TANGERINE GENERAL INSURANCE LIMITED

NON-LIFE BUSINESS FINANCIAL CONDITION REPORT
AS AT 31 DECEMBER 2024

14, Hughes Avenue,
Alagomeji,
Yaba,
Lagos

Prepared by

7, Ibiyinka Olorunbe Close, Victoria Island, Lagos.
Email: info@becodaconsulting.com
Website: www.becodaconsulting.com

Tangerine General Insurance Limited
Non-Life Business Financial Condition Report

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Becoda Consulting has prepared the Financial Condition Report for the non-life business of Tangerine General Insurance Limited ("the Client" or "Tangerine General") as at 31 December 2024 and is addressed to the Managing Director of Tangerine General Limited. The Report was prepared for our client's sole use and benefit and to meet our client's regulatory requirements under the Insurance Act of 2003. Becoda Consulting makes no representation or warranties to any other third party as to the accuracy or completeness of the Report.

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EXECUTIVE SUMMARY

I. This report analyses the financial condition of Tangerine General Insurance Limited's non-life business as of 31 December 2024.

II. The analysis is based on data provided by Tangerine General, including financial statements, actuarial valuation reports, and transactional data.

Key Findings:

III. Improved Financial Performance: Tangerine General's profit before tax increased significantly to ₦7,769 million in 2024, compared to ₦3,632 million in 2023. This positive trend was driven by strong financial insurance results. The company has demonstrated strong financial performance in 2024, with significant improvements in profitability, driven by revenue growth, a much lower claims ratio, and better cost control.

IV. Underwriting Performance: The combined ratio improved significantly from 126.1% in 2023 to 75.6% in 2024, indicating a shift from underwriting loss to underwriting profit.

- The significant improvement in the combined ratio is a clear indication of enhanced underwriting profitability.
- While acquisition costs have increased, they've remained relatively stable as a percentage of premiums, suggesting efficient growth.
- The company's focus on cost control has yielded positive results, with lower fulfilment and management expenses as a percentage of premiums.

V. Strong Solvency Position: The company's solvency margin improved to 175% in 2024, exceeding the regulatory minimum. The Capital Adequacy Ratio (CAR) also increased to 729% in 2024.

VI. Reinsurance Effectiveness: The Value for Money Ratio decreased in 2024, suggesting a reduction in the return generated per unit of reinsurance spend.

Recommendations:

- Continue to refine and strengthen the underwriting and expense management practices that resulted in the improved combined ratios.
- Address the concentration risk in the Oil & Gas business.
- Review reinsurance arrangements to optimize value for money.
- Transition to a risk-based solvency approach to better manage key risks.

Overall, Tangerine General exhibits a strong financial position and improved underwriting performance in 2024.

1. INTRODUCTION

1.1 Purpose

The primary purpose of this report is to present the results of our analysis of the financial condition of the non-life business of Tangerine General Insurance Limited ("Tangerine General") as at 31 December 2024.

We understand that this report will form part of Tangerine General's submission to NAICOM. This report should not be distributed to any other parties other than NAICOM and is not suitable for any other purpose other than that stated above.

1.2 Documents and Information Supplied

We were supplied with the following documents and information for this report by the Management of Tangerine General.

a) Audited financial statements as at 31 December 2023.
b) Unaudited financial statements as at 31 December 2024.
c) IFRS 17 financial disclosures as at 31 December 2024 as prepared by Becoda and Tangerine General.
d) Actuarial valuation report as at 31 December 2024 prepared by Becoda.
e) Summary of actual transactional data and cashflows for the reporting period.

1.3 Reliance and Limitations

- Management is ultimately solely responsible for preparing and submitting the Financial Condition Report. Our analyses does not include or constitute either a review or audit, and so we do not express any assurance on the financial condition, sustainability or the ability for Tangerine General to continue as a going concern.
- We have assumed that the data provided was correct and we did not perform a full audit of the data and information provided. However, our analyses and conclusions must be limited to the accuracy of data and information and the realisation of the assumption used. In preparing this report, we have relied on information and data supplied by the Management of Tangerine General.

2. BUSINESS OVERVIEW

2.1 Activities of the Company

Tangerine General's non-life business is made up of the following the lines of business:

- Agriculture
- Aviation
- Bond
- Engineering
- Fire
- General Accident
- Marine
- Motor
- Oil & Gas

There has been no change in the lines of business it underwrites in 2024 compared to 2023.

The financial highlights for the year ending 31 December 2024 compared to the years ending 31 December 2023 and 31 December 2022[1]:

Statement of profit or loss	2024	2023	2022 restated
Amounts in N'000			
Insurance revenue	13,598,567	8,149,647	6,232,549
Insurance service expense	(9,019,256)	(9,373,614)	(4,986,300)
Net income or (expense) from reinsurance contracts held	(2,952,029)	1,649,020	(549,163)
Insurance service result	**1,627,282**	**425,053**	**697,086**
Financial insurance result	**8,851,806**	**5,542,478**	**2,417,887**
Other expenses	(2,710,224)	(2,335,881)	(1,695,548)
Profit before tax	**7,768,864**	**3,631,650**	**1,419,425**
Income tax	(2,900,430)	(1,736,535)	(210,659)
Profit for the year	**4,868,434**	**1,895,115**	**1,208,766**

Statement of changes in equity	2024	2023	2022 restated
Amounts in N'000			
Opening equity	**16,306,137**	**15,370,955**	**12,860,670**
Additions through business combination	0	0	924,021
Profit for the year	4,868,434	1,233,235	1,280,642
Other comprehensive income for the year	1,447,207	301,947	605,622
Cash Dividend	(750,000)	(600,000)	(300,000)
Closing equity	**21,871,778**	**16,306,137**	**15,370,955**

Strong financial insurance results were the primary driver of the Tangerine General's improved financial performance in 2024. Profit before tax increased significantly to ₦7,769 million, compared to ₦3,632 million in 2023, continuing the positive trend of the past three years. This strong performance, combined with other comprehensive income, boosted shareholder equity by 34.1% compared to 2023, despite increased dividend payments.

2.2 Company Structure and changes during the Year

The table provides a profile of the shareholding as at 31 December 2024.

[1] The results are based on IFRS17 compliant calculations and disclosures

Shareholder	Shareholding	% Shareholding
Kanuri LUR Limited	18,560,807,285	95.05
Tangerine Life Insurance Limited	966,708,712	4.95
LOOYS Limited	3	0.00
TOTAL	**19,527,516,000**	**100.00**

Over the reporting period, there were no changes in the holdings above.

2.3 Premium History

The Company's gross premium written increased 64.5% over the period, from ₦9,185 million in 2023 to ₦15,107 million in 2024. This indicates a strong expansion of business.

	Gross Premium Written (N'000)		
Line of business	**2024**	**2023**	**% Change**
Motor	2,562,080	2,055,162	+24.7%
General Accident	1,168,965	1,053,172	+11.0%
Marine	1,235,706	645,928	+91.3%
Fire	2,329,043	1,681,597	+38.5%
Engineering	1,048,909	912,127	+15.0%
Bond	168,888	67,352	+150.8%
Oil & Gas	6,151,813	2,530,756	+143.1%
Agriculture	53,509	20,108	+166.1%
Aviation	388,232	218,624	+77.6%
TOTAL	**15,107,146**	**9,184,826**	**+64.5%**

Around 73% of the premiums in 2024 came from Oil & Gas, Motor and Fire business. The same businesses accounted for 68% of premium in 2023.

