**	1,655,632	291,332	25,437
	1,655,632	291,332	25,437
Current	1,655,632	291,332	25,437
21a Movement in unallocated premium			
Balance at the beginning of the year	291,332	25,437	-
Allocated to gross written premium during the year	(2,261)	(18,500)	-
Additions during the year	1,364,300	284,395	-
	1,653,371	291,332	25,437
Balance at the end of the year	1,653,371	291,332	25,437
21 Provision & other payables			
Audit fees	36,750	5,325	10,000
Actuarial fees	4,950	5,000	2,500
Directors emolument	-	-	8,000
Professional fees	47,587	7,792	5,500
NAICOM & other statutory levy	239,956	137,354	25,000
Stamp duty	1,106	3,000	2,000
Due to related company	9,945	10,091	38,274
Other payables*	173,449	2,301	-
	513,743	170,862	91,274
Current	513,743	170,862	91,274
*Other payable amount relates to provisions made for expenses incurred but yet to be paid for. The account comprises mainly of allowance payable to the company's retail agents.			
22 Investment contract liabilities			
Investment funds (see note 23a)	3,719,006	1,087,855	194,831
Current	3,719,006	1,087,855	194,831
23a Investment funds			
Opening balance	1,087,855	194,831	-
Contributions during the year	4,124,976	1,094,637	205,192
Withdrawal	(1,612,869)	(212,399)	(11,909)
Guaranteed interest	103,896	10,786	1,548
Impact of exchange rate	15,148	-	-
	3,719,006	1,087,855	194,831
23 Lease liability			
At 1 January 2023	467,297	343,939	-
Additions during the year	-	71,337	309,018
Interest expense	58,499	52,021	34,921
Lease payment during the year	(7,526)	-	-
Balance as at 31 Dec 2023	518,270	467,297	343,939
Non Current	518,270	467,297	343,939

24 Income taxes

Income tax based on the taxable profit/loss for the year	(18,887)	(3,381)	(532)
Income tax expense	<u>(18,887)</u>	<u>(3,381)</u>	<u>(532)</u>
b) Current Tax Liabilities/(Assets) as per Statement of Financial Position:			
At 1 January	3,471	532	0
Charge for the year	18,887	3,381	532
Payment during the year	<u>(3,513)</u>	<u>(442)</u>	<u>-</u>
Income tax payable	<u>18,845</u>	<u>3,471</u>	<u>532</u>
Balance as at 31 Dec 2023	<u>18,845</u>	<u>3,471</u>	<u>532</u>

The following rates were applied to arrive at the tax for the 2023 YOA

NITD Levy @ 1% of PBT	18,793
Police Trust Fund @ 0.005% of PBT	<u>94</u>
	<u>18,887</u>

As at the reporting date the company has not recognised deferred tax asset arising from losses carried forward. This is due to the uncertainty surrounding the realization of the income taxable income necessary to utilise the losses carried forward. The total deferred tax that would have been recognised is N4.3billion

25 Ordinary share capital

i Authorised share capital

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

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

At 1 January	142,200	26,995.00	-
Transfer from retained earnings*	<u>197,479</u>	<u>115,205</u>	<u>26,995</u>
At 31 December	<u>339,679</u>	<u>142,200</u>	<u>26,995</u>

27 Retained earnings

At 1 January	(909,862)	(305,248)	-
IFRS 17 Transition Adjustment	-	(865,357)	-
Transfer to contingency reserves (note 24)	(197,479)	(115,205)	(26,995)
Profit/(loss) for the period	<u>1,860,408</u>	<u>375,949</u>	<u>(1,143,610)</u>
At 31 December	<u>753,067</u>	<u>(909,862)</u>	<u>(1,170,605)</u>

	Year ended 31-Dec-23 N'000	Restated 31-Dec-22 N'000
28 Insurance Revenue		
Contracts measured under the GMM		
Expected incurred claims and other expenses after loss component	3,180,384	1,386,550
Experience Adjustments (Prem and Acq Costs not through CSM)	-	-
Changes in the risk adjustment for non-financial risk for the risk exposure	298,663	253,610
CSM recognised in profit or loss for the services provided	1,223,242	246,069
Insurance acquisition cash flows recovery	352,739	125,715
	<u>5,055,027</u>	<u>2,011,944</u>
Insurance revenue from contracts measured under the PAA	2,201,804	1,752,784
Total Insurance Revenue	<u>7,256,831</u>	<u>3,764,728</u>
29 Insurance Service Expense		
Contracts measured under the GMM		
Incurring claims and other directly attributable expenses	2,183,985	754,585
Changes that relate to past service - adjustments to the LIC	(7,006)	(31,181)
Losses on onerous contracts and reversal of the losses	2,068,818	894,729
Insurance acquisition cash flows amortisation	352,739	125,714
	<u>4,598,536</u>	<u>1,743,846</u>
Contracts measured under the PAA		
Incurring claims and other directly attributable expenses	1,371,197	1,068,773
Changes that relate to past service - adjustments to the LIC	(378,084)	(140,193)
Losses on onerous contracts and reversal of the losses	34,103	(30,799)
Insurance acquisition cash flows amortisation	385,905	286,869
	<u>1,413,120</u>	<u>1,184,650</u>
Total Insurance Service Expense	<u>6,011,655</u>	<u>2,928,496</u>
30 Income or expense from Reinsurance contracts held		
Contracts measured under the GMM		
Amounts relating to changes in the remaining coverage:		
Expected claims and other expenses recovery	(5,038)	(4,367)
Changes in the risk adjustment recognised for the risk expired	2,087	1,903
CSM recognised for the services received	(15,463)	(22,407)
Claims recovered	10,617	-
Movement in Loss Recovery Component adjustment to Reinsurance CSM/	(1,996)	2,000
	<u>(9,794)</u>	<u>(22,872)</u>
Contracts measured under the PAA		
Reinsurance expenses - contracts measured under the PAA	(341,819)	(341,961)
Claims recovered	307,150	83,655
Movement in Loss Recovery Component adjustment to Reinsurance CSM/	-	-
Changes that relate to past service - adjustments to incurred claims	108	56,234
	<u>(34,561)</u>	<u>(202,072)</u>
Net Income (expenses) from Reinsurance Contracts held	<u>(44,355)</u>	<u>(224,944)</u>

HEIRS LIFE ASSURANCE
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28a Insurance Revenue

