

SANLAM LIFE INSURANCE NIGERIA LIMITED

**ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2024**

SANLAM LIFE INSURANCE NIGERIA LIMITED

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS 31 DECEMBER 2024

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SANLAM LIFE INSURANCE NIGERIA LIMITED

CORPORATE INFORMATION

31 DECEMBER 2024

Company details

Registered address: 34 Marina, Lagos, Nigeria

RC Number 707564

FRC Number FRC/2013/0000000001223

Telephone: +234 01-9054810
+234 01-9054444
+234 01-9054382

Email: wecare@sanlam.com.ng

Postal address: P. O. Box 5216
Lagos, Nigeria

Directors:

| | |
|-------------------------|---|
| Dr. Olufemi Oyetunji | Chairman (Nigerian) |
| Mr. Babatunde Mimiko | Managing Director/CEO (Nigerian) |
| Mr. Odinakachi Umekwe | Executive Director (Nigerian) |
| Mr. Olabanjo Oladipo | Executive Director (Nigerian) |
| Mr. Nelius Bezuidenhout | Non-Executive Director (South African) |
| Mr. Robert Dommissie | Non-Executive Director (South African) |
| Mr. Kobus Vlok | Non-Executive Director (South African) |
| Mr. Gavin Downard | Non-Executive Director (South African) |
| Mr. Valentine O. Ojumah | Non-Executive Director (Nigerian) |
| Alhaji Tijjani Borodo | Independent/Non-Executive Director (Nigerian) |

Company secretary: Abimbola Lawson
FRC/2015/NBA/00000010768

Auditor KPMG Professional Services
KPMG Tower
Bishop Aboyade Cole Street
Victoria Island
Lagos
Nigeria
www.kpmg.com/ng

Shareholders Sanlam Allianz Africa [PTY] Ltd
Susarah Magaretha Coetzee

Bankers First Bank of Nigeria Limited
Guaranty Trust Bank Plc
Zenith Bank Plc
Stanbic IBTC Bank Plc
Access Bank Plc
Ecobank Nigeria Limited
United Bank for Africa Plc
Fidelity Bank Plc
Union Bank of Nigeria Plc
Sterling Bank Plc

Re-insurers African Reinsurance Corporation
Continental Reinsurance plc.
WAICA Reinsurance Corporation Plc
FBS Reinsurance Limited

Actuary Alexander Forbes
FRC/2012/0000000000504

TIN 10640560-0001

SANLAM LIFE INSURANCE NIGERIA LIMITED

VISION, MISSION AND VALUES **31 DECEMBER 2024**

Vision

We will distinguish Sanlam as the most admired insurance services player in Nigeria.

Mission

Empowering generations to be financially secure, confident and prosperous.

Core Values

Collaboration

Unlocking our Winning As One spirit by focusing on a better outcome for all, achieved through partnership and an open-minded approach to everything.

Innovation

Always striving for continuous improvement in order to create value for our stakeholders, our society and our world at large.

Integrity

Unwavering in our pursuit to do the right thing, resolute in our commitment to what's good for all our stakeholders.

Care

Serving with empathy and consideration, knowing that everything we do leaves a lasting impact and legacy.

SANLAM LIFE INSURANCE NIGERIA LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

For the preparation and approval of the Consolidated and Separate Financial statements

The Directors of Sanlam Life Insurance Nigeria Limited accept responsibility for the preparation of the Consolidated and Separate Financial statements that gives a true and fair view of the financial position of the Group and of the Company's as at 31 December 2024 and the result of its operation, cash flows and changes in equity for the year ended, in compliance with IFRS Accounting Standards as issued by International Accounting Standard Board (IFRS Accounting Standards) and in the manner required by the Companies and Allied Matters Act (CAMA) 2020, the Financial Reporting Council of Nigeria Act, 2023 (as amended), the Insurance Act 2003 and relevant National Insurance Commission (NAICOM) Circulars.

In preparing the financial statements, the Directors are responsible for:

- properly selecting and applying accounting policies;
- presenting information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- providing additional disclosures when compliance with the specific requirements in the IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Group's financial position and financial performance.

Going Concern:

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

The financial statements of the Group and Company's for the year ended 31 December 2024 were approved by the directors on 7 March 2025.

By order of the Board



Olufemi Oyetunji (Dr.)

Chairman

FRC/2013/NAS/00000000685

7 March 2025



Babatunde Mimiko (Mr.)

Managing Director

FRC/2016/CIIN/00000013719

7 March 2025

SANLAM LIFE INSURANCE NIGERIA LIMITED

STATEMENT OF CORPORATE RESPONSIBILITIES

For the Consolidated and Separate Financial statements for the year ended 31 December 2024

Further to the provisions of section 405 of the Companies and Allied Matters Act (CAMA), 2020, we, the Managing Director/Financial Controller, hereby certify the Consolidated and Separate Financial statements of the Sanlam Life Insurance Nigeria Limited for the year ended 31 December 2024 as follows:

- a) That we have reviewed the audited Consolidated and Separate Financial statements of the Sanlam Life Insurance Nigeria Limited for the year ended 31 December 2024.
- b) That the audited Consolidated and Separate Financial statements do not contain any untrue statement of material fact or omit to state a material fact which would make the statements misleading, in the light of the circumstances under which such statement was made.
- c) That the audited Consolidated and Separate Financial statements and all other financial information included in the statements fairly present, in all material respects, the financial condition and results of operation of the Group and the Company as of and for, the year ended 31 December 2024.
- d) That we are responsible for establishing and maintaining internal controls and have designed such internal controls to ensure that material information relating to the Group and Company is made known to us by other officers of the companies, for the year ended 31 December 2024.
- e) That we have evaluated the effectiveness of the Company's internal controls 90 days prior to the date of audited Consolidated and Separate Financial statements for the year ended 31 December 2024, and certify that the Company's internal controls are effective as of that date.
- f) That there were no significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our evaluation, including any corrective action with regard to significant deficiencies and material weaknesses.
- g) That we have disclosed the following information to the Company's Auditors and Audit Committee:
 - (i) there are no significant deficiencies in the design or operation of internal controls which could adversely affect the Company's ability to record, process, summarises and report financial data, and have identified for the Company's auditors any material weaknesses in internal controls, and
 - (ii) there is no fraud that involves management or other employees who have a significant role in the Company's internal control.



Babatunde Mimiko (Mr.)

Managing Director

FRC/2016/CIIN/00000013719

7 March 2025



Adebisi A. Sobalaje (Mr.)

Ag. Financial Controller

FRC/2013/ICAN/00000003469

7 March 2025

SANLAM LIFE INSURANCE NIGERIA LIMITED

**CERTIFICATION BY COMPANY SECRETARY
31 DECEMBER 2024**

In my capacity as Company Secretary, I hereby certify, in terms of the Companies and Allied Matters Act, that for the year ended 31 December 2024, the group has lodged all such returns as are required of a company in terms of this Act, and that all such returns are, to the best of my knowledge and belief, true, correct and up to date.



Abimbola Lawson
Company Secretary
FRC/2015/NBA/00000010768

Lagos, Nigeria

7 March 2025

SANLAM LIFE INSURANCE NIGERIA LIMITED

CORPORATE GOVERNANCE

31 DECEMBER 2024

The Group is committed to high standards of Corporate Governance. Corporate Governance practice in the Group is drawn from various applicable codes of corporate governance issued by NAICOM and the Code of Governance codes available in the Country. This ensures compliance with regulatory requirements as well as the core values on which the Group was established.

The Group has developed corporate policies and standards to encourage good and transparent corporate governance framework to avoid potential conflicts of interest between all stakeholders whilst promoting ethical business practices.

The activities of the Group are at all times conducted with high standards of professionalism, accountability and integrity with due regard to the genuine interests of all our stakeholders. This is the foundation of our history, values and culture as a Group for building and sustaining an enduring institution that guarantees profitability and professionalism whilst enhancing shareholders' value.

Sanlam Life Insurance Nigeria Limited is committed to the continuous management of its business operations by identifying and implementing key governance indicators which aid sustainable development and guarantee shareholders excellent return on investment.

Governance Structure

The governance of the Group resides with the Board of Directors who are accountable to shareholders for creating and delivering sustainable values through the management of the Group's business. The Board of Directors is responsible for the efficient operation of the Group and to ensure the Group fully discharges its legal, financial and regulatory responsibilities.

The membership of the Board is a mix of executive and non-executive directors based on integrity, professionalism, career success, recognition and the ability to add value to the organisation. In reviewing Board composition, the Board ensures a mix with representatives from different industry sectors.

The Group's financial performance is reviewed at each Board meeting. The Board reviews all financial reports before they are released. The effectiveness of the process for assessing risks and the execution of control activities are monitored continuously at various levels. This involves reviews of results in comparison with budgets and plans. Responsibility for maintaining an effective control environment and operating the system for risk management and internal control of financial reporting is delegated to the Chief Executive Officer (CEO).

The Group has a compliance program. Standard requirements have been defined for internal control over financial reporting. The management expects all employees to maintain high moral and ethical standards and those expectations are communicated to the employees through internal channels.

The Board monitors the effectiveness of its governance practices, manages potential conflict and provides general direction to management. These oversight functions of the Board of Directors are exercised through its various Committees. In the course of the period under review, the Board has three (3) standing Committees to ensure the proper management and direction of the Group via interactive dialogue on a regular basis.

The Board comprises 9 (Nine) members led by a Chairman, the Managing Director/Chief Executive Officer, 2 (Two) Executive Director, and 3 (Three) non-Nigerian Non-Executive Directors, who represent Sanlam Allianz Africa [PTY] Ltd, 1 (One) Nigerian Non-Executive and 1 (One) Nigerian Independent Non-Executive Director.

The Board derives its effectiveness from the various skills and vast experiences of each Director.

The members of the Board bring various and varied competencies to bear on all Board deliberations. The Directors have attained the highest pinnacle of their various professions. The Board meets quarterly and other meetings are convened when necessary and is responsible for the effective control and monitoring of the Group's strategies.

Governance Structure - Continued

The Directors are provided with comprehensive information at each of the quarterly Board meetings and are also briefed on business developments.

The primary responsibility of the Board of Directors is to build long-term shareholders value and ensure oversight of management. The Board ensures that adequate systems, policies and procedures are in place to safeguard the assets of the Group. The Board is also responsible to the shareholders for creating and delivering sustainable shareholders value through the management of the Group's business.

Responsibilities of the Board

- 1 The Board determines the Group's objectives and strategies as well as the plans to achieve them.
- 2 The Board approves mergers and acquisitions, equity investments, branch expansion and establishment of subsidiaries; approval of remuneration policy and packages of the Board members.
- 3 The Board considers and approves the annual budget, monitors performance and ensures that the Group remains a going concern.
- 4 The Board approves resolutions and corresponding documentation for shareholders in general meeting(s), shareholders circulars, prospectus and principal regulatory filings with the regulators.
- 5 The Board ensures that a risk culture and effective risk management process exists and is maintained.
- 6 The Board approves changes to the Group's corporate structure and changes relating to the Group capital structure.
- 7 The Board approves audited financial statements.
- 8 The Board monitors the statutory audit of the financial statements, evaluates the independence of the statutory auditor or audit firm, particularly the provision of related services to the Group and prepares the proposal for resolution on the election of the auditor. It performs this function through the Board Audit and Compliance Committee.
- 9 The Board determines the terms of reference and procedures of the Board committees, including reviewing and approving the reports of such committees where appropriate.
- 10 The Board ensures that an adequate budgetary and planning process exists such that performance is measured against budgets and plans.
- 11 The Board reviews annually the description of the main features of the internal control and risk management systems in relation to the financial reporting process.

Composition of the Board

| | |
|-------------------------|---|
| Dr. Olufemi Oyetunji | - Chairman (Nigerian) |
| Mr. Babatunde Mimiko | - Managing Director/CEO (Nigerian) |
| Mr. Odinakachi Umekwe | - Executive Director (Nigerian) |
| Mr. Olabanjo Oladipo | - Executive Director (Nigerian) - Appointed w.e.f 19 Jun 2024 |
| Mr. Nelius Bezuidenhout | - Non-Executive Director (South African) |
| Mr. Robert Domnisse | - Non-Executive Director (South African) |
| Mr. Kobus Vlok | - Non-Executive Director (South African) - Resigned w.e.f 7 Mar 2024 |
| Mr. Gavin Downard | - Non-Executive Director (South African) - Appointed w.e.f 7 Mar 2024 |
| Mr. Valentine O. Ojumah | - Non-Executive Director (Nigerian) |
| Alhaji Tijjani Borodo | - Independent/Non-Executive Director (Nigerian) |

The Chairman of the Board

The Chairman has the responsibility to lead and manage the Board to ensure that it operates effectively and fully discharges all its legal and regulatory responsibilities whilst promoting effective relationship and open communication within the boardroom.

The Chief Executive Officer

The Chief Executive Officer (CEO) is charged with the strategic and supervisory role over all core operations of the Group which involves risk management, formulation of policies and the implementation of operational decisions. The CEO is the first line of reference for issues to be discussed at the Board and is charged with ensuring compliance with regulations and policies of both the Board and Regulatory Authorities.

Board Meetings

The Board of Directors meetings are held every quarter or as the need arises to consider the Financial Statements of the Group for the period, review of management accounts for the quarter, consider the reports and minutes of Board committees and any other reports pertaining to issues within the purview of the Board's responsibilities.

Board Committees

The Board discharges its responsibilities through different committees and is regularly informed about the work of the committees by their respective chairpersons.

The Board has three standing (3) Committees in line with the approved Nigerian Code of Corporate Governance (NCCG) 2018. The Board Committees are as follows;

- 1 Board Audit, Enterprise Risk Management (ERM) and Compliance Committee
- 2 Board Finance, Investment and Actuarial Committee
- 3 Board Establishment, Nomination/Governance and General Purpose Committee

The Committees make recommendations to the Board, which retains responsibility for final decision making.

All Committees report to the Board and as such must conform to the regulations laid down by the Board, with well-defined terms of reference contained in the charter of each Committee. The Committees render reports to the Board at the Board's quarterly meetings.

A summary of the functions of each committee is stated below:

Board Audit, ERM and Compliance Committee

The Audit, Enterprise Risk Management and Compliance Committee provides oversight responsibility for the audit, Risk, regulatory and compliance functions of the Group. The Committee also discusses the quarterly compliance reports and takes delivery of the audit reports, risk reports and other reports and statements by the external auditors. The Committee monitors the effectiveness of the Group's internal control system, compliance system and internal audit system. The Committee recommends the appointment of external auditors and monitors its independence and quality and review external auditor's fee arrangements. The Committee assists the Board in the development and implementation of a comprehensive Enterprise Risk Management framework in line with NAICOM's risk management guidelines. It reviews and monitors the Enterprise Risk Management practices of the Company.

Objectives of the Committee include:

- 1 Monitoring the integrity of the financial statements and any formal announcements relating to the Company's financial performance.
- 2 Monitoring the effectiveness of the company's internal audit and control functions.
- 3 Assessing the internal and external auditors' independence and objectivity in their respective audit processes.
- 4 Making recommendations to the board in relation to the appointment, remuneration and terms of engagement of the external auditor.
- 5 Ensuring that the Company maintains strict compliance with legal and regulatory requirements.

Objectives of the Committee include - Continued

- 6 Oversee the development of Enterprise Risk Framework, its policies and procedures and ensure the constant review of the adequacy of risk control activities.
- 7 Overseeing the development and implementation of a Business Continuity Plan for the Company relative to existing and emerging risks.
- 8 Ensure the Enterprise Risk Management process includes process for identification, assessment, control and mitigation of all categories
- 9 Overseeing the development of internal control measures and when necessary, the periodic modifications of same in line with changes in business trends and business priorities.

Core responsibilities of the Committee include:

- 1 Ascertain that the accounting and reporting policies of the Group are in accordance with relevant regulatory, statutory and ethical requirements.
- 2 Recommend to the Board for approval, the terms of engagement and fees to be paid to the external auditor in respect of services provided.
- 3 Review and report to the Board on the significant financial reporting issues and judgments made in connection with the preparation of the company's financial statements reporting, risk management and internal control.
- 4 Review related information presented with the financial statements, including the business review, and corporate governance statements relating to the audit.
- 5 Review the annual audit plan and where the Committee is not satisfied as to its adequacy, it should make recommendations accordingly.
- 6 Consider the Group's audited financial reports to ensure transparency and compliance with Section 359(6) of the Companies and Allied Matters Act.
- 7 Ensure that the engagement letter issued by the external auditor at the start of each audit has been updated to reflect changes in circumstances arising from the previous year.
- 8 Escalate high impact risks to the Board as deemed necessary for further consideration with a view to promptly intervening in the mitigation of such risks.
- 9 Assess the risks across the risk categories detailing business impacts of the risks, measures for controlling them, the risk owner(s) and the progress made in managing of the risks.

Quorum

Two members will constitute a quorum, provided that one of the members is a Sanlam nominee.

Board Finance, Investment and Actuarial Committee

The Finance, Investment and Actuarial Committee monitors and reviews the Group's investment policies, it ensures at all times that the Group's finance and investment policies reflect the objectives of safety and maintenance of fair returns on investments. The Committee equally establishes standards, rules and guidelines for the Group's investment management operations while also reviewing the Group's Investment strategy with a view to sustaining medium to long term competitive edge. The value of the Group's marked-to-market portfolios is also evaluated by this Committee.

Objectives of the Committee include :

- 1 Assist the Board to oversee the overall management of the company's finances.
- 2 Support the Board in overseeing the company's investment strategy and portfolios to ensure consistency and compliance with set objectives.

Objectives of the Committee include - Continued

- 3 Review and monitor Actuary Valuation process to ascertain the reasonableness of assumptions made.
- 4 Provide broad guidance to the Board on other generic but strategic matters including but not limited to customer satisfaction, corporate communications etc.
- 5 Assess the company's financial statements including the income statement, statement of financial position, statement of changes in equity and the statement of cash flow.
- 6 Review the quality of the company's investment portfolio with a view to appraising performance and recommending necessary improvements.
- 7 Review the process for determining provision for investment losses and the adequacy of provisions made.

Core responsibilities of the Committee include:

- 1 The committee reviews and recommends for the board's approval the company's annual operating budget.
- 2 The committee reviews the capital adequacy and requirements of the company and make recommendations.
- 3 Ensure that the Company's Investment Portfolio is structured to meet the minimum requirement for Investments as per Insurance Act 2003.
- 4 Review and make recommendations to the Board regarding Sanlam Life investment strategy, policy and guidelines, its implementation and compliance with those policies and guidelines.
- 5 Ensure that the liabilities of insurance contracts are adequately matched against their maturity profiles.
- 6 Periodically review the performance of the major securities and financial instruments relative to the investment portfolio of the company.
- 7 Review product profitability and make recommendations on product modifications.
- 8 The committee annually reviews the company' policies with respect to financial risk assessment and financial risk management.

Quorum

Quorum of meetings shall be at least two (2) directors provided one of the directors is a Sanlam nominee.

Board Establishment, Nomination/Governance and General Purpose

The Establishment, Nomination/Governance and General Purpose Committee assist on its oversight responsibilities in relation to human capital issues in general, and in specific, the recruitment, compensation and benefits and assist the Board in the implementation of an appropriate corporate governance framework for the Company while it also reviews and monitors the corporate governance practices and the implementation of the corporate strategy in the context of prevailing trends in the business landscape.

Objectives of the Committee include :

- 1 Assist the Board to fulfill its responsibilities in reviewing, monitoring and making recommendations to the Board on Human Resources Strategy and policies.
- 2 Advise the Board on its oversight responsibilities in relation to recruitment, compensation and benefits, promotions and disciplinary issues affecting senior officers of the Company on Assistant General Manger grade up to General Manager.
- 3 Providing broad guidance to the Board on other generic but strategic matters including but not limited to customer satisfaction, corporate communications, IT Infrastructure and corporate social responsibility.
- 4 Ensuring the development and implementation of an appropriate corporate governance framework for the Company in line with NAICOM's code of corporate governance and international best practices.
- 5 Reviewing and monitoring the corporate governance practices and providing improvement recommendations where necessary.

Objectives of the Committee include - Continued

- 6 Monitoring the implementation of the corporate strategy in the context of prevailing trends in the business landscape.
- 7 Supervising the strategic activities and initiatives of key operational functions of the Company.

Core responsibilities of the Committee include:

- 1 Review and make recommendations to the Board for approval of the Company's organization structure, remuneration policy and the Company's policies on performance appraisal, compensation and provision of benefits of its employees and any other human capital issues.
- 2 Review and make recommendations to the Board for approval of the Company 's Annual Training Plan and implementation of same.
- 3 Review and make recommendations to the Board for approval of the terms and conditions of employment of the Company's staff, its staff Handbook and any proposed amendment.
- 4 Review compliance with mandatory and best practice Corporate Governance principles and disclosure.
- 5 Support the Board and Management in the process of defining short to medium term strategic aspirations and objectives for the Company.
- 6 Review the implementation status of key strategic initiatives as defined in the approved corporate strategy and make necessary recommendations.
- 7 Continuously monitor conflict of interests within Management and Board Members and advise the Board on addressing same.
- 8 Oversee the general information management system and cybersecurity strategies of the Company.
- 9 Review the Company's technology strategy concerning changes, trends and emerging technologies and providing feedback on the strategy.

Quorum

At least two (2) directors provided one of the directors is a Sanlam nominee.

The composition of the committees are as follows:

Board Audit, ERM and Compliance Committee

| | | |
|-------------------------|---|-------------------------------------|
| Alhaji Tijjani Borodo | - | Chairman |
| Mr. Kobus Vlok | - | Member - Resigned w.e.f 7 Mar 2024 |
| Mr. Gavin Downard | - | Member - Appointed w.e.f 7 Mar 2024 |
| Mr. Nelius Bezuidenhout | - | Member |
| Mr. Babatunde Mimiko | - | Member |
| Mr. Valentine O. Ojumah | - | Member |

Board Finance, Investment and Actuarial Committee

| | | |
|-------------------------|---|--------------------------------------|
| Mr. Robert Domnisse | - | Chairman |
| Mr. Kobus Vlok | - | Member - Resigned w.e.f 7 Mar 2024 |
| Mr. Gavin Downard | - | Member - Appointed w.e.f 7 Mar 2024 |
| Mr. Nelius Bezuidenhout | - | Member |
| Mr. Babatunde Mimiko | - | Member |
| Mr. Odinakachi Umekwe | - | Member |
| Mr. Olabanjo Oladipo | - | Member - Appointed w.e.f 19 Jun 2024 |

Board Establishment, Nomination/Governance and General Purpose Committee

| | | |
|-------------------------|---|------------------------------------|
| Mr. Nelius Bezuidenhout | - | Chairman |
| Mr. Kobus Vlok | - | Member - Resigned w.e.f 7 Mar 2024 |
| Mr. Robert Domnisse | - | Member |
| Alhaji Tijjani Borodo | - | Member |
| Mr. Valentine O. Ojumah | - | Member |

SANLAM LIFE INSURANCE NIGERIA LIMITED

CORPORATE GOVERNANCE

31 DECEMBER 2024

Attendance of Board and Committee meetings

| Board Meetings | Composition | No of meetings attended | 2024 | | | |
|-------------------------|-------------|-------------------------|-------|--------|-------|--------|
| | | | 6-Mar | 15-May | 7-Aug | 14-Nov |
| Dr. Olufemi Oyetunji | Chairman | 4 | √ | √ | √ | √ |
| Mr. Babatunde Mimiko | Member | 4 | √ | √ | √ | √ |
| Mr. Odinakachi Umekwe | Member | 4 | √ | √ | √ | √ |
| Mr. Olabanjo Oladipo* | Member | 2 | x | x | √ | √ |
| Mr. Nelius Bezuidenhout | Member | 4 | √ | √ | √ | √ |
| Mr. Robert Domnisse | Member | 4 | √ | √ | √ | √ |
| Mr. Kobus Vlok*** | Member | 1 | √ | x | x | x |
| Mr. Gavin Downard** | Member | 3 | x | √ | √ | √ |
| Mr. Valentine O. Ojumah | Member | 4 | √ | √ | √ | √ |
| Alhaji Tijjani Borodo | Member | 4 | √ | √ | √ | √ |

* Appointed w.e.f 19 Jun 2024

** Appointed w.e.f 7 Mar 2024

*** Resigned w.e.f 7 Mar 2024

| Board Audit, ERM and Compliance Committee | Composition | No of meetings attended | 2024 | | | |
|---|-------------|-------------------------|-------|--------|-------|--------|
| | | | 6-Mar | 15-May | 7-Aug | 14-Nov |
| Alhaji Tijjani Borodo | Chairman | 4 | √ | √ | √ | √ |
| Mr. Kobus Vlok* | Member | 1 | √ | x | x | x |
| Mr. Nelius Bezuidenhout | Member | 4 | √ | √ | √ | √ |
| Mr. Gavin Downard** | Member | 3 | x | √ | √ | √ |
| Mr. Babatunde Mimiko | Member | 4 | √ | √ | √ | √ |
| Mr. Valentine O. Ojumah | Member | 4 | √ | √ | √ | √ |

* Appointed w.e.f 7 Mar 2024

** Resigned w.e.f 7 Mar 2024

| Board Finance, Investment and Actuarial Committee | Composition | No of meetings attended | 2024 | | | |
|---|-------------|-------------------------|-------|--------|-------|--------|
| | | | 6-Mar | 15-May | 7-Aug | 14-Nov |
| Mr. Robert Domnisse | Chairman | 4 | √ | √ | √ | √ |
| Mr. Kobus Vlok*** | Member | 1 | √ | x | x | x |
| Mr. Nelius Bezuidenhout | Member | 4 | √ | √ | √ | √ |
| Mr. Gavin Downard** | Member | 3 | x | √ | √ | √ |
| Mr. Babatunde Mimiko | Member | 4 | √ | √ | √ | √ |
| Mr. Odinakachi Umekwe | Member | 4 | √ | √ | √ | √ |
| Mr. Olabanjo Oladipo* | Member | 2 | x | x | √ | √ |

* Appointed w.e.f 19 Jun 2024

** Appointed w.e.f 7 Mar 2024

*** Resigned w.e.f 7 Mar 2024

| Board Establishment, Nomination/Governance and General Purpose Committee | Composition | No of meetings attended | 2024 | | | |
|--|-------------|-------------------------|-------|--------|-------|--------|
| | | | 6-Mar | 15-May | 7-Aug | 14-Nov |
| Mr. Nelius Bezuidenhout | Chairman | 4 | √ | √ | √ | √ |
| Mr. Kobus Vlok* | Member | 1 | √ | x | x | x |
| Mr. Robert Domnisse | Member | 4 | √ | √ | √ | √ |
| Alhaji Tijjani Borodo | Member | 4 | √ | √ | √ | √ |
| Mr. Valentine O. Ojumah | Member | 4 | √ | √ | √ | √ |

* Resigned w.e.f 7 Mar 2024

Support Committees

Executive Management Committee (ExCo)

This Committee reports to the Board on activities of the Company. The Committee is responsible for the following:

- i) ensuring alignment of Company's strategic and business plan as approved by the Board.
- ii) reviewing strategic and business performance against approved plans and budget of the
- iii) ensure adequate monitoring of Revenue and Expenditure Budget.
- iv) provide leadership to the Management team.

Members of the Committee includes the Managing Director/CEO, Chief Operating Officer, the Executive Director (Retail), Chief Financial Officer, the Company Secretary/Head, Legal Services (Committee Secretary) and any other Divisional Head as appointed from time to time.

Management Investment Committee

This committee reports to the Board Finance and Investment Committee on investment activities of the Group. The Committee meets monthly to discuss and review the portfolio of the Group. The Committee members are:

| | | |
|-----------------------------|---|-----------|
| Managing Director/ CEO | - | Chairman |
| Chief Financial Officer | - | Member |
| Executive Director (Retail) | - | Member |
| Head, Actuary | - | Member |
| Head, Risk Management | - | Member |
| Investment Manager | - | Secretary |

Enterprise Risk Management Committee (ERMC)

Sanlam Life Insurance Nigeria Limited has an Enterprise Risk Management Committee designed to ensure a collaborative risk management environment through effective coordination, monitoring and aggregation of risk across the organization. Below are the specific objectives of the ERMC:

- Ensure the realization of the Sanlam Life Insurance Nigeria Limited's Risk Strategies, Philosophy and Culture as articulated in the Enterprise Risk Management (ERM) Framework;
- To review the Risk Management's Report and provide suggestions on the potential risks, including specification on control measure or mitigation plan as well as development of risk management culture within the organisation in order to ensure efficient continuity.
- To provide recommendations, monitor, and evaluate risk management process to the Chief Risk Officer (CRO) for further implementation, support Chief Risk Officer (CRO) and to achieve the goals of the Company's Risk Management.
- Promote ERM implementation, by facilitating discussions on best practices and lessons learned and to regulate and support risk management process to be in line with strategy and business goal including the changing circumstance.

Membership & meetings

The membership of the committee comprises of all the heads of Departments/units and risk-type owners each of which may be represented by their risk Champions with the Executive officer responsible for Risk Management as the Chairman and in the absence of which any Executive Director acts with the Chief Risk Officer as the Co-chair.

The committee meets monthly.

Whistle blowing procedures

The whistle-blowing process involves steps that should be taken by the whistleblower in reporting a reportable misconduct, and steps required for the investigation of the reported misconduct. The Company has a procedure that encourages staff and other relevant stakeholders to report perceived unethical or illegal conduct of employees, management, directors and other stakeholders across the Group to appropriate authorities in a confidential manner without any fear of harassment, intimidation, victimization or reprisal of anyone for raising concern(s) under this policy.

Whistle blowing procedures - Continued

The Board of Directors and Management is committed towards promoting a culture of openness, accountability and Integrity, and will not tolerate any harassment, victimization or discrimination of the whistle blower provided such disclosure is made in good faith with reasonable belief that what is being reported is fact. The company has dedicated email address and telephone numbers through which staff are encouraged to raise any concern or unethical conduct.

SANLAM LIFE INSURANCE NIGERIA LIMITED

RISK DECLARATION

31 DECEMBER 2024

The Board Risk Management Committee of Sanlam Life Insurance Nigeria Limited hereby declare as follows:

- a) The Group has systems in place for the purpose of ensuring compliance with NAICOM guidelines;
- b) The Board is satisfied with the efficacy of the processes and systems surrounding the production of financial information of the Group;
- c) The Group has in place a Risk Management Strategy, developed in accordance with the requirements of NAICOM guidelines on Enterprise Risk Management (ERM), setting out its approach to risk management; and
- d) The systems that are in place for managing and monitoring risks, and the risk management framework, are appropriate to the company, having regard to such factors as the size, business mix and complexity of the Group's operations.



Mr. Babatunde Mimiko
FRC/2016/CIIN/00000013719

7 March 2025



Alhaji Tijjani Borodo
FRC/2013/NBA/00000002367

7 March 2025

SANLAM LIFE INSURANCE NIGERIA LIMITED

MANAGEMENT'S DISCUSSION AND ANALYSIS

31 DECEMBER 2024

This report represents Management Discussion and Analysis in respect of the consolidated financial statements of Sanlam Life Insurance Nigeria Limited for the year ended 31 December 2024. This should be read in conjunction with the Consolidated Financial Statements of Sanlam Life Insurance Nigeria Limited.

Sanlam Life Insurance Nigeria Limited is a leading life insurance company registered and incorporated in Nigeria, to provide insurance services which help our customers enjoy the peace of mind that comes from managing the risks of everyday life. Through Sanlam General Insurance, our subsidiary, we offer general insurance products and services to our growing customer base.

Operating Environment

The global economy continued to witness slow growth in 2024. International and domestic trades were impacted while Europe, America, Asia and Africa experienced unstable macro-economic environment. Generally, there were macroeconomic stress and tighter financial conditions, geopolitical tensions globally.

Nigeria economy is not insulated from the global trend. The economy has not attained full swing of pre-covid era while oil production dropped, the international oil price oscillated. The effort to lower inflation rate to a single digit faced structural and macro-economic constraints, including rising petroleum product prices, food prices and arrears payments, contributed to the rising inflation rate to about 34.8% as at 31 December 2024. Foreign exchange rate of ₦1,538.25/\$1 in 2024 (2023: ₦907.11/\$1) spiraled to high level.

The Insurance industry in Nigeria did not experience major growth in gross premium income because of low insurance penetration, inflation and associated consequences. The relative slow performance in gross premium during the period was moderated by recurring premium and few new businesses. Also, insurance financial statements are being prepared and presented in line with IFRS 17.

Operating Result

During the 2023-2025 strategic plan period, the Group demonstrated strong resilience to macroeconomic uncertainty in the environment. We closed the year ended 31 December 2024 with good performance. The growth rate in insurance revenue was 39% year on year from ₦34.2 billion to ₦47.7 billion in December 2024. The Group remained focused on its strategic objectives of ensuring improvement in insurance penetration through individual life business. The insurance service expense increased by 53% from ₦28.4 billion to ₦43.4 billion in 2024 for Group. The insurance service result increased by 168% from ₦1.9 billion to ₦5.1 billion in 2024 result on account of improvement in risk selection & management

The Group recorded decrease of 47% in investment income and other income from ₦18.0 billion income to ₦9.6 billion gain in 2024. The decreased is largely attributable to market variables. The Group remained committed to its strategic policy on safety of policyholders funds as well as assets and liabilities matching for optimal portfolio management.

The Group recorded ₦15.7 billion profit before tax during the reporting year. A growth of 50% year-on-year compared to ₦10.5 billion in prior year. This is a sustainable achievement despite the slow pace of the economy and the company is poised for improved performance.

Total assets of the Group reduced by 4% from ₦204.2 billion to close at ₦196.9 billion as at 31 December 2024 due to repatriation of year 2021-2022 dividend. Insurance and investment contract liabilities grew by 0.7% from ₦147.2 billion to ₦148.2 billion in 2024. The net effect in equity was positive from ₦21.4 billion to ₦35.5 billion in 2024 representing 66% growth in equity after the full year 2022 dividend and provision for taxes.

SANLAM LIFE INSURANCE NIGERIA LIMITED

MANAGEMENT'S DISCUSSION AND ANALYSIS

31 DECEMBER 2024

Outlook

In the years ahead, the Group will focus on its strategic plan, aimed at positioning the company clearly as a leading life insurance company in Nigeria. The plan is to achieve improved market shares and further penetration into every major town in Nigeria, selling insurance products to both individuals and corporate entities.

SANLAM LIFE INSURANCE NIGERIA LIMITED

ENTERPRISE RISK MANAGEMENT

31 DECEMBER 2024

The Group has a robust enterprise risk management framework which has been designed along the requirements of NAICOM and the Committee of Sponsoring Organisation of the Treadway Commission (COSO). Effective risk management remains fundamental to the business activities of the Group and there is a framework that supports a culture where risk management is everyone's responsibility from the levels of the board and executive committees down to risk owners and respective risk units.

The Group's enterprise risk management framework clearly identifies, assesses, monitors, evaluates and manages the principal risks it assumes in conducting its activities. These risks include credit, market and operational risks, as well as legal, compliance, reputational information security risks and underwriting risk. The risk structure includes management's approach to risk inherent in the business and its appetite for these risk exposures. Under this approach, the Group continuously assesses its top risks and monitors the risk profile against approved limits. The main strategies for managing and mitigating risk include policies and tools that target specific broad risk categories.

Enterprise risk management philosophy

The Group's risk management principles and strategy is hinged on maximising value creation and returns on investments. The risk management strategy is such that will assist the Group in achieving its vision and delivery of business objectives. As part of the risk strategy, the Group's enterprise risk management framework will ensure identification, quantification and treatment of all the foreseeable key risks. Our basis include that the risk management process will;

- i) uphold the Group's integrity and value system;
- ii) add sustainable value to all the activities of the organisation;
- iii) aid the understanding of the potential upside and downside of key risks;
- iv) support compliance to regulatory requirements;
- v) increase probability of success;
- vi) reduce the uncertainty of achieving the organisation's overall objectives;
- vii) support the culture that "managing risk is everybody's responsibilities" and pursue and reinforce this objective through risk awareness, clear Executive sponsorship, setting risk appetite and risk boundaries that are generally known, agreed and widely discussed; and
- viii) provide clear lines of responsibilities.

Our risk management context is entrenched in our mission statement of wealth protection through a team of risk and investment managers that provides our customers and other stakeholders with effective, creative solutions, assuring their financial security with our superior strength and capacity in the Nigeria market space.

Our Risk Culture

- a) The Board and senior management consciously promote a responsible approach to risk management and ensure that the sustainability and reputation of the Group are not jeopardised while expanding its market share.
- b) The responsibility for risk management in the Group is fully vested in the Board which in turn delegates such to senior management
- c) The Group pay adequate attention to both quantifiable and unquantifiable risks.
- d) The Group management creates awareness of risk and risk management across board.
- e) The Group continually subject its products, distribution channels and businesses to effective risk assessment process and it will not engage in any business until it has objectively assessed and managed the associated risk.

Risk management framework

Our risk management framework was designed and embedded in our operating culture and processes. There are clear levels of responsibilities (from the Board of Directors to the Staff Unit) assigned for effective management of our business risk.

Risk management framework - Continued

We operate and maintain three levels of risk governance structure for the oversight and management of risk. These are:

1st Line of Defence- Management

The Board include the Board of Directors and the Board Risk and Governance Committee and is charged with the responsibility for oversight of the enterprise risk management process, Proposing and approving the Risk Appetite level for the business and delegating responsibility of detailed oversight to Risk Management Committee.

2nd Line of Defence Risk oversight

This consists of the Risk Management Committees and the Chief Risk Officer of the Group. The Management evaluates the risks inherent within the business and ensure that they are captured appropriately within the business Risk Profile. The Chief Risk Officer facilitates an improved understanding of Risk Management process throughout the organisation in order to embed and improve continuously a risk awareness culture and to work with business management to review and update the Risk and control log.

The Chief Risk Officer (CRO) is responsible for setting policies and procedures necessary for the implementation of the risk framework. The role of the Chief Risk officer includes communicating the Group's risk profile to the Board and Management Committee and also communicates the decisions of the Board and Risk Management Committee to the other members of the Group.

3rd Line of Defence Independent assurance

This is the last line or level of defence within our risk management structure and comprises the internal audit and external auditors' function that provides independent and objective assurance of the effectiveness and adequacy of risk management control and governance process.

Risk appetite

The Group is committed to driving its business initiatives without loss of value or unmitigated exposures to related risks. In order to improve the value of shareholders wealth and remain profitable, the Group designed its appetite for risk exposures at any given situation. The risk appetite represents the amount of risk exposure or potential adverse impact from an event that the Group is willing to accept/retain. The risk appetite of the Group is set by the Board of Directors annually, and it is aimed at minimising erosion of earnings or capital due to avoidable losses in the trading, investment and underwriting books, or from frauds or operational inefficiencies. The Group's Risk Appetite objective include:

- i) Optimisation of capital employed through enhanced returns on equity.
- ii) Consistently strive to minimise overall cost of risk exposure and its management through effective risk mitigation practices.
- iii) Losses due to frauds and operational lapses should be a maximum of a specified percentage of gross earnings and in any case be lower than the industry average.

Risk management policies and procedures

The Enterprise-wide Risk Management policies and procedures which have been instituted strategically are aimed at managing potential, inherent and residual risk categories in our operations.

The Board recognizes that the practice of risk management is critical to the achievement of corporate objectives and has actively encouraged a risk culture that embraces innovation and opportunity, primed risk-taking and acceptance of risk which is inherent in all our activities, whilst reducing barriers to successful implementation.

Risk classification

The Group is exposed to different kinds of risk while conducting its business. Some of these include:

Market risk/Investment risk

This is the risk to a Group's financial condition resulting from adverse movements in the level or volatility of market prices. The Group has a structured process and basis for measuring and calculating the probability of loss and possible impact on the Group's capital resources caused by adverse changes in the price of stock and shares, property, exchange rates and other market conditions that are relevant. The Companies have established investment limits in its operational guidelines and policy of assets diversification in line with NAICOM regulations to prevent over concentration and over exposure to any particular market.

Credit risk

This is the risk that counterparty will default on payment or fail to perform an obligation to the Group. The Group has a system for conducting due diligence on the credit worthiness of any party to which it has credit exposure. The Group does not ordinarily grant credit facilities to third parties in the course of its business but could have credit risk associated with Insurance Brokers consequent upon the "No Premium No Cover" enforcement by NAICOM.

Operational risk

This is the risk of loss from inadequate or failed internal processes, people and systems or from external events which arises from the potential that inadequate information systems, operational problems, breaches in internal controls, fraud, or unforeseen catastrophes will result in unexpected losses. The Group has policies that cover risk that may arise from people, systems and internal process failures. The policies include staff recruitment, training, retention plans, succession plans, remuneration and welfare benefits, designing standard operating procedure and policies, driving compliance culture, process automation, Information Technology support systems, data integrity, IT systems access, etc.

Liquidity risk

Liquidity risk exist when there is insufficient cash flow to meet the Group's operational and financial obligations and is usually associated with inability to liquidate assets or obtain funding from external sources to pay claims and other liabilities when due. The Group manages its liquidity risk through appropriate assets and liability management strategy through the Investment Management Committee. Monthly reports and review of liquidity gaps is conducted to assess the level of liquidity risk.

Reinsurance risk

This is the risk of inadequate reinsurance cover to mitigate underwriting risk. It usually occurs when there is insolvency of a reinsurer, discovery of exposures without current reinsurance coverage, or exhaustion of reinsurance covers through multiple losses. The Group has documented reinsurance policies for adequate reinsurance arrangements and treaties for all categories of insurance business transacted. The policies include the process for Reinsurer selection, monitoring, claims recovery, etc.

Underwriting risk

Underwriting is the process by which an insurer determines the conditions necessary and suitable to accept insurance risk. The risk crystallises when there is severe and frequent claims against the Group's projected capacity. The Group has embedded internal control processes to guide its insurance business and guide against the risk of unexpected losses and capital erosion. There are well documented underwriting policies and procedure and are enforced throughout the organisation.

Risk classification - Continued

Business risk

The Group's business risk is associated with gaining market shares and remains profitable. This risk is considered through documented process for product development and launch, business segment profitability analysis, stakeholder's engagement as well as being embedded in our brand promise.

Reputational risk

This is the risk of events that could cause public distrust and damages to the Group's integrity, reputation and goodwill especially in the eyes of the customers, regulators, competitors, and the general public. We manage reputational risk through a structured approach for defining and implementing core values and acceptable standard of behaviour which the staff are expected to follow while conducting the day-to-day business of the Group. The Group risk assessment and monitoring process has embedded controls for testing reputational risk and the outcome of such exercise is communicated to the Board Risk Committee on a quarterly basis.

Legal/compliance risk management

The Group has procedures to ensure that all statutory regulations are completely adhered to by the business unit at all time. These regulations include those set by NAICOM and other relevant agencies of government. There are internal control processes that identify potential breaches to the regulations and are promptly mitigated. Some of the control processes include:

- a) Know -your-customer (KYC) procedure
- b) Anti-money laundering/combating the financing of terrorism (AML/CFT)
- c) Anti-bribery and corruption measures
- d) Guidelines for adherence to Corporate Governance principles
- e) Gift policies
- f) Whistle blowing policies

Risk report and risk map

Issues arising from risk assessment process are collated and presented in a report called the Risk Report which forms the basis of constructing the risk map. The risk map draws senior management's attention to the critical risk factors as well as the adequacy of existing controls to mitigate the risk. The risk map provides a snap short summary of the significant risk and the ratings and probability of occurrence within a specific period. This forms the basis for estimating the potential operational loss.

Risk control self-assessment (RCSA)

The Group has a mechanism for risk assessment on periodic basis and this is known as Risk control self-assessment (RCSA) principle. It involves the tests and procedures or assessments that need to be performed periodically to assure that key controls are in place and are working effectively as designed. The control requirements are proactively assessed through Process risk analysis and review of policy requirements, loss events, and audit findings. The Group then set controls required to comply with policy requirements and test these processes for adequacy and risk mitigation capability. Risk Champions are engaged in each business or risk unit and facilitates the process of risk control self-assessment in the Group.

Key risk indicators

The key risk indicator (KRI) provides trend analysis of risk exposures or deviation from standard processes. This helps the Risk Officers and Risk owners to promptly identify increasing threat to business activities and escalate to the appropriate senior levels for control and to probably review the risk appetite. The trend analysis is one of the sources of data for the risk report and risk map documented by the Group.

Loss events reporting

The Group has a Loss Event Register that captures all actual loss sustained during operational processes.

Health and safety management

The Health and Safety Management has been instituted to provide and maintain safe healthy working conditions, work equipment and systems for all staff. This responsibility also extends to visitors, contractors and others who may potentially be affected by our activities. The Health and Safety Policy framework underpins the policy statements, roles and responsibilities of HSE officer.

Business Continuity Plan (BCP)

The business continuity plan (BCP) has been designed to promote resilience against operational threats especially with regards to continuity of critical operations, in the event of a disaster or disruption to critical operations. The BCP framework also addresses adherence to contingency planning procedures, in the event of emergencies. We aim to continually improve on inherent gaps identified during each simulation exercise.

Anti-Money laundering and combating the Financing of Terrorism (AML/CFT) framework

In line with the Group risk management philosophy, Sanlam Life Insurance Nigeria Limited is committed to comply with all regulations and legislations in Nigeria that is geared towards the fight against all forms of financial crime, which includes, money laundering and terrorist financing.

The Group has framework for Anti-Money Laundering (“AML”), Combating the Financing of Terrorism (“CFT”). The framework which include policies and procedures are fully operational and consistently implemented. The governance structure of the framework highlights the Board oversight responsibility to ensure that all staff of the Group adhere to the policies on AML/CFT. The Board, through the Management Committee (MANCO), delegated responsibility for implementation and management of money laundering related issues to the Chief Compliance Officer (CCO). Through this, Senior management are regularly updated on new developments and trend in AML/CFT while all staff of the company are regularly trained and made aware of the requirements to report any suspicious transactions to the Chief Compliance Officer. The Group submits reports to the Nigerian Financial Intelligence Unit (NFIU) in accordance with the provisions of sections 2, 6 and 10 of the Money Laundering (Prohibition) Act of 2011 as amended (“the Act”). The AML/CFT Manual is compulsory reading for all members of staff for in-depth understanding of its contents and actualization of the Group’s objective to comply with the provisions of the Act/guidelines.

SANLAM LIFE INSURANCE NIGERIA LIMITED

DIRECTORS' REPORT 31 DECEMBER 2024

The directors submit their report together with the audited Consolidated and Separate Financial statements for the year ended 31 December 2024, which disclose the state of affairs of the Group and the Company.

(a) Incorporation and address

Sanlam Life Insurance Nigeria Limited, (formerly FBN Insurance Limited) was incorporated in Nigeria in September 2007 under the Companies and Allied Matters Act as a private limited liability company, and is domiciled in Nigeria. The National Insurance Commission licensed the Company on 22 February 2010 to carry on the business of life insurance and investment contract. The company commenced operations on 1 September 2010. The address of its registered office is 34 Marina, Lagos.

Sanlam Life Insurance Nigeria Limited acquired 100% of the Equity of Sanlam General Insurance Limited (formerly known as Oasis Insurance Plc) in 2014, and the acquiree became a wholly owned subsidiary of the Group in December 2014. Sanlam General Insurance Nigeria Limited (formerly FBN General Insurance Limited) engages in non-life insurance business.

(b) Principal activities

The principal activity of the Group is the provision of life and non-life insurance business, risk management solutions and financial services to corporate and retail customers in Nigeria.

(c) Results

The Group's results for the year are set out on pages 97 and 98. The profit after tax for the year ended 31 December 2024 in the sum of ₦14.1 billion for the Group and ₦9.9 billion for the Company (Group: ₦7.4 billion and Company: ₦3.9 billion in 2023) has been transferred to retained earnings.

| | Group | | Company | |
|---|-------------------|------------------|------------------|------------------|
| | 31-Dec-24 | 31-Dec-23 | 31-Dec-24 | 31-Dec-23 |
| | ₦'000 | ₦'000 | ₦'000 | ₦'000 |
| Insurance revenue | 47,672,253 | 34,192,000 | 23,621,163 | 19,464,225 |
| Insurance service expense | (43,404,913) | (28,396,307) | (17,644,022) | (17,593,753) |
| Net expenses from reinsurance contracts | 881,965 | (3,836,526) | (918,951) | (442,298) |
| Insurance service result | 5,149,305 | 1,959,168 | 5,058,189 | 1,428,174 |
| Net financial result | 9,440,603 | 7,610,236 | 3,932,779 | 3,743,472 |
| Profit before minimum and income tax expens | 15,660,602 | 10,539,363 | 10,038,543 | 6,125,567 |
| Minimum taxation | (126,290) | (1,957,003) | (126,290) | (1,957,003) |
| Income tax expense | (1,420,459) | (1,143,537) | (929) | (231,438) |
| Profit for the year | 14,113,853 | 7,438,822 | 9,911,325 | 3,937,125 |

(d) Dividends

No dividend has been recommended by the Board for the financial year ended 31 December 2024 (2023: Nil).

(e) Directors

The directors who held office during the financial year were:

| | | |
|-------------------------|---|---|
| Dr. Olufemi Oyetunji | - | Chairman (Nigerian) |
| Mr. Babatunde Mimiko | - | Managing Director/CEO (Nigerian) |
| Mr. Odinakachi Umekwe | - | Executive Director (Nigerian) |
| Mr. Olabanjo Oladipo | - | Executive Director (Nigerian - Appointed w.e.f 19 Jun 2024) |
| Mr. Nelius Bezuidenhout | - | Non-Executive Director (South African) |
| Mr. Robert Dommissie | - | Non-Executive Director (South African) |
| Mr. Kobus Vlok | - | Non-Executive Director (South African) - Resigned w.e.f 7 Mar 2024 |
| Mr. Gavin Downard | - | Non-Executive Director (South African) - Appointed w.e.f 7 Mar 2024 |
| Mr. Valentine O. Ojumah | - | Non-Executive Director (Nigerian) |
| Alhaji Tijjani Borodo | - | Independent/Non-Executive Director (Nigerian) |

(f) Directors' shareholding

The directors had no interest in, nor held any shares in the company and the Group.

SANLAM LIFE INSURANCE NIGERIA LIMITED

DIRECTORS' REPORT 31 DECEMBER 2024

(g) Directors interests in contracts

None of the directors has notified the Group for the purpose of section 303 of the Companies and Allied Matters Act (CAMA), 2020 of their direct or indirect interest in contracts or proposed contracts with the Group during the period.

(h) Shareholding

The shareholding structure of the Group is as follows:

| | 2024 | | 2023 | |
|---------------------------------|----------------------|---------------------|----------------------|---------------------|
| | Number of shares | Percentage held (%) | Number of shares | Percentage held (%) |
| Sanlam Allianz Africa [PTY] Ltd | 7,999,999,999 | 99.99 | 7,999,999,999 | 99.99 |
| Susarah Magaretha Coetzee | 1 | 0.01 | 1 | 0.01 |
| | 8,000,000,000 | 100.00 | 8,000,000,000 | 100.00 |

(i) Donations and Sponsorship

The Company made the following contributions to charity and non-governmental organisation during the year amounting to ₦23.21million (2023: ₦10.44million)

| December 31, 2024 | Amount ₦'000 |
|---------------------------------|-----------------|
| The 9jababy Trade Fair | 1,000 |
| Dew of Hermon Montessori School | 300 |
| Presidential ceremony | 3,000 |
| IoD Centre | 5,000 |
| Almond Insurance Industry | 500 |
| NIA 2024 | 500 |
| RCCG | 161 |
| NAIPE 2024 | 1,500 |
| Insurance Meets Tech (IMT) | 1,500 |
| NIA | 2,000 |
| CIIN | 200 |
| SpeakHer | 1,500 |
| COOPLAG | 1,000 |
| Total E | 350 |
| Olokoro Celebration Day. | 200 |
| Silver Sponsorship | 4,500 |
| | 23,211 |

(j) Events after year end

No material facts or circumstances arose between the dates of the statement of financial position and this report that will affect the financial position of Sanlam Life Insurance Nigeria Limited as at 31 December 2024.

(k) Human Resources

Employment of physically challenged persons

The Group continues to maintain a policy of giving fair consideration to the application for employment made by physically challenged persons with due regard to their abilities and aptitudes. The Group's policy prohibits discrimination against physically challenged persons in the recruitment, training and career development of its employees. In the event of members of staff becoming physically challenged, efforts will be made to ensure that their employment with the Group continues and appropriate training arranged to ensure that they fit into the Group's working environment. As at 31 December 2024, the Group had no physically challenged persons in its employment.

Human Resources - Continued

Health, Safety and Welfare at Work

The Group enforces strict health and safety rules and practices at the work environment, which are reviewed and tested regularly. The Group retains top-class private hospitals where medical facilities are provided for staff and their immediate families at the Group's expense. Fire prevention and fire-fighting equipment are installed in strategic locations within the Group's premises. The Group operates a Workmen's Compensation Insurance covers for the benefit of its employees. It also operates a contributory pension plan in line with the Pension Reform Act, 2014.

Employee Involvement and Training

The Group ensures, through various fora, that employees are informed on matters concerning them. Formal and informal channels are also employed in communication with employees with an appropriate two-way feedback mechanism. In addition, employees of the Group are nominated to attend both locally and internationally organized courses. These are complemented by on-the job training. All officers of the Group attend meetings and retreats where members of staff critically discuss the Group's performance and recommend solutions to identified challenges.