However the growth in premiums is driven by Oil & Gas business which increased from ₦2,531 million to ₦6,152 million over the period suggesting focused strategic effort. It now accounts for 41% of gross premiums written but now introduces potential concentration risk. While Oil & Gas is driving growth, it is crucial that Tangerine General assesses its diversification strategy as over-reliance on one sector, particularly Oil & Gas, is risky.

2.4 Experience Analysis – Insurance Contracts

We have carried out analysis of the Company's experience for its insurance contracts over the period 2023 - 2024 in the table below.

Amounts in N'000	2024	2023	2024 vs 2023
INSURANCE CONTRACT EXPERIENCE RATIOS			
Premiums received	15,107,146	9,184,826	+64.5%
Insurance revenue	13,598,567	8,149,647	+66.9%
Incurred claims	(4,307,175)	(6,404,105)	-32.7%
Acquisition costs	(3,346,836)	(2,075,244)	+61.3%
Fulfilment expenses	(1,051,493)	(767,518)	+37.0%
Other (management) expenses	(2,710,224)	(2,335,881)	+16.0%
Investment income	8,893,706	5,606,943	+58.6%
Profit before tax	**7,768,864**	**3,631,650**	+113.9%
As a % of premium received:			
Insurance Revenue	90.0%	88.7%	+1.3%
Incurred Claims [A]	(28.5)%	(69.7)%	+41.2%
Acquistion costs [B]	(22.2)%	(22.6)%	+0.4%
Fulfilment expenses [C]	(7.0)%	(8.4)%	+1.4%
Other (management) expenses [D]	(17.9)%	(25.4)%	+7.5%
Investment Income	58.9%	61.0%	-2.2%
Profit before tax	51.4%	39.5%	+11.9%
Combined ratio on Insurance Services *= [A] + [B] + [C] + [D]*	(75.6)%	(126.1)%	+50.5%

Key Highlights:

- *Strong Growth:* Both premiums received, and insurance revenue have shown substantial growth over the period suggesting increased business activity.

- *Improved Claims Ratio:* Whilst the absolute value of incurred claims has decreased, the incurred claims ratio has drastically improved over the period, falling from 69.7% to 28.7%, suggesting better underwriting and risk management.

- *Efficient Acquisition of New Business:* The total of the ratio of acquisition costs, fulfilment expenses and other (management) expenses to premiums received improved to 47.1% in 2024 compared to 56.4% in 2023.
  - Acquisition costs increased significantly in absolute terms but only marginally as a percentage of premiums (from 22.6% to 22.2%), suggesting efficient growth.
  - Fulfilment expenses decreased as a percentage of premiums (from 8.4% to 7.0%), indicating better operational efficiency in policy administration.

- Other (management) expenses decreased both in absolute terms and as a percentage of premiums (from 25.4% to 17.9%), suggesting improved cost control.

- *Significantly Improved Combined Ratio:* The combined ratio has drastically improved from 126.1% in 2023 to 75.6% in 2024, signifying a shift from an underwriting loss to a significant underwriting profit. This is a crucial indicator of improved underwriting performance.

- *Strong Investment Income:* Compared to 2023, investment income remains a significant contributor to profitability, although it has decreased slightly as a percentage of premiums from 61.0% to 58.9%.

The results show that 81% of profits were driven by performance of Oil & Gas (23%), Motor (22%), Engineering (19%) and Fire (17%) business. We note that only Aviation business experiencing a loss before tax in 2024 offsetting profits from the other lines of business. However, historical evidence does not suggest that this portfolio is onerous and the experience will be monitored.

The table on the next page shows the breakdown of the ratios and profitability by line of business.

Amounts in N'000	Motor	General Accident	Fire	Oil & Gas	Marine	Bond	Agriculture	Engineering	Aviation
INSURANCE CONTRACT EXPERIENCE RATIOS									
Premiums received	2,562,080	1,168,965	2,329,043	6,151,813	1,235,706	168,888	53,509	1,048,909	388,232
Insurance revenue	2,420,510	1,105,011	2,121,910	5,213,684	1,157,784	107,593	46,966	1,053,443	371,664
Incurred claims	(604,503)	(507,148)	(1,098,624)	(1,081,404)	(722,851)	(8,053)	(6,754)	132,208	(433,121)
Acquisition costs	(490,639)	(240,830)	(612,678)	(1,249,946)	(332,631)	(46,690)	(15,455)	(274,015)	(83,953)
Fulfilment expenses	(178,327)	(81,363)	(162,107)	(428,181)	(86,008)	(11,755)	(3,724)	(73,007)	(27,022)
Other (management) expenses	(256,194)	(226,648)	(420,574)	(634,227)	(187,314)	(16,538)	(417)	(519,557)	(48,789)
Investment income	984,114	870,617	1,615,542	2,436,242	719,525	63,529	1,600	1,995,762	187,413
Profit before tax	1,775,713	1,051,852	1,407,975	1,871,127	623,049	34,520	3,104	1,534,527	(152,399)
As a % of premium received:									
Insurance Revenue	94.5%	94.5%	91.1%	84.8%	93.7%	63.7%	87.8%	100.4%	95.7%
Incurred Claims [A]	(23.6)%	(43.4)%	(47.2)%	(17.6)%	(58.5)%	(4.8)%	(12.6)%	12.6%	(111.6)%
Acquistion costs [B]	(19.2)%	(20.6)%	(26.3)%	(20.3)%	(26.9)%	(27.6)%	(28.9)%	(26.1)%	(21.6)%
Fulfilment expenses [C]	(7.0)%	(7.0)%	(7.0)%	(7.0)%	(7.0)%	(7.0)%	(7.0)%	(7.0)%	(7.0)%
Other (management) expenses [D]	(10.0)%	(19.4)%	(18.1)%	(10.3)%	(15.2)%	(9.8)%	(0.8)%	(49.5)%	(12.6)%
Investment Income	38.4%	74.5%	69.4%	39.6%	58.2%	37.6%	3.0%	190.3%	48.3%
Profit before tax	69.3%	90.0%	60.5%	30.4%	50.4%	20.4%	5.8%	146.3%	(39.3)%
Combined ratio on Insurance Services *= [A] + [B] + [C] + [D]*	(59.7)%	(90.3)%	(98.5)%	(55.2)%	(107.5)%	(49.2)%	(49.2)%	(70.0)%	(152.7)%

Observations

- Varying profitability driven/influenced heavily by incurred claims ratio and investment income contribution. Lines with lower claims rations and higher investment income ratios tend to be more profitable, see Motor, General Accident, Fire and Engineering.
- Although Oil & Gas accounts for 23% of total profits, its profit before tax as a % premiums ranks 6th amongst the nine lines of business above with Engineering ranking 1st.
- The combined ratio highlights the underwriting performance of each line. A ratio below 100% indicates underwriting profit, while above 100% signifies a loss. We that Aviation and Marine experienced underwriting losses driven by their incurred claims ratios.