31-Dec-23	TERM	ENDOWMENT	KEYMAN	WHOLELIF E	ANNUITY	GROUPLIFE	CREDITLIFE	GROUPMORT GAGE	HOSPITAL CASH	SMART_S CHOO L	CREDITLIFE_IN D	TRIPLEPAY	MORTGA GE	Total
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
<u>Contracts not measured under the PAA</u>														
Expected incurred claims and other expenses after loss component allocation	75,425	296,832	32	184	1,723,917	-	-	-	-	-	-	1,083,994	0	3,180,384
Changes in the risk adjustment for non-financial risk for the risk expired after loss component allocation	101,395	50,651	10	48	(26,227)	-	-	-	-	-	-	172,784	2	298,663
CSM recognised in profit or loss for the services provided	-	276,736	44	16	71,829	-	-	-	-	-	-	874,616	-	1,223,242
Insurance acquisition cash flows recovery	1,602	168,204	-	1	65,129	-	-	-	-	-	-	117,803	-	352,739
Insurance revenue from contracts not measured under the PAA	178,421	792,422	86	249	1,834,648	-	-	-	-	-	-	2,249,197	3	5,055,027
Insurance revenue from contracts measured under the PAA	-	-	-	-	-	1,937,155	263,468	-	69	51	1,061	-	-	2,201,804
Total Insurance Revenue	178,421	792,422	86	249	1,834,648	1,937,155	263,468	-	69	51	1,061	2,249,197	3	7,256,831
31-Dec-22														
<u>Contracts not measured under the PAA</u>														
Expected incurred claims and other expenses after loss component allocation	20,174	316,927	1	520	680,541	-	-	-	-	-	-	368,387	-	1,386,550
Experience Adjustments (Prem and Acq Costs not through CSM)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Changes in the risk adjustment for non-financial risk for the risk expired after loss component allocation	58,623	112,022	5	180	(9,853)	-	-	-	-	-	-	92,633	-	253,610
CSM recognised in profit or loss for the services provided	-	125,815	-	23	-	-	-	-	-	-	-	120,231	-	246,069
Insurance acquisition cash flows recovery	2,202	36,811	-	-	18,593	-	-	-	-	-	-	68,108	-	125,715
Insurance revenue from contracts not measured under the PAA	80,998	591,575	7	723	689,282	-	-	-	-	-	-	649,359	-	2,011,944
Insurance revenue from contracts measured under the PAA	-	-	-	-	-	1,500,386	250,318	-	-	-	2,080	-	-	1,752,784
Total Insurance Revenue	80,998	591,575	7	723	689,282	1,500,386	250,318	-	-	-	2,080	649,359	-	3,764,728

29a Insurance Service Expenses

31-Dec-23	TERM	ENDOWMENT	KEYMAN	WHOLELIF E	ANNUITY	GROUPLIFE	CREDITLIFE	GROUPMORT GAGE	HOSPITAL CASH	SMART_S CHOO L	CREDITLIFE_IN D	TRIPLEPAY	MORTGA GE	Total
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Incurring claims and other directly attributable expenses	5,976	130,024	-	-	1,600,353	1,293,030	78,003	-	121	37	6	447,632	-	3,555,181
Changes that relate to past service - adjustments to the LIC	(608)	(852)	-	-	(1,514)	(345,925)	(32,160)	-	-	-	-	(4,031)	-	(385,090)
Losses on onerous contracts and reversal of the losses	235,365	24,548	-	3	2,099,807	-	34,103	-	-	-	-	(290,906)	2	2,102,921
Insurance acquisition cash flows amortisation	1,602	168,204	-	1	65,129	330,749	55,149	-	5	1	0	117,803	-	738,643
Total Insurance Service Expenses	242,334	321,924	-	4	3,763,774	1,277,854	135,095	-	127	38	6	270,498	2	6,011,655

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31-Dec-22	TERM	ENDOWMENT	KEYMAN	WHOLELIF E	ANNUITY	GROUPLIFE	CREDITLIFE	GROUPMORT GAGE	HOSPITAL CASH	SMART_S CHOO L	CREDITLIFE_IN D	TRIPLEPAY	MORTGA GE	Total
Incurring claims and other directly attributable expenses	35,330	80,393	-	-	409,789	963,086	105,687	-	-	-	-	229,073	-	1,823,358
Changes that relate to past service - adjustments to the LIC	(17,148)	(1,259)	-	-	-	(109,585)	(30,608)	-	-	-	-	(12,774)	-	(171,374)
Losses on onerous contracts and reversal of the losses	44,095	(453,024)	-	133	1,210,803	-	(30,799)	-	-	-	-	92,721	-	863,930
Insurance acquisition cash flows amortisation	2,202	36,811	-	-	18,593	243,345	43,419	-	-	-	105	68,108	-	412,583
Total Insurance Service Expenses	64,479	(337,079)	-	133	1,639,185	1,096,846	87,699	-	-	-	105	377,128	-	2,928,497

Net Income (expenses) from Reinsurance Contracts held

30a

31-Dec-23	TERM #000	ENDOWMENT #000	KEYMAN #000	WHOLELIF #000	ANNUITY #000	GROUPLIFE #000	CREDITLIFE #000	GROUPMORT #000	HOSPITAL #000	SMART_S #000	CREDITLIFE_IN #000	TRIPLEPAY #000	MORTGA #000	Total #000
<u>Net Expense from reinsurance contract held- contracts not measured under the PAA.</u>														
Amounts relating to changes in the remaining coverage:														
Expected claims and other expenses recovery	(547)	(637)	(1)	(6)	-	-	-	-	-	-	-	(3,848)	-	(5,038)
Changes in the risk adjustment recognised for the risk expired	-	(15)	-	5	-	-	-	-	-	-	-	2,096	-	2,087
CSM recognised for the services received	459	(5,082)	0	(0)	-	-	-	-	-	-	-	(10,839)	-	(15,463)
Reinsurance expenses - contracts not measured under the PAA	(88)	(5,734)	(1)	(1)	-	-	-	-	-	-	-	(12,591)	-	(18,415)
Reinsurance expenses - contracts measured under the PAA	-	-	-	-	-	(277,013)	(64,329)	-	-	-	(477)	-	-	(341,819)
Claims recovered	-	1,211	669	-	-	307,150	-	-	-	-	-	8,737	-	317,767
Movement in Loss Recovery Component adjustment to Reinsurance CSM/ARC (PAA)	(2,294)	499	-	-	-	-	-	-	-	-	-	(202)	-	(1,996)
Changes that relate to past service - adjustments to incurred claims	-	-	-	-	-	108	-	-	-	-	-	-	-	108
Total net (expenses) / income from reinsurance contracts held	(2,382)	(4,024)	669	(1)	-	30,245	(64,329)	-	-	-	(477)	(4,056)	-	(44,355)

31-Dec-22
Reinsurance income (expenses) - contracts not measured under the PAA

Amounts relating to changes in the remaining coverage:

Expected claims and other expenses recovery	(1,621)	(994)	-	-	-	-	-	-	-	-	-	(1,752)	-	(4,367)
Changes in the risk adjustment recognised for the risk expired	-	736	-	0	-	-	-	-	-	-	-	1,168	-	1,903
CSM recognised for the services received	638	(11,077)	(0)	(3)	-	-	-	-	-	-	-	(11,965)	-	(22,407)
Reinsurance income (expenses) - contracts not measured under the PAA	(983)	(11,335)	(0)	(3)	-	-	-	-	-	-	-	(12,549)	-	(24,872)
Reinsurance income (expenses) - contracts measured under the PAA	-	-	-	-	-	(331,716)	(8,659)	-	-	-	(1,586)	-	-	(341,961)
Other incurred directly attributable expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Claims recovered	-	-	-	-	-	96,310	(12,655)	-	-	-	-	-	-	83,655
Movement in Loss Recovery Component adjustment to Reinsurance CSM/ARC (PAA)	2,097	(219)	-	-	-	-	-	-	-	-	-	122	-	2,000
Changes that relate to past service - adjustments to incurred claims	-	-	-	-	-	50,091	6,143	-	-	-	-	-	-	56,234
Total net income (expenses) from reinsurance contracts held	1,114	(11,555)	(0)	(3)	-	(185,315)	(15,170)	-	-	-	(1,586)	(12,427)	-	(224,944)