Gender Analysis

The number and percentage of men and women employed in the Company during the financial year vis-a- vis total workforce is as follows:

| | Male Number | Female Number | Male % | Female % |
|---|------------------------|--------------------------|---------------|-----------------|
| Employees | 87 | 75 | 54% | 46% |
| <i>Gender analysis of Board and Top</i> | | | | |
| Board | 9 | 0 | 100% | 0% |
| Senior Management | 15 | 5 | 75% | 25% |
| <i>Detailed analysis of the Board and Top Management is as follows:</i> | | | | |
| Senior Manager | 6 | 2 | 75% | 25% |
| Principal Manager | 5 | 0 | 100% | 0% |
| Assistant General Manager | 2 | 2 | 50% | 50% |
| Deputy General Manager | 2 | 1 | 67% | 33% |
| Executive Director | 2 | 0 | 100% | 0% |
| Chief Executive Officer | 1 | 0 | 100% | 0% |
| Non-Executive Director | 4 | 0 | 100% | 0% |

(I) Auditor

Messrs. KPMG Professional Services have indicated their willingness to continue in office as auditors to the Group having satisfied the relevant corporate governance rules on their tenure in office. In accordance with Section 401 (2) of the Companies and Allied Matters Act (CAMA) 2020, therefore, the auditors will be re-appointed at the next General Meeting of the Company without any resolution being passed.

Sanlam Life Insurance Nigeria Limited consolidated financial statements have been authorised for issue by the Board of Directors on 7 March 2025.

By Order of the Board



Abimbola Lawson

Company Secretary

FRC/2015/NBA/00000010768

7 March 2025

Certification Pursuant to Section 1.3 of the Financial Reporting Council of Nigeria Guidance on Management Report on Internal Control Over Financial Reporting

I, Babatunde Mimiko, certify that:

- a) I have reviewed the Report on the Effectiveness of Internal Control over Financial Reporting as of 31 December 2024 of Sanlam Life Insurance Nigeria Limited (“the Company”) and its subsidiary (together “the Group”);
- b) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
- c) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the entity as of, and for, the periods presented in this report;
- d) The Group’s other certifying officer and I:
 - 1) are responsible for establishing and maintaining internal controls;
 - 2) have designed such internal controls and procedures, or caused such internal controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, and its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - 3) have designed such internal control system, or caused such internal control system to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS Accounting Standards;
 - 4) have evaluated the effectiveness of the Group’s internal controls and procedures as of a date within 90 days prior to the report and presented in this report our conclusions about the effectiveness of the internal controls and procedures, as of the end of the period covered by this report based on such evaluation.
- e) The Group’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control system, to the Company’s auditors and the audit committee or persons performing the equivalent functions:
 - 1) That there are no significant deficiencies or material weaknesses in the design or operation of the internal control system which are reasonably likely to adversely affect the Group’s ability to record, process, summarize and report financial information; and
 - 2) That there is no fraud, whether or not material, that involves management or other employees who have a significant role in the Group’s internal control system.
- f) The Group’s other certifying officer and I have identified, in the report whether or not there were significant changes in internal controls or other facts that could significantly affect internal controls subsequent to the date of our evaluation.

A handwritten signature in blue ink, appearing to read "Babatunde Mimiko".

Babatunde Mimiko

MD/CEO

FRC/2016/CIIN/00000013719

7 March 2025

Life Insurance

34 Marina, Lagos. P.O. Box 4140, Marina - Lagos, Nigeria.

Certification Pursuant to Section 1.3 of the Financial Reporting Council of Nigeria Guidance on Management Report on Internal Control Over Financial Reporting

I, Adebisi A. Sobalaje, certify that:

- a) I have reviewed the Report on the Effectiveness of Internal Control over Financial Reporting as of 31 December 2024 of Sanlam Life Insurance Nigeria Limited (“the Company”) and its subsidiary (together “the Group”);
- b) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
- c) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the entity as of, and for, the periods presented in this report;
- d) The Group’s other certifying officer and I:
 - 1) are responsible for establishing and maintaining internal controls;
 - 2) have designed such internal controls and procedures, or caused such internal controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, and its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - 3) have designed such internal control system, or caused such internal control system to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS Accounting Standards;
 - 4) have evaluated the effectiveness of the Group’s internal controls and procedures as of a date within 90 days prior to the report and presented in this report our conclusions about the effectiveness of the internal controls and procedures, as of the end of the period covered by this report based on such evaluation.
- e) The Group’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control system, to the Company’s auditors and the audit committee or persons performing the equivalent functions:
 - 1) That there are no significant deficiencies or material weaknesses in the design or operation of the internal control system which are reasonably likely to adversely affect the Group’s ability to record, process, summarize and report financial information; and
 - 2) That there is no fraud, whether or not material, that involves management or other employees who have a significant role in the Group’s internal control system.
- f) The Group’s other certifying officer and I have identified, in the report whether or not there were significant changes in internal controls or other facts that could significantly affect internal controls subsequent to the date of our evaluation.

A handwritten signature in blue ink, appearing to read "Adebisi A. Sobalaje".

Adebisi A. Sobalaje

Ag. Financial Controller

FRC/2013/ICAN/00000003469

7 March 2025

Life Insurance

34 Marina, Lagos. P.O. Box 4140, Marina - Lagos, Nigeria.

Report on the Effectiveness of Internal Control over Financial Reporting as of 31 December 2024

The management of Sanlam Life Insurance Nigeria Limited is responsible for establishing and maintaining adequate internal control over financial reporting as required by the Financial Reporting Council (Amendment) Act, 2023.

The management of Sanlam Life Insurance Nigeria Limited (“the Company”) assessed the effectiveness of the internal control over financial reporting of the Company and its subsidiary (together “the Group”) as of 31 December 2024 using the criteria set forth in Internal Control—Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (“the COSO Framework”) and in accordance with the Financial Reporting Council of Nigeria Guidance on Management Report on Internal Control Over Financial Reporting.

As of December 31, 2024, the management Sanlam Life Insurance Nigeria Limited did not identify any material weakness in its assessment of internal control over financial reporting. As a result, management has concluded that, as of December 31, 2024, the Group’s internal control over financial reporting was effective.

The Company’s independent auditor, KPMG Professional Services, who audited the consolidated and separate financial statements included in this Annual Report, issued an unmodified conclusion on the effectiveness of the Group’s internal control over financial reporting as of 31 December 2024 based on the limited assurance engagement performed by them. KPMG Professional Services’ limited assurance report appears on pages 29 – 32 of the Annual Report.

Changes in Internal Control Over Financial Reporting

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

A handwritten signature in blue ink, appearing to read "Babatunde Mimiko".

Babatunde Mimiko
MD/CEO
FRC No:FRC/2016/CIIN/00000013719

A handwritten signature in blue ink, appearing to read "Adebisi A. Sobalaje".

Adebisi A. Sobalaje
Ag. Financial Controller
FRC No:FRC/2013/ICAN/00000003469

Life Insurance

34 Marina, Lagos. P.O. Box 4140, Marina - Lagos, Nigeria.

Sanlam Life Insurance Nigeria Limited RC 707564. Licensed Financial Services, Authorized and Regulated by the National Insurance Commission RIC 050.
DIRECTORS: Chairman: Dr. Olufemi Oyetunji, Managing Director and Chief Executive Officer: Tunde Mimiko, Executive Director: Odinakachi Umekwe
Non-Executive Directors: Nelius Bezuidenhout, Robert Domisse, Kobus Vlok, Alhaji Tijani Borodo

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A MEMBER OF THE NIGERIAN
INSURANCE ASSOCIATION





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Independent Auditor's Limited Assurance Report

To the Shareholders of Sanlam Life Insurance Nigeria Limited

Report on Limited Assurance Engagement Performed on Management's Assessment of Internal Control Over Financial Reporting

Conclusion

We have performed a limited assurance engagement on whether internal control over financial reporting of Sanlam Life Insurance Nigeria Limited ("the Company") and its subsidiary (together "the Group") as of 31 December 2024 is effective in accordance with the criteria established in *Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission ("the COSO Framework")* and the Financial Reporting Council of Nigeria Guidance on Management Report on Internal Control Over Financial Reporting.

Based on the procedures performed and evidence obtained, nothing has come to our attention to cause us to believe that Sanlam Life Insurance Nigeria Limited's (the Group's) internal control over financial reporting as of 31 December 2024 is not effective, in all material respects, in accordance with the criteria established in the COSO Framework and the Financial Reporting Council of Nigeria Guidance on Management Report on Internal Control Over Financial Reporting.

Basis for conclusion

We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised), Assurance Engagements Other Than Audits or Reviews of Historical Financial Information issued by the International Auditing and Assurance Standards Board (IAASB) and the Financial Reporting Council of Nigeria Guidance on Assurance Engagement Report on Internal Control over Financial Reporting. Our responsibilities are further described in the "Our responsibilities" section of our report.

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (*including International Independence Standards*) issued by the International Ethics Standards Board for Accountants (IESBA).

Our firm applies International Standard on Quality Management (ISQM) 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements, issued by the IAASB. This standard requires the firm to design, implement and operate a system of quality management, including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

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



Other matter

We have audited the consolidated and separate financial statements of Sanlam Life Insurance Nigeria Limited in accordance with the International Standards on Auditing, and our report dated 28 April 2025 expressed an unmodified opinion of those *consolidated and separate* financial statements.

Our conclusion is not modified in respect of this matter.

Responsibilities for Internal Control over Financial reporting

The Board of Directors of Sanlam Life Insurance Nigeria Limited is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report. Our responsibility is to express a conclusion on the Group's internal control over financial reporting based on our assurance engagement.

Our responsibilities

The Financial Reporting Council of Nigeria Guidance on Assurance Engagement Report on Internal Control over Financial Reporting ("the Guidance") requires that we plan and perform the assurance engagement and provide a limited assurance report on the Group's internal control over financial reporting based on our assurance engagement.

Summary of the work we performed as the basis for our conclusion

We exercised professional judgment and maintained professional skepticism throughout the engagement. As prescribed in the Guidance, the procedures we performed included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our engagement also included performing such other procedures as we considered necessary in the circumstances. We believe the procedures performed provide a basis for our report on the internal control put in place by management over financial reporting.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Definition and Limitations of Internal Control Over Financial reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that:

- (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;



- (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (iii) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

A handwritten signature in blue ink, appearing to read 'Akinyemi Ashade', is located above the typed name.

Akinyemi Ashade, FCA
FRC/2013/ICAN/00000000786
For: KPMG Professional Services
Chartered Accountants
28 April 2025
Lagos, Nigeria



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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Sanlam Life Insurance Nigeria Limited

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated and separate financial statements of Sanlam Life Insurance Nigeria Limited ("the Company") and its subsidiary (together, "the Group"), which comprise:

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

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

Basis for Opinion

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

Key Audit Matters

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

Valuation of Insurance contract liabilities

The Group has significant life and non-life insurance contract liabilities. The actuarial valuation of Insurance contract liabilities involves high estimation uncertainties and significant judgement over uncertain future outcomes. Provisions for reported claims are based on historical experience. However, the eventual liabilities may differ from the estimate amounts. Furthermore, the estimated liability for claims that have occurred but are yet to be reported in respect of non-life insurance contracts involve economic assumptions about inputs such as inflation rate, ultimate loss ratio and discount rates; hence the eventual outcome is uncertain. The actuarial assumptions used in the valuation of life insurance contract liabilities are judgmental, particularly with respect to mortality rates and discount rates. The level of complexity, the assumptions and judgment involved in estimating these amounts make insurance contract liabilities a matter of significance to our audit.

How the matter was addressed in our audit

- We evaluated the design and implementation of key controls instituted by the Company which includes management review of data used for the valuation of insurance contract liabilities
- We agreed the underlying data on a sample basis used in actuarial valuations of insurance contract liabilities to source documentation such as outstanding claims, claims paid, and claims recoveries
- We engaged our actuarial specialists to assess the appropriateness of the methodology used by the Company's external actuary for determining the insurance contract liabilities
- With the assistance of our actuarial specialist, we evaluated the reasonableness of the actuarial assumptions used by the Group's external actuaries including review of reserve movement analysis and carryout high level tests of technical liability results
- For insurance contract liabilities, we evaluated the reasonableness of key assumptions used by the Company's external actuaries including assumptions on the mortality rate, inflation rate, discount rate, valuation interest rate (VIR), and lapse rate

The Company's accounting policy on the valuation of insurance contract liabilities and related disclosures are shown in note 15 (Insurance contract liabilities).

Other Information

The Directors are responsible for the other information. The other information comprises the Corporate Information, Vision, Mission and Values Statements, Statement of directors' responsibilities, Statement of Corporate Responsibilities, Certification by Company Secretary, Certification by Actuary, Corporate Governance Report, Risk Declaration Report, Management and analysis Report, Enterprise Risk management Report, Directors' Report, Report of the Board Audit Committee, Result at a Glance, Management's Report on the Effectiveness of Internal Control over Financial, Certification Pursuant to Section 1.3 of the Financial Reporting Council of Nigeria Guidance on Management Report on Internal Control over Financial Reporting and Other National Disclosures, but does not include the consolidated and separate financial statements and our auditor's report thereon.

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

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

Responsibilities of the Directors for the Consolidated and Separate Financial Statements

The Directors are responsible for the preparation of consolidated and separate financial statements that give a true and fair view in accordance with IFRS Accounting Standards and in the manner required by



the Companies and Allied Matters Act (CAMA), 2020 and the Financial Reporting Council of Nigeria (Amendment) Act, 2023 *the Insurance Act 2003 and relevant National Insurance Commission of Nigeria ("NAICOM") Circulars*, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

- i. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
- ii. In our opinion, proper books of account have been kept by the Company, so far as appears from our examination of those books.
- iii. The Company's statement of financial position and statement of profit or loss and other comprehensive income are in agreement with the books of account.

Penalties

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

Compliance with FRC Guidance on Assurance Engagement Report on Internal Control over Financial Reporting

In accordance with the requirements of the Financial Reporting Council of Nigeria, we performed a limited assurance engagement and reported on management's assessment of the Company's internal control over financial reporting as of December 31, 2024. The work performed was done in accordance with ISAE 3000 (Revised) Assurance Engagements Other Than Audits or Reviews of Historical Financial Information and the FRC Guidance on Assurance Engagement Report on Internal Control over Financial Reporting. We have issued a unmodified conclusion in our report dated 29 April 2025. That report is included on page 31 of the annual report.

Signed:

Akinyemi Ashade, FCA
FRC/2013/ICAN/00000000786
For: KPMG Professional Services
Chartered Accountants
29 April 2025
Lagos, Nigeria



SANLAM LIFE INSURANCE NIGERIA LIMITED

RESULTS AT A GLANCE 31 DECEMBER 2024

| | Group | | Company | |
|---|--------------------|--------------------|--------------------|--------------------|
| | 31-Dec-24 ₦'000 | 31-Dec-23 ₦'000 | 31-Dec-24 ₦'000 | 31-Dec-23 ₦'000 |
| COMPREHENSIVE INCOME STATEMENT | | | | |
| Insurance revenue | 47,672,253 | 34,192,000 | 23,621,163 | 19,464,225 |
| Insurance service expense | (43,404,913) | (28,396,307) | (17,644,022) | (17,593,753) |
| Net expenses from reinsurance contracts | 881,965 | (3,836,526) | (918,951) | (442,298) |
| Insurance service result | 5,149,305 | 1,959,167 | 5,058,189 | 1,428,174 |
| Investment returns | 12,712,345 | 20,848,276 | 7,687,222 | 17,045,452 |
| Net financial result | 9,440,603 | 7,610,236 | 3,932,779 | 3,743,472 |
| Profit before tax | 15,660,602 | 10,539,363 | 10,038,543 | 6,125,567 |
| Profit for the year | 14,113,853 | 7,438,822 | 9,911,325 | 3,937,125 |
| Earnings per share (basic) - in kobo | 208 | 119 | 124 | 49 |
| Earnings per share (diluted) - in kobo | 208 | 119 | 124 | 49 |
| STATEMENT OF FINANCIAL POSITION | | | | |
| | Group | | Company | |
| | 31-Dec-24 ₦'000 | 31-Dec-23 ₦'000 | 31-Dec-24 ₦'000 | 31-Dec-23 ₦'000 |
| Total assets | 196,944,294 | 204,232,664 | 167,707,284 | 186,454,121 |
| Insurance contract liabilities | 148,171,097 | 147,216,233 | 133,442,143 | 138,841,101 |
| Total liabilities | 161,406,051 | 182,808,275 | 143,212,926 | 171,871,088 |
| Total equity | 35,538,243 | 21,424,389 | 24,494,358 | 14,583,033 |

SANLAM LIFE INSURANCE NIGERIA LIMITED

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

31 DECEMBER 2024

1 General Information

These are the Consolidated and Separate Financial statements of Sanlam Life Insurance Nigeria Limited (the Company), and its subsidiary (together 'the Group').

Sanlam Life Insurance Nigeria Limited (formerly known as FBN Insurance Limited) was incorporated in Nigeria under the Companies and Allied matters Act (CAMA) as a private limited liability company on the 6 September 2007. The National Insurance Commission (NAICOM) licensed the Company on 22 February 2010 to carry on the business of life insurance and investment contracts. The Company commenced operations on 1 September 2010. The Company is incorporated and domiciled in Lagos, Nigeria, providing life insurance services. The Company acquired Sanlam General Insurance (formerly Oasis Insurance Plc) in 2014, which was licensed to carry on non-life insurance business.

The Company has its registered office on 34 Marina, Lagos, Nigeria.

1.1 Basis of measurement, preparation and compliance with IFRS

These consolidated and separate financial statements are prepared in accordance with the IFRS Accounting Standards. These financial statements are also in compliance with the Financial Reporting Council of Nigeria Act 2023 (as amended), the Companies and Allied Matters Act (CAMA) 2020, the Insurance Act of Nigeria 2003 and relevant National Insurance Commission (NAICOM) guidelines and circulars.

Basis of Measurements

These consolidated and separate financial statements have been prepared on the historical cost basis except for the following items, which are measured on fair value basis on each reporting date.

| Items | Measurement bases |
|---|-------------------|
| Non-derivative financial instruments at FVTPL | Fair value |
| Equity instruments at FVTPL | Fair value |
| Insurance contract liability | Fair value |

The financial statements are presented in Nigerian currency (Naira-which is the Group functional currency) and all values are rounded to the nearest thousand except when otherwise indicated.

1.2 Material accounting judgements, estimates and assumptions

Estimates and assumptions are an integral part of financial reporting and as such have an impact on the amounts reported for the group's assets and liabilities. Management applies judgement in determining probability-weighted estimates of future experience. These judgements are based on historical experience and reasonable expectations of future events and changes in experience. Estimates and assumptions are regularly updated to reflect actual experience. It is reasonably possible that actual outcomes in future financial years may differ to the current assumptions and judgements, possibly significantly, which could require a material adjustment to the carrying amounts of the affected assets and liabilities.

The critical estimates and judgements made in applying the group's accounting policies are summarised below. Given the correlation between assumptions, it is not possible to demonstrate the effect of changes in key assumptions while other assumptions remain unchanged. Further, in some instances the sensitivities are non-linear. Interdependencies between certain assumptions cannot be quantified and are accordingly not included in the sensitivity analyses; the primary example being the relationship between economic conditions and lapse, surrender and paid-up risk.

An important indicator of the accuracy of assumptions used by a life insurance company is the experience variances reflected in the embedded value earnings during a period. The experience variances reported by the group to date have been reasonable compared to the embedded value of covered business, confirming the accuracy of assumptions used by the group.

SANLAM LIFE INSURANCE NIGERIA LIMITED

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

31 DECEMBER 2024

1.2 Material accounting judgements, estimates and assumptions - continued

1.2a Insurance and reinsurance contracts

1.2ai Classification

The group applies judgement to assess whether contracts are in scope of IFRS 17 in some product lines, such as whether additional payments on death related to minimum investment guarantees or vesting bonuses are significant on a present value basis. Where these additional payments have been assessed not to be significant on a present value basis and there are no DPFs, these investment contracts are in scope of IFRS 9.

Premium allocation approach (PAA) eligibility

The group applies the PAA to measure a group of insurance contracts issued or reinsurance contracts held if, at inception of the group: the coverage period of each contract in the group of insurance contracts is one year or less; or the group reasonably expects that the PAA would produce a measurement of the liability or asset for remaining coverage for a group of insurance contracts that would not differ materially from the measurement that would be achieved by applying the requirements of the General Measurement Model (GMM - note 15).

Where the coverage period is greater than one year, the group will use judgement to assess the appropriateness of the PAA measurement model as follows:

- Project the fulfilment cash flows of the group of insurance contracts and take into account the time value of money where the time between providing each part of the services and the related premium is more than a year.
- Determine the projected liability or asset for remaining coverage under the PAA at each projected time period (initial recognition and subsequent measurement at our external reporting frequency, ie half-yearly or annually).
- Determine the liability or asset for remaining coverage under the GMM (including the contractual service margin (CSM)) at initial recognition as well as subsequent measurement. The group will use judgement as described in section 1.2aii below to determine the fulfilment cash flows and CSM at each projection point.
- At each projection point, the difference between the liability or asset for remaining coverage under the PAA and GMM is determined (“the difference”).
- The difference is compared to the pre-determined materiality threshold (relative measure) at each point in time.
- Where the difference does not exceed the determined threshold (at any time) then the group passes the PAA eligibility test (for the base scenario).
- The group will perform scenario testing using the above process to ensure differences remain immaterial. Scenario testing will be performed at least annually, by updating the projected fulfilment cash flows under reasonably expected scenarios, which would affect cash flow variability. The group applies judgement in calibrating these scenarios for changes in market and non-market variables based on management’s view of the key changes affecting cash flow and liability variability for each portfolio of insurance contracts.

Aggregation

The identification of portfolios of insurance contracts is driven by how the business is managed, with broad product lines being managed together and subject to similar risks. Contracts within a portfolio are subject to “similar risks” if the risks are non-offsetting and respond similarly to changes in key assumptions. This should not result in, for example, term life insurance contracts (exposing the group to mortality risk) and annuity contracts (exposing the group to longevity risk) being allocated to the same portfolio (note 15).

SANLAM LIFE INSURANCE NIGERIA LIMITED

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

31 DECEMBER 2024

1.2 Material accounting judgements, estimates and assumptions - continued

1.2a Insurance and reinsurance contracts - continued

1.2ai Classification - continued

Furthermore, businesses are not required to allocate different benefit types within the same product line to different portfolios if the insurance contracts are managed together, for example, if as part of pricing the profit margins are set, or assets are allocated, at the broad product level. This avoids arbitrary allocation of insurance contracts to different portfolios where they are managed together and priced within the same broad product line.

The portfolios are further divided into groups of insurance contracts issued based on the expected profitability at inception date, based on whether:

- contracts are onerous at initial recognition;
- contracts at initial recognition have no significant possibility of becoming onerous subsequently; or
- contracts at initial recognition have a significant possibility of becoming onerous subsequently (ie the remaining contracts).

The group applies judgement to assess whether reasonable and supportable information is available to allocate a set of contracts to the same group of onerous contracts, for example, based on policyholder pricing groups and other internal management information. Where reasonable and supportable information is not available to identify a set of onerous contracts, this assessment is performed at an individual contract level. The individual contract assessments can be performed on an adjusted expense allocation basis for aggregation purposes where it can be justified as a systematic and rationale basis for allocating the expenses included in the fulfilment cash flows to a group of insurance contracts.

Judgement has been applied to conclude that the proportion of insurance contracts issued that have no significant possibility of becoming onerous is immaterial to the group, and this profitability group is therefore not relevant for the 2023 reporting period. The group does not issue insurance contracts with sufficiently high profit margins to absorb the impact of any single scenario with no significant possibility of the insurance contracts becoming onerous.

Insurance contracts have typically been allocated to annual cohorts which align with annual financial periods (ie the group will add more contracts to an annual cohort after the end of an interim reporting period, where relevant), except for non-participating life annuities where insurance contracts have typically been allocated to monthly cohorts due to the sensitivity of pricing to changes in financial risk.

For insurance contracts issued measured under the PAA, no contracts have been allocated to onerous groups of contracts at initial recognition in 2023. The group may have to apply judgement to assess whether facts and circumstances have indicated that a group of contracts has become onerous subsequent to initial recognition. This assessment will follow normal business practice of typically using three to five years of experience to form expectations of profitability. Expectations will be updated half-yearly to understand if a group of insurance contracts, which was previously assumed not to be onerous, subsequently becomes onerous due to changes in experience relative to the pricing basis. In 2023, the group has not identified any groups of insurance contracts issued measured under the PAA that have become onerous subsequent to initial recognition.

The table below shows the classification per product between the measurement models:

| Contract Issued | Classification | Measurement Model |
|-----------------|------------------------------|-----------------------------------|
| Individual Life | Insurance Contract Liability | General Model (GM) |
| Annuity | Insurance Contract Liability | General Model (GM) |
| Life (Others) | Insurance Contract Liability | General Model (GM) |
| Group Life | Insurance Contract Liability | Premium Allocation Approach (PAA) |
| Credit Life | Insurance Contract Liability | Premium Allocation Approach (PAA) |
| Non-Life | Insurance Contract Liability | Premium Allocation Approach (PAA) |

1.2aii Measurement

Recognition and derecognition including modifications

The initial recognition date and derecognition of insurance contracts are not areas of significant judgement for the group.

SANLAM LIFE INSURANCE NIGERIA LIMITED

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

31 DECEMBER 2024

1.2 Material accounting judgements, estimates and assumptions - continued

1.2a Insurance and reinsurance contracts - continued

1.2a.ii Measurement - continued

Fulfilment cash flows

Fulfilment cash flows include the following components:

- probability-weighted estimates of future cash flows;
- adjustment to reflect the time value of money and financial risk relating to future cash flows, to the extent that the financial risk is not included in the estimates of future cash flows; and
- a risk adjustment for non-financial risk.

The probability-weighted estimates of future cash flows is determined through the following approach:

- identifying all sets of cash flows directly related to the fulfilment of a particular group of contracts;
- defining all reasonable scenarios applicable to a particular set of cash flows, including the cash flow profile applicable to each scenario;
- attaching a probability to each scenario;
- discounting the cash flow profile related to each scenario at the applicable discount rates; and
- calculating an aggregated weighted average present value of the sets of cash flows based on the probabilities attached to each scenario (note 15).

Estimates of future cash flows

The group includes in the measurement of a group of insurance contracts all the future cash flows within the boundary of each contract in the group. Estimates of future cash flows incorporate in an unbiased way all reasonable and supportable information that is available without incurring undue cost or effort. This information includes internal and external historical information about claims and other experience, adjusted to allow for expected future changes in experience. Estimates of future cash flows therefore reflect the group's current view of prevailing conditions. Market variables are consistent with current observable market prices. Changes in legislation that affect estimates of future cash flows are only allowed for once substantively enacted (note 32).

Contract boundaries

The determination of the contract boundary of an insurance contract is not an area of significant judgement for the group.

For reinsurance contracts held, the group's agreements with reinsurers include terms for the cancellation of new underlying business with notice periods typically ranging between three and six months. The group has applied judgement to assess that estimates of future cash flows arising from new underlying contracts expected to be issued after the reporting date but within the notice period for the cancellation of this business, are either immaterial for the group or relate to future reinsurance contracts, and are therefore not included in the measurement of the reinsurance contracts held (note 15).

Expenses

The following expense cash flows are included within the boundary of a contract:

- Acquisition cash flows that relate to the selling, underwriting and starting of a group of contracts that are directly attributable to the portfolio of contracts to which the group belongs. This includes underwriting expenses, upfront commissions payable to intermediaries, and commissions payable in respect of policy changes.
- Administration and other expense cash flows incurred in fulfilling the obligations under the insurance contracts, such as investment management expenses where relevant (see below for further details), claims handling costs, costs related to premium billing and maintenance commissions that are expected to be paid to intermediaries.

Both direct costs and an allocation of fixed and variable overheads are included. Attributable costs are determined using functional cost analysis techniques. The group applies judgement by taking a broad view of attributable expenses where it is reasonable and supportable (note 32).

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1.3 Changes in material accounting policies

The Group has initially applied IFRS 17 including any consequential amendments to other standards, from 1 January 2023. These standards have brought significant changes to the accounting for insurance and reinsurance contracts and financial instruments.

The nature and effects of the key changes in the Group's accounting policies resulting from its adoption of IFRS 17 are summarised below.

1.3a Recognition, measurement and presentation of insurance contracts - Transition

IFRS 17 establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts, reinsurance contracts and investment contracts with discretionary participation features. It introduces a model that measures groups of contracts based on the Group's estimates of the present value of future cash flows that are expected to arise as the Group fulfils the contracts, an explicit risk adjustment for non-financial risk and a CSM.

Under IFRS 17, insurance revenue in each reporting period represents the changes in the liabilities for remaining coverage that relate to services for which the Group expects to receive consideration and an allocation of premiums that relate to recovering insurance acquisition cash flows. In addition, investment components are no longer included in insurance revenue and insurance service expenses.

Insurance finance income and expenses are presented separately from insurance revenue and insurance service expenses.

The Group applies the Premium Allocation Approach (PAA) to simplify the measurement of contracts in the non-life segment. When measuring liabilities for remaining coverage, the Premium Allocation Approach (PAA) is similar to the Group's previous accounting treatment. However, when measuring liabilities for incurred claims, the Group now discounts the future cash flows (unless they are expected to occur in one year or less from the date on which the claims are incurred) and includes an explicit risk adjustment for non-financial risk.

Previously, all acquisition costs were recognised and presented as separate assets from the related insurance contracts ('deferred acquisition costs') until those costs were included in profit or loss. Under IFRS 17, only insurance acquisition cash flows that arise before the recognition of the related insurance contracts are recognised as separate assets and are tested for recoverability. These assets are presented in the carrying amount of the related portfolio of contracts and are derecognised once the related contracts have been recognised.

Income and expenses from reinsurance contracts other than insurance finance income and expenses are now presented as a single net amount in profit or loss. Previously, amounts recovered from reinsurers and reinsurance expenses were presented separately.

1.3b Recognition, measurement and presentation of insurance contracts - Transition

Changes in accounting policies resulting from the adoption of IFRS 17 have been applied using a full retrospective approach to the extent practicable. Under the full retrospective approach, at 1 January 2022 the Group:

- identified, recognised and measured each group of insurance and reinsurance contracts as if IFRS 17 had always been applied;
- identified, recognised and measured any assets for insurance acquisition cash flows as if IFRS 17 had always been applied, except that the recoverability assessment was not applied before 1 January 2022;
- derecognised previously reported balances that would not have existed if IFRS 17 had always been applied. These included some deferred acquisition costs for insurance contracts, insurance receivables and payables, and provisions for levies that are attributable to existing insurance contracts. Under IFRS 17, they are included in the measurement of the insurance contracts;

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1.3 Changes in material accounting policies - continued

1.3b Recognition, measurement and presentation of insurance contracts - Transition (continued)

The Group has applied the transition provisions in IFRS 17 and has not disclosed the impact of the adoption of IFRS 17 on each financial statement line item and EPS. The effects of adopting IFRS 17 on the consolidated financial statements at 1 January 2022 are presented in the statement of changes in equity.

1.4 Standards and interpretations not yet effective during the reporting period

The following new or revised IFRS Accounting Standards and interpretations, effective in future years and not early adopted, may have an impact on future results:

- □ Effective 1 January 2026: Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 7 and IFRS 9)
- □ Effective 1 January 2026: Annual Improvements to IFRS Accounting Standards (Amendments to IFRS 1, IFRS 7 and IFRS 9, IFRS 10 and IAS 7)

1.5 Standards and interpretations effective during the reporting period

The following revised IFRS Accounting Standards and interpretations have been applied in the 2024 financial year, and do not have a material impact on the results:

1.5.1 Amendment to IAS 21 - Lack of Exchangeability

In August 2023, the Board issued Lack of exchangeability amendments to IAS 21. The amendments specifies how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. A currency is considered to be exchangeable into another currency when an entity is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations.

If a currency is not exchangeable into another currency, an entity is required to estimate the spot exchange rate at the measurement date. An entity's objective in estimating the spot exchange rate is to reflect the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions. The amendments note that an entity can use an observable exchange rate without adjustment or another estimation technique.

1.5.2 Amendments to IFRS 16 - Lease Liability in a Sale and Leaseback

In September 2022, the Board issued Lease Liability in a Sale and Leaseback. The amendment to IFRS 16 specifies the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. However, the requirements do not prevent the seller-lessee from recognizing any gain or loss arising from the partial or full termination of a lease. The amendment is not expected to have any significant impact on the Group at the time it will take effect, as there is non-existent of such transaction as Sale and Leaseback within the Group or with external parties.

1.5.3 Amendment to IAS 1 - Classification of Liabilities as Current or Non-current Liabilities

In January 2020, the IASB issued amendment to IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments are effective for annual reporting periods beginning on or after 1 January 2024 and must be applied retrospectively. The amendment clarify what is meant by a right to defer settlement, that a right to defer must exist at the end of the reporting period, that classification is unaffected by the likelihood that an entity will exercise its deferral right and that only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification. The amendment does not have any material impact on the Group.

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1.5 Standards and interpretations effective during the reporting period - continued

1.5.4 Amendment to IAS 7 and IFRS 7 - Supplier Finance Arrangements

In May 2023, the Board issued amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments. The amendments clarify the characteristics of supplier finance arrangements. In these arrangements, one or more finance providers pay amounts an entity owes to its suppliers. The entity agrees to settle those amounts with the finance providers according to the terms and conditions of the arrangements, either at the same date or at a later date than that on which the finance providers pay the entity's suppliers.

The amendments require an entity to provide information about the impact of supplier finance arrangements on liabilities and cash flows, including terms and conditions of those arrangements, quantitative information on liabilities related to those arrangements as at the beginning and end of the reporting period and the type and effect of non-cash changes in the carrying amounts of those arrangements. The information on those arrangements is required to be aggregated unless the individual arrangements have dissimilar or unique terms and conditions. The amendment does not have any material impact on the Group.

2 Summary of material accounting policies

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

2.1 Consolidation

2.1.1 Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in profit or loss.

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

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

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2.1 Consolidation - continued

2.1.2 Changes in ownership interests in subsidiaries without change of control

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

2.1.2 Changes in ownership interests in subsidiaries without change of control

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

2.1.3 Disposal of subsidiaries

When the group ceases to have control, any retained interest in the entity is remeasured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. The items in OCI will be reclassified to P/L or retained earnings as appropriate.

2.1.4 Foreign currencies

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 recognised in the income statement, except when deferred in equity as qualifying cash flow hedges and qualifying net investment hedges. Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the statement of comprehensive income.

All other foreign exchange gains and losses are presented in the statement of comprehensive income. Changes in the fair value of monetary securities denominated in foreign currency classified as financial assets measured at fair value through other comprehensive income are analysed between translation differences resulting from changes in the amortised cost of the security, and other changes in the carrying amount of the security.

Translation differences related to changes in amortised cost are recognised in profit or loss; other changes in carrying amount are recognised in equity. Translation differences on financial assets and liabilities held at fair value through profit and loss are reported as part of the fair value gain or loss. Translation differences on non-monetary financial assets such as equities classified as fair value through other comprehensive income financial assets are included in the fair value reserve in equity.

2.2 Cash and cash equivalents

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

2.3 Financial assets

The Group classifies its financial assets into the following categories: fair value through profit or loss, fair value through other comprehensive income and amortized cost. The classification is determined by management at initial recognition and depends on the objective of the business model.

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2.3 Financial assets - Continued

2.3.1 Classification and Measurements

Financial assets are classified and measured at initial recognition at fair value, including directly attributable transaction cost. Subsequent measurement is based on the business model objective of managing the assets as well as the cashflow characteristics of the asset.

Business Model Assessment

Business model assessment involves determining if financial assets are managed in order to generate cash flows from collection of contractual cash flows, selling financial assets or both. The Group assesses business model at a portfolio level which reflects how the assets are managed together to achieve a particular business objective.

Financial assets at fair value through profit and loss

Financial assets will be measured at fair value through the income statement if they do not meet the business model criteria of either "Hold to collect" or "Hold to collect and sell". All equity instruments and some government securities (unless designated at inception to fair value through other comprehensive income); and all derivatives are measured at fair value through profit or loss. An entity have the option to designate a financial asset as measured at fair value through profit or loss if doing so eliminates or significantly reduces an accounting mismatch.

Financial assets at fair value through other comprehensive income

Financial assets will be measured at fair value through other comprehensive income if they are held within a business model where the objective is achieved by both collecting contractual cash flows and selling financial assets ("Hold to collect and sell"), and their contractual cash flows represent solely payments of principal and interest.

Financial assets measured at amortized cost

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

Trade receivables

Trade, reinsurance and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition these are measured at amortised cost using the effective interest method, less provision for impairment. Discounting is omitted where the effect of discounting is immaterial.

Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default. Trade receivables arising from insurance contracts are stated after deducting allowance made for specific debts considered doubtful of recovery. Impairment of trade receivables are presented within other operating expenses.

Trade and Other receivables amounts are short-term. The net carrying value of trade receivables is considered a reasonable approximation of fair value. Trade receivables are reviewed at every reporting period for impairment.

2.3.2 Recognition and measurement

Financial assets are initially recognised at fair value plus, in the case of all financial assets not carried at fair value through profit and loss, transaction costs that are directly attributable to their acquisition. Financial assets carried at fair value through profit and loss are initially recognised at fair value, and transaction costs are expensed in the statement of comprehensive income. Financial assets are derecognised when the rights to receive cash flows from them have expired or where they have been transferred and the Group has also transferred substantially all risks and rewards of ownership.

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2.3 Financial assets - Continued

2.3.2 Recognition and measurement - continued

Financial assets at fair value through other comprehensive income and financial assets at fair value through profit and loss are subsequently carried at fair value. Other financial assets are carried at amortised cost using the effective interest method.

Gains and losses arising from changes in the fair value of the 'financial assets at fair value through profit and loss' category are included in the statement of comprehensive income in the period in which they arise. Dividend income from financial assets at fair value through profit and loss is recognised in the statement of comprehensive income as part of Investment income when the Group's right to receive payments is established.

Interest on financial assets measured at fair value through other comprehensive income calculated using the effective interest method is recognised in the statement of comprehensive income. Dividends on equity instruments fair valued through other comprehensive income are recognised in the income statement when the Group's right to receive payments is established. Both are included in the investment income line.

2.3.3 Determination of fair value

For financial instruments traded in active markets, the determination of fair values of financial assets and financial liabilities is based on quoted market prices or dealer price quotations. This includes listed equity securities and quoted debt instruments on major exchanges. The quoted market price used for financial assets held by the Group is the current bid price.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry, company, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. If the above criteria are not met, the market is regarded as being inactive. Indications that a market is inactive are when there is a wide bid - offer spread or significant increase in the bid - offer spread or there are few recent transactions.

For all other financial instruments, fair value is determined using valuation techniques. In these techniques, fair values are estimated from observable data in respect of similar financial instruments, using models to estimate the present value of expected future cash flows or other valuation techniques, using inputs (for example, NIBOR, MPR etc.) existing at the dates of the statement of financial position.

The Group uses widely recognised money market rates in determining fair values of non-standardised financial instruments of lower complexity like placements, and treasury bills. These financial instruments models are generally market observable. The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values.

The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments. In cases where the fair value of unlisted equity instruments cannot be determined reliably, the instruments are carried at cost less any impairments. The fair value for loans and receivables as well as liabilities to banks and customers are determined using a present value model on the basis of contractually agreed cash flows, taking into account credit quality, liquidity and costs. The fair values of contingent liabilities and irrevocable loan commitments correspond to their carrying amounts.

The Group assesses at each end of the reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that have occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

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2.3 Financial assets - Continued

2.3.4 Impairment of financial assets carried at amortised cost

Objective evidence that a financial asset or group of assets is impaired includes observable data that comes to the attention of the Group about the following events:

- Trade receivables are outstanding for more than 30 days
- Reinsurance recoverable outstanding more than 90 days
- Significant financial difficulty of the issuer or debtor;
- A breach of contract, such as a default or delinquency in payments;
- It becomes probable that the issuer or debtor will enter bankruptcy or other financial re-organisation;
- The disappearance of an active market for that financial asset because of financial difficulties; or
- 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 Group.

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.

The Group first assesses whether objective evidence of impairment exists for financial assets that are individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss has been incurred on loans and receivables or held-to-maturity investments carried at amortised cost, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced using an allowance account, and the amount of the loss is recognised in profit or loss. If a held-to-maturity investment or a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under contract. The Group may measure impairment based on an instrument's fair value using an observable market price.

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 recognised (such as improved credit rating), the previously recognised impairment loss is reversed by adjusting the allowance account. The amount of the reversal is recognised in profit or loss.

The discount rate is the yield at the reporting date on government bonds that have maturity dates approximating the terms of the Group's obligations and that are denominated in the same currency in which the benefits are expected to be paid.

When the financial asset at amortised cost is uncollectible, it is written off against the related allowance for impairment. Such loans are written off after all the necessary procedures have been completed and the amount of the loss has been determined. Impairment charges relating to Investment securities are classified as net gains/loss of financial assets while those on receivables are classified as operating expenses.

Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

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2.3 Financial assets - Continued

2.3.5 Derecognition of financial instruments

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

2.3.6 Reclassification of financial assets

For financial assets, reclassification is required between FVTPL, FVTOCI and amortised cost; if and only if the entity's business model objective for its financial assets changes so its previous business model assessment would no longer apply.

IFRS 9 does not allow reclassification:

- when the fair value option has been elected in any circumstance for a financial asset;
- or equity investments (measured at FVTPL or FVTOCI); or
- for financial liabilities.

If an entity reclassifies a financial asset, it is required to apply the reclassification prospectively from the reclassification date, defined as the first day of the first reporting period following the change in business model that results in the entity reclassifying financial assets. Previously recognised gains, losses (including impairment gains or losses) or interest are not restated.

Financial liabilities

Financial liabilities are classified into one of the following measurement categories:

- i Amortized cost,
- ii Fair Value through Profit or Loss (FVTPL)

Financial Liabilities at fair value through profit or loss

Financial liabilities accounted for at fair value through profit or loss fall into two categories: financial liabilities held for trading and financial liabilities designated at fair value through profit or loss on inception. However, for financial liabilities designated at fair value through profit or loss, gains or losses attributable to changes in own credit risk are presented in Other Comprehensive Income.

Financial Liabilities at amortized cost

Financial liabilities that are not classified at fair value through profit or loss fall into this category and are measured at amortized cost using the effective interest rate method.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position only when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

2.4 Receivables

Other receivables are stated after deductions of amounts considered bad or doubtful recovery. These are receivables other than investment securities, trade receivables and reinsurance assets. When a debt is deemed not collectible, it is written off against the related provision or directly to profit or loss account to the extent not previously provided for. Any subsequent recovery of written-off debts is credited to profit or loss.

Prepayments represents prepaid expenses and are carried at cost less amortisation expensed in profit or loss.

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2.5 Intangible assets

The Group recognises intangible assets if and only if:

- i) It is probable that the expected future economic benefits that are attributable to the asset will flow to the Group;
- ii) It is feasible to complete the asset so that it will be available for use
- iii) There is ability to use or sell the asset; and

Goodwill arise on the acquisition of a subsidiary company or the acquisition of a business. It represents the excess of the cost of an acquisition over the Group's share of the fair value of the identifiable net assets of the subsidiary or business at the date of acquisition. Goodwill is not amortised. The gain or loss on the disposal of a subsidiary or business includes the carrying amount of goodwill attribute to the entity or busines sold.

Goodwill is not recognised when an interest in an existing subsidiary is increased. The difference between the cost of the acquisition and the non controlling interest acquired is accounted for directly in equity. When an interest in an existing subsidiary is decreased without a loss of control, the difference between the proceeds received and the share of the net assets disposed of, including an appropriate portion of the related goodwill is accounted for directly in equity.

For impairment purposes, the carrying amount of goodwill is allocated to cash generating units (CGU), reviewed annually for impairment and written down where this is considered necessary. The carrying value of the CGU containing the goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense in the statement of comprehensive income and is not subsequently reversed.

Goodwill in respect of associates and joint ventures is included in the carrying amount of investments in associates and joint ventures. For impairment purposes each investment is tested for impairment individually and goodwill is not tested seperately from the investment in associates and joint ventures, nor is any impairment allocated to any underlying assets.

2.5.1 Computer software

The Group recognises computer software acquired as intangible asset.

Software acquired by the Group is stated at cost less accumulated amortisation and accumulated impairment losses. Acquired intangible assets are recognised at cost on acquisition date. Subsequent to initial recognition, these assets are carried at cost less accumulated amortization and impairment losses in value, where appropriate.

Subsequent expenditure on software assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

Amortisation is recognised in the statement of comprehensive income on a straight line basis over the estimated useful life of the software, from the date that it is available for use since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. The assets are amortised over their useful lives. Amortisation methods and useful lives are reviewed at each financial year-end and adjusted if appropriate.

Intangible assets are derecognised at disposal date or at the date when it is permanently withdrawn from use without the ability to be disposed of. The differences between the carrying amounts at the date of de-recognition and any disposal proceeds, as applicable, is recognised in the statement of comprehensive income.

Expenditure on internally developed software is recognised as an asset when the Group is able to demonstrate its intention and ability to complete the development and use the software in a manner that will generate future economic benefits and can reliably measure the costs to complete the development. The capitalised cost of internally developed software include all cost directly attributable to developing the software and capitalised borrowing costs, and are amortised over its useful life. Internally developed software is stated at capitalised cost less accumulated amortisation and impairment.

There was no internally developed software at the date of reporting.

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2.6 Property, plant and equipment

Property and equipment are stated at historical cost less accumulated depreciation and any accumulated impairment losses in value, where appropriate. Land is not depreciated. Depreciation is provided for on a straight-line basis, taking into account the residual value and estimated useful lives of the assets as follows:

| Asset class | Depreciation |
|------------------------|------------------------------|
| Freehold buildings | 2% |
| Leasehold buildings | 2% for leases of 50 years |
| Motor Vehicles | 25% |
| Computer Equipment | 33.33% |
| Furniture and Fittings | 20% |
| Office Equipment | 20% |
| Plant and Machinery | 20% |
| Computer Software | 33.33% |

If the expected residual value is equal to or greater than the carrying value, no depreciation is provided for. The residual values, estimated useful lives of the assets and depreciation methods are reviewed at each statement of financial position date and adjusted as appropriate.

Cost prices include costs directly attributable to the acquisition of property and equipment, as well as any subsequent expenditure when it is probable that future economic benefits associated with the item will flow to the Group and the expenditure can be measured reliably. All other expenditure is recognised in the statement of comprehensive income when incurred.

Property and equipment are derecognised at disposal date or at the date when it is permanently withdrawn from use without the ability to be disposed of. The differences between the carrying amounts at the date of de-recognition and any disposal proceeds, as applicable, is recognised in 'other income' in the statement of comprehensive income.

2.6.1 Right of Use Assets

The Group adopts a single measurement approach and recognises right to use of assets and lease liability at commencement date of a lease contract.

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

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2.7 Impairment of other non-financial assets

Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Additionally, assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are stated at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

The impairment test also can be performed on a single asset when the fair value less cost to sell or the value in use can be determined reliably. Non-financial asset other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

Impairment losses recognised 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 amortisation, if no impairment loss had been recognised. An impairment loss in respect of goodwill is not reversed.

2.8 Statutory deposit

The Group maintains a statutory deposit with the Central Bank of Nigeria which represents 10% of the minimum capitalisation in compliance with the Insurance Act. This balance is not available for the day to day operations of the Group. Statutory deposit is measured at cost.

2.9 Insurance and reinsurance contracts

2.9.1 Classification

The group applies IFRS 17 - Insurance Contracts to insurance contracts and reinsurance contracts it issues, reinsurance contracts it holds and investment contracts with discretionary participation features (DPF) it issues. Investment contracts without DPF (with or without investment management services) fall within the scope of IFRS 9 – Financial Instruments.

All references to insurance contracts in these accounting policies apply to insurance contracts issued or acquired, reinsurance contracts issued or held, and investment contracts with DPF issued, unless specifically stated otherwise. All references to insurance contracts issued in these accounting policies apply to insurance contracts excluding reinsurance contracts held.

A contract is classified as an insurance contract where the group provides insurance coverage by accepting significant insurance risk when agreeing with the policyholder to pay benefits if a specified uncertain future event (the insured event) adversely affects the policyholder or other beneficiary. Significant insurance risk is assessed on a contract level and exists where there is at least one scenario in which the insured event results both in significant additional payments and in an overall loss to the group on a present value basis.

In the normal course of business, the group uses reinsurance to mitigate its risk exposures. A reinsurance contract held transfers significant risk if it substantially transfers all the insurance risk resulting from the insured portion of the underlying insurance contracts, even if it does not expose the reinsurer to the possibility of a significant loss.

Once a contract has been classified as an insurance contract, the classification remains unchanged for the remainder of its lifetime, even if the insurance risk reduces significantly during the coverage period, unless the terms of the contract are modified.

Some insurance contracts include investment components. An investment component that is not distinct and therefore in scope of IFRS 17, is the amount that an insurance contract requires the group to repay to the policyholder in all circumstances, regardless of whether an insured event occurs. All references to investment components in these accounting policies apply to investment components in scope of IFRS 17 that are not distinct, unless specifically stated otherwise. Investment components are included in the measurement of insurance liabilities.

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2.9 Insurance and reinsurance contracts - continued

2.9.1 Classification - continued

Insurance contracts are allocated to the following lines of business and measurement models for the disclosure of amounts related to these contracts in the notes to the financial statements:

- i) Life Business
 - Premium Allocation Approach (PAA): Group and Credit life.
 - General Measurement Model (GMM) : Individual life, Annuity and Life others (mortgage)
- ii) Non-Life Business (General)
 - Premium Allocation Approach (PAA): Motor, Marine, Bond, Engineering, Fire, Oil & Gas,
 - General Measurement Model (GMM) : None

2.9.1a Life insurance – Risk and general insurance business

The default accounting model applied to insurance contracts for liability measurement purposes is the GMM, unless the VFA or PAA applies. The PAA is a modification of the GMM that allows the use of a simplified approach for measuring the insurance contract liabilities for certain eligible types of contracts. Insurance contracts measured under the GMM and PAA are referred to as insurance contracts without direct participation features.

The following are examples of the main types of products included in Life insurance – Risk business:

- Life insurance risk business providing death/disability and funeral cover (for a specified term/whole life) is measured under the GMM, unless eligible for the PAA;
- Life insurance risk business where insurance coverage is provided to member of corporate schemes, with the premium payable by the employer (policyholders only) reviewable at least annually, is measured under PAA;
- Non-participating life annuities (excluding term certain annuities in scope of IFRS 9) are measured under the GMM. For non-participating life annuities with a guarantee period, payments made during the guaranteed period are investment components;
- Other risk insurance contracts providing investment-return services (for example endowment contracts) are measured using the GMM, with investment components determined based on the contractual amounts payable on death, surrender or maturity, net of any relevant exit or surrender charges; and
- Reinsurance contracts held providing proportionate coverage (such as quota share or surplus reinsurance) or non-proportionate coverage (such as excess of loss reinsurance) are measured under the GMM, unless eligible for the PAA.

The material classes of General insurance business (including reinsurance contracts held) are measured using the PAA. This includes contracts with a coverage period longer than one year that are assessed to be eligible for measurement under the PAA

2.9.1b Investment contracts with DPF

Investment contracts with DPF are in scope of IFRS 17 as the group also issues insurance contracts. An investment contract with DPF entitles the policyholder to receive benefits or bonuses in addition to guaranteed benefits that are expected to be a significant proportion of the total contractual benefits, the timing or amount of which are contractually at the discretion of the group, but which has to be exercised in a reasonable way. The benefits are based on the investment performance of a specified pool of underlying assets.

2.9.2 Aggregation

The lowest unit of account explicitly mentioned in IFRS 17 is the contract, and therefore the group has assumed that an insurance arrangement with the legal form of a single contract would generally be considered a single unit of account. However, there might be certain cases where the legal form of a contract does not reflect the substance. Insurance contracts which cover multiple insurance risks can be separated into separate contracts for measurement purposes where the group has applied judgement to assess that the legal form of the insurance contract does not reflect the substance and separation is required.

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2.9 Insurance and reinsurance contracts - continued

2.9.2 Aggregation - continued

Insurance contracts within each product line are allocated to portfolios of insurance contracts that are managed together and subject to similar risks.

The portfolios are further divided into groups of insurance contracts issued based on recognition date and expected profitability, based on whether:

- a) contracts are onerous at initial recognition;
- b) contracts at initial recognition have no significant possibility of becoming onerous subsequently; or
- c) contracts at initial recognition have a significant possibility of becoming onerous subsequently (ie the remaining contracts).

An insurance contract issued is expected to be onerous if the fulfilment cash flows allocated to the contract at initial recognition in total are a net outflow. For insurance contracts issued measured under the PAA, contracts are not expected to be onerous at initial recognition, unless there are facts and circumstances indicating that they are onerous.

Each group of insurance contracts does not include insurance contracts issued (or reinsurance contracts held recognised) more than one year apart in the same group (also referred to as cohorts of insurance contracts).

These groups represent the level of aggregation at which insurance contracts are measured. Such groups are not subsequently reconsidered.

The group uses judgement in identifying portfolios and assessing the appropriate level at which reasonable and supportable information is available to determine the groups of insurance contracts based on expected profitability at initial recognition. These groups represent the level of aggregation at which insurance contracts are measured. Such groups are not subsequently reconsidered.

The group uses judgement in identifying portfolios and assessing the appropriate level at which reasonable and supportable information is available to determine the groups of insurance contracts based on expected profitability at initial recognition.

2.9.2a Reinsurance contracts held

For reinsurance contracts held, the references to onerous contracts above are replaced with references to contracts on which there is a net gain at initial recognition.