2.5 Experience Analysis – Reinsurance Contracts

The table below provides an overview of the reinsurance contracts over the same period.

Amounts in N'000	2024	2023
REINSURANCE CONTRACT EXPERIENCE RATIOS		
Reinsurance premiums paid	(5,225,328)	(3,388,002)
Inward commissions & fees	811,351	605,837
Reinsurance recoveries	1,073,102	1,337,011
Reinsurance contract remeasurements	388,847	3,094,175
Net income or (expense) on reinsurance	(2,952,029)	1,649,020
As a % of reinsurance premium paid:		
Inward commissions & fees	15.5%	17.9%
Reinsurance recoveries	20.5%	39.5%
Reinsurance contract remeasurements	7.4%	91.3%
Net income or (expense) on reinsurance	(56.5)%	48.7%

While reinsurance premiums paid increased in line with the growth in premiums received (34.6% of premiums in 2024, compared to 36.9% in 2023), key performance indicators within reinsurance have deteriorated.

Inward commissions and fees as a percentage of premiums paid decreased from 17.9% to 15.5%, and reinsurance recoveries dropped significantly from 39.5% to 20.5%. Tangerine General has experienced a net reinsurance expense in 2024, contrasting with a net reinsurance income in 2023.

2.6 Reinsurance Effectiveness

The table below provides a general assessment of the value derived from reinsurance arrangements over the last three years.

Amounts in N'000	2024	2023	2022 restated	Total
Reinsurance expense	**(5,225,328)**	**(3,388,002)**	**(1,823,993)**	**(10,437,323)**
Inward commission & fees	811,351	605,837	227,358	1,644,546
Reinsurance recoveries	1,073,102	1,337,011	671,687	3,081,799
Reinsurance Income	**1,884,453**	**1,942,847**	**899,045**	**4,726,345**
Value for Money Ratio	36.1%	57.3%	49.3%	45.3%

A three-year benchmark of around 80% would normally be advised for the Value for Money ratio. Over the three-year period, we see around 45% of reinsurance premium was recovered by Tangerine General, with around 65% from recoveries and 35% from commission and fees on average over the three-year period. The recoveries portion of the reinsurance income has fallen from 75% to 57% from 2022 to 2024.

We see that the "Value for Money Ratio" has decreased over the period, indicating a substantial reduction in the return generated per unit of reinsurance spend. Given the current levels, it is instructive for Tangerine General to investigate drivers whilst also looking to review its reinsurance arrangements to optimise them.

The table below presents the results of the value for money analysis per line of business over 2024 and 2023.

Value for Money Ratio	2024	2023	*Direction of Change*
General Accident	63.7%	158.2%	▼
Fire	75.2%	65.7%	▲
Marine	58.6%	103.1%	▼
Motor	40.8%	55.2%	▼
Engineering	61.2%	46.6%	▲
Bond	36.0%	36.3%	▬
Oil & Gas	4.7%	17.9%	▼
Agriculture	33.2%	22.5%	▲
Aviation	21.2%	47.4%	▼
Total	**36.1%**	**57.3%**	▼

The following tables provide a breakdown of the Value for Money Ratio by line of business for 2024 and 2023 respectively.

2024 Breakdown of Value for Money Ratio

Amounts in N'000	Reinsurance expense	Inward commission & fees	Reinsurance recoveries	Reinsurance Income	Value for Money Ratio
General Accident	**333,543**	90,248	122,273	**212,521**	63.7%
Fire	**1,076,551**	272,603	536,957	**809,560**	75.2%
Marine	**426,996**	108,947	141,243	**250,190**	58.6%
Motor	**243,990**	56,278	43,342	**99,621**	40.8%
Engineering	**514,001**	104,078	210,676	**314,754**	61.2%
Bond	**114,163**	29,302	11,742	**41,044**	36.0%
Oil & Gas	**2,307,772**	108,215	0	**108,215**	4.7%
Agriculture	**36,021**	9,186	2,768	**11,954**	33.2%
Aviation	**172,292**	32,493	4,101	**36,594**	21.2%
Total	**5,225,328**	**811,351**	**1,073,102**	**1,884,453**	**36.1%**

2023 Breakdown of Value for Money Ratio

Amounts in N'000	Reinsurance expense	Inward commission & fees	Reinsurance recoveries	Reinsurance Income	Value for Money Ratio
General Accident	**366,866**	99,705	480,790	**580,495**	158.2%
Fire	**866,663**	198,004	371,412	**569,416**	65.7%
Marine	**193,155**	40,105	158,963	**199,068**	103.1%
Motor	**130,253**	39,484	32,370	**71,854**	55.2%
Engineering	**605,313**	145,317	136,794	**282,111**	46.6%
Bond	**31,182**	9,355	1,978	**11,332**	36.3%
Oil & Gas	**1,134,737**	47,931	154,704	**202,635**	17.9%
Agriculture	**9,625**	2,162	0	**2,162**	22.5%
Aviation	**50,208**	23,775	0	**23,775**	47.4%
Total	**3,388,002**	**605,837**	**1,337,011**	**1,942,847**	**57.3%**

There is a significant reduction in Oil & Gas Value for Money Ratio, driven by the large increase in Reinsurance Expense and a disappearance of recoveries. We also see the drastic decrease in General Accident recoveries in 2024 compared to 2023. These are the key drivers of the overall decline in the Value for Money.

Tangerine General should investigate what factors contributed to the declines in recoveries for Oil & Gas and General Accident, and if changes in its reinsurance strategy or agreements may have contributed to this.

3. FINANCIAL POSITION AND MANAGEMENT

3.1 Statement of Financial Position

The table below presents Tangerine General's statement of financial position for the year ending 31 December 2024 compared to 2023.

Statement of financial position

Amounts in N'000	2024	2023	% Change
Investment securities	18,624,268	12,782,890	+45.7%
Investment properties	1,355,982	1,321,151	+2.6%
Cash and cash equivalents	8,551,310	3,490,563	+145.0%
Invested Assets	**28,531,560**	**17,594,604**	+62.2%
Reinsurance assets	5,338,984	5,081,409	+5.1%
Other balance sheet assets	7,470,582	7,101,251	+5.2%
Total Assets	**41,341,126**	**29,777,264**	+38.8%
Insurance liabilities	12,482,221	10,177,851	+22.6%
Other liabilities	6,987,127	3,293,276	+112.2%
Total Liabilities	**19,469,348**	**13,471,127**	+44.5%
Net Assets	**21,871,778**	**16,306,137**	+34.1%

Total assets increased by 38.8% from ₦29,777 million in 2023 to ₦41,341 million in 2024, driven by increase in value of investments securities and cash and cash equivalents over the period.

We see a 44.5% increase in total liabilities in 2024 compared to 2023, as insurance liabilities and other liabilities have both increased during the period.

Consequently, over the period, the net assets (or Shareholders' funds) improved 34.1% from ₦16,306 million in 2023 to ₦21,872 million in 2024.

3.2 Results of the Insurance Liability Valuation

The following table provides a reconciliation of the insurance contract liabilities as at 31st December 2024.

