Custodian

WE CREATE WE PRESERVE

Custodian And Allied Insurance Ltd. 2024 Annual Report & Accounts

Contents

Corporate Information

DIRECTORS
Mr Ibrahim Dikko
Mr. Edeki Isujeh
Mr. Ravi Sharma
Mr. Ademola Ajuwon
Mr. Moses Ariyibi - Appointed - 17 September, 2024
Mr Kofo Majekodunmi
Mrs. Mimi Ade Odiachi
Mr. Adeniyi Falade

SECRETARY
Custodian Trustees Limited
Custodian House
16A Commercial Avenue
Sabo, Yaba
Lagos, Nigeria
Tel: (+234) 01-2707206-7, 2793740, 2793401,
0700-CUSTODIAN, (+234)1 2774000-9
Fax: (+234) 1 2707203
P.O. Box 2101, Lagos
Email: enquiries@custodianinsurance.com
Website: www.custodianplc.com.ng

RC No. RC685235

TIN NO. 01451641-0001

FRC No. FRC/2012/00000005116

REGISTERED OFFICE
Custodian House
16A Commercial Avenue
Sabo, Yaba
Lagos, Nigeria
Tel: (+234) 01-2707206-7, 2793740, 2793401
0700-CUSTODIAN, (+234)1 2774000-9
Fax: (+234) 1 2707203
P.O. Box 2101, Lagos
Email: enquiries@custodianinsurance.com
Website: www.custodianplc.com.ng

BANKERS
First Bank of Nigeria Limited
Stanbic IBTC Plc
Zenith Bank Plc
Access Bank Limited
Guaranty Trust Bank Limited
Standard Chartered Bank Nigeria Limited

AUDITORS
Deloitte & Touche
Civic Towers , Plot GA 1, Ozumba Mbadiwe Avenue
Lagos

REINSURERS
Munich Reinsurance Company Limited
Swiss Reinsurance Company Limited
African Reinsurance Company
Continental Reinsurance Plc
FBS Reinsurance Limited

REPORTING ACTUARY
Ernst and Young
13 & 10 Floors UBA House ,
57 Marina , Lagos, Nigeria
FRC No: FRC/2013/00000000578

Branch Directory

Abuja
Oakland Center, 3rd Floor
48 Aguiyi Ironsi, Maitama
Tel.: 02092900465

Kano
15 Bank Road, Kano, Kano State
Tel.: 064-895969

Port Harcourt
180, Aba Road,
Port Harcourt, Rivers State
Tel.: 07085000046

Akure
2nd & 3rd Floors
BOI House, Alagbaka, Akure
Tel.: 08034202962, 07086600484

Benin
34, Akpakpava Road, by Igbesamwan Junction
Benin City, Edo State
Tel.: 05-2292480

Ibadan
9 Onireke residential layout
Ibadan, Oyo State
Tel.: 022-918538

Kaduna
3, Kanta Road
P.O. Box 9301, Kaduna
Kaduna State
Tel.: 06-2293346

Notice Of Annual General Meeting

Notice is hereby given that the Annual General Meeting of Custodian and Allied Insurance Limited (the Company) will hold via virtual means on Friday, April 11, 2025, at 10:30am, to transact the following:

ORDINARY BUSINESS

1. To lay before the Members, the audited financial statements for the year ended December 31, 2024, together with the auditors report.
2. To declare a dividend.
3. To re-elect directors
4. To authorise the directors to fix the remuneration of the External Auditors for the 2025, financial year.
5. To note the remuneration of Managers in the employment of the Company.

Special business

6. To approve/fix the remuneration of the Non-Executive Directors.
7. To appoint a Board Evaluation Consultant.

CUSTODIAN TRUSTEES LTD

AUTHORISED

By order of the Board
ADEYINKA JAFOJO
FRC/2013/PRO/NBA/002/00000002403
Custodian Trustees Limited Company Secretary
Dated this 20th Day of March, 2025

- Summary of Results and Balances
- Management's Discussion and Analysis

Summary Of Results And Balances

For The Year Ended 31 December 2024

Statement of Profit or loss and other Comprehensive Income items	2024 N'000	2023 N'000	Variance Increase/ (Decrease) N'000	Growth %
Gross premium written	71,688,127	42,594,486	29,093,641	68%
Insurance contract revenue	66,250,057	40,377,128	25,872,929	64%
Insurance service expenses	(29,585,585)	(22,472,417)	(7,113,168)	32%
Insurance service result	2,698,323	(3,158,072)	5,856,395	185%
Net Investment income	32,766,305	19,752,912	13,013,394	66%
Other operating expenses	(3,718,554)	(2,590,432)	(1,128,122)	44%
Profit before income tax expense	33,112,912	15,212,733	17,900,180	118%
Profit for the year	29,715,032	10,321,013	19,394,020	188%
Statement of Financial Position Item				
Total assets	136,237,128	81,771,240	54,465,887	67%
Insurance contract liabilities	36,886,613	24,081,523	12,805,090	53%
Statutory contingency reserve	12,085,172	10,000,000	2,085,172	21%
Total equity	60,267,339	34,667,732	25,599,607	74%

Management's Discussion and Analysis

For The Year Ended 31 December 2024

This management discussion and analysis of Custodian and Allied Insurance Limited's performance as at 31 December 2024 should be read in conjunction with the audited financial statements of the company as at 31 December 2024.

Business Profile

Custodian and Allied Insurance Limited is a Nigerian company whose vision is to be Africa's insurer of choice, with a mission to develop, package and deliver innovative insurance products that best satisfy customer needs whilst operating a highly profitable, efficient, resourceful and ethical organization that will survive well into the future and be a valuable asset to its shareholders.

Custodian and Allied Insurance Limited ("the Company") is engaged in property-casualty insurance. The products and services are essentially market-driven with emphasis on providing options on policies, paying due regard to production processes employed in various industries. Consequently, our product ranges have been developed to meet and address the needs of our clients, buoyed by the Company's commitment to delivering exemplary service to its clients and outperforming its peers.

Objectives and Strategies

The Company remains committed to continuous improvement of its structures, systems and processes in order to keep ahead of the challenges of new growth, improving business prospects, transparency, and governance.

The Company's strategy and performance to date are very strong indicators of the Company's vision, mission and long-term growth objectives.

Management's Discussion and Analysis Contd

Highlights of operating performance and financial position

	2024 N'000	2023 N'000	Change %
Insurance contract revenue	66,250,057	40,377,128	64%
Insurance service expenses	(29,585,585)	(22,472,417)	32%
Net expense from reinsurance contracts held	(33,966,149)	(21,062,783)	61%
Insurance service result	**2,698,323**	**(3,158,072)**	**185%**
Interest and other investment income	10,450,497	4,702,435	122%
Other operating expenses	(3,718,554)	(2,590,432)	44%
Profit before income tax expense	33,112,912	15,212,733	118%
Profit for the year	**29,715,032**	**10,321,013**	**188%**
Earnings per share (kobo):			
Basic/diluted	149	52	187%
Cash and cash equivalents	20,646,170	11,419,213	81%
Total assets	136,237,128	81,771,240	67%
Insurance contract liabilities	36,886,613	24,081,523	53%
Total equity	60,267,339	34,667,732	74%

Management's Discussion and Analysis Contd

Underwriting Performance

Insurance contract revenue increased by 64% while insurance service expenses increased by 32%. Net expenses from reinsurance contracts also increased by 61% from N21.06b to N33.96b. The combination of these result in a 185% increase in Insurance service result from a deficit of N3.16b to a positive result of N2.70b.

Interest and other investment income

Interest and other investment income for the year was N10.45b up from N4.70b in 2023 representing a 122% increase.

Expenses

Management expenses for the year was N5.52b from N3.87b in 2023 representing an increase of 42%. Other operating expenses which relates to the non-directly attributable expenses increased by 44% from N2.59b to N3.72b.

Insurance service result

The result of insurance service rendered net of expense from reinsurance contracts held during the year was a surplus of N2.69b compared with a prior year deficit of N3.15b representing a year on year increase of 185%

Profitability

The Company's profit before income tax expense was N33.11b compared to N15.21b in 2023, an increase of 118%. The Company's profit for the year was N29.72b compared to N10.32b in 2023, an increase of 188% with basic earnings per share (EPS) increasing to 149kobo from 52kobo.

Liquidity and financial position

The Company's cash and cash equivalents increased by 81% from N11.42b in 2023 to N20.65b as at 31 December 2024; while Insurance contract liabilities were N36.89b, 53% increase from N24.08b in 2023. Total assets now stand at N136.23b representing a 67% increase from N81.77b in 2023, while total equity increased by 74% to N74.3b when compared to N34.67b recorded in 2023.

Management’s Discussion and Analysis Contd

Future Outlook

We evolve our products and services to ensure that we continue to meet customers’ changing needs using our multi-channel and multiproduct approach, employing digital sales, fulfilment, and premium collection channels. We believe we are well-positioned to weather the disruption caused by the implementation of the current policies of the new administration information technology evolution, the market dynamics and industry changes, the general insecurity in the country, and to support our customers and communities for many years to come. We are confident that we will not only continue to demonstrate our agility and resilience, but that we will emerge from it stronger, more digitally enabled and even better able to serve our customers.

We remain focused on our strategic priorities of improving the performance and resilience of the business while focusing on simplifying what we do and driving further investment in areas of strength to enable our investors to fully benefit from the opportunity presented by our business. We continue to invest and innovate to meet important needs for consumers, we operate a highly resilient business model, and we are dedicated to our purpose of helping people get the most out of life.

Markets remain competitive but the Company has the right foundation to target sustainable growth in certain product lines and customer types. The continuation of our programme of business simplification aligned to customer driven values will assist this growth further.

The National Insurance Commission (NAICOM), in a bid to deepen insurance and enhance growth in the Nigerian economy unveiled the insurance industry’s strategic vision for 2024-2033. The vision is built upon seven strategic pillars that encompass regulatory transformation, risk-based capital models, insurance promotion and adoption, product diversification, distribution channel optimization, digitalization, talent development, and support for Nigeria’s economic transformation. Custodian and Allied Insurance Limited is poised to take its leadership position in the non-life segment of the insurance sector in line with our vision to be Africa’s Insurer of choice.

Chairman's Statement

Chairman's Statement

Distinguished shareholders, fellow members of the board of directors, distinguished ladies and gentlemen. I am delighted to welcome you to the Annual General Meeting of our Company, Custodian and Allied Insurance Limited and to present to you the Annual Reports and Accounts for the year ended 31 December 2024.

Mr. Ibrahim Dikko (Chairman)

The year 2024 was an amazing year for Custodian. Regardless of the heightened overall risk and uncertainties in the year, the Company once again demonstrated its strength, dynamism, and the relevance of its purpose in 2024: "To be Africa's Insurer of choice". Our strong financial position enabled us to help people build confidence, resilience and bravery in the face of a continually shifting landscape.

I will begin with an overview of the global and domestic macroeconomic environment within which we operated and highlight our Company's financial performance for the year ended 31 December 2024. I will also share some initiatives executed by our corporate social responsibility foundation and conclude with our outlook for 2025.

Global Economy

As the world emerged from the shadow of the pandemic, the global economy stands at a pivotal juncture. The rebound of recent years has reshaped industries, trade dynamics, and growth trajectories, ushering in a new era of opportunities and challenges. Beneath the surface of recovery, looming uncertainties from geopolitical tensions and climate risks to the rise of nationalism and protectionism are redefining how nations grow, trade, and compete.

The global economy in 2024 experienced a mix of challenges and transformative shifts, with many countries grappling with the lingering impacts of inflation. The year also witnessed increased calls for the redefinition of growth and prosperity as a balance of productivity with equity and sustainability. The "new paradigm of prosperity" approach was at the heart of the World Economic Forum's Future of Growth Report 2024, which introduced a framework to assess the quality of economic growth across the globe as including economic growth as an essential policy objective and a key perquisite for making progress

The global economy experienced sluggish growth rate of 2.6% in 2024, according to the World Bank. This marked a stabilization after three years of volatility, although it remained below pre-pandemic levels. Euromonitor International's Q4 2024 forecast had projected a slightly higher growth rate of 3.2%. Despite this stabilization, the growth rate is still considered weak compared to historical standards, and many regions continue to face significant economic challenges. The US economy underperformed in Q1-2024 by 1.60% but rebounded to 3.00% growth in Q2-2024 due to a resilient job market, moderated inflation, and robust spending. However, growth declined to 2.80% in Q3-2024.