2.9.3 Measurement of insurance contracts

The group measures insurance contracts by performing year-to-date estimates of the carrying amount of the asset or liability for a group of insurance contracts.

In the notes to the financial statements, the net carrying amount of the insurance contracts issued and reinsurance contracts held has been defined as the net insurance contract carrying amount (for insurance contracts issued) and the net reinsurance contract carrying amount (for reinsurance contracts held).

2.9.4 Recognition

The group recognises insurance and reinsurance contracts issued from the beginning of the coverage period, or if earlier, the date when the first payment from the policyholder is due. Investment contracts with DPF are recognised when the group becomes party to the contract.

Insurance contracts acquired in a business combination or a portfolio transfer are accounted for as if they were entered into at the date of acquisition or transfer.

2.9.4a Reinsurance contracts held

The group recognises reinsurance contracts held at the beginning of the coverage period, but no earlier than the initial recognition date of any underlying insurance contract where the group of reinsurance contracts held provides proportionate coverage (such as quota share reinsurance or surplus reinsurance).

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2.9 Insurance and reinsurance contracts - continued

2.9.4 Recognition - continuation

2.9.4a Reinsurance contracts held - continuation

A group of reinsurance contracts held that provides non-proportionate coverage (such as excess of loss reinsurance) is recognised at the beginning of the coverage period of that group.

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

Cash flows are within the boundary of an investment contract with DPF if they result from a substantive obligation of the group to deliver cash at a present or future date.

A substantive obligation to provide services ends when the group:

- has the practical ability to reassess the risks of a particular policyholder and as a result can change the price charged or the level of benefits provided for the price to fully reflect the new level of risk; or
- performs the boundary assessment at a portfolio rather than individual contract level, and the following two criteria are both satisfied:
 - a) the group has the practical ability to reprice the portfolio to fully reflect risk from all policyholders; and
 - b) the group's pricing of the premiums up to the assessment date does not consider any risks beyond this date.

The group concludes on its practical ability to set a price that fully reflects the insurance and/or financial risks in the individual contract or portfolio at the reassessment/renewal date by considering all the risks (transferred from the policyholder to the group) that it would assess when underwriting equivalent contracts on the same date for the remaining service. Where the group provides an option to members of group life insurance business to purchase individual life cover on cessation of employment, all future cash flows related to the individual life cover will form part of a new insurance contract because the group has the practical ability to charge the prevailing new business rates which fully reflect the new level of risk.

Cash flows outside of the boundary of the insurance contract relate to future insurance contracts and are recognised when those contracts meet the recognition criteria.

2.9.5a Reinsurance contracts held

For groups of reinsurance contracts held, cash flows are within the contract boundary if they arise from substantive rights and obligations of the group that exist during the reporting period in which the group is compelled to pay amounts to the reinsurer or in which the group has a substantive right to receive services from the reinsurer.

The substantive rights and obligations of both parties will end if there is a unilateral right to cancel the reinsurance contract. The probability of the reinsurer repricing the contract can be allowed for when determining the fulfilment cash flows included in the contract boundary and is based on past business practice/experience where relevant. However, an allowance for the probability of the reinsurer cancelling the contract is not permitted when assessing the contract boundary.

2.9.6 Initial measurement (excluding PAA)

On initial recognition, the group measures a group of insurance contracts as the total of the:

- fulfilment cash flows; and
- contractual service margin (CSM).

The PAA is a modification of the GMM that allows the use of a simplified approach for measuring the liability for remaining coverage for certain eligible types of contracts.

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2.9 Insurance and reinsurance contracts - continued

2.9.6 Initial measurement (excluding PAA) - continued

2.9.6a Fulfilment cash flow

The fulfilment cash flows comprise unbiased and probability-weighted estimates of future cash flows within the contract boundary, with discount rates being applied to the future cash flows to adjust for the time value of money and financial risks related to those cash flows. The fulfilment cash flows consider all reasonable and supportable information available at the reporting date without undue cost or effort. Further details on the determination of the probability-weighted estimates of future cash flows and discount rates.

Fulfilment cash flows are determined separately for insurance contracts issued and reinsurance contracts held. Fulfilment cash flows are allocated to groups of insurance contracts for measurement purposes. Fulfilment cash flows exclude expense cash flows not directly attributable to the fulfilment of the insurance contracts.

An explicit risk adjustment for non-financial risk is estimated separately from the other estimates and forms part of the fulfilment cash flows for a group of insurance contracts. The risk adjustment represents the compensation required for bearing uncertainty about the amount and timing of the cash flows that arise from non-financial risk.

2.9.6b Discount rates

The estimates of future cash flows are adjusted to reflect the time value of money and the financial risks related to those cash flows, to the extent not included in the estimates of future cash flows. The group applies discount rates, that include the effect of inflation, to nominal cash flows (ie those cash flows that also include the effect of inflation, where relevant).

The discount rates applied to the estimates of the future cash flows:

- reflect the time value of money, the characteristics of the cash flows and the liquidity characteristics of the insurance contracts;
- are consistent with observable current market prices (if any); and
- exclude the effect of factors that influence such observable market prices, but do not affect the future cash flows of the insurance contracts.

Cash flows are divided between cash flows that vary based on the returns on underlying items and cash flows that do not vary based on the returns on underlying items. Cash flows that vary based on the returns on underlying items are discounted using rates that reflect that variability.

A bottom-up approach is used to determine the discount rates applied to cash flows that do not vary based on returns with underlying items. A zero-coupon (risk-free) yield curve, adjusted to reflect the illiquidity of the group of insurance contracts where applicable, is applied to cash flows that do not vary based on the returns on underlying items. Insurance contracts issued such as non-participating life annuities that cannot be surrendered or lapsed, are illiquid.

Risk-free or real-world discount rates can be applied to cash flows that vary based on the returns on underlying items. Risk-free discount rates are consistent with the rates applied to cash flows that do not vary based on returns on underlying items. Real-world discount rates are consistent with a risk-free yield curve plus a risk premium which reflects the variability in the cash flows based on the underlying mix of asset classes other than fixed-interest securities. For the material lines of business in the group, real-world discount rates are applied to cash flows that vary based on the returns on underlying items.

The Group adopted internally generated yield curve, which allows for adjustment on the Ultimate Forward Rate (UFR) and monthly discount rates from the NAS annual rates to discount the monthly cashflows.

The Group determined an appropriate risk-free rate wherein the liability discount rate is based on a yield curve derived from market observable zero coupon or, where this is not available, coupon bearing government bonds. The risk-free yield curve will be gross of tax and investment expenses, and tax and investment expenses will be explicit deductions in the modelling (if needed). The same rate was used for gross as well as for reinsurance cashflows.

The Group usually compare the NAS yield curve with the internally generated yield curve and confirm no significant discrepancies in the curves and the discounted results.

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2.9 Insurance and reinsurance contracts - continued

2.9.6 Initial measurement (excluding PAA) - continued

2.9.6c Contractual service margin

The CSM is a component of the carrying amount of the asset or liability for a group of insurance contracts issued which represents the unearned profit that the group expects to recognise as it provides insurance contract services.

- If a group of insurance contracts issued is not onerous at initial recognition, the CSM is measured as the equal and opposite amount of the net inflow resulting from the total of the fulfilment cash flows, any derecognised assets for insurance acquisition cash flows or other cash flows incurred before the recognition date. This results in no income or expenses arising on initial recognition.
- If a group of insurance contracts issued is onerous at initial recognition, the CSM is negative. The group immediately recognises this net outflow as an expense in profit or loss with no CSM recognised on the statement of financial position at initial recognition. A loss component, which is equal to this net outflow representing the expected future losses on the group of insurance contracts, is recognised at initial recognition and tracked over the coverage period of the insurance contracts for measurement purposes. The loss component therefore forms part of the liability for remaining coverage.

For groups of contracts acquired in a transfer of insurance contracts or in a business combination within the scope of IFRS 3 Business Combinations, the consideration received for the contracts is included in the fulfilment cash flows as a proxy for the premiums received at the date of acquisition. In a business combination, the consideration received is the fair value of the contracts at that date.

For groups of reinsurance contracts held, the CSM can be positive or negative and therefore represents a deferred gain or loss that the group will recognise as reinsurance income or expenses when it receives reinsurance coverage in the future. A loss recovery component adjusts the CSM at initial recognition of the group of reinsurance contracts held when onerous underlying insurance contracts are recognised. The resulting income is recognised in profit or loss and offsets the losses recognised on the underlying insurance contracts for the portion of the underlying insurance contracts being reinsured. The loss recovery component is not established before the underlying insurance contracts are recognised. This adjustment to the CSM of a group of reinsurance contracts held and the resulting income, is determined by multiplying:

- the loss recognised on the underlying insurance contracts; and
- the percentage of claims on the underlying insurance contracts the group expects to recover from the group of reinsurance contracts held.

2.9.6d Risk Adjustment

The Group have adopted a margins approach to calculate a risk adjustment for non-financial risk (RA) which forms part of the fulfilment cash flows. It is a risk adjustment based on margins moves in a predictable way which is consistent with the run-off of the best estimate liability. Risk adjustment only applies to non-financial assumptions which is calibrated for mortality, longevity, disability, dread disease and expenses including lapses/ surrenders. Margins are calibrated as percentage changes to the best-estimate assumptions

2.9.7 Subsequent measurement (excluding PAA)

The carrying amount of a group of insurance contracts at the end of each reporting date is the sum of:

- the liability for remaining coverage (remaining coverage component for reinsurance contracts held), comprising:
 - a) the fulfilment cash flows related to service to be provided (received for reinsurance contracts held) in future periods; and
 - b) the remaining CSM of the group at that date.
- the liability for incurred claims (incurred claims component for reinsurance contracts held), comprising the fulfilment cash flows for past service allocated to the group at that date. The liability for incurred claims also includes the repayment of any investment components or other amounts that are not related to the provision of insurance contract services in future periods and therefore not included in the liability for remaining coverage.

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2.9 Insurance and reinsurance contracts - continued

2.9.7 Subsequent measurement (excluding PAA) - continued

2.9.7a Fulfilment cash flows

The fulfilment cash flows of groups of insurance contracts are measured at the reporting date using current probability-weighted estimates of fulfilment cash flows, discount rates appropriate to the measurement model being used and current estimates of the risk adjustment for non-financial risk.

Fulfilment cash flows for past incurred claims include the discounted value of the estimates of future payments arising from these incurred claims, such as the estimated future benefit payments on income protection contracts and riders such as premium waivers.

Changes in estimates of the fulfilment cash flows are treated differently according to whether changes relate to current (or past) or future service:

- changes that relate to current (or past service) are recognised in profit or loss; and
- changes that relate to future service are recognised by adjusting the CSM within the liability for remaining coverage, including changes in the risk adjustment for non-financial risk that relate to future service. This excludes any changes which adjust the loss component on a group of insurance contracts issued, or any changes which adjust the loss recovery component on a group of reinsurance contracts held (refer to the 'Loss component' section below for further details).

2.9.8 Insurance contracts accounted for under the GMM

The following changes do not relate to future service and therefore do not adjust the CSM (refer to further details on the explanation of recognition of these amounts in profit or loss):

- 1 changes in fulfilment cash flows related to the effect of and changes in the time value of money and financial risks, including the effect of financial guarantees;
- 2 changes in the liability for incurred claims related to past service; and
- 3 experience adjustments arising from premiums received (premiums paid for reinsurance contracts held) that relate to current service including related cash flows such as insurance acquisition cash flows, and experience adjustments related to incurred claims and administration expenses.

The following changes relate to future service and therefore adjust the CSM:

- 1 changes in estimates of the present value of future cash flows included in the liability for remaining coverage, excluding the impacts described above that do not adjust the CSM;
- 2 changes in the risk adjustment for non-financial risk that relate to future service;
- 3 differences in the investment components expected to become payable in the period and actual investment components payable in the period. The expected repayments of investment components include the effect of and change in the time value of money and financial risks before it becomes payable; and
- 4 experience adjustments arising from premiums received that relate to future service including related cash flows such as insurance acquisition cash flows.

The adjustments to the CSM are measured based on the discount rates applied to the fulfilment cash flows at initial recognition (also referred to as locked-in discount rates). The group applies judgement to determine whether the premium experience adjustments relate to current (or past) or future service. Refer to the 'Contractual service margin' section below for further details.

For insurance contracts issued providing investment-return services, where the group applies discretion in the timing and amount of the cash flows to be paid to the policyholders, changes in discretionary cash flows relate to future service and adjust the CSM. The group specifies at the inception of the contract the basis on which it expects to determine its commitment under the contract. Changes in assumed future bonus rates will be treated as changes in discretionary cash flows if this determination of non-vested bonuses is not based on a formulaic approach specified at the inception of the contracts.

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2.9 Insurance and reinsurance contracts - continued

2.9.8 Insurance contracts accounted for under the GMM - continued

Policyholders earning investment returns on account balances, and any changes in the formulaic approach for the smoothing of investment returns specified at the inception of the contract, are changes related to financial risks and do not adjust the CSM.

For a group of insurance contracts issued, the carrying amount of the CSM at the end of each reporting period is adjusted for the following changes in the period:

- 1 the effect of new contracts recognised in the period ;
- 2 for contracts measured under the GMM, the accretion of interest on the CSM at the start of the reporting period (or initial recognition for new contracts recognised in the period). Interest is accreted on the CSM using locked-in discount rates determined at initial recognition that are applied to nominal cash flows that do not vary based on the returns on underlying items.
- 3 changes in the fulfilment cash flows that relate to future service (as described in the 'Fulfilment cash flows' section above) adjust the CSM, to the extent the CSM is available. If an increase in the fulfilment cash flows exceeds the carrying amount of the CSM, the CSM is reduced to zero, the excess is recognised in insurance service expenses and a loss component is recognised. If the CSM is zero, changes in the fulfilment cash flows are recognised in insurance service expenses by adjusting the loss component. Any decrease in the fulfilment cash flows in excess of the loss component reduces the loss component to zero and reinstates the CSM. Refer to the 'Loss component' section below for further details.
- 4 the effect of changes in currency exchange rates for contracts denominated in a foreign currency, with movements being translated at the average exchange rate over the reporting period;
- 5 the amount of the CSM recognised in insurance revenue based on the insurance contract services provided in the period, determined after allowing for the impacts described above. Refer to the 'Coverage units' section below for further details.

For a group of reinsurance contracts held, the same steps are followed (as described above for a group of insurance contracts issued) to adjust the carrying amount of the CSM at the end of each reporting period, with the main differences in the features of the reinsurance contracts held summarised below:

- The CSM at initial recognition for new contracts recognised in the period is adjusted for a loss recovery component when underlying insurance contracts are onerous;
- The adjustment to the CSM for changes in the fulfilment cash flows related to future service is after any adjustment to the loss recovery component for changes in the fulfilment cash flows for the underlying insurance contracts which adjusted a loss component; and
- The amount of the CSM recognised as income or expenses from reinsurance contracts held in profit or loss is based on the services received from the reinsurer(s) in the period

2.9.8a Coverage units

The CSM is recognised as insurance revenue over the duration of the insurance contracts issued based on the number of coverage units provided in each period. Coverage units are determined for broad product types to best reflect the rendering of insurance contract services in a particular reporting period.

The coverage units of the group of insurance contracts are identified by considering for each contract the quantity of the benefits provided under the contract and its expected coverage period. The quantity of benefits will typically be determined based on the maximum amounts that policyholders can claim in each period. The coverage units are updated at each reporting date to reflect the actual experience over the reporting period and the expected coverage to be provided in the future.

The coverage units for contracts measured under the GMM consider the quantity of benefits and expected coverage period of investment-return services (where relevant), in addition to the insurance coverage provided (or reinsurance coverage received).

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2.9 Insurance and reinsurance contracts - continued

2.9.8 Insurance contracts accounted for under the GMM - continued

2.9.8b Loss component

The loss component at initial recognition of a group of insurance contracts issued represents the expected losses to be incurred on the group of insurance contracts over the coverage period.

Subsequent to initial recognition, the loss component of a group of insurance contracts issued is adjusted for changes in the estimates of the fulfilment cash flows that relate to future service (as described in the 'Fulfilment cash flows' section above) with such increases or reversals of losses recognised in insurance service expenses in profit or loss. For insurance contracts measured under the GMM, the adjustments to the loss component are measured based on locked-in discount rates.

The subsequent changes in the fulfilment cash flows of the liability for remaining coverage are allocated to the loss component on a systematic basis based on the expected incurred claims and administration expenses and expected release of the risk adjustment for risk expired in each reporting period, such that the loss component reduces to zero by the end of the coverage period of a group of insurance contracts. These changes in the fulfilment cash flows allocated to the loss component of a group of insurance contracts issued are excluded from insurance revenue and insurance service expenses, resulting in the recognition of insurance revenue depicting the consideration to which the group expects to be entitled in exchange for the insurance contract services provided.

2.9.8c Reinsurance contracts held

For a group of reinsurance contracts held, the loss recovery component is adjusted based on the corresponding adjustments to any loss component(s) of the underlying insurance contracts and the reinsured portion of these underlying insurance contracts. The loss recovery component is not adjusted for any material increases in the loss component related to any cash flows that are not reinsured.

The PAA is applied to all insurance contracts with a coverage period of one year or less. In some scenarios, the PAA is also applied where the group expects that the measurement of a groups of insurance contracts issued under the PAA would produce a measurement of the liability for remaining coverage (or asset for remaining coverage component for reinsurance contracts held) that would not differ materially from the one that would be produced by applying the GMM.

For insurance contracts issued, the liability for remaining coverage represents the portion of the premiums received related to insurance coverage to be provided in future.

For a group of insurance contracts issued on initial recognition, the group measures the liability for remaining coverage as the amount of premiums received if any, less any insurance acquisition cash flows (if not recognised as an expense in profit or loss) and amounts for the derecognition at that date of any asset for insurance acquisition cash flows recognised before the initial recognition of the group.

The carrying amount of a group of insurance contracts issued at the end of each reporting date is the sum of:

- the liability for remaining coverage; and
- the liability for incurred claims, comprising the fulfilment cash flows for past incurred claims not paid.

For a group of insurance contracts issued, at the end of each reporting date, the group measures the liability for remaining coverage as the carrying amount at the start of the reporting period:

- plus the premiums received in the period;
- minus insurance acquisition cash flows (if not recognised as an expense in profit or loss);
- plus any amounts relating to the amortisation of insurance acquisition cash flows (if not recognised as an expense in profit or loss);
- minus the amount recognised as insurance revenue for the services provided in the period; and
- minus any investment component paid or transferred to the liability for incurred claims.

The group does not adjust the liability for remaining coverage for insurance contracts issued (or asset for remaining coverage for reinsurance contracts held) for the effect of the time value of money as the premiums are due within one year or less from the date of initial recognition.

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2.9 Insurance and reinsurance contracts - continued

2.9.8 Insurance contracts accounted for under the GMM - continued

2.9.8c Reinsurance contracts held - continued

A risk adjustment for non-financial risk is determined for the liability for incurred claims where there is uncertainty in the size of the estimate and/or the timing of the underlying cash flows. Fulfilment cash flow provides further details on the methods and assumptions used to determine the risk adjustment for non-financial risk.

If there are facts and circumstances that indicate that a group of insurance contracts issued is onerous, a loss will be recognised in profit or loss equal to the difference between the fulfilment cash flows related to the future coverage of the group under the GMM and the liability for remaining coverage under the PAA, with the liability for remaining coverage being increased to be equal to the fulfilment cash flows under the GMM. If the liability for incurred claims does not allow for the time value of money and the effect of financial risk, then the fulfilment cash flows should also exclude such an adjustment. Subsequent to an initial loss being recognised, the loss component will be recalculated at the end of each reporting period based on the difference between the fulfilment cash flows measured under the GMM and the liability for remaining coverage under the PAA, with the change in loss component over the period being recognised as an increase or reversal of losses in profit or loss.

2.9.9a Reinsurance contracts held

For reinsurance contracts held, the asset for remaining coverage measured under the PAA represents the portion of the ceding premiums paid related to reinsurance coverage to be received in future.

For a group of reinsurance contracts held on initial recognition, the group measures the asset for remaining coverage under the PAA as the amount of ceding premiums paid.

The carrying amount of a group of reinsurance contracts held at the end of each reporting date is the sum of:

- the asset for remaining coverage (also referred to as the remaining coverage component); and
- the incurred claims component, comprising the fulfilment cash flows for past incurred claims not recovered.

For a group of reinsurance contracts held, at the end of each reporting date, the group measures the asset for remaining coverage as the carrying amount at the start of the reporting period:

- minus the ceding premiums paid in the period;
- plus the amount recognised as reinsurance expenses for the services received in the period.

For groups of reinsurance contracts held, a loss recovery component will be deducted from the asset for remaining coverage when the loss component is initially recognised on the underlying insurance contracts, with subsequent adjustments to the loss recovery component based on the corresponding changes in the loss component for the underlying insurance contracts.

2.9.9b Derecognition and modification

The group derecognises a contract when the rights and obligations relating to the contract are extinguished (ie expired, discharged, or cancelled) or the contract is modified and additional criteria are met.

If an insurance contract is modified by the group by agreement between the parties to the contract or by a change in regulation, the changes in the cash flows as a result of the modification is treated as changes in estimates of fulfilment cash flows, unless the criteria for the derecognition of the original contract are met.

If a contract modification results in derecognition of the original contract, a new contract is recognised on the modified terms. The exercise of a right included in the terms of a contract is not a modification.

If an insurance contract not accounted for under the PAA is derecognised from a group of insurance contracts, or a contract modification does not result in the derecognition of the original insurance contract, the CSM of the group of insurance contracts is adjusted for the changes in estimates of fulfilment cash flows.

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2.9 Insurance Contracts - Continued

2.9.9 Contracts measured under PAA- continued

2.9.9b Derecognition and modification - continuation

If an insurance contract not accounted for under the PAA is transferred to a third party, or a contract modification results in the derecognition of the original insurance contract and recognition of a new contract, the group adjusts the CSM of the group of insurance contracts from which the contract has been derecognised based on the difference between the changes in estimates of fulfilment cash flows of the group of insurance contracts resulting from the contract being derecognised and:

The group derecognises a contract when the rights and obligations relating to the contract are extinguished (ie expired, discharged, or cancelled) or the contract is modified and additional criteria are met.

If an insurance contract is modified by the group by agreement between the parties to the contract or by a change in regulation, the changes in the cash flows as a result of the modification is treated as changes in estimates of fulfilment cash flows, unless the criteria for the derecognition of the original contract are met.

If a contract modification results in derecognition of the original contract, a new contract is recognised on the modified terms. The exercise of a right included in the terms of a contract is not a modification.

If an insurance contract not accounted for under the PAA is derecognised from a group of insurance contracts, or a contract modification does not result in the derecognition of the original insurance contract, the CSM of the group of insurance contracts is adjusted for the changes in estimates of fulfilment cash flows.

If an insurance contract not accounted for under the PAA is transferred to a third party, or a contract modification results in the derecognition of the original insurance contract and recognition of a new contract, the group adjusts the CSM of the group of insurance contracts from which the contract has been derecognised based on the difference between the changes in estimates of fulfilment cash flows of the group of insurance contracts resulting from the contract being derecognised and:

- a) for transfers to a third party, the premium charged by the third party; or
- b) for a contract modification, the premium that the group would have charged had it entered a new contract with the modified terms at the date of the contract modification.

The new contract recognised is measured assuming that the group received the premium determined in b) above. The adjustments to the CSM described above exclude any changes in fulfilment cash flows resulting in the recognition of (or changes to) a loss component for the group of insurance contracts.

If an insurance contract measured under the PAA is derecognised from a group of insurance contracts, the group adjusts the liability for remaining coverage of the group of insurance contracts to reflect the amount refunded to the policyholder as a result of the derecognition of the insurance contract (or the amount paid to a third party in the case of a transfer other than for settlement of incurred claims), and the premium that would have been received for a new contract in the case of a contract modification resulting in the derecognition of the original contract.

At the end of the reporting period, liability adequacy tests are performed by an Actuary to ensure the adequacy of the contract liabilities. In performing these tests, current best estimates of future contractual cash flows including office premiums, expenses and benefit payments satisfying the liability adequacy test, are used. Any deficiency is immediately charged to statement of comprehensive income.

2.10 Other insurance contract liabilities

The Group recognised premium deposit from policyholders for insurance contracts commencing subsequent to reporting date as other insurance contract liability. This is subsequently recognised in insurance revenue upon the commencement of the insurance contract.

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2.11 Financial liabilities

The Group's holding in financial liabilities represents mainly other financial liabilities. Such financial liabilities are initially recognised at fair value and subsequently measured at amortised cost. Financial liabilities are derecognised when extinguished.

2.12 Payables

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

2.13 Taxation

2.13.1 Company income tax

Current income tax liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting periods, that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the financial statements. Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishes provisions where appropriate.

Tax expense recognised in profit or loss comprises the sum of deferred tax and current tax not recognised in other comprehensive income or directly in equity. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishes provisions where appropriate.

Current income tax is assessed at 30% and is tax payable on the taxable profit for the period determined in accordance with the Company Income Tax Act (CITA). Education tax is assessed at 3% of the chargeable profit. Where tax on dividend paid exceeds the current income tax assessed on the preceding basis, tax payable will be computed as 30% of dividend paid.

2.13.2 Deferred income tax

Deferred income tax is provided for on all temporary differences between the tax bases of assets and liabilities and their carrying values for financial reporting purposes using the liability method.

The principal temporary differences arise from depreciation of property and equipment, provisions for trade receivables and tax losses carried forward (where deemed as recoverable). The rates enacted or substantively enacted at the balance sheet date are used to determine deferred income tax. However, deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realisable or the deferred income tax liability is payable. Deferred income tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes on assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

The tax effects of carry-forwards of unused losses or unused tax credits are recognised as an asset when it is probable that future taxable profits will be available against which these losses can be utilised. Deferred tax related to fair value re-measurement of investments, which are charged or credited directly in other comprehensive income or to equity, is also credited or charged directly to equity and subsequently recognised in the statement of comprehensive income together with the deferred gain or loss.

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2.14 Share capital

Share capital is classified as equity where the Group has no obligation to deliver cash or other assets to shareholders. Incremental costs attributable to the issue or cancellation of equity instruments are recognised directly in equity, net of tax if applicable.

2.15 Contingency reserve

2.15.1 Non-life business

The Company maintains contingency reserves in accordance with the provisions of the Insurance Act 2003 (section 21 (2)) to cover fluctuations in securities and variations in statistical estimates at the rate equal to the higher of 3% of total premium or 20% of the total profit after taxation until the reserve reaches the greater of minimum paid up capital or 50% of net premium for general business.

2.15.2 Life business

Contingency reserve is calculated at the higher of 1% of gross premium and 10% of net profits. This reserve is expected to be accumulated until it amounts to the minimum paid-up capital for a life insurance Group in accordance with section 22(1)(b) of the Insurance Act.

2.16 Provisions

Provisions for restructuring costs and legal claims are recognised when: the Group has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount can be reliably estimated. Restructuring provisions comprise lease termination penalties and employee termination payments. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

2.17 Contingent liabilities and assets

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

2.18 Dividend

Dividend proposed or declared after the statement of financial position date are not recognised at the reporting date. Dividend distributions payable to equity shareholders are only included in 'other liabilities' when the dividends have been approved in an Annual General Meeting (AGM) prior to the reporting date.

2.19 Earnings per share

The Group presents basic earnings per share for its ordinary shares. Basic earnings per share (EPS) are calculated by dividing the net profit attributable to shareholders by the weighted average number of ordinary shares in issue during the year. The adjusted EPS is calculated using the number of shares in issue at the balance sheet date. Diluted earnings per share is calculated by adjusting the weighted average number ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.

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2.20 Explanation of recognised insurance amounts in profit or loss

This section describes how amounts related to insurance contracts are presented and disclosed in the group's consolidated financial statements. The insurance service result is equal to the sum of:

- Insurance revenue;
- Insurance service expenses; and
- Income or expenses from reinsurance contracts.

The result from insurance is equal to the sum of the:

- Insurance service result;
- Insurance (and reinsurance) finance income or expenses; and
- Investment returns on assets held in respect of insurance contracts.

2.20.1 Insurance revenue

Insurance revenue represents the changes in the liability for remaining coverage over the period for a group of insurance contracts excluding changes in the liability that do not relate to services expected to be covered by the consideration received. The consideration received refers to the amount of premiums paid to the group, adjusted for the discounting effect, and excluding any investment components. The amount of insurance revenue recognised in the reporting period depicts the delivery of promised services at an amount that reflects the portion of premiums the group expects to be entitled to in exchange for those services.

For insurance contracts issued not measured under the PAA, the total consideration for a group of contracts covers the following amounts:

- expected claims and administration expenses incurred in the period (excluding amounts allocated to the loss component and repayments of investment components);
- amounts of the CSM recognised in profit or loss for the services provided in the period;
- release of the risk adjustment for risk expired (excluding amounts allocated to the loss component);
- amounts related to income tax that are specifically chargeable to policyholders;
- experience adjustments arising from premiums received related to current (or past) service, including related cash flows such as insurance acquisition cash flows; and
- amortisation of insurance acquisition cash flows for groups of insurance contracts measured under the PAA.

For contracts measured under the PAA, insurance revenue for the period is the amount of expected premium receipts allocated to the period based on the passage of time. However, if the expected pattern of release of risk during the coverage period differs significantly from the passage of time, then insurance revenue for the period is allocated based on the expected timing of incurred insurance service expenses.

2.20.2 Insurance service expenses

The following amounts are recognised in insurance service expenses:

- expected claims and administration expenses incurred (excluding amounts allocated to the loss component and repayments of investment components);
- experience adjustments arising from incurred claims and administration expenses;
- changes in liability for incurred claims related to past service;
- actual insurance acquisition cash flows on insurance contracts measured under the PAA (for businesses not electing to amortise these cash flows in the liability for remaining coverage);
- amortisation of insurance acquisition cash flows for groups of insurance contracts measured under the GMM or the VFA, or where businesses elect to include insurance acquisition cash flows in the liability for remaining coverage under the PAA; and
- changes that relate to future service:
 - a) initial losses on onerous groups of insurance contracts issued recognised in the period;
 - b) increases and reversals of losses on onerous groups of insurance contracts issued.

The expenses only relate to cash flows that are directly attributable to the fulfilment of the insurance contracts issued.

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NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

31 DECEMBER 2024

2.20 Explanation of recognised insurance amounts in profit or loss - continued

2.20.2 Insurance service expenses - continued

The group presents income or expenses from a group of reinsurance contracts held, other than insurance finance income or expenses, as a single amount. The amounts recognised as income or expenses reflect the features of reinsurance contracts held that differ from insurance contracts issued.

Income or expense from reinsurance contracts comprise reinsurance service expenses less amounts recovered from reinsurers. Reinsurance expenses are recognised similarly to insurance revenue, depicting the transfer of services received in the period at an amount reflecting the portion of premiums the group is expected to pay in exchange for those services. The following amounts are recognised as income or expenses from reinsurance contracts held where relevant:

- amounts of the CSM recognised in profit or loss for the services received in the period;
- changes in the risk adjustment for non-financial risk, excluding:
 - a) changes that related to future service (adjusting the CSM); and
 - b) amounts included in reinsurance finance income or expenses (refer to reinsurance contracts held section below);
- for contracts accounted for under the GMM:
 - a) experience adjustments related to incurred claims and administration expenses recoverable from the reinsurance contracts held, and other administration expenses incurred; and
 - b) experience adjustments related to ceded premiums for past and current service.
- for contracts accounted for under the PAA:
 - a) actual incurred claims and administration expenses recoverable from the reinsurance contracts held, and other administration expenses incurred; and
 - b) reinsurance expenses related to the portion of ceded premiums recovered in the current period, recognised based on the passage of time over the coverage period of the reinsurance contracts held;
- changes in the incurred claims for past service recoverable from the reinsurance contracts held;

2.20.3 Net expenses from reinsurance contracts

- changes in the non-performance risk of reinsurer counterparties; and
- changes that relate to future service:
 - a) income on loss recovery component recognised in the period; and
 - b) changes in estimates that adjust the loss recovery component.

The group recognises all insurance finance income or expenses for the reporting period in profit or loss. The group has therefore elected not to disaggregate insurance finance income or expenses between profit or loss and other comprehensive income.

The effect of and changes in the time value of money and financial risk form part of the insurance finance income and expenses.

For a group of insurance contracts measured under the GMM, insurance finance income or expenses mainly comprises the following amounts:

- the unwind of interest on fulfilment cash flows, based on current discount rates;
- the accretion of interest on the CSM, based on locked-in discount rates;
- the effect of changes in financial (economic) assumptions, including the effect of changes in financial guarantees; and
- the impact of currency exchange differences on fulfilment cash flows for contracts denominated in a foreign currency (where relevant).

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2.20 Explanation of recognised insurance amounts in profit or loss - continued

2.20.3 Net expenses from reinsurance contracts - continued

For a group of insurance contracts measured under the PAA, insurance finance income or expenses mainly comprises the following amounts (where relevant):

- the unwind of interest on the liability for incurred claims, based on current discount rates; and
- the impact on the liability for incurred claims of the effect of changes in economic assumptions.

The amounts recognised in insurance finance income or expenses are determined on a 'gross basis' before any allowance for investment management expenses, policyholder taxation at current tax rates and charges for investment guarantees.

The changes in the risk adjustment for non-financial risk have been disaggregated between the insurance service result and insurance finance income and expenses.

2.20.4 Amortisation of insurance acquisition cash flows

Insurance acquisition cash flows are cash flows arising from the costs of selling, underwriting, and starting a group of insurance contracts (issued or expected to be issued) that are directly attributable to the portfolio of insurance contracts to which the group belongs. Such cash flows include cash flows that are not directly attributable to individual contracts or groups of insurance contracts within the portfolio.

Insurance acquisition cash flows are amortised in each reporting period in a systematic way based on the passage of time. For insurance contracts not measured under the PAA and issued in the Nigerian businesses, the insurance acquisition cash flows are amortised in line with the coverage units used to determine the recognition of the CSM in insurance revenue.

2.20.5 Employee benefit expense

2.20.5a Defined contribution plan

The Group operates a defined contributory pension scheme for eligible employees. Employees and the Group contribute 8.5% and 16.5% respectively for each of the qualifying staff's salary in line with the provisions of the Pension Reform Act 2004 as amended in 2014. The Group pays contributions to the employee - nominated Pension Fund Administrator (PFA) on a mandatory basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefits expense when they are due.

2.20.5b Discretionary Exit Bonus

The group make provision for exit bonuses to qualifying staff who have served the company and retired at the mandatory retirement age of 60 years. Only staff that remain in the employment of the Group at the age of 60 years and has consistently performed up to minimum criteria is entitled to the bonus which is awarded at the discretion of the Board and management.

The award of the bonus is not contractual and is not enforceable. Employees that exited the Group before attaining the mandatory age of 60 years are automatically disqualified from being considered for the bonus. The bonus award is limited to one year gross cash emolument of qualifying employee. Provisions are made annually in the financial statement based on the gross emoluments of employees at year end.

2.20.5c Short term benefit

Wages, salaries, paid annual leave and, bonuses are recognised as employee benefit expense and accrued when the associated services are rendered by the employees of the Group.

SANLAM LIFE INSURANCE NIGERIA LIMITED

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2.20 Explanation of recognised insurance amounts in profit or loss - continued

2.20.6 Other operating and administrative expenses

Other operating and administrative expenses are expenses other than claims, investment expenses, employee benefit, expenses for marketing and administration and supervisory levies. They include professional fee, depreciation expenses and other non- technical expenses. Other operating and administrative expenses are accounted for on accrual basis and recognized in the income statement upon utilization of the service or at the date of their origin.

2.21 Expenses Allocation

Employee benefit expense, other operating and administrative expense cash flows incurred in fulfilling the obligations under the insurance contracts, such as investment management expenses, claims handling costs, costs related to premium billing and maintenance commissions that are expected to be paid to intermediaries. Both direct costs and an allocation of fixed and variable overheads are included. Attributable costs are determined using functional cost analysis techniques. The group applies judgement by taking a broad view of attributable expenses where it is reasonable and supportable.

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3 Asset cover

The asset cover level at the valuation date was 103% for group and 102% for Company in 2024 (2023: Group:118% and Company:108%). That is, assets representing life and non-life fund on the Group's balance sheet (₦197.91 billion) were 134% of the valuation of the actuarially calculated liabilities (₦148.17 billion), while assets representing life fund on the Company's balance sheet (₦167.71 billion) were 126% of the value of the actuarial calculated liabilities (₦133.44 billion).

The assets backing the life and non-life funds are as follows:

| | | Group | | Company | |
|-----------------------------|----|--------------------|--------------------|--------------------|--------------------|
| | | 31-Dec-24 ₦'000 | 31-Dec-23 ₦'000 | 31-Dec-24 ₦'000 | 31-Dec-23 ₦'000 |
| Cash and cash | 37 | 6,980,154 | 7,311,374 | 3,386,065 | 3,710,499 |
| Treasury Bills | 37 | 35,814,267 | 43,346,886 | 23,101,163 | 28,456,254 |
| Government Bonds | 37 | 105,955,896 | 104,576,508 | 105,955,896 | 113,601,040 |
| Corporate bonds | 37 | 3,566,383 | 5,482,776 | 3,566,383 | 4,231,937 |
| Commercial papers | 37 | 299,494 | - | - | - |
| Due from policyholders | 37 | 9,598 | 8,461 | 9,598 | 8,461 |
| Reinsurance contract assets | 37 | 12,803,727 | 4,832,753 | 420,137 | 614,160 |
| Total | | 165,429,519 | 165,558,758 | 136,439,242 | 150,622,351 |

The assets adequately matched the liabilities. In particular asset admissibility requirements and localization rules in section 25 of 2003 Insurance Act were met. The life fund shows a surplus of ₦3.1 billion (2023: ₦4.2 billion), while the non-life fund shows a surplus of ₦822.8 million (2023: ₦438.9 million).

4 Management of Financial risk

The Group is exposed to various financial risks in connection with its current operating activities, such as credit risk, market risk and liquidity risk. These risks contribute to the key financial risk that the proceeds from the Group's financial assets are insufficient to fund the obligations arising from insurance policy contracts.

The Group manages these risks through the activities of the Audit Committee and the Investment Committee. Each committee meets at least four times per annum to discuss financial risk issues. Management is responsible for implementing recommendations that have been agreed and reporting back to the relevant committee.

The Audit Committee is a committee of the Board of Sanlam Life Insurance Nigeria Limited and is responsible for the implementation and monitoring of overall risk management, internal financial controls and financial and actuarial reporting within the Group. The main responsibilities of this Committee are:

- Setting and overseeing the overall standard for financial and actuarial reporting, risk management and internal controls within the Group;
- Monitoring the effectiveness of business risk management processes in the Group;
- Reviewing and assessing the quality of the work done by professionals responsible for financial and actuarial reporting, risk management and internal control; and
- Engaging in discussions with external and internal auditors on the quality and acceptability of the control environment and reporting structures.

The Investment Committee is a management committee and is responsible for:

- ensuring that insurance and investment contract liabilities are matched with appropriate supporting assets based on the type of benefits payable to the contract holders;
- ensuring that the long-term investment return on assets supporting policy liabilities are sufficient to fund policyholders' reasonable benefit expectations and the shareholders' profit entitlement;
- the implementation and monitoring of the asset management process to ensure that the risks arising from trading positions are effectively managed within the pre-determined risk parameters.

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4.1 Market risk

The business's operations are exposed to market risk. Market risk arises from the uncertain movement in fair value or net asset value of the investments that stems principally from potential changes in sentiment towards the investment, the variability of future earnings that is reflected in the current perceived value of the investment and the fluctuations in interest rates and foreign currency exchange rates.

The acquisition of policyholders' assets is based on the design of the product and marketing descriptions. Within these parameters, investments are managed with the aim of maximising policyholder returns while limiting risk to acceptable levels within the framework of statutory requirements. The focus of risk measurement and management is to ensure that the potential risks inherent in an investment are reasonable for the future potential reward, exposure to investment risk is limited to acceptable levels, premium rates are adequate to compensate for investment risk and an adequate reserving policy is applied for long-term policy liabilities. The diverse product range requires a variety of approaches to the management of risk; these range from portfolio management practices and techniques such as optimization of expected risks and rewards based on investment objectives, to asset-liability matching in support of statement of financial position obligations.

The Investment Committee meets quarterly to set investment policy guidelines and to govern compliance to risk policies and limits. Comprehensive measures and limits are in place to control the exposure to market risk of the investments of the Group. The aim is to ensure that appropriate assets are held where the liabilities are dependent upon the performance of specific portfolios of assets and that a suitable match of assets exists for all non-linked liabilities. Limits are applied in respect of the exposure to asset classes and individual counters. Where applicable, advice is sought from the asset manager on suitable amendments to the mandates, senior management experience and judgment is applied to monitoring and controlling market risk.

4.1.1 Foreign exchange risk

Foreign exchange risk is the risk associated with movement in the foreign exchange prices from foreign currency denominated transactions which the Group is exposed to.

The Group is exposed to foreign exchange currency risk primarily through certain transactions denominated in foreign currency. The Group is exposed to foreign currency denominated in dollars and Euros through bank balances in other foreign currencies.

The Group manages its exposure to foreign exchange risk using sensitivity analysis to assess potential changes in the value of foreign exchange positions and impact of such changes on the Group's income. There have been no major changes from the previous year in the exposure to risk or policies, procedures and methods used to measure the risk.

The carrying amounts of the Group's foreign currency-denominated assets as at end of the year are as follows:

| Currency | Group | | Company | |
|------------------------|--------------------|--------------------|--------------------|--------------------|
| | 31-Dec-24 N'000 | 31-Dec-23 N'000 | 31-Dec-24 N'000 | 31-Dec-23 N'000 |
| Cash and bank balances | | | | |
| Dollars | 575,825 | 583,420 | 94,855 | 27,625 |
| Euro | 82,205 | 36,163 | - | - |

The table below shows the effect on the profit for the period ending 31 December 2024 from a ₦1,538.21/\$1 (2023 December: ₦907.11/\$) and ₦1,597.47/EUR (2023 December: ₦1,053.63/Eur) closing rate favorable/unfavorable change in USD/Euro against the naira with all other variables held constant.

| Changes in USD exchange rate | Impact on PBT Group | | Company | |
|--------------------------------------|------------------------|--------------------|--------------------|--------------------|
| | 31-Dec-24 N'000 | 31-Dec-23 N'000 | 31-Dec-24 N'000 | 31-Dec-23 N'000 |
| Increase/(decrease) by 10% (+/-) | 57,582 | 58,342 | 9,485 | 2,762 |
| Increase/(decrease) by 15% (+/-) | 86,374 | 87,513 | 14,228 | 4,144 |
| Changes in EURO exchange rate | | | | |
| Increase/(decrease) by 10% (+/-) | 8,220 | 3,616 | - | - |
| Increase/(decrease) by 15% (+/-) | 12,331 | 5,424 | - | - |
| | Impact on Equity | | | |
| Increase/(decrease) by 10% (+/-) | 4,062 | 2,651 | 2,449 | 1,458 |
| Increase/(decrease) by 15% (+/-) | 6,094 | 3,977 | 3,674 | 2,187 |
| Changes in EURO exchange rate | | | | |
| Increase/(decrease) by 10% (+/-) | 1,613 | 1,193 | - | - |
| Increase/(decrease) by 15% (+/-) | 2,420 | 1,789 | - | - |

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4.1.2 Interest-rate risk

Interest rate risk is the risk that the value of a fixed income security will fall as a result of movement in market interest rates. Interest rate risk also arises from fluctuations in future cash flows of a financial instrument because of changes in market interest rates.

The Group is exposed to interest rate risk through its investment in fixed income and money market instruments. Interest rate risk also exists in policies that carry investment guarantees on early surrender or at maturity, where claim values may be higher than the value of assets backing the policy as a result of rises or falls in interest rates. The Group's investment income will change with interest rates over the medium to long-term with short-term interest rate fluctuations creating unrealized gains or losses in other comprehensive income. Interest rate risk is managed principally through monitoring interest rate gaps and sensitivity analysis across investment portfolio. The fluctuations in interest rates will not impact the financial position as interest-rate sensitive liabilities are quite small compared with the interest-rate sensitive assets.

The table below shows the interest rate sensitivity analysis for interest bearing assets and liabilities as at 31 December 2024 holding all other variable constant. A 100 & 500 basis points increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

Group

| 2024 | | Total | 1 - 3 months | 3 - 6 months | 6 - 12 | > 12months |
|--|------|--------------------|-------------------|-------------------|-------------------|---------------------|
| | | ₦'000 | ₦'000 | ₦'000 | ₦'000 | ₦'000 |
| Interest bearing assets | | | | | | |
| Cash and bank balances | 6 | 10,065,883 | 10,065,883 | - | - | - |
| Investment securities | 7 | 168,122,771 | 7,814,402 | 25,374,263 | 18,908,315 | 116,025,791 |
| Statutory deposit | 14 | 500,000 | - | - | - | 500,000 |
| Staff loans | 10.1 | 850,883 | 37,598 | 45,256 | 255,028 | 513,001 |
| Due from policy holders | 10.2 | 9,599 | 4,017 | - | 768 | 4,814 |
| | | 179,549,136 | 17,921,900 | 25,419,519 | 19,164,111 | 117,043,606 |
| Interest bearing liabilities- | | | | | | |
| Insurance contract liabilities | | 148,171,097 | 9,128,695 | 2,857,393 | 5,724,861 | 130,460,148 |
| | | 148,171,097 | 9,128,695 | 2,857,393 | 5,724,861 | 130,460,148 |
| Gap | | 31,378,039 | 8,793,205 | 22,562,127 | 13,439,250 | (13,416,543) |
| Cumulative gap | | 31,378,039 | 40,171,244 | 62,733,371 | 76,172,621 | 62,756,078 |
| Impact on profit before tax by 100bp (+/-) | | | 87,932 | 225,621 | 134,393 | (134,165) |
| Taxation (10%) | | | 8,793 | 22,562 | 13,439 | (13,417) |
| Impact on equity | | | 79,139 | 203,059 | 120,953 | (120,749) |
| Impact on profit before tax by 500bp (+/-) | | | 17,586 | 45,124 | 26,879 | (26,833) |
| Taxation (10%) | | | 1,759 | 4,512 | 2,688 | (2,683) |
| Impact on equity | | | 15,828 | 40,612 | 24,191 | (24,150) |

SANLAM LIFE INSURANCE NIGERIA LIMITED

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS 31 DECEMBER 2024

4 Management of Financial risk - Continued

4.1.2 Interest-rate risk - Continued

| 2023 | | Total N'000 | 1 - 3 months N'000 | 3 - 6 months N'000 | 6 - 12 N'000 | > 12months N'000 |
|--|------|--------------------|-----------------------|-----------------------|-------------------|---------------------|
| Interest bearing assets | | | | | | |
| Cash and bank balances | 6 | 8,826,959 | 8,826,959 | - | - | - |
| Investment securities | 7 | 184,302,710 | 10,733,837 | 5,951,080 | 7,779,311 | 159,838,483 |
| Statutory deposit | 14 | 500,000 | - | - | - | 500,000 |
| Staff loans | 10.1 | 588,710 | 37,598 | 45,256 | 255,028 | 250,828 |
| Due from policy holders | 10.2 | 8,461 | 3,541 | - | 677 | 4,243 |
| | | 194,226,840 | 19,601,935 | 5,996,336 | 8,035,016 | 160,593,554 |
| Interest bearing liabilities- | | | | | | |
| insurance contract liabilities | | | | | | |
| | | 147,216,233 | 9,128,695 | 2,857,393 | 5,724,861 | 129,505,285 |
| | | 147,216,233 | 9,128,695 | 2,857,393 | 5,724,861 | 129,505,285 |
| Gap | | | | | | |
| | | 47,010,607 | 10,473,240 | 3,138,943 | 2,310,155 | 31,088,270 |
| Cumulative gap | | | | | | |
| | | 47,010,607 | 57,483,847 | 60,622,790 | 62,932,944 | 94,021,214 |
| Impact on profit before tax by 100bp (+/-) | | | | | | |
| | | | 104,732 | 31,389 | 23,102 | 310,883 |
| Taxation (16%) | | | | | | |
| | | | 16,757 | 5,022 | 3,696 | 49,741 |
| Impact on equity | | | | | | |
| | | | 87,975 | 26,367 | 19,405 | 261,141 |
| Impact on profit before tax by 500bp (+/-) | | | | | | |
| | | | 20,946 | 6,278 | 4,620 | 62,177 |
| Taxation (16%) | | | | | | |
| | | | 3,351 | 1,004 | 739 | 9,948 |
| Impact on equity | | | | | | |
| | | | 17,595 | 5,273 | 3,881 | 52,228 |
| Company | | | | | | |
| 2024 | | Total N'000 | 1 - 3 months N'000 | 3 - 6 months N'000 | 6 - 12 N'000 | > 12months N'000 |
| Interest bearing assets | | | | | | |
| Cash and bank balances | 6 | 5,294,072 | 5,294,072 | - | - | - |
| Investment securities | 7 | 153,194,346 | 7,814,402 | 19,818,600 | 13,396,077 | 112,165,267 |
| Statutory deposit | 14 | 200,000 | - | - | - | 200,000 |
| Staff loans | 10.1 | 517,406 | 15,497 | 35,250 | 104,363 | 362,296 |
| Due from policy holders | 10.2 | 9,599 | 4,017 | - | 768 | 4,814 |
| | | 159,215,423 | 13,127,988 | 19,853,850 | 13,501,208 | 112,732,377 |
| Interest bearing liabilities- | | | | | | |
| insurance contract liabilities | | | | | | |
| | | 133,442,143 | 15,232,270 | 5,688,731 | 11,193,200 | 101,327,940 |
| | | 133,442,143 | 15,232,270 | 5,688,731 | 11,193,200 | 101,327,940 |
| Gap | | | | | | |
| | | 25,773,281 | (2,104,283) | 14,165,119 | 2,308,008 | 11,404,436 |
| Cumulative gap | | | | | | |
| | | 25,773,281 | 23,668,998 | 37,834,117 | 40,142,125 | 51,546,561 |
| Impact on profit before tax by 100bp (+/-) | | | | | | |
| | | | (21,043) | 141,651 | 23,080 | 114,044 |
| Taxation (1%) | | | | | | |
| | | | (210) | 1,417 | 231 | 1,140 |
| Impact on equity | | | | | | |
| | | | (105,214) | 708,256 | 115,400 | 570,222 |
| Impact on profit before tax by 500bp (+/-) | | | | | | |
| | | | (4,209) | 28,330 | 4,616 | 22,809 |
| Taxation (1%) | | | | | | |
| | | | (42) | 283 | 46 | 228 |
| Impact on equity | | | | | | |
| | | | (4,166) | 28,047 | 4,570 | 22,581 |

4 Management of Financial risk - Continued

4.1.2 Interest-rate risk - Continued

| 2023 | | Total N'000 | 1 - 3 months N'000 | 3 - 6 months N'000 | 6 - 12 N'000 | > 12months N'000 |
|--|------|--------------------|-----------------------|-----------------------|-------------------|---------------------|
| Interest bearing assets | | | | | | |
| Cash and bank balances | 6 | 5,226,084 | 5,226,084 | - | - | - |
| Investment securities | 7 | 171,247,262 | 3,230,375 | 9,310,048 | 15,180,915 | 143,525,924 |
| Statutory deposit | 14 | 200,000 | - | - | - | 200,000 |
| Staff loans | 10.1 | 531,451 | 15,497 | 35,250 | 104,363 | 376,342 |
| Due from policy holders | 10.2 | 8,461 | 3,541 | - | 677 | 4,243 |
| | | 177,213,258 | 8,475,497 | 9,345,298 | 15,285,954 | 144,106,509 |
| Interest bearing liabilities- | | | | | | |
| insurance contract liabilities | | | | | | |
| | | 138,841,101 | 15,232,270 | 5,688,731 | 11,193,200 | 106,726,899 |
| | | 138,841,101 | 15,232,270 | 5,688,731 | 11,193,200 | 106,726,899 |
| Gap | | | | | | |
| | | 38,372,157 | (6,756,774) | 3,656,567 | 4,092,754 | 37,379,610 |
| Cumulative gap | | | | | | |
| | | 38,372,157 | 31,615,383 | 35,271,950 | 39,364,704 | 76,744,314 |
| Impact on profit before tax by 100bp (+/-) | | | | | | |
| | | | (67,568) | 36,566 | 40,928 | 373,796 |
| Taxation (36%) | | | | | | |
| | | | (24,324) | 13,164 | 14,734 | 134,567 |
| Impact on equity | | | | | | |
| | | | (43,243) | 23,402 | 26,194 | 239,230 |
| Impact on profit before tax by 500bp (+/-) | | | | | | |
| | | | (13,514) | 7,313 | 8,186 | 74,759 |
| Taxation (36%) | | | | | | |
| | | | (4,865) | 2,633 | 2,947 | 26,913 |
| Impact on equity | | | | | | |
| | | | (8,649) | 4,680 | 5,239 | 47,846 |

SANLAM LIFE INSURANCE NIGERIA LIMITED

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The tables below summarises the entity's interest rate gap position on all portfolios:

Group 2024

| | | Carrying amount | Variable interest-bearing | Fixed interest-bearing | Non-interest bearing |
|--|------|--------------------|---------------------------|------------------------|----------------------|
| | | ₦'000 | ₦'000 | ₦'000 | ₦'000 |
| Financial assets: | | | | | |
| Cash and balances with banks | 6 | 10,065,883 | - | 7,742,231 | 2,323,653 |
| Amortised cost - Policy loan | 10.2 | 9,599 | - | 9,599 | - |
| FVTPL - Financial assets | 7 | 168,122,771 | - | 168,122,771 | - |
| Investment securities: | | | | | |
| Statutory deposit with Central Bank of Nigeria | 14 | 500,000 | 500,000 | - | - |
| Other receivables and prepayments | | 18,246,041 | - | - | 18,246,041 |
| | | 196,944,294 | 500,000 | 175,874,601 | 20,569,694 |
| Financial liabilities: | | | | | |
| Payables | | 161,406,051 | - | - | 161,406,051 |
| | | 161,406,051 | - | - | 161,406,051 |

4.1.2 Interest-rate risk - Continued

2023

| | | Carrying amount | Variable interest-bearing | Fixed interest-bearing | Non-interest bearing |
|--|------|--------------------|---------------------------|------------------------|----------------------|
| | | ₦'000 | ₦'000 | ₦'000 | ₦'000 |
| Financial assets: | | | | | |
| Cash and balances with banks | 6 | 8,826,959 | - | 6,648,713 | 2,178,246 |
| Amortised cost - Policy loan | 10.2 | 8,461 | - | 8,461 | - |
| FVTPL - Financial assets | 7 | 184,302,710 | - | 184,302,710 | - |
| Investment securities: | | | | | |
| Statutory deposit with Central Bank of Nigeria | 14 | 500,000 | 500,000 | - | - |
| Other receivables and prepayments | | 10,594,533 | - | - | 10,594,533 |
| | | 204,232,664 | 500,000 | 190,959,884 | 12,772,780 |
| Financial liabilities: | | | | | |
| Payables | | 182,808,275 | - | - | 182,808,275 |
| | | 182,808,275 | - | - | 182,808,275 |

Company 2024

| | | Carrying amount | Variable interest-bearing | Fixed interest-bearing | Non-interest bearing |
|--|------|--------------------|---------------------------|------------------------|----------------------|
| | | ₦'000 | ₦'000 | ₦'000 | ₦'000 |
| Financial assets: | | | | | |
| Cash and balances with banks | 6 | 5,294,072 | - | 4,250,995 | 1,043,078 |
| Amortised cost - Policy loan | 10.2 | 9,599 | - | 9,599 | - |
| FVTPL - Financial assets | 7 | 153,194,346 | - | 153,194,346 | - |
| Investment securities: | | | | | |
| Statutory deposit with Central Bank of Nigeria | 14 | 200,000 | 200,000 | - | - |
| Other receivables and prepayments | | 9,009,267 | - | - | 9,009,267 |
| | | 167,707,284 | 200,000 | 157,454,940 | 10,052,345 |
| Financial liabilities: | | | | | |
| Deposit from customers | | - | - | - | - |
| Payables | | 143,212,926 | - | - | 143,212,926 |
| | | 143,212,926 | - | - | 143,212,926 |

SANLAM LIFE INSURANCE NIGERIA LIMITED

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS 31 DECEMBER 2024

4 Management of Financial risk - Continued

4.1.2 Interest-rate risk - Continued

2023

| | | Carrying amount | Variable interest-bearing | Fixed interest-bearing | Non-interest bearing |
|--|------|--------------------|---------------------------|------------------------|----------------------|
| | | ₦'000 | ₦'000 | ₦'000 | ₦'000 |
| Financial assets: | | | | | |
| Cash and balances with banks | 6 | 5,226,084 | - | 3,819,870 | 1,406,214 |
| Amortised cost - Policy loan | 10.2 | 8,461 | - | 8,461 | - |
| FVTPL - Financial assets | 7 | 171,247,262 | - | 171,247,262 | - |
| Investment securities: | | | | | |
| Statutory deposit with Central Bank of Nigeria | 14 | 200,000 | 200,000 | - | - |
| Other receivables and prepayments | | 9,772,314 | - | - | 9,772,314 |
| | | 186,454,121 | 200,000 | 175,075,593 | 11,178,528 |
| Financial liabilities: | | | | | |
| Payables | | 171,871,088 | - | - | 171,871,088 |
| | | 171,871,088 | - | - | 171,871,088 |

4.1.3 Equity price risk

The Group is exposed to equity price risks arising from equity investments. Based on the volatility of quoted stocks, the Group monitors the contribution of individual stock to the total stocks holding in a portfolio on a monthly basis. Should there be a drastic drop in price of one equity the effect on the portfolio will not be significant. The Group is majorly exposed to equity price risk within the Banking sector.