Reconciliation of Insurance Contract Liabilities *N'm*	Total	Motor	General Accident	Fire	Oil & Gas	Marine	Bond	Agriculture	Engineering	Aviation
Opening insurance contract assets	-	-	-	-	-	-	-	-	-	-
Opening insurance contract liabilities	10,177.9	1,307.9	863.2	1,692.0	1,935.1	861.3	31.2	4.2	3,385.7	97.3
Net opening balance	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Insurance revenue	(13,598.6)	(2,420.5)	(1,105.0)	(2,121.9)	(5,213.7)	(1,157.8)	(107.6)	(47.0)	(1,053.4)	(371.7)
Insurance service expenses	-	-	-	-	-	-	-	-	-	-
Incurred claims and other expenses	5,381.7	782.8	588.5	1,260.7	1,509.6	808.9	19.8	10.5	(59.2)	460.1
Acquisition expenses	3,346.8	490.6	240.8	612.7	1,249.9	332.6	46.7	15.5	274.0	84.0
Changes related to future service	-	-	-	-	-	-	-	-	-	-
Changes related to past service	290.7	(39.0)	(41.9)	(121.8)	488.0	(40.8)	38.6	2.1	(90.7)	96.0
Total Insurance service expenses	**9,019.3**	**1,234.5**	**787.5**	**1,751.6**	**3,247.6**	**1,100.7**	**105.1**	**28.1**	**124.2**	**640.1**
Investment components	-	-	-	-	-	-	-	-	-	-
Insurance service result	**(4,579.3)**	**(1,186.0)**	**(317.5)**	**(370.3)**	**(1,966.1)**	**(57.1)**	**(2.5)**	**(18.9)**	**(929.3)**	**268.5**
Insurance finance expenses	(89.4)	(11.9)	-	-	(77.5)	-	-	-	-	-
Total change in comprehensive income	**(4,668.7)**	**(1,197.9)**	**(317.5)**	**(370.3)**	**(2,043.6)**	**(57.1)**	**(2.5)**	**(18.9)**	**(929.3)**	**268.5**
Premiums received	15,107.1	2,562.1	1,169.0	2,329.0	6,151.8	1,235.7	168.9	53.5	1,048.9	388.2
Claims and expenses paid	(4,787.3)	(806.5)	(454.1)	(1,048.3)	(976.7)	(667.0)	(19.8)	(7.7)	(495.9)	(311.3)
Acquisition costs paid	(3,346.8)	(490.6)	(240.8)	(612.7)	(1,249.9)	(332.6)	(46.7)	(15.5)	(274.0)	(84.0)
Total cash flows	**6,973.1**	**1,264.9**	**474.1**	**668.1**	**3,925.2**	**236.1**	**102.4**	**30.4**	**279.0**	**(7.0)**
Closing insurance contract assets	-	-	-	-	-	-	-	-	-	-
Closing insurance contract liabilities	12,482.2	1,374.9	1,019.7	1,989.8	3,816.6	1,040.2	131.1	15.7	2,735.4	358.8
Net closing balance	**12,482.2**	**1,374.9**	**1,019.7**	**1,989.8**	**3,816.6**	**1,040.2**	**131.1**	**15.7**	**2,735.4**	**358.8**

The next table provides a reconciliation of the risk adjustment element of the insurance contract liabilities as at 31st December 2024 as stated in the previous table.

Reconciliation of Risk Adjustment on Insurance Contract Liabilities *N'm*	**Total**	**Motor**	**General Accident**	**Fire**	**Oil & Gas**	**Marine**	**Bond**	**Agriculture**	**Engineering**	**Aviation**
Opening insurance contract assets	-	-	-	-	-	-	-	-	-	-
Opening insurance contract liabilities	632.4	36.1	48.1	106.6	110.2	62.2	0.7	0.1	261.5	6.9
Net opening balance	**632.4**	**36.1**	**48.1**	**106.6**	**110.2**	**62.2**	**0.7**	**0.1**	**261.5**	**6.9**
Changes related to current services	-	-	-	-	-	-	-	-	-	-
CSM for service provided	-	-	-	-	-	-	-	-	-	-
Risk Adjustment release for expired risks	12.4	0.2	13.8	10.3	40.9	34.8	3.6	0.5	(114.3)	22.7
Experience adjustments	-	-	-	-	-	-	-	-	-	-
Total changes related to current services	**12.4**	**0.2**	**13.8**	**10.3**	**40.9**	**34.8**	**3.6**	**0.5**	**(114.3)**	**22.7**
Changes related to future services	-	-	-	-	-	-	-	-	-	-
New contracts recognised	-	-	-	-	-	-	-	-	-	-
Changes in estimates reflected in CSM	-	-	-	-	-	-	-	-	-	-
Changes in estimates resulting in contract losses	-	-	-	-	-	-	-	-	-	-
Total changes related to future services	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Changes that relate to past service	-	-	-	-	-	-	-	-	-	-
Adjustments to liabilities for incurred claims	-	-	-	-	-	-	-	-	-	-
Total changes that relate to past service	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Insurance service result	**(12.4)**	**(0.2)**	**(13.8)**	**(10.3)**	**(40.9)**	**(34.8)**	**(3.6)**	**(0.5)**	**114.3**	**(22.7)**
Insurance finance expenses	-	-	-	-	-	-	-	-	-	-
Total change in comprehensive income	**(12.4)**	**(0.2)**	**(13.8)**	**(10.3)**	**(40.9)**	**(34.8)**	**(3.6)**	**(0.5)**	**114.3**	**(22.7)**
Total cash flows	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Closing insurance contract assets	-	-	-	-	-	-	-	-	-	-
Closing insurance contract liabilities	644.8	36.3	61.8	116.9	151.2	96.9	4.3	0.6	147.2	29.6
Net closing balance	**644.8**	**36.3**	**61.8**	**116.9**	**151.2**	**96.9**	**4.3**	**0.6**	**147.2**	**29.6**

Similar to the insurance contract liabilities, the following table provides a reconciliation of the reinsurance contract assets as at 31st December 2024.