The global economy in 2024 experienced a mix of challenges and transformative shifts, with many countries grappling with the lingering impacts of inflation.

Chairman's Statement Contd

The Chinese economy experienced a slowdown from 5.30% YoY in Q1-2024 to 4.70% YoY in Q2-2024, resulting in a 5.0% growth for the first half of the year. However, GDP growth declined further to 4.60% in Q3-2024 due to weakened aggregate demand and subdued private consumption. The IMF projects an annual growth rate of 4.80% compared to 5.20% in 2023. The UK economy experienced a 0.30% YoY growth in Q1-2024, with the services sector showing the strongest economic activity. The IMF predicts GDP growth of 1.10% in 2024. The Eurozone GDP grew by 0.90% in Q3-2024, with Germany, France, Spain, Ireland, and Italy experiencing growth. Global growth is projected at 3.3% both in 2025 and 2026, below the historical (2000–19) average of 3.7%

The International Monetary Fund (IMF) described the global economy as "surprisingly resilient," projecting growth at 3.1% in 2024, while Emerging Markets and Developing Economies (EMDEs) were expected to expand by 4.3% in 2024 and 2025 led by China. Sub-Saharan Africa's growth is expected to fall behind that of EMDEs. Growth in SSA is subdued by high interest rates and weak purchasing power owing to high inflation in the region. This resilience is seen as crucial in addressing ongoing economic and geopolitical shocks.

In light of current global challenges, effective policy actions at both national and international levels as well as strategic policy shifts, including global tax cooperation and climate-conscious investments, to support sustainable growth and development are crucial to address issues such as financial strain and global supply chain disruptions driven by geopolitical tensions. Inflationary pressures on essential commodities, including grains and oil, underline the need for vigilant monitoring by central banks. Key priorities at the global scale include ensuring trade stability, facilitating green and digital transitions, providing debt relief, and enhancing food security. Although global economic growth is anticipated to remain stable yet subdued in the near term, an environment marked by ongoing conflicts and heightened geopolitical tensions may hinder supply-side solutions. Additionally, constrained fiscal capabilities and persistent debt issues in many developing nations will likely limit their capacity for investment and economic stimulation.

The Domestic Economy

On the domestic scene, Nigeria's economy demonstrated remarkable resilience in 2024, navigated a mix of opportunities and challenges shaped by fluctuating oil prices, depreciating naira, and rising fiscal deficits. Bold policy moves such as full subsidy removal and foreign exchange market reforms helped to stabilize the economy by improving the government's fiscal position and enabling more foreign capital inflows but introduced significant social and political trade-offs.

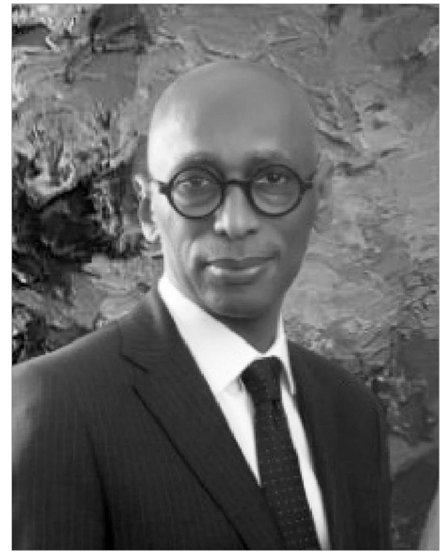
On the domestic scene, Nigeria's economy demonstrated remarkable resilience in 2024, navigated a mix of opportunities and challenges shaped by fluctuating oil prices, depreciating naira, and rising fiscal deficits.

Chairman's Statement Contd

Escalating inflation, driven by surging food and energy prices, placed a heavy burden on households and businesses, underscoring the urgency for robust social protection measures. Nigeria's GDP grew at an average rate of 3.09 percent, in the first 3 quarters of 2024 as it stood at 3.46% in Q3 2024, up from 2.54% in Q3 2023. The feat was driven primarily by growth in the services sector and a marked increase in the trade balance with the Financial and Insurance sector, Information & Communication sector and Mining and Quarrying sector accounting for the growth having grown by 30.83%, 5.92%, 3.27% respectively. The key contributors included increased banking activities, FDI inflows for broadband expansion, 5G deployment, and higher crude oil production (1.49 mbpd) with a 13% rise in average oil prices. The Financial and Insurance sector saw substantial growth due to increased interest income, digital transactions, and forex revaluation gains.

In 2024, the Nigerian government implemented critical economic reforms through several significant policy changes aimed at stabilizing and transforming its economy. These included the full removal of fuel subsidies and operational reforms in the foreign exchange (FX) market. These changes have helped to improve the fiscal position of the government by eliminating wasteful subsidies, but it has also led to significant depreciation of the naira, inflationary pressures, and shrinking disposable income. Inflation remains a critical concern, with the inflation rate standing at a 26- year high of 34.8% in December 2024 driven by increased money supply, soaring food and energy cost resulting from structural bottlenecks such as logistics failures, insecurity, and climate shocks alongside FX market volatility, the combination of which eroded consumer purchasing power in the year.

The naira, which has in recent times experienced stability, concluded 2024 with significant depreciation across foreign exchange (FX) markets, recording a 40.9 percent loss against the dollar in the official market despite notable growth in external reserves. This sharp decline highlights ongoing challenges in Nigeria's currency market in the just concluded year despite efforts to stabilize the economy.



Nigeria's GDP grew at an average rate of 3.09 percent, in the first 3 quarters of 2024 as it stood at 3.46% in Q3 2024 up from 2.54% in Q3 2023.

Data from the Central Bank of Nigeria (CBN) reveals a contrasting reality, with the dollar quoted at N1,536 on December 31, 2024, the last trading day of the year in the Nigerian Foreign Exchange Market (NFEM). This marks a steep drop from N907 per dollar on December 31, 2023, in what was then known as the Nigerian Autonomous Foreign Exchange Market (NAFEM). The decline of N629 within a year underscores a significant 69.3% depreciation in the naira's value during 2024. The parallel market mirrored this downward trend. By December 31, 2024, the dollar was trading at an average of N1,656, compared to N1,164 at the end of 2023, representing a 42.3% depreciation.

The Central Bank of Nigeria (CBN) implemented several key monetary policy decisions which included raising the monetary policy rate (MPR) multiple times throughout the year to 27.50% by November 2024, Cash reserve Ratio(CRR) for Deposit Money Banks was raised to 50.00% from 45.00%, and for Merchant Banks to 16.00% from 14.00% while Liquidity Ratio was retained at 30.00% throughout the year. The apex bank also executed some foreign exchange policy reforms like offsetting verified foreign currency obligations, deploying a real-time electronic system, reviewing Bureau De Change (BDC) licensing tiers and mandatory real-time reporting of foreign exchange transactions and unifying the exchange rate to create a better-regulated, market-driven system thus eliminating the parallel premium, boosting investor confidence, attracting foreign investments, enhance transparency and efficiency in foreign exchange transactions as part of broader efforts to stabilize the Nigerian economy, improve financial stability, and promote sustainable growth.

Despite fiscal challenges, tax revenues have increased, driven by growth in key sectors such as mining, finance, and telecommunications. However, the rise in public debt, exacerbated by exchange rate depreciation and new borrowings, underscores the need for prudent fiscal management and strategic debt reduction measures. Nigeria's foreign exchange reserves have continued to show a steady increase, according to recent data from the Central Bank of Nigeria. As of December 30, 2024, the country's FX reserves stood at $40.886bn, representing a 24% increase from $32.9bn at the start of the year. The increase in external reserves was constrained by the clearing of FX backlog, otherwise reserves would have soared higher than US$44 billion. This, with the exchange rate policies of the CBN which are aimed at clearing the FX backlog, changing FX market structure, stabilize the market with tighten regulations on FX transactions have resulted in reduced exchange rate volatility. The country's FX reserves is expected to maintain the upward trend in 2025.

Despite fiscal challenges, tax revenues have increased, driven by growth in key sectors such as mining, finance, and telecommunications.

The bond market is expected to respond to the rate hike adjustment by the Monetary Policy Committee rate, which is in line with investors' expectations. Despite the rising yields across bond markets, the equity market sustained an upward trend. This is on the back of speculative positioning in the equity market. Also, investors are taking positions for dividend-paying stocks, especially in the banking sector, where there was an expansion in profit after tax for many banks following gains from exchange rate devaluation.

The FGN Bond and Treasury Bills markets experienced a significant rise in yields in 2024. The average yield in the FGN Bond market increased from 14.13% on the first trading day of the year to 18.76% as of mid-2024. Meanwhile, yields in the Treasury Bills market increased at a much higher rate to 16.3% (as of mid-2024) from 6.29% at the beginning of the year. This follows the unprecedented rise in the monetary policy rate.

Nigerian capital markets, despite early turbulence with a NGN1.3 trillion loss and a 2.4% dip in the NGX All Share Index, the market rebounded strongly as activities on the Nigerian Exchange Limited (NGX) which opened the trading of the first half of the year at N40.917 trillion in market capitalization at the beginning of trading in 2024, closed the year at N62.760 trillion.

Financial Result

The Company performed very well in the financial year despite significant inflationary and other macro-economic pressures. We reported insurance contract revenue of N66.3billion representing 64% year-on-year growth. Profit before tax for the year was N33.1billion, an increase of 118% when compared with N15.2billion achieved in 2023. Profit after tax grew by 188% to N29.7billion. On the Statement of Financial Position, we achieved growth of 67% in total assets to N136.2billion. Total equity also appreciated by 74% to close the year at N60.3billion.

Our overall strong performance underscores the resilience of our business model and tenacity of our management team and staff. Be rest assured that the board will continue to work with management to deploy the Company's assets professionally, prudently and profitably within the dictates of the evolving local and global economy.

The Company performed very well in the financial year despite significant inflationary and other macro-economic pressures.

Chairman's Statement Contd

Dividend

Following the decent performance recorded in 2024, the board hereby proposes, subject to your approval, the payment of 75kobo for every share of 50kobo held as final dividend per share in respect of the result of the 2024 financial year, subject to appropriate withholding tax.

Board developments and corporate governance

In the financial year ended 31 December 2024, the following Board changes were made:

Mr. Kolawole Lamidi retired as Executive Director with effect from 1st May 2024 after attaining the retirement age of sixty based on the Company's policy. We sincerely thank him for his invaluable contributions to the growth of the Company.

Mr Moses Ariyibi was appointed to the Board as Executive Director (to replace Mr Lamidi who retired as ED, Technical) and was confirmed by our regulator (NAICOM) on 17th September 2024. Mr Ariyibi is a seasoned professional with decades of experience in marketing, underwriting and claims management. He was Head of Technical Operations before his appointment to the Board. His profile is available in the Corporate Governance Report.

Corporate Social Responsibility

In continuing our resolve to positively impact the society with focus on intervening in community developments, education, health and sustainability, our Foundation, Custodian Social Responsibility Foundation, engaged in a number highly impactful projects during the year. Below are some of the activities executed by the Foundation in 2024:

- The Custodian Mentors Conference
- Bodija Ibadan Explosion Outreach
- Refurbishment of a section of Lagos Command Police Headquarters Office Complex, Ikeja
- Renovation of two classes of Mobolaji Bank Anthony Junior Secondary School, Yaba
- Custodian Annual Blood Donation Exercise
- Custodian Accident and Emergency Center Epe Project

While the aforementioned is a highlight of initiatives executed by the Foundation during the year, a detailed report of the work it did is contained in the Corporate Social Responsibility and Sustainability section of the Annual Report.

Following the decent performance recorded in 2024, the board hereby proposes the payment of 75kobo for every share of 50kobo held.