Equity price sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to equity price risks at the end of the reporting period.

If equity prices had been 5% higher/lower, the Group's other comprehensive income would increase/decrease by nil (Company 2023: nil) as a result of the changes in fair value of investments in equity instruments. If equity prices had been 1% higher/lower, the Group's other comprehensive income would increase/decrease by nil (Company 2023: nil) as a result of the changes in fair value of investments in equity instruments.

4.2 Credit risk

Credit risk arises from the inability or unwillingness of a counter party to a financial instrument to discharge its contractual obligations. The Group determines counter-party credit quality by reference to ratings from independent ratings agencies or, where such ratings are not available, by internal analysis. The Group seeks to avoid unacceptable concentration of credit risk to groups of counterparties, to business sectors, product types, etc.

SANLAM LIFE INSURANCE NIGERIA LIMITED

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS 31 DECEMBER 2024

4 Management of Financial risk - Continued

4.2 Credit risk - Continued

Key areas where the Group is exposed to credit risk are:

- Reinsurers' share of insurance liabilities;
- Amounts due from reinsurers in respect of claims already paid;
- Amounts due from insurance contract holders;
- Amounts due from insurance intermediaries;
- Amounts due from loans and receivables;
- Amounts due from money market and cash positions

The Group structures the levels of credit risk it accepts by placing limits on its exposure to a single counterparty, or groups of counterparties. Such risks are subject to an annual or more frequent review. Limits on the level of credit risk by category and territory are approved by the Management Committee.

Reinsurance is used to manage insurance risk. This does not, however, discharge the Group's liability as primary insurer. If a reinsurer fails to pay a claim for any reason, the Group remains liable for the payment to the policyholder. The creditworthiness of reinsurers is considered on an annual basis by reviewing their financial strength prior to finalisation of any contract.

The Group's financial instruments do not represent a concentration of credit risk because the business deals with a variety of reinsurers and its premiums receivable and loans are spread among a number of major industries, customers and geographic areas. Amounts receivable in terms of long-term insurance business are secured by the underlying value of the unpaid policy benefits in terms of the policy contract. An appropriate level of provisioning is maintained.

The Group manages its exposure to credit risk through counterparty risk using established limits as approved by the Board. These limits are determined based on credit ratings of the counterparty amongst other factors. The investments portfolio are monitored on a monthly basis.

Exposure outside financial institutions concerning deposits and similar transactions are monitored against approved limits. In order to monitor the credit risk exposure, FBN Capital was appointed as the Fund Management Adviser of the Group. FBN Capital advises on the investment securities of the Group under an investment advisory service contract. The contract specifies that all statutory and regulatory guidelines are duly complied with. The Group has ensured that its portfolio is spread into different classes of risk to ensure maximum return and mitigate investment risk.

4.2.1 Maximum exposure to credit risk before collateral and other credit enhancements.

| | | Group | | Company | |
|-----------------------------|------|--------------------|--------------------|--------------------|--------------------|
| | | 31-Dec-24 N'000 | 31-Dec-23 N'000 | 31-Dec-24 N'000 | 31-Dec-23 N'000 |
| Cash and bank balances | 6 | 10,065,529 | 8,826,537 | 5,293,718 | 5,225,662 |
| Investment securities | 7 | 168,122,771 | 183,701,281 | 153,194,346 | 170,645,833 |
| Trade receivables | 8 | 154,971 | 417,154 | 51,682 | 65,155 |
| Reinsurance contract assets | 7 | 12,803,727 | 4,832,753 | 420,137 | 614,160 |
| Other receivables | 10.7 | 14,383 | 33,690 | 13,945 | 12,517 |
| Statutory deposit | 14 | 500,000 | 500,000 | 200,000 | 200,000 |
| Staff loans | 10.1 | 850,883 | 588,710 | 517,406 | 531,451 |
| Due from policy holders | 10.2 | 9,599 | 8,461 | 9,599 | 8,461 |
| | | 192,521,864 | 198,908,586 | 159,700,833 | 177,303,241 |

Other receivables and prepayments includes interest receivables, sundry debtors, and impairment in note 10

4.2.2 Credit quality of financial assets

All assets are classified as "Life time not impaired". Credit quality of trade receivables is summarised as follows:

| | Group | | Company | |
|--------------------------------|--------------------|--------------------|--------------------|--------------------|
| | 31-Dec-24 N'000 | 31-Dec-23 N'000 | 31-Dec-24 N'000 | 31-Dec-23 N'000 |
| Life time not impaired | 154,971 | 417,154 | 51,682 | 65,155 |
| Individually impaired | - | - | - | - |
| Gross | 154,971 | 417,154 | 51,682 | 65,155 |
| Less: allowance for impairment | - | - | - | - |
| Net | 154,971 | 417,154 | 51,682 | 65,155 |

SANLAM LIFE INSURANCE NIGERIA LIMITED

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS 31 DECEMBER 2024

4 Management of Financial risk - Continued

4.2 Credit risk - Continued

4.2.2 Credit quality of financial assets - Continued

Aging analysis of trade receivables

Life time not impaired

0 - 30 days

31 - 90 days

91 - 180 days

| | Group | | Company | |
|---------------|--------------------|--------------------|--------------------|--------------------|
| | 31-Dec-24 ₦'000 | 31-Dec-23 ₦'000 | 31-Dec-24 ₦'000 | 31-Dec-23 ₦'000 |
| 0 - 30 days | 154,971 | 417,154 | 51,682 | 65,155 |
| 31 - 90 days | - | - | - | - |
| 91 - 180 days | - | - | - | - |
| | 154,971 | 417,154 | 51,682 | 65,155 |

4.2.3 Credit quality of financial assets neither past due nor impaired

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

Internal credit rating system:

| Rating bucket | Description | Rating grades | Rating scales | Range of scores | Probability of default |
|---------------|-----------------------------------|---------------|---------------|-----------------|------------------------|
| AAA | Extremely low risk | 1 | 1.00 - 1.99 | 90 - 100% | 1% |
| AA | Very low risk | 2 | 2.00 - 2.99 | 80 - 89% | 1% |
| A | Low risk | 3 | 3.00 - 3.99 | 70 - 79% | 1.5% |
| BBB | Low risk | 4 | 4.00 - 4.99 | 60 - 69% | 2% |
| BB | Acceptable - moderately high risk | 5 | 5.00 - 5.99 | 50 - 59% | 4% |
| B | High risk | 6 | 6.00 - 6.99 | 40 - 49% | 6% |
| CCC | Very high risk | 7 | 7.00 - 7.99 | 30 - 39% | 9% |
| CC | Extremely high risk | 8 | 8.00 - 8.99 | 10 - 29% | 13% |
| C | High likelihood of default | 9 | 9.00 - 9.99 | 0 - 9% | 15% |
| D | Default risk | 10 | | | - |
| D | Sub -standard | | | | 25% |
| D | Doubtful | | | | 50% |
| D | Lost | | | | 100% |

Source: gcratings.com

4.2.4 Management of credit risk

The Board of Directors is responsible for oversight of the Entity's credit risk, including:

- Formulating credit policies for The Entity, covering collateral requirements, credit assessment, risk grading and reporting, documentary and legal procedures, and compliance with regulatory and statutory requirements.
- Establishing the authorisation structure for the approval and renewal of credit facilities. Authorisation limits are allocated to the Board of Directors as appropriate.
- Reviewing and assessing credit risk in all credit exposures prior to making commitment to customers. Renewals and reviews of facilities are subject to the same review process.
- Developing and maintaining The Entity's criteria for categorising exposures, and to focus management on the attendant risks. The responsibility for approving and reviewing the Risk Assets Acceptance Criteria and Credit Risk Policy lies with the Board of Directors
- Reviewing compliance of with exposure and concentration limits, and promotion of best practices throughout The Entity in the management of credit risk.

Credit Risk Measurement

The entity undertakes lending activities after careful analysis of the borrowers' general character, capacity to repay existing policy buffer, cash flow, credit history, organisational/management quality, financial condition, market position, business operations, industry and other factors. The entity acknowledges that there are diverse intrinsic risks inherent in the vagaries of its business segments and, as a result, applies different parameters to adequately dimension the risks in each business segments.

The Entity's rating grades as defined by the Board of Directors, covering all The Entity's credit exposure to individual policyholder, corporate, commercial, conglomerates and multinationals. Obligor rating in the Entity is handled by Underwriting Manager with further review by Risk Management and Control before it goes through the approval process.

SANLAM LIFE INSURANCE NIGERIA LIMITED

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS 31 DECEMBER 2024

4 Management of Financial risk - Continued

4.2 Credit risk - Continued

4.2.4 Management of credit risk - Continued

The relationship between The Entity's internal rating system and the external rating system (Agusto & Co.) is shown below:

| External rating | Internal rating | Description | Characteristics |
|-----------------|-----------------|--------------------------------|---|
| AAA | A | Highly Outstanding Investments | <ul style="list-style-type: none"> • Highest investment quality • Lowest expectation of default risk • Exceptionally strong capacity for timely payment of financial commitments • Capacity is highly unlikely to be adversely affected by unforeseeable events • Top multinationals / corporations • Strong equity and assets • Good track record • Strong cash flows |
| AA | B | Above Average Investments | <ul style="list-style-type: none"> • Very high investment quality • Very low expectation of default risk • Very strong capacity for timely payment of financial commitments • Capacity is not significantly vulnerable to unforeseeable events. • Typically large corporates in stable industries and with significant market share • Very strong balance sheets with high liquid assets |
| A | | | |
| BBB | C | Average Investments | <ul style="list-style-type: none"> • Good investment quality • Low expectation of default risk. • Capacity for timely payment of financial commitments is considered adequate • Adverse changes in circumstances and in economic conditions is more likely to impair capacity for payment • Typically in stable industries • Strong debt repayment capacity and coverage • Good asset quality and liquidity position • Very good management |
| BB | | | |
| B | | | |
| CCC | D | Acceptable Investments | <ul style="list-style-type: none"> • Average investment quality • Possibility of default risk developing, particularly as the result of adverse economic changes over time • Category is acceptable as business or financial alternatives may be available to allow financial commitments to be met • Good character of owner • Good management but depth may be an issue • Typically good companies in cyclical industries |
| CC | | | |
| C | E | Unacceptable Investments | <ul style="list-style-type: none"> • High risk investment quality • High probability of partial loss • Financial condition is weak but obligations are still being met as and when they fall due • Adverse changes in the environment will increase risk significantly • Very weak credit fundamentals which make full debt repayment in serious doubt • Bleak economic prospects • Lack of capacity to repay unsecured debt |
| D | | | |

The Entity's operational measurements for credit risk are in conformity with the impairment allowances required under the applicable reporting standard - IAS 39, IFRS 9, and are based on losses that are expected incurred at the date of the statement of financial position, that is the "expected loss model" rather than "incurred losses".

The estimation of credit exposure is complex and requires the use of models, as the value of a product varies with changes in market variables, expected cash flows and the passage of time. The assessment of credit risk of a portfolio of assets entails further estimations as to the likelihood of defaults occurring, of the associated loss ratios and of default correlations between counterparties.

SANLAM LIFE INSURANCE NIGERIA LIMITED

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS 31 DECEMBER 2024

4 Management of Financial risk - Continued

4.2 Credit risk - Continued

4.2.4 Management of credit risk - Continued

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

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

SANLAM LIFE INSURANCE NIGERIA LIMITED

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS 31 DECEMBER 2024

4 Management of Financial risk - Continued

4.2 Credit risk - Continued

4.2.4 Management of credit risk - Continued

Group

2024

Policyholder Portfolio

| | | AAA | AA | A | BB | CC | Total |
|----------------------------------|-------|-------|-------|--------------|--------------------|-------|--------------------|
| | | ₦'000 | ₦'000 | ₦'000 | ₦'000 | ₦'000 | ₦'000 |
| Cash and bank balances | 4.2.1 | - | - | - | 10,065,529 | - | 10,065,529 |
| Marketable investment securities | 4.2.1 | - | - | - | 168,122,771 | - | 168,122,771 |
| Reinsurance contract assets | 4.2.1 | - | - | - | 12,803,727 | - | 12,803,727 |
| Due from policy holders | 10.2 | - | - | 9,598 | - | - | 9,598 |
| Total | | - | - | 9,598 | 190,992,027 | - | 191,001,625 |

Shareholder Portfolio

| | | | | | | | |
|----------------------------------|------|----------------|---|---|-------------------|---|-------------------|
| Cash and bank balances | 37 | - | - | - | 3,085,730 | - | 3,085,730 |
| Marketable investment securities | 37 | - | - | - | 22,486,731 | - | 22,486,731 |
| Statutory deposit | 14 | 500,000 | - | - | - | - | 500,000 |
| Staff loans | 10.1 | - | - | - | - | - | 850,883 |
| Total | | 500,000 | - | - | 25,572,461 | - | 26,923,344 |

2023

Policyholder Portfolio

| | | AAA | AA | A | BB | CC | Total |
|----------------------------------|-------|-------|-------|--------------|--------------------|-------|--------------------|
| | | ₦'000 | ₦'000 | ₦'000 | ₦'000 | ₦'000 | ₦'000 |
| Cash and bank balances | 4.2.1 | - | - | - | 8,826,537 | - | 8,826,537 |
| Marketable investment securities | 4.2.1 | - | - | - | 183,701,281 | - | 183,701,281 |
| Reinsurance contract assets | 4.2.1 | - | - | - | 4,832,753 | - | 4,832,753 |
| Due from policy holders | 10.2 | - | - | 8,461 | - | - | 8,461 |
| Total | | - | - | 8,461 | 197,360,571 | - | 197,369,032 |

Shareholder Portfolio

| | | | | | | | |
|----------------------------------|------|------------------|---|---|-------------------|---|-------------------|
| Cash and bank balances | 37 | - | - | - | 1,515,584 | - | 1,515,584 |
| Marketable investment securities | 37 | - | - | - | 30,896,539 | - | 30,896,539 |
| Statutory deposit | 14 | 500,000 | - | - | - | - | 500,000 |
| Staff loans | 10.1 | 588,710 | - | - | - | - | 588,710 |
| Total | | 1,088,710 | - | - | 32,412,123 | - | 33,500,833 |

SANLAM LIFE INSURANCE NIGERIA LIMITED

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS 31 DECEMBER 2024

Company

2024

Policyholder Portfolio

| | | AAA | AA | A | BB | CC | Total |
|----------------------------------|-------|-------|-------|--------------|--------------------|-------|--------------------|
| | | ₦'000 | ₦'000 | ₦'000 | ₦'000 | ₦'000 | ₦'000 |
| Cash and bank balances | 4.2.1 | - | - | - | 5,293,718 | - | 5,293,718 |
| Marketable investment securities | 4.2.1 | - | - | - | 153,194,346 | - | 153,194,346 |
| Reinsurance contract assets | 4.2.1 | - | - | - | 420,137 | - | 420,137 |
| Due from policy holders | 10.2 | - | - | 9,599 | - | - | 9,599 |
| Total | | - | - | 9,599 | 158,908,201 | - | 158,917,800 |

Shareholder Portfolio

| | | | | | | | |
|----------------------------------|------|----------------|---|---|-------------------|---|-------------------|
| Cash and bank balances | 37 | - | - | - | 1,515,584 | - | 1,515,584 |
| Marketable investment securities | 37 | - | - | - | 20,570,905 | - | 20,570,905 |
| Statutory deposit | 14 | 200,000 | - | - | - | - | 200,000 |
| Staff loans | 10.1 | 588,710 | - | - | - | - | 588,710 |
| Total | | 788,710 | - | - | 22,086,489 | - | 22,875,199 |

2023

Policyholder Portfolio

| | | AAA | AA | A | BB | CC | Total |
|----------------------------------|-------|-------|-------|--------------|--------------------|-------|--------------------|
| | | ₦'000 | ₦'000 | ₦'000 | ₦'000 | ₦'000 | ₦'000 |
| Cash and bank balances | 4.2.1 | - | - | - | 5,225,662 | - | 5,225,662 |
| Marketable investment securities | 4.2.1 | - | - | - | 170,645,833 | - | 170,645,833 |
| Reinsurance contract assets | 4.2.1 | - | - | - | 614,160 | - | 614,160 |
| Due from policy holders | 10.2 | - | - | 8,461 | - | - | 8,461 |
| Total | | - | - | 8,461 | 176,485,655 | - | 176,494,117 |

Shareholder Portfolio

| | | | | | | | |
|----------------------------------|------|----------------|---|---|-------------------|----------------|-------------------|
| Cash and bank balances | 37 | - | - | - | 1,515,584 | 499,516 | 2,015,101 |
| Marketable investment securities | 37 | - | - | - | 24,958,031 | - | 24,958,031 |
| Statutory deposit | 14 | 200,000 | - | - | - | - | 200,000 |
| Staff loans | 10.1 | 531,451 | - | - | - | - | 531,451 |
| Total | | 731,451 | - | - | 26,473,615 | 499,516 | 27,704,583 |

SANLAM LIFE INSURANCE NIGERIA LIMITED

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS 31 DECEMBER 2024

4 Management of Financial risk - Continued

4.2 Credit risk - Continued

4.2.4.1 Concentration of credit risk exposure

a. Geographical sectors

The concentration of credit risk exposure are all in Nigeria.

b. Industry Sector

The following table breaks down the Group's credit exposure at carrying amounts, as categorised by the industry sectors of the Group's counterparties.

| | Group | | | | Company | | | |
|-----------------------|-----------------------|--------------------------|---------------------|--------------------|-----------------------|--------------------------|---------------------|--------------------|
| | 2024 | | | | 2024 | | | |
| | Premium Receivable | Investment securities | Other receivable | Total | Premium Receivable | Investment securities | Other receivable | Total |
| | ₦'000 | ₦'000 | ₦'000 | ₦'000 | ₦'000 | ₦'000 | ₦'000 | ₦'000 |
| Finance and insurance | 154,971 | 178,188,300 | 12,803,727 | 191,146,998 | 51,682 | 158,488,065 | 420,137 | 158,959,884 |
| Oil and gas | - | - | - | - | - | - | - | - |
| Public sector | - | - | 500,000 | 500,000 | - | - | 200,000 | 200,000 |
| Retail | - | - | 874,865 | 874,865 | - | - | 540,950 | 540,950 |
| | 154,971 | 178,188,300 | 14,178,593 | 192,521,863 | 51,682 | 158,488,065 | 1,161,087 | 159,700,834 |

| | 2023 | | | | 2023 | | | |
|-----------------------|-----------------------|--------------------------|---------------------|--------------------|-----------------------|--------------------------|---------------------|--------------------|
| | Premium Receivable | Investment securities | Other receivable | Total | Premium Receivable | Investment securities | Other receivable | Total |
| | ₦'000 | ₦'000 | ₦'000 | ₦'000 | ₦'000 | ₦'000 | ₦'000 | ₦'000 |
| Finance and insurance | 417,154 | 192,527,818 | 4,832,753 | 197,777,725 | 65,155 | 175,871,495 | 614,160 | 176,550,811 |
| Oil and gas | - | - | - | - | - | - | - | - |
| Public sector | - | - | 500,000 | 500,000 | - | - | 200,000 | 200,000 |
| Retail | - | - | 630,861 | 630,861 | - | - | 552,430 | 552,430 |
| | 417,154 | 192,527,818 | 5,963,614 | 198,908,586 | 65,155 | 175,871,495 | 1,366,590 | 177,303,241 |

SANLAM LIFE INSURANCE NIGERIA LIMITED

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS 31 DECEMBER 2024

4.2.5 Offsetting financial assets and financial liabilities

The disclosures set out in the tables below include financial assets and financial liabilities that are subject to an enforceable master netting arrangement or similar agreement that covers similar financial instruments, irrespective of whether they are offset in the statement of financial position. As at year end, none of these agreement arrangements met the criteria for offsetting in the statement of financial position.

Reinsurance payable and receivables create for the parties to the agreement a right of set-off on recognised amounts that is enforceable only following a predetermined events as stipulated within the treaty agreements. Under the requirements of 'IFRS 4 - Insurance contract', trade receivables and payables are disclosed gross. Each party to the agreement will have the option to settle all such amounts on a net basis in the event of default of the other party. An event of default includes a failure by a party to make payment when due.

Group

2024

Financial assets subject to offsetting, enforceable master netting arrangements and similar agreements

Related amounts not offset in the statement of financial position

| | Gross amount of recognised financial asset N'000 | Gross amount of financial liabilities offset in the statement of financial position N'000 | Net amounts of financial assets presented in the statement of financial position N'000 | Financial instruments (including non cash collateral) N'000 | Cash collateral received N'000 | Net amount N'000 |
|-------------------------|---|--|---|--|-----------------------------------|---------------------|
| Reinsurance receivables | 12,803,727 | - | 12,803,727 | (18,905) | - | 12,784,822 |
| Reinsurance payables | 18,905 | - | 18,905 | (18,905) | - | - |

2023

Financial assets subject to offsetting, enforceable master netting arrangements and similar agreements

Related amounts not offset in the statement of financial position

| | Gross amount of recognised financial asset N'000 | Gross amount of financial liabilities offset in the statement of financial position N'000 | Net amounts of financial assets presented in the statement of financial position N'000 | Financial instruments (including non cash collateral) N'000 | Cash collateral received N'000 | Net amount N'000 |
|-------------------------|---|--|---|--|-----------------------------------|---------------------|
| Reinsurance receivables | 4,832,753 | - | 4,832,753 | (150,542) | - | 4,682,211 |
| Reinsurance payables | 150,542 | - | 150,542 | (150,542) | - | - |

SANLAM LIFE INSURANCE NIGERIA LIMITED

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS 31 DECEMBER 2024

Company
2024

Financial assets subject to offsetting, enforceable master netting
arrangements and similar agreements

Related amounts not offset in the statement
of financial position

| | Gross amount of recognised financial asset N'000 | Gross amount of financial liabilities offset in the statement of financial position N'000 | Net amounts of financial assets presented in the statement of financial position N'000 | Financial instruments (including non cash collateral N'000 | Cash collateral received N'000 | Net amount N'000 |
|-------------------------|---|---|---|--|---|---------------------|
| Reinsurance receivables | 420,137 | - | 420,137 | (18,905) | - | 401,231 |
| Reinsurance payables | 18,905 | - | 18,905 | (18,905) | - | - |

2023

Financial assets subject to offsetting, enforceable master netting
arrangements and similar agreements

Related amounts not offset in the statement
of financial position

| | Gross amount of recognised financial asset N'000 | Gross amount of financial liabilities offset in the statement of financial position N'000 | Net amounts of financial assets presented in the statement of financial position N'000 | Financial instruments (including non cash collateral N'000 | Cash collateral received N'000 | Net amount N'000 |
|-------------------------|---|---|---|--|---|---------------------|
| Reinsurance receivables | 614,160 | - | 614,160 | (150,542) | - | 463,618 |
| Reinsurance payables | 150,542 | - | 150,542 | (150,542) | - | - |

SANLAM LIFE INSURANCE NIGERIA LIMITED

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS 31 DECEMBER 2024

4.3 Liquidity risk

Liquidity risk is the risk that the Group is unable to meet its obligations when they fall due as a result of policyholder benefit payments, cash requirements from contractual commitments, or other cash outflows, such as debt maturities. Such outflows would deplete available cash resources for operational, trading and investments activities. In extreme circumstances, lack of liquidity could result in reductions in the consolidated balance sheet and sales of assets, or potentially an inability to fulfil policyholder commitments. The risk that the Group will be unable to do so is inherent in all insurance operations and can be affected by a range of institution-specific and market-wide events including, but not limited to, credit events, merger and acquisition activity, systemic shocks and natural disasters.

Monitoring and reporting take the form of cash flow measurement and projections for the next day, week and month respectively, as these are key periods for liquidity management. The starting point for those projections is an analysis of the undiscounted contractual cashflow at maturity of the financial liabilities and the expected collection date of the financial assets.

All policyholder funds are invested in appropriate assets to meet the reasonable benefit expectations of policyholders, which include the expectation that funds will be available to pay out benefits as required by the policy contract. The disclosure in note 6 demonstrate that the Group has significant liquid resources. The value for policyholders' liabilities and the assets backing them are as per the carrying amount in the statement of the financial position.

The maturity profile of the total policyholders' liabilities and assets backing them is shown below:

SANLAM LIFE INSURANCE NIGERIA LIMITED

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS 31 DECEMBER 2024

4 Management of Financial risk - Continued

4.3 Liquidity risk - Continued

Group

2024

| | | Carrying amount N'000 | 0-3 months N'000 | 3 to 9 months N'000 | 9 months to 1 year N'000 | 1 to 5 years N'000 | > 5 years N'000 | Total N'000 |
|---|------|-----------------------------|---------------------|---------------------------|--------------------------------|-----------------------|--------------------|--------------------|
| Reinsurance contract liabilities | 17 | 18,905 | 987,470 | - | - | - | - | 987,470 |
| Total financial liabilities | | 18,905 | 987,470 | - | - | - | - | 987,470 |
| Cash and cash equivalent | 6 | 6,980,154 | 6,980,154 | - | - | - | - | 6,980,154 |
| Marketable investment securities | 3 | 145,636,040 | 9,228,776 | 4,781,433 | 8,662,687 | 68,003,211 | 34,888,800 | 125,564,907 |
| Trade receivables | 8 | 154,971 | 154,971 | - | - | - | - | 154,971 |
| Reinsurance contract assets | 9 | 12,803,727 | 13,772,292 | - | - | - | - | 13,772,292 |
| Due from policyholders | 10.2 | 9,599 | 370 | 4,415 | - | 4,648 | 166 | 9,599 |
| Total financial assets | | 165,584,492 | 30,136,564 | 4,785,848 | 8,662,687 | 68,007,858 | 34,888,966 | 146,481,924 |
| Net financial assets and liabilities | | 165,565,587 | 29,149,093 | 4,785,848 | 8,662,687 | 68,007,858 | 34,888,966 | 145,494,454 |
| Insurance contract liabilities - Life fund | 15 | 148,171,097 | 16,849,722 | 5,087,509 | 9,455,042 | 81,289,149 | 35,489,675 | 148,171,097 |
| Net policyholders assets and liabilities | | 17,394,490 | 12,299,371 | (301,661) | (792,355) | (13,281,290) | (600,709) | (2,676,644) |

2023

| | | Carrying amount N'000 | 0-3 months N'000 | 3 to 9 months N'000 | 9 months to 1 year N'000 | 1 to 5 years N'000 | > 5 years N'000 | Total N'000 |
|---|------|-----------------------------|---------------------|---------------------------|--------------------------------|-----------------------|--------------------|--------------------|
| Reinsurance contract liabilities | 17 | 150,542 | 153,892 | - | - | - | - | 153,892 |
| Total financial liabilities | | 150,542 | 153,892 | - | - | - | - | 153,892 |
| Cash and cash equivalent | 6 | 7,311,374 | 7,311,374 | - | - | - | - | 7,311,374 |
| Marketable investment securities | 7 | 153,406,170 | 12,624,883 | 5,856,438 | 10,735,139 | 86,302,881 | 37,885,616 | 153,404,957 |
| Trade receivables | 8 | 417,154 | 417,154 | - | - | - | - | 417,154 |
| Reinsurance contract assets | 9 | 4,832,753 | 4,832,753 | - | - | - | - | 4,832,753 |
| Due from policyholders | 10.2 | 8,461 | 330 | 2,852 | - | 4,991 | 288 | 8,461 |
| Total financial assets | | 165,975,911 | 25,186,493 | 5,859,291 | 10,735,139 | 86,307,872 | 37,885,904 | 165,974,699 |
| Net financial assets and liabilities | | 165,825,371 | 25,032,602 | 5,859,291 | 10,735,139 | 86,307,872 | 37,885,904 | 165,820,807 |
| Insurance contract liabilities - Life fund | 15 | 147,216,233 | 12,994,447 | 4,065,575 | 8,145,488 | 85,236,042 | 36,774,681 | 147,216,233 |
| Net policyholders assets and liabilities | | 18,609,137 | 12,038,155 | 1,793,715 | 2,589,651 | 1,071,829 | 1,111,223 | 18,604,574 |

SANLAM LIFE INSURANCE NIGERIA LIMITED

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS 31 DECEMBER 2024

| Company | | Carrying amount | 0-3 months | 3 to 9 months | 9 months to 1 year | 1 to 5 years | > 5 years | Total |
|---|------|--------------------|--------------------|------------------|-----------------------|---------------------|-------------------|---------------------|
| | | ₦'000 | ₦'000 | ₦'000 | ₦'000 | ₦'000 | ₦'000 | ₦'000 |
| 2024 | | | | | | | | |
| Reinsurance contract liabilities | 17 | 18,905 | 18,905 | - | - | - | - | 18,905 |
| Total financial liabilities | | 18,905 | 18,905 | - | - | - | - | 18,905 |
| Cash and cash equivalent | 3 | 3,386,065 | 3,386,065 | - | - | - | - | 3,386,065 |
| Marketable investment securities | 3 | 132,623,441 | 8,404,184 | 4,354,211 | 7,888,675 | 61,927,115 | 31,771,481 | 114,345,666 |
| Trade receivables | 8 | 51,682 | 51,682 | - | - | - | - | 51,682 |
| Reinsurance contract assets | 9 | 420,137 | 420,137 | - | - | - | - | 420,137 |
| Due from policyholders | 10.2 | 9,599 | 370 | 4,415 | - | 4,648 | 166 | 9,599 |
| Total financial assets | | 136,490,924 | 12,262,438 | 4,358,626 | 7,888,675 | 61,931,763 | 31,771,647 | 118,213,149 |
| Net financial assets and liabilities | | 136,472,018 | 12,243,533 | 4,358,626 | 7,888,675 | 61,931,763 | 31,771,647 | 118,194,243 |
| Insurance contract liabilities - Life fund | 15 | 133,442,143 | 14,274,180 | 4,581,785 | 8,515,163 | 74,109,192 | 31,961,822 | 133,442,143 |
| Net policyholders assets and liabilities | | 3,029,875 | (2,030,647) | (223,159) | (626,488) | (12,177,430) | (190,175) | (15,247,900) |
| 2023 | | | | | | | | |
| Reinsurance contract liabilities | 17 | 150,542 | 150,542 | - | - | - | - | 150,542 |
| Total financial liabilities | | 150,542 | 150,542 | - | - | - | - | 150,542 |
| Cash and cash equivalent | 3 | 3,710,499 | 3,710,499 | - | - | - | - | 3,710,499 |
| Marketable investment securities | 3 | 146,289,231 | 10,924,029 | 5,401,793 | 9,941,422 | 85,004,808 | 35,017,180 | 146,289,231 |
| Trade receivables | 8 | 65,155 | 65,155 | - | - | - | - | 65,155 |
| Reinsurance contract assets | 9 | 614,160 | 614,160 | - | - | - | - | 614,160 |
| Due from policyholders | 10.2 | 8,461 | 330 | 2,852 | - | 4,991 | 288 | 8,461 |
| Total financial assets | | 150,687,506 | 15,314,174 | 5,404,645 | 9,941,422 | 85,009,799 | 35,017,467 | 150,687,507 |
| Net financial assets and liabilities | | 150,536,965 | 15,163,632 | 5,404,645 | 9,941,422 | 85,009,799 | 35,017,467 | 150,536,966 |
| Insurance contract liabilities - Life fund | 15 | 138,841,101 | 12,274,180 | 4,581,785 | 9,015,163 | 79,109,192 | 33,860,781 | 138,841,101 |
| Net policyholders assets and liabilities | | 11,695,864 | 2,889,452 | 822,860 | 926,259 | 5,900,608 | 1,156,687 | 11,695,864 |

SANLAM LIFE INSURANCE NIGERIA LIMITED

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS 31 DECEMBER 2024

4 Management of Financial risk - Continued

4.4 Capital management policies and procedures

The Group manages its capital to ensure that it will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of equity utilisation and to provide an adequate return to shareholders by pricing insurance and investment contracts commensurately with the level of risk. The Group's overall strategy remains unchanged from inception of business in 2010.

The table below summarises the minimum required capital and the regulatory capital held against each of them. These figures are an aggregate number, being the sum of the statutory capital and surplus. The capital structure of the Group consists of equity (comprising issued capital, reserves and retained earnings) as detailed in notes 23 to 26.

The Company is subjected to a minimum capital requirement of ₦2 billion by the Insurance Act 2003 (Amended 2009). However, NAICOM issued new directive increasing the minimum capital requirement to ₦8 billion (life insurance business) effective 31 December 2023. The company has obtained the approval of the board and shareholders to comply with the ₦8 billion new regulatory capital requirement.

In 2023, the company increased its authorised share capital to ₦8 billion ordinary shares and the paid up capital to ₦8 billion. The paid up share capital was made from bonus shares issued which were fully paid from share premium and retained earnings.

The Group's risk management committee reviews the capital structure of the Group on an on-going basis. As part of this review, the committee considers the cost of capital and the risks associated with each class of capital.

The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders and issue new shares.

During the period, the Group was compliant with all capital requirements.

The Company's Paid-up share capital as At 31 December 2024 is ₦8,000,000,000 (2023: ₦8,000,000,000). The company is in compliance with the minimum capital requirement of ₦2 billion as stipulated by the Insurance Act.

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

| | | Group | | Company | |
|----------------------|----|-------------------|-------------------|-------------------|-------------------|
| | | 2024 ₦'000 | 2023 ₦'000 | 2024 ₦'000 | 2023 ₦'000 |
| Share capital | 22 | 8,000,000 | 8,000,000 | 8,000,000 | 8,000,000 |
| Share premium | 23 | 130,708 | 130,708 | 130,708 | 130,708 |
| Contingency reserves | 24 | 7,021,193 | 6,180,686 | 3,860,591 | 3,860,591 |
| Retained earnings | 25 | 20,386,342 | 7,112,995 | 12,503,059 | 2,591,734 |
| | | 35,538,243 | 21,424,390 | 24,494,358 | 14,583,033 |

SANLAM LIFE INSURANCE NIGERIA LIMITED

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS 31 DECEMBER 2024

4 Management of Financial risk - Continued

4.4 Capital management policies and procedures - Continued

Minimum Capital requirement

The Group's Paid-up share capital as at 31 December, 2024 is ₦8,000,000,000 (2023: ₦8,000,000,000).

The company has increased its capital through internal sourcing to N8 billion.

The Solvency Margin for Sanlam Life Insurance Nigeria Limited as at 31 December 2024 is as follows:

| | Company | | | | | |
|--|--------------------|--------------------|-----------------------|--------------------|--------------------|-----------------------|
| | 2024 | | | 2023 | | |
| | ₦'000 | ₦'000 | ₦'000 | ₦'000 | ₦'000 | ₦'000 |
| Assets | Total | Admissible | Non-Admissible | Total | Admissible | Non-Admissible |
| Cash & Cash Equivalent | 5,294,072 | 5,294,072 | - | 5,226,084 | 5,226,084 | - |
| Financial Assets: | | | | | | |
| - Treasury bills | 37,985,232 | 37,985,232 | - | 41,135,418 | 41,135,418 | - |
| - Government bonds | 111,214,883 | 111,214,883 | - | 121,974,907 | 121,974,907 | - |
| - Corporate bonds | 3,566,383 | 3,566,383 | - | 4,231,937 | 4,231,937 | - |
| - Commercial Papers | 427,848 | 427,848 | - | 3,303,570 | 3,303,570 | - |
| - Quoted shares | - | - | - | 601,429 | 601,429 | - |
| Trade receivables | 51,682 | 51,682 | - | 65,155 | 65,155 | - |
| Reinsurance contract assets | 420,137 | 420,137 | - | 614,160 | 614,160 | - |
| Other receivables and prepayments | 1,312,390 | 527,004 | 785,386 | 1,921,648 | 539,912 | 1,381,735 |
| Investment in Subsidiary | 5,349,120 | 5,349,120 | - | 5,349,120 | 5,349,120 | - |
| Property Plant & Equipment | 1,885,536 | 1,885,536 | - | 1,830,692 | 1,830,692 | - |
| Statutory Deposit | 200,000 | 200,000 | - | 200,000 | 200,000 | - |
| Total Assets (a) | 167,707,284 | 166,921,898 | 785,386 | 186,454,120 | 185,072,385 | 1,381,735 |
| Insurance Contract Liabilities | 133,442,143 | 133,442,143 | - | 138,841,101 | 138,841,101 | - |
| Trade payables | 18,905 | 18,905 | - | 150,542 | 150,542 | - |
| Other payables and accruals | 6,075,836 | 6,075,836 | - | 13,325,194 | 13,325,194 | - |
| Dividend Payable | - | - | - | 14,097,165 | 14,097,165 | - |
| Provision for Current Tax | 3,360,806 | 3,360,806 | - | 5,142,777 | 5,142,777 | - |
| Deferred tax liability | 315,237 | - | 315,237 | 314,308 | - | 314,308 |
| Total Liabilities (b) | 143,212,926 | 142,897,689 | 315,237 | 171,871,085 | 171,556,778 | 314,308 |
| SOLVENCY MARGIN (a-b) | | 24,024,209 | | | 13,515,608 | |
| Subject to Higher of: | | | | | | |
| 15% of Net premium income, or | | 8,350,894 | | | 2,919,634 | |
| Minimum Capital Requirement | | 2,000,000 | | | 2,000,000 | |
| Gross Solvency ratio (Available solvency margin/Minimum capital requirement) | | 288% | | | 463% | |

At 31 December 2024 the solvency margin was 288% (2023: 463%).

SANLAM LIFE INSURANCE NIGERIA LIMITED

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS 31 DECEMBER 2024

4 Management of Financial risk - Continued

4.4 Capital management policies and procedures - Continued

Capital is actively managed with a focus on capital efficiency and effective risk management. The capital objectives are to ensure that the company is properly capitalized and funded at all times, having regard to its regulatory needs, prudent management and the needs of all stakeholders.

Precisely, the company has adopted the following capital management policies:

- (i) Maintenance, as a minimum, of capital sufficient to meet the statutory requirement.
- (ii) An Economic Capital at Risk (ECaR) approach is also used by the management and the board to ensure that obligations to policyholders can be met in adverse circumstances
- (iii) Maintenance of an appropriate level of liquidity at all times. The company further ensures that it can meet its expected capital and financing needs at all times, having regard to business plans to guarantee its going concern status, forecast and any strategic initiatives

Sensitivities

The company has both qualitative and quantitative risk management procedures to monitor the key risks and sensitivities of the business. This is achieved through scenario analysis and risk assessments. From an understanding of the principal risks, appropriate risk limits and control are defined. The Enterprise Risk Management committee plays a major role here.

The risk types affecting the surplus capital of the company are market risk, credit risk, liquidity risk, liability risk, business risk and operational risk.

Finance Act 2021 – Part IX – Insurance Act

The Federal Government of Nigeria, by Federal Republic of Nigeria Official Gazette, dated 18th January, 2022, amended the Finance Act, 2021. The Finance Act 2021 (Part IX – Insurance Act) in Sections 33, 34, and 35 contains provisions which amended Sections 9, 10 and 102 of Insurance Act, 2003, as previously related to paid-up share capital. The Sections of the Act amended the Insurance Act by substituting the words “paid-up share capital”, with the words “Capital requirement” and wherever they appear in Insurance Act 2003. The words “Capital requirement” was introduced and inserted in Section 102 of the Insurance Act. By the provision of section 35, “Capital Requirement” means -

- (a) in the case of existing company -
 - i The excess of admissible assets over liabilities, less the amount of own shares held by the company,
 - ii Subordinated liabilities subject to approval by the Commission, and
 - iii Any other financial instrument as prescribed by the Commission.

For this purpose, Admissible Assets are defined as:

Share Capital, Share Premium, Retained Earnings, Contingency Reserves, and any other admissible assets subject to the approval of the Commission;

- (b) in the case of a new company -
 - i Government Bonds and Treasury Bills,
 - ii Cash and Bank balances, and
 - iii Cash and cash equivalent.

As an existing company, our capital requirement is as shown below:

SANLAM LIFE INSURANCE NIGERIA LIMITED

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS 31 DECEMBER 2024

4 Management of Financial risk - Continued

4.4 Capital management policies and procedures - Continued

| | 2024 N'000 | 2023 N'000 |
|---|-------------------|-------------------|
| Share capital | 8,000,000 | 8,000,000 |
| Share premium | 130,708 | 130,708 |
| Contingency reserves | 3,860,591 | 3,860,591 |
| Retained earnings | 12,503,059 | 2,591,734 |
| Excess of admissible assets over liabilities | 24,494,358 | 14,583,033 |
| Less the amount of own shares held (Treasury Shares) | - | - |
| | 24,494,358 | 14,583,033 |
| Subordinated Liabilities | - | - |
| Any other financial instruments as prescribed by the Commission | - | - |
| Capital Requirement | 24,494,358 | 14,583,033 |

4.5 Measurement basis of financial assets and liabilities

Group

| | 2024 | | | 2023 | | |
|--|--------------------|-------------------|--------------------|--------------------|-------------------|--------------------|
| | Fair Value | Amortised Cost | Total | Fair Value | Amortised Cost | Total |
| | N'000 | N'000 | N'000 | N'000 | N'000 | N'000 |
| Cash and bank balances | - | 10,065,883 | 10,065,883 | - | 8,826,958 | 8,826,958 |
| Investment securities | 168,122,771 | - | 168,122,771 | 184,302,710 | - | 184,302,710 |
| Trade receivables | - | 154,971 | 154,971 | - | 417,154 | 417,154 |
| Reinsurance contract assets | - | 12,803,727 | 12,803,727 | - | 4,832,753 | 4,832,753 |
| Other receivables and prepayments | - | 1,914,362 | 1,914,362 | - | 2,130,281 | 2,130,281 |
| Statutory deposit | - | 500,000 | 500,000 | - | 500,000 | 500,000 |
| Total Financial assets | 168,122,771 | 25,438,943 | 193,561,714 | 184,302,710 | 16,707,146 | 201,009,856 |
| Financial liabilities | | | | | | |
| Trade payables | - | 18,905 | 18,905 | - | 150,542 | 150,542 |
| Other payables and accruals | - | 7,599,826 | 7,599,826 | - | 14,042,687 | 14,042,687 |
| Investment linked contract liabilities | - | - | - | - | - | - |
| Dividend Payable | - | - | - | - | 14,097,165 | 14,097,165 |
| Total Financial liabilities | - | 7,618,731 | 7,618,731 | - | 28,290,394 | 28,290,394 |

SANLAM LIFE INSURANCE NIGERIA LIMITED

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS 31 DECEMBER 2024

4 Management of Financial risk - Continued

4.5 Measurement basis of financial assets and liabilities - Continued

Company

| | 2024 | | | 2023 | | |
|---|--------------------|------------------|--------------------|--------------------|-------------------|--------------------|
| | Fair Value | Amortised Cost | Total | Fair Value | Amortised Cost | Total |
| | ₦'000 | ₦'000 | ₦'000 | ₦'000 | ₦'000 | ₦'000 |
| Cash and bank balances | - | 5,294,072 | 5,294,072 | - | 5,226,084 | 5,226,084 |
| Investment securities | 153,194,346 | - | 153,194,346 | 171,247,262 | - | 171,247,262 |
| Trade receivables | - | 51,682 | 51,682 | - | 65,155 | 65,155 |
| Reinsurance contract assets | - | 420,137 | 420,137 | - | 614,160 | 614,160 |
| Other receivables and prepayments | - | 1,312,390 | 1,312,390 | - | 1,921,648 | 1,921,648 |
| Statutory deposit | - | 200,000 | 200,000 | - | 200,000 | 200,000 |
| Total Financial assets | 153,194,346 | 7,278,280 | 160,472,627 | 171,247,262 | 8,027,047 | 179,274,309 |
| Financial liabilities | | | | | | |
| Trade payables | - | 18,905 | 18,905 | - | 150,542 | 150,542 |
| Other payables and accruals | - | 6,075,836 | 6,075,836 | - | 13,325,194 | 13,325,194 |
| Insurance contract liabilities - deposit administration | - | - | - | - | - | - |
| Dividend Payable | - | - | - | - | 14,097,165 | 14,097,165 |
| Total Financial liabilities | - | 6,094,741 | 6,094,741 | - | 27,572,900 | 27,572,900 |

4.6 Measurement of financial assets and liabilities at fair value

The Group measures fair values using the following fair value hierarchy, which reflects the significance of the inputs used in making the measurements:

Level 1: inputs that are quoted market prices (unadjusted) in active markets for identical instruments.

Level 2: inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data. All level 2 valuation were derived using either the net present value and discounted cash flow models or comparison with similar instruments for which market observable prices exist.

Level 3: inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

There were no transfers from Level 1 to Level 2 or between level 2 or level 3 of the fair value hierarchy during the period.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
31 DECEMBER 2024

4 Management of Financial risk - Continued**4.6 Measurement of financial assets and liabilities at fair value - Continued****4.6.1 Financial instruments measured at fair value - Fair value hierarchy**

The following table analyses financial instruments measured at fair value at the reporting date, by the level in the fair value hierarchy into which the fair value measurement is categorised. The amounts are based on the values recognised in the statement of financial position.

Group

| | Level 1 ₦'000 | Level 2 ₦'000 | Level 3 ₦'000 | Total fair value ₦'000 |
|------------------------------------|--------------------|------------------|------------------|------------------------------|
| 2024 | | | | |
| Financial assets | | | | |
| <i>Investment securities:</i> | | | | |
| Fair Value Through Profit and Loss | 168,122,771 | - | - | 168,122,771 |
| | <u>168,122,771</u> | <u>-</u> | <u>-</u> | <u>168,122,771</u> |

| | Level 1 ₦'000 | Level 2 ₦'000 | Level 3 ₦'000 | Total fair value ₦'000 |
|------------------------------------|--------------------|------------------|------------------|------------------------------|
| 2023 | | | | |
| Financial assets | | | | |
| <i>Investment securities:</i> | | | | |
| Fair Value Through Profit and Loss | 184,302,710 | - | - | 184,302,710 |
| | <u>184,302,710</u> | <u>-</u> | <u>-</u> | <u>184,302,710</u> |

Company

| | Level 1 ₦'000 | Level 2 ₦'000 | Level 3 ₦'000 | Total fair value ₦'000 |
|------------------------------------|--------------------|------------------|------------------|------------------------------|
| 2024 | | | | |
| Financial assets | | | | |
| <i>Investment securities:</i> | | | | |
| Fair Value Through Profit and Loss | 153,194,346 | - | - | 153,194,346 |
| | <u>153,194,346</u> | <u>-</u> | <u>-</u> | <u>153,194,346</u> |

| | Level 1 ₦'000 | Level 2 ₦'000 | Level 3 ₦'000 | Total fair value ₦'000 |
|------------------------------------|--------------------|------------------|------------------|------------------------------|
| 2023 | | | | |
| Financial assets | | | | |
| <i>Investment securities:</i> | | | | |
| Fair Value Through Profit and Loss | 171,247,262 | - | - | 171,247,262 |
| | <u>171,247,262</u> | <u>-</u> | <u>-</u> | <u>171,247,262</u> |

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
31 DECEMBER 2024

4 Management of Financial risk - Continued**4.6 Measurement of financial assets and liabilities at fair value - Continued****4.6.2 Financial instruments not measured at fair value**

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

| Group | Level 1 | Level 2 | Level 3 | Total fair value | Total carrying amount |
|-------------------------------|------------------|-------------------|----------------|-------------------------|------------------------------|
| | ₦'000 | ₦'000 | ₦'000 | ₦'000 | ₦'000 |
| 2024 | | | | | |
| Financial assets | | | | | |
| Cash and cash equivalent | 2,323,299 | 7,800,904 | - | 10,124,203 | 10,065,883 |
| <i>Investment securities:</i> | | | | | |
| Trade receivables | - | 154,971 | - | 154,971 | 154,971 |
| Reinsurance contract assets | - | 12,803,727 | - | 12,803,727 | 12,803,727 |
| Other receivables | - | 1,914,362 | - | 1,914,362 | 1,914,362 |
| Statutory deposit | - | 500,000 | - | 500,000 | 500,000 |
| | 2,323,299 | 23,173,964 | - | 25,497,262 | 25,438,943 |
| Financial liabilities | | | | | |
| Trade payables | - | 18,905 | - | 18,905 | 18,905 |
| Other payables and accruals | - | 7,599,826 | - | 7,599,826 | 7,599,826 |
| | - | 7,618,731 | - | 7,618,731 | 7,618,731 |
| | | | | Total fair value | Total carrying amount |
| | Level 1 | Level 2 | Level 3 | ₦'000 | ₦'000 |
| 2023 | | | | | |
| Financial assets | | | | | |
| Cash and cash equivalent | 2,177,825 | 6,699,784 | - | 8,877,609 | 5,226,084 |
| <i>Investment securities:</i> | | | | | |
| Insurance contract assets | - | 417,154 | - | 417,154 | 417,154 |
| Reinsurance contract assets | - | 4,832,753 | - | 4,832,753 | 4,832,753 |
| Other receivables | - | 2,130,281 | - | 2,130,281 | 2,130,281 |
| Statutory deposit | - | 500,000 | - | 500,000 | 500,000 |
| | 2,177,825 | 14,579,972 | - | 16,757,797 | 13,106,271 |
| Financial liabilities | | | | | |
| Trade payables | - | 150,542 | - | 150,542 | 150,542 |
| Other payables and accruals | - | 14,042,687 | - | 14,042,687 | 14,042,687 |
| | - | 14,193,230 | - | 14,193,230 | 14,193,230 |

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
31 DECEMBER 2024

4 Management of Financial risk - Continued

4.6 Measurement of financial assets and liabilities at fair value - Continued

4.6.2 Financial instruments not measured at fair value

| Company | Level 1 N'000 | Level 2 N'000 | Level 3 N'000 | Total fair value N'000 | Total carrying amount N'000 |
|-----------------------------------|------------------|-------------------|------------------|---------------------------------------|--|
| 2024 | | | | | |
| Financial assets | | | | | |
| Cash and cash equivalent | 1,042,724 | 4,282,992 | - | 5,325,716 | 5,325,716 |
| <i>Investment securities:</i> | | | | | |
| Trade receivables | - | 51,682 | - | 51,682 | 51,682 |
| Reinsurance contract assets | - | 420,137 | - | 420,137 | 420,137 |
| Other receivables | - | 1,312,390 | - | 1,312,390 | 1,312,390 |
| Statutory deposit | - | 200,000 | - | 200,000 | 200,000 |
| | 1,042,724 | 6,267,201 | - | 7,309,925 | 7,309,925 |
| Financial liabilities | | | | | |
| Trade payables | - | 18,905 | - | 18,905 | 18,905 |
| Other payables and accruals | - | 6,075,836 | - | 6,075,836 | 6,075,836 |
| | - | 6,094,741 | - | 6,094,741 | 6,094,741 |
| | | | | Total fair value N'000 | Total carrying amount N'000 |
| 2023 | | | | | |
| Financial assets | | | | | |
| Cash and cash equivalent | 1,405,793 | 3,848,958 | - | 5,254,751 | 5,254,751 |
| <i>Investment securities:</i> | | | | | |
| Trade receivables | - | 65,155 | - | 65,155 | 65,155 |
| Reinsurance contract assets | - | 614,160 | - | 614,160 | 614,160 |
| Other receivables and prepayment: | - | 1,921,648 | - | 1,921,648 | 1,921,648 |
| Statutory deposit | - | 200,000 | - | 200,000 | 200,000 |
| | 1,405,793 | 6,649,921 | - | 8,055,714 | 8,055,714 |
| Financial liabilities | | | | | |
| Reinsurance contract liabilities | - | 150,542 | - | 150,542 | 150,542 |
| Payables | - | 13,325,194 | - | 13,325,194 | 13,325,194 |
| | - | 13,475,735 | - | 13,475,735 | 13,475,735 |

There was no transfer between levels during the year under review.