Reconciliation of Reinsurance Contract Assets *N'm*	Total	Motor	General Accident	Fire	Oil & Gas	Marine	Bond	Agriculture	Engineering	Aviation
Opening insurance contract assets	5,081.4	64.2	397.5	866.3	307.7	520.8	13.6	2.1	2,895.1	14.1
Opening insurance contract liabilities	-	-	-	-	-	-	-	-	-	-
Net opening balance	**5,081.4**	**64.2**	**397.5**	**866.3**	**307.7**	**520.8**	**13.6**	**2.1**	**2,895.1**	**14.1**
Insurance revenue	(4,061.7)	(184.1)	(212.0)	(709.7)	(2,060.4)	(281.7)	(33.7)	(21.3)	(426.0)	(132.9)
Insurance service expenses	-	-	-	-	-	-	-	-	-	-
Incurred claims and other expenses	1,042.7	42.2	316.2	619.6	72.7	293.9	(0.0)	3.0	(402.1)	97.2
Acquisition expenses	-	-	-	-	-	-	-	-	-	-
Changes related to future service	-	-	-	-	-	-	-	-	-	-
Changes related to past service	67.0	26.6	(49.5)	(101.8)	160.7	57.4	34.4	6.4	(103.0)	35.8
Total Insurance service expenses	**1,109.7**	**68.8**	**266.7**	**517.8**	**233.4**	**351.4**	**34.4**	**9.4**	**(505.1)**	**133.1**
Investment components	-	-	-	-	-	-	-	-	-	-
Insurance service result	**(2,952.0)**	**(115.3)**	**54.7**	**(191.9)**	**(1,827.1)**	**69.7**	**0.7**	**(12.0)**	**(931.1)**	**0.1**
Insurance finance expenses	(131.3)	(34.8)	35.6	34.6	(147.5)	(36.0)	(15.6)	(5.0)	60.1	(22.7)
Total change in comprehensive income	**(3,083.3)**	**(150.1)**	**90.3**	**(157.3)**	**(1,974.5)**	**33.7**	**(14.9)**	**(17.0)**	**(871.0)**	**(22.6)**
Premiums received	4,414.0	187.7	243.3	803.9	2,199.6	318.0	84.9	26.8	409.9	139.8
Claims and expenses paid	(1,073.1)	(43.3)	(122.3)	(537.0)	-	(141.2)	(11.7)	(2.8)	(210.7)	(4.1)
Acquisition costs paid	-	-	-	-	-	-	-	-	-	-
Total cash flows	**3,340.9**	**144.4**	**121.0**	**267.0**	**2,199.6**	**176.8**	**73.1**	**24.1**	**199.2**	**135.7**
Closing insurance contract assets	5,339.0	58.5	608.9	976.0	532.7	731.3	71.8	9.2	2,223.4	127.2
Closing insurance contract liabilities	-	-	-	-	-	-	-	-	-	-
Net closing balance	**5,339.0**	**58.5**	**608.9**	**976.0**	**532.7**	**731.3**	**71.8**	**9.2**	**2,223.4**	**127.2**

The table below provides a reconciliation of the risk adjustment element of the reinsurance contract assets as at 31st December 2024 stated in the previous table.

Reconciliation of Risk Adjustment on Reassurance Contract Assets *N'm*	Total	Motor	General Accident	Fire	Oil & Gas	Marine	Bond	Agriculture	Engineering	Aviation
Opening insurance contract assets	375.7	2.4	28.7	59.1	8.1	42.0	0.1	0.1	234.3	1.1
Opening insurance contract liabilities	-	-	-	-	-	-	-	-	-	-
Net opening balance	**375.7**	**2.4**	**28.7**	**59.1**	**8.1**	**42.0**	**0.1**	**0.1**	**234.3**	**1.1**
Changes related to current services	-	-	-	-	-	-	-	-	-	-
CSM for service provided	-	-	-	-	-	-	-	-	-	-
Risk Adjustment release for expired risks	(34.4)	(0.5)	20.0	2.7	4.1	35.8	0.6	0.2	(107.1)	9.7
Experience adjustments	-	-	-	-	-	-	-	-	-	-
Total changes related to current services	**(34.4)**	**(0.5)**	**20.0**	**2.7**	**4.1**	**35.8**	**0.6**	**0.2**	**(107.1)**	**9.7**
Changes related to future services	-	-	-	-	-	-	-	-	-	-
New contracts recognised	-	-	-	-	-	-	-	-	-	-
Changes in estimates reflected in CSM	-	-	-	-	-	-	-	-	-	-
Changes in estimates resulting in contract losses	-	-	-	-	-	-	-	-	-	-
Total changes related to future services	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Changes that relate to past service	-	-	-	-	-	-	-	-	-	-
Adjustments to liabilities for incurred claims	-	-	-	-	-	-	-	-	-	-
Total changes that relate to past service	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Insurance service result	**34.4**	**0.5**	**(20.0)**	**(2.7)**	**(4.1)**	**(35.8)**	**(0.6)**	**(0.2)**	**107.1**	**(9.7)**
Insurance finance expenses	-	-	-	-	-	-	-	-	-	-
Total change in comprehensive income	**34.4**	**0.5**	**(20.0)**	**(2.7)**	**(4.1)**	**(35.8)**	**(0.6)**	**(0.2)**	**107.1**	**(9.7)**
Total cash flows	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Closing insurance contract assets	341.3	1.9	48.6	61.8	12.2	77.8	0.7	0.3	127.2	10.8
Closing insurance contract liabilities	-	-	-	-	-	-	-	-	-	-
Net closing balance	**341.3**	**1.9**	**48.6**	**61.8**	**12.2**	**77.8**	**0.7**	**0.3**	**127.2**	**10.8**

Please see the Appendix for more detailed reconciliation tables.

3.3 Solvency

The following table presents Tangerine General's balance sheet adequacy and solvency margins for 2023 and 2024.

Amounts in N'000	2024	2023
Insurance contract liabilities	12,482,221	10,177,851
Shareholders' Funds	21,871,778	16,306,137
Balance Sheet Solvency Margin	**175%**	**160%**
Minimum Required Statutory Capital	3,000,000	3,000,000
Capital Adequacy Ratio	**729%**	**544%**

Tangerine General's Balance Sheet Solvency Margin improved from 160% in 2023 to 175% in 2024. Throughout the 2023-2024 period, the company's available shareholders' funds remained above the ₦3 billion minimum. The Capital Adequacy Ratio (CAR) also increased, exceeding the statutory minimum and reaching 729% as of 31 December 2024.

It is worth noting ongoing discussions in the industry regarding a proposed increase in the minimum required statutory capital for non-life insurance companies from ₦3 billion to ₦10 billion. If this change were implemented, Tangerine General's CAR as of 31 December 2024, calculated against the ₦10 billion minimum, would be 218.7%.

Solvency measures an insurance company's ability to absorb risk. Tangerine General's current solvency position appears strong. However, we recommend transitioning to a risk-based solvency approach. This would enable the company to individually assess and more effectively manage key risks.

The following tables show how sensitive the balance sheet solvency margin and capital adequacy ratio are to changes in the confidence interval used to set the Risk Adjustment.

Balance Sheet Solvency Margin Sensitvity to Risk Adjustment Confidence Level

	2024	2023
50% confidence interval	+15%	+17%
60% confidence interval	+14%	+17%
Base (70% confidence interval)	**175%**	**160%**
80% confidence interval	-18%	-23%
90% confidence interval	-35%	-46%
99.5% confidence interval	-47%	-62%

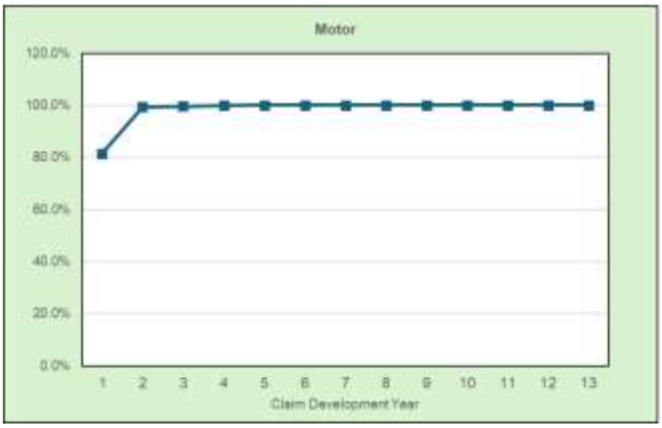
Capital Adequacy Ratio Sensitvity to Risk Adjustment Confidence Level