HEIRS LIFE ASSURANCE LIMITED
FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2023
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31 Analysis of net insurance finance expenses by product line

31-Dec-23

	TERM	ENDOWMENT	KEYMAN	WHOLELIFE	ANNUITY	GROUPLIFE	CREDITLIFE	GROUPMORTGA GE	HOSPITAL_CAS H	SMART_SCHOO L	CREDITLIFE_IND	TRIPLEPAY	MORTGAGE	Total
	№'000	№'000	№'000	№'000	№'000	№'000	№'000	№'000	№'000	№'000	№'000	№'000	№'000	№'000
Interest accreted	(60,218)	(116,108)	(4)	(125)	(1,033,786)	-	-	-	-	-	-	(473,506)	(1)	(1,683,748)
Effect of changes in interest rates and other financial assumptions	(5,627)	(10,055)	-	-	1,825,428	-	-	-	-	-	-	302,131	-	2,111,878
Effect of changes in FCF at current rates when CSM is unlocked at locked in rates	(3,393)	(125,954)	(2)	260	763,770	-	-	-	-	-	-	(572,915)	(0)	61,767
Foreign exchange differences	0	0	-	0	0	-	0	-	-	-	0	(0)	-	0
Finance (expense)/income from insurance contracts issued	(69,237)	(252,116)	(6)	135	1,555,412	-	0	-	-	-	0	(744,290)	(1)	489,896
Finance income/(expense) from reinsurance contracts held														
Interest accreted	176	(532)	(0)	13	-	-	-	-	-	-	-	(409)	-	(752)
Effect of changes in interest rates and other financial assumptions	-	(845)	(9)	(130)	-	-	-	-	-	-	-	(5,817)	-	(6,801)
Change of risk of non-performance of reinsurer	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Effect of changes in FCF at current rates when CSM is unlocked at locked in rates	(120)	(1,967)	4	31	-	-	-	-	-	-	-	(2,018)	-	(4,069)
Finance income/(expense) from reinsurance contracts held	56	(3,344)	(6)	(86)	-	-	-	-	-	-	-	(8,244)	-	(11,623)
Net insurance finance income/(expenses)	(69,181)	(255,460)	(12)	49	1,555,412	-	0	-	-	-	0	(752,533)	(1)	478,273
31-Dec-22														
Interest accreted	(33,243)	(205,741)	(1)	(156)	(410,506)	-	-	-	-	-	-	(283,501)	-	(933,148)
Effect of changes in interest rates and other financial assumptions	(1,687)	(750)	-	-	(118)	-	-	-	-	-	-	(1,524)	-	(4,079)
Effect of changes in FCF at current rates when CSM is unlocked at locked in rates	572	139,791	(0)	32	841,247	-	-	-	-	-	-	505,791	-	1,487,432
Foreign exchange differences	(0)	(0)	-	0	0	(0)	(0)	-	-	-	-	(0)	-	(0)
Finance (expense)/income from insurance contracts issued	(34,358)	(66,700)	(1)	(124)	430,622	(0)	(0)	-	-	-	-	220,766	-	550,205
Finance income/(expense) from reinsurance contracts held														
Interest accreted	(4)	10	0	1	-	-	-	-	-	-	-	(165)	-	(157)
Effect of changes in interest rates and other financial assumptions	(47)	(1,231)	-	116	-	-	-	-	-	-	-	(3,523)	-	(4,685)
Change of risk of non-performance of reinsurer	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Effect of changes in FCF at current rates when CSM is unlocked at locked in rates	103	636	-	(12)	-	-	-	-	-	-	-	612	-	1,339
Finance income/(expense) from reinsurance contracts held	53	(585)	0	105	-	-	-	-	-	-	-	(3,076)	-	(3,503)
Net insurance finance income (expenses)	(34,306)	(67,285)	(1)	(19)	430,622	(0)	(0)	-	-	-	-	217,690	-	546,702

	Year ended 31-Dec-23 N'000	Restated 31-Dec-22 N'000
32 Investment & other income		
Interest income on financial assets	2,493,608	1,243,173
Income on deposits with credit institutions	345,365	33,548
interest income on call account	17,411	10,655
	<u>2,856,385</u>	<u>1,287,376</u>
33 Profit/(loss) on investment contracts		
Investment income from investment contract liabilities	123,210	32,921
Guaranteed interest*	(103,896)	(10,786)
	<u>19,314</u>	<u>22,135</u>
*Guaranteed interest rate paid to policy holders ranges from 0.25% - 0.75% plus effective Savings deposit rate (SDR)		
34 Net fair value Gain/(Loss) on financial assets	<u>(285,109)</u>	<u>(179,281)</u>
Treasury bills	29,982	13,079
Corporate bond	(1,145)	(2,271)
FGN bond	(313,946)	(190,089)
	<u>(285,109)</u>	<u>(179,281)</u>
35 Other Income/(expenses)		
35a Unrealised exchange profit/loss	329,916	39,405
Realised exchange Profit/loss	2,118	(1,328)
	<u>332,034</u>	<u>38,076</u>
35b Gain/ Loss on Asset Disposal	<u>510</u>	<u>-</u>
36 Impairment (charges)/reversals		
ECL impairment on financial assets	(18,052)	(2,346)
Impairment - Trade Receivable	(65,698)	-
	<u>(83,750)</u>	<u>(2,346)</u>

	Year ended 31-Dec-23 N'000	Restated 31-Dec-22 N'000
37	Staff cost	
	(1,072,423)	(791,103)
	(394,345)	(262,610)
	<u>(1,466,768)</u>	<u>(1,053,713)</u>
38	Management expenses	
	(116,865)	(79,962)
	(82,712)	(52,148)
	(167,809)	(116,453)
	(99,144)	(95,326)
	(37,000)	(15,000)
	(52,166)	(123,769)
	(241,150)	(131,704)
	(152,900)	(83,528)
	(152,649)	(104,145)
	(280,632)	(149,974)
	(97,248)	(133,445)
	<u>(1,480,276)</u>	<u>(1,085,454)</u>
39a	Other operating cash payment	
	(1,480,276)	(1,085,454)
	780,696	100,585
	<u>(699,579)</u>	<u>(984,869)</u>
39b	(366,358)	(246,567)
	(2,580,685)	(1,892,600)
	<u>(2,947,044)</u>	<u>(2,139,167)</u>
40	Finance cost*	
	<u>(58,499)</u>	<u>(52,021)</u>

*Finance cost relates to interest expense on lease liability

PWC did not render any non-audit service to the company during the year.

41 Related party transactions

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

TRANSACTIONS

(a) With Key Management Personnel:

The Company's key management personnel and immediate family members are also considered to be related parties. The definition of related parties includes the close family members of key management personnel and any entity over which key management personnel have been identified as the directors of the Company.