Outlook

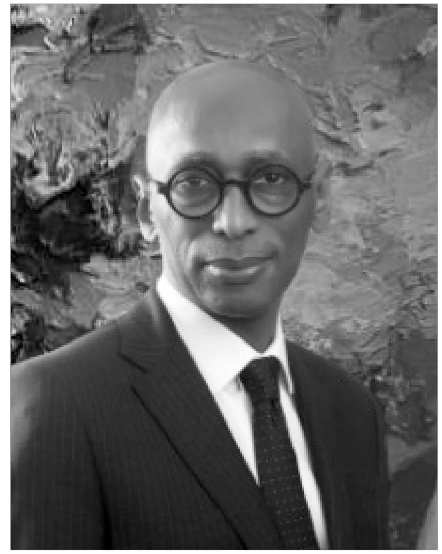
Looking ahead, several strategic imperatives will be crucial for navigating the economic landscape of 2025. The Company will be reinventing business models to adapt to new economic realities by focusing on agility, customer-centricity, and value creation by leveraging customer insights and exploring untapped opportunities to reigniting market play and revitalizing market strategies while aligning spending with core capabilities and eliminating non-value-adding expenses to enhance competitiveness. We continue to foster a culture of innovation by harnessing emerging technologies and AI-driven solutions to drive efficiency while exploring innovative financing options, optimizing capital allocation and strengthening stakeholder relationships by engaging with regulators, customers, and strategic partners to foster trust and collaborative value creation for sustainable growth.

Conclusion

Amidst the challenges of the year, 2024 was a successful year for us as a Company. Our exceptional feat recorded in the year was made possible by the collective efforts, staunch support and dedication of all our stakeholders. By embracing strategic imperatives and maintaining a focus on resilience and innovation, we can navigate the year ahead with confidence and optimism.

As always, I am grateful to our customers for their dedicated loyalty and patronage, our staff and Management for their devotion and relentless commitment, and our Board for continually steering the Company along the path of sustained growth and prosperity.

God bless you and God bless Nigeria.



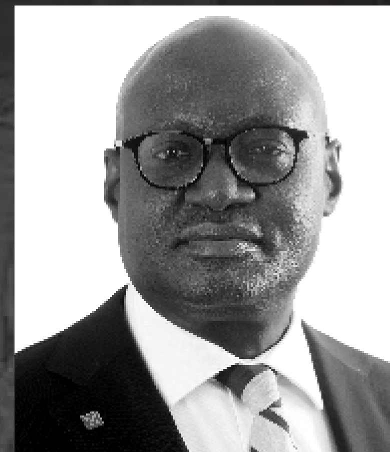
Amidst the challenges of the year, 2024 was a successful year for us as a Company.

Board of Directors

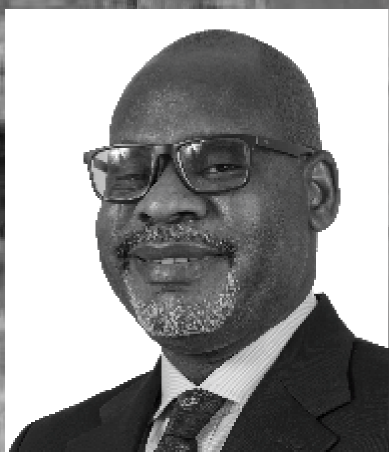
Mr. Ibrahim Dikko
(Chairman)

Mr. Edeki Isujeh
(Managing Director)

Mr. Ravi Sharma



Mr. Adeniyi Falade



Mr. Ademola Ajuwon

Mr. Kofo Majekodunmi

Mrs. Mimi Ade-Odiachi

Mr. Moses Ariyibi

- Executive Management Team
- Directors Report
- Corporate Governance
- Board Evaluation Report

Executive Management Team

Mr. Edeki Isujeh
Managing Director

Mr. Moses Ariyibi
ED, Technical Operations

Mr. Friday Nwachukwu
Chief Financial Officer

Mr. Olumide Awe
Head, Investment

Mr. Ayodele Iyun
Head, Technical Division

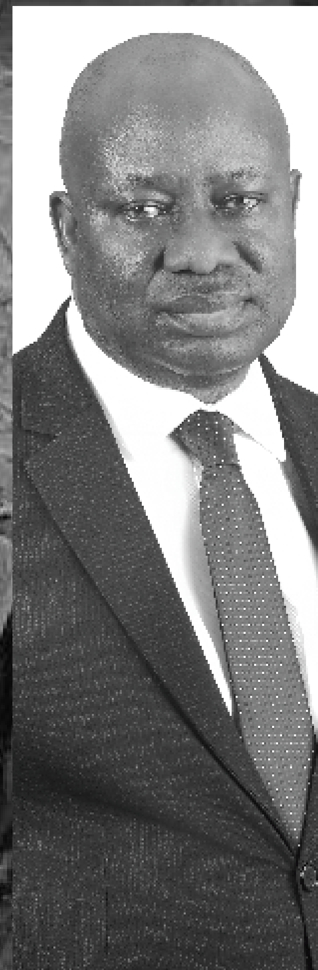
Mr. Dandy Ogiugo
Chief Technology Officer

Executive Management Team Contd

Mrs. Kate Ojih
Head, Northern Region

Mr. Ibrahim Lawal
Head, Internal Audit

Mr. Gboyega Oyesola
Head, Management Services



Mr. Femi Oloniyo
Technical Operations

Mr. Silas Aondona
Head, Marketing

Mr. Foluso Sowande
Head, Finance

Report of The Directors
For the year ended 31 December, 2024

1 Accounts

The Directors submit their report on the affairs of Custodian and Allied Insurance Limited ("the Company") together with the Company's audited financial statements for the year ended 31 December 2024.

2 Commencement of business

The Company commenced business in 2007.

3 Legal form

The Company was incorporated on 16 March, 2007 as a private limited liability company called "Crusader General Insurance Limited". The Company's name was changed to Custodian and Allied Insurance Limited in March 2013 following the successful scheme of merger between Crusader Nigeria Plc and Custodian Investment Plc (formerly Custodian and Allied Plc).

The Company is a wholly owned subsidiary of Custodian Investment Plc (formerly Custodian and Allied Plc).

4 Principal activities and business review

The principal activities of the Company during the year were the provision and marketing of general and special risk services and products.

Report of The Directors Contd

5 Directors and their shareholdings

The Directors of the Company and their interest in the share capital of the Company as at the year ended under review were:

Directors	2024	2023
Mr Ibrahim Dikko	Nil	Nil
Mr. Edeki Isujeh	Nil	Nil
Mr. Ravi Sharma	Nil	Nil
Mr. Ademola Ajuwon	Nil	Nil
Mr. Kolawole Lamidi*	Nil	Nil
Mr. Moses Ariyibi**	Nil	Nil
Mr Kofo Majekodunmi	Nil	Nil
Mrs. Mimi Ade-Odiachi	Nil	Nil
Mr. Adeniyi Falade	Nil	Nil

* Retired on 1 May 2024
** Appointed on 17 September 2024
The Company is a fully owned subsidiary of Custodian Investment Plc.

6 Directors' interest in contracts

None of the Directors has notified the Company, for the purpose of Section 303 of the Companies and Allied Matters Act, 2020, of any declarable interest in contracts in which the Company was involved as at 31 December 2024.

Report of The Directors Contd

7 Major shareholders

According to the Register of Members, the following Shareholder holds more than 5% of the issued ordinary share capital of the Company as at 31 December, 2024:

Name	Units	%
Custodian Investment Plc	19,998,000	99.99

8 Record of Directors' attendance

In accordance with Section 284(2) of the Companies and Allied Matters Act, 2020 the record of the Directors' attendance at Directors' Meetings during 2024 is available for inspection at the Annual General Meeting.

9 Analysis of shareholdings

The range of shareholdings as at 31 December 2024 is as follows:

Range	Number of Holders	Holders %	Holders Cumulative	Units '000	Units %	Units Cumulative '000
1,000,000	1	50%	1	2,000	0.01	2,000
1,000,001 & ABOVE	1	50%	2	19,998,000	99.99	20,000,000

Report of The Directors Contd

10. **Results**

	2024 N'000	2023 N'000
Gross premium written	71,688,127	42,594,486
Insurance service revenue	66,250,057	40,377,128
Profit before income tax expense	33,112,912	15,212,733
Income tax expense	(3,397,880)	(4,891,720)
Profit for the year	29,715,032	10,321,013
Transfer to statutory contingency reserve	(2,085,172)	-
	40,547,316	**14,917,456**
Final dividend	(6,000,000)	(2,000,000)
Interim dividend	-	-
Retained earnings as at 31 December	**34,547,316**	**12,917,456**

11 **Directors' responsibilities**

The Directors are responsible for the preparation of the financial statements that present fairly, in all material respects, the state of financial affairs of the Company at the end of each financial year, and of the profit or loss and other comprehensive income for that year, in line with the International Financial Reporting Standards (IFRS) and comply with the Companies and Allied Matters Act, the provision of Insurance Act 2003, the relevant policy guidelines issued by the National Insurance Commission (NAICOM) and the Financial Reporting Council of Nigeria (Amendment) Act 2023 . In so doing, the Directors ensure that:

Report of The Directors Contd

- Proper accounting records are maintained
- Adequate internal control procedures are established which, as far as is reasonably possible, safeguard the assets and prevent and detect fraud and other irregularities
- Applicable accounting standards are followed
- Suitable accounting policies are adopted and consistently applied
- Judgments and estimates made are reasonable and prudent, and
- The going-concern basis is used, unless it is inappropriate to presume that the Company shall continue in business.

12 Corporate governance

The Company maintains corporate policies and standards designed to encourage good and transparent corporate governance, avoid potential conflicts of interest and promote ethical business practices. The business of the Company is conducted with integrity which pays due regard to the legitimate interests of all our stakeholders.

13 Personnel

(a) Employment of disabled persons

No disabled person was employed by the Company during the period under review. It is however the Company's policy to consider disabled persons for employment if academically and mentally qualified.

Average number of persons including Directors employed by the Company during the year was:

	2024 Number	2023 Number
Management	12	10
Staff	119	97

(b) **Health, Safety and Welfare**

The Company provides subsidies to all employees for medical care and treatment. Employees are made aware of the safety regulations in force within the premises.

(c) **Employee involvement and training**

The Company is committed to keeping its employees fully informed as far as possible regarding the Company's performance and progress, and seeking their views, wherever practicable on matters which particularly affect them as employees. Professional, technical and management expertise are the Company's major assets. Therefore, continuous development thereof is keenly pursued by the Company in the form of regular training for employees.

14 **Auditors**

Deloitte and Touché has indicated their willingness to continue in office as auditors in accordance with Section 401(2) of the Companies and Allied Matters Act, 2020 and Section 6(2) of the National Insurance Commission(NAICOM)'s 2021 Corporate Governance Guidelines for Insurance and Reinsurance Companies in Nigeria.

CUSTODIAN TRUSTEES LTD
AUTHORISED

Adeyinka Jafojo
FRC/2013/PRO/NBA/00000002403
For: Custodian Trustees Limited

LAGOS, NIGERIA
COMPANY SECRETARY
4 March, 2025

Statement of Directors Responsibilities

In Relation To The Preparation Of The Financial Statements for the year ended 31 December, 2024

The Companies and Allied Matters Act, 2020, requires the Directors to prepare financial statements for each financial year that presents fairly, in all material respects, the state of financial affairs of the Company at the end of the year and of its profit or loss. The responsibilities include ensuring that the Company:

a) keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the Company and comply with the requirements of the Companies and Allied Matters Act, 2020;

b) establishes adequate internal controls to safeguard its assets and to prevent and detect fraud and other irregularities; and

c) prepares its financial statements using suitable accounting policies supported by reasonable and prudent judgments and estimates, and are consistently applied.

The Directors accept responsibility for the preparation and fair presentation of the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board(IASB), the provisions of the Companies and Allied Matters Act, 2020, the Insurance Act 2003 and relevant policy guidelines issued by the National Insurance Commission (NAICOM) and the Financial Reporting Council of Nigeria (Amendment) Act 2023 .