4 Management of Financial risk - Continued

4.6 Measurement of financial assets and liabilities at fair value - Continued

4.6.3 Fair valuation methods and assumptions

i. Cash & cash equivalent

This represents cash held in various bank accounts at the end of the period. The fair value of this amount is the carrying amount.

ii. Other receivables

Other assets represent amount due from reinsurers which usually have a short recycle period and as such the fair values of these balances approximate their carrying amount.

iii. Statutory deposit

This represents the deposit held by Central bank of Nigeria. i.e. 10% of the minimum capitalisation in compliance with the Insurance Act. The fair value of this balance is approximately its carrying amount.

These represent amount payable to reinsurers which have a short recycle period and as such the fair values of these balances approximate their carrying amount.

These are amounts outstanding and are payable within a period of one year. Amount outstanding are assumed to approximate their respective fair values.

vi. Insurance contract liabilities

These are amounts payable to policyholders in the event of a claim. The carrying amount have been calculated by the actuary and the carrying amount represents the fair value as at 31 December 2024.

SANLAM LIFE INSURANCE NIGERIA LIMITED

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS 31 DECEMBER 2024

5 Critical accounting estimates and judgements

When preparing the financial statements management undertakes a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results are likely to differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results. Information about the significant judgements, estimates and assumptions that have the most significant effect on the recognition and measurement of assets, liabilities, income and expenses are discussed below.

5.1 The ultimate liability arising from claims made under insurance contracts

The estimation of the ultimate liability arising from claims made under insurance contracts is the Group's most critical accounting estimate. There are several sources of uncertainty that need to be considered in the estimate of the liability that the Group will ultimately pay for such claims.

5.2 Estimate of future benefit payments and premiums arising from long-term insurance contracts, and related deferred acquisition costs and other intangible assets

Estimate of future benefit payments and premiums arising from long-term insurance contracts, and related deferred acquisition costs and other intangible assets.

The determination of the liabilities under long-term insurance contracts is dependent on estimates made by the Group. Estimates are made as to the expected number of deaths for each of the years in which the Group is exposed to risk.

The Group bases these estimates on standard industry and national mortality tables that reflect recent historical mortality experience, adjusted where appropriate to reflect the Group's own experience. For contracts that insure the risk of longevity, appropriate allowance is made for expected mortality improvements.

The estimated number of deaths determines the value of the benefit payments and the value of the valuation premiums. The main source of uncertainty is that epidemics such as AIDS, and wide-ranging lifestyle changes, such as in eating, smoking and exercise habits, could result in future mortality being significantly worse than in the past for the age groups in which the Group has significant exposure to mortality risk.

5.3 Impairment of goodwill

The group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated in note 2.10 The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of estimates (note 14). There was no impairment charge on goodwill during the year.

If the forecast gross premium income used in the value-in-use calculation for the non-life business CGU had been 10% lower than management's estimates as at 31 December 2024 (for example, 10% instead of 20%), the goodwill would still not be impaired. Also, if the estimated cost of capital used in determining the pre-tax discount rate for the CGU had been 1% higher than management's estimates (for example, 13%), the goodwill allocated to the CGU would still not be impaired.

SANLAM LIFE INSURANCE NIGERIA LIMITED

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS 31 DECEMBER 2024

5 Critical accounting estimates and judgements - Continued

5.4 Equity financial assets fair value through other comprehensive income

The Group determines that equity financial assets fair value through other comprehensive income are impaired when there has been a significant or prolonged decline in the fair value below its cost. This determination of what is significant or prolonged requires judgement. In making this judgement, the Group evaluates among other factors, the normal volatility in share price, industry and sector performance, changes in technology, and operational and financing cash flow. Impairment may be appropriate when there is evidence of deterioration in the industry and sector performance, changes in technology, and financing and operational cash flows. There was no decline in fair value of investment securities during the year.

SANLAM LIFE INSURANCE NIGERIA LIMITED

**CONSOLIDATED AND SEPARATE STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024**

| | Note | Group | | Company | |
|---------------------------------------|------|--------------------|--------------------|--------------------|--------------------|
| | | 31-Dec-24 N'000 | 31-Dec-23 N'000 | 31-Dec-24 N'000 | 31-Dec-23 N'000 |
| ASSETS | | | | | |
| Cash and cash equivalents | 6 | 10,065,883 | 8,826,959 | 5,294,072 | 5,226,084 |
| Financial assets: | | | | | |
| - Fair value through profit or loss | 7.1 | 168,122,771 | 184,302,710 | 153,194,346 | 171,247,262 |
| Trade receivables | 8 | 154,971 | 417,154 | 51,682 | 65,155 |
| Reinsurance contract assets | 9 | 12,803,727 | 4,832,753 | 420,137 | 614,160 |
| Other receivables and prepayment | 10 | 1,914,362 | 2,130,281 | 1,312,390 | 1,921,648 |
| Investment in subsidiary | 11 | - | - | 5,349,120 | 5,349,120 |
| Intangible assets | 12 | 262,440 | 262,440 | - | - |
| Property and equipment | 13 | 3,120,140 | 2,960,368 | 1,885,536 | 1,830,692 |
| Statutory deposit | 14 | 500,000 | 500,000 | 200,000 | 200,000 |
| Total assets | | 196,944,294 | 204,232,664 | 167,707,284 | 186,454,121 |
| LIABILITIES | | | | | |
| Insurance contract liabilities | 15 | 148,171,097 | 147,216,233 | 133,442,143 | 138,841,101 |
| Other Insurance contract liabilities | 16 | 231,623 | 611,771 | - | - |
| Trade payables | 17 | 18,905 | 150,542 | 18,905 | 150,542 |
| Other payables and accruals | 18 | 7,599,826 | 14,042,687 | 6,075,836 | 13,325,194 |
| Tax payable | 19 | 4,845,613 | 6,175,897 | 3,360,806 | 5,142,777 |
| Dividend Payable | 20 | - | 14,097,165 | - | 14,097,165 |
| Deferred tax liability | 21 | 538,987 | 513,980 | 315,237 | 314,308 |
| Total liabilities | | 161,406,051 | 182,808,275 | 143,212,926 | 171,871,088 |
| EQUITY | | | | | |
| Share capital | 22 | 8,000,000 | 8,000,000 | 8,000,000 | 8,000,000 |
| Share premium | 23 | 130,708 | 130,708 | 130,708 | 130,708 |
| Contingency reserves | 24 | 7,021,193 | 6,180,686 | 3,860,591 | 3,860,591 |
| Retained earnings | 25 | 20,386,342 | 7,112,995 | 12,503,059 | 2,591,734 |
| Total equity | | 35,538,243 | 21,424,389 | 24,494,358 | 14,583,033 |
| Total equities and liabilities | | 196,944,294 | 204,232,664 | 167,707,284 | 186,454,121 |

Signed on behalf of the Board of Directors on 7 March 2025 by:



Mr. Adebisi A. Sobalaje
FRC/2013/ICAN/00000003469
Ag. Financial Controller



Mr. Babatunde Mimiko
FRC/2016/CIIN/00000013719
Managing Director/CEO



Dr. Olufemi Oyetunji
FRC/2013/NAS/00000000685
Chairman

The accompanying notes to the financial statements form an integral part of these financial statements

SANLAM LIFE INSURANCE NIGERIA LIMITED

CONSOLIDATED AND SEPARATE STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME 31 DECEMBER 2024

| | Note | Group | | Company | |
|---|------|--------------------|--------------------|--------------------|--------------------|
| | | 31-Dec-24 ₦'000 | 31-Dec-23 ₦'000 | 31-Dec-24 ₦'000 | 31-Dec-23 ₦'000 |
| Insurance revenue | 26 | 47,672,253 | 34,192,000 | 23,621,163 | 19,464,225 |
| Insurance service expense | 27 | (43,404,913) | (28,396,307) | (17,644,022) | (17,593,753) |
| Net income/(expenses) from reinsurance | 28 | 881,965 | (3,836,526) | (918,951) | (442,298) |
| Insurance service result | | 5,149,305 | 1,959,167 | 5,058,189 | 1,428,174 |
| Interest revenue calculated using the effective interest method | 29 | 25,396,080 | 21,361,872 | 22,689,814 | 20,093,959 |
| Other investment losses | 30 | (12,105,876) | (485,137) | (14,429,426) | (3,033,972) |
| Net impairment loss on financial assets | 31 | (577,859) | (28,459) | (573,165) | (14,535) |
| Investment returns | | 12,712,345 | 20,848,276 | 7,687,222 | 17,045,452 |
| Net finance expenses from insurance contracts | 32 | (2,118,676) | (13,091,630) | (3,751,615) | (13,306,391) |
| Reinsurance finance (expense)/income | 33 | (1,153,066) | (146,409) | (2,828) | 4,411 |
| Net financial result | | 9,440,603 | 7,610,236 | 3,932,779 | 3,743,472 |
| Net insurance and investment result | | 14,589,907 | 9,569,404 | 8,990,968 | 5,171,647 |
| Other income | 34 | 1,086,773 | 983,780 | 1,063,654 | 967,743 |
| Other finance cost | 18.1 | (16,078) | (13,822) | (16,078) | (13,822) |
| Profit before minimum tax and income tax expense | | 15,660,602 | 10,539,363 | 10,038,543 | 6,125,567 |
| Minimum taxation | 36 | (126,290) | (1,957,003) | (126,290) | (1,957,003) |
| Profit after minimum tax | | 15,534,312 | 8,582,360 | 9,912,254 | 4,168,563 |
| Income tax expense | 36 | (1,420,459) | (1,143,537) | (929) | (231,438) |
| Profit for the year | | 14,113,853 | 7,438,822 | 9,911,325 | 3,937,125 |
| Profit attributable to: | | | | | |
| – Owners of the parent | | 14,113,853 | 7,438,822 | 9,911,325 | 3,937,125 |
| Other comprehensive income: | | - | - | - | - |
| Total comprehensive income for the year | | 14,113,853 | 7,438,822 | 9,911,325 | 3,937,125 |
| Total comprehensive income attributable to: | | | | | |
| – Owners of the parent | | 14,113,853 | 7,438,822 | 9,911,325 | 3,937,125 |
| Earnings per share (basic) - in kobo | | 208 | 119 | 124 | 49 |
| Earnings per share (diluted) - in kobo | | 208 | 119 | 124 | 49 |

The accompanying notes to the financial statements form an integral part of these financial statements

SANLAM LIFE INSURANCE NIGERIA LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY 31 DECEMBER 2024

| Group | Share capital ₦'000 | Share premium ₦'000 | Contingency reserve ₦'000 | Retained earnings ₦'000 | Total equity ₦'000 |
|--|--------------------------------|--------------------------------|--------------------------------------|------------------------------------|-------------------------------|
| 2024 | | | | | |
| At 1 January 2024 | 8,000,000 | 130,708 | 6,180,686 | 7,112,995 | 21,424,390 |
| Total Comprehensive income for the year | | | | | |
| Profit for the year | - | - | - | 14,113,853 | 14,113,853 |
| Total Comprehensive income for the year | - | - | - | 14,113,853 | 14,113,853 |
| <i>Contributions by and distributions to owners:</i> | | | | | |
| Transfer to contingency reserve | - | - | 840,506 | (840,506) | - |
| Total transactions with owners, recognised directly in equity | - | - | 840,506 | (840,506) | - |
| At 31 December 2024 | 8,000,000 | 130,708 | 7,021,192 | 20,386,342 | 35,538,242 |
| | | | | | |
| 2023 | | | | | |
| At 1 January 2023 | 8,000,000 | 130,708 | 5,480,347 | 7,414,512 | 21,025,566 |
| Total Comprehensive income for the year | | | | | |
| Profit for the year | - | - | - | 7,438,822 | 7,438,822 |
| Total Comprehensive income for the year | - | - | - | 7,438,822 | 7,438,822 |
| <i>Transactions with owners, recorded directly in equity</i> | | | | | |
| <i>Contributions by and distributions to owners:</i> | | | | | |
| Dividend declared during the year | - | - | - | (7,040,000) | (7,040,000) |
| Transfer to contingency reserve | - | - | 700,339 | (700,339) | - |
| Total transactions with owners, recognised directly in equity | - | - | 700,339 | (7,740,339) | (7,040,000) |
| Restated balance at 31 December 2023 | 8,000,000 | 130,708 | 6,180,686 | 7,112,995 | 21,424,390 |

The accompanying notes to the financial statements form an integral part of these financial statements

SANLAM LIFE INSURANCE NIGERIA LIMITED

SEPARATE STATEMENT OF CHANGES IN EQUITY

31 DECEMBER 2024

| Company | Share capital | Share premium | Contingency reserve | Retained earnings | Total equity |
|--|----------------------|----------------------|----------------------------|--------------------------|---------------------|
| | ₦'000 | ₦'000 | ₦'000 | ₦'000 | ₦'000 |
| 2024 | | | | | |
| At 1 January 2024 | 8,000,000 | 130,708 | 3,860,591 | 2,591,734 | 14,583,033 |
| Total comprehensive income for the year | | | | | |
| Profit for the year | - | - | - | 9,911,325 | 9,911,325 |
| Total Comprehensive income for the year | - | - | - | 9,911,325 | 9,911,325 |
| Transfer to contingency reserve | - | - | - | - | - |
| Total transactions with owners, recognised directly in equity | - | - | - | - | - |
| At 31 December 2024 | 8,000,000 | 130,708 | 3,860,591 | 12,503,059 | 24,494,358 |
| | | | | | |
| | Share capital | Share premium | Contingency reserve | Retained earnings | Total |
| | ₦'000 | ₦'000 | ₦'000 | ₦'000 | ₦'000 |
| 2023 | | | | | |
| At 1 January 2023 | 8,000,000 | 130,708 | 3,860,591 | 5,694,609 | 17,685,908 |
| Total Comprehensive income for the year | | | | | |
| Profit for the year | - | - | - | 3,937,125 | 3,937,125 |
| Total Comprehensive income for the year | - | - | - | 3,937,125 | 3,937,125 |
| Dividend declared during the year | - | - | - | (7,040,000) | (7,040,000) |
| Total transactions with owners, recognised directly in equity | - | - | - | (7,040,000) | (7,040,000) |
| Restated balance at 31 December 2023 | 8,000,000 | 130,708 | 3,860,591 | 2,591,734 | 14,583,033 |

The accompanying notes to the financial statements form an integral part of these financial statements

SANLAM LIFE INSURANCE NIGERIA LIMITED

STATEMENT OF CONSOLIDATED AND SEPARATE CASH FLOWS 31 DECEMBER 2024

| | Note | Group | | Company | |
|---|--------|---------------------|--------------------|---------------------|--------------------|
| | | 31-Dec-24 ₦'000 | 31-Dec-23 ₦'000 | 31-Dec-24 ₦'000 | 31-Dec-23 ₦'000 |
| Cash flows from operating activities | | | | | |
| Cash premium received | 8 | 83,795,044 | 71,124,935 | 58,175,677 | 55,285,859 |
| Deposit for premium | 16 | 228,273 | 608,421 | - | - |
| Cash Claims recovered | 9.1.1 | 7,398,831 | 2,330,271 | 657,918 | 202,494 |
| Claims paid | 15.1.1 | (26,301,592) | (30,731,224) | (11,376,827) | (26,737,732) |
| Cash paid to reinsurers/ coinsurers | 9.1.1 | (15,640,906) | (7,643,673) | (1,385,673) | (933,515) |
| Acquisition costs | 15.1.1 | (64,317,941) | (28,768,665) | (63,223,800) | (24,799,645) |
| Other income received | 34 | 977,959 | 946,609 | 977,755 | 946,343 |
| Income tax paid | 19 | (2,723,228) | (2,485,606) | (1,790,689) | (2,043,200) |
| Net cash (used in)/from operating activities | | (16,583,561) | 5,381,069 | (17,965,638) | 1,920,604 |
| Cash flow from investing activities: | | | | | |
| Purchase of plant and equipment | 13 | (900,000) | (913,362) | (610,140) | (654,915) |
| Proceeds from disposal of property and | 34.1 | 99,400 | 173,388 | 98,844 | 135,850 |
| Interest received on financial assets | 29.1 | 23,692,989 | 19,714,826 | 20,986,722 | 18,746,709 |
| Interest received on statutory deposit | 30.4 | 51,781 | 30,075 | 41,119 | 12,030 |
| Dividend received | 30 | - | 45,398 | - | 45,398 |
| Purchase of financial assets- FVTPL | 7.1i | (78,581,965) | (144,850,246) | (61,749,923) | (128,570,915) |
| Proceeds from disposal of financial assets | 7.1i | 87,237,041 | 123,981,963 | 72,787,903 | 110,308,757 |
| Staff loan granted | 10.1 | (542,109) | (84,200) | (242,729) | (43,150) |
| Staff loan repaid | 10.1 | 266,628 | 360,113 | 218,418 | 215,204 |
| Policy loan granted | 10.2 | (1,500) | (2,329) | (1,500) | (2,329) |
| Policy loan repaid | 10.2 | 393 | 1,986 | 393 | 1,986 |
| Net cash generated from/(used in) investing activities | | 31,927,252 | (1,542,390) | 32,133,700 | 194,624 |
| Cash flow from financing activities: | | | | | |
| Dividend paid | 20 | (14,097,165) | (361,752) | (14,097,165) | (361,752) |
| Net cash used in financing activities | | (14,097,165) | (361,752) | (14,097,165) | (361,752) |
| Net decrease in cash and cash equivalents | | 1,246,527 | 3,476,927 | 70,897 | 1,753,476 |
| Cash and cash equivalent at beginning of year | | 8,878,030 | 5,401,103 | 5,255,173 | 3,501,697 |
| Net increase in cash and cash equivalents | | 1,246,527 | 3,476,927 | 70,897 | 1,753,476 |
| Cash and cash equivalent at at 31 December | 6.2 | 10,124,557 | 8,878,030 | 5,326,070 | 5,255,173 |

The accompanying notes to the financial statements form an integral part of these financial statements

SANLAM LIFE INSURANCE NIGERIA LIMITED
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
31 DECEMBER 2024

| 7 | Financial assets - Continued | 7.1 | Fair Value through Profit or Loss - continued | Group | | Company | |
|--------|--|------|---|--------------------|--------------------|--------------------|--------------------|
| | | | | 31-Dec-24 | 31-Dec-23 | 31-Dec-24 | 31-Dec-23 |
| 7.1i | Movement in Fair Value through Profit or Loss | | | ₦'000 | ₦'000 | ₦'000 | ₦'000 |
| | Opening cost | | | 184,302,711 | 158,344,919 | 171,247,262 | 149,090,345 |
| | Purchases | | | 78,581,965 | 144,850,246 | 61,749,923 | 128,570,915 |
| | Redemption/Disposal | | | (87,237,041) | (123,981,963) | (72,787,903) | (110,308,757) |
| | Receivables on financial assets | 10 | | - | (570,257) | - | (570,257) |
| | Fx Gain | | | 1,071,141 | 1,207,529 | - | 417,141 |
| | Realised gain/(loss) | | | 19,589 | (57,808) | - | - |
| | Interest receivables | 29.1 | | 6,420,959 | 6,654,411 | 8,002,407 | 6,299,316 |
| | Fair value changes | 30 | | (15,036,554) | (2,144,367) | (15,017,343) | (2,251,442) |
| | | | | 168,122,771 | 184,302,711 | 153,194,346 | 171,247,262 |
| 7.1ii | Movement in Treasury Bills Fair Value through Profit or Loss | | | | | | |
| | Opening cost | | | 49,459,959 | 18,333,584 | 41,135,418 | 12,529,662 |
| | Purchases | | | 71,387,870 | 65,525,723 | 55,678,639 | 55,651,821 |
| | Redemption | | | (68,952,916) | (36,437,230) | (61,267,088) | (28,833,115) |
| | Realised gain | | | 19,589 | 1,085 | - | - |
| | Interest receivable | 29.3 | | 1,472,863 | 1,628,100 | 3,370,768 | 1,457,981 |
| | Fair value changes | 30 | | (1,101,786) | 408,697 | (932,505) | 329,069 |
| | | | | 52,285,579 | 49,459,959 | 37,985,232 | 41,135,418 |
| | Treasury bills with original maturity < 90 days | | | 329,432 | 2,020,369 | - | 1,690,937 |
| | Treasury bills with original maturity > 90 days | | | 51,956,147 | 47,439,590 | 37,985,232 | 39,444,481 |
| | | | | 52,285,579 | 49,459,959 | 37,985,232 | 41,135,418 |
| 7.1iii | Movement in Commercial Paper Fair Value through Profit or Loss | | | | | | |
| | Opening cost | | | 5,863,493 | 1,107,963 | 3,303,570 | 877,652 |
| | Purchases | | | 2,143,783 | 12,572,474 | 1,020,972 | 7,215,611 |
| | Redemption/Disposal | | | (7,520,729) | (8,056,722) | (3,890,754) | (4,927,338) |
| | Interest receivable | 29.4 | | 281,461 | 208,001 | 18,041 | 119,557 |
| | Fair value changes | 31 | | (40,665) | 31,776 | (23,980) | 18,087 |
| | | | | 727,342 | 5,863,493 | 427,848 | 3,303,570 |
| 7.1iv | Movement in Promissory Notes Fair Value through Profit or Loss | | | | | | |
| | Opening cost | | | 346,919 | 2,549,494 | - | 1,330,188 |
| | Purchases | | | - | 322,185 | - | - |
| | Redemption/Disposal | | | (350,000) | (2,551,333) | - | (1,330,188) |
| | Interest receivable | 29.5 | | 7,447 | 19,237 | - | - |
| | Fair value changes | 30 | | (4,366) | 7,336 | - | - |
| | | | | - | 346,919 | - | - |

SANLAM LIFE INSURANCE NIGERIA LIMITED

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

31 DECEMBER 2024

7 Financial assets - Continued

7.1 Fair Value through Profit or Loss - continued

7.1v Movement in Corporate Bonds Fair Value through Profit or Loss

| | | Group | | Company | |
|---------------------|------|------------------|------------------|------------------|------------------|
| | | 31-Dec-24 | 31-Dec-23 | 31-Dec-24 | 31-Dec-23 |
| | | ₦'000 | ₦'000 | ₦'000 | ₦'000 |
| Opening cost | | 5,482,776 | 4,342,393 | 4,231,937 | 4,342,393 |
| Purchases | | - | 726,381 | - | - |
| Redemption/Disposal | | (2,861,449) | (415,797) | (376,857) | (415,797) |
| Fx Gain | | 1,071,141 | 688,364 | - | 221,365 |
| Interest receivable | 29.6 | 45,151 | 100,193 | 45,151 | 42,734 |
| Fair value changes | 30 | (171,236) | 41,243 | (333,848) | 41,243 |
| | | 3,566,383 | 5,482,776 | 3,566,383 | 4,231,937 |

7.1vi Movement in Government Bond Fair Value through Profit or Loss

| | | | | | |
|---------------------------------|------|--------------------|--------------------|--------------------|--------------------|
| Opening cost | | 122,548,134 | 131,604,852 | 121,974,907 | 129,603,817 |
| Purchases | | 5,050,313 | 65,703,483 | 5,050,313 | 65,703,483 |
| Redemption/Disposal | | (6,867,909) | (76,520,880) | (6,569,166) | (74,802,318) |
| Receivables on financial assets | 10 | - | (570,257) | - | (570,257) |
| Fx Gain | | - | 519,165 | - | 195,776 |
| Realised (loss) | | - | (58,893) | - | - |
| Interest receivable | 29.7 | 4,614,038 | 4,698,879 | 4,568,448 | 4,679,043 |
| Fair value changes | 30 | (13,801,109) | (2,828,215) | (13,809,618) | (2,834,637) |
| | | 111,543,467 | 122,548,134 | 111,214,883 | 121,974,907 |

7.1vii Movement in Quoted equities Fair Value through Profit or Loss

| | | | | | |
|--------------------|------|--------------------|--------------------|--------------------|--------------------|
| At 1 January | | 601,429 | 406,634 | 601,429 | 406,634 |
| Disposal | 30.3 | (684,037) | - | (684,037) | - |
| Fair value changes | 30 | 82,608 | 194,795 | 82,608 | 194,795 |
| At 31 December | | - | 601,429 | - | 601,429 |
| | | 168,122,771 | 184,302,711 | 153,194,346 | 171,247,262 |

Fair Value through Profit or Loss

SANLAM LIFE INSURANCE NIGERIA LIMITED

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

31 DECEMBER 2024

| 8 Trade receivables | Group | | Company | |
|--------------------------------------|--------------------|--------------------|--------------------|--------------------|
| | 31-Dec-24 N'000 | 31-Dec-23 N'000 | 31-Dec-24 N'000 | 31-Dec-23 N'000 |
| At 1 January | 417,154 | 223,288 | 65,155 | 10,500 |
| Gross premium income | 84,141,281 | 71,496,364 | 58,162,204 | 55,340,514 |
| Other Insurance contract liabilities | (608,421) | (177,563) | - | - |
| Cash premium received | (83,795,044) | (71,124,935) | (58,175,677) | (55,285,859) |
| At 31 December | 154,971 | 417,154 | 51,682 | 65,155 |
| Within 30 days | 154,971 | 417,154 | 51,682 | 65,155 |

The Company's policy in line with the provision of "No Premium, No Cover" on impairment of trade receivables recognizes trade receivables from Brokers only. Such receivables should not exceed a period of 30 days. All the outstanding premiums were received on or before 31 January 2024.

| Age of Debt | Group | | | | Company | | | |
|----------------------|-----------|----------------|-----------|----------------|-----------|---------------|-----------|---------------|
| | 31-Dec-24 | | 31-Dec-23 | | 31-Dec-24 | | 31-Dec-23 | |
| | No. | N'000 | No. | N'000 | No. | N'000 | No. | N'000 |
| Within 14 Days | 5 | 75,458 | 7 | 120,398 | 2 | 7,879 | 4 | 48,240 |
| Within 15 - 30 Days | 30 | 79,513 | 23 | 296,755 | 9 | 43,803 | 2 | 16,915 |
| Within 31 - 90 Days | - | - | - | - | - | - | - | - |
| Within 91 - 180 Days | - | - | - | - | - | - | - | - |
| Above 180 Days | - | - | - | - | - | - | - | - |
| | 35 | 154,971 | 30 | 417,153 | 11 | 51,682 | 6 | 65,155 |

All insurance receivables are designated as trade receivables and their carrying values approximate fair value at the statement of financial position date. The premium outstanding as at statement of position date represents balance due from brokers that occurred within the 30 days before the financial reporting date and are not impaired.

9 Reinsurance contract assets

| 2024 | Asset for Remaining coverage | | Group Assets for Incurred Claims | | | Asset for Remaining coverage | | Company Assets for Incurred Claims | | |
|------------------------------|--|----------------------------------|----------------------------------|--------------------------|-------------------|--|----------------------------------|------------------------------------|--------------------------|----------------|
| | Excluding Loss-recovery Component N'000 | Loss-recovery Component N'000 | Incurred Claims N'000 | Risk Adjustment N'000 | Total N'000 | Excluding Loss-recovery Component N'000 | Loss-recovery Component N'000 | Asset for Incurred Claim N'000 | Risk Adjustment N'000 | Total N'000 |
| Asset for Remaining coverage | 3,282,609 | - | - | - | 3,282,609 | 264,204 | - | - | - | 264,204 |
| Assets for Incurred Claims | - | - | 8,777,053 | 744,064 | 9,521,118 | - | - | 155,932 | - | 155,932 |
| | 3,282,609 | - | 8,777,053 | 744,064 | 12,803,727 | 264,204 | - | 155,932 | - | 420,137 |
| 2023 | | | | | | | | | | |
| Asset for Remaining coverage | 1,671,937 | - | - | - | 1,671,937 | 132,568 | - | - | - | 132,568 |
| Assets for Incurred Claims | - | - | 3,006,752 | 154,064 | 3,160,816 | - | - | 481,592 | - | 481,592 |
| | 1,671,937 | - | 3,006,752 | 154,064 | 4,832,753 | 132,568 | - | 481,592 | - | 614,160 |

SANLAM LIFE INSURANCE NIGERIA LIMITED
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
31 DECEMBER 2024

9.1 Movement in reinsurance contract balances

9.1.1 Analysis by remaining coverage and incurred claims

2024

| | Group | | | | | Company | | | | |
|---|--|---|-----------------------------|-----------------------------|-------------------|--|---|----------------------------|--------------------------|------------------|
| | Assets for Remaining | | Assets for Incurred | | | Assets for Remaining | | Assets for Incurred Claims | | |
| | Excluding Loss- recovery Component N'000 | Loss- recovery Component N'000 | Incurred Claims N'000 | Risk Adjustment N'000 | Total N'000 | Excluding Loss- recovery Component N'000 | Loss- recovery Component N'000 | Incurred Claim N'000 | Risk Adjustment N'000 | Total N'000 |
| Opening assets | 1,671,937 | - | 3,006,752 | 154,064 | 4,832,753 | 132,568 | - | 481,592 | - | 614,160 |
| Opening liabilities | - | - | - | - | - | - | - | - | - | - |
| Net opening balance | 1,671,937 | - | 3,006,752 | 154,064 | 4,832,753 | 132,568 | - | 481,592 | - | 614,160 |
| Changes in the statement of profit or loss and OCI | | | | | | | | | | |
| Allocation of reinsurance premium paid | (14,027,405) | - | - | - | (14,027,405) | (1,251,209) | - | - | - | (1,251,209) |
| Recoveries of incurred claims | - | - | 12,439,421 | 590,001 | 13,029,422 | - | - | 692,079 | - | 692,079 |
| Adjustments to assets for incurred claims | - | - | 1,879,949 | - | 1,879,949 | - | - | (359,822) | - | (359,822) |
| Amounts recoverable from reinsurers | - | - | 14,319,370 | 590,001 | 14,909,370 | - | - | 332,257 | - | 332,257 |
| Net expenses from reinsurance contracts | (14,027,405) | - | 14,319,370 | 590,001 | 881,965 | (1,251,209) | - | 332,257 | - | (918,951) |
| Net finance income from reinsurance contracts | (2,828) | - | (1,150,238) | - | (1,153,066) | (2,828) | - | - | - | (2,828) |
| Total changes in the Statement of P or L and OCI | (14,030,233) | - | 13,169,132 | 590,001 | (271,101) | (1,254,037) | - | 332,257 | - | (921,779) |
| Cash flows | | | | | | | | | | |
| Reinsurance premium paid | 15,640,906 | - | - | - | 15,640,906 | 1,385,673 | - | - | - | 1,385,673 |
| Reinsurance recovered | - | - | (7,398,831) | - | (7,398,831) | - | - | (657,918) | - | (657,918) |
| Total Cash flows | 15,640,906 | - | (7,398,831) | - | 8,242,075 | 1,385,673 | - | (657,918) | - | 727,755 |
| Net closing balances | 3,282,609 | - | 8,777,053 | 744,064 | 12,803,727 | 264,204 | - | 155,932 | - | 420,137 |
| Closing assets | 3,282,609 | - | 8,777,053 | 744,064 | 12,803,727 | 264,204 | - | 155,932 | - | 420,137 |
| Closing liabilities | - | - | - | - | - | - | - | - | - | - |
| Net opening balance | 3,282,609 | - | 8,777,053 | 744,064 | 12,803,727 | 264,204 | - | 155,932 | - | 420,137 |

SANLAM LIFE INSURANCE NIGERIA LIMITED
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
31 DECEMBER 2024

9.1 Movement in reinsurance contract balances - continued

9.1.1 Analysis by remaining coverage and incurred claims

2023

| | Group | | | | Company | | | | | |
|---|-----------------------------------|-------------------------|----------------------------|-----------------|----------------------|-----------------------------------|----------------------------|------------------|-----------------|------------------|
| | Assets for Remaining coverage | | Assets for Incurred Claims | | Assets for Remaining | | Assets for Incurred Claims | | | |
| | Excluding Loss-recovery Component | Loss-recovery Component | Incurred Claims | Risk Adjustment | Total | Excluding Loss-recovery Component | Loss-recovery Component | Incurred Claim | Risk Adjustment | Total |
| | ₦'000 | ₦'000 | ₦'000 | ₦'000 | ₦'000 | ₦'000 | ₦'000 | ₦'000 | ₦'000 | ₦'000 |
| Opening assets | 1,105,451 | - | 2,182,327 | 149,022 | 3,436,800 | 132,569 | - | 87,217 | - | 219,785 |
| Opening liabilities | - | - | - | - | - | - | - | - | - | - |
| Net opening balance | 1,105,451 | - | 2,182,327 | 149,022 | 3,436,800 | 132,569 | - | 87,217 | - | 219,785 |
| Changes in the statement of profit or loss and OCI | | | | | | | | | | |
| Allocation of reinsurance premium paid | (7,147,082) | - | - | - | (7,147,082) | (1,039,167) | - | - | - | (1,039,167) |
| Recoveries of incurred claims | - | - | 3,282,883 | 5,042 | 3,287,925 | - | - | 596,869 | - | 596,869 |
| Adjustments to assets for incurred claims | - | - | 22,631 | - | 22,631 | - | - | - | - | - |
| Amounts recoverable from reinsurers | - | - | 3,305,515 | 5,042 | 3,310,556 | - | - | 596,869 | - | 596,869 |
| Net expenses from reinsurance contracts | (7,147,082) | - | 3,305,515 | 5,042 | (3,836,526) | (1,039,167) | - | 596,869 | - | (442,298) |
| Net finance income from reinsurance contracts | 4,411 | - | (150,820) | - | (146,409) | 4,411 | - | - | - | 4,411 |
| Total changes in the Statement of P or L and OCI | (7,142,671) | - | 3,154,695 | 5,042 | (3,982,935) | (1,034,756) | - | 596,869 | - | (437,887) |
| Cash flows | | | | | | | | | | |
| Reinsurance premium paid | 7,709,158 | - | - | - | 7,709,158 | 1,034,756 | - | - | - | 1,034,756 |
| Reinsurance recovered | - | - | (2,330,271) | - | (2,330,271) | - | - | (202,494) | - | (202,494) |
| Total Cash flows | 7,709,158 | - | (2,330,271) | - | 5,378,887 | 1,034,756 | - | (202,494) | - | 832,262 |
| Net closing balances | 1,671,937 | - | 3,006,752 | 154,064 | 4,832,753 | 132,568 | - | 481,592 | - | 614,160 |
| Closing assets | 1,671,937 | - | 3,006,752 | 154,064 | 4,832,753 | 132,568 | - | 481,592 | - | 614,160 |
| Closing liabilities | - | - | - | - | - | - | - | - | - | - |
| Net opening balance | 1,671,937 | - | 3,006,752 | 154,064 | 4,832,753 | 132,568 | - | 481,592 | - | 614,160 |

9.2 Age Analysis of claims recoverable

| | Group | | Company | |
|--------------|---------------|----------------|---------------|----------------|
| | 31-Dec-24 | 31-Dec-23 | 31-Dec-24 | 31-Dec-23 |
| | ₦'000 | ₦'000 | ₦'000 | ₦'000 |
| <= 30days | 12,007 | 187,609 | 12,007 | 46,873 |
| 31 - 90 days | - | 219,272 | - | 219,272 |
| | 12,007 | 406,881 | 12,007 | 266,145 |

SANLAM LIFE INSURANCE NIGERIA LIMITED
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
31 DECEMBER 2024

| 10 Other receivables and prepayments | | Group | | Company | |
|--|------|--------------------|--------------------|--------------------|--------------------|
| | | 31-Dec-24 ₦'000 | 31-Dec-23 ₦'000 | 31-Dec-24 ₦'000 | 31-Dec-23 ₦'000 |
| Financial: | | | | | |
| Staff loan | 10.1 | 850,883 | 588,710 | 517,406 | 531,451 |
| Due from policy holders | 10.2 | 9,599 | 8,461 | 9,599 | 8,461 |
| Interest receivables | 10.3 | 36,028 | 17,770 | 12,000 | 7,108 |
| Due from related party | 10.8 | 55,131 | - | 55,131 | - |
| Receivable on financial assets | 10.9 | - | 570,257 | - | 570,257 |
| | | 951,641 | 1,185,198 | 594,136 | 1,117,277 |
| Non Financial: | | | | | |
| Prepayments | 10.4 | 791,189 | 669,925 | 637,293 | 595,241 |
| Withholding Tax Receivable | 10.5 | 157,149 | 229,444 | 67,016 | 184,588 |
| Claims Escrow Receivable | 10.6 | - | 12,024 | - | 12,024 |
| Other receivables* | 10.7 | 14,383 | 33,690 | 13,945 | 12,517 |
| | | 962,721 | 945,083 | 718,254 | 804,370 |
| | | 1,914,362 | 2,130,281 | 1,312,390 | 1,921,648 |
| Current | | 1,063,483 | 1,541,571 | 794,984 | 1,390,197 |
| Non-current | | 850,879 | 588,710 | 517,406 | 531,451 |
| *Other receivables relate to interest income receivable from CBN | | 1,914,362 | 2,130,281 | 1,312,390 | 1,921,648 |
| 10.1 Staff Loan | | | | | |
| At 1 January | | 588,710 | 682,239 | 531,451 | 519,908 |
| Loan granted | | 542,109 | 84,200 | 242,729 | 43,150 |
| Interest earned | | 77,710 | 83,479 | 55,346 | 64,470 |
| Fair value amortisation | | (91,017) | 98,905 | (93,703) | 119,128 |
| Repayments | | (266,628) | (360,113) | (218,418) | (215,204) |
| | | 850,883 | 588,710 | 517,406 | 531,451 |
| 10.2 Due from policy holders | | | | | |
| At 1 January | | 8,461 | 7,961 | 8,461 | 7,961 |
| Loan granted | | 1,500 | 2,329 | 1,500 | 2,329 |
| Interest earned | | 31 | 157 | 31 | 157 |
| Repayments | | (393) | (1,986) | (393) | (1,986) |
| | | 9,599 | 8,461 | 9,599 | 8,461 |
| 10.3 Interest receivables | | | | | |
| At 1 January | | 17,770 | 11,757 | 7,108 | 4,703 |
| Interest income on statutory deposit | 30.4 | 94,590 | 36,088 | 46,011 | 14,435 |
| Interest received | | (76,333) | (30,075) | (41,119) | (12,030) |
| At 31 December | | 36,028 | 17,770 | 12,000 | 7,108 |
| 10.4 Prepayments | | | | | |
| At 1 January | | 669,925 | 172,425 | 595,241 | 147,364 |
| Changes during year | | 121,265 | 497,500 | 42,052 | 447,876 |
| At 31 December | | 791,189 | 669,925 | 637,293 | 595,241 |

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| 10 Other receivables and prepayments - continued | Group | | Company | |
|--|--------------------|--------------------|--------------------|--------------------|
| | 31-Dec-24 ₦'000 | 31-Dec-23 ₦'000 | 31-Dec-24 ₦'000 | 31-Dec-23 ₦'000 |
| 10.5 Withholding Tax Receivable | | | | |
| At 1 January | 229,444 | 85,554 | 184,588 | 81,920 |
| Arising during year | 45,277 | 206,177 | - | 163,233 |
| Utilised during the year | (117,572) | (62,287) | (117,572) | (60,565) |
| At 31 December | 157,149 | 229,444 | 67,016 | 184,588 |
| 10.6 Claims Escrow Receivable | | | | |
| At 1 January | 12,024 | 12,024 | 12,024 | 12,024 |
| Arising during year | (12,024) | - | (12,024) | - |
| At 31 December | - | 12,024 | - | 12,024 |
| 10.7 Other receivables | | | | |
| At 1 January | 603,945 | 23,612 | 582,772 | 8,077 |
| Arising during year | - | 8,702 | - | 8,702 |
| Payment received | (589,562) | 571,631 | (568,827) | 565,993 |
| At 31 December | 14,383 | 603,945 | 13,945 | 582,772 |
| 10.8 Due from related party | | | | |
| At 1 January | - | - | - | - |
| Arising during year | 55,131 | - | 55,131 | - |
| At 31 December | 55,131 | - | 55,131 | - |

10.9 Receivable on financial assets

This represent coupon and final principal repayment on investment in state government bond.

11 Investment in subsidiary

11.1 The company's investment in subsidiary is as stated below:

Investment in Sanlam General Insurance Nigeria Limited

At 31 December

| Company | |
|--------------------|--------------------|
| 31-Dec-24 ₦'000 | 31-Dec-23 ₦'000 |
| 5,349,120 | 5,349,120 |

11.2 Principal subsidiary undertakings:

The Group had the following subsidiary as at 31 December 2024:

Company name

Sanlam

| Country of origin | % of equity capital | Country of origin |
|-------------------|---------------------|-------------------|
| Nigeria | 100 | Nigeria |

Sanlam General Insurance Nigeria Limited, (formerly Oasis Insurance Company Limited) was incorporated on November 9, 1992 to carry on insurance business. It changed its name to Sanlam General Insurance Nigeria Limited.

The movement in investment in subsidiaries during the year is as follows:

| Company | |
|--------------------|--------------------|
| 31-Dec-24 ₦'000 | 31-Dec-23 ₦'000 |
| 5,349,120 | 5,349,120 |

Investment in Sanlam General Insurance Nigeria Limited

Sanlam General Insurance Nigeria Limited has been included in the consolidation.

Sanlam Life Insurance Nigeria Limited acquired controlling interest of 71.2% in Sanlam General Insurance Limited in February 2014. With subsequent acquisitions of Oasis Insurance shares, the company attained 100% controlling share of the acquiree At 30 April 2014. Subsequent to acquisition, additional capital injected into the subsidiary company to support its expansion drive were N500 million in 2016, N200 million in 2018, and N1.048 billion in 2020.

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12 Intangible assets

| | 31-Dec-24 | | | | | 31-Dec-23 | | | | |
|-----------------------|----------------|-------------------|------------------|-------------------|----------------|----------------|-------------------|------------------|-------------------|----------------|
| | Group | | | Company | | Group | | | Company | |
| | Goodwill | Computer Software | Total | Computer Software | Total | Goodwill | Computer Software | Total | Computer Software | Total |
| | ₦'000 | ₦'000 | ₦'000 | ₦'000 | ₦'000 | ₦'000 | ₦'000 | ₦'000 | ₦'000 | ₦'000 |
| Cost | | | | | | | | | | |
| At 1 January | 262,440 | 953,759 | 1,216,199 | 830,702 | 830,702 | 262,440 | 953,759 | 1,216,199 | 830,702 | 830,702 |
| Additions | - | - | - | - | - | - | - | - | - | - |
| At 31 December | 262,440 | 953,759 | 1,216,199 | 830,702 | 830,702 | 262,440 | 953,759 | 1,216,199 | 830,702 | 830,702 |
| Amortisation | | | | | | | | | | |
| At 1 January | - | 953,759 | 953,759 | 830,702 | 830,702 | - | 783,792 | 783,792 | 660,735 | 660,735 |
| Charge for the year | - | - | - | - | - | - | 169,967 | 169,967 | 169,967 | 169,967 |
| At 31 December | - | 953,759 | 953,759 | 830,702 | 830,702 | - | 953,759 | 953,759 | 830,702 | 830,702 |
| Net book amount | | | | | | | | | | |
| At 31 December | 262,440 | - | 262,440 | - | - | 262,440 | - | 262,440 | - | - |

In the opinion of the directors:

- (i) The market value of the Group's intangible assets is not less than the value shown in the financial statements
- (ii) All items of intangible assets are non-current
- (iii) There was no leased asset included in intangible assets (December 2023: nil)
- (v) The company had no capital commitment (December 2023: nil)
- (vi) The company had no items pledged for borrowings included in intangible assets (December 2023: nil)
- (vii) There were no impairment losses on the intangible assets

Goodwill represents excess purchase consideration over the fair value of identifiable net assets of Sanlam General Insurance Nigeria Limited at acquisition date (19 February 2014).

On 19 February 2014, Sanlam Life Insurance Nigeria Limited acquired 71.2% of the ordinary share capital of Sanlam General Insurance Nigeria Limited (formerly FBN General Insurance Limited) for N3.6 billion. The acquiree became a wholly owned subsidiary of Sanlam Life Insurance Nigeria Limited Group in December 2014. The principal activity of Sanlam General Insurance Nigeria Limited is the provision of non-life insurance services.

Impairment tests for goodwill

The group has goodwill arising from acquisitions done in the prior year. Management reviews the business performance based on type of business, which is non-life business. Goodwill is monitored by the management at the operating segment level and has been completely allocated to the non-life business. There was no goodwill impairment identified during the year (December 2023: nil).

Goodwill

| | Company | |
|-------------------|--------------------|--------------------|
| | 31-Dec-24 ₦'000 | 31-Dec-23 ₦'000 |
| Non-life business | 262,440 | 262,440 |
| Impairment | - | - |

Management has determined that the CGU to which goodwill is allocated for monitoring purposes is the non-life business operating segment. The recoverable amount of the CGU is determined based on value-in-use calculation. These calculations use pre-tax cash flow projections based on the financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using an estimated growth rate which does not exceed the estimated growth rate of the Nigeria economy. Based on management's assessment, there was no indication of impairment of goodwill.

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12 Intangible assets - Continued

The total amount of goodwill of ₦262 million has been allocated to the non-life business. The key assumptions, long term growth rate and discount rate used in the value-in-use calculations are as follows:

| | Company | |
|--|-----------|-----------|
| | 31-Dec-24 | 31-Dec-23 |
| Insurance revenue (% annual growth rate) | 20% | 20% |
| Insurance service expenses (% Insurance revenue) | 25% | 25% |
| Recurrent expenses (% Insurance revenue) | 16% | 16% |
| Acquisition costs (% Insurance revenue) | 18% | 18% |
| Long term growth rate | 0.5% | 0.5% |
| Pre-tax discount rate | 14% | 14% |
| Recoverable amount of the CGU ('000) | N262,440 | N262,440 |

Insurance revenue is the average annual growth rate over the five-year forecast period. It is equivalent of performance, and is based on management's expectations of the benefit that the Group's brand and large delivery channels will bring to the growth of the non-life business.

Insurance service expenses is a percentage of Insurance revenue over the five-year forecast period. It is based on historical claims experience as well as management view and expectation in line with the growth in gross premium income which is considered the main driver of the business.

Recurrent expenses is a percentage of the Insurance revenue over the five-year forecast period. The actual amount is higher than past result, but management expects it to increase during the forecast period as premium income is also expected to grow during the period. Management expects the non-life business to leverage on the experience of the Group in the achievement of the expected growth in the underwriting expenses.

Acquisition costs is a percentage of Insurance revenue over the five-year forecast period. It is higher than past result, but management expects it to increase during the forecast period as premium income is also expected to grow during the period. Management forecasts these costs based on the current structure of the business, and these do not reflect any future restructurings or cost saving measures.

Management believes that any reasonably possible change in the key assumptions on which the non-life business' recoverable amount is based would not cause its carrying amount to exceed its recoverable amount.

13 Property and equipment

| Group | Land | Building | Right of | Motor | Office | Plant & | Furniture & | Computer | Total |
|---------------------------------|----------------|----------------|----------------|------------------|----------------|----------------|----------------|----------------|------------------|
| 2024 | ₦'000 | ₦'000 | Use Assets | Vehicles | Equipment | Machinery | Fittings | Equipment | ₦'000 |
| Cost | | | ₦'000 | ₦'000 | ₦'000 | ₦'000 | ₦'000 | ₦'000 | ₦'000 |
| At 1 January 2024 | 842,650 | 751,743 | 221,141 | 2,039,383 | 289,412 | 109,964 | 257,108 | 586,302 | 5,097,704 |
| Additions | - | - | - | 548,861 | 102,021 | 15,105 | 42,730 | 191,283 | 900,001 |
| Disposal | - | - | - | (210,713) | (3,549) | - | (1,335) | (13,758) | (229,355) |
| At 31 December 2024 | 842,650 | 751,743 | 221,141 | 2,377,531 | 387,885 | 125,070 | 298,503 | 763,826 | 5,768,350 |
| Accumulated Depreciation | | | | | | | | | |
| At 1 January 2024 | - | 181,934 | 56,018 | 978,200 | 202,173 | 77,371 | 178,614 | 463,024 | 2,137,334 |
| Charge for the year | - | 15,028 | 23,105 | 470,070 | 39,170 | 10,689 | 24,790 | 89,056 | 671,908 |
| Disposal | - | - | - | (143,686) | (3,533) | - | (1,335) | (12,478) | (161,032) |
| At 31 December 2024 | - | 196,962 | 79,123 | 1,304,583 | 237,811 | 88,060 | 202,070 | 539,601 | 2,648,210 |
| Net book value | | | | | | | | | |
| At 31 December 2024 | 842,650 | 554,781 | 142,018 | 1,072,948 | 150,074 | 37,010 | 96,433 | 224,225 | 3,120,140 |

SANLAM LIFE INSURANCE NIGERIA LIMITED
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31 DECEMBER 2024

13 Property and equipment -Continued

| Group | Land N'000 | Building N'000 | Right of Use Assets N'000 | Motor Vehicles N'000 | Office Equipment N'000 | Plant & Machinery N'000 | Furniture & Fittings N'000 | Computer Equipment N'000 | Total N'000 |
|---------------------------------|----------------|-------------------|---------------------------------|----------------------------|------------------------------|-------------------------------|----------------------------------|--------------------------------|------------------|
| 2023 | | | | | | | | | |
| Cost | | | | | | | | | |
| At 1 January 2023 | 842,650 | 751,743 | 170,118 | 1,860,754 | 249,450 | 110,305 | 192,621 | 488,575 | 4,666,216 |
| Additions | - | - | 51,023 | 648,641 | 40,956 | 5,703 | 65,575 | 101,464 | 913,362 |
| Disposal | - | - | - | (470,012) | (994) | (6,043) | (1,088) | (3,738) | (481,875) |
| At 31 December 2023 | 842,650 | 751,743 | 221,141 | 2,039,383 | 289,412 | 109,964 | 257,108 | 586,302 | 5,097,703 |
| Accumulated Depreciation | | | | | | | | | |
| At 1 January 2023 | - | 166,906 | 34,024 | 931,172 | 167,100 | 65,880 | 159,692 | 362,476 | 1,887,251 |
| Charge for the year | - | 15,028 | 21,995 | 400,867 | 35,378 | 13,001 | 20,010 | 103,265 | 609,543 |
| Disposal | - | - | - | (353,839) | (303) | (1,511) | (1,088) | (2,717) | (359,459) |
| At 31 December 2023 | - | 181,934 | 56,018 | 978,200 | 202,174 | 77,371 | 178,614 | 463,024 | 2,137,335 |
| Net book value | | | | | | | | | |
| At 31 December 2023 | 842,650 | 569,809 | 165,123 | 1,061,183 | 87,238 | 32,593 | 78,494 | 123,278 | 2,960,368 |
| Company | | | | | | | | | |
| 2024 | | | | | | | | | |
| Cost | | | | | | | | | |
| At 1 January 2024 | 572,705 | 111,148 | 221,141 | 1,469,647 | 207,232 | 72,877 | 200,684 | 468,528 | 3,323,962 |
| Additions | - | - | - | 415,288 | 71,324 | 3,761 | 41,246 | 78,522 | 610,140 |
| Disposal | - | - | - | (210,713) | (3,549) | - | (1,335) | (13,459) | (229,056) |
| At 31 December 2024 | 572,705 | 111,148 | 221,141 | 1,674,221 | 275,007 | 76,638 | 240,595 | 533,590 | 3,705,047 |
| Accumulated Depreciation | | | | | | | | | |
| At 1 January 2024 | - | 11,671 | 56,018 | 742,817 | 145,173 | 46,817 | 127,705 | 363,069 | 1,493,270 |
| Charge for the year | - | 2,223 | 23,105 | 335,736 | 25,881 | 8,585 | 22,880 | 68,563 | 486,974 |
| Disposal | - | - | - | (143,686) | (3,533) | - | (1,335) | (12,180) | (160,734) |
| At 31 December 2024 | - | 13,894 | 79,123 | 934,867 | 167,522 | 55,402 | 149,251 | 419,452 | 1,819,510 |
| Net book value | | | | | | | | | |
| At 31 December 2024 | 572,705 | 97,255 | 142,018 | 739,354 | 107,486 | 21,236 | 91,345 | 114,139 | 1,885,536 |
| 2023 | | | | | | | | | |
| Cost | | | | | | | | | |
| At 1 January 2023 | 572,705 | 111,148 | 170,118 | 1,365,117 | 171,261 | 73,217 | 138,045 | 384,850 | 2,986,461 |
| Additions | - | - | 51,023 | 410,080 | 36,966 | 5,703 | 63,727 | 87,417 | 654,915 |
| Disposal | - | - | - | (305,550) | (994) | (6,043) | (1,088) | (3,738) | (317,412) |
| At 31 December 2023 | 572,705 | 111,148 | 221,141 | 1,469,647 | 207,232 | 72,877 | 200,684 | 468,528 | 3,323,964 |
| Accumulated Depreciation | | | | | | | | | |
| At 1 January 2023 | - | 9,448 | 34,024 | 695,354 | 119,202 | 37,810 | 112,779 | 276,184 | 1,284,800 |
| Charge for the year | - | 2,223 | 21,995 | 285,092 | 26,276 | 10,518 | 16,014 | 89,602 | 451,721 |
| Disposal | - | - | - | (237,629) | (304) | (1,511) | (1,088) | (2,717) | (243,247) |
| At 31 December 2023 | - | 11,671 | 56,018 | 742,817 | 145,174 | 46,817 | 127,705 | 363,069 | 1,493,274 |
| Net book value | | | | | | | | | |
| At 31 December 2023 | 572,705 | 99,477 | 165,123 | 726,830 | 62,058 | 26,059 | 72,979 | 105,460 | 1,830,692 |

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13 Property and equipment -Continued

In the opinion of the directors:

- (i) The market value of the Group's property and equipment is not less than the value shown in the financial statements
- (ii) There were no capitalised borrowing cost related to the acquisition of property and equipment during the period (December 2023: nil)
- (iii) All items of property and equipment are non-current
- (iv) There was no leased asset included in property and equipment (December 2023: nil)
- (v) The company had no capital commitment (December 2023: nil)
- (vi) The company had no items pledged for borrowings included in property and equipment (December 2023: nil)
- (vii) There were no impairment losses on any class of property and equipment

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14 Statutory deposit

The deposit represents 10% of the regulatory minimum share capital deposited with the Central Bank of Nigeria in accordance with the requirement of the Insurance Act. This balance is not available for the day-to-day operations of the Company.