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(a(i))	Other receivables:		2023	2022
			N'000	N'000
	Loan to key management personnel		6,720.00	-
			<u>6,720</u>	<u>-</u>

(b)	Gross Written Premium:	Relationship		
	Heirs Holdings Ltd	Parent	3,816	5,709
	Heirs Oil & Gas Ltd	Fellow Subsidiary	22,533	22,084
	Heirs Insurance Ltd	Fellow Subsidiary	6,079	4,855
	United Capital Plc	Fellow Subsidiary	9,768	13,730
	Africa Prudential Plc	Fellow Subsidiary	6,248	3,219
	Avon HMO	Fellow Subsidiary	4,307	4,940
	Avon Medical Practice	Fellow Subsidiary	1,819	1,804
	Heirs Insurance Brokers	Fellow Subsidiary	1,264	1,379
			<u>55,834</u>	<u>57,720</u>

(c)	Investment Advisory & Custodial Fees to:			
	United Capital Plc	Fellow Subsidiary	5,000	2,292
			<u>5,000</u>	<u>2,292</u>

(d)	Medical Expenses paid to Avon HMO	Fellow Subsidiary	30,610	23,741
			<u>30,610</u>	<u>23,741</u>

(e)	Amount due to related parties			
	Heirs General Insurance Limited (HGIL)*	Fellow Subsidiary	9,945	10,091
			<u>9,945</u>	<u>10,091</u>

*This relates to expenses paid by HIGL on behalf of Heirs Life Assurance

(f)	ACCOUNT BALANCES			
i	Placements			
	UCAP Wealth Management	Fellow Subsidiary	765,170	478,207
			<u>765,170</u>	<u>478,207</u>
ii	Mutual Fund			
	UCAP Asset Management	Fellow Subsidiary	-	11,583
			<u>-</u>	<u>11,583</u>

			2023	2022
42	Analysis of staff		Number	Number
	Senior Management		7	8
	Middle Management		34	35
	Other staff members		27	32
			<u>68</u>	<u>75</u>

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NOTES TO THE FINANCIAL STATEMENTS

ii	Number of Employees (excluding Directors) in each range of emoluments (excluding pension contribution and certain benefits)		
		2023	2022
		Numbers	Numbers
	N500,000 - N9,999,999	30	37
	N10,000,000 - N19,999,999	31	30
	Above N20,000,000	5	6
		<u>66</u>	<u>75</u>

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

iii	Analysis of staff cost	2023	2022
		% Amount	Amount
	Senior management	21%	171,805
	Middle management	46%	424,747
	Other staff members	33%	265,699
		<u>100%</u>	<u>810,345</u>
			<u>693,946</u>

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

43	Directors' Emoluments	2023	2022
	Remuneration paid to the directors of the Company was as follows:	N000	N000
	Chairman	23,600	5,000
	Non-Executive Directors/Independent Director	109,200	72,080
	Executive Directors Salaries	132,612	97,157
		<u>265,412</u>	<u>174,237</u>
	Other allowances paid to the Chairman	<u>-</u>	<u>10,060</u>

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FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2023
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44 Transition Disclosure

A Reconciliation of Statement of financial position on transition as at 1 January 2022 and as at 31 December 2022

Total equity attributable to shareholders of the Company, as restated for the adoption of IFRS 17, is ₦ 6.85 billion at the transition date of 1 January 2022. The total equity attributable to shareholders of the Company reported on an IFRS 4 basis at 31 December 2021 was ₦ 7.72 billion.

The financial impacts on transition to IFRS 17 are summarised in the table below, which sets out the restated statement of financial position on the transition date:

Note	Transition adjustment as at 31 December 2022				Transition adjustment as at 1 January 2022			
	31 Dec. 2022 IFRS 4 ₦'000	Reclassification and derecognition ₦'000	IFRS 17 re- measurement ₦'000	31 Dec. 2022 IFRS 17 ₦'000	31 Dec. 2021 IFRS 4 ₦'000	Reclassification and derecognition ₦'000	IFRS 17 re- measurement ₦'000	1 Jan. 2022 IFRS 17 ₦'000
Assets								
Cash and cash equivalents	838,251	-	-	838,251	275,531			275,531
Financial assets:								-
Financial assets - FVTPL	13,101,851	-	-	13,101,851	6,975,688			6,975,688
Financial assets - Amortized cost	2,860,329	-	-	2,860,329	587,687			587,687
Trade receivables	2,083			2,083	330			330
Reinsurance contract assets		147,198	(96,721)	50,477		44,800	(18,811)	25,990
Reinsurance assets	171,453	(171,453)	-	-	110,780	(110,780)	-	-
Deferred acquisition cost	47,985	(47,985)	-	-	27,210	(27,210)	-	-
Other receivables and prepayments	129,693	919	-	130,612	186,391			186,391
Right of use asset	725,268	-	-	725,268	709,198			709,198
Statutory deposits with CBN	800,000	-	-	800,000	800,000			800,000
Property, plant and equipment	247,846	-	-	247,846	149,129			149,129
Intangible assets	283,811	-	-	283,811	163,361			163,361
Total assets	19,208,571	(71,321)	(96,721)	19,040,529	9,985,306	(93,190)	(18,811)	9,873,305
Liabilities and equity								
Liabilities								
Insurance contract liabilities	9,009,939	38,596	704,948	9,753,483	1,516,247	(1,893)	834,023	2,348,377
Reinsurance contract liabilities		-	33,894	33,894		-	12,525	12,525
Investment contract liabilities	1,087,855			1,087,855	194,831			194,831
Trade payables	363,841	(72,509)	-	291,332	91,418	(65,980)	-	25,438
Provisions & other payables	208,273	(37,407)	-	170,865	116,591	(25,317)	-	91,274
Lease liability	467,297			467,297	343,939			343,939
current income tax	3,471	-	-	3,471	532			532
Total liabilities	11,140,676	(71,321)	738,842	11,808,197	2,263,558	(93,190)	846,547	3,016,915
Equity								
Share capital	8,000,000	-	-	8,000,000	8,000,000			8,000,000
Contingency reserve	142,200	-	-	142,200	26,995			26,995
Retained earnings/(accumulated losses)	(74,305.66)	-	(835,563)	(909,869)	(305,248)		(865,358)	(1,170,606)
Total equity	8,067,895	-	(835,563)	7,232,332	7,721,747	-	(865,358)	6,856,389
Total liabilities and equity	19,208,570	(71,321)	(96,721)	19,040,529	9,985,305	(93,190)	(18,811)	9,873,304
	(0)	-	-	(0)	(0)	-	(0)	(0)
		-						

HEIRS LIFE ASSURANCE
FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2023

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B Explanatory notes to the reconciliation of the Statement of financial position