The Directors are of the opinion that the financial statements present fairly, in all material respects, the state of the financial affairs of the Company and of its profit and other comprehensive income. The Directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

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

Mr Ibrahim Dikko
Chairman
FRC/2013/PRO/DIR/003/00000001718
4 March 2025

Edeki Isujeh
Managing Director
FRC/2020/PRO/DIR/003/00000022391
4 March 2025

Certification Pursuant

To Section 405 Of The Companies And Allied Matters Act, 2020 For The Year Ended 31 December, 2024

We the undersigned hereby certify to the following, with regards to the audited financial statements for the year ended 31 December 2024, that:

We have reviewed the audited financial statements and based on our knowledge:

i. the audited financial statements do not contain any untrue statement of material fact or omit to state a material fact, which would make the statements misleading, in the light of the circumstances under which such statement was made, and
ii. the audited financial statements and all other financial information included in the statements fairly present, in all material respects, the financial condition and results of operation of the Company as of and for, the periods covered by the audited financial statements ;

We:
i. are responsible for establishing and maintaining internal controls and have designed such internal controls to ensure that material information relating to the Company is made known to us by other officers of the Company, particularly during the period in which the audited financial statement report is being prepared,
ii. have evaluated the effectiveness of the Company's internal controls within 90 days prior to the date of the audited financial statements, and
iii. certify that the Company's internal controls are effective as of that date ;

We have disclosed the following to the Company's auditors and Board audit committee: We have disclosed the following to the Company's auditors and Board audit committee:

i. all significant deficiencies in the design or operation of internal controls which could adversely affect the company's ability to record, process, summarise and report financial data, and has identified for the Company's auditors any material weaknesses in internal controls, and
ii. whether or not, there is any fraud that involves management or other employees who have a significant role in the Company's internal control ; and

We have identified in our report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of their evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses. whether or not, there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of their evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Edeki Isujeh
FRC/2020/PRO/DIR/003/00000022391
Managing Director
4 March 2025

Friday Nwachukwu
FRC/2013/PRO/ICAN/001/0000002207
Chief Financial Officer
4 March 2025

Internal Control Over Financial Reporting (ICFR) Certification

For The Year Ended 31 December 2024

I, certify that:

1 I have reviewed this Financial Statements for the period ended 31st December 2024 of Custodian and Allied Insurance Limited

2 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.

3 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 company as of, and for, the periods presented in this report

4 The company’s other certifying officer and I:

i. are responsible for establishing and maintaining internal controls.

ii. 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.

iii. 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 generally accepted accounting principles

iv. have evaluated the effectiveness of the company'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.

5 The company'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 of the company's board of directors: We:

Internal Control Over Financial Reporting (ICFR) Certification Contd

i. All significant deficiencies and material weaknesses in the design or operation of the internal control system which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and

ii. Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control system

6 The company'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 their evaluation including any corrective actions with regard to significant deficiencies and material weaknesses.

We have disclosed the following to the Company's auditors and Board audit committee:

Edeki Isujeh
FRC/2020/PRO/DIR/003/00000022391
Managing Director
4 March 2025

Internal Control Over Financial Reporting (ICFR) Certification

For The Year Ended 31 December 2024

I, certify that:

1 I have reviewed this Financial Statements for the period ended 31st December 2024 of Custodian and Allied Insurance Limited

2 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.

3 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 company as of, and for, the periods presented in this report

4 The company’s other certifying officer and I:

i. are responsible for establishing and maintaining internal controls.

ii. 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.

iii. 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 generally accepted accounting principles

iv. have evaluated the effectiveness of the company'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.

5 The company'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 of the company's board of directors: We:

Internal Control Over Financial Reporting (ICFR) Certification Contd

i. All significant deficiencies and material weaknesses in the design or operation of the internal control system which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and

ii. Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control system

6 The company'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 their evaluation including any corrective actions with regard to significant deficiencies and material weaknesses.

We have disclosed the following to the Company's auditors and Board audit committee:

Friday Nwachukwu
FRC/2013/PRO/ICAN/001/00000002207
Chief Financial Officer
4 March 2025

Corporate Governance

At Custodian and Allied Insurance Limited ("the Company"), we highly value our shareholders and recognize their expectations for the highest standards of ethical behavior and sound governance. To meet these expectations, the Company has fostered a culture of compliance to ensuring that our operations align with the principles of probity, accountability, transparency, and fairness.

Regulatory compliance is central to our corporate governance framework. Consequently, the Company ensures strict compliance with the National Insurance Commission Corporate Governance Guidelines (the "Guidelines") as well as the Nigerian Code of Corporate Governance ("NCCG") 2018 issued by the National Insurance Commission (NAICOM) and the Financial Reporting Council (FRC)of Nigeria respectively. We have established a robust internal control system with checks that ensure the Company meets the legal and ethical standards expected of the Board, Management, and staff in their daily operations.

We believe stakeholder input enhances our competitiveness and overall performance. As such, we foster teamwork and acknowledge the contributions of shareholders, employees, clients, creditors, and suppliers. Our Corporate Governance framework effectively manages and promotes stakeholder engagement to help achieve our objectives.

Ethical Standards

The Company is committed to upholding the highest standards of integrity and expects all employees to do the same. In achieving these standards, the Board has adopted the National Insurance Commission Corporate Governance Guidelines and the NCCG, which set out the Corporate Governance best practice framework for the Company and incorporates some of the laws, rules, and regulations which the Company is required to comply with. Recognizing that the Company operates within an evolving, dynamic, and versatile economic landscape, it is also expected to, amongst others, comply with the:

- Companies and Allied Matters Act, 2020.
- National Insurance Commission Corporate Governance Guidelines.

Corporate Governance Contd

- Financial Reporting Council of Nigeria Act 2011.
- Insurance Act 2003.
- Audit Regulations, 2020.
- Nigerian Code of Corporate Governance ("NCCG")
- International best practice.
- The Company's Memorandum and Articles of Association.

The Company's Code of Conduct and Board Charter reinforce its commitment to conducting business in full compliance with all applicable laws and regulations, while adhering to the highest ethical standards. Custodian expects all Directors, officers, and employees, as well as those within its affiliates, to uphold both the spirit and the letter of these standards. This expectation is communicated to every new Director, officer, and employee, as well as to those already in office, upon the adoption of the Standards of Business Conduct.

Corporate Legal Structure

The Company is a limited liability company as defined under the Companies and Allied Matters Act [the Act]. Corporate powers reside in the Board of Directors and the Shareholders at the Annual General Meeting. The functions and powers of both bodies are stipulated by the Act and the Company's Memorandum and Articles of Association.

Corporate Governance Contd

Annual General Meeting

Annual General Meetings are vital to the implementation of the Company's Corporate Governance framework and are duly convened in line with the Company's Articles of Association and existing statutory requirements. Attendance at Annual General Meetings is open to all Shareholders or their proxies while the principle of 'one share, one vote' applies.

The Board

The Board of Directors of Custodian and Allied Insurance Limited acts on behalf of the shareholders and is responsible for overseeing and managing the Company's strategic business direction. It consistently reviews and provides a balanced, comprehensive assessment of the Company's performance and future prospects. The Board is accountable for implementing appropriate measures to ensure effective risk management and control within the Company, as well as ensuring compliance with statutory requirements and internal regulations. Additionally, it approves periodic financial statements (whether audited or unaudited), any significant changes in accounting policies or practices, and alterations to the Company's capital structure, along with the approval of the annual operating and capital expenditure budgets.

The Board ensures regular training of its members on issues pertaining to their oversight functions as well as Corporate Governance best practices. The Board or a Committee of the Board receives and reviews Management Reports to apprise itself with activities within the Company which are critical to its operations and sustainability.

The Board is accountable to Shareholders and ensures that the conduct of the Company's activities is within the applicable regulatory framework. The Board is also responsible for reviewing the Company's performance, setting objectives, and determining strategy. In so doing, the Board safeguards the Company's interests and aspires to achieve a long-term increase in the Company's values.

Delegation to Management

The Board has delegated the responsibility for the day-to-day operations of the Company to Management, ensuring that Management maintains a balance between fostering long-term growth and achieving short-term objectives. In carrying out its primary duties, the Board recognizes the importance of balancing adherence to governance principles with the need for strong economic performance.

Directors' Independence

Directors are expected to contribute views and judgment at Board deliberations that are independent of Management and free of any business or other relationship or circumstance that could materially interfere with the exercise of objective, unfettered or independent judgment, having regard to the best interests of the Company.

Meetings of the Board

In enhancing Board effectiveness and performance of its oversight functions and to adequately monitor Management's performance, the Board meets at least once every quarter. Periodic meetings of the Board are held at such times and places as determined by the Board, while special meetings are held at other times as the Board may consider expedient.

All Directors are provided with notices, agenda, and Board documents ahead of each meeting to enable them to prepare adequately for meetings. Directors are also provided with regular updates on developments in the regulatory and business environment.

Change in a Director's Occupation

The Board does not believe that Directors who retire or change the position they held when they became a member of the Board should necessarily leave the Board. However, promptly following such an event, the Director must notify the Board of such event and the Board may take such event into consideration when determining whether to re-nominate such Director.

Appointment Process, Orientation and Training of Board Members

The Company's Board Succession Policy ensures that the Company is managed and overseen by icons who are knowledgeable, skilled in their respective fields, capable and trustworthy individuals. In making Board appointments, the Board recognizes knowledge, experience, and skill of prospective Directors as well as other qualities considered necessary for the role. The Board Risk Management and Governance Committee is responsible for Directors' succession planning and recommends new appointments to the Board.

Corporate Governance Contd

Upon appointment to the Board, newly appointed Directors are given adequate orientation on the Company's business, Corporate Governance and reporting procedures and are updated on such matters on a continuing basis. Directors are briefed on policies and procedures applicable to the Board and Board Committees as well as on the rights and responsibilities of Directors. Various reports are sent to Directors in order to keep them informed of the Company's undertakings.

The Company attaches great importance to training its Directors and for this purpose, continuously offers training and education to its Directors, in order to enhance their performance on the Board and the various committees to which they belong.

Re-Election of Directors

In accordance with the Company's Articles of Association, one-third of all Non-Executive Directors are presented for re-election every year. In keeping with this requirement, Mr. Ravi Sharma, and Mr. Ademola Ajuwon will retire at this Annual General Meeting and being eligible will submit themselves for re-election. The Board confirms that following a formal evaluation, the Directors continue to demonstrate commitment to their duties and roles as Non-Executive Directors.

The Board is convinced that the Directors standing for re-election will continue to add value to the Company. The Board believes that they are required to maintain the balance of skill, knowledge, and experience on the Board.

The biographical details of the Director standing for re-election is set in the Annual Report.

Directors' Access to Management and Independent Advisers

The Board of the Company has the authority to retain, terminate and determine the fees and terms of engagement of consultants, legal counsel and other advisers to the Board as the Board may deem appropriate in its discretion. Directors receive operating and financial reports of the Company and have access to Senior Management.

Corporate Governance Contd

Board Structure and Composition

The Company's Board comprises eight [8] Directors: two (2) Executive Directors and six (6) Non-Executive Directors who were appointed in accordance with the criteria laid down in the Code of Corporate Governance for the Insurance Industry and the provisions of the Companies and Allied Matters Act 2020.