Statutory deposit

At 1 January
Deposit during the year
At 31 December

Non-current

| Group | | Company | |
|----------------|----------------|----------------|----------------|
| 31-Dec-24 | 31-Dec-23 | 31-Dec-24 | 31-Dec-23 |
| ₦'000 | ₦'000 | ₦'000 | ₦'000 |
| 500,000 | 500,000 | 200,000 | 200,000 |
| - | - | - | - |
| 500,000 | 500,000 | 200,000 | 200,000 |
| 500,000 | 500,000 | 200,000 | 200,000 |

15 Insurance contract liabilities

Analysis of insurance contract liabilities by measurement models

GMM

Liability for remaining coverage (LRC):

Excluding loss component
Loss component

| | | | |
|--------------------|--------------------|--------------------|--------------------|
| 122,161,375 | 127,882,225 | 122,161,375 | 127,882,225 |
| 5,642,558 | 6,171,759 | 5,642,558 | 6,171,759 |
| 127,803,933 | 134,053,984 | 127,803,933 | 134,053,984 |

Liability for Incurred claims (LIC):

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

| | | | |
|----------------|----------------|----------------|----------------|
| 917,884 | 738,179 | 917,884 | 738,179 |
| - | - | - | - |
| 917,884 | 738,179 | 917,884 | 738,179 |

| | | | |
|--------------------|--------------------|--------------------|--------------------|
| 128,721,817 | 134,792,164 | 128,721,817 | 134,792,164 |
|--------------------|--------------------|--------------------|--------------------|

PAA

Liability for remaining coverage (LRC):

Excluding loss component
Loss component

| | | | |
|------------------|------------------|------------------|------------------|
| 6,961,394 | 5,053,901 | 1,581,607 | 1,251,950 |
| - | - | - | - |
| 6,961,394 | 5,053,901 | 1,581,607 | 1,251,950 |

Liability for Incurred claims (LIC):

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

| | | | |
|-------------------|------------------|------------------|------------------|
| 11,334,993 | 7,071,600 | 3,138,718 | 2,796,987 |
| 1,152,893 | 298,568 | - | - |
| 12,487,886 | 7,370,168 | 3,138,718 | 2,796,987 |

| | | | |
|-------------------|-------------------|------------------|------------------|
| 19,449,280 | 12,424,069 | 4,720,326 | 4,048,937 |
|-------------------|-------------------|------------------|------------------|

| | | | |
|--------------------|--------------------|--------------------|--------------------|
| 148,171,097 | 147,216,233 | 133,442,143 | 138,841,101 |
|--------------------|--------------------|--------------------|--------------------|

Insurance and reinsurance contracts

Insurance contract liabilities:

Insurance contract liabilities (excluding insurance acquisition cash flows assets and other pre-recognition cash flows)
Insurance acquisition cash flows
Other pre-recognition cash flows

| | | | |
|--------------------|--------------------|--------------------|--------------------|
| 200,896,976 | 163,709,029 | 189,499,346 | 157,062,797 |
| (52,725,879) | (16,492,797) | (56,057,203) | (18,221,696) |
| - | - | - | - |
| 148,171,097 | 147,216,233 | 133,442,143 | 138,841,101 |

Reinsurance contract asste

Reinsurance contract assets (excluding reinsurance deferred acquisition income, other pre-recognition cash flows and reinsurance payable)
Reinsurance deferred acquisition income cash flows
Other pre-recognition cash flows
Reinsurance payables

| | | | |
|-------------|-------------|-----------|-----------|
| 17,478,117 | 8,685,992 | 1,592,579 | 1,060,813 |
| (1,837,211) | (1,042,319) | (206,906) | (127,298) |
| - | - | - | - |
| - | - | - | - |

| | | | |
|-------------------|------------------|------------------|----------------|
| 15,640,906 | 7,643,673 | 1,385,673 | 933,515 |
|-------------------|------------------|------------------|----------------|

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Insurance contract liabilities - continued

Analysis of insurance contract liabilities by products

| 2024 | Group | | | | | Company | | | | |
|---|----------------------------------|------------------|-------------------------------|------------------|--------------------|----------------------------------|------------------|-------------------------------|-----------------|--------------------|
| | Liability for remaining coverage | | Liability for Incurred claims | | | Liability for remaining coverage | | Liability for Incurred claims | | |
| | Excluding loss component | Loss component | Incurred claim | Risk Adjustment | Total | Excluding loss component | Loss component | Incurred claim | Risk Adjustment | Total |
| ₦'000 | ₦'000 | ₦'000 | ₦'000 | ₦'000 | ₦'000 | ₦'000 | ₦'000 | ₦'000 | ₦'000 | ₦'000 |
| Contracts measured under General Model Method (GMM) | | | | | | | | | | |
| Individual Life | 92,091,742 | 2,359,547 | 917,884 | - | 95,369,173 | 92,091,742 | 2,359,547 | 917,884 | - | 95,369,173 |
| Annuity | 29,057,789 | 3,283,011 | - | - | 32,340,800 | 29,057,789 | 3,283,011 | - | - | 32,340,800 |
| Life (Others) | 1,011,844 | - | - | - | 1,011,844 | 1,011,844 | - | - | - | 1,011,844 |
| | 122,161,375 | 5,642,558 | 917,884 | - | 128,721,817 | 122,161,375 | 5,642,558 | 917,884 | - | 128,721,817 |
| Contracts measured under Premium Allocation Approach (PAA) | | | | | | | | | | |
| Group Life | 1,189,424 | - | 2,756,164 | - | 3,945,587 | 1,189,424 | - | 2,756,164 | - | 3,945,587 |
| Credit Life | 392,184 | - | 382,555 | - | 774,738 | 392,184 | - | 382,555 | - | 774,738 |
| Non-Life | 5,379,787 | - | 8,196,274 | 1,152,893 | 14,728,954 | - | - | - | - | - |
| | 6,961,394 | - | 11,334,993 | 1,152,893 | 19,449,280 | 1,581,607 | - | 3,138,718 | - | 4,720,326 |
| | 129,122,769 | 5,642,558 | 12,252,877 | 1,152,893 | 148,171,097 | 123,742,982 | 5,642,558 | 4,056,603 | - | 133,442,143 |
| Current | 2,593,451 | 5,642,558 | 4,056,603 | - | 12,292,612 | 2,593,451 | 5,642,558 | 4,056,603 | - | 12,292,612 |
| Non-current | 126,529,318 | - | 8,196,274 | 1,152,893 | 135,878,485 | 121,149,531 | - | - | - | 121,149,531 |
| | 129,122,769 | 5,642,558 | 12,252,877 | 1,152,893 | 148,171,097 | 123,742,982 | 5,642,558 | 4,056,603 | - | 133,442,143 |
| 2023 | | | | | | | | | | |
| | Liability for remaining coverage | | Liability for Incurred claims | | | Liability for remaining coverage | | Liability for Incurred claims | | |
| | Excluding loss component | Loss component | Incurred claim | Risk Adjustment | Total | Excluding loss component | Loss component | Incurred claim | Risk Adjustment | Total |
| | ₦'000 | ₦'000 | ₦'000 | ₦'000 | ₦'000 | ₦'000 | ₦'000 | ₦'000 | ₦'000 | ₦'000 |
| Contracts measured under General Model Method (GMM) | | | | | | | | | | |
| Individual Life | 96,075,382 | 3,497,128 | 738,179 | - | 100,310,689 | 96,075,382 | 3,497,128 | 738,179 | - | 100,310,689 |
| Annuity | 30,552,542 | 2,674,631 | - | - | 33,227,173 | 30,552,542 | 2,674,631 | - | - | 33,227,173 |
| Life (Others) | 1,254,302 | - | - | - | 1,254,302 | 1,254,302 | - | - | - | 1,254,302 |
| | 127,882,225 | 6,171,759 | 738,179 | - | 134,792,164 | 127,882,225 | 6,171,759 | 738,179 | - | 134,792,164 |
| Contracts measured under Premium Allocation Approach (PAA) | | | | | | | | | | |
| Group Life | 721,101 | - | 2,610,695 | - | 3,331,796 | 721,101 | - | 2,610,695 | - | 3,331,796 |
| Credit Life | 530,849 | - | 186,292 | - | 717,141 | 530,849 | - | 186,292 | - | 717,141 |
| Non-Life | 3,801,951 | - | 4,274,613 | 298,568 | 8,375,132 | - | - | - | - | - |
| | 5,053,901 | - | 7,071,600 | 298,568 | 12,424,069 | 1,251,950 | - | 2,796,987 | - | 4,048,937 |
| | 132,936,127 | 6,171,759 | 7,809,779 | 298,568 | 147,216,233 | 129,134,176 | 6,171,759 | 3,535,166 | - | 138,841,101 |
| Current | 2,781,310 | 6,171,759 | 3,535,166 | - | 12,488,235 | 2,781,310 | 6,171,759 | 3,535,166 | - | 12,488,235 |
| Non-current | 130,154,817 | - | 4,274,613 | 298,568 | 134,727,998 | 126,352,866 | - | - | - | 126,352,866 |
| | 132,936,127 | 6,171,759 | 7,809,779 | 298,568 | 147,216,233 | 129,134,176 | 6,171,759 | 3,535,166 | - | 138,841,101 |

SANLAM LIFE INSURANCE NIGERIA LIMITED

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

31 DECEMBER 2024

| 15 | Insurance contract liabilities - continued | Group | | | | | Company | | | | |
|---|---|----------------------------------|--------------------|-------------------------------|------------------|---------------------|----------------------------------|--------------------|-------------------------------|-----------------|---------------------|
| 15.1 | Movement in insurance contract balances measured at both GMM & PAA | Liability for remaining coverage | | Liability for Incurred claims | | | Liability for remaining coverage | | Liability for Incurred claims | | |
| 15.1.1 | Analysis by remaining coverage and incurred claims | Excluding loss component | Loss component | Incurred claim | Risk Adjustment | Total | Excluding loss component | Loss component | Incurred claim | Risk Adjustment | Total |
| | | ₦'000 | ₦'000 | ₦'000 | ₦'000 | ₦'000 | ₦'000 | ₦'000 | ₦'000 | ₦'000 | ₦'000 |
| | Opening assets | - | - | - | - | - | - | - | - | - | - |
| | Opening liabilities | 132,936,127 | 6,171,759 | 7,809,779 | 298,568 | 147,216,233 | 129,134,176 | 6,171,759 | 3,535,166 | - | 138,841,101 |
| | Net opening balance | 132,936,127 | 6,171,759 | 7,809,779 | 298,568 | 147,216,233 | 129,134,176 | 6,171,759 | 3,535,166 | - | 138,841,101 |
| Changes in the statement of profit or loss and OCI | | | | | | | | | | | |
| | Contracts under fully retrospective transition approach | (47,672,253) | - | - | - | (47,672,253) | (23,621,163) | - | - | - | (23,621,163) |
| | Insurance revenue | (47,672,253) | - | - | - | (47,672,253) | (23,621,163) | - | - | - | (23,621,163) |
| | Incurred claims and other insurance service expenses | - | - | 27,045,035 | 854,325 | 27,899,360 | - | - | 11,376,827 | - | 11,376,827 |
| | Amortisation of insurance acquisition cash flows | 11,592,062 | - | - | - | 11,592,062 | 7,166,597 | - | - | - | 7,166,597 |
| | Losses and reversal of losses on onerous contracts | - | (1,420,840) | - | - | (1,420,840) | - | (1,420,840) | - | - | (1,420,840) |
| | Adjustments to liabilities for incurred claims | - | - | 5,334,328 | - | 5,334,328 | - | - | 521,436 | - | 521,436 |
| | Insurance service expenses | 11,592,062 | (1,420,840) | 32,379,363 | 854,325 | 43,404,911 | 7,166,597 | (1,420,840) | 11,898,263 | - | 17,644,020 |
| | Net Insurance result | (36,080,191) | (1,420,840) | 32,379,363 | 854,325 | (4,267,342) | (16,454,566) | (1,420,840) | 11,898,263 | - | (5,977,143) |
| | Net finance expenses from insurance contracts | 3,751,615 | - | (1,632,940) | - | 2,118,675 | 3,751,615 | - | - | - | 3,751,615 |
| | Total changes in the Statement of Profit or Loss and OCI | (32,328,576) | (1,420,840) | 30,746,423 | 854,325 | (2,148,667) | (12,702,951) | (1,420,840) | 11,898,263 | - | (2,225,527) |
| | Cash flow | | | | | | | | | | |
| | Premium received | 83,795,044 | - | - | - | 83,795,044 | 58,175,677 | - | - | - | 58,175,677 |
| | Claims and other insurance service expenses paid, including investment components | - | - | (26,301,592) | - | (26,301,592) | - | - | (11,376,827) | - | (11,376,827) |
| | Insurance acquisition cash flows | (64,317,941) | - | - | - | (64,317,941) | (63,223,800) | - | - | - | (63,223,800) |
| | Total Cash flow | 19,477,103 | - | (26,301,592) | - | (6,824,489) | (5,048,123) | - | (11,376,827) | - | (16,424,950) |
| | Other movements | - | - | - | - | - | - | - | - | - | - |
| | Net closing balances | 129,122,769 | 5,642,558 | 12,252,877 | 1,152,893 | 148,171,097 | 123,742,982 | 5,642,558 | 4,056,603 | - | 133,442,143 |
| | Closing assets | - | - | - | - | - | - | - | - | - | - |
| | Closing liabilities | 129,122,769 | 5,642,558 | 12,252,877 | 1,152,893 | 148,171,097 | 123,742,982 | 5,642,558 | 4,056,603 | - | 133,442,143 |
| | Net opening balance | 129,122,769 | 5,642,558 | 12,252,877 | 1,152,893 | 148,171,097 | 123,742,982 | 5,642,558 | 4,056,603 | - | 133,442,143 |

SANLAM LIFE INSURANCE NIGERIA LIMITED

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

31 DECEMBER 2024

| 15 | Insurance contract liabilities - Continued | Group | | | | | Company | | | | |
|--------|---|----------------------------------|------------------|-------------------------------|-----------------|---------------------|----------------------------------|------------------|-------------------------------|---------------------|-------|
| | | Liability for remaining coverage | | Liability for Incurred claims | | Total | Liability for remaining coverage | | Liability for Incurred claims | | Total |
| 15.1 | Movement in insurance contract balances measured at both GMM & PAA - Continued | Excluding loss component | Loss component | Incurred claim | Risk Adjustment | | Excluding loss component | Loss component | Incurred claim | Risk Adjustment | |
| 15.1.1 | Analysis by remaining coverage and incurred claims - continued | ₦'000 | ₦'000 | ₦'000 | ₦'000 | ₦'000 | ₦'000 | ₦'000 | ₦'000 | ₦'000 | |
| | 2023 | | | | | | | | | | |
| | Opening assets | - | - | - | - | - | - | - | - | - | |
| | Opening liabilities | 122,827,595 | 5,720,324 | 6,204,360 | 302,735 | 135,055,013 | 120,205,867 | 5,720,324 | 2,830,295 | 128,756,485 | |
| | Net opening balance | 122,827,595 | 5,720,324 | 6,204,360 | 302,735 | 135,055,013 | 120,205,867 | 5,720,324 | 2,830,295 | 128,756,485 | |
| | Changes in the statement of profit or loss and OCI | | | | | | | | | | |
| | Contracts under fully retrospective transition approach | (34,192,000) | - | - | - | (34,192,000) | (19,464,225) | - | - | (19,464,225) | |
| | Insurance revenue | (34,192,000) | - | - | - | (34,192,000) | (19,464,225) | - | - | (19,464,225) | |
| | Incurred claims and other insurance service expenses | - | - | 14,431,745 | (4,167) | 14,427,578 | - | - | 9,515,129 | 9,515,129 | |
| | Amortisation of insurance acquisition cash flows | 12,275,868 | - | - | - | 12,275,868 | 6,577,948 | - | - | 6,577,948 | |
| | Losses and reversal of losses on onerous contracts | - | 795,804 | - | - | 795,804 | - | 795,804 | - | 795,804 | |
| | Adjustments to liabilities for incurred claims | - | - | 897,056 | - | 897,056 | - | - | 704,872 | 704,872 | |
| | Insurance service expenses | 12,275,868 | 795,804 | 15,328,802 | (4,167) | 28,396,307 | 6,577,948 | 795,804 | 10,220,001 | 17,593,753 | |
| | Net Insurance result | (21,916,132) | 795,804 | 15,328,802 | (4,167) | (5,795,694) | (12,886,277) | 795,804 | 10,220,001 | (1,870,473) | |
| | Net finance expenses from insurance contracts | 13,650,759 | (344,368) | (214,761) | - | 13,091,630 | 13,650,759 | (344,368) | - | 13,306,391 | |
| | Total changes in the Statement of Profit or Loss and OCI | (8,265,373) | 451,436 | 15,114,041 | (4,167) | 7,295,936 | 764,482 | 451,436 | 10,220,001 | 11,435,918 | |
| | Cash flow | | | | | | | | | | |
| | Premium received | 71,124,935 | - | - | - | 71,124,935 | 55,285,859 | - | - | 55,285,859 | |
| | Claims and other insurance service expenses paid, including investment components | - | - | (30,731,223) | - | (30,731,223) | - | - | (26,737,732) | (26,737,732) | |
| | Insurance acquisition cash flows | (28,768,665) | - | - | - | (28,768,665) | (24,799,645) | - | - | (24,799,645) | |
| | Total Cash flow | 42,356,270 | - | (30,731,223) | - | 11,625,047 | 30,486,214 | - | (26,737,732) | 3,748,483 | |
| | Other movements | - | - | - | - | - | - | - | - | - | |
| | Net closing balances | 132,936,127 | 6,171,759 | 7,809,779 | 298,568 | 147,216,233 | 129,134,176 | 6,171,759 | 3,535,166 | 138,841,101 | |
| | Closing assets | - | - | - | - | - | - | - | - | - | |
| | Closing liabilities | 132,936,127 | 6,171,759 | 7,809,779 | 298,568 | 147,216,233 | 129,134,176 | 6,171,759 | 3,535,166 | 138,841,101 | |
| | Net opening balance | 132,936,127 | 6,171,759 | 7,809,779 | 298,568 | 147,216,233 | 129,134,176 | 6,171,759 | 3,535,166 | 138,841,101 | |

SANLAM LIFE INSURANCE NIGERIA LIMITED

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

31 DECEMBER 2024

| 15 | Insurance contract liabilities - Continued | Company 2024 | | | | | Company 2023 | | | | |
|---------|--|-------------------------------------|--------------------|-------------------------------|--------------------|---------------------|-------------------------------------|-------------------|-------------------------------|--------------------|---------------------|
| | | Liability for remaining coverage | | Liability for Incurred claims | | | Liability for remaining coverage | | Liability for Incurred claims | | |
| 15.1 | Movement in insurance contract balances - Continued | Excluding loss component | Loss component | Incurred claim | Risk Adjustment | Total | Excluding loss component | Loss component | Incurred claim | Risk Adjustment | Total |
| 15.1.1a | Analysis by remaining coverage and incurred claims - GMM | ₦'000 | ₦'000 | ₦'000 | ₦'000 | ₦'000 | ₦'000 | ₦'000 | ₦'000 | ₦'000 | ₦'000 |
| | Opening assets | - | - | - | - | - | - | - | - | - | - |
| | Opening liabilities | 127,882,223 | 6,171,760 | 738,179 | - | 134,792,163 | 118,514,679 | 5,720,324 | 678,122 | - | 124,913,125 |
| | Net opening balance | 127,882,223 | 6,171,760 | 738,179 | - | 134,792,163 | 118,514,679 | 5,720,324 | 678,122 | - | 124,913,125 |
| | Changes in the statement of profit or loss and OCI | | | | | | | | | | |
| | Contracts under fully retrospective transition approach | (16,713,049) | - | - | - | (16,713,049) | (13,413,779) | - | - | - | (13,413,779) |
| | Insurance revenue | (16,713,049) | - | - | - | (16,713,049) | (13,413,779) | - | - | - | (13,413,779) |
| | Incurred claims and other insurance service expenses | - | - | 7,771,043 | - | 7,771,043 | - | - | 6,622,209 | - | 6,622,209 |
| | Amortisation of insurance acquisition cash flows | 4,368,901 | - | - | - | 4,368,901 | 4,999,867 | - | - | - | 4,999,867 |
| | Losses and reversal of losses on onerous contracts | - | (1,420,840) | - | - | (1,420,840) | - | 795,804 | - | - | 795,804 |
| | Adjustments to liabilities for incurred claims | - | - | 179,705 | - | 179,705 | - | - | 60,057 | - | 60,057 |
| | Insurance service expenses | 4,368,901 | (1,420,840) | 7,950,748 | - | 10,898,808 | 4,999,867 | 795,804 | 6,682,266 | - | 12,477,936 |
| | Net Insurance result | (12,344,148) | (1,420,840) | 7,950,748 | - | (5,814,240) | (8,413,913) | 795,804 | 6,682,266 | - | (935,843) |
| | Net finance expenses from insurance contracts | 5,330,984 | - | - | - | 5,330,984 | 12,923,066 | (344,368) | - | - | 12,578,698 |
| | Total changes in the Statement of Profit or Loss and OCI | (7,013,164) | (1,420,840) | 7,950,748 | - | (483,256) | 4,509,154 | 451,436 | 6,682,266 | - | 11,642,855 |
| | Cash flow | | | | | | | | | | |
| | Premium received | 50,988,603 | - | - | - | 50,988,603 | 49,665,137 | - | - | - | 49,665,137 |
| | Claims and other insurance service expenses paid, including investment components | - | - | (7,771,043) | - | (7,771,043) | - | - | (23,844,811) | - | (23,844,811) |
| | Insurance acquisition cash flows | (62,005,471) | - | - | - | (62,005,471) | (21,631,087) | - | - | - | (21,631,087) |
| | Total Cash flow | (11,016,868) | - | (7,771,043) | - | (18,787,911) | 28,034,050 | - | (23,844,811) | - | 4,189,239 |
| | Other movements | - | - | - | - | - | - | - | - | - | - |
| | Net closing balances | 122,161,374 | 5,642,559 | 917,884 | - | 128,721,817 | 127,882,223 | 6,171,760 | 738,179 | - | 134,792,163 |
| | Closing assets | - | - | - | - | - | - | - | - | - | - |
| | Closing liabilities | 122,161,374 | 5,642,559 | 917,884 | - | 128,721,817 | 127,882,223 | 6,171,760 | 738,179 | - | 134,792,163 |
| | Net opening balance | 122,161,374 | 5,642,559 | 917,884 | - | 128,721,817 | 127,882,223 | 6,171,760 | 738,179 | - | 134,792,163 |

SANLAM LIFE INSURANCE NIGERIA LIMITED

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
31 DECEMBER 2024

| 15 | Insurance contract liabilities - Continued | Company 2024 | | | | | Company 2023 | | | | |
|---------|---|----------------------------------|----------------|-------------------------------|-----------------|--------------------|----------------------------------|----------------|-------------------------------|-----------------|--------------------|
| | | Liability for remaining coverage | | Liability for Incurred claims | | | Liability for remaining coverage | | Liability for Incurred claims | | |
| 15.1 | Movement in insurance contract balances - Continued | Excluding loss component | Loss component | Incurred claim | Risk Adjustment | Total | Excluding loss component | Loss component | Incurred claim | Risk Adjustment | Total |
| 15.1.1b | Analysis by remaining coverage and incurred claims - PAA | ₦'000 | ₦'000 | ₦'000 | ₦'000 | ₦'000 | ₦'000 | ₦'000 | ₦'000 | ₦'000 | ₦'000 |
| | Opening assets | - | - | - | - | - | - | - | - | - | - |
| | Opening liabilities | 1,183,937 | - | 2,864,999 | - | 4,048,936 | 1,691,188 | - | 2,152,173 | - | 3,843,361 |
| | Net opening balance | 1,183,937 | - | 2,864,999 | - | 4,048,936 | 1,691,188 | - | 2,152,173 | - | 3,843,361 |
| | Changes in the statement of profit or loss and OCI | | | | | | | | | | |
| | Contracts under fully retrospective transition approach | (6,908,114) | - | - | - | (6,908,114) | (6,050,446) | - | - | - | (6,050,446) |
| | Insurance revenue | (6,908,114) | - | - | - | (6,908,114) | (6,050,446) | - | - | - | (6,050,446) |
| | Incurred claims and other insurance service expenses | - | - | 3,605,784 | - | 3,605,784 | - | - | 2,892,921 | - | 2,892,921 |
| | Amortisation of insurance acquisition cash flows | 2,797,697 | - | - | - | 2,797,697 | 1,578,081 | - | - | - | 1,578,081 |
| | Losses and reversal of losses on onerous contracts | - | - | - | - | - | - | - | - | - | - |
| | Adjustments to liabilities for incurred claims | - | - | 341,731 | - | 341,731 | - | - | 644,814 | - | 644,814 |
| | Insurance service expenses | 2,797,697 | - | 3,947,516 | - | 6,745,212 | 1,578,081 | - | 3,537,735 | - | 5,115,816 |
| | Net Insurance result | (4,110,417) | - | 3,947,516 | - | (162,902) | (4,472,364) | - | 3,537,735 | - | (934,630) |
| | Net finance expenses from insurance contracts | (1,579,369) | - | - | - | (1,579,369) | 727,693 | - | - | - | 727,693 |
| | Total changes in the Statement of Profit or Loss and OCI | (5,689,786) | - | 3,947,516 | - | (1,742,271) | (3,744,672) | - | 3,537,735 | - | (206,937) |
| | Cash flow | | | | | | | | | | |
| | Premium received | 7,187,074 | - | - | - | 7,187,074 | 5,620,722 | - | - | - | 5,620,722 |
| | Claims and other insurance service expenses paid, including investment components | - | - | (3,605,784) | - | (3,605,784) | - | - | (2,892,921) | - | (2,892,921) |
| | Insurance acquisition cash flows | (1,218,329) | - | - | - | (1,218,329) | (3,168,558) | - | - | - | (3,168,558) |
| | Total Cash flow | 5,968,745 | - | (3,605,784) | - | 2,362,961 | 2,452,165 | - | (2,892,921) | - | (440,756) |
| | Other movements | - | - | - | - | - | - | - | - | - | - |
| | Net closing balances | 1,581,607 | - | 3,138,716 | - | 4,720,325 | 1,183,937 | - | 2,864,999 | - | 4,048,936 |
| | Closing assets | - | - | - | - | - | - | - | - | - | - |
| | Closing liabilities | 1,581,607 | - | 3,138,717 | - | 4,720,325 | 1,183,937 | - | 2,864,999 | - | 4,048,936 |
| | Net opening balance | 1,581,607 | - | 3,138,717 | - | 4,720,325 | 1,183,937 | - | 2,864,999 | - | 4,048,936 |

SANLAM LIFE INSURANCE NIGERIA LIMITED

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

31 DECEMBER 2024

| 15 | Insurance contract liabilities - Continued | Company 2024 | | | | | Company 2023 | | | | |
|---------|---|----------------------------------|--------------------|-------------------------------|-----------------|---------------------|----------------------------------|------------------|-------------------------------|-----------------|--------------------|
| | | Liability for remaining coverage | | Liability for Incurred claims | | | Liability for remaining coverage | | Liability for Incurred claims | | |
| 15.1 | Movement in insurance contract balances - Continued | Excluding loss component | Loss component | Incurred claim | Risk Adjustment | Total | Excluding loss component | Loss component | Incurred claim | Risk Adjustment | Total |
| 15.1.1c | Analysis by remaining coverage and incurred claims - GMM | ₦'000 | ₦'000 | ₦'000 | ₦'000 | ₦'000 | ₦'000 | ₦'000 | ₦'000 | ₦'000 | ₦'000 |
| | Individual Life | | | | | | | | | | |
| | Opening assets | - | - | - | - | - | - | - | - | - | - |
| | Opening liabilities | 96,075,382 | 3,497,128 | 738,179 | - | 100,310,688 | 82,216,338 | 2,994,004 | 678,122 | - | 85,888,464 |
| | Net opening balance | 96,075,382 | 3,497,128 | 738,179 | - | 100,310,688 | 82,216,338 | 2,994,004 | 678,122 | - | 85,888,464 |
| | Changes in the statement of profit or loss and OCI | | | | | | | | | | |
| | Contracts under fully retrospective transition approach | (9,975,188) | - | - | - | (9,975,188) | (6,369,584) | - | - | - | (6,369,584) |
| | Insurance revenue | (9,975,188) | - | - | - | (9,975,188) | (6,369,584) | - | - | - | (6,369,584) |
| | Incurred claims and other insurance service expenses | - | - | 482,647 | - | 482,647 | - | - | 530,388 | - | 530,388 |
| | Amortisation of insurance acquisition cash flows | 3,646,125 | - | - | - | 3,646,125 | 4,379,259 | - | - | - | 4,379,259 |
| | Losses and reversal of losses on onerous contracts | - | (1,460,112) | - | - | (1,460,112) | - | 716,974 | - | - | 716,974 |
| | Adjustments to liabilities for incurred claims | - | - | 179,705 | - | 179,705 | - | - | 60,057 | - | 60,057 |
| | Insurance service expenses | 3,646,125 | (1,460,112) | 662,353 | - | 2,848,365 | 4,379,259 | 716,974 | 590,445 | - | 5,686,677 |
| | Net Insurance result | (6,329,063) | (1,460,112) | 662,353 | - | (7,126,823) | (1,990,325) | 716,974 | 590,445 | - | (682,906) |
| | Net finance expenses from insurance contracts | 11,320,009 | - | - | - | 11,320,009 | 15,946,247 | (344,368) | - | - | 15,601,879 |
| | Total changes in the Statement of Profit or Loss and OCI | 4,990,946 | (1,460,112) | 662,353 | - | 4,193,186 | 13,955,922 | 372,606 | 590,445 | - | 14,918,973 |
| | Cash flow | | | | | | | | | | |
| | Premium received | 45,558,721 | - | - | - | 45,558,721 | 45,598,468 | - | - | - | 45,598,468 |
| | Claims and other insurance service expenses paid, including investment components | - | - | (482,647) | - | (482,647) | - | - | (17,752,990) | - | (17,752,990) |
| | Insurance acquisition cash flows | (61,713,361) | - | - | - | (61,713,361) | (15,457,559) | - | - | - | (15,457,559) |
| | Total Cash flow | (16,154,640) | - | (482,647) | - | (16,637,287) | 30,140,910 | - | (17,752,990) | - | 12,387,919 |
| | Other movements | - | - | - | - | - | - | - | - | - | - |
| | Net closing balances | 92,091,742 | 2,359,547 | 917,884 | - | 95,369,173 | 96,075,382 | 3,497,128 | 738,179 | - | 100,310,688 |
| | Closing assets | - | - | - | - | - | - | - | - | - | - |
| | Closing liabilities | 92,091,742 | 2,359,547 | 917,884 | - | 95,369,173 | 96,075,382 | 3,497,128 | 738,179 | - | 100,310,688 |
| | Net opening balance | 92,091,742 | 2,359,547 | 917,884 | - | 95,369,173 | 96,075,382 | 3,497,128 | 738,179 | - | 100,310,688 |

SANLAM LIFE INSURANCE NIGERIA LIMITED

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

31 DECEMBER 2024

| 15 | Insurance contract liabilities - Continued | Company 2024 | | | | | Company 2023 | | | | |
|---------|---|----------------------------------|------------------|-------------------------------|-----------------|--------------------|----------------------------------|------------------|-------------------------------|-----------------|--------------------|
| | | Liability for remaining coverage | | Liability for Incurred claims | | | Liability for remaining coverage | | Liability for Incurred claims | | |
| 15.1 | Movement in insurance contract balances - Continued | Excluding loss component | Loss component | Incurred claim | Risk Adjustment | Total | Excluding loss component | Loss component | Incurred claim | Risk Adjustment | Total |
| 15.1.1d | Analysis by remaining coverage and incurred claims - GMM | ₦'000 | ₦'000 | ₦'000 | ₦'000 | ₦'000 | ₦'000 | ₦'000 | ₦'000 | ₦'000 | ₦'000 |
| | Annuity | | | | | | | | | | |
| | Opening assets | - | - | - | - | - | - | - | - | - | - |
| | Opening liabilities | 30,552,542 | 2,674,631 | - | - | 33,227,173 | 34,809,209 | 2,726,319 | - | - | 37,535,528 |
| | Net opening balance | 30,552,542 | 2,674,631 | - | - | 33,227,173 | 34,809,209 | 2,726,319 | - | - | 37,535,528 |
| | Changes in the statement of profit or loss and OCI | | | | | | | | | | |
| | Contracts under fully retrospective transition approach | (6,403,978) | - | - | - | (6,403,978) | (5,774,600) | - | - | - | (5,774,600) |
| | Insurance revenue | (6,403,978) | - | - | - | (6,403,978) | (5,774,600) | - | - | - | (5,774,600) |
| | Incurred claims and other insurance service expenses | - | - | 7,001,100 | - | 7,001,100 | - | - | 5,569,046 | - | 5,569,046 |
| | Amortisation of insurance acquisition cash flows | 212,842 | - | - | - | 212,842 | 470,657 | - | - | - | 470,657 |
| | Losses and reversal of losses on onerous contracts | - | 39,273 | - | - | 39,273 | - | 78,830 | - | - | 78,830 |
| | Adjustments to liabilities for incurred claims | - | - | - | - | - | - | - | - | - | - |
| | Insurance service expenses | 212,842 | 39,273 | 7,001,100 | - | 7,253,214 | 470,657 | 78,830 | 5,569,046 | - | 6,118,532 |
| | Net Insurance result | (6,191,136) | 39,273 | 7,001,100 | - | 849,236 | (5,303,943) | 78,830 | 5,569,046 | - | 343,932 |
| | Net finance expenses from insurance contracts | (5,989,025) | - | - | - | (5,989,025) | (3,023,181) | - | - | - | (3,023,181) |
| | Total changes in the Statement of Profit or Loss and OCI | (12,180,161) | 39,273 | 7,001,100 | - | (5,139,789) | (8,327,124) | 78,830 | 5,569,046 | - | (2,679,249) |
| | Cash flow | | | | | | | | | | |
| | Premium received | 4,117,068 | - | - | - | 4,117,068 | 2,955,622 | - | - | - | 2,955,622 |
| | Claims and other insurance service expenses paid, including investment components | - | - | (7,001,100) | - | (7,001,100) | - | - | (5,569,046) | - | (5,569,046) |
| | Insurance acquisition cash flows | (134,554) | - | - | - | (134,554) | (88,669) | - | - | - | (88,669) |
| | Total Cash flow | 3,982,514 | - | (7,001,100) | - | (3,018,586) | 2,866,953 | - | (5,569,046) | - | (2,702,093) |
| | Other movements | - | - | - | - | - | - | - | - | - | - |
| | Net closing balances | 29,057,789 | 3,283,011 | - | - | 32,340,800 | 30,552,542 | 2,674,631 | - | - | 33,227,173 |
| | Closing assets | - | - | - | - | - | - | - | - | - | - |
| | Closing liabilities | 29,057,789 | 3,283,011 | - | - | 32,340,800 | 30,552,542 | 2,674,631 | - | - | 33,227,173 |
| | Net opening balance | 29,057,789 | 3,283,011 | - | - | 32,340,800 | 30,552,542 | 2,674,631 | - | - | 33,227,173 |

| 15 | Insurance contract liabilities - Continued | Company 2024 | | | | | Company 2023 | | | | |
|---------|---|----------------------------------|----------------|-------------------------------|-----------------|------------------|----------------------------------|----------------|-------------------------------|-----------------|--------------------|
| | | Liability for remaining coverage | | Liability for Incurred claims | | | Liability for remaining coverage | | Liability for Incurred claims | | |
| 15.1 | Movement in insurance contract balances - Continued | Excluding loss component | Loss component | Incurred claim | Risk Adjustment | Total | Excluding loss component | Loss component | Incurred claim | Risk Adjustment | Total |
| 15.1.1e | Analysis by remaining coverage and incurred claims - GMM | ₦'000 | ₦'000 | ₦'000 | ₦'000 | ₦'000 | ₦'000 | ₦'000 | ₦'000 | ₦'000 | ₦'000 |
| | Life (Others) | | | | | | | | | | |
| | Opening assets | - | - | - | - | - | - | - | - | - | - |
| | Opening liabilities | 1,254,302 | - | - | - | 1,254,302 | 1,489,132 | - | - | - | 1,489,132 |
| | Net opening balance | 1,254,302 | - | - | - | 1,254,302 | 1,489,132 | - | - | - | 1,489,132 |
| | Changes in the statement of profit or loss and OCI | | | | | | | | | | |
| | Contracts under fully retrospective transition approach | (333,883) | - | - | - | (333,883) | (1,269,596) | - | - | - | (1,269,596) |
| | Insurance revenue | (333,883) | - | - | - | (333,883) | (1,269,596) | - | - | - | (1,269,596) |
| | Incurred claims and other insurance service expenses | - | - | 287,295 | - | 287,295 | - | - | 522,775 | - | 522,775 |
| | Amortisation of insurance acquisition cash flows | 509,934 | - | - | - | 509,934 | 149,951 | - | - | - | 149,951 |
| | Losses and reversal of losses on onerous contracts | - | - | - | - | - | - | - | - | - | - |
| | Adjustments to liabilities for incurred claims | - | - | - | - | - | - | - | - | - | - |
| | Insurance service expenses | 509,934 | - | 287,295 | - | 797,230 | 149,951 | - | 522,775 | - | 672,726 |
| | Net Insurance result | 176,051 | - | 287,295 | - | 463,347 | (1,119,644) | - | 522,775 | - | (596,869) |
| | Net finance expenses from insurance contracts | - | - | - | - | - | - | - | - | - | - |
| | Total changes in the Statement of Profit or Loss and OCI | 176,051 | - | 287,295 | - | 463,347 | (1,119,644) | - | 522,775 | - | (596,869) |
| | Cash flow | | | | | | | | | | |
| | Premium received | 1,312,814 | - | - | - | 1,312,814 | 1,111,047 | - | - | - | 1,111,047 |
| | Claims and other insurance service expenses paid, including investment components | - | - | (287,295) | - | (287,295) | - | - | (522,775) | - | (522,775) |
| | Insurance acquisition cash flows | (157,557) | - | - | - | (157,557) | (6,084,860) | - | - | - | (6,084,860) |
| | Total Cash flow | 1,155,257 | - | (287,295) | - | 867,962 | (4,973,813) | - | (522,775) | - | (5,496,588) |
| | Other movements | - | - | - | - | - | - | - | - | - | - |
| | Net closing balances | 1,011,844 | - | - | - | 1,011,844 | 1,254,302 | - | - | - | 1,254,302 |
| | Closing assets | - | - | - | - | - | - | - | - | - | - |
| | Closing liabilities | 1,011,844 | - | - | - | 1,011,844 | 1,254,302 | - | - | - | 1,254,302 |
| | Net opening balance | 1,011,844 | - | - | - | 1,011,844 | 1,254,302 | - | - | - | 1,254,302 |

SANLAM LIFE INSURANCE NIGERIA LIMITED

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

31 DECEMBER 2024

| 15 | Insurance contract liabilities - Continued | Company 2024 | | | | | Company 2023 | | | | |
|---------|---|----------------------------------|----------------|-------------------------------|-----------------|--------------------|----------------------------------|----------------|-------------------------------|-----------------|--------------------|
| | | Liability for remaining coverage | | Liability for Incurred claims | | | Liability for remaining coverage | | Liability for Incurred claims | | |
| 15.1 | Movement in insurance contract balances - Continued | Excluding loss component | Loss component | Incurred claim | Risk Adjustment | Total | Excluding loss component | Loss component | Incurred claim | Risk Adjustment | Total |
| 15.1.1f | Analysis by remaining coverage and incurred claims - PAA | ₦'000 | ₦'000 | ₦'000 | ₦'000 | ₦'000 | ₦'000 | ₦'000 | ₦'000 | ₦'000 | ₦'000 |
| | Group Life | | | | | | | | | | |
| | Opening assets | - | - | - | - | - | - | - | - | - | - |
| | Opening liabilities | 721,101 | - | 2,610,695 | - | 3,331,796 | 995,715 | - | 1,880,251 | - | 2,875,966 |
| | Net opening balance | 721,101 | - | 2,610,695 | - | 3,331,796 | 995,715 | - | 1,880,251 | - | 2,875,966 |
| | Changes in the statement of profit or loss and OCI | | | | | | | | | | |
| | Contracts under fully retrospective transition approach | (6,316,129) | - | - | - | (6,316,129) | (5,312,470) | - | - | - | (5,312,470) |
| | Insurance revenue | (6,316,129) | - | - | - | (6,316,129) | (5,312,470) | - | - | - | (5,312,470) |
| | Incurred claims and other insurance service expenses | - | - | 3,394,604 | - | 3,394,604 | - | - | 2,690,976 | - | 2,690,976 |
| | Amortisation of insurance acquisition cash flows | 2,299,677 | - | - | - | 2,299,677 | 1,229,698 | - | - | - | 1,229,698 |
| | Losses and reversal of losses on onerous contracts | - | - | - | - | - | - | - | - | - | - |
| | Adjustments to liabilities for incurred claims | - | - | 145,469 | - | 145,469 | - | - | 730,444 | - | 730,444 |
| | Insurance service expenses | 2,299,677 | - | 3,540,073 | - | 5,839,750 | 1,229,698 | - | 3,421,420 | - | 4,651,118 |
| | Net Insurance result | (4,016,452) | - | 3,540,073 | - | (476,378) | (4,082,772) | - | 3,421,420 | - | (661,352) |
| | Net finance expenses from insurance contracts | (1,131,415) | - | - | - | (1,131,415) | 727,693 | - | - | - | 727,693 |
| | Total changes in the Statement of Profit or Loss and OCI | (5,147,867) | - | 3,540,073 | - | (1,607,793) | (3,355,079) | - | 3,421,420 | - | 66,340 |
| | Cash flow | | | | | | | | | | |
| | Premium received | 6,743,284 | - | - | - | 6,743,284 | 5,064,286 | - | - | - | 5,064,286 |
| | Claims and other insurance service expenses paid, including investment components | - | - | (3,394,604) | - | (3,394,604) | - | - | (2,690,976) | - | (2,690,976) |
| | Insurance acquisition cash flows | (1,172,997) | - | - | - | (1,172,997) | (2,918,579) | - | - | - | (2,918,579) |
| | Total Cash flow | 5,570,287 | - | (3,394,604) | - | 2,175,683 | 2,145,707 | - | (2,690,976) | - | (545,269) |
| | Other movements | - | - | - | - | - | - | - | - | - | - |
| | Net closing balances | 1,189,424 | - | 2,756,164 | - | 3,945,587 | 721,101 | - | 2,610,695 | - | 3,331,796 |
| | Closing assets | - | - | - | - | - | - | - | - | - | - |
| | Closing liabilities | 1,189,424 | - | 2,756,164 | - | 3,945,587 | 721,101 | - | 2,610,695 | - | 3,331,796 |
| | Net opening balance | 1,189,424 | - | 2,756,164 | - | 3,945,587 | 721,101 | - | 2,610,695 | - | 3,331,796 |

SANLAM LIFE INSURANCE NIGERIA LIMITED

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

31 DECEMBER 2024

| 15 | Insurance contract liabilities - Continued | Company 2024 | | | | | Company 2023 | | | | |
|---------|---|----------------------------------|----------------|-------------------------------|-----------------|------------------|----------------------------------|----------------|-------------------------------|-----------------|------------------|
| | | Liability for remaining coverage | | Liability for Incurred claims | | | Liability for remaining coverage | | Liability for Incurred claims | | |
| 15.1 | Movement in insurance contract balances - Continued | Excluding loss component | Loss component | Incurred claim | Risk Adjustment | Total | Excluding loss component | Loss component | Incurred claim | Risk Adjustment | Total |
| 15.1.1g | Analysis by remaining coverage and incurred claims - PAA | ₦'000 | ₦'000 | ₦'000 | ₦'000 | ₦'000 | ₦'000 | ₦'000 | ₦'000 | ₦'000 | ₦'000 |
| | Credit Life | | | | | | | | | | |
| | Opening assets | - | - | - | - | - | - | - | - | - | - |
| | Opening liabilities | 530,849 | - | 186,292 | - | 717,141 | 695,473 | - | 271,922 | - | 967,395 |
| | Net opening balance | 530,849 | - | 186,292 | - | 717,141 | 695,473 | - | 271,922 | - | 967,395 |
| | Changes in the statement of profit or loss and OCI | | | | | | | | | | |
| | Contracts under fully retrospective transition approach | (591,985) | - | - | - | (591,985) | (737,976) | - | - | - | (737,976) |
| | Insurance revenue | (591,985) | - | - | - | (591,985) | (737,976) | - | - | - | (737,976) |
| | Incurred claims and other insurance service expenses | - | - | 211,180 | - | 211,180 | - | - | 201,944 | - | 201,944 |
| | Amortisation of insurance acquisition cash flows | 498,020 | - | - | - | 498,020 | 348,383 | - | - | - | 348,383 |
| | Losses and reversal of losses on onerous contracts | - | - | - | - | - | - | - | - | - | - |
| | Adjustments to liabilities for incurred claims | - | - | 196,262 | - | 196,262 | - | - | (85,629) | - | (85,629) |
| | Insurance service expenses | 498,020 | - | 407,443 | - | 905,462 | 348,383 | - | 116,315 | - | 464,699 |
| | Net Insurance result | (93,966) | - | 407,443 | - | 313,477 | (389,592) | - | 116,315 | - | (273,277) |
| | Net finance expenses from insurance contracts | (447,954) | - | - | - | (447,954) | - | - | - | - | - |
| | Total changes in the Statement of Profit or Loss and OCI | (541,920) | - | 407,443 | - | (134,477) | (389,592) | - | 116,315 | - | (273,277) |
| | Cash flow | | | | | | | | | | |
| | Premium received | 443,790 | - | - | - | 443,790 | 556,437 | - | - | - | 556,437 |
| | Claims and other insurance service expenses paid, including investment components | - | - | (211,180) | - | (211,180) | - | - | (201,944) | - | (201,944) |
| | Insurance acquisition cash flows | (45,332) | - | - | - | (45,332) | (249,979) | - | - | - | (249,979) |
| | Total Cash flow | 398,458 | - | (211,180) | - | 187,278 | 306,457 | - | (201,944) | - | 104,513 |
| | Other movements | - | - | - | - | - | - | - | - | - | - |
| | Net closing balances | 392,184 | - | 382,555 | - | 774,738 | 530,849 | - | 186,292 | - | 717,141 |
| | Closing assets | - | - | - | - | - | - | - | - | - | - |
| | Closing liabilities | 392,184 | - | 382,555 | - | 774,738 | 530,849 | - | 186,292 | - | 717,141 |
| | Net opening balance | 392,184 | - | 382,555 | - | 774,738 | 530,849 | - | 186,292 | - | 717,141 |

SANLAM LIFE INSURANCE NIGERIA LIMITED

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

31 DECEMBER 2024

| 15 | Insurance contract liabilities - Continued | Non Life 2024 | | | | | Non Life 2023 | | | | |
|---------|---|----------------------------------|----------------|-------------------------------|------------------|---------------------|----------------------------------|----------------|-------------------------------|-----------------|---------------------|
| | | Liability for remaining coverage | | Liability for Incurred claims | | | Liability for remaining coverage | | Liability for Incurred claims | | |
| 15.1 | Movement in insurance contract balances - Continued | Excluding loss component | Loss component | Incurred claim | Risk Adjustment | Total | Excluding loss component | Loss component | Incurred claim | Risk Adjustment | Total |
| 15.1.1h | Analysis by remaining coverage and incurred claims - PAA | Non Life #’000 | #’000 | #’000 | #’000 | #’000 | #’000 | #’000 | #’000 | #’000 | #’000 |
| | Opening assets | - | - | - | - | - | - | - | - | - | - |
| | Opening liabilities | 3,801,951 | - | 4,274,613 | 298,568 | 8,375,132 | 2,621,728 | - | 3,374,066 | 302,735 | 6,298,528 |
| | Net opening balance | 3,801,951 | - | 4,274,613 | 298,568 | 8,375,132 | 2,621,728 | - | 3,374,066 | 302,735 | 6,298,528 |
| | Changes in the statement of profit or loss and OCI | | | | | | | | | | |
| | Contracts under fully retrospective transition approach | (24,051,090) | - | - | - | (24,051,090) | (14,727,775) | - | - | - | (14,727,775) |
| | Insurance revenue | (24,051,090) | - | - | - | (24,051,090) | (14,727,775) | - | - | - | (14,727,775) |
| | Incurred claims and other insurance service expenses | - | - | 15,668,208 | 854,325 | 16,522,533 | - | - | 4,916,616 | (4,167) | 4,912,449 |
| | Amortisation of insurance acquisition cash flows | 4,425,466 | - | - | - | 4,425,466 | 5,697,920 | - | - | - | 5,697,920 |
| | Losses and reversal of losses on onerous contracts | - | - | - | - | - | - | - | - | - | - |
| | Adjustments to liabilities for incurred claims | - | - | 4,812,892 | - | 4,812,892 | - | - | 192,185 | - | 192,185 |
| | Insurance service expenses | 4,425,466 | - | 20,481,100 | 854,325 | 25,760,891 | 5,697,920 | - | 5,108,801 | (4,167) | 10,802,554 |
| | Net Insurance result | (19,625,624) | - | 20,481,100 | 854,325 | 1,709,801 | (9,029,855) | - | 5,108,801 | (4,167) | (3,925,221) |
| | Net finance expenses from insurance contracts | - | - | (1,632,940) | - | (1,632,940) | - | - | (214,761) | - | (214,761) |
| | Total changes in the Statement of Profit or Loss and OCI | (19,625,624) | - | 18,848,160 | 854,325 | 76,861 | (9,029,855) | - | 4,894,040 | (4,167) | (4,139,982) |
| | Cash flow | | | | | | | | | | |
| | Premium received | 25,619,367 | - | - | - | 25,619,367 | 15,839,076 | - | - | - | 15,839,076 |
| | Claims and other insurance service expenses paid, including investment components | - | - | (14,924,765) | - | (14,924,765) | - | - | (3,993,491) | - | (3,993,491) |
| | Insurance acquisition cash flows | (4,777,352) | - | - | - | (4,777,352) | (3,997,002) | - | - | - | (3,997,002) |
| | Total Cash flow | 20,842,015 | - | (14,924,765) | - | 5,917,250 | 11,842,074 | - | (3,993,491) | - | 7,848,583 |
| | Other movements | - | - | - | - | - | - | - | - | - | - |
| | Net closing balances | 5,379,787 | - | 8,196,274 | 1,152,893 | 14,728,954 | 3,801,951 | - | 4,274,613 | 298,568 | 8,375,132 |
| | Closing assets | - | - | - | - | - | - | - | - | - | - |
| | Closing liabilities | 5,379,787 | - | 8,196,274 | 1,152,893 | 14,728,954 | 3,801,951 | - | 4,274,613 | 298,568 | 8,375,132 |
| | Net opening balance | 5,379,787 | - | 8,196,274 | 1,152,893 | 14,728,954 | 3,801,951 | - | 4,274,613 | 298,568 | 8,375,132 |