	Note	Transition adjustment as at 31 December 2022				Transition adjustment as at 1 January 2022			
		31 Dec. 2022 IFRS 4 R'000	Reclassification and derecognition R'000	IFRS 17 re- measurement R'000	31 Dec. 2022 IFRS 17 R'000	31 Dec. 2021 IFRS 4 R'000	Reclassification and derecognition R'000	IFRS 17 re- measurement R'000	1 Jan. 2022 IFRS 17 R'000
(i) Reinsurance assets									
Opening Balance	(v)	171,453	(171,453)	-	-	110,780	(110,780)	-	-
Closing balance		171,453	(171,453)	-	-	110,780	(110,780)	-	-
All elements of reinsurance assets, comprising prepaid reinsurance, reinsurers' share of Incurred but not Reported (IBNR) claims as well as reinsurers' share of outstanding claims have been reclassified to reinsurance contract assets.									
(ii) Other receivables/prepayments									
Opening Balance		129,693		-	129,693	186,391	(186,391)	-	-
Impairment of reinsurance receivables reclassified	(v)		919		919				
Closing balance		129,693	919	-	130,612	186,391	(186,391)	-	-
Impairment on reinsurance receivables now forms part reinsurance contract asset.									
(iii) Trade payables									
Reinsurance payable	(v)	23,336	(23,336)	-	-	65,980	(65,980)	-	-
Commission Payables	(vii)	49,173	(49,173)						
Closing balance		72,509	(72,509)	-	-	65,980	(65,980)	-	-
- Reinsurance payable: This has been reclassified to the reinsurance contract asset and now forms part of the asset for remaining coverage under IFRS17.									
- Commission payable: Considering that the commission paid was considered in the determination of the liability for remaining coverage, this was reclassified to the insurance contract liability.									
(iv) Other payables									
Opening balance		208,273	-		208,273	116,591			116,591
Maintenance payables reclassified			(37,407)		(37,407)		(25,317)		(25,317)
Balance, end of year		208,273	(37,407)	-	170,865	116,591	(25,317)	-	91,274

The Maintenance expenses payables include a cumulative adjustment from the prior year and were reclassified into the insurance contract liabilities.

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B Explanatory notes to the reconciliation of the Statement of financial position - continued

	Note	Transition adjustment as at 31 December 2022				Transition adjustment as at 1 January 2022			
		31 Dec. 2022	Reclassification	IFRS 17 re-	31 Dec. 2022	31 Dec. 2021	Reclassification	IFRS 17 re-	1 Jan. 2022
		IFRS 4	and	measurement	IFRS 17	IFRS 4	and	measurement	IFRS 17
		derecognition				derecognition			
		₩'000	₩'000	₩'000	₩'000	₩'000	₩'000	₩'000	₩'000
(v) Reinsurance contract assets									
Opening balance		-		-	-			-	-
ARC reclassified prepaid premium (IFRS 4)	(i)		63,431		63,431		64,083		64,083
Impairment of reinsurance receivables reclassified	(ii)		(919)		(919)				
Due to reinsurance companies reclassified	(iii)		(23,336)		(23,336)		(65,980)		(65,980)
Impact of ARC remeasured under PAA (IFRS 17)				11,192	11,192			-31,721	(31,721)
Assets for remaining coverage (ARC)		-	39,177	11,192	50,369	-	(1,897)	(31,721)	(33,619)
AIC - reclassified from RA claims recovery under IFRS 4	(i)		108,021		108,021		46,698		46,698
AIC - Impact of actuarial remeasurement including claims discounting				(107,913)	(107,913)			9,537	9,537
AIC - unwinding of discount in the year									
AIC - risk adjustment recognised								3,374	3,374
Assets for incurred claims (AIC)		-	108,021	(107,913)	108	-	46,698	12,911	59,608
Closing balance		-	147,198	(96,721)	50,477	-	44,800	(18,811)	25,990

The Reinsurance contract asset has two components - Asset for Remaining coverage (ARC) and the Asset for incurred claims(AIC). The ARC comprises of the payment obligations for reinsured events that have not yet occurred and for other reinsurance contract services that have not yet been received (i.e., unearned reinsurance premium reserve and deferred commission income). There was a remeasurement adjustment of ₩ 31 million on transition on 1 January 2022, and a remeasurement of ₩ 11 million was determined as at 31 December 2022 was made against payment obligations for reinsured events that have not yet occurred.

The AIC comprises the outstanding recoverable for incurred claims that have not been settled, and for other reinsurance contract services already received. It is measured by calculating the present value of the risk-adjusted future cash flows. Outstanding claims recoverable plus Incurred But Not Reported (IBNR) was remeasured to derive the future cashflows for the total incurred claims. The adjusted future cashflows for total outstanding claims recoverable was discounted to present value (i.e. Best estimate liability- BEL).

A risk adjustment for non financial risk was added to the present value of future cashflows to account for any remaining uncertainty as to the ultimate amount of claims or their payout dates.

A remeasurement adjustment of ₩ 12 million on transition on 1 January 2022, while a remeasurement of ₩ 107 million was measured as at 31 December 2022 for the asset for incurred claims.

Outstanding claims recoverable plus Incurred But Not Reported (IBNR) claims was reclassified to derive the future cashflows for the total incurred claims.. The adjusted future cashflows for total outstanding claims recoverable was discounted to present value (i.e. Best estimate liability - BEL).

HEIRS LIFE ASSURANCE
FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2023
NOTES TO THE FINANCIAL STATEMENTS

B Explanatory notes to the reconciliation of the Statement of financial position - continued

	Note	Transition adjustment as at 31 December 2022				Transition adjustment as at 1 January 2022			
		31 Dec. 2022 IFRS 4 R'000	Reclassification and derecognition R'000	IFRS 17 re- measurement R'000	31 Dec. 2022 IFRS 17 R'000	31 Dec. 2021 IFRS 4 R'000	Reclassification and derecognition R'000	IFRS 17 re- measurement R'000	1 Jan. 2022 IFRS 17 R'000
(vi) Deferred acquisition cost									
Opening balance	(vii)	47,985	(47,985)	-	-	27,210	(27,210)	-	-
Closing balance		47,985	(47,985)	-	-	27,210	(27,210)	-	-
Closing balance		47,985	(47,985)	-	-	27,210	(27,210)	-	-
Deferred acquisition cost (DAC) which was previously reported as a separate line in the statement of financial position under IFRS 4 now reports in Insurance contract liabilities as part of liability for remaining coverage (LRC).									
(vii) Insurance contract liabilities									
IFRS 4 balance remeasured		8,596,627		-8,596,627	-	1,376,054		-1,376,054	-
Deferred acquisition cost reclassified to LRC and remeasured	(vi)		(47,985)	47,985	-		(27,210)	27,210	-
Commission payable reclassified	(iii)		49,173	(49,173)	-		-	-	-
Maintenance payables reclassified	(iv)		37,407	(37,407)	-		25,317	(25,317)	-
LRC for contracts under PAA (IFRS 17)				487,687	487,687			250,772	250,772
LRC for contracts under GMM (IFRS 17):									
Best estimate liability				7,730,811	7,730,811			1,621,170	1,621,170
Risk adjustment				554,067	554,067			272,082	272,082
Contractual service margin				580,149	580,149			55,748	55,748
Liabilities for remaining coverage (LRC)		8,596,627	38,596	717,491	9,352,714	1,376,054	(1,893)	825,611	2,199,772
IFRS 4 balance remeasured				-	-			-	-
Amount remeasured under LIC (IFRS 17):									
Present value of future cash flows for contracts under PAA		413,312		(35,228)	378,084	140,193		0	140,193
Risk adjustment for contracts under PAA				22,685	22,685			8,412	8,412
Unwinding of discounting in the year		-		-	-			-	-
Liabilities for incurred claims (LIC)		413,312	-	(12,543)	400,769	140,193	-	8,412	148,605
Closing balance		9,009,939	38,596	704,948	9,753,483	1,516,247	(1,893)	834,023	2,348,377

Insurance Contract Liabilities has two components - Liability for Remaining coverage (LRC) and the Liability for incurred claims(LIC).