The Board functions either as a full Board or through any of the under-listed three (3) Committees which are constituted as follows:

Audit and Compliance Committee

Mrs. Mimi Ade-Odiachi - Chairperson
Mr. Adeniyi Falade
Mr. Kofoworola Majekodunmi
Mr. Ravi Sharma
Mr. Ademola Ajuwon

Risk Management and Governance Committee

Mr. Ravi Sharma - Chairman
Mr. Adeniyi Falade
Mrs. Mimi Ade-Odiachi
Mr. Kofoworola Majekodunmi

Finance, Investment and General-Purpose Committee

Mr. Kofoworola Majekodunmi - Chairman
Mr. Ademola Ajuwon
Mr. Ravi Sharma
Mr. Adeniyi Falade
Mr. Edeki Isujeh

A record of attendance at Board of Directors meetings held in 2024 are provided below:

Directors	April 19, 2024	April 30, 2024	July 19, 2024	October 22, 2024
Mr. Ibrahim Dikko	✓	✓	✓	✓
Mr. Edeki Isujeh	✓	✓	✓	✓
Mr. Moses Ariyibi*	–	–	–	✓
Mr. Kamorudeen Lamidi**	✓	✓	–	–
Mr. Adeniyi Falade	✓	✓	✓	✓
Mr. Kofoworola Majekodunmi	✓	✓	✓	✓
Mrs. Mimi Ade-Odiachi	✓	✓	✓	✓
Mr. Ravi Sharma	✓	✓	✓	✓
Mr. Ademola Ajuwon	✓	✓	✓	✓

* Mr. Moses Ariyibi was appointed with effect from September 17, 2024

** Mr. Kamorudeen Lamidi resigned with effect from May 1, 2024

A record of the attendance at the Audit and Compliance Committee meetings held in 2024 is provided below:

Directors	April 15, 2024	April 26, 2024	July 16, 2024	October 17, 2024
Mrs. Mimi Ade-Odiachi	✓	✓	✓	✓
Mr. Adeniyi Falade	✓	✓	✓	✓
Mr. Kofoworola Majekodunmi	✓	✓	✓	✓
Mr. Ademola Ajuwon	✓	✓	✓	✓

Corporate Governance Contd

A record of the attendance at the Board Risk Management and Governance Committee meetings held in 2024 is provided below:

Directors	April 15, 2024	April 26, 2024	July 16, 2024	October 17, 2024
Mr. Ravi Sharma	✓	Apology	Apology	✓
Mr. Kofoworola Majekodunmi	✓	✓	✓	✓
Mrs. Mimi Ade-Odiachi	✓	✓	✓	✓
Mr. Adeniyi Falade	✓	✓	✓	✓

A record of attendance at Finance, Investment and General-Purpose Committee meetings held in 2024, is provided below:

Directors	April 16, 2024	April 29, 2024	July 17, 2024	October 18, 2024
Mr. Kofoworola Majekodunmi	✓	✓	✓	✓
Mr. Ravi Sharma	✓	✓	✓	✓
Mr. Ademola Ajuwon	✓	✓	✓	✓
Mr. Adeniyi Falade	✓	✓	✓	✓
Mr. Edeki Isujeh	✓	✓	✓	✓

Corporate Governance Contd

Profile of Directors - Custodian & Allied Insurance Limited

Mr. Ibrahim Dikko

Mr. Dikko is the current Chairman of Custodian and Allied Insurance Limited. He graduated with an LL.M [Corporate & Commercial Law] degree from Queen Mary & Westfield College, University of London, England after obtaining his LL.B from the University of Buckingham, England. He was called to the Nigeria Bar in 1990.

Mr. Dikko has worked in a variety of roles in banking, information technology and telecommunications. He worked on the team responsible for setting up the first Discount House in Nigeria and later rose to become Chairman of the Discount House from 2002 to 2012. He was a partner and director at Resourcery Plc where he led business development.

Mr. Dikko was also a pioneer member of the team that set up EMTS Ltd. (trading as Etisalat Nigeria) in 2007 and was Vice President for Regulatory and Corporate Affairs until he left in 2017. He has a keen interest in the interplay between technology and regulation in the fast-changing Fintech/Regtech space. His interests also cover Corporate Governance, and he is an independent director on the boards of CSCS Plc, Baker Hughes Company Limited and The Society for Corporate Governance Nigeria.

Mr. Edeki Femi Isujeh - Managing Director

Mr. Isujeh is the Managing Director/CEO of Custodian and Allied Insurance Ltd. He started his career in insurance with Security Assurance Plc in 1991, where he worked before joining Perpetual Assurance Company Limited in 1993. While in Perpetual Assurance, he worked in all core departments in various capacities for eight years before joining Custodian and Allied Insurance Plc [now Custodian and Allied Limited] in December 2001.

Mr. Isujeh is a member of the Chartered Insurance Institute, London. In addition, he is an alumnus of Lagos Business School [LBS SMP 18].

Mr. Ravi Sharma- Non-Executive Director

Mr. Sharma has over 15 years' experience obtained in the fields of private banking, investment banking and private equity. He joined Aureos in 2001 as a consultant and was a key member of the local team that participated in the establishment of the Aureos West Africa Fund LLC [AWAF] in 2003, which included opening a new office for Aureos in Nigeria and subsequently the Aureos Africa Fund LLC [AAF] in 2008. Aureos was bought by the Abraaj group in 2012. Mr. Sharma's previous experience was gained in private and investment banking with Barclays Private Bank [London] and TAIB Bank [London] and he sits on the board of several companies.

Mr. Ademola Ajuwon

Mr. Ajuwon is an accomplished executive with domestic and international experience in Financial Control, ERP Systems Integration, Project Management, Capital Sourcing, Treasury Management and Investment Appraisal. A 1984 graduate of Accounting from the University of Benin and winner of the prestigious CJ Buck's prize for excellent score in Management Accounting at the final examination of the Institute of Chartered Accountants of Nigeria [May, 1986], Ademola started his career with the firm of Akintola Williams & Co and qualified as a chartered accountant with Arthur Andersen & Co. [now KPMG Professional Services] before working, at various times, as Head, Money Markets / Discountable Instruments Unit at Ecobank Nigeria PLC and pioneer Treasury Manager at Zenith International Bank PLC.

Mr. Ajuwon has provided leading-edge consulting services on financial applications analysis and value-added technology deployment to world class organizations including the City of Atlanta, Yale University, the George Washington University, City of Detroit, AT&T, Dell Corporation, Lexmark Corporation, Severstal Steel and the American Red Cross.

A fellow of the Institute of Chartered Accountants of Nigeria and member of the American Institute of Certified Public Accountants, Ademola is certified as a financial applications consultant by both Oracle Corporation and SAGE Corporation.

Corporate Governance Contd

Mrs. Mimi Ade-Odiachi

Mrs. Mimi is a seasoned professional and entrepreneur with over three decades experience in Non-Bank Financial Services (Insurance), Hospitality Management and Landscape Architect. She is a chartered insurer with a bachelor's degree in insurance from the university of Lagos.

Mrs. Ade-Odiachi serves as an Executive Director on the Board of Whispering Palms Hotel & Resorts. She is also the founder and Chief Executive Officer of Omar Gardens Floral Company. She currently serves as the Chairman of Custodian Social Responsibility Foundation.

Mr. Kofoworola Majekodunmi

Mr. Majekodunmi is a Legal Practitioner and an accomplished Investment/Corporate Banker and Capital Market Expert who brings to the Board over three decades' experience in deal origination and structuring and vastly experienced in treasury, corporate banking, corporate finance and syndication, operations, and information technology as well as privatization advisory structures having been involved in a couple of landmark transactions in the financial services sector of the Nigerian Economy.

Mr. Majekodunmi is an alumnus of the Lagos Business School, Nigerian Law School, London School of Economics and Political Science and Cranleigh School, Surrey England where he bagged his MBA, BL and LLB degrees respectively.

Mr. Majekodunmi is a member of the Institute of Directors (IoD). He currently sits on the Boards of Leadway Pensure, St. Nicolas Hospitals, MBC Securities, and he is the Group Managing Director of MBC Capital Limited.

Mr. Adeniyi Falade

Mr. Falade is a Chartered Accountant, Chartered Stockbroker, and an Investment Banker.

Mr. Falade had his professional training at PricewaterhouseCoopers Lagos, and Coopers & Lybrand Limited, Lagos. Before his recent appointment as Group Executive Director of Custodian Investment Plc, he was the Managing Director of CrusaderSterling Pensions Ltd. He also served as the Managing Director of

LeadCapital Plc and Head of Investment Banking Groups at Ecobank Nigeria Plc and Lead Bank Plc at various times. He was the Head of Internal Control/Chief Inspector and Head of Risk Management Department of Lead Bank Plc earlier in his career.

Mr. Falade holds a Master of Business Administration (MBA) from the University of Warwick, United Kingdom, and a Bachelor of Science degree (B.Sc.) from University of Ibadan. He is a fellow of the Institute of Chartered Accountants of Nigeria and an Associate of the Instituted of Chartered Stockbrokers of Nigeria.

Mr. Falade serves on the Board of many companies as a non-executive director, including Custodian Trustees Limited, Custodian Investment Plc, Interstate Securities Limited, and UPDC Plc. He currently serves as the Chairman of UPDC FM Limited.

Kamorudeen Lamidi
Mr. Lamidi holds a bachelor's degree in Philosophy & Political Science and a Masters Degree in Managerial Psychology (MMP) both from the University of Ibadan.

Mr. Lamidi professional experience of over two decades cuts across various functions such as Technical, Marketing and Branch Operations in the insurance industry. He has at various times worked in UNIC Insurance Plc, Trust & Guarantee Insurance Limited as well as Crusader General Insurance Limited which merged with Custodian and Allied Insurance Limited in 2013.

Mr. Lamidi is an Associate Member of the Chartered Insurance Institute of Nigeria and an alumnus of Lagos Business School (SMP59).

Mr. Moses Ariyibi
Mr. Ariyibi's insurance career started with ACEN Insurance Plc, a specialist company in Construction/Engineering and Special Risks insurance underwriting where he served meritoriously in the underwriting department. He joined Custodian & Allied Insurance in 1999 as Head, Fire/Accident & Special Risks Department and was later appointed as the Team Leader, Construction/Engineering, Oil & Energy Group and also served as Head of Marketing before assuming his present role.

Corporate Governance Contd

Mr. Ariyibi has two decades of experience in the insurance industry and has attended several Management and Technical courses in Advanced Construction / Engineering Underwriting and claims organized by MUNICH RE, one of the largest reinsurance companies in the world. He holds a Higher National Diploma in Insurance from The Polytechnic, Ibadan, and a Master of Business Administration (MBA) degree from Obafemi Awolowo University (OAU) Ile Ife. He is an Associate Member of the Chartered Insurance Institute of Nigeria and a graduate of the Senior Management Programme of the prestigious Lagos Business School.

Communication with Third Parties

Directors are of the opinion that it is the responsibility of Management to speak for the Company regarding communications with third parties such as investors, the press and public in general. Directors only engage in such communications at the request of or after consultation with Management.

Performance Monitoring and Evaluation

In the Company's customary manner of imbibing the best corporate governance practices, the Board engaged the services of an Independent Consultant, Society for Corporate Governance Nigeria, to carry out the annual Board appraisal for the 2024 financial year.

The Board believes that the use of an independent consultant not only encourages Directors to be more honest in their evaluation of the Board performance, but also enhances the objectivity and transparency of the evaluation process.

The annual appraisal covered all aspects of the Board's composition, structure, responsibilities, relationships, processes, individual member's competencies, and respective roles in the overall performance of the Board, as well as the Company's compliance status with the provisions of the NCCG and the Guidelines issued by the Financial Reporting Council of Nigeria and the National Insurance Commission (NAICOM). The result also confirmed that the individual Directors and the Board continue to operate at a high level of effectiveness and efficiency.

Corporate Governance Contd

Roles of the Chairman and the Managing Director

In line with internationally accepted best practices, there is separation of powers between the Chairman and the Managing Director. The roles of the Chairman and the Managing Director are separate and distinct. The Chairman's priority is to lead the Board and ensure its effectiveness, while the Managing Director's priority is the management of the Company.

Skills, Knowledge, and Characteristics of the Board

The profile and qualifications of Board members are periodically reviewed to ensure that the Board possesses diverse and varying expertise in the performance of its functions and a balanced mix of attributes and experiences enabling members to evaluate the Company's related and core business.

Company Secretariat and Access to Independent Professional Advice

Custodian Trustees Limited acts as Company Secretary to the Company.

The Company Secretary works closely with the Chairman to manage the flow of information between the Board, its Committees and Senior Executives of the Company. The Company Secretary is also responsible for providing advice and support to the Board on governance related matters. The appointment and removal of the Company Secretary is subject to Board approval and all Directors have a right of access to information and advice, facilitated through the Company Secretary.

The Company Secretary is responsible for keeping Directors abreast of statutory requirements relating to Corporate Governance and providing guidance when required in relation to Directors' roles and responsibilities. The Secretariat maintains the register and other records of the Company and generally acts as a liaison between the Board, the Shareholders, and other Stakeholders.

In addition to the assistance provided by the Company Secretary, the Board reserves the right to obtain advice and assistance from relevant independent external professional advisers and experts at the expense of the Company and as it may consider appropriate to assist it in carrying out its duties.