SANLAM LIFE INSURANCE NIGERIA LIMITED

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

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| 15 Insurance contract liabilities - Continued | | Company 2024 | | | | | Company 2023 | | | | |
|---|--|---|--|----------------------------|-------------------------------------|---------------------|---|--|----------------------------|-------------------------------------|---------------------|
| 15.1 Movement in insurance contract balances - Continued | | | | | | | | | | | |
| 15.1.2 Analysis by measurement component | | | | | | | | | | | |
| GMM | | Estimates of present value of future cash flows | Risk adjustment for non-financial risk | Contractual Service Margin | Contracts under fair value approach | Total | Estimates of present value of future cash flows | Risk adjustment for non-financial risk | Contractual Service Margin | Contracts under fair value approach | Total |
| | | ₦'000 | ₦'000 | ₦'000 | ₦'000 | ₦'000 | ₦'000 | ₦'000 | ₦'000 | ₦'000 | ₦'000 |
| Opening assets | | - | - | - | - | - | - | - | - | - | - |
| Opening liabilities | | 122,630,292 | 720,432 | 11,441,439 | - | 134,792,163 | 112,465,604 | 983,539 | 11,463,982 | - | 124,913,125 |
| Net opening balance | | 122,630,292 | 720,432 | 11,441,439 | - | 134,792,163 | 112,465,604 | 983,539 | 11,463,982 | - | 124,913,125 |
| Changes in the statement of profit or loss and OCI | | | | | | | | | | | |
| Changes that relates to current services | | | | | | | | | | | |
| CSM recognised for services provided | | - | - | (9,474,467) | - | (9,474,467) | - | - | (1,506,288) | - | (1,506,288) |
| Change in risk adjustment for non-financial risk for risk expired | | - | (226,397) | - | - | (226,397) | - | (95,445) | - | - | (95,445) |
| Experience adjustments | | - | - | - | - | - | - | - | - | - | - |
| Changes that relate to future services | | | | | | | | | | | |
| Contracts initially recognised in the year | | (13,372,334) | 410,076 | 12,962,259 | - | - | (2,738,022) | 260,469 | 2,477,553 | - | - |
| Changes in estimates that adjust the CSM | | (3,947,724) | (191,701) | 4,139,425 | - | - | 4,092,066 | (136,978) | (3,955,088) | - | - |
| Changes in estimates that result in losses and reversals of losses on onerous contracts | | (6,350,203) | - | - | - | (6,350,203) | (7,418,012) | - | - | - | (7,418,012) |
| Changes that relate to past services | | | | | | | | | | | |
| Adjustments to liabilities for incurred claims | | 9,089,903 | - | - | - | 9,089,903 | 9,556,188 | - | - | - | 9,556,188 |
| Insurance service result | | (14,580,358) | (8,022) | 7,627,217 | - | (6,961,163) | 3,492,220 | 28,046 | (2,983,823) | - | 536,443 |
| Net finance expenses from insurance contracts | | (4,194,608) | - | - | - | (4,194,608) | (14,034,083) | - | - | - | (14,034,083) |
| Total changes in the Statement of Profit or Loss and OCI | | (18,774,966) | (8,022) | 7,627,217 | - | (11,155,771) | (10,541,863) | 28,046 | (2,983,823) | - | (13,497,640) |
| Cash flow | | | | | | | | | | | |
| Premium received | | 50,988,603 | - | - | - | 50,988,603 | 49,665,137 | - | - | - | 49,665,137 |
| Claims and other insurance service expenses paid, including investment components | | (24,993,645) | - | - | - | (24,993,645) | (22,822,281) | - | - | - | (22,822,281) |
| Insurance acquisition cash flows | | (15,950,241) | - | - | - | (15,950,241) | (15,691,906) | - | - | - | (15,691,906) |
| Total Cash flow | | 10,044,716 | - | - | - | 10,044,716 | 11,150,950 | - | - | - | 11,150,950 |
| Other movements | | - | - | - | - | - | - | - | - | - | - |
| Net closing balances | | 109,703,532 | 712,409 | 18,305,875 | - | 128,721,817 | 122,630,292 | 720,432 | 11,441,439 | - | 134,792,163 |
| Closing assets | | - | - | - | - | - | - | - | - | - | - |
| Closing liabilities | | 109,703,532 | 712,409 | 18,305,875 | - | 128,721,817 | 122,630,292 | 720,432 | 11,441,439 | - | 134,792,163 |
| Net closing balance | | 109,703,532 | 712,409 | 18,305,875 | - | 128,721,817 | 122,630,292 | 720,432 | 11,441,439 | - | 134,792,163 |

SANLAM LIFE INSURANCE NIGERIA LIMITED

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

31 DECEMBER 2024

| 15 Insurance contract liabilities - Continued | | | | | | | | | | |
|---|---|---|----------------------------|----------|--------------------|---|---|----------------------------|----------|---------------------|
| 15.1 Movement in insurance contract balances - Continued | | | | | | | | | | |
| 15.1.2a Analysis by measurement component | | | | | | | | | | |
| Individual Life | | | | | | | | | | |
| | Company 2024 | | | | | Company 2023 | | | | |
| | Estimates of present value of future cash flows | | Contractual Service Margin | | Total | Estimates of present value of future cash flows | | Contractual Service Margin | | Total |
| | for non-financial risk | under fully retrospective transition approach | under fair value approach | | | for non-financial risk | under fully retrospective transition approach | under fair value approach | | |
| | ₦'000 | ₦'000 | ₦'000 | ₦'000 | ₦'000 | ₦'000 | ₦'000 | ₦'000 | ₦'000 | ₦'000 |
| Opening assets | - | - | - | - | - | - | - | - | - | - |
| Opening liabilities | 89,683,192 | 773,967 | 9,853,529 | - | 100,310,688 | 80,721,496 | 724,280 | 4,442,688 | - | 85,888,464 |
| Net opening balance | 89,683,192 | 773,967 | 9,853,529 | - | 100,310,688 | 80,721,496 | 724,280 | 4,442,688 | - | 85,888,464 |
| Changes in the statement of profit or loss and OCI | | | | | | | | | | |
| Changes that relates to current services | | | | | | | | | | |
| CSM recognised for services provided | - | - | (8,439,791) | - | (8,439,791) | - | - | (934,660) | - | (934,660) |
| Change in risk adjustment for non-financial | - | (205,036) | - | - | (205,036) | - | (881,585) | - | - | (881,585) |
| Experience adjustments | - | - | - | - | - | - | - | - | - | - |
| Changes that relate to future services | | | | | | | | | | |
| Contracts initially recognised in the year | (13,372,334) | 410,076 | 12,962,259 | - | - | (2,738,022) | 260,469 | 2,477,553 | - | - |
| Changes in estimates that adjust the CSM | (3,947,724) | (191,701) | 4,139,425 | - | - | 4,092,066 | (136,978) | (3,955,088) | - | - |
| Changes in estimates that result in losses and reversals of losses on onerous contracts | 977,465 | - | - | - | 977,465 | (1,247,361) | - | - | - | (1,247,361) |
| Changes that relate to past services | | | | | | | | | | |
| Adjustments to liabilities for incurred claims | 2,776,959 | - | - | - | 2,776,959 | 3,883,084 | - | - | - | 3,883,084 |
| Insurance service result | (13,565,635) | 13,339 | 8,661,893 | - | (4,890,403) | 3,989,767 | (758,094) | (2,412,194) | - | 819,478 |
| Net finance expenses from insurance contracts | 1,833,690 | - | - | - | 1,833,690 | (11,010,902) | - | - | - | (11,010,902) |
| Total changes in the Statement of Profit or Loss and OCI | (11,731,945) | 13,339 | 8,661,893 | - | (3,056,713) | (7,021,135) | (758,094) | (2,412,194) | - | (10,191,424) |
| Cash flow | | | | | | | | | | |
| Premium received | 45,558,721 | - | - | - | 45,558,721 | 45,598,468 | - | - | - | 45,598,468 |
| Claims and other insurance service expenses paid, including investment components | (17,705,250) | - | - | - | (17,705,250) | (17,752,990) | - | - | - | (17,752,990) |
| Insurance acquisition cash flows | (15,658,131) | - | - | - | (15,658,131) | (15,457,559) | - | - | - | (15,457,559) |
| Total Cash flow | 12,195,340 | - | - | - | 12,195,340 | 12,387,919 | - | - | - | 12,387,919 |
| Other movements | - | - | - | - | - | - | - | - | - | - |
| Net closing balances | 90,566,089 | 635,770 | 4,167,314 | - | 95,369,173 | 89,683,192 | 773,967 | 9,853,529 | - | 100,310,688 |
| Closing assets | - | - | - | - | - | - | - | - | - | - |
| Closing liabilities | 90,566,089 | 635,770 | 4,167,314 | - | 95,369,173 | 89,683,192 | 773,967 | 9,853,529 | - | 100,310,688 |
| Net closing balance | 90,566,089 | 635,770 | 4,167,314 | - | 95,369,173 | 89,683,192 | 773,967 | 9,853,529 | - | 100,310,688 |

SANLAM LIFE INSURANCE NIGERIA LIMITED

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

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| 15 Insurance contract liabilities - Continued | | | | | | | | | | |
|---|--|---|--|--|--------------------|--|---|--|--|--------------------|
| 15.1 Movement in insurance contract balances - Continued | | | | | | | | | | |
| 15.1.2b Analysis by measurement component | | | | | | | | | | |
| Annuity | Company 2024 | | | | | Company 2023 | | | | |
| | Estimates of present value of future cash flows N'000 | Risk adjustment for non-financial risk N'000 | Contractual Service Margin Contracts under fully retrospective transition approach N'000 | Contracts under fair value approach N'000 | Total N'000 | Estimates of present value of future cash flows N'000 | Risk adjustment for non-financial risk N'000 | Contractual Service Margin Contracts under fully retrospective transition approach N'000 | Contracts under fair value approach N'000 | Total N'000 |
| Opening assets | - | - | - | - | - | - | - | - | - | - |
| Opening liabilities | 27,066,592 | 1,045,399 | 5,115,182 | - | 33,227,173 | 31,744,108 | 259,259 | 5,532,162 | - | 37,535,528 |
| Net opening balance | 27,066,592 | 1,045,399 | 5,115,182 | - | 33,227,173 | 31,744,108 | 259,259 | 5,532,162 | - | 37,535,528 |
| Changes in the statement of profit or loss and OCI | | | | | | | | | | |
| Changes that relates to current services | | | | | | | | | | |
| CSM recognised for services provided | - | - | (840,988) | - | (840,988) | - | - | (416,979) | - | (416,979) |
| Change in risk adjustment for non-financial risk for risk expired | - | (21,361) | - | - | (21,361) | - | 786,140 | - | - | 786,140 |
| Changes that relate to future services | | | | | | | | | | |
| Contracts initially recognised in the year | - | - | - | - | - | - | - | - | - | - |
| Changes in estimates that adjust the CSM | - | - | - | - | - | - | - | - | - | - |
| Changes in estimates that result in losses and reversals of losses on onerous contracts | (7,040,372) | - | - | - | (7,040,372) | (5,647,876) | - | - | - | (5,647,876) |
| Changes that relate to past services | | | | | | | | | | |
| Adjustments to liabilities for incurred claims | 6,312,945 | - | - | - | 6,312,945 | 5,673,104 | - | - | - | 5,673,104 |
| Insurance service result | (727,428) | (21,361) | (840,988) | - | (1,589,777) | 25,228 | 786,140 | (416,979) | - | 394,389 |
| Net finance expenses from insurance contracts | (6,028,298) | - | - | - | (6,028,298) | (3,023,181) | - | - | - | (3,023,181) |
| Total changes in the Statement of Profit or Loss and OCI | (6,755,726) | (21,361) | (840,988) | - | (7,618,075) | (2,997,953) | 786,140 | (416,979) | - | (2,628,792) |
| Cash flow | | | | | | | | | | |
| Premium received | 4,117,068 | - | - | - | 4,117,068 | 2,955,622 | - | - | - | 2,955,622 |
| Claims and other insurance service expenses paid, including investment components | (7,001,100) | - | - | - | (7,001,100) | (4,546,516) | - | - | - | (4,546,516) |
| Insurance acquisition cash flows | (134,554) | - | - | - | (134,554) | (88,669) | - | - | - | (88,669) |
| Total Cash flow | (3,018,586) | - | - | - | (3,018,586) | (1,679,563) | - | - | - | (1,679,563) |
| Other movements | - | - | - | - | - | - | - | - | - | - |
| Net closing balances | 27,402,954 | 298,982 | 4,638,865 | - | 32,340,800 | 27,066,592 | 1,045,399 | 5,115,182 | - | 33,227,173 |
| Closing assets | - | - | - | - | - | - | - | - | - | - |
| Closing liabilities | 27,402,954 | 298,982 | 4,638,865 | - | 32,340,800 | 27,066,592 | 1,045,399 | 5,115,182 | - | 33,227,173 |
| Net closing balance | 27,402,954 | 298,982 | 4,638,865 | - | 32,340,800 | 27,066,592 | 1,045,399 | 5,115,182 | - | 33,227,173 |

SANLAM LIFE INSURANCE NIGERIA LIMITED

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| 15 Insurance contract liabilities - Continued | | | | | | | | | | |
|---|--|---|--|--|------------------|--|---|--|--|------------------|
| 15.1 Movement in insurance contract balances - Continued | | | | | | | | | | |
| 15.1.2c Analysis by measurement component | | | | | | | | | | |
| Life (Others) | | | | | | | | | | |
| | Company 2024 | | | | | Company 2023 | | | | |
| | Estimates of present value of future cash flows N'000 | Risk adjustment for non-financial risk N'000 | Contractual Service Margin Contracts under fully retrospective transition approach N'000 | Contracts under fair value approach N'000 | Total N'000 | Estimates of present value of future cash flows N'000 | Risk adjustment for non-financial risk N'000 | Contractual Service Margin Contracts under fully retrospective transition approach N'000 | Contracts under fair value approach N'000 | Total N'000 |
| Opening assets | - | - | - | - | - | - | - | - | - | - |
| Opening liabilities | (80,182) | - | 1,334,483 | - | 1,254,302 | - | - | 1,489,132 | - | 1,489,132 |
| Net opening balance | (80,182) | - | 1,334,483 | - | 1,254,302 | - | - | 1,489,132 | - | 1,489,132 |
| Changes in the statement of profit or loss and OCI | | | | | | | | | | |
| Changes that relates to current services | | | | | | | | | | |
| CSM recognised for services provided | - | - | (193,688) | - | (193,688) | - | - | (154,649) | - | (154,649) |
| Change in risk adjustment for non-financial risk for risk expired | - | - | - | - | - | - | - | - | - | - |
| Changes that relate to future services | | | | | | | | | | |
| Contracts initially recognised in the year | - | - | - | - | - | - | - | - | - | - |
| Changes in estimates that adjust the CSM | - | - | - | - | - | - | - | - | - | - |
| Changes in estimates that result in losses and reversals of losses on onerous contracts | (287,295) | - | - | - | (287,295) | (522,775) | - | - | - | (522,775) |
| Changes that relate to past services | | | | | | | | | | |
| Adjustments to liabilities for incurred claims | - | - | - | - | - | - | - | - | - | - |
| Insurance service result | (287,295) | - | (193,688) | - | (480,984) | (522,775) | - | (154,649) | - | (677,424) |
| Net finance expenses from insurance contracts | - | - | - | - | - | - | - | - | - | - |
| Total changes in the Statement of Profit or Loss and OCI | (287,295) | - | (193,688) | - | (480,984) | (522,775) | - | (154,649) | - | (677,424) |
| Cash flow | | | | | | | | | | |
| Premium received | 1,312,814 | - | - | - | 1,312,814 | 1,111,047 | - | - | - | 1,111,047 |
| Claims and other insurance service expenses paid, including investment components | (287,295) | - | - | - | (287,295) | (522,775) | - | - | - | (522,775) |
| Insurance acquisition cash flows | (157,557) | - | - | - | (157,557) | (145,678) | - | - | - | (145,678) |
| Total Cash flow | 867,962 | - | - | - | 867,962 | 442,593 | - | - | - | 442,593 |
| Other movements | - | - | - | - | - | - | - | - | - | - |
| Net closing balances | 500,485 | - | 511,359 | - | 1,011,844 | (80,182) | - | 1,334,483 | - | 1,254,302 |
| Closing assets | - | - | - | - | - | - | - | - | - | - |
| Closing liabilities | 500,485 | - | 511,359 | - | 1,011,844 | (80,182) | - | 1,334,483 | - | 1,254,302 |
| Net closing balance | 500,485 | - | 511,359 | - | 1,011,844 | (80,182) | - | 1,334,483 | - | 1,254,302 |

SANLAM LIFE INSURANCE NIGERIA LIMITED

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

31 DECEMBER 2024

| 15 Insurance contract liabilities - Continued | 31-Dec-24 | | 31-Dec-23 | | 31-Dec-24 | | 31-Dec-23 | |
|--|-----------------|-------------------|-----------------|------------------|-----------------|------------------|-----------------|------------------|
| | No of Claimants | ₦'000 | No of Claimants | ₦'000 | No of Claimants | ₦'000 | No of Claimants | ₦'000 |
| 15.2 Age analysis of Liability for Incurred Claims | | | | | | | | |
| 0- 90 days | 489 | 1,852,202 | 564 | 642,946 | 257 | 705,667 | 353 | 359,608 |
| 91-180 days | 364 | 2,095,197 | 494 | 853,027 | 180 | 208,619 | 249 | 346,932 |
| 181-270 days | 250 | 765,890 | 288 | 264,231 | 111 | 169,683 | 134 | 133,556 |
| 271-365 days | 203 | 284,595 | 203 | 558,234 | 153 | 215,792 | 81 | 134,209 |
| Above 365 days | 3173 | 4,676,380 | 1047 | 2,771,799 | 1785 | 1,181,419 | 934 | 948,334 |
| Opened (IBNR) | - | 3,731,506 | - | 3,018,110 | - | 1,575,423 | - | 1,612,527 |
| | 4479 | 13,405,770 | 2596 | 8,108,347 | 2486 | 4,056,603 | 1751 | 3,535,166 |

By reasons as follows:

| Reasons | 0 - 90 Days | | 91 - 180 Days | | 181 - 270 Days | | 271 - 365 Days | | Above 365 Days | |
|--|-----------------|----------------|-----------------|----------------|-----------------|----------------|-----------------|----------------|-----------------|----------------|
| | No of Claimants | ₦'000 | No of Claimants | ₦'000 | No of Claimants | ₦'000 | No of Claimants | ₦'000 | No of Claimants | ₦'000 |
| Discharged Voucher signed and returned by policyholder | - | - | - | - | - | - | - | - | - | - |
| Discharged Voucher not yet signed | 60 | 35,015 | 13 | 29,056 | 12 | 28,203 | 3 | 6,804 | 18 | 18,282 |
| Claims reported but incomplete documentation | 260 | 226,713 | 171 | 200,986 | 116 | 99,494 | 78 | 127,405 | 888 | 904,550 |
| Claims reported but being reviewed | 33 | 97,880 | 65 | 116,889 | 6 | 5,859 | - | - | 27 | 25,503 |
| | 353 | 359,608 | 249 | 346,931 | 134 | 133,556 | 81 | 134,209 | 933 | 948,335 |

All fully documented claims with executed discharge vouchers are paid immediately.

15.3 Expected recognition of insurance contractual service margin

| Insurance Contracts | Total CSM | Year | | Year | | Year | | Year | |
|--|-------------------|------------------|------------------|------------------|------------------|----------------|--------------------|------------------|-------|
| | | 1 | 2 | 3 | 4 | 5 | 6 - 10 | Above 10 | |
| | ₦'000 | ₦'000 | ₦'000 | ₦'000 | ₦'000 | ₦'000 | ₦'000 | ₦'000 | ₦'000 |
| 2024 | | | | | | | | | |
| Opening Balance | 11,441,439 | 2,137,063 | 2,602,502 | 2,187,294 | 1,310,125 | 442,425 | (1,976,889) | 4,738,919 | |
| New contract during the year | 3,690,395 | 224,484 | 951,951 | 763,956 | 53,775 | 60,043 | 928,728 | 707,458 | |
| Accretion of interest on liabilities under the general model | 12,648,507 | 1,052,414 | 2,564,794 | 1,980,213 | 1,562,142 | 1,118,513 | 2,623,903 | 1,746,527 | |
| Recognised in Statement of Comprehensive Income | (9,474,467) | (1,777,720) | (1,496,733) | (1,203,573) | (1,019,213) | (732,462) | (1,551,838) | (1,692,927) | |
| Closing balance | 18,305,875 | 1,636,241 | 4,622,514 | 3,727,890 | 1,906,830 | 888,519 | 23,905 | 5,499,976 | |
| 2023 | | | | | | | | | |
| Opening Balance | 11,463,982 | 1,912,579 | 1,650,551 | 1,423,339 | 1,256,350 | 1,095,320 | 3,094,383 | 1,031,461 | |
| New contract during the year | 1,017,258 | 295,093 | 763,706 | 635,191 | 130,382 | (382,121) | (3,309,480) | 2,884,486 | |
| Accretion of interest on liabilities under the general model | 466,487 | 135,322 | 350,216 | 291,282 | 59,790 | (175,230) | (1,517,640) | 1,322,749 | |
| Recognised in Statement of Comprehensive Income | (1,506,288) | (205,931) | (161,970) | (162,517) | (136,396) | (95,544) | (244,153) | (499,777) | |
| Closing balance | 11,441,439 | 2,137,063 | 2,602,502 | 2,187,294 | 1,310,125 | 442,425 | (1,976,889) | 4,738,919 | |

| 16 Other Insurance contract liabilities | | 31-Dec-24 | | 31-Dec-23 | |
|--|------|----------------|----------------|-----------|-------|
| | | ₦'000 | ₦'000 | ₦'000 | ₦'000 |
| 16.1 Premium deposit | 16.1 | 231,623 | 608,421 | - | - |
| At 1 January | | 611,771 | 180,913 | - | - |
| Utilised as premium during the year | 8 | (608,421) | (177,563) | - | - |
| Addition during the year - premium deposit | | 228,273 | 608,421 | - | - |
| At 31 December | | 231,623 | 611,771 | - | - |

SANLAM LIFE INSURANCE NIGERIA LIMITED

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| | | Group | | Company | |
|--|-------------------------|--------------------|--------------------|--------------------|--------------------|
| | | 31-Dec-24 ₦'000 | 31-Dec-23 ₦'000 | 31-Dec-24 ₦'000 | 31-Dec-23 ₦'000 |
| 17 Trade payables | | | | | |
| Co-insurance premium payable | 17.1 | 18,905 | 150,542 | 18,905 | 150,542 |
| Reinsurance premium payable | | - | - | - | - |
| | | 18,905 | 150,542 | 18,905 | 150,542 |
| 17.1 | At 1 January | 150,542 | 49,301 | 150,542 | 49,301 |
| | Changes during the year | (131,636) | 101,241 | (131,636) | 101,241 |
| | At 31 December | 18,905 | 150,542 | 18,905 | 150,542 |
| 18 Other payables and accruals | | | | | |
| Financial: | | | | | |
| Due to related party | 39 | 667,918 | 10,184,428 | 614,196 | 10,173,979 |
| NITD Levy | | 263,020 | 114,961 | 94,163 | 75,876 |
| NPTF Levy | | 1,291 | 785 | 1,291 | 785 |
| Claims escrow payable | | - | - | - | - |
| Accruals | 18.2 | 4,315,614 | 3,578,312 | 3,035,480 | 2,941,418 |
| Lease Liability | 18.1 | 121,800 | 105,722 | 121,800 | 105,722 |
| Other creditors | 18.3 | 2,230,184 | 58,480 | 2,208,907 | 27,413 |
| | | 7,599,827 | 14,042,687 | 6,075,836 | 13,325,194 |
| Current | | 7,478,026 | 13,936,966 | 5,954,036 | 13,219,472 |
| Non- current | | 121,800 | 105,722 | 121,800 | 105,722 |
| | | 7,599,827 | 14,042,687 | 6,075,837 | 13,325,194 |
| 18.1 Lease Liability | | | | | |
| At 1 January | | 105,722 | 74,326 | 105,722 | 74,326 |
| Addition during the year | | - | 17,573 | - | 17,573 |
| Interest on Lease Liability | | 16,078 | 13,822 | 16,078 | 13,822 |
| At 31 December | | 121,800 | 105,722 | 121,800 | 105,722 |
| 18.2 Accruals | | | | | |
| Director exit benefit | | 213,987 | 6,160 | 213,987 | 6,160 |
| Staff exit benefits | | 1,113,320 | 589,450 | 625,816 | 471,733 |
| Performance bonus | | 1,264,331 | 1,090,930 | 814,331 | 783,310 |
| Supervisory levy | | 830,535 | 719,531 | 568,443 | 554,495 |
| Trade creditors | | 136,338 | 61,610 | 136,338 | 61,610 |
| Commission payable | | 443,476 | - | 443,476 | - |
| VAT payable | | 12,785 | - | 12,785 | - |
| Withholding tax payable | | 32,971 | 972,000 | 32,971 | 972,000 |
| Stamp duty payable | | 7,529 | 2,882 | 7,529 | 2,882 |
| PAYE payable | | 119,903 | - | 119,903 | - |
| Sundry creditors | | 140,439 | 135,749 | 59,901 | 89,229 |
| | | 4,315,614 | 3,578,312 | 3,035,480 | 2,941,418 |
| 18.3 Other creditors | | | | | |
| Sanlam Nigeria Retail MultiPurpose Cooperative Society | | - | 4,130 | - | 4,130 |
| Other payable | | 21,276 | 31,067 | - | - |
| Clearing & payment-in-execution* | | 2,185,623 | - | 2,185,623 | - |
| Staled cheque** | | 23,284 | 23,283 | 23,284 | 23,283 |
| | | 2,230,183 | 58,480 | 2,208,907 | 27,413 |

*This is a settlement awaiting allocation of the money that has already moved out of the bank account. At year end, this payment was still sitting as unidentified money awaiting allocation to clearing & payment-in-e

**The total stale cheque of NGN23,284 is being written off to income statement in year 2025 financial.

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| | Group | | Company | |
|---|------------------|-------------------|------------------|-------------------|
| | 31-Dec-24 | 31-Dec-23 | 31-Dec-24 | 31-Dec-23 |
| | ₦'000 | ₦'000 | ₦'000 | ₦'000 |
| 19 Tax payable | | | | |
| <i>Company income tax payable:</i> | | | | |
| At 1 January | 6,175,897 | 5,686,428 | 5,142,777 | 5,143,780 |
| Charge to profit and loss | 1,521,742 | 3,037,362 | 126,290 | 2,102,763 |
| Withholding tax credit utilised during the year | (128,798) | (62,287) | (117,572) | (60,565) |
| Tax paid in the year | (2,723,228) | (2,485,606) | (1,790,689) | (2,043,200) |
| At 31 December | 4,845,613 | 6,175,897 | 3,360,806 | 5,142,777 |
| Current | 4,845,613 | 6,175,897 | 3,360,806 | 5,142,777 |
| 20 Dividend Payable | | | | |
| At 1 January | 14,097,165 | 7,946,917 | 14,097,165 | 7,946,917 |
| Dividend declared during the year | - | 7,040,000 | - | 7,040,000 |
| Withholding tax | - | (528,000) | - | (528,000) |
| Dividend paid during the year | (14,097,165) | (361,752) | (14,097,165) | (361,752) |
| At 31 December | - | 14,097,165 | - | 14,097,165 |
| Current | - | 3,082,305 | - | 3,082,305 |
| Non- current | - | 11,014,859 | - | 11,014,859 |
| | - | 14,097,165 | - | 14,097,165 |
| No dividend has been recommended by the Board for the financial year ended 31 December 2024 (2023: Nil). The total payable of ₦14.1 billion for the year ended 31 December 2023 was paid in October 2024. | | | | |
| 21 Deferred tax liability | | | | |
| The analysis of deferred tax liabilities is as follows: | | | | |
| Deferred tax liability to be recovered within 12 months | 513,980 | 428,301 | 314,308 | 228,629 |
| Deferred tax liability to be recovered after more than 12 months | 25,006 | 85,679 | 929 | 85,679 |
| At 31 December | 538,986 | 513,980 | 315,237 | 314,308 |
| At 1 January | 513,980 | 428,301 | 314,308 | 228,629 |
| Income statement charge | 25,006 | 85,679 | 929 | 85,679 |
| At 31 December | 538,986 | 513,980 | 315,237 | 314,308 |
| Non- current | 538,986 | 513,980 | 315,237 | 314,308 |
| 21.1 Analysis of deferred tax liability | | | | |
| Cash & cash equivalents | (100,672) | (37,473) | (93,418) | (30,219) |
| Receivables | (2,030) | (2,030) | - | - |
| Property & equipment | 641,688 | 553,484 | 408,655 | 344,527 |
| | 538,986 | 513,980 | 315,237 | 314,308 |

Deferred tax asset have not been recognised in respect of the following items, because it is not probable that future taxable profit will be available against which the Group can use the benefit therefrom.

| | 31-Dec-24 | | 31-Dec-23 | |
|---------------------------------|--------------------|-------------------|--------------------|-------------------|
| | Gross amount | Tax effect | Gross amount | Tax effect |
| | ₦'000 | ₦'000 | ₦'000 | ₦'000 |
| Deductable temporary difference | 4,515,309 | 1,354,593 | 3,499,278 | 1,049,783 |
| Tax losses | 126,641,779 | 37,992,534 | 100,907,943 | 30,272,383 |
| | 131,157,088 | 39,347,126 | 104,407,221 | 31,322,166 |

SANLAM LIFE INSURANCE NIGERIA LIMITED

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| 22 Share capital | Group | | Company | |
|--|-------------------|------------------|-------------------|------------------|
| | 31-Dec-24 | 31-Dec-23 | 31-Dec-24 | 31-Dec-23 |
| <i>Ordinary Shares</i> | | | | |
| (i) Issued share capital | Number | Number | Number | Number |
| Issued share capital ('000) | 8,000,000 | 8,000,000 | 8,000,000 | 8,000,000 |
| (ii) Paid up share capital | Group | | Company | |
| | 31-Dec-24 | 31-Dec-23 | 31-Dec-24 | 31-Dec-23 |
| | ₦'000 | ₦'000 | ₦'000 | ₦'000 |
| Paid up share capital of 8.0 billion ordinary shares of ₦1.00 each | 8,000,000 | 8,000,000 | 8,000,000 | 8,000,000 |
| <i>Number of shares</i> | | | | |
| At 31 December | 8,000,000 | 8,000,000 | 8,000,000 | 8,000,000 |
| | ₦'000 | ₦'000 | ₦'000 | ₦'000 |
| At 31 December | 8,000,000 | 8,000,000 | 8,000,000 | 8,000,000 |
| 23 Share premium | | | | |
| At 31 December | 130,708 | 130,708 | 130,708 | 130,708 |
| 24 Contingency reserves | | | | |
| At 1 January | 6,180,686 | 5,480,347 | 3,860,591 | 3,860,591 |
| Transfer from retained earnings | 840,506 | 700,339 | - | - |
| At 31 December | 7,021,192 | 6,180,686 | 3,860,591 | 3,860,591 |
| In line with the provisions of Sec 22(1)(b) of the Insurance Act 2003, the contingency reserve of the company is currently above the minimum paid-up capital, hence no additional transfer were made to contingency reserve during the year. | | | | |
| 25 Retained earnings | Group | | Company | |
| | 31-Dec-24 | 31-Dec-23 | 31-Dec-24 | 31-Dec-23 |
| | ₦'000 | ₦'000 | ₦'000 | ₦'000 |
| At 1 January | 7,112,995 | 7,414,511 | 2,591,734 | 5,694,609 |
| Dividend declared | - | (7,040,000) | - | (7,040,000) |
| Transfer to contingency reserves | (840,506) | (700,339) | - | - |
| Profit for the period | 14,113,853 | 7,438,822 | 9,911,325 | 3,937,125 |
| At 31 December | 20,386,342 | 7,112,995 | 12,503,059 | 2,591,734 |

SANLAM LIFE INSURANCE NIGERIA LIMITED
Claims Paid Triangulations as at 31 December 2024 - Excluding Large Losses

Engineering

| Accident Year | Development Year | | | | | | | | | | | |
|---------------|------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| | 0 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 |
| 2013 | 3,690,097 | 3,660,839 | 3,717,020 | 4,253,895 | 4,253,895 | 4,253,895 | 4,253,895 | 4,253,895 | 4,253,895 | 4,253,895 | 4,253,895 | 4,253,895 |
| 2014 | 2,597,973 | 3,275,076 | 3,974,209 | 3,974,209 | 3,974,209 | 3,974,209 | 3,974,209 | 3,974,209 | 3,974,209 | 3,974,209 | 3,974,209 | 3,974,209 |
| 2015 | 24,205,330 | 25,376,347 | 25,376,347 | 25,376,347 | 25,376,347 | 25,376,347 | 25,376,347 | 25,376,347 | 25,376,347 | 25,376,347 | 25,376,347 | 25,376,347 |
| 2016 | 3,176,446 | 4,080,540 | 4,141,201 | 4,141,201 | 4,141,201 | 9,733,103 | 9,733,103 | 9,733,103 | 9,733,103 | 9,733,103 | 9,733,103 | 9,733,103 |
| 2017 | 27,357,131 | 30,992,686 | 30,992,686 | 31,404,118 | 31,404,118 | 31,404,118 | 34,236,235 | 34,236,235 | 34,236,235 | 34,236,235 | 34,236,235 | 34,236,235 |
| 2018 | 12,136,102 | 15,633,804 | 16,884,247 | 16,884,247 | 16,928,203 | 17,365,703 | 17,365,703 | 17,365,703 | 17,365,703 | 17,365,703 | 17,365,703 | 17,365,703 |
| 2019 | 7,964,795 | 8,302,223 | 8,351,990 | 8,553,156 | 9,277,172 | 9,316,998 | 9,316,998 | 9,316,998 | 9,316,998 | 9,316,998 | 9,316,998 | 9,316,998 |
| 2020 | 14,126,390 | 14,939,009 | 24,198,250 | 25,024,061 | 25,024,061 | 25,024,061 | 25,024,061 | 25,024,061 | 25,024,061 | 25,024,061 | 25,024,061 | 25,024,061 |
| 2021 | 23,561,539 | 32,505,504 | 35,683,532 | 39,069,344 | 39,069,344 | 39,069,344 | 39,069,344 | 39,069,344 | 39,069,344 | 39,069,344 | 39,069,344 | 39,069,344 |
| 2022 | 28,453,674 | 63,115,480 | 82,809,465 | 82,809,465 | 82,809,465 | 82,809,465 | 82,809,465 | 82,809,465 | 82,809,465 | 82,809,465 | 82,809,465 | 82,809,465 |
| 2023 | 15,013,194 | 28,266,255 | 28,266,255 | 28,266,255 | 28,266,255 | 28,266,255 | 28,266,255 | 28,266,255 | 28,266,255 | 28,266,255 | 28,266,255 | 28,266,255 |
| 2024 | 11,619,132 | 11,619,132 | 11,619,132 | 11,619,132 | 11,619,132 | 11,619,132 | 11,619,132 | 11,619,132 | 11,619,132 | 11,619,132 | 11,619,132 | 11,619,132 |

Fire

| Accident Year | Development Year | | | | | | | | | | | |
|---------------|------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | 0 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 |
| 2013 | 4,982,694 | 10,259,622 | 17,179,073 | 17,179,073 | 17,292,786 | 17,292,786 | 17,292,786 | 17,383,489 | 17,383,489 | 17,383,489 | 17,383,489 | 17,383,489 |
| 2014 | 2,204,263 | 23,480,696 | 26,872,329 | 26,899,957 | 26,899,957 | 26,899,957 | 26,899,957 | 26,899,957 | 26,899,957 | 26,899,957 | 26,899,957 | 26,899,957 |
| 2015 | 22,969,865 | 33,597,250 | 34,136,169 | 34,252,424 | 34,252,424 | 34,278,293 | 34,278,293 | 34,278,293 | 34,278,293 | 34,278,293 | 34,278,293 | 34,278,293 |
| 2016 | 60,177,137 | 77,710,280 | 81,199,401 | 81,199,401 | 82,078,884 | 82,078,884 | 82,078,884 | 82,078,884 | 82,078,884 | 82,078,884 | 82,078,884 | 82,078,884 |
| 2017 | 80,595,309 | 99,554,744 | 99,554,744 | 118,829,142 | 118,829,142 | 118,924,002 | 119,810,092 | 119,810,092 | 119,810,092 | 119,810,092 | 119,810,092 | 119,810,092 |
| 2018 | 82,844,967 | 94,264,370 | 113,820,932 | 119,441,943 | 136,362,946 | 136,362,946 | 136,362,946 | 136,362,946 | 136,362,946 | 136,362,946 | 136,362,946 | 136,362,946 |
| 2019 | 97,212,884 | 577,526,939 | 616,019,187 | 628,481,318 | 628,481,318 | 628,523,115 | 628,523,115 | 628,523,115 | 628,523,115 | 628,523,115 | 628,523,115 | 628,523,115 |
| 2020 | 162,562,364 | 323,835,085 | 456,881,784 | 477,627,061 | 488,823,546 | 488,823,546 | 488,823,546 | 488,823,546 | 488,823,546 | 488,823,546 | 488,823,546 | 488,823,546 |
| 2021 | 237,876,200 | 393,474,343 | 416,059,617 | 421,155,579 | 421,155,579 | 421,155,579 | 421,155,579 | 421,155,579 | 421,155,579 | 421,155,579 | 421,155,579 | 421,155,579 |
| 2022 | 289,270,824 | 480,024,132 | 514,522,429 | 514,522,429 | 514,522,429 | 514,522,429 | 514,522,429 | 514,522,429 | 514,522,429 | 514,522,429 | 514,522,429 | 514,522,429 |
| 2023 | 333,242,875 | 654,749,762 | 654,749,762 | 654,749,762 | 654,749,762 | 654,749,762 | 654,749,762 | 654,749,762 | 654,749,762 | 654,749,762 | 654,749,762 | 654,749,762 |
| 2024 | 352,920,661 | 352,920,661 | 352,920,661 | 352,920,661 | 352,920,661 | 352,920,661 | 352,920,661 | 352,920,661 | 352,920,661 | 352,920,661 | 352,920,661 | 352,920,661 |

SANLAM LIFE INSURANCE NIGERIA LIMITED
Claims Paid Triangulations as at 31 December 2024 - Excluding Large Losses

General Accident

| Accident Year | Development Year | | | | | | | | | | | |
|---------------|------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | 0 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 |
| 2013 | 38,337,209 | 75,126,256 | 112,505,270 | 114,332,861 | 121,349,738 | 121,349,738 | 121,461,049 | 121,461,049 | 121,461,049 | 121,461,049 | 121,461,049 | 121,461,049 |
| 2014 | 49,206,323 | 111,336,246 | 140,727,296 | 157,028,481 | 157,028,481 | 157,028,481 | 157,028,481 | 157,028,481 | 157,028,481 | 157,028,481 | 157,028,481 | 157,028,481 |
| 2015 | 37,609,671 | 195,759,721 | 209,807,807 | 209,810,807 | 209,828,146 | 210,233,056 | 210,233,056 | 210,233,056 | 210,318,556 | 210,318,556 | | |
| 2016 | 46,408,233 | 112,210,614 | 129,764,977 | 129,774,627 | 130,524,359 | 130,603,309 | 131,010,819 | 131,010,819 | 131,018,809 | | | |
| 2017 | 54,977,513 | 83,072,579 | 83,361,216 | 87,979,971 | 93,302,562 | 92,728,791 | 92,973,653 | 94,953,271 | | | | |
| 2018 | 54,516,007 | 61,041,442 | 65,391,390 | 68,639,418 | 68,840,285 | 69,795,918 | 69,807,457 | | | | | |
| 2019 | 57,576,046 | 95,740,369 | 123,388,013 | 125,056,527 | 125,140,798 | 125,140,798 | | | | | | |
| 2020 | 87,046,666 | 157,844,975 | 175,777,724 | 215,573,600 | 216,401,505 | | | | | | | |
| 2021 | 170,723,977 | 244,942,447 | 258,702,206 | 263,840,376 | | | | | | | | |
| 2022 | 224,661,641 | 360,363,589 | 398,929,083 | | | | | | | | | |
| 2023 | 323,719,664 | 551,016,182 | | | | | | | | | | |
| 2024 | 312,607,832 | | | | | | | | | | | |

Motor

| Accident Year | Development Year | | | | | | | | | | | |
|---------------|------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | 0 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 |
| 2013 | 72,962,793 | 110,709,145 | 113,753,647 | 114,169,670 | 114,169,670 | 114,169,670 | 114,169,670 | 114,169,670 | 114,169,670 | 114,169,670 | 114,169,670 | 114,169,670 |
| 2014 | 66,713,719 | 112,811,121 | 125,625,069 | 125,625,069 | 125,625,069 | 125,625,069 | 125,625,069 | 125,625,069 | 125,625,069 | 125,625,069 | 125,625,069 | 125,625,069 |
| 2015 | 117,480,339 | 151,017,184 | 151,017,184 | 151,105,613 | 151,105,613 | 153,949,541 | 153,949,541 | 153,949,541 | 153,949,541 | 153,949,541 | 153,949,541 | 153,949,541 |
| 2016 | 149,743,725 | 159,869,660 | 160,076,085 | 166,934,813 | 170,167,190 | 170,167,190 | 170,167,190 | 173,823,072 | 175,395,263 | | | |
| 2017 | 221,690,021 | 250,767,284 | 253,349,434 | 256,704,037 | 257,570,490 | 257,570,490 | 257,570,490 | 257,570,490 | | | | |
| 2018 | 134,076,470 | 158,443,511 | 160,063,718 | 160,104,218 | 160,142,433 | 160,142,433 | 160,142,433 | | | | | |
| 2019 | 171,866,060 | 218,644,460 | 229,377,956 | 230,460,974 | 230,460,974 | 230,460,974 | | | | | | |
| 2020 | 216,818,058 | 307,540,933 | 308,904,762 | 320,446,367 | 320,446,367 | | | | | | | |
| 2021 | 465,800,809 | 562,458,417 | 562,468,113 | 587,197,463 | | | | | | | | |
| 2022 | 632,414,254 | 740,886,647 | 764,121,364 | | | | | | | | | |
| 2023 | 468,835,107 | 577,522,409 | | | | | | | | | | |
| 2024 | 684,483,608 | | | | | | | | | | | |

SANLAM LIFE INSURANCE NIGERIA LIMITED

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

31 DECEMBER 2024

| 26 Insurance revenue | Notes | Contracts measured under GMM | | | Contracts measured under PAA | | | Total Insurance revenue N'000 |
|--|--------|------------------------------|------------------|------------------------|------------------------------|----------------------|-------------------|----------------------------------|
| | | Individual Life N'000 | Annuity N'000 | Life (Others) N'000 | Group Life N'000 | Credit Life N'000 | Non-Life N'000 | |
| Group 2024 | | | | | | | | |
| Amounts relating to changes in liabilities for remaining coverage: | | | | | | | | |
| CSM recognised for services provided | 15.1.2 | 8,439,791 | 840,988 | 193,688 | - | - | - | 9,474,467 |
| Change in risk adjustment for non-financial risk for risk expired | 15.1.2 | 205,036 | 21,361 | - | - | - | - | 226,397 |
| Expected incurred claims and other insurance service expenses | | 1,173,242 | 5,180,523 | - | - | - | - | 6,353,765 |
| Recovery of insurance acquisition cash flows | | 157,119 | 361,106 | 140,195 | - | - | - | 658,420 |
| Contracts measured under Premium Allocation Approach (PAA) | | - | - | - | 6,316,129 | 591,985 | 24,051,090 | 30,959,204 |
| | | 9,975,188 | 6,403,978 | 333,883 | 6,316,129 | 591,985 | 24,051,090 | 47,672,253 |
| 2023 | | | | | | | | |
| Amounts relating to changes in liabilities for remaining coverage: | | | | | | | | |
| CSM recognised for services provided | 15.1.2 | 934,660 | 416,979 | 154,649 | - | - | - | 1,506,288 |
| Change in risk adjustment for non-financial risk for risk expired | 15.1.2 | 73,803 | 21,641 | - | - | - | - | 95,445 |
| Expected incurred claims and other insurance service expenses | | 3,943,141 | 5,673,104 | - | - | - | - | 9,616,245 |
| Recovery of insurance acquisition cash flows | | 1,417,979 | 337,125 | 440,698 | - | - | - | 2,195,801 |
| Contracts measured under Premium Allocation Approach (PAA) | | - | - | - | 5,312,470 | 737,976 | 14,727,775 | 20,778,221 |
| | | 6,369,584 | 6,448,849 | 595,347 | 5,312,470 | 737,976 | 14,727,775 | 34,192,000 |
| Company 2024 | | | | | | | | |
| Amounts relating to changes in liabilities for remaining coverage: | | | | | | | | |
| CSM recognised for services provided | 15.1.2 | 8,439,791 | 840,988 | 193,688 | - | - | - | 9,474,467 |
| Change in risk adjustment for non-financial risk for risk expired | 15.1.2 | 205,036 | 21,361 | - | - | - | - | 226,397 |
| Expected incurred claims and other insurance service expenses | | 1,173,242 | 5,180,523 | - | - | - | - | 6,353,765 |
| Recovery of insurance acquisition cash flows | | 157,119 | 361,106 | 140,195 | - | - | - | 658,420 |
| Contracts measured under Premium Allocation Approach (PAA) | | - | - | - | 6,316,129 | 591,985 | - | 6,908,114 |
| | | 9,975,188 | 6,403,978 | 333,883 | 6,316,129 | 591,985 | - | 23,621,163 |
| 2023 | | | | | | | | |
| Amounts relating to changes in liabilities for remaining coverage: | | | | | | | | |
| CSM recognised for services provided | 15.1.2 | 934,660 | 416,979 | 154,649 | - | - | - | 1,506,288 |
| Change in risk adjustment for non-financial risk for risk expired | 15.1.2 | 73,803 | 21,641 | - | - | - | - | 95,445 |
| Expected incurred claims and other insurance service expenses | | 3,943,141 | 5,673,104 | - | - | - | - | 9,616,245 |
| Recovery of insurance acquisition cash flows | | 1,417,979 | 337,125 | 440,698 | - | - | - | 2,195,801 |
| Contracts measured under Premium Allocation Approach (PAA) | | - | - | - | 5,312,470 | 737,976 | - | 6,050,446 |
| | | 6,369,584 | 6,448,849 | 595,347 | 5,312,470 | 737,976 | - | 19,464,225 |

SANLAM LIFE INSURANCE NIGERIA LIMITED

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

31 DECEMBER 2024

27 Insurance service expense

| Group | Notes | Contracts measured under GMM | | | Contracts measured under PAA | | | Insurance Service Expenses N'000 |
|--|-------|------------------------------|------------------|------------------------|------------------------------|----------------------|-------------------|-------------------------------------|
| | | Individual Life N'000 | Annuity N'000 | Life (Others) N'000 | Group Life N'000 | Credit Life N'000 | Non-Life | |
| 2024 | | | | | | | | |
| Incurring claims | | 482,647 | 7,001,100 | 287,295 | 3,394,604 | 211,180 | 16,522,533 | 27,899,360 |
| Amortisation of insurance acquisition cash flows | | 3,646,125 | 212,842 | 509,934 | 2,299,677 | 498,020 | 4,425,466 | 11,592,064 |
| Losses and reversal of losses on onerous contracts | | (1,460,112) | 39,273 | - | - | - | - | (1,420,840) |
| Adjustments to liabilities for incurred claims | | 179,705 | - | - | 145,469 | 196,262 | 4,812,892 | 5,334,329 |
| | | 2,848,365 | 7,253,214 | 797,230 | 5,839,751 | 905,463 | 25,760,891 | 43,404,913 |
| 2023 | | | | | | | | |
| Incurring claims | | 530,388 | 5,569,046 | 522,775 | 2,690,976 | 201,944 | 4,912,449 | 14,427,579 |
| Amortisation of insurance acquisition cash flows | | 4,379,259 | 470,657 | 149,951 | 1,229,698 | 348,383 | 5,697,920 | 12,275,868 |
| Losses and reversal of losses on onerous contracts | | 716,974 | 78,830 | - | - | - | - | 795,804 |
| Adjustments to liabilities for incurred claims | | 60,057 | - | - | 730,444 | (85,629) | 192,185 | 897,056 |
| | | 5,686,677 | 6,118,532 | 672,726 | 4,651,118 | 464,699 | 10,802,554 | 28,396,307 |
| Company | | | | | | | | |
| 2024 | | | | | | | | |
| Incurring claims | | 482,647 | 7,001,100 | 287,295 | 3,394,604 | 211,180 | - | 11,376,827 |
| Amortisation of insurance acquisition cash flows | | 3,646,125 | 212,842 | 509,934 | 2,299,677 | 498,020 | - | 7,166,598 |
| Losses and reversal of losses on onerous contracts | | (1,460,112) | 39,273 | - | - | - | - | (1,420,840) |
| Adjustments to liabilities for incurred claims | | 179,705 | - | - | 145,469 | 196,262 | - | 521,436 |
| | | 2,848,365 | 7,253,214 | 797,230 | 5,839,751 | 905,463 | - | 17,644,022 |
| 2023 | | | | | | | | |
| Incurring claims | | 530,388 | 5,569,046 | 522,775 | 2,690,976 | 201,944 | - | 9,515,129 |
| Amortisation of insurance acquisition cash flows | | 4,379,259 | 470,657 | 149,951 | 1,229,698 | 348,383 | - | 6,577,948 |
| Losses and reversal of losses on onerous contracts | | 716,974 | 78,830 | - | - | - | - | 795,804 |
| Adjustments to liabilities for incurred claims | | 60,057 | - | - | 730,444 | (85,629) | - | 704,872 |
| | | 5,686,677 | 6,118,532 | 672,726 | 4,651,118 | 464,699 | - | 17,593,753 |

28 Net expenses from reinsurance contracts

| | Group | | Company | |
|--|--------------------|--------------------|--------------------|--------------------|
| | 31-Dec-24 N'000 | 31-Dec-23 N'000 | 31-Dec-24 N'000 | 31-Dec-23 N'000 |
| Allocation of reinsurance premium paid | 14,027,405 | 7,147,082 | 1,251,209 | 1,039,167 |
| Recoveries of incurred claims and other insurance service expenses | (13,029,422) | (3,287,925) | (692,079) | (596,869) |
| Adjustments to assets for incurred claims | (1,879,949) | (22,631) | 359,822 | - |
| | (881,965) | 3,836,526 | 918,951 | 442,298 |

SANLAM LIFE INSURANCE NIGERIA LIMITED

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS 31 DECEMBER 2024

29 Interest revenue calculated using the effective interest

| | | | | |
|---|-------------------|-------------------|-------------------|-------------------|
| Interest income on cash and bank balances | 848,454 | 746,822 | 519,162 | 436,462 |
| Interest income on treasury bills | 7,840,030 | 2,108,808 | 5,942,124 | 1,781,854 |
| Interest income on commercial paper | 553,934 | 885,303 | 290,514 | 533,307 |
| Interest income on promissory note | 7,447 | 104,390 | - | 7,428 |
| Interest income on corporate bond | 573,426 | 513,280 | 410,814 | 456,785 |
| Interest income on government bond | 15,572,789 | 17,003,269 | 15,527,199 | 16,878,122 |
| | 25,396,080 | 21,361,872 | 22,689,814 | 20,093,959 |

29.1 Interest receivable

| | | | | |
|-----------------------------------|------------------|------------------|------------------|------------------|
| At 1 January | 6,656,806 | 5,006,152 | 6,299,316 | 4,952,066 |
| Interest income | 25,396,080 | 21,361,872 | 22,689,814 | 20,093,959 |
| Interest received during the year | (23,692,989) | (19,714,826) | (20,986,722) | (18,746,709) |
| At 31 December | 8,359,897 | 6,653,198 | 8,002,407 | 6,299,316 |

29

29.2 Interest income receivable on cash and bank balances

| | | | | |
|---|-----------|-----------|-----------|-----------|
| At 1 January | - | - | - | - |
| Interest income on cash and bank balances | 848,454 | 746,822 | 519,162 | 436,462 |
| Interest received during the year | (848,454) | (746,822) | (519,162) | (436,462) |
| At 31 December | - | - | - | - |

29.3 Interest income receivable on treasury bills

| | | | | |
|-----------------------------------|------------------|------------------|------------------|------------------|
| At 1 January | 1,621,046 | 221,485 | 1,457,981 | 210,498 |
| Interest income on treasury bills | 7,840,030 | 2,108,808 | 5,942,124 | 1,781,854 |
| Interest received during the year | (5,927,243) | (709,246) | (4,029,338) | (534,370) |
| At 31 December | 3,533,833 | 1,621,046 | 3,370,768 | 1,457,981 |

29.4 Interest income receivable on commercial paper

| | | | | |
|-------------------------------------|----------------|----------------|---------------|----------------|
| At 1 January | 208,001 | 9,900 | 119,557 | 7,913 |
| Interest income on commercial paper | 553,934 | 885,303 | 290,514 | 533,307 |
| Interest received during the year | (655,451) | (687,201) | (392,031) | (421,663) |
| At 31 December | 106,485 | 208,001 | 18,041 | 119,557 |