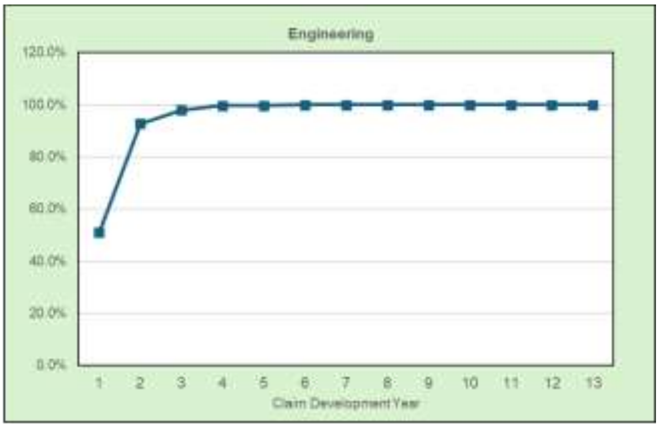
	2024	2023
50% confidence interval	+21%	+21%
60% confidence interval	+20%	+20%
Base (70% confidence interval)	**729%**	**544%**
80% confidence interval	-28%	-32%
90% confidence interval	-60%	-73%
99.5% confidence interval	-86%	-107%

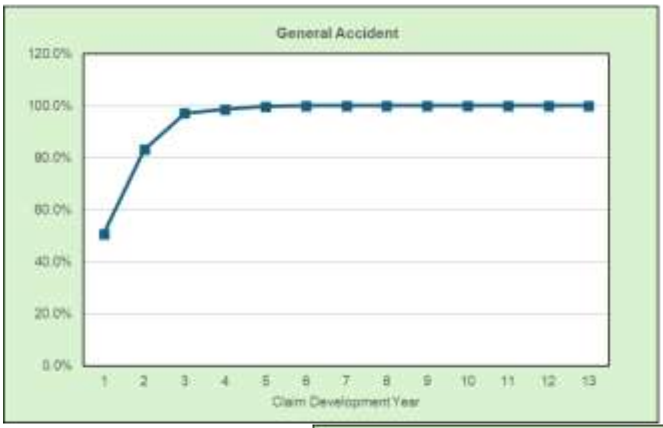
3.4 Liability Profiles

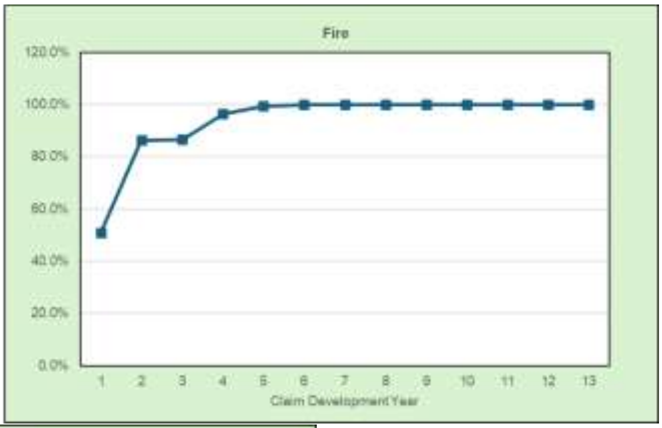
The following charts illustrate the claim development profiles for each line of business, derived from claims payment data spanning 2016 to 2024. These profiles offer insights into the duration and average progression of liabilities. Due to insufficient data, reliable charts could not be generated for Aviation, Agriculture, and Bond lines of business.

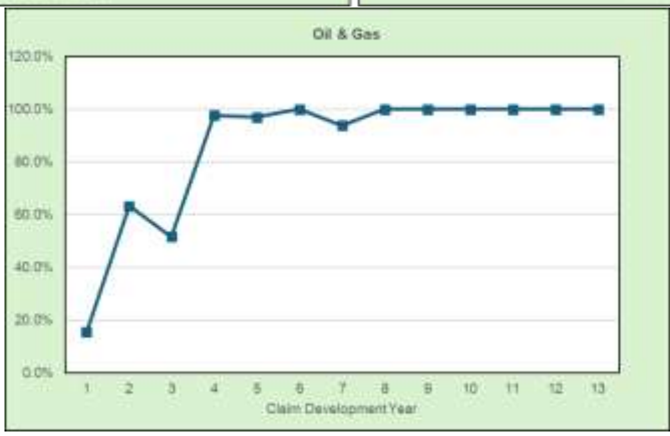
The charts are arranged in ascending order of development period, starting with Motor (shortest tail) and progressing to Oil & Gas (longest tail), based on the historical claims data provided.











3.5 Material Risks

Catastrophe Risk

This is the risk of high-severity and low-frequency loss events. This can be mitigated by diversifying the spread of risks covered, by geography and industry, through its underwriting procedures. The Company's concentration in Oil & Gas is a concern and this has to be managed effectively to mitigate exposure to catastrophe risk. Reinsurance is used to mitigate this risk and we note that Tangerine General's reinsurance arrangements do not seem to provide adequate value for money and need to be reviewed.

Expense Risk

Tangerine General achieved an expense ratio[2] of 34.6% in 2024 which is an improvement on the 36.9% achieved in 2023. This is commendable, however, given its strategic growth targets, the Company must ensure robust control of expenses in the face of inflationary headwinds and business growth demands.

Economic Risk

This specifically relates to the impact of market conditions, specifically, fiscal measures and inflationary pressures on the operations of Tangerine General. One key market risk for non-life business are inflationary pressures when claims take longer to settle or are subject to litigation.

Insurance Risk

In assessing this we considered the incurred claims ratio at an aggregate level for the year ending 31 December 2024. This ratio drastically improved over 2023-2024 from 69.7% in 2023 to 28.7%. Maintaining this requires consistent implementation of robust underwriting and risk management procedures.

Pricing Risk

This is the risk that the premiums charged do not adequately reflect the underlying risks being written. This leads to the premium charged being inadequate which adversely impacts profitability and solvency. The combined ratio of at most 100% is ideal and this criteria was met by most lines of business in 2024. Reducing pricing risk with require allowing for relevant rating factors and employing strict underwriting procedures manages this risk.

[2] This is the sum of the acquisition cost ratio, fulfilment expense ratio and other (management) expense ratio

Currency Risk

Tangerine General faces currency risk due to holding assets in currencies different from its functional currency, the Nigerian Naira. With liabilities denominated exclusively in Naira, a currency mismatch exists. This imbalance necessitates ongoing monitoring and proactive management. Ideally, the company should actively hedge this risk and maintain capital reserves to cover any remaining unhedged exposure.

3.6 Business Plan

The table below presents Tangerine General's proposed forecast for insurance contracts for the year ending 31 December 2025 along with the actual figures for 2024 and 2023.