Anti-Bribery and Corruption & Anti-Fraud Policy

The Company is committed to promoting high ethical standards and integrity. The Company's Anti-Bribery and Corruption & Anti-Fraud Policy prohibits offering of or giving something valuable for the purpose of persuading an official or any person to misuse his office to benefit the Company or its employees. The Policy also prohibits receiving something valuable for the purpose of influencing an official action. The Company's Board of Directors and Senior Management are charged with the responsibility of ensuring that the Company complies with the Policy.

Remuneration Policy

Consistent with the Company's policy, remuneration of Directors is fixed by the Risk Management and Governance Committee of the Board, which also has the responsibility of making recommendations to the Board on all payments made to Directors.

Non-Executive Directors are remunerated in line with the Company's policy of providing them with fixed annual fees and sitting allowances for their services on the Board and Committees.

In accordance with the Company's strategy of continuous development, the Company has a Clawback Policy.

Employee Involvement and Training

The Company encourages participation of employees in arriving at decisions in respect of matters affecting their well-being through various fora. Towards this end, employees are provided opportunities to deliberate on issues affecting the Company and employees' interests, with a view to making inputs to decisions thereon.

Corporate Governance Contd

In accordance with the Company's policy of continuous development, employees of the Company are nominated to attend regular training programmes. These are complemented by on-the-job training.

Sustainability/ Environmental, Social and Governance (ESG) Policy

Consistent with the Company's policy on Sustainability and ESG, the Company is committed to providing a safe and healthy work environment for its employees, promoting environmental awareness, and ensuring full compliance with all environmental legislations and regulations.

Shareholders Rights

The Board treats all the Company's shareholders equally, regardless of the magnitude of their shareholdings and social conditions. The Company also ensures that all Shareholders receive notices of meetings and other relevant documents/information necessary for decision making.

External Auditors

Deloitte & Touché acted as the Company's External Auditors for the 2024 financial year. The firm ensures that its responsibilities to the Company are carried out in an independent manner.

Internal Controls

The Company's internal audit function provides oversight on significant compliance issues and guides strategies, policies, and practices for assessing and managing risk across the Company. The Head of the Department is a competent professional Accountant with high integrity.

Corporate Governance Contd

Accounting Principles, Disclosure and Reporting

The Company’s accounting practices are fundamental to the information required by its investors, customers, regulators, and other stakeholders to facilitate objective evaluation of the Company and its prospects. The Company’s accounting records are presented in a concise and transparent manner so that the Company's financial position at any given time is adequately disclosed.

Reporting and disclosure requirements are in accordance with International Financial Reporting Standards [IFRS]. The Company ensures prudent financial reporting and maximum disclosure in the Annual Reports & Accounts.

Diversity

The Company acknowledges that a diverse workforce is of significant social and commercial value and important to being an inclusive employer. The Company accepts the value that diversity can bring, which includes:

- Providing greater alignment to customers’ needs.
- Improving creativity and innovation.
- Broadening the skills and experience of the labour pool from which the Company can draw and attract top talent to its businesses.

The Company strives to create a work environment which is inclusive to all people regardless of gender, age, race, disability, sexual orientation, cultural background, religion, family responsibilities or any other area of potential difference. All areas of diversity are important, and the Company pays particular attention to gender diversity.

Corporate Governance Contd

Code of Ethics

The Company prioritizes high ethical standards and expects its Board, Executives and Employees to observe such standards in all their dealings. The Company's Code of Ethics Policy outlines the minimum standards of conduct expected in the management of its business. All stakeholders are expected to comply with these standards in the discharge of their duties.

Whistleblowing

The Company has a Whistleblowing Policy which allows for reporting of suspected breaches of the Company's policies or other unethical practices. The policy also provides for protection against harassment or victimization of employees who report genuine concerns, malpractice or illegal acts or omissions by Directors and employees.

The Company's Whistleblowing Policy ensures that whistle blowing would assist in uncovering significant risks in line with best practices. Under the policy, a whistle blower who in good faith, reports suspected violations or attempted violation of the Policy or who reports a request or offer of a corrupt payment is protected. A form for this purpose is available on the Company's website.

Corporate Governance Contd

Statement of Compliance

The Company is a limited liability company and is required to comply with the provisions of the NCCG and the National Insurance Commission Corporate Governance Guidelines. The Board of Directors charged with the responsibility of ensuring compliance, has submitted that the Company complied with the provisions of the NCCG and the Guidelines in the 2024 financial year.

The Company also complied with all the relevant laws of the Federal Republic of Nigeria.

CUSTODIAN TRUSTEES LTD
AUTHORISED

ADEYINKA JAFOJO
FRC/2013/PRO/NBA/002/00000002403
Custodian Trustees Limited
Company Secretary
Dated this 31st day of March 2025

Board Evaluation Report

For the Board of Custodian And Allied Insurance Limited

SOCIETY FOR CORPORATE GOVERNANCE NIGERIA
Leadership And Integrity

REPORT OF THE EXTERNAL CONSULTANT ON THE CORPORATE GOVERNANCE AUDIT OF CUSTODIAN AND ALLIED INSURANCE LIMITED THE YEAR ENDED 31 DECEMBER 2024

Executive Summary

Custodian and Allied Insurance Limited engaged the Society for Corporate Governance Nigeria to audit its Corporate Governance structure and framework for the year ended 31December 2024 in compliance with the Twenty-Eight principles of the Nigerian Code of Corporate Governance 2018. The audit aimed to evaluate the Company's adherence to established governance principles, identify areas of strength, and pinpoint opportunities for improvement.

The audit affirms the Company's commitment to sound governance practices while providing valuable insights for further enhancements. The audit involved a comprehensive review of the Board and Management composition, Minutes of Meetings of the Board and Board Committees, corporate and statutory documents, governance practices and processes, and
policy documents presented to us.

From our examination of the relevant corporate and policy documents, Custodian and Allied Insurance Limited has in place a proper corporate governance structure and framework. The board's activities align with the provisions of the NCCG 2018, the National Insurance Commission Corporate Governance Guidelines for Insurance and Reinsurance Companies in Nigeria 2021,and the Companies and Allied Matters Act (CAMA) 2020. However, we have provided recommendations for the board's consideration in the detailed report.

Board Evaluation Report Contd

In Conclusion, we can confirm that the Company and the Board of Directors of Custodian and Allied Insurance Limited complied with the provisions of corporate governance best practices and have discharged their duties responsibly in accordance with the relevant codes.

Yours Sincerely,
FOR: SOCIETY FOR CORPORATE GOVERNANCE NIGERIA

Chioma Mordi (Mrs.)
Chief Executive Officer
FRC/2014/NIM/00000007899

Independent Auditors' Report

Deloitte.

Independent Auditors' Report To The Shareholders Of Custodian Allied Insurrance Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Custodian and Allied Insurance Limited set out on pages 69 to 336 which comprise the statement of financial position as at 31 December 2024, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, the notes to the financial statements, including a summary of material accounting policy information.

In our opinion, the financial statements give a true and fair view of financial position of Custodian and Allied Insurance Limited as at 31 December 2024, and its financial performance and statement of cash flows for the year then ended in accordance with the IFRS Accounting Standards as issued by International Accounting Standards Board, the Companies and Allied Matters Act, 2020, the Insurance Act CAP I17 LFN 2004, circulars and guidelines issued by the National Insurance Commission (NAICOM) and the Financial Reporting Council of Nigeria (Amendment) Act 2023.

Basis for Opinion

We conducted our audit in accordance with the International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the requirements of the International Ethics Standards Board for Accountants (IESBA), International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA code), and other independence requirements applicable to performing audits of financial statements in Nigeria. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and other ethical requirements that are relevant to our audit of the financial statements in Nigeria.

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

Key Audit Matter

Key audit matter is the matter that, in our professional judgment, was of most significance in our audit of the financial statements of the current year. The matter was addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on the matter.

Key Audit Matter	How the matter was addressed in the audit
IFRS 17 requires insurance liabilities to be measured at a current fulfillment value and provides a more uniform measurement and presentation approach for all insurance contracts. In line with the standard, the Company has adjusted the carrying amount of the liability for the remaining coverage to reflect the time value of money and the effect of financial risk using discount rates that reflect the characteristics of the cash flows of the group of insurance contracts at initial recognition. While for other business lines, the company has elected not to discount the liability for the remaining coverage. In estimating the claims payment pattern for liability for incurred claims, the Company sets assumptions regarding the future timing of the claims settlement and determines the best estimate for claims development or payment. As disclosed in note 10 to the financial statements, the insurance contract liabilities for the Company amounted to N36.89 billion. This represents about 42% of the Company's total liabilities as at 31 December 2024.	- Reviewed the product classification, IFRS 17 policy and methodology papers. -Reviewed the Actuarial models and IFRS 17 Subledgers for completeness and accuracy. - Considered the validity of management's onerous assessment testing which is a key test performed to check that the liabilities are adequate in the context of expected experience. Our work on the onerous assessment test included assessing the reasonableness of the projected cashflows and challenging the assumptions adopted in the context of company and industry norms and specific product features. - Involved our Internal actuarial specialist in the review of the key assumptions and judgements in line with general actuarial methods and industry standards and assessment of the adequacy of the insurance liabilities in line with the requirement of IFRS 17.

Key Audit Matter	How the matter was addressed in the audit
Estimating insurance contract liabilities under IFRS 17 involves high estimation uncertainties and requires management to apply significant judgment and assumptions over uncertain future outcomes. Provisions for insurance contracts primarily comprise unexpired coverage provision (liability for remaining coverage, LRC) and claims provisions (liability for incurred clams, LIC). The Company applied the IFRS 17 Premium Allocation Approach (PAA) for the measurement of groups of insurance contracts for its businesses. Accounting estimates in respect of provisions for insurance contracts is an experience-based estimate involving use of historic claims data and complex actuarial methods and models, which involve significant assumptions on the frequency and extent of insurance events relating to the insurance contracts. The level of complexity, the significant judgments and assumptions applied by management in estimating these insurance contract liabilities is of significance to our audit. The Company has an in-house actuary who assesses, on periodic quarterly basis, an estimate of the insurance liabilities for the various portfolio managed by the Company. At the end of each financial year, management employ the services of an external actuary in the determination of its insurance liabilities after considering the accuracy and integrity of data used in the valuation	- Ensured the appropriateness of the journals posted, footed, and agreed the figures disclosed in the financial statements to the figures stated in the actuarial valuation after a thorough review of the basis and assumptions. - We reviewed the methodology and processes adopted by management for making reserves in the books of the company. - We tested entity's control around reserving process and maintenance of data for valuation of insurance contract liabilities. - We validated the data used in the valuation of the insurance contract liabilities. We found that the assumptions used by management were comparable with the market, accord with best practices, the key input data used in estimating the fair value of the insurance contracts liabilities were reasonable in the circumstances. We consider the insurance contract liabilities recognized in the company's books and the related disclosures in the financial statements to be adequate.

Independent Auditors’ Report Contd

Other Information

The directors are responsible for the other information. The other information comprises the information included in the document titled “Report of the Directors, Management Discussion and Analysis, Statement of Directors’ Responsibilities in Relation to the Preparation of the Financial Statements, Certification of Financial Statements and Other National Disclosures as required by the Companies and Allied Matters Act, 2020, which we obtained prior to the date of this report. The other information does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, 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 Financial Statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting. Standards as issued by International Accounting Standards Board, the requirements of the Companies and Allied Matters Act, 2020, the Financial Reporting Council of Nigeria (Amendment) Act 2023 and the Insurance Act CAP 117LFN 2004, circulars and guidance Issued by the National Insurance Commission (NAICOM), and for such internal control as the directors determine is necessary to, enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence: that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud, may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

Independent Auditors’ Report Contd

If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

Report on Other Legal and Regulatory Requirements

In accordance with the Fifth Schedule of the Companies and Allied Matters Art, (CAMA) 2020, and section 28(2) of the Insurance Act 117 LFN 2004, we expressly state that:

Independent Auditors’ Report Contd

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

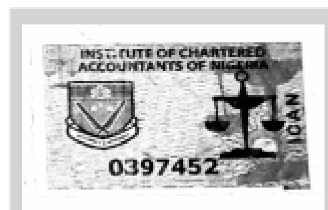
Contraventions

During the year, the company was fined for a late submission of post placement report in 2019 and the related penalty is disclosed in note 41 to the financial statements.