The LRC comprises the payment obligations for insured events that have not yet occurred and for other insurance contract services that have not yet been provided (i.e. unearned premium reserve net of deferred acquisition/commission cost). For LRC, there was a remeasurement adjustment of R 825 million on transition on 1 January 2022, while a remeasurement adjustment of R 715 million as at 31 December 2022. These provisions were made against the payment obligations for insured events that have not yet occurred.

The LIC comprises the payment obligations for incurred claims that have not yet been settled, and for other insurance contract services already provided. It is measured by calculating the present value of the risk-adjusted future cash flows. Outstanding claims plus IBNR was remeasured to derive the future cashflows for incurred claims, the adjusted future cashflows for total incurred claims was discounted to the present value(i.e. Best Estimate Liability (BEL), while also considering the time value of money. A risk adjustment for non-financial risk was added to the remeasured present value of the cash outflows to account for any remaining uncertainty as to the ultimate amount of claims or their payout dates. For LIC, a remeasurement adjustment of R 8 million on transition on 1 January 2022 and R 12 million was made against the payment obligations for insured events that have not yet occurred.

HEIRS LIFE ASSURANCE
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B Explanatory notes to the reconciliation of the Statement of financial position - continued

Note	Transition adjustment as at 31 December 2022				Transition adjustment as at 1 January 2022			
	31 Dec. 2022	Reclassification	IFRS 17 re-	31 Dec. 2022	31 Dec. 2021	Reclassification	IFRS 17 re-	1 Jan. 2022
	IFRS 4	and	measurement	IFRS 17	IFRS 4	and	measurement	IFRS 17
	₺'000	derecognition	₺'000	₺'000	₺'000	derecognition	₺'000	₺'000
(viii) Reinsurance contract liabilities								
IFRS 4 balance remeasured	-		-	-				-
LRC for contracts under GMM (IFRS 17):								
Best estimate liability	-	-	73,708	73,708			49,364	49,364
Risk adjustment			4,189	4,189			3,331	3,331
Contractual service margin			(44,004)	(44,004)			(40,171)	(40,171)
Assets for remaining coverage (LRC)	-	-	33,894	33,894	-	-	12,525	12,525
LIC - reclassified from RA claims recovery under IFRS 4	-			-	-			-
LIC - impact of claims discounting				-				-
LIC - unwinding of discount in the year				-				-
LIC - risk adjustment recognised				-				-
Assets for incurred claims (LIC)	-	-	-	-	-	-	-	-
Closing balance	-	-	33,894	33,894	-	-	12,525	12,525
The reinsurance contract liabilities is determined on the Endowment and the Triple pay portfolio only and there are no outstanding claims hence no liabilities for incurred claims.								
(ix) Accumulated Losses								
Closing balance								
Opening balance	(305,248)	-		(305,248)		-		-
Capital Injection during the period				-				-
Profit/(loss) for the year	346,147			346,147	(278,253)			(278,253)
Transfer to contingency reserves	(115,205)	-	-	(115,205)	(26,995)			(26,995)
Dividend declared and paid				-				-
IFRS 17 impact - reinsurance contract assets	(v)	-	(96,721)	(96,721)			(18,811)	(18,811)
IFRS 17 impact - insurance contract liabilities	(vii)	-	(704,948)	(704,948)			(834,023)	(834,023)
IFRS 17 impact - reinsurance contract liabilities	(viii)		(33,894)	(33,894)			(12,525)	(12,525)
Balance, end of year	(74,306)	-	(835,563)	(909,869)	(305,248)	-	(865,358)	(1,170,606)

HEIRS LIFE ASSURANCE
FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2023
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C Reconciliation of Statement of comprehensive income for the year ended 31 December 2022

	Note	Transition adjustment as at 31 December 2022			31 Dec. 2022 IFRS 17 R'000
		31 Dec. 2022 IFRS 4 R'000	Reclassification and derecognition R'000	IFRS 17 re- measurement R'000	
Insurance revenue	D (vii)	-	4,299,973	(535,245)	3,764,728
Gross premium income	D (i)	11,269,152	-11,269,152	-	-
Reinsurance expenses	D (ii)	(515,326)	515,326	-	-
Net premium income		10,753,826	(6,453,853)	(535,245)	3,764,728
Insurance service expenses	D (viii)		(3,044,384)	115,886	(2,928,499)
Net expense from reinsurance contracts held	D (ix)		(126,481)	(98,463)	(224,944)
Fees and commission income	D (iii)	128,132	(128,132)	-	-
Net insurance benefits and claims incurred/recovered	D (iv)	(1,201,661)	1,201,661	-	-
Changes in insurance fund		(1,173,527)	1,173,527	-	-
Changes in annuity fund		(5,795,652)	5,795,652	-	-
Underwriting expenses	D (vi)	(1,344,754)	1,344,754	-	-
Insurance service result		1,366,365	(237,258)	(517,822)	611,285
Investment income		1,276,721	-	-	1,276,721
profit on investment contracts		22,135	-	-	22,135
Other income/ expenses		48,731	-	-	48,731
		1,347,587	-	-	1,347,587
Insurance finance income/(expense)	D (x)	-	-	550,205	550,205
Reinsurance finance income/(expense)	D (xi)	-	-	(3,503)	(3,503)
Net insurance finance expense		-	-	546,702	546,702
Net insurance and investment result		2,713,952	(237,258)	28,880	2,505,575
Operating Expenses	D (xii)	(2,139,167)	246,570	-	(1,892,597)
Impairment (charges)/reversals	D (xiii)	6,966	(9,312)	-	(2,346)
Finance cost		(52,021)			(52,021)
Net fair value gain/(loss) on financial asset		(179,281)			(179,281)
Profit before taxation		350,449	0	28,880	379,329
Income tax expense		(3,381)			(3,381)
Profit for the year		347,068	0	28,880	375,948
Other comprehensive income, net of tax Items that are or may be reclassified to profit or					
Total comprehensive income		347,068	0	28,880	375,948

HEIRS LIFE ASSURANCE
FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2023
NOTES TO THE FINANCIAL STATEMENTS

D Explanatory notes to the reconciliation of the Statement of comprehensive income

IFRS 17 also introduces significant changes in the presentation of the income statement:

- Insurance related income statement lines under IFRS 4, such as Gross premium income, reinsurance expenses, reinsurance expenses have been derecognised under IFRS 17.
- The insurance service result separately presents the result, before the effects of financial risks, for insurance and investment contracts, and comprises insurance revenue and insurance service
- Insurance revenue, the composition of which is set out in the revised accounting policies represents the allocation over the life of the insurance contract of premiums received.
- Insurance service expense separately presents the claims and expenses incurred in fulfilling insurance and participating investment contracts. Costs incurred in relation to other types of business, including non-participating investment contracts, continue to be presented within other operating expenses.
- The net insurance and investment result comprises investment return, the finance income/expense on insurance contract liabilities that arises from discounting, changes in financial risk and changes in the fair value of underlying items, and the previously presented movement in investment contract liabilities.