SANLAM LIFE INSURANCE NIGERIA LIMITED

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

31 DECEMBER 2024

29.5 Interest income receivable on promissory note

At 1 January
Interest income on promissory note
Interest received during the year
At 31 December

| Group | | Company | |
|---------------|---------------|-----------|-----------|
| 31-Dec-24 | 31-Dec-23 | 31-Dec-24 | 31-Dec-23 |
| ₦'000 | ₦'000 | ₦'000 | ₦'000 |
| 19,237 | 67,255 | - | 66,136 |
| 7,447 | 104,390 | - | 7,428 |
| (7,447) | (152,408) | - | (73,564) |
| 19,237 | 19,237 | - | - |

29.6 Interest income receivable on corporate bond

At 1 January
Interest income on promissory note
Interest received during the year
At 31 December

| | | | |
|----------------|----------------|---------------|---------------|
| 100,194 | 34,444 | 42,734 | 34,444 |
| 573,426 | 513,280 | 410,814 | 456,785 |
| (571,010) | (447,531) | (408,397) | (448,496) |
| 102,611 | 100,194 | 45,151 | 42,734 |

29.7 Interest income receivable on government bond

At 1 January
Interest income on government bond
Interest received during the year
At 31 December

| | | | |
|------------------|------------------|------------------|------------------|
| 4,697,665 | 4,666,014 | 4,679,043 | 4,633,075 |
| 15,572,789 | 17,003,269 | 15,527,199 | 16,878,122 |
| (15,683,385) | (16,971,618) | (15,637,794) | (16,832,154) |
| 4,587,070 | 4,697,665 | 4,568,448 | 4,679,043 |

30 Other investment gain or (loss)

Realised gain or (Loss) on Financial Assets:

Realised (loss) or gain on treasury bills 30.1
Realised (loss) on bonds 30.2
Loss on sale of quoted equity 30.3

| | | | |
|----------|-------------|----------|-------------|
| 11,638 | 18,080 | (7,951) | 16,995 |
| (20,344) | (1,320,921) | (20,344) | (1,262,028) |
| (79,443) | - | (79,443) | - |

Fair value gain or (loss) on Financial Assets:

Fair value (loss)/gain on Treasury Bills 7.1ii
Fair value (loss) on government bond 7.1ii
Fair value (loss)/gain on corporate bond 7.1ii
Fair value (loss)/gain on commercial papers 7.1ii
Fair value gain on promissory notes 7.1iv
Fair value gain on quoted equity 7.1ii
Foreign exchange gain
Interest income on statutory deposit 30.4
Dividend Income

| | | | |
|---------------------|------------------|---------------------|--------------------|
| (1,101,786) | 408,697 | (932,505) | 329,069 |
| (13,826,551) | (2,827,375) | (13,809,618) | (2,834,637) |
| (333,848) | 48,244 | (333,848) | 41,243 |
| (40,665) | 32,484 | (23,980) | 18,087 |
| (4,366) | - | - | - |
| 82,608 | 195,762 | 82,608 | 194,795 |
| 3,112,290 | 2,878,406 | 649,645 | 402,669 |
| 94,590 | 36,088 | 46,011 | 14,435 |
| - | 45,398 | - | 45,398 |
| (12,105,876) | (485,137) | (14,429,426) | (3,033,972) |

30.1 Realised gain on treasury bills

Proceed on disposal
Treasury bills disposed (cost)
Treasury bills disposed (accrued interest)

| | | | |
|---------------|---------------|----------------|---------------|
| 994,252 | 12,756,385 | 582,213 | 5,151,185 |
| (965,905) | (12,562,811) | (580,268) | (4,958,696) |
| (16,709) | (175,493) | (9,896) | (175,493) |
| 11,638 | 18,080 | (7,951) | 16,995 |

SANLAM LIFE INSURANCE NIGERIA LIMITED

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

31 DECEMBER 2024

30.2 Realised (loss) on bonds

Proceed on disposal
Government bond disposed (cost)

| Group | | Company | |
|-----------------|--------------------|-----------------|--------------------|
| 31-Dec-24 | 31-Dec-23 | 31-Dec-24 | 31-Dec-23 |
| ₦'000 | ₦'000 | ₦'000 | ₦'000 |
| 318,188 | 75,742,169 | 318,188 | 74,110,547 |
| (338,532) | (77,063,090) | (338,532) | (75,372,575) |
| (20,344) | (1,320,921) | (20,344) | (1,262,028) |

30.3 Profit on sale of quoted equity

Proceed on disposal
Quoted equity disposed (cost)
Quoted equity disposed (accrued interest)

| | | | |
|-----------------|----------|-----------------|----------|
| 604,594 | - | 604,594 | - |
| (684,037) | - | (684,037) | - |
| - | - | - | - |
| (79,443) | - | (79,443) | - |

30.4 Interest income receivable on statutory deposit

At 1 January
Interest income on statutory deposit
Interest received during the year
At 31 December

| | | | |
|---------------|---------------|---------------|--------------|
| 17,770 | 11,757 | 7,108 | 4,703 |
| 94,590 | 36,088 | 46,011 | 14,435 |
| (51,781) | (30,075) | (41,119) | (12,030) |
| 60,579 | 17,770 | 12,000 | 7,108 |

31 Net impairment loss on financial assets

ECL impairment 6.1
Specific impairment - Sokoto bond

| | | | |
|------------------|-----------------|------------------|-----------------|
| (7,602) | (28,459) | (2,909) | (14,535) |
| (570,257) | - | (570,257) | - |
| (577,859) | (28,459) | (573,165) | (14,535) |

32 Net finance expenses from insurance contracts

Unwind :

Best Estimate Liability 15.1.1
Risk Adjustment 15.1.1
Contractual Service Margin 15.1.1
Change due to Move TO Locked-In Rates 15.1.1
Change due to Move FROM Locked-In Rates 15.1.1
Financial Assumption Changes 15.1.1

| | | | |
|------------------|-------------------|------------------|-------------------|
| 13,589,974 | 10,352,031 | 13,589,974 | 10,352,031 |
| (1,543,723) | (168,890) | 89,216 | 45,871 |
| 2,443,518 | 1,252,781 | 2,443,518 | 1,252,781 |
| 2,616,810 | 1,758,592 | 2,616,810 | 1,758,592 |
| (145,900) | (1,648,517) | (145,900) | (1,648,517) |
| (14,842,003) | 1,545,632 | (14,842,003) | 1,545,632 |
| 2,118,676 | 13,091,630 | 3,751,615 | 13,306,391 |

33 Reinsurance finance income or expense

Unwind :

Best Estimate Liability 9.1.1
Risk Adjustment 9.1.1
Contractual Service Margin 9.1.1
Change due to Move TO Locked-In Rates 9.1.1
Change due to Move FROM Locked-In Rates 9.1.1

| | | | |
|--------------------|------------------|----------------|--------------|
| (3,162) | 3,700 | (3,162) | 3,700 |
| (1,149,824) | (151,217) | 414 | (397) |
| (912) | 1,103 | (912) | 1,103 |
| 1,861 | 512 | 1,861 | 512 |
| (1,030) | (508) | (1,030) | (508) |
| (1,153,066) | (146,409) | (2,828) | 4,411 |

SANLAM LIFE INSURANCE NIGERIA LIMITED

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

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34 Other income

| | |
|--------------------------------|--|
| Policy Charges | |
| Admin fee | |
| Sundry income | |
| Interest income staff loans | |
| Interest on policy loans | |
| Gain/(Loss) on disposal of PPE | |

| | Group | | Company | |
|--|--------------------|--------------------|--------------------|--------------------|
| | 31-Dec-24 ₦'000 | 31-Dec-23 ₦'000 | 31-Dec-24 ₦'000 | 31-Dec-23 ₦'000 |
| | 817,182 | 920,768 | 817,182 | 920,768 |
| | 33,235 | - | 33,235 | - |
| | 127,542 | 25,841 | 127,339 | 25,575 |
| | 977,959 | 946,609 | 977,755 | 946,343 |
| | 77,706 | 80,241 | 55,346 | 64,470 |
| | 31 | 157 | 31 | 157 |
| | 31,078 | (43,226) | 30,522 | (43,226) |
| | 1,086,773 | 983,780 | 1,063,654 | 967,743 |

34.1 Loss on disposal of PPE

| | |
|---|----|
| Proceeds from disposal of property and equipment | |
| Cost of property and equipment disposed | 13 |
| Accumulated depreciation of property and equipment disposed | |

| | | | | |
|--|---------------|----------------|---------------|----------------|
| | 99,400 | 173,388 | 98,844 | 135,850 |
| | 229,354 | 481,874 | 229,056 | 317,412 |
| | (161,032) | (265,260) | (160,734) | (138,337) |
| | 68,322 | 216,614 | 68,322 | 179,075 |

Gain/(Loss) on disposal of PPE

| | | | | |
|--|---------------|-----------------|---------------|-----------------|
| | 31,078 | (43,226) | 30,522 | (43,226) |
|--|---------------|-----------------|---------------|-----------------|

35 Attributable expenses

| | |
|---|--|
| Employee benefit expenses | |
| Other operating and administrative expenses | |

| | | | | |
|--|-------------------|------------------|-------------------|------------------|
| | 6,229,626 | 4,347,093 | 4,190,531 | 2,987,788 |
| | 7,790,625 | 4,694,628 | 5,816,286 | 3,474,538 |
| | 14,020,251 | 9,041,721 | 10,006,816 | 6,462,326 |

35.1 Employee benefit expenses

| | |
|--------------------|--|
| Wages and salaries | |
| Pension costs | |

| | | | | |
|--|------------------|------------------|------------------|------------------|
| | 5,910,017 | 4,196,929 | 3,954,280 | 2,883,572 |
| | 319,609 | 150,164 | 236,251 | 104,216 |
| | 6,229,626 | 4,347,093 | 4,190,531 | 2,987,788 |

SANLAM LIFE INSURANCE NIGERIA LIMITED

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

31 DECEMBER 2024

34 Attributable expenses - Continued

35.2 Other operating and administrative expenses

Directors' emoluments
 Auditors' remuneration
 Depreciation
 Amortisation
 Professional fees*
 Consultancy expenses
 Rent and rates
 Electricity and energy
 Repairs and Maintenance expenses
 Vehicle running expenses
 Advert and Publicity
 Telecommunications
 Dues and Subscription
 Travels and accomodation
 Recruitment and training
 Insurance expenses
 Printing and stationeries
 Donation
 Entertainment
 Bank charges
 Interest on Lease Liability
 Supervisory levies
 Other administrative expenses
 Specific impairment - Sokoto State bond
 NITD Levy
 NPTF Levy

| | Group | | Company | |
|---|--------------------|--------------------|--------------------|--------------------|
| | 31-Dec-24 ₦'000 | 31-Dec-23 ₦'000 | 31-Dec-24 ₦'000 | 31-Dec-23 ₦'000 |
| Directors' emoluments | 671,496 | 495,686 | 473,036 | 374,768 |
| Auditors' remuneration | 77,000 | 51,525 | 40,000 | 31,525 |
| Depreciation | 671,908 | 609,544 | 486,974 | 451,719 |
| Amortisation | - | 169,967 | - | 169,967 |
| Professional fees* | 17,000 | - | 10,000 | - |
| Consultancy expenses | 709,725 | 371,711 | 519,689 | 219,907 |
| Rent and rates | 136,666 | 124,514 | 115,754 | 101,118 |
| Electricity and energy | 127,381 | 62,399 | 127,381 | 62,398 |
| Repairs and Maintenance expenses | 1,198,300 | 535,585 | 912,770 | 331,743 |
| Vehicle running expenses | 282,882 | 183,033 | 208,532 | 135,159 |
| Advert and Publicity | 446,445 | 170,138 | 311,342 | 156,095 |
| Telecommunications | 99,919 | 143,465 | 85,646 | 125,122 |
| Dues and Subscription | 117,209 | 59,312 | 53,936 | 28,918 |
| Travels and accomodation | 328,653 | 130,476 | 304,452 | 104,854 |
| Recruitment and training | 353,039 | 191,581 | 223,329 | 152,120 |
| Insurance expenses | 178,816 | 99,050 | 123,560 | 66,265 |
| Printing and stationeries | 93,377 | 35,097 | 84,673 | 28,069 |
| Donation | 37,252 | 10,441 | 23,211 | 10,441 |
| Entertainment | 135,858 | 126,953 | 113,985 | 115,502 |
| Bank charges | 375,544 | 184,438 | 255,473 | 120,280 |
| Interest on Lease Liability | 16,078 | 13,822 | 16,078 | 13,822 |
| Supervisory levies | 836,476 | 752,252 | 577,862 | 553,405 |
| Other administrative expenses | 207,644 | 90,315 | 76,643 | 38,017 |
| Specific impairment - Sokoto State bond | 570,257 | - | 570,257 | - |
| NITD Levy | 101,196 | 82,909 | 101,196 | 82,909 |
| NPTF Levy | 506 | 415 | 506 | 415 |
| | 7,790,625 | 4,694,628 | 5,816,286 | 3,474,538 |

*Professional fee relates to ICFR certification provided by KPMG

SANLAM LIFE INSURANCE NIGERIA LIMITED

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

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36 Income tax expense

| | | | | | |
|--|----|------------------|------------------|----------------|------------------|
| Current tax on profits for the year | 19 | 1,419,530 | 1,057,858 | - | 145,759 |
| Minimum tax | 19 | 126,290 | 1,957,003 | 126,290 | 1,957,003 |
| | | 1,545,820 | 3,014,862 | 126,290 | 2,102,763 |
| Deferred tax charge or (credit) for the year | 21 | 929 | 85,679 | 929 | 85,679 |
| Income tax expense | | 1,546,749 | 3,100,541 | 127,219 | 2,188,442 |

Reconciliation of effective tax rate

| | | | | | |
|--|--|------------|------------|------------|-----------|
| Profit before minimum tax and income tax expense | | 15,660,602 | 10,539,363 | 10,038,543 | 6,125,567 |
|--|--|------------|------------|------------|-----------|

Tax calculated using the domestic rate of Corporate tax rate of 30%

| | | | | | |
|--|--|-----------|-----------|-----------|-----------|
| | | 4,698,180 | 3,161,809 | 3,011,563 | 1,837,670 |
|--|--|-----------|-----------|-----------|-----------|

Effect of applying:

| | | | | | |
|-------------------------------|--|------------------|------------------|----------------|------------------|
| Income not subject to tax | | (2,702,392) | (1,635,264) | (2,435,305) | (1,223,224) |
| Non-deductible expenses | | (575,329) | (383,007) | (575,329) | (383,007) |
| Minimum tax (Excess Dividend) | | 126,290 | 1,957,003 | 126,290 | 1,957,003 |
| Tax charge | | 1,546,749 | 3,100,541 | 127,219 | 2,188,442 |

Tax calculated using the domestic rate of Corporate tax rate of 30%

| | | | | | |
|--|--|-----|-----|-----|-----|
| | | 30% | 30% | 30% | 30% |
|--|--|-----|-----|-----|-----|

Effect of applying:

| | | | | | |
|-------------------------------|--|------------|------------|-----------|------------|
| Income not subject to tax | | -17% | -16% | -24% | -20% |
| Non-deductible expenses | | -4% | -4% | -6% | -6% |
| Minimum tax (Excess Dividend) | | 1% | 19% | 1% | 32% |
| Effective tax rate | | 10% | 16% | 1% | 36% |

SANLAM LIFE INSURANCE NIGERIA LIMITED

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS AS AT 31ST DECEMBER 2024

| 37 Hypothecation | Group | | | | | Company | | | | |
|---|------------------------|--------------------|-------------------|----------------------|--------------------|------------------------|--------------------|-------------------|----------------------|--------------------|
| | Policy holders fund | Investment Fund | Annuity Fund | Shareholders fund | Total | Policy holders fund | Investment Fund | Annuity Fund | Shareholders fund | Total |
| | ₦'000 | ₦'000 | ₦'000 | ₦'000 | ₦'000 | ₦'000 | ₦'000 | ₦'000 | ₦'000 | ₦'000 |
| 2024 | | | | | | | | | | |
| Assets | | | | | | | | | | |
| Cash and placements | 5,231,912 | 830,680 | 917,562 | 3,085,730 | 10,065,883 | 1,637,823 | 830,680 | 917,562 | 1,908,008 | 5,294,072 |
| Treasury bills with original maturity <90 days | - | - | - | - | - | - | - | - | - | - |
| Treasury bills with original maturity > 90 days | 30,570,820 | 3,227,643 | 2,015,804 | 16,471,312 | 52,285,579 | 17,857,716 | 3,227,643 | 2,015,804 | 14,884,070 | 37,985,232 |
| Commercial papers | 299,494 | - | - | 427,848 | 727,342 | - | - | - | 427,848 | 427,848 |
| Bonds | 78,330,904 | 898,694 | 30,292,681 | 5,587,571 | 115,109,850 | 78,330,904 | 898,694 | 30,292,681 | 5,258,987 | 114,781,266 |
| Trade receivables | - | - | - | 154,971 | 154,971 | - | - | - | 51,682 | 51,682 |
| Reinsurance contract assets | 12,803,727 | - | - | - | 12,803,727 | 420,137 | - | - | - | 420,137 |
| Other receivables and prepayments | 9,598 | - | - | 1,904,764 | 1,914,362 | 9,598 | - | - | 1,302,792 | 1,312,390 |
| Investment in subsidiary | - | - | - | - | - | - | - | - | 5,349,120 | 5,349,120 |
| Intangible assets | - | - | - | 262,440 | 262,440 | - | - | - | - | - |
| Property and equipment | - | - | - | 3,120,140 | 3,120,140 | - | - | - | 1,885,536 | 1,885,536 |
| Statutory deposit | - | - | - | 500,000 | 500,000 | - | - | - | 200,000 | 200,000 |
| Total assets | 127,246,455 | 4,957,017 | 33,226,047 | 31,514,775 | 196,944,295 | 98,256,177 | 4,957,017 | 33,226,047 | 31,268,044 | 167,707,284 |
| Liabilities | | | | | | | | | | |
| Insurance contracts liabilities | 111,556,749 | 4,874,092 | 31,740,255 | - | 148,171,097 | 96,827,795 | 4,874,092 | 31,740,255 | - | 133,442,143 |
| Other Insurance contract liabilities | 231,623 | - | - | - | 231,623 | - | - | - | - | - |
| Other payables and accruals | - | - | - | 7,599,826 | 7,599,826 | - | - | - | 6,075,836 | 6,075,836 |
| Dividend Payable | - | - | - | - | - | - | - | - | - | - |
| Tax payable | - | - | - | 4,845,613 | 4,845,613 | - | - | - | 3,360,806 | 3,360,806 |
| Deferred tax liability | 1 | - | - | 538,986 | 538,987 | - | - | - | 315,237 | 315,237 |
| Total liabilities | 111,788,373 | 4,874,092 | 31,740,255 | 12,984,425 | 161,387,145 | 96,827,795 | 4,874,092 | 31,740,255 | 9,751,878 | 143,194,022 |
| Surplus | 15,458,082 | 82,924 | 1,485,792 | 18,530,350 | 35,557,149 | 1,428,382 | 82,924 | 1,485,792 | 21,516,165 | 24,513,262 |

SANLAM LIFE INSURANCE NIGERIA LIMITED

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS AS AT 31ST DECEMBER 2024

| 2023 | Group | | | | | Company | | | | |
|---|------------------------|--------------------|-------------------|----------------------|--------------------|------------------------|--------------------|-------------------|----------------------|--------------------|
| | Policy holders fund | Investment Fund | Annuity Fund | Shareholders fund | Total | Policy holders fund | Investment Fund | Annuity Fund | Shareholders fund | Total |
| | ₦'000 | ₦'000 | ₦'000 | ₦'000 | ₦'000 | ₦'000 | ₦'000 | ₦'000 | ₦'000 | ₦'000 |
| Assets | | | | | | | | | | |
| Cash and placements | 5,492,545 | 1,419,790 | 399,039 | 1,515,584 | 8,826,958 | 1,891,670 | 1,419,790 | 399,039 | 1,515,584 | 5,226,084 |
| Treasury bills with original maturity <90 days | 1,552,863 | 108,963 | 108,963 | 249,580 | 2,020,369 | 1,690,937 | - | - | - | 1,690,937 |
| Treasury bills with original maturity > 90 days | 36,456,251 | 2,559,923 | 2,559,923 | 5,863,493 | 47,439,590 | 15,238,833 | 1,255,082 | 10,271,401 | 12,679,164 | 39,444,481 |
| Commercial papers | - | - | - | 5,863,493 | 5,863,493 | - | - | - | 3,303,570 | 3,303,570 |
| Bonds | 53,551,202 | 24,807,200 | 31,700,882 | 17,971,626 | 128,030,910 | 65,520,412 | 22,209,441 | 30,103,124 | 8,373,867 | 126,206,844 |
| Investment in quoted equity | - | - | - | 601,429 | 601,429 | - | - | - | 601,429 | 601,429 |
| Investment in Promissory Notes | - | - | - | 346,918 | 346,918 | - | - | - | - | - |
| Trade receivables | - | - | - | 417,154 | 417,154 | - | - | - | 65,155 | 65,155 |
| Reinsurance contract assets | 4,832,753 | - | - | - | 4,832,753 | 614,160 | - | - | - | 614,160 |
| Other receivables and prepayments | 8,461 | - | - | 2,121,820 | 2,130,281 | 8,461 | - | - | 1,913,187 | 1,921,648 |
| Investment in subsidiary | - | - | - | - | - | - | - | - | 5,349,120 | 5,349,120 |
| Intangible assets | - | - | - | 262,440 | 262,440 | - | - | - | - | - |
| Property and equipment | - | - | - | 2,960,368 | 2,960,368 | - | - | - | 1,830,692 | 1,830,692 |
| Statutory deposit | - | - | - | 500,000 | 500,000 | - | - | - | 200,000 | 200,000 |
| Total assets | 101,894,075 | 28,895,877 | 34,768,808 | 38,673,906 | 204,232,665 | 84,964,474 | 24,884,315 | 40,773,564 | 35,831,770 | 186,454,122 |
| Liabilities | | | | | | | | | | |
| Insurance contracts liabilities | 92,569,871 | 21,383,660 | 33,262,702 | - | 147,216,233 | 84,194,739 | 21,383,660 | 33,262,702 | - | 138,841,101 |
| Other Insurance contract liabilities | 611,771 | - | - | - | 611,771 | - | - | - | - | - |
| Other payables and accruals | - | - | - | 14,042,687 | 14,042,687 | - | - | - | 13,325,194 | 13,325,194 |
| Dividend Payable | - | - | - | 14,097,165 | 14,097,165 | - | - | - | 14,097,165 | 14,097,165 |
| Tax payable | - | - | - | 6,175,897 | 6,175,897 | - | - | - | 5,142,777 | 5,142,777 |
| Deferred tax liability | - | - | - | 513,980 | 513,980 | - | - | - | 314,308 | 314,308 |
| Total liabilities | 93,181,642 | 21,383,660 | 33,262,703 | 34,829,729 | 182,657,733 | 84,194,740 | 21,383,660 | 33,262,703 | 32,879,443 | 171,720,545 |
| Surplus | 8,712,432 | 7,512,217 | 1,506,105 | 3,844,177 | 21,574,933 | 769,734 | 3,500,655 | 7,510,861 | 2,952,327 | 14,733,577 |

SANLAM LIFE INSURANCE NIGERIA LIMITED

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38 Staff and directors cost

Employee costs during the year amounted to:

| | Group | | Company | |
|------------------|------------------|------------------|------------------|------------------|
| | 31-Dec-24 | 31-Dec-23 | 31-Dec-24 | 31-Dec-23 |
| | ₦'000 | ₦'000 | ₦'000 | ₦'000 |
| Wages & Salaries | 6,073,328 | 3,802,329 | 3,899,823 | 2,376,487 |
| Pension Cost | 319,609 | 104,216 | 236,251 | 104,216 |
| Exit bonus* | 54,456 | 507,085 | 54,456 | 507,085 |
| | 6,447,393 | 4,413,630 | 4,190,531 | 2,987,788 |

*This relates to the payment of gratuity to the staff that attains 50 years of age as at the point of exit from the Company.

The number of employees of the company, other than directors, who received emoluments in the following ranges was:

| | Group | | Company | |
|-------------------------|------------|------------|------------|------------|
| | 31-Dec-24 | 31-Dec-23 | 31-Dec-24 | 31-Dec-23 |
| | Number | Number | Number | Number |
| ₦1,000,000 - ₦3,000,000 | - | 7 | - | - |
| ₦3,000,001 - ₦3,500,000 | - | 46 | - | 43 |
| ₦3,500,001 - ₦4,000,000 | 45 | 4 | 45 | 2 |
| Above ₦4,000,000 | 197 | 170 | 117 | 97 |
| | 242 | 227 | 162 | 142 |

The average number of full time persons employed by the Company during the

| | 31-Dec-24 | 31-Dec-23 | 31-Dec-24 | 31-Dec-23 |
|----------------------|------------|------------|------------|------------|
| Executive Director | 5 | 3 | 3 | 2 |
| Management staff | 55 | 42 | 20 | 12 |
| Non management staff | 182 | 182 | 139 | 128 |
| | 242 | 227 | 162 | 142 |

Directors' remuneration:

Remuneration paid to the directors of the Company were as follows:

Short term benefits:

| | | | | |
|--------------------------------|----------------|----------------|----------------|----------------|
| - Directors fees | 65,940 | 64,200 | 50,740 | 49,000 |
| - Directors Sitting Allowances | 90,376 | 93,235 | 74,569 | 77,427 |
| - Executive compensation | 496,684 | 338,251 | 347,728 | 248,342 |
| | 653,000 | 495,685 | 473,036 | 374,768 |

SANLAM LIFE INSURANCE NIGERIA LIMITED

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS 31 DECEMBER 2024

38 Other income statement information: Staff and directors cost - Continued

| | Group | | Company | |
|---|--------------------|--------------------|--------------------|--------------------|
| | 31-Dec-24 ₦'000 | 31-Dec-23 ₦'000 | 31-Dec-24 ₦'000 | 31-Dec-23 ₦'000 |
| Fees and other emoluments disclosed above include amounts paid to : The Chairman | 62,032 | 62,032 | 62,032 | 62,032 |
| The highest paid director | 100,000 | 66,000 | 100,000 | 66,000 |

The number of directors who received fees and other emoluments (excluding pension contributions) in the following ranges was:

| | Group | | Company | |
|--------------------------|---------------------|---------------------|---------------------|---------------------|
| | 31-Dec-24 Number | 31-Dec-23 Number | 31-Dec-24 Number | 31-Dec-23 Number |
| ₦5,000,000 - ₦10,000,000 | 7 | 12 | 7 | 6 |
| ₦10,000,000 and above | 10 | 4 | 2 | 2 |
| | 17 | 16 | 9 | 8 |

39 Related parties

Sanlam Emerging Markets provides technical implementation assistance and ongoing support. They also provide key managerial staff to the company.

| Shareholders | | 31-Dec-24 | 31-Dec-23 |
|---------------------------|--------------------------------------|---------------|---------------|
| Sanlam Emerging Market | | 99.99% | 99.99% |
| Susarah Magaretha Coetzee | | 0.01% | 0.01% |
| Nature of the transaction | Related party | 2024 ₦'000 | 2024 ₦'000 |
| Maintenance expenses | SanlamAllianz Africa (Pty) Ltd | 626,263 | 66,613 |
| Nature of the balance | | 2024 ₦'000 | 2024 ₦'000 |
| Due to related party | SanlamAllianz Africa (Pty) Ltd | 614,196 | 176,658 |
| Due from related party | Sanlam Nigeria General Insurance Ltd | 55,131 | - |
| Due to related party | SanlamAllianz Africa (Pty) Ltd | - | 9,997,321 |

SANLAM LIFE INSURANCE NIGERIA LIMITED

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS 31 DECEMBER 2024

39 Related parties - Continued

Transactions with directors

Remuneration is paid to directors in the form of fees to non-executive directors and remuneration to executive directors of the Company. All directors of the Company have notified that they did not have any interest in transactions recorded within the reporting period. Key management personnel transactions with the Group have been disclosed in note 33.

40 Contingent liabilities and commitments

There were no legal proceedings outstanding against the company At 31 December 2024 (2023 Nil).

41 Earnings per share

Both the basic and diluted earnings per share have been calculated using the profit attributable to shareholders of Sanlam Life Insurance Nigeria Limited as the numerator. The number of outstanding shares used for earnings per share amounted to 8,000,000,000 (2020:5,336,450,000) after considering the period in which the additional shares were in issue.

| | Group | | Company | |
|--|------------|-----------|-----------|-----------|
| | 31-Dec-24 | 31-Dec-23 | 31-Dec-24 | 31-Dec-23 |
| Profit for the year ₦'000 | 14,113,853 | 7,438,822 | 9,911,325 | 3,937,125 |
| Number of shares at the beginning of the year N'000 | 8,000,000 | 8,000,000 | 8,000,000 | 8,000,000 |
| Number of shares at the end of the year N'000 | 8,000,000 | 8,000,000 | 8,000,000 | 8,000,000 |
| Weighted number of shares at the end of the year N'000 | 8,000,000 | 8,000,000 | 8,000,000 | 8,000,000 |
| Earnings per share (basic) - in Kobo | 208 | 119 | 124 | 49 |

42 Contraventions, fines and penalties

The Group paid penalty of ₦1,000,000.00 (One million naira only) to National Insurance Commission (NAICOM) for non notification of appointment of two Assistant General Manager before appointment in 2023. (2024: Nil)

SANLAM LIFE INSURANCE NIGERIA LIMITED

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS 31 DECEMBER 2024

43 Post balance sheet events

There is an ongoing merger between Sanlam Nigeria and Allianz Nigeria. These would not have an impact on the financial position of the Group as at 31 December 2024 or the profit for the year ended 31 December 2024.

44 Segment Information By Business Segment

Sanlam Life Insurance Nigeria Limited business is organised along distribution channels for management and reporting purposes into four main business segments: Retail distribution (i.e. Individual), Annuity, Corporate distribution, and Alternative distribution. The business strategy and focus is on broadening and deepening the relationship with customers, and promote operational and service excellence across all touch points. The Company is organised into key customer segments and distribution channels and evaluates segmental performance based on overall net insurance results. Distribution channels gross premium information is used as a way of assessing customer needs, penetration and trends in the marketplace. The business strategies of the company in the four main segments are adapted to local market and regulatory requirements. The Company expenses that are directly attributable to each line are appropriately charged to the relevant segment while central expenses have been distributed between the business segments in proportion to their direct costs. The insurance contract liabilities are modelled along each line of business distribution and the estimates are based on actuarial valuation at period end. The benefit of the Company's capital has been distributed between segments in proportion to their average risk liabilities and assets allocation.

Retail Distribution - This arm of our business is primarily responsible for the sale of retail products to different customer segments which include the mass market, middle class and affluent customers. We engage these customers through our agency network by offering products that address customers' specific insurance needs. Through our retail distribution, we sell the following key products

- Individual life products
- Annuity

Corporate Distribution - This segment of our business drives the sale of our Group Life products to corporate organisations and public sector parastatals. We continue to build and strengthen our relationships with key stakeholders such as insurance brokers in order to deepen our footprints in the corporate insurance segment.

Alternative Distribution - This segment consists of non-traditional channels through which we reach our target customers both retail and corporate. Credit related insurances such as credit life, mortgage protection plan, among others are sold through this distribution channel.

SANLAM LIFE INSURANCE NIGERIA LIMITED

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS 31 DECEMBER 2024

44 Segment Information - Continued

The Company's business segment reporting information is as follows:

| 2024 | Contracts measured under GMM | | | Contracts measured under PAA | | | Total Insurance revenue #'000 |
|---|------------------------------|------------------|---------------------------|------------------------------|----------------------|-------------------|----------------------------------|
| | Individual Life #'000 | Annuity #'000 | Life (Others) #'000 | Group Life #'000 | Credit Life #'000 | Non-Life #'000 | |
| Insurance revenue | 9,975,188 | 6,403,978 | 333,883 | 6,316,129 | 591,985 | 24,051,090 | 47,672,253 |
| Insurance service expense | (17,644,022) | - | - | - | - | (25,760,891) | (43,404,913) |
| Net expenses from reinsurance contracts | (275,685) | - | (101,085) | (431,907) | (110,274) | 1,800,916 | 881,965 |
| Insurance service result | (7,944,520) | 6,403,978 | 232,798 | 5,884,221 | 481,711 | 91,116 | 5,149,305 |
| Interest revenue calculated using the | 9,581,880 | 6,151,478 | 320,719 | 6,067,092 | 568,644 | 2,706,267 | 25,396,080 |
| Other investment gain or (loss) | (6,093,529) | (3,911,989) | (203,959) | (3,858,324) | (361,625) | 2,323,550 | (12,105,876) |
| Net impairment loss on financial assets | (242,047) | (155,392) | (8,102) | (153,260) | (14,364) | (4,694) | (577,859) |
| Investment returns | 3,246,304 | 2,084,097 | 108,658 | 2,055,508 | 192,654 | 5,025,123 | 12,712,345 |
| Net finance expenses from insurance | (1,584,303) | (1,017,108) | (53,029) | (1,003,155) | (94,022) | 1,632,940 | (2,118,676) |
| Reinsurance finance income or expense | (1,194) | (767) | (40) | (756) | (71) | (1,150,238) | (1,153,066) |
| Net financial result | 1,660,808 | 1,066,223 | 55,589 | 1,051,597 | 98,562 | 5,507,824 | 9,440,603 |
| Result from Insurance Contracts | (6,283,712) | 7,470,201 | 288,388 | 6,935,818 | 580,273 | 5,598,940 | 14,589,909 |
| Other income | 449,180 | 288,369 | 15,035 | 284,413 | 26,657 | 23,119 | 1,086,773 |
| Other finance cost | (6,792) | (4,359) | (227) | (4,299) | (403) | - | (16,080) |
| Profit before tax | (5,841,324) | 7,754,211 | 303,195 | 7,215,932 | 606,527 | 5,622,058 | 15,660,602 |
| Income Taxation Expense | (53,724) | (34,491) | (1,798) | (34,017) | (3,188) | (1,419,530) | (1,546,749) |
| Profit after tax | (5,895,049) | 7,719,721 | 301,397 | 7,181,915 | 603,339 | 4,202,528 | 14,113,853 |

SANLAM LIFE INSURANCE NIGERIA LIMITED

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS 31 DECEMBER 2024

44 Segment Information - Continued

| 2023 | Contracts measured under GMM | | | Contracts measured under PAA | | | Total Insurance revenue ₦'000 |
|---|------------------------------|------------------|---------------------------|------------------------------|----------------------|-------------------|----------------------------------|
| | Individual Life ₦'000 | Annuity ₦'000 | Life (Others) ₦'000 | Group Life ₦'000 | Credit Life ₦'000 | Non-Life ₦'000 | |
| Insurance revenue | 6,369,584 | 6,448,849 | 595,347 | 5,312,470 | 737,976 | 14,727,775 | 34,192,000 |
| Insurance service expense | (17,593,753) | - | - | - | - | (10,802,554) | (28,396,307) |
| Net expenses from reinsurance contracts | (132,689) | - | (48,653) | (207,880) | (53,076) | (3,394,227) | (3,836,526) |
| Insurance service result | (11,356,859) | 6,448,849 | 546,694 | 5,104,590 | 684,900 | 530,993 | 1,959,168 |
| Interest revenue calculated using the | 6,575,661 | 6,657,491 | 614,608 | 5,484,346 | 761,852 | 1,267,913 | 21,361,872 |
| Other investment gain or (loss) | (992,854) | (1,005,210) | (92,799) | (828,077) | (115,031) | 2,548,835 | (485,137) |
| Net impairment loss on financial assets | (4,757) | (4,816) | (445) | (3,967) | (551) | (13,924) | (28,459) |
| Investment returns | 5,578,050 | 5,647,466 | 521,364 | 4,652,302 | 646,269 | 3,802,824 | 20,848,276 |
| Net finance expenses from insurance | (4,354,459) | (4,408,648) | (406,999) | (3,631,781) | (504,505) | 214,761 | (13,091,630) |
| Reinsurance finance income or expense | 1,443 | 1,461 | 135 | 1,204 | 167 | (150,820) | (146,409) |
| Net financial result | 1,225,035 | 1,240,280 | 114,500 | 1,021,725 | 141,932 | 3,866,765 | 7,610,236 |
| Result from Insurance Contracts | (10,131,824) | 7,689,129 | 661,194 | 6,126,314 | 826,832 | 4,397,759 | 9,569,406 |
| Other income | 316,688 | 320,631 | 29,600 | 264,131 | 36,691 | 16,038 | 983,778 |
| Other finance cost | (4,523) | (4,580) | (423) | (3,773) | (524) | - | (13,822) |
| Profit before tax | (9,819,660) | 8,005,180 | 690,371 | 6,386,673 | 862,999 | 4,413,796 | 10,539,362 |
| Income Taxation Expense | (716,158) | (725,070) | (66,937) | (597,303) | (82,974) | (912,099) | (3,100,541) |
| Profit after tax | (10,535,818) | 7,280,110 | 623,434 | 5,789,370 | 780,026 | 3,501,697 | 7,438,822 |

SANLAM LIFE INSURANCE NIGERIA LIMITED

OTHER NATIONAL DISCLOSURES
31 DECEMBER 2024

(a) Value Added Statement

| | Group 2024 ₦'000 | % | 2023 ₦'000 | % | Company 2024 ₦'000 | Company % | 2023 ₦'000 | % |
|-----------------------------------|------------------------|------------|-------------------|------------|--------------------------|--------------|------------------|------------|
| Insurance revenue | 47,672,253 | 211% | 34,192,000 | 203% | 23,621,163 | 161% | 19,464,225 | 200% |
| Claims and benefits | (33,233,689) | -147% | (11,629,107) | -69% | (11,898,263) | -81% | (10,220,001) | -105% |
| Amortisation of acquisition costs | (11,592,064) | -51% | (7,798,041) | -46% | (7,166,598) | -49% | (6,577,948) | -68% |
| Recurring expenses | (1,420,840) | -6% | (3,866,113) | -23% | (1,420,840) | -10% | (795,804) | -8% |
| Investment returns | 12,712,345 | 56% | 20,848,278 | 124% | 7,687,222 | 52% | 17,045,452 | 175% |
| Other services expense | 8,424,130 | 37% | (14,911,902) | -89% | 3,893,365 | 26% | (9,180,883) | -94% |
| Value added | 22,562,135 | 100 | 16,835,113 | 100 | 14,716,048 | 100 | 9,735,041 | 100 |

Applied as follows:

In payment of employees:

| | | | | | | | | |
|--------------------------------------|-----------|----|-----------|----|-----------|----|-----------|----|
| - Salaries, wages and other benefits | 6,229,625 | 28 | 5,516,240 | 33 | 4,190,531 | 28 | 2,987,788 | 31 |
|--------------------------------------|-----------|----|-----------|----|-----------|----|-----------|----|

In payment to providers of capital:

| | | | | | | | | |
|--------------------|---|---|---|---|---|---|---|---|
| - Interest on loan | - | - | - | - | - | - | - | - |
|--------------------|---|---|---|---|---|---|---|---|

In payment to Government

| | | | | | | | | |
|------------|-----------|---|-----------|----|---------|---|-----------|----|
| - Taxation | 1,546,749 | 7 | 3,100,541 | 18 | 127,219 | 1 | 2,188,442 | 22 |
|------------|-----------|---|-----------|----|---------|---|-----------|----|

For future replacement of assets, expansion of business and payment of dividend to shareholders:

| | | | | | | | | |
|-------------------------------|-------------------|------------|-------------------|------------|-------------------|------------|------------------|------------|
| - Depreciation & Amortisation | 671,908 | 3 | 779,511 | 5 | 486,974 | 3 | 621,686 | 6 |
| - Profit for the year | 14,113,853 | 63 | 7,438,822 | 44 | 9,911,325 | 67 | 3,937,125 | 40 |
| | 22,562,135 | 100 | 16,835,113 | 100 | 14,716,048 | 100 | 9,735,041 | 100 |

SANLAM LIFE INSURANCE NIGERIA LIMITED

OTHER NATIONAL DISCLOSURES AS AT 31 DECEMBER 2024

(b) Financial Summary

(bi) Group

| | 31-Dec-24 N'000 | 31-Dec-23 N'000 | 31-Dec-22 N'000 | 31-Dec-21 N'000 | 31-Dec-20 N'000 |
|---------------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| ASSETS | | | | | |
| Cash and Cash equivalent | 10,065,883 | 8,826,959 | 5,378,490 | 2,298,397 | 3,451,406 |
| Financial Assets | 168,122,771 | 184,302,710 | 158,344,917 | 141,215,151 | 157,329,434 |
| Trade receivables | 154,971 | 417,154 | 223,288 | 62,859 | 32,984 |
| Reinsurance contract assets | 12,803,727 | 4,832,753 | 3,436,800 | 4,605,646 | 3,981,797 |
| Other receivables and prepayments | 1,914,362 | 2,130,281 | 1,175,199 | 1,028,605 | 891,327 |
| Deferred Acquisition Cost | - | - | - | - | 386,794 |
| Investment Properties | - | - | - | - | 100,000 |
| Intangible Assets | 262,440 | 262,440 | 432,407 | 632,685 | 834,612 |
| Property and Equipment | 3,120,140 | 2,960,368 | 2,778,967 | 2,776,504 | 2,486,238 |
| Statutory Deposit | 500,000 | 500,000 | 500,000 | 500,000 | 500,000 |
| Total Assets | 196,944,294 | 204,232,664 | 172,270,069 | 153,119,847 | 169,994,591 |
| LIABILITIES | | | | | |
| Insurance Contract Liabilities | 148,171,097 | 147,216,233 | 134,525,151 | 119,989,993 | 110,902,103 |
| Investment Contract Liabilities | - | - | - | - | 28,416,577 |
| Other Insurance contract liabilities | 231,623 | 611,771 | 177,563 | 351,424 | - |
| Trade payables | 18,905 | 150,542 | 88,407 | 359,507 | 607,653 |
| Other payables and accruals | 7,599,826 | 14,042,687 | 2,391,734 | 3,512,449 | 3,204,882 |
| Divided payable | 4,845,613 | 6,175,897 | 5,686,428 | 3,392,382 | - |
| Tax Payable | - | 14,097,165 | 7,946,917 | 3,082,305 | 2,649,321 |
| Deferred Tax Liabilities | 538,987 | 513,980 | 428,301 | 500,750 | 429,878 |
| Total Liabilities | 161,406,051 | 182,808,276 | 151,244,502 | 131,188,810 | 146,210,413 |
| EQUITY | | | | | |
| Share Capital | 8,000,000 | 8,000,000 | 8,000,000 | 8,000,000 | 8,000,000 |
| Share Premium | 130,708 | 130,708 | 130,708 | 130,708 | 130,708 |
| Contingency Reserve | 7,021,193 | 6,180,686 | 5,480,347 | 5,137,276 | 4,194,709 |
| Retained Earnings | 20,386,342 | 7,112,995 | 7,414,512 | 8,663,053 | 10,938,069 |
| Fair Value Reserve | - | - | - | - | 520,692 |
| Total Equity | 35,538,243 | 21,424,388 | 21,025,567 | 21,931,037 | 23,784,178 |
| Total Liabilities & Equity | 196,944,293 | 204,232,665 | 172,270,069 | 153,119,847 | 169,994,591 |

IFRS 17

| | 31-Dec-24 N'000 | 31-Dec-23 N'000 | 31-Dec-22 N'000 | 31-Dec-21 N'000 | 31-Dec-20 N'000 |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|
| INCOME STATEMENTS | | | | | |
| Insurance revenue | 47,672,253 | 34,192,000 | 51,062,080 | - | - |
| Insurance service expense | (43,404,913) | (28,396,307) | (43,964,409) | - | - |
| Net expenses from reinsurance contracts | 881,965 | (3,836,526) | (4,339,511) | - | - |
| Insurance service result | 5,149,305 | 1,959,168 | 2,758,159 | - | - |
| Interest revenue calculated using the effective interest method | 25,396,080 | 21,361,872 | 17,153,138 | - | - |
| Other investment losses | (12,105,876) | (485,137) | (5,325,550) | - | - |
| Net impairment loss on financial assets | (577,859) | (28,459) | 102,836 | - | - |
| Investment returns | 12,712,345 | 20,848,276 | 11,930,424 | - | - |
| Net finance expenses from insurance contracts | (2,118,676) | (13,091,630) | (8,266,168) | - | - |
| Reinsurance finance income or expense | (1,153,066) | (146,409) | 22,617 | - | - |
| Net financial result | 9,440,603 | 7,610,236 | 3,686,872 | - | - |
| Other income | 1,086,773 | 983,780 | 884,536 | - | - |
| Other finance cost | (16,078) | (13,822) | (9,714) | - | - |
| Profit before tax | 15,660,602 | 10,539,362 | 7,319,854 | - | - |
| Income taxation expense | (1,546,749) | (3,100,541) | (2,305,323) | - | - |
| Profit for the year | 14,113,853 | 7,438,822 | 5,014,531 | - | - |
| Other comprehensive income: | - | - | - | - | - |
| Total comprehensive income for the year | 14,113,853 | 7,438,822 | 5,014,531 | - | - |

IFRS 4

| | 31-Dec-24 N'000 | 31-Dec-23 N'000 | 31-Dec-22 N'000 | 31-Dec-21 N'000 | 31-Dec-20 N'000 |
|---|--------------------|--------------------|--------------------|--------------------|---------------------|
| INCOME STATEMENTS - GROUP | | | | | |
| Gross Premium written | - | - | - | 47,933,577 | 47,068,194 |
| Gross Premium income | - | - | - | 47,316,923 | 47,084,221 |
| Net premium Income | - | - | - | 42,168,769 | 42,491,000 |
| Insurance Claims incurred and loss adjustments expenses | - | - | - | (20,284,327) | (14,435,077) |
| Insurance Claims incurred recovered from reinsurance | - | - | - | 2,341,313 | 2,422,512 |
| Net Underwriting expenses | - | - | - | (6,839,619) | (5,688,309) |
| Underwriting results | - | - | - | 37,008,515 | (19,997,621) |
| Investment income | - | - | - | 11,281,301 | 10,161,418 |
| Net fair value gain/(loss) | - | - | - | (27,853,686) | 18,582,141 |
| Profit from investment contract | - | - | - | 995,054 | 1,242,802 |
| Other income | - | - | - | 504,964 | 167,740 |
| Employee benefit expense | - | - | - | (3,552,710) | (3,593,822) |
| Other operating expenses | - | - | - | (3,168,799) | (3,024,796) |
| Other operating expenses | - | - | - | (8,683) | (60,253) |
| Profit before tax | - | - | - | 5,131,558 | 10,314,301 |
| Income tax expense | - | - | - | (1,017,774) | (430,376) |
| Profit after tax | - | - | - | 4,113,784 | 9,883,925 |
| Other Comprehensive income | - | - | - | - | (1,606,477) |
| Total comprehensive income | - | - | - | 3,607,262 | 8,277,450 |

SANLAM LIFE INSURANCE NIGERIA LIMITED

OTHER NATIONAL DISCLOSURES
AS AT 31 DECEMBER 2024

| (bii) Company | 31-Dec-24 N'000 | 31-Dec-23 N'000 | 31-Dec-22 N'000 | 31-Dec-21 N'000 | 31-Dec-20 N'000 |
|---|--------------------|--------------------|--------------------|--------------------|---------------------|
| ASSETS | | | | | |
| Cash and Cash equivalent | 5,294,072 | 5,226,084 | 3,487,144 | 1,379,959 | 2,695,393 |
| Financial Assets | 153,194,346 | 171,247,262 | 149,090,345 | 133,097,088 | 147,265,791 |
| Trade receivables | 51,682 | 65,155 | 10,500 | 29,869 | 15,818 |
| Reinsurance contract assets | 420,137 | 614,160 | 219,785 | 89,697 | 774,556 |
| Other receivables and prepayments | 1,312,390 | 1,921,648 | 977,216 | 814,724 | 865,716 |
| Deferred Acquisition Cost | - | - | - | - | 37,779 |
| Investment in Subsidiary | 5,349,120 | 5,349,120 | 5,349,120 | 5,349,120 | 5,349,120 |
| Intangible Assets | - | - | 169,967 | 370,245 | 572,172 |
| Property and Equipment | 1,885,536 | 1,830,692 | 1,701,661 | 1,542,812 | 1,363,324 |
| Statutory Deposit | 200,000 | 200,000 | 200,000 | 200,000 | 200,000 |
| Total Assets | 167,707,284 | 186,454,121 | 161,205,738 | 142,873,512 | 159,139,669 |
| LIABILITIES | | | | | |
| Insurance Contract Liabilities | 133,442,143 | 138,841,101 | 128,226,623 | 113,064,804 | 105,089,516 |
| Investment Contract Liabilities | - | - | - | - | 28,416,577 |
| Other Insurance contract liabilities | - | - | - | - | - |
| Trade payables | 18,905 | 150,542 | 49,301 | 47,789 | 163,365 |
| Other payables and accruals | 6,075,836 | 13,325,194 | 1,924,579 | 3,100,159 | 2,695,294 |
| Tax Payable | 3,360,806 | 5,142,777 | 5,143,780 | 3,314,100 | 2,482,731 |
| Divided payable | - | 14,097,165 | 7,946,917 | 3,082,305 | - |
| Deferred Tax Liabilities | 315,237 | 314,308 | 228,629 | 240,339 | 229,577 |
| Total Liabilities | 143,212,925 | 171,871,086 | 143,519,828 | 122,849,496 | 139,077,061 |
| EQUITY | | | | | |
| Share Capital | 8,000,000 | 8,000,000 | 8,000,000 | 8,000,000 | 8,000,000 |
| Share Premium | 130,708 | 130,708 | 130,708 | 130,708 | 130,708 |
| Contingency Reserve | 3,860,591 | 3,860,591 | 3,860,591 | 3,860,591 | 3,197,514 |
| Retained Earnings | 12,503,059 | 2,591,734 | 5,694,610 | 8,032,719 | 8,213,695 |
| Fair Value Reserve | - | - | - | - | 520,692 |
| Total Equity | 24,494,358 | 14,583,033 | 17,685,909 | 20,024,017 | 20,062,609 |
| Total Liabilities & Equity | 167,707,282 | 186,454,121 | 161,205,738 | 142,873,512 | 159,139,669 |
| IFRS 17 | | | | | |
| INCOME STATEMENTS | | | | | |
| Insurance revenue | 23,621,163 | 19,464,225 | 40,642,616 | - | - |
| Insurance service expense | (17,644,022) | (17,593,753) | (38,375,040) | - | - |
| Net expenses from reinsurance contracts | (918,951) | (442,298) | 10,906 | - | - |
| Insurance service result | 5,058,189 | 1,428,174 | 2,278,483 | - | - |
| Interest revenue calculated using the effective interest method | 22,689,814 | 20,093,959 | 16,360,527 | - | - |
| Other investment losses | (14,429,426) | (3,033,972) | (5,484,782) | - | - |
| Net impairment loss on financial assets | (573,165) | (14,535) | 105,447 | - | - |
| Investment returns | 7,687,222 | 17,045,451 | 10,981,192 | - | - |
| Net finance expenses from insurance contracts | (3,751,615) | (13,306,391) | (8,253,720) | - | - |
| Reinsurance finance income or expense | (2,828) | 4,411 | 2,311 | - | - |
| Net financial result | 3,932,779 | 3,743,471 | 2,729,783 | - | - |
| Other income | 1,063,654 | 967,743 | 433,296 | - | - |
| Other finance cost | (16,078) | (13,822) | (9,714) | - | - |
| Profit before tax | 10,038,543 | 6,125,566 | 5,431,847 | - | - |
| Income taxation expense | (127,219) | (2,188,442) | (1,849,956) | - | - |
| Profit for the year | 9,911,325 | 3,937,125 | 3,581,891 | - | - |
| Other comprehensive income: | - | - | - | - | - |
| Total comprehensive income for the year | 9,911,325 | 3,937,125 | 3,581,891 | - | - |
| IFRS 4 | | | | | |
| INCOME STATEMENTS | | | | | |
| Gross Premium written | - | - | - | 38,617,197 | 39,063,202 |
| Gross Premium income | - | - | - | 38,330,994 | 39,260,097 |
| Net premium Income | - | - | - | 37,707,025 | 38,611,915 |
| Insurance Claims incurred and loss adjustments expenses | - | - | - | (16,147,156) | (11,540,311) |
| Insurance Claims incurred recovered from reinsurance | - | - | - | (175,882) | 530,147 |
| Net Underwriting expenses | - | - | - | (4,961,995) | (4,136,468) |
| Underwriting results | - | - | - | 35,349,678 | (21,935,566) |
| Investment income | - | - | - | 10,423,708 | 9,521,802 |
| Net fair value gain/(loss) | - | - | - | (27,560,138) | 18,603,860 |
| Profit from investment contract | - | - | - | 995,054 | 1,242,802 |
| other income | - | - | - | 80,694 | 39,058 |
| Employee benefit expense | - | - | - | (2,764,353) | (2,683,410) |
| Other operating expenses | - | - | - | (2,360,243) | (2,197,553) |
| Impairment loss | - | - | - | (23,630) | (40,939) |
| Profit before tax | - | - | - | 6,809,201 | 8,142,455 |
| Income tax expense | - | - | - | (903,393) | (195,163) |
| Profit after tax | - | - | - | 5,905,809 | 7,947,291 |
| Other Comprehensive income | - | - | - | - | (1,606,477) |
| Total comprehensive income | - | - | - | 5,399,286 | 6,340,814 |