Amounts in N'000	**2025** *Forecast*	**2024** *Actual*	**2023** *Actual*
INSURANCE CONTRACTS			
Premiums received	25,167,618	15,107,146	9,184,826
Insurance revenue	21,364,664	13,598,567	8,149,647
Incurred claims	(7,784,436)	(4,307,175)	(6,404,105)
Acquistion costs	(5,025,152)	(3,346,836)	(2,075,244)
Fulfilment expenses	(1,497,020)^	(1,051,493)	(767,518)
Other (management) expenses	(2,731,705)	(2,710,224)	(2,335,881)
Investment income	7,183,387	8,893,706	5,606,943
Profit before tax	**7,976,522**	**7,768,864**	**3,631,650**
As a % of premium received:			
Insurance Revenue	84.9%	90.0%	88.7%
Incurred Claims [A]	(30.9)%	(28.5)%	(69.7)%
Acquistion costs [B]	(20.0)%	(22.2)%	(22.6)%
Fulfilment expenses [C]	(5.9)%	(7.0)%	(8.4)%
Other (management) expenses [D]	(10.9)%	(17.9)%	(25.4)%
Investment Income	28.5%	58.9%	61.0%
Profit before tax	31.7%	51.4%	39.5%
Combined ratio on Insurance Services = [A] + [B] + [C] + [D]	(67.7)%	(75.6)%	(126.1)%

^We have reflected the 'Directly Attributable Expenses" in the provided in the Profit or Loss Forecast in the "Fulfilment expenses" line.

- Tangerine General plans to achieve a 66.6% increase in premiums received in 2025 compared to 2024. This is expected to be driven by Oil & Gas and Fire business.
- Continued control of expenses is projected to reduce the total of the ratio of acquisition costs, fulfilment expenses and other (management) expenses to premiums received further from 47.1% in 2024 to 36.8% in 2025. This would be challenging given the inflationary headwinds in the Nigerian economy.
- The combined ratio is projected to reduce to 67.7% from the 75.6% achieved in 2024, indicating improved underwriting performance.

Amounts in N'000	2025 Forecast	2024 Actual	2023 Actual
REINSURANCE CONTRACTS			
Reinsurance premiums paid	(6,007,051)	(5,225,328)	(3,388,002)
Inward commissions & fees	988,366*	811,351	605,837
Reinsurance recoveries	2,626,836	1,073,102	1,337,011
Reinsurance contract remeasurements	2,429,105*	388,847	3,094,175
Net income or (expense) on reinsurance	37,256	(2,952,029)	1,649,020
As a % of reinsurance premium paid:			
Inward commissions & fees	16.5%	15.5%	17.9%
Reinsurance recoveries	43.7%	20.5%	39.5%
Reinsurance contract remeasurements	40.4%	7.4%	91.3%
Net income or (expense) on reinsurance	0.6%	(56.5)%	48.7%

**These have been estimated based scaling the aggregate of 2022 and 2023 actual figures.*

- On reinsurance contracts, Tangerine General expects to earn more inward commissions & fees, an increase of 21.8% and increase recoveries by 144.8% in nominal terms. These as a percentage of reinsurance premiums paid are projected to increase from 15.5% and 20.5% to 16.5% and 43.7% respectively. This would improve the net results on reinsurance contracts compared to 2023, all other things being equal.

Overall, the Company has set a target profit before tax of ₦7,977 million, driven by investment income.

4. PRICING AND PREMIUM ADEQUACY

The tables below show the incurred claims ratio, expense ratio and combined ratio across each line of business for 2024 and 2023 along with the change over the period. Improvements are highlighted in green and deteriorations are highlighted in red.

	2024			2023			Change over the period		
Line of business	**Incurred Claims Ratio**	**Expense Ratio**	**Combined Ratio**	**Incurred Claims Ratio**	**Expense Ratio**	**Combined Ratio**	**Incurred Claims Ratio**	**Expense Ratio**	**Combined Ratio**
Motor	23.6%	36.1%	59.7%	37.8%	40.5%	78.3%	*(14.2)%*	*(4.4)%*	*(18.6)%*
General Accident	43.4%	47.0%	90.3%	56.1%	46.8%	102.9%	*(12.7)%*	*0.1%*	*(12.6)%*
Fire	47.2%	51.3%	98.5%	53.8%	56.0%	109.8%	*(6.7)%*	*(4.6)%*	*(11.3)%*
Oil & Gas	17.6%	37.6%	55.2%	36.8%	50.3%	87.1%	*(19.3)%*	*(12.7)%*	*(32.0)%*
Marine	58.5%	49.0%	107.5%	116.1%	64.1%	180.1%	*(57.6)%*	*(15.0)%*	*(72.6)%*
Bond	4.8%	44.4%	49.2%	43.6%	46.5%	90.0%	*(38.8)%*	*(2.1)%*	*(40.9)%*
Agriculture	12.6%	36.6%	49.2%	6.6%	27.3%	33.9%	*6.1%*	*9.3%*	*15.4%*
Engineering	(12.6)%	82.6%	70.0%	296.6%	120.1%	416.7%	*(309.2)%*	*(37.5)%*	*(346.7)%*
Aviation	111.6%	41.2%	152.7%	(131.2)%	42.2%	(89.0)%	*242.7%*	*(1.0)%*	*241.7%*

In aggregate, as noted earlier in section 2.4, there has been an improvement in the aggregate combined ratios. This overall trend is visible for most individual lines of business. A major contributing factor to the improved combined ratio is the substantial in the incurred claims ratio across most lines. This suggests better risk assessment and claims management.

It is worth noting that the combined ratio across for General Accident, Fire and Engineering have switched from underwriting loss positions (i.e. >100%) in 2023 to underwriting profit positions (i.e. <100%) in 2024. Marine, however, still shows an underwriting loss despite the improvement in combined ratio. Agriculture sees a worsening across all both component ratios in 2024 compared to 2023.

A more detailed analysis over the longer period and across different cohorts would give a better view on the adequacy of the premium setting.

5. ACTUARIAL STANDARDS

Technical Actuarial Standards (TASs) are issued by the Financial Reporting Council (FRC) and set standards for certain items of actuarial work, including the information and advice contained in this report.

The following Technical Actuarial Standards are applicable in relation to this report and have been complied with where material:

- TAS 100: Generic TAS - Principles for Technical Actuarial Work, which applies to all technical actuarial work and promotes high-quality technical actuarial work.
- TAS 200: Insurance - Insurance (TAS 200) promotes high-quality technical actuarial work in insurance on matters where there is a high degree of risk to the public interest.