Below is a detailed breakdown of the changes in the statement of profit or loss:

		Transition adjustment as at 31 December 2022			
		Reclassification			
		31 Dec. 2022	and	IFRS 17 re-	31 Dec. 2022
Note		IFRS 4	derecognition	measurement	IFRS 17
		₩'000	₩'000	₩'000	₩'000
(i) Gross premium income					
As per IFRS 4	(vii)	11,269,152	(11,269,152)		-
Closing balance, IFRS 17		11,269,152	(11,269,152)	-	-
(ii) Reinsurance expenses					
As per IFRS 4	(ix)	(515,326)	515,326		-
Closing balance, IFRS 17		(515,326)	515,326	-	-
(iii) Fee and commission income					
As per IFRS 4	(ix)	128,132	(128,132)		-
Closing balance, IFRS 17		128,132	(128,132)	-	-
(iv) Net insurance benefits and claims					
As per IFRS 4				-	-
Gross claims incurred reclassified to insurance service expenses	(viii)	(1,453,061)	1,453,061	-	-
Recoveries on coinsurance and reinsurance reclassified to net expenses on reinsurance contracts	(ix)	251,400	(251,400)	-	-
Closing balance, IFRS 17		(1,201,661)	1,201,661	-	-

HEIRS LIFE ASSURANCE
FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2023
NOTES TO THE FINANCIAL STATEMENTS

D Explanatory notes to the reconciliation of the Statement of comprehensive income - continued

		Transition adjustment as at 31 December 2022			
		31 Dec. 2022	Reclassification and derecognition	IFRS 17 re- measurement	31 Dec. 2022
Note	IFRS 4	#’000	#’000	#’000	IFRS 17 #’000
(v) Changes in life / annuity fund estimate					
As per IFRS 4					
Changes in insurance fund	(viii)	(1,173,527)	1,173,527	-	-
Changes in annuity fund	(viii)	(5,795,652)	5,795,652	-	-
Closing balance, IFRS 17		(6,969,179)	6,969,179	-	-
(vi) Underwriting expenses					
As per IFRS 4	(viii)	(1,344,754)	1,344,754	-	-
Closing balance, IFRS 17		(1,344,754)	1,344,754	-	-
(vii) Insurance revenue					
Premium reclassified from Gross premium income	(i)	-	11,269,152	-11269151.83	-
Changes in insurance fund			(1,173,527)	1173526.962	-
Changes in annuity fund			(5,795,652)	5795651.714	-
Insurance revenue under IFRS 17:					
Insurance revenue from contracts measured under the PAA		-	-	1,752,784	1,752,784
Insurance revenue from contracts not measured under the PAA:					
Expected incurred claims and other expenses after loss component allocation				1,386,550	1,386,550
Changes in the risk adjustment for non-financial risk for the risk expired after loss component allocation				253,610	253,610
CSM recognised in profit or loss for the services provided				246,069	246,069
Insurance acquisition cash flows recovery				125,715	125,715
Closing balance, IFRS 17		-	4,299,973	(535,245)	3,764,728
(viii) Insurance service expenses					
Gross claims incurred reclassified to insurance service expenses	(iv)		(1,453,061)		(1,453,061)
Underwriting expenses reclassified	(vi)		(1,344,754)		(1,344,754)
Reclassified from other operating expenses	(xii)		(246,570)		(246,570)
IFRS 17 impact : Losses on onerous contracts					-
IFRS 17 impact : Adjustment to claims expenses				115,886	115,886
Closing balance, IFRS 17		-	(3,044,384)	115,886	(2,928,499)

HEIRS LIFE ASSURANCE
FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2023
NOTES TO THE FINANCIAL STATEMENTS
D Explanatory notes to the reconciliation of the Statement of comprehensive income - continued

Transition adjustment as at 31 December 2022					
		Reclassification			
	31 Dec. 2022	and	IFRS 17 re-	31 Dec. 2022	
Note	IFRS 4	derecognition	measurement	IFRS 17	
	₩'000	₩'000	₩'000	₩'000	
(ix) Net expense from reinsurance contracts					
Reinsurance premium expenses reclassified under IFRS 4	(ii)	-	(515,326)		(515,326)
Fees and commission income reclassified under IFRS 4	(vii)	-	128,132		128,132
Recoveries on coinsurance and reinsurance reclassified under IFRS 4	(iv)	-	251,400		251,400
Impairment of reinsurance asset reclassified	(xiii)	-	9,312		9,312
Impact of actuarial remeasurement			(98,463)		(98,463)
Closing balance, IFRS 17		-	(126,481)	(98,463)	(224,944)
(x) Insurance finance income/(expense)					
Insurance finance income/(expenses)		-	-	550,205	550,205
(xi) Reinsurance finance income/(expense)					
Reinsurance finance income/(expenses)		-	-	(3,503)	(3,503)
(xii) Total operating expenses					
Total operating expenses, IFRS 4		(2,139,167)	-	-	(2,139,167)
Attributable expenses reclassified to insurance service expenses	(viii)	-	246,570	-	246,570
		(2,139,167)	246,570	-	(1,892,597)
(xiii) Net impairment writeback/(charge) on financial assets at amortised cost					
Total impairment as reported in IFRS 4		6,966	-	-	6,966
Reversal of Impairment on reinsurance assets	(viii)	-	-9,312		(9,312)
		6,966	(9,312)	-	(2,346)

HEIRS LIFE ASSURANCE LIMITED
 FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023
 NOTES TO THE FINANCIAL STATEMENTS

45 Hypothecation	31 Dec 2023				
	Policy Holders Fund - Insurance Contract	Policy Holders Fund - Investment Contract	Annuity	Share Holders Fund	Total
	N'000	N'000	N'000	N'000	N'000
Cash and Cash Equivalents	510,204	848,352	171,457	178,079	1,708,093
Financial assets - FVTPL	5,528,347	3,386,034	17,022,952	2,803,706	28,741,039
Financial assets - Amortized Cost	1,670,100	-	347,466.41	2,522,532	4,540,098
Reinsurance Assets	238,234	-	-	-	238,234
Other Receivables & Prepayments	-	-	-	381,387	381,387
Right of Use Asset	-	-	-	626,124	626,124
Statutory Deposits with CBN	-	-	-	800,000	800,000
Property, Plant and Equipment	-	-	-	333,419	333,419
Intangible Assets	-	-	-	267,815	267,815
TOTAL ASSETS	7,946,885	4,234,386	17,541,875	7,913,062	37,636,209
Liabilities					
Insurance Contract Liabilities	7,509,767	-	14,691,440	-	22,201,207
Investment Contract Liabilities	-	3,719,006	-	-	3,719,006
Trade Payables	-	-	-	1,655,632	1,655,632
Provisions & Other Payables	-	-	-	513,743	513,743
Lease Liability	-	-	-	518,270	518,270
Income Tax Payable	-	-	-	18,845	18,845
TOTAL LIABILITIES	7,509,767	3,719,006	14,691,440	2,706,490	28,626,703
SURPLUS	437,118	515,380	2,850,435	5,206,572	9,009,506

Hypothecation	31 Dec 2022				
	Policy Holders Fund - Insurance Contract	Policy Holders Fund - Investment Contract	Annuity	Share Holders Fund	Total
	N'000	N'000	N'000	N'000	N'000
Cash and Cash Equivalents	306,492	50,086	126,784	354,889	838,251
Financial assets - FVTPL	1,969,928	1,009,592	6,585,266	3,537,064	13,101,851
Financial assets - Amortized Cost	802,830	47,782	-	2,009,717	2,860,329
Reinsurance Contract Assets	16,583	-	-	-	16,583
Other Receivables & Prepayments	-	-	-	130,612	130,612
Right of Use Asset	-	-	-	725,268	725,268
Statutory Deposits with CBN	-	-	-	800,000	800,000
Property, Plant and Equipment	-	-	-	247,848	247,848
Intangible Assets	-	-	-	283,811	283,811
TOTAL ASSETS	3,095,832	1,107,460	6,712,050	8,089,210	19,004,553
Liabilities					
Insurance Contract Liabilities	3,082,121	-	6,671,362	-	9,753,483
Investment Contract Liabilities	-	1,087,855	-	-	1,087,855
Trade Payables	-	-	-	291,332	291,332
Provisions & Other Payables	-	-	-	170,862	170,862
Lease Liability	-	-	-	467,296	467,296
Income Tax Payable	-	-	-	3,471	3,471
TOTAL LIABILITIES	3,082,121	1,087,855	6,671,362	932,961	11,774,299
SURPLUS	13,711	19,606	40,688	7,156,249	7,230,254

46 Form L38: Statement of Assets Cover for Insurance Funds

Company: HEIRS LIFE ASSURANCE LIMITED

NAICOM Registration Number: RTC 0

Period Ending : 31 December, 2023

Scale Factor; In Thousands of Naira

Item	Form	Current Period	Prior Period	% Change
Insurance Contract Liabilities		22,201,207	9,753,483	128%
Investment Contract Liabilities		3,719,006	1,087,855	242%
Gross Insurance Funds		25,920,213	10,841,338	139%
Less				
Reinsurance Receivables				
1 Reinsurance expenses prepaid		48,196	2,268	2025%
2 Reinsurers' share of Claims expense paid		-	-	
3 Reinsurers' share of Claims expense outstanding		190,038	14,316	1227%
4 Reinsurers' share of Incurred but not reported claims		-	-	
5 Allowance for impairment (reinsurance receivables)		-	-	
		238,234	16,583	1337%
Net Insurance Funds		25,681,979	10,824,755	137%
Admissible Assets				
1 Cash and cash Equivalent		1,530,013	483,362	217%
2 Financial assets at fair value through profit and loss		25,937,332	9,564,787	171%
3 Available-for-sale financial assets:		2,017,567	850,611	137%
Total Admissible Assets		29,484,912	10,898,760	171%
SURPLUS(DEFICIT) IN ASSETS COVER		3,802,933	74,005	5039%

HEIRS LIFE ASSURANCE LIMITED
OTHER NATIONAL DISCLOSURE
VALUE ADDED STATEMENT

	31-Dec-23	%	31-Dec-22	%
	N'000		N'000	
Insurance Revenue	7,256,831	190%	3,764,728	213%
Investment Income	2,838,874	74%	1,165,960	66%
Other Income/expenses	510	0%	-	0%
Insurance Service Expenses and operating expenses (local)	(5,577,737)	-146%	(2,606,739)	-148%
Other Service bought	(689,098)	-18%	(560,537)	-32%
Value added	3,829,381	100%	1,763,412	100%
Applied to pay:				
Employee benefit expense	1,466,768	38%	1,053,713	60%
Government taxes	18,887	0%	3,381	0%
Retained in the business:				
Depreciation of property and equipment	80,090	2%	49,823	3%
Depreciation expense on right-of-use asset	99,144	3%	95,327	5%
Amortisation of intangible assets	87,717	2%	66,632	4%
Profit accumulated in the business	1,879,295	49%	379,328	22%
Contingency Reserve	197,479	5%	115,205	7%
Value added	3,829,380	100%	1,763,409	100%

**HEIRS LIFE ASSURANCE LIMITED
OTHER NATIONAL DISCLOSURE
THREE YEAR FINANCIAL SUMMARY**

	31 Dec 2023 N'000	Restated 31 Dec 2022 N'000	Restated 1 Jan 2022 N'000
ASSETS			
Cash and cash equivalents	1,708,093	838,251	275,532
Financial assets - FVTPL	28,741,039	13,101,851	6,975,688
Financial assets - Amortized cost	4,540,098	2,860,329	587,687
Trade receivables	83,239	2,083	330
Reinsurance assets	278,318	50,477	25,990
Insurance Contract assets	222	-	-
Other receivables & prepayments	381,387	130,612	186,391
Deferred acquisition cost			
Right of use asset	626,124	725,268	709,198
Statutory deposits with CBN	800,000	800,000	800,000
Property, plant and equipment	333,419	247,848	149,129
Intangible assets	267,815	283,811	163,361
TOTAL ASSETS	37,759,754	19,040,530	9,873,306
LIABILITIES			
Insurance contract liabilities	22,201,429	9,753,483	2,348,378
Reinsurance contract liabilities	40,084	33,894	12,525
Investment contract liabilities	3,719,006	1,087,855	194,831
Trade payables	1,655,632	291,332	25,437
Provisions & other payables	513,743	170,862	91,274
Lease liability	518,270	467,296	343,939
Income tax payable	18,845	3,471	532
TOTAL LIABILITIES	28,667,009	11,808,193	3,016,916
EQUITY			
Ordinary share capital	8,000,000	8,000,000	8,000,000
Contingency reserve	339,679	142,200	26,995
Retained earnings	753,066	(909,863)	(1,170,605)
TOTAL EQUITY	9,092,745	7,232,337	6,856,390

	31 Dec 2023	31 Dec 2022	1 Jan 2022
Gross written premium	19,747,898	11,520,546	2,699,478
Insurance Revenue	7,256,831	3,764,728	1,249,299
Insurance service expenses	(6,011,655)	(2,928,497)	(1,697,513)
Net Insurance and Investment Result	4,517,968	2,323,949	(58,944)
Other operating expenses (Non attributable)	(2,580,685)	(1,892,600)	(924,492)
Profit/(loss) before tax	1,879,295	379,328	(1,143,078)
Income tax expense	(18,887)	(3,381)	-
Profit/(loss) after tax	1,860,408	375,947	(1,143,610)