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Benjamin Awunor BSc, MSc, FIA, FRM
Managing Director, Becoda Consulting
Fellow of the Institute and Faculty of Actuaries
FRC/2015/NAS/00000012946

6. APPENDIX: Aggregate Reconciliation of Insurance Contract Liabilities and Reinsurance Contract Assets

Reconciliation of the liability for remaining coverage and the liability for incurred claims for insurance contracts -

	Liability for Remaining Coverage (LRC)		Liability for Incurred Claims	Insurance Contract Liabilities (ICL)
Reconciliation of carrying amounts by LRC/LIC: insurance	**Non-onerous**	**Onerous**	**LIC**	
Opening insurance contract assets	-	-	-	**-**
Opening insurance contract liabilities	2,760,844,425	-	7,417,007,077	**10,177,851,502**
Net opening balance	**2,760,844,425**	**-**	**7,417,007,077**	**10,177,851,502**
Insurance revenue	(13,598,566,514)	-	-	**(13,598,566,514)**
Insurance service expenses				
Incurred claims and other expenses	-	-	5,381,742,047	**5,381,742,047**
Acquisition expenses	3,346,835,694	-	-	**3,346,835,694**
Changes related to future service	-	-	-	**-**
Changes related to past service	**-**	**-**	**290,678,150**	**290,678,150**
Total Insurance service expenses	**3,346,835,694**	**-**	**5,672,420,197**	**9,019,255,891**
Investment components	-	-	-	**-**
Insurance service result	**(10,251,730,820)**	**-**	**5,672,420,197**	**(4,579,310,623)**
Insurance finance expenses	-	-	(89,370,403)	**(89,370,403)**
Total change in comprehensive income	**(10,251,730,820)**	**-**	**5,583,049,794**	**(4,668,681,026)**
Premiums received	15,107,145,528	-	-	**15,107,145,528**
Claims and expenses paid	-	-	(4,787,258,881)	**(4,787,258,881)**
Acquisition costs paid	(3,346,835,694)	-	-	**(3,346,835,694)**
Total cash flows	**11,760,309,833**	**-**	**(4,787,258,881)**	**6,973,050,952**
Closing insurance contract assets	-	-	-	**-**
Closing insurance contract liabilities	4,269,423,438	-	8,212,797,990	**12,482,221,428**
Net closing balance	**4,269,423,438**	**-**	**8,212,797,990**	**12,482,221,428**

Reconciliation of the components of insurance contract liabilities

Reconciliation of carrying amounts by BEL/RA/CSM: insurance	Estimates of present value of future cashflows	Risk Adjustment	CSM	Total
Opening insurance contract assets	-	-	-	-
Opening insurance contract liabilities	9,545,486,925	632,364,577	-	10,177,851,502
Net opening balance	**9,545,486,925**	**632,364,577**	**-**	**10,177,851,502**
Changes related to current services				
CSM for service provided	0	0	-	-
Risk Adjustment release for expired risks	0	12,415,252	0	12,415,252
Experience adjustments	(4,869,988,772)	-	-	(4,869,988,772)
Total changes related to current services	**(4,869,988,772)**	**12,415,252**	**-**	**(4,857,573,521)**
Changes related to future services				
New contracts recognised	-	-	-	-
Changes in estimates reflected in CSM	-	-	-	-
Changes in estimates resulting in contract losses	-	-		-
Total changes related to future services	**-**	**-**	**-**	**-**
Changes that relate to past service				
Adjustments to liabilities for incurred claims	278,262,898	-	-	278,262,898
Total changes that relate to past service	**278,262,898**	**0**	**-**	**278,262,898**
Insurance service result	**4,591,725,875**	**(12,415,252)**	**-**	**4,579,310,623**
Insurance finance expenses	(89,370,403)	-	-	(89,370,403)
Total change in comprehensive income	**4,681,096,278**	**(12,415,252)**	**-**	**4,668,681,026**
Total cash flows	**6,973,050,952**			**6,973,050,952**
Closing insurance contract assets	-	-	-	-
Closing insurance contract liabilities	11,837,441,600	644,779,829	-	12,482,221,428
Net closing balance	**11,837,441,600**	**644,779,829**	**-**	**12,482,221,428**

Reconciliation of the liability for remaining coverage and the liability for incurred claims for reinsurance contracts

Reconciliation of carrying amounts by LRC/LIC: reinsurance	Liability for Remaining Coverage (LRC)		Liability for Incurred Claims	Insurance Contract Liabilities (ICL)
	Non-onerous	Onerous	LIC	
Opening insurance contract assets	674,369,701	-	4,407,043,230	**5,081,412,931**
Opening insurance contract liabilities	-	-	-	**-**
Net opening balance	**674,369,701**	**-**	**4,407,043,230**	**5,081,412,931**
Insurance revenue	(4,061,708,853)	-	-	**(4,061,708,853)**
Insurance service expenses				
Incurred claims and other expenses	-	-	1,042,664,499	**1,042,664,499**
Acquisition expenses	-	-	-	**-**
Changes related to future service	-	-	-	**-**
Changes related to past service	**-**	**-**	**67,015,808**	**67,015,808**
Total Insurance service expenses	**-**	**-**	**1,109,680,306**	**1,109,680,306**
Investment components	-	-	-	**-**
Insurance service result	**(4,061,708,853)**	**-**	**1,109,680,306**	**(2,952,028,547)**
Insurance finance expenses	-	-	(131,270,661)	**(131,270,661)**
Total change in comprehensive income	**(4,061,708,853)**	**-**	**978,409,645**	**(3,083,299,208)**
Premiums received	4,413,977,235	-	-	**4,413,977,235**
Claims and expenses paid	-	-	(1,073,101,860)	**(1,073,101,860)**
Acquisition costs paid	-	-	-	**-**
Total cash flows	**4,413,977,235**	**-**	**(1,073,101,860)**	**3,340,875,375**
Closing insurance contract assets	1,026,638,083	-	4,312,351,015	**5,338,989,098**
Closing insurance contract liabilities	-	-	-	**-**
Net closing balance	**1,026,638,083**	**-**	**4,312,351,015**	**5,338,989,098**

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Reconciliation of the components of reinsurance contract assets

Assets with positive sign, liabilities with negative sign

Reconciliation of carrying amounts by BEL/RA/CSM: reinsurance	Estimates of present value of future cashflows	Risk Adjustment	CSM	Total
Opening insurance contract assets	4,705,674,036	375,738,895	-	5,081,412,931
Opening insurance contract liabilities	-	-	-	-
Net opening balance	**4,705,674,036**	**375,738,895**	**-**	**5,081,412,931**
Changes related to current services				
CSM for service provided	0	0	-	-
Risk Adjustment release for expired risks	0	(34,407,013)	0	(34,407,013)
Experience adjustments	(3,019,044,354)	-	-	(3,019,044,354)
Total changes related to current services	**(3,019,044,354)**	**(34,407,013)**	**-**	**(3,053,451,367)**
Changes related to future services				
New contracts recognised	-	-	-	-
Changes in estimates reflected in CSM	-	-	-	-
Changes in estimates resulting in contract losses	-	-		-
Total changes related to future services	**-**	**-**	**-**	**-**
Changes that relate to past service				
Adjustments to liabilities for incurred claims	101,422,820	-	-	101,422,820
Total changes that relate to past service	**101,422,820**	**0**	**-**	**101,422,820**
Insurance service result	**2,917,621,534**	**34,407,013**	**-**	**2,952,028,547**
Insurance finance expenses	(131,270,661)	-	-	(131,270,661)
Total change in comprehensive income	**3,048,892,195**	**34,407,013**	**-**	**3,083,299,208**
Total cash flows	**3,340,875,375**			**3,340,875,375**
Closing insurance contract assets	4,997,657,216	341,331,882	-	5,338,989,098
Closing insurance contract liabilities	-	-	-	-
Net closing balance	**4,997,657,216**	**341,331,882**	**-**	**5,338,989,098**