Financial Reporting Council of Nigeria (FRCN) 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 Entity's internal control over financial reporting as of 31 December 2024. The work performed was done in accordance with FRC Guidance on Assurance Engagement Report on Internal Control over Financial Reporting (this Guidance), and we have issued an unmodified conclusion in our report dated 5 April, 2025. That report is included on page 65 of the financial statements.

Joshua Ojo, FCA
FRC/2013/PRO/ICAN/001/00000000849



For: Deloitte & Touche
Chartered Accountants
Lagos.
05, April 2025

Deloitte.

Assurance Report of Independent Auditor

To the Shareholders of Custodian and Allied Insurance Limited Assurance Report on management's assessment of controls over financial reporting

We have performed a limited assurance engagement in respect of the systems of internal control over financial reporting of Custodian and Allied Insurance Limited as of 31 December, 2024, in accordance with the FRC Guidance on assurance engagement report on Internal Control over Financial Reporting and based on criteria established in the Internal Control-Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) ("the ICFR framework"), and the FRC Guidance on Management Report on Internal Control Over Financial Reporting. Custodian and Allied Insurance Limited management is responsible for maintaining effective internal control over financial reporting and for assessing the effectiveness of internal control over financial reporting, including the accompanying Management's Report on Internal Control Over Financial Reporting.

We have also audited, in accordance with the International Standards on Auditing, the consolidated and separate financial statements of the group and our report dated 5 April, 2025 expressed an unmodified opinion.

Limited Assurance Conclusion

Based on the procedures we have performed and the evidence that we have obtained, nothing has come to our attention that causes us to believe that the company did not establish and maintain an effective system of internal control over financial reporting, as of the specified date, based on the FRC Guidance on Management Report on Internal Control Over Financial Reporting.

Definition of internal control over financial reporting

Internal control over financial reporting is a process designed by, or under the supervision of, the entity's principal executive and principal financial officers, or persons performing similar functions, and effected by the entity's board of directors, management, and other personnel 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 unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent limitations

Our procedures included the examination of historical evidence of the design and implementation of the company’s system of internal control over financial reporting for the year ended 31 December 2024. Because of its inherent limitations, internal control over financial reporting may not prevent or detect all misstatements. Also, 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. Our limited assurance report is subject to these inherent limitations.

Directors’ and Management’s Responsibilities

The Directors are responsible for ensuring the integrity of the entity’s financial controls and reporting.

Management is responsible for establishing and maintaining a system of internal control over financial reporting that provides reasonable assurance regarding the reliability of financial reporting, and the preparation of financial statements for external purposes in accordance with IFRS Accounting Standards as issued by the International Accounting Standards and the ICFR framework.

Assurance Report of Independent Auditor Contd

Section 7(2f) of the Financial Reporting Act 2011 (As amended) further requires that management perform an assessment of internal controls, including information system controls. Management is responsible for maintaining evidential matters, including documentation, to provide reasonable support for its assessment of internal control over financial reporting.

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behavior.

The firm applies the International Standard on Quality Management 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements which 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.

Auditor’s Responsibility and Approach

Our responsibility is to express a limited assurance opinion on the company's internal control over financial reporting based on our Assurance engagement.

We performed our work in accordance with the FRC Guidance on Assurance Engagement Report on Internal Control over Financial Reporting and the International Standard on Assurance Engagements (ISAE) 3000, Assurance Engagements other than the Audits or Reviews of Historical Financial Information (ISAE 3000) revised. That Standard requires that we comply with ethical requirements and plan and perform the limited assurance engagement to obtain limited assurance on whether any matters come to our attention that causes us to believe that the Company did not establish and maintain an effective system of internal control over financial reporting in accordance with the ICFR framework.

Assurance Report of Independent Auditor Contd

That Guidance requires that we plan and perform the Assurance engagement and provide a limited assurance report on the entity's internal control over financial reporting based on our assurance engagement.

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. As a result, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion on whether the company established and maintained an effective system of internal control over financial reporting.

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 provides a basis for our report on the internal control put in place by management over financial reporting.

Joshua Ojo, FCA
FRC/2013/PRO/ICAN/001/00000000849
For: Deloitte & Touche
Chartered Accountants
Lagos
5 April 2025

INSTITUTE OF CHARTERED ACCOUNTANTS OF NIGERIA
ICAN
0397497

Summary of Material Accounting Policies

Summary of Material Accounting Policies

1 Corporate information

Custodian and Allied Insurance Limited ("the Company") commenced operations in 2007. The principal objective of the Company is to render qualitative insurance & risks management services. The company is principally engaged in General Insurance activities. It is a provider of non-life insurance services like auto Insurance, travel Insurance, special risks and other non-life insurance services for both corporate and individual customers.

The Company pays claims arising from insurance contract liabilities and invests policy holders' funds in line with the provisions of Insurance Act, CAP I17, LFN 2004 and NAICOM guidelines.

Custodian and Allied Insurance Limited (RC 685235) was incorporated on 16 March, 2007 as a private limited liability company called "Crusader General Insurance Limited". The Company's name was changed to Custodian and Allied Insurance Limited in March 2013 following the successful scheme of merger between Crusader Nigeria Plc and Custodian Investment Plc (formerly Custodian and Allied Plc).

The Company is a wholly owned subsidiary of Custodian Investment Plc.
Custodian and Allied Insurance Limited is regulated by the National Insurance Commission of Nigeria.

2 Summary of material accounting policies

2.1 Introduction to summary of material accounting policies

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

2.2 Basis of presentation and compliance with IFRS

These financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the

Summary of Material Accounting Policies Contd

International Accounting Standards Board and IFRS Interpretation Committee (IFRIC) interpretations applicable to companies reporting under IFRS and in the manner required by Companies and Allied Matters Act of Nigeria, the Insurance Act of Nigeria, the Financial Reporting Council of Nigeria(Amendment) Act 2023 and Nigerian Insurance Commission(NAICOM) guidelines and circulars. Additional information required by national regulations has been included where appropriate.

The preparation of these financial statements have been based on the historical cost basis except for investment properties and certain financial instruments that are measured at revalued amounts or fair values, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

In accordance with IFRS 17 Insurance Contracts, the Company has applied existing accounting policies for Non-life insurance contracts, modified as appropriate to comply with the IFRS framework.

The preparation of financial statements in conformity with IFRS requires the Company's Board of Directors to exercise its judgment in applying the Company's accounting policies. The areas involving a higher degree of judgments or complexity, or areas where assumptions or estimates are significant to the financial statements are as disclosed in Section 3 of the Summary of Material Accounting Policies).

The financial statements of Custodian and Allied Insurance Limited have been prepared on a going concern basis. The Directors of the Company have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future.
The principal accounting policies are set out on the next pages.

2.3 Changes in accounting policies and disclosures

New and amended standards and interpretations

The company applied for the first time, certain standards and amendments which became effective for annual periods beginning on 1 January

Summary of Material Accounting Policies Contd

2024. Their adoption has not had any material impact on the disclosures on the amounts reported in these financial statements.

The Company has not early adopted any other standard, interpretation or amendment that has been issued but not yet effective.

i) **Amendments to IAS 1 – Classification of Liabilities as Current or Noncurrent and Non-current Liabilities with Covenants**

The amendments to IAS 1 affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items.

The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services. "

The standards does not affect the presentation or classification of the Company's financial statements.

ii) **Disclosures: Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7**

In May 2023, the Board issued amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures. The amendments specify disclosure requirements to enhance the current requirements, which are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

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.

Summary of Material Accounting Policies Contd

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. In the context of quantitative liquidity risk disclosures required by IFRS 7, supplier finance arrangements are included as an example of other factors that might be relevant to disclose.

The company does not have any supplier finance arrangement as at the end of the financial period and does not foresee entering into any of such arrangements in the future.

iii) **Lease Liability in a Sale and Leaseback – Amendments to IFRS 16**

In September 2022, the Board issued Lease Liability in a Sale and Leaseback (Amendments to IFRS 16). The amendment to IFRS 16 Leases 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.

After the commencement date in a sale and leaseback transaction, the seller-lessee applies paragraphs 29 to 35 of IFRS 16 to the right-of-use asset arising from the leaseback and paragraphs 36 to 46 of IFRS 16 to the lease liability arising from the leaseback. In applying paragraphs 36 to 46, the seller lessee determines 'lease payments' or 'revised lease payments' in such a way that the seller-lessee would not recognise any amount of the gain or loss that relates to the right of use retained by the seller-lessee. Applying these requirements does not prevent the seller-lessee from recognising, in profit or loss, any gain or loss relating to the partial or full termination of a lease, as required by paragraph 46(a) of IFRS 16.

The date of initial application is the beginning of the annual reporting period in which an entity first applied IFRS 16. The amendment does not have a material impact on the Company's financial statements as it is not a seller leasee in any lease agreement as at the end of the current financial year. The amendment will be applied when the company become a party in any sale and leaseback arrangement.

Summary of Material Accounting Policies Contd

2.4 Presentation and functional currency

The financial statements are presented in Nigeria Naira (N) and are rounded to the nearest thousand ('000) unless otherwise stated.
Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (the "functional currency"). The Company is incorporated in Nigeria and has adopted Naira as its functional currency.

2.5 Foreign currencies

Transactions and balances

In preparing the financial statements of the Company, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are translated at the rates prevailing at that date.

Exchange differences arising on the settlement of monetary item or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements are recognised in profit or loss in the period which they arise. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the date of transaction. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. When a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. Conversely, when a gain or loss on non-monetary is recognised on profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

2.6 Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short term highly liquid investments with original maturities of three months or less. These assets are readily convertible into known amounts of cash.

2.7 Financial instruments

Initial recognition and measurement

Financial assets are classified, at initial recognition, as measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of premium receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under IFRS 15. Refer to the accounting policies on Revenue from non-insurance contracts with customers.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest' (SPPI) on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Summary of Material Accounting Policies Contd

Business model assessment

There are three business models available under IFRS 9:

- Hold to collect Financial assets with objective to collect contractual cash flows.
- Hold to Collect and sell (Financial assets held with the objective of both collecting contractual cash flows and selling financial assets).
- Other Financial Assets held with trading intent or that do not meet the criteria of either "Hold to Collect" or "Hold to Collect and sell.

The Assessment of the business model requires judgment based on the facts and circumstances as at the date of the assessment. Custodian and Allied Insurance Limited has considered quantitative factors (e.g. expected frequency value, volume and timing of sales) and qualitative factors such as how the performance of the business model and financial assets held within the business model are evaluated and reported to management; the risk that affect the performance of the business, model and the financial assets held within the business model. In particular, the way in which those risks are managed; and how management received returns on the assets (i.e. whether the returns are based on fair value of the assets managed or on contractual cash flows collected).

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

The Company determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective.

Solely Payments of Principal and Interest (SPPI)

If a financial asset is held in either a Hold to Collect or Hold to Collect and Sell model, then an assessment is determined whether contractual cash flows are solely payments of principal and interest on principal amount outstanding at initial recognition is required to determine the classification.

Summary of Material Accounting Policies Contd

Contractual cash flows that are SPPI on the principal amount outstanding are considered as basic lending arrangement with interest as consideration for the time value of money and the credit risk associated with the principal amount outstanding during the tenor of the agreed arrangement. Other basic lending risks like Liquidity risk and cost of administration associated with holding the financial asset for the specified tenor and the profit margin that is consistent with a basic lending arrangement.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

Financial assets at amortised cost (debt instruments)

This category is the most relevant to the Company. The Company measures financial assets at amortised cost if both of the following conditions are met:

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

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Summary of Material Accounting Policies Contd

The Company's financial assets at amortised cost includes debt instruments (bonds), loans to staff, fixed deposits with banks and other receivables.

Financial assets at fair value through OCI (debt instruments)

The Company measures debt instruments at fair value through OCI if both of the following conditions are met:

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

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to profit or loss.

During the year under consideration, the Company did not have any debt instruments at fair value through OCI.

Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in profit or loss when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment. The Company elected to classify irrevocably its non-listed equity investments under this category.

Summary of Material Accounting Policies Contd

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.

This category include listed equity investments which the Company had not irrevocably elected to classify at fair value through profit or loss. Dividends on listed equity investments are also recognised as other investment income in profit or loss when the right of payment has been established.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e., removed from the Company's statement of financial position) when:

- The rights to receive cash flows from the asset have expired

  Or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full

without material delay to a third party under a 'pass-through' arrangement and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

Summary of Material Accounting Policies Contd

For debt instruments at amortised cost, the Company applies the low credit risk simplification. At every reporting date, the Company evaluates whether the debt instrument is considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the Company reassesses the credit rating of the debt instrument by international credit rating agencies like S&P, Moody's and Fitch as well as local ratings by Agusto and Co. It is the Company's policy to measure ECLs on such instruments on a 12-month basis. Where the credit risk of any bond deteriorates, the Company will sell the bond and purchase bonds meeting the required investment grade.

The Company's debt instruments at amortised cost comprise solely of quoted bonds that are graded in the top investment category and the credit ratings are tracked by the finance and investment teams via publications by International Credit Rating Agencies and trading exchange platforms. The Company's fixed income investment portfolio consists of Investment grade and high speculative bonds and, therefore, are considered to be low credit risk investments. It is the Company's policy to measure ECLs on such instruments on a 12-month basis. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL. The Company uses the ratings from the International Credit Rating Agencies both to determine whether the debt instrument has significantly increased in credit risk and to estimate ECLs.

The Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Further disclosures relating to impairment of financial assets are also provided in the following notes:

- Disclosures for significant estimates Judgements and assumptions - Section 3 of Summary of Material Accounting Policies).
- Financial assets at amortised cost - Notes 1.3, 2.3 and 2 .4 to the financial statements
- Other receivables and prepayments - Note 4.7 to the financial statements

Write off

Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the company. The Company categorises its receivables for write off when a debtor fails to make contractual payments greater than 360 days past due. Where financial assets have been written off, the company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

The gross carrying amount of an asset is written off (either fully or partially) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the counterparty does not have assets or sources of income that could generate sufficient cashflows to repay the amount subject to write off. However, the financial assets that are subjected to write off could still be subject to enforcement activities in other to comply with the Company's procedures for recovery of amount due.

2.8 Financial liabilities and equity instruments

2.8.1 Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

2.8.2 Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised as the proceeds received, net of direct issue costs. Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Summary of Material Accounting Policies Contd

2.8.3 Compound instruments

The component parts of compound instruments (convertible notes) issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. Conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recorded as a liability on an amortized cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date. The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently re-measured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognised in equity will be transferred to other equity. When the conversion option remains unexercised at the maturity date of the convertible note, the balance recognised in equity will be transferred to retained profits. No gain or loss is recognised in profit or loss upon conversion or expiration of the conversion option.

2.8.4 Financial liabilities

Transaction costs that relate to the issue of the convertible notes are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognised directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortized over the lives of the convertible notes using the effective interest method. Once the convertible security is not convertible to fixed numbers of ordinary shares, it cannot be considered a compound instrument.

Financial liabilities are classified as either financial liabilities ‘at fair value through profit or loss (FVTPL)' or ‘other financial liabilities'.
The Company does not have any financial liability that is measured at fair value through profit or loss during the period under review.

Summary of Material Accounting Policies Contd

2.8.4.1 Other financial liabilities

Other financial liabilities (including borrowings) are subsequently measured at amortized cost using the effective interest method. The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

2.8.4.2 Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are extinguished- i.e. when the obligation specified in the contract is discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

An exchange between an existing borrower and lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability or a part of it (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

2.8.4.3Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Summary of Material Accounting Policies Contd

2.9 Receivables

2.9.1 Premium receivables

Trade receivables are recognized when due. The premium receivables arising from insurance contracts issued and include amounts due from agents, brokers and insurance contract holders. Premium receivables are those for which credit notes issued by brokers are within 30days, in conformity with the "NO PREMIUM NO COVER" NAICOM policy.

2.9.2 Other receivables and prepayments

These principally consists of prepayments, sundry debtors and staff loans (carried at amortised cost). Prepayment is not a financial asset. Thus, it is measured at amount initially paid less amortization to profit or loss.

2.10 Investment properties

Recognition and measurement

Investment property comprises investment in land and buildings held primarily to earn rentals or capital appreciation or both. Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value. Gains and losses arising from changes in the fair value of investment properties are included in profit or loss in the period in which they arise. Fair values are determined based on an annual evaluation performed by an accredited independent external valuer applying a valuation model.

Derecognition

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised. The amount of consideration to be included in the gain or loss arising from derecognition of investment property is determined in accordance with the requirements for determining the transaction prices in IFRS 15.

Summary of Material Accounting Policies Contd

Transfers

Transfers are made to or from investment property only when there is a change in use. If an investment property becomes owner-occupied, it is reclassified as property, plant and equipment, and its fair value at the date of reclassification becomes its cost for subsequent accounting purposes.

2.10 Investment properties

Transfers

If a property initially classified as property, plant and equipment becomes an investment property because its use has changed, any difference arising between the carrying amount and the fair value of this item at the date of transfer is recognised in other comprehensive income as a revaluation of property, plant and equipment. However, if a fair value gain reverses a previous impairment loss, the gain is recognised in profit or loss. Upon the disposal of such investment property, any surplus previously recorded in equity is transferred to retained earnings; the transfer is not made through profit or loss.

2.11 Intangible assets

(a) Software

The amount initially recognised for intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred. Costs associated with maintaining computer software programmes are recognised as an expense as incurred.

Directly attributable costs that are capitalised as part of the software product include the software development employee costs and an appropriate portion of directly attributable overheads. Other development expenditures that do not meet these criteria are recognised as an expense as incurred.

Summary of Material Accounting Policies Contd

Subsequent to initial recognition, intangible assets are reported at cost less accumulated amortization and accumulated impairment losses, on the same basis as intangible assets that are acquired separately. Its estimated useful life typically varies between 3 and 5 years. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year–end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortisation period or method, as appropriate, and treated as changes in accounting estimates.

(b) Acquired Insurance Liabilities

On acquisition of a portfolio of insurance contracts the difference between the fair value and the carrying value of the insurance liabilities measured under the Company's accounting policies is recognised as an intangible asset. This is amortized on a systematic basis over the estimated life of the acquired contracts which typically varies between 1 and 10 years. The carrying value is assessed at each reporting date and any reductions are recognised in profit or loss for the period in which they arise. The subsequent measurement of this asset is consistent with the measurement of the related insurance liability.

(c) Impairment of intangible assets

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

The Company tests an intangible asset with an indefinite useful life for impairment by comparing its recoverable amount with its carrying amount:

(a) annually, and

(b) whenever there is an indication that the intangible asset may be impaired.

If there is any indication that an asset may be impaired, recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the Company determines the recoverable amount of the cash-generating unit to which the asset belongs (the asset's cash-generating unit).

Recoverable amount is the higher of fair value less cost of disposal and value in use. 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 for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

2.12 Property, plant and equipment

Property, plant and equipment are those owned and used by the Company, and are stated in the statement of financial position at cost, less any accumulated depreciation and accumulated impairment loss (if any).

Properties, plant and equipment in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use.
Depreciation of these assets, on the same basis as other property assets, commences when the assets are available for their intended use.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. Depreciation is calculated at the following annual rates:

Summary of Material Accounting Policies Contd

Asset Description	Years
Motor Vehicles	4
Furniture and Fittings	5
Computer and Office Equipment	4
Plant and Machinery	5

Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Impairment of property, plant and equipment and right of use (ROU) asset

Assets that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Such circumstances include, though are not limited to, significant or sustained declines in revenues or earnings and material adverse changes in the economic environment.

Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Companies of assets.

A Cash Generating Unit (CGU) is the smallest identifiable unit of asset that generates cash inflows that are largely independent of the cash inflows from other assets or Company of assets. An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The recoverable amount of an asset is the greater of its fair value less costs of disposal and value in use. To calculate value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market rates and the risks specific to the asset.

For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. Fair value less costs of disposal is determined by taking recent market transactions into accounts. If no such transactions can be identified, an appropriate valuation model is used. Impairment losses, if any, are recognised in profit or loss and are only reversed to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had previously been recognised. For assets, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised.

2.13 Leases

Initial recognition and measurement

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period in exchange for consideration.

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). The cost of a right-of-use asset at inception of the lease includes an estimate of costs to be incurred by the Company in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease. The Company incurs the obligation for those costs at the commencement date or as a consequence of having used the underlying asset during a particular period.

Summary of Material Accounting Policies Contd

Right-of-use assets are subsequently 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 (Real Estate 2 to 5 years)

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section(s) Impairment of non-financial assets, Property plant and equipment- (Section 2.12 of the Summary of Material Accounting Policies).

The Company's lease arrangements are majorly real estate leases which include leases of office spaces. These lease arrangements do not contain an obligation to dismantle and remove the underlying asset, restore the site on which it is located or restore the underlying asset to a specified condition.

ii) Lease liabilities

At the commencement date of the lease, the Company 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. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate.

Summary of Material Accounting Policies Contd

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date where the interest rate implicit in the lease is not clearly stated in the lease contract. 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.

iii) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

i) **Right-of-use assets**

The Company enters into lease agreements as a lessor with respect to some of its investment properties. Leases for which the Company is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. When the Company is an intermediate lessor, it accounts for the head lease and the sublease as two separate contracts. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease. if the head lease is a short-term lease that the entity, as a lessee, has accounted for applying paragraph 6, the sublease shall be classified as an operating lease.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term. Amounts due from lessees under finance leases are recognised as receivables at the amount of the Company's net investment in the leases. Finance lease income is allocated to reporting periods so as to reflect a constant periodic rate of return on the Company's net investment outstanding in respect of the leases. When a contract includes lease and non-lease components, the Company applies IFRS 15 to allocate the consideration under the contract to each component.

Rent receivables

Rent receivables are recognised at their original invoiced value except where the time value of money is material, in which case rent receivables are recognised at fair value and subsequently measured at amortised cost. Refer to accounting policies on financial assets in this section 2.7 of the Summary of Material Accounting Policies).

Tenant deposits

Tenant deposits are initially recognised at fair value and subsequently measured at amortised cost. Any difference between the initial fair value and the nominal amount is included as a component of operating lease income and recognised on a straight-line basis over the lease term. Refer also to accounting policies on financial liabilities in section. 2.8.4 of the Summary of Material Accounting Policies.

2.14 Statutory deposit

Statutory deposit represents a deposit of 10% of the regulatory minimum share capital (N3bn) for a non-life insurance business kept with the Central Bank of Nigeria. The cash amount held is considered to be a restricted cash balance.

2.15 Insurance and reinsurance contracts held

Insurance and reinsurance contract

The Company issues insurance contracts in the normal course of business, under which it accepts significant insurance risk from its policyholders by agreeing to compensate the policyholder if a specified uncertain future event adversely affects the policyholder. As a general guideline, the Company determines whether it has significant insurance risk, by comparing benefits payable after an insured event with benefits payable if the insured event did not occur. This assessment is made on a contract-by-contract basis at the contract issue date. In making this assessment, the Company considers all its substantive rights and obligations, whether they arise from contract, law or regulation.

The Company determines whether a contract contains significant insurance risk by assessing if an insured event could cause the Company to pay to the policyholder additional amounts that are significant in any single scenario with commercial substance even if the insured event is extremely unlikely or the expected present value of the contingent cash flows is a small proportion of the expected present value of the remaining cash flows from the insurance contract. This assessment is made on a contract-by-contract basis at the contract issue date. In making this assessment, the company considers all its substantive rights and obligations, whether they arise from contract, law or regulation. The company determines whether a contract contains significant insurance risk by assessing if an insured event could cause the company to pay to the policyholder additional amounts that are significant in any single scenario with commercial substance even if the insured event is extremely unlikely or the expected present value of the contingent cash flows is a small proportion of the expected present value of the remaining cash flows from the insurance contract.

Summary of Material Accounting Policies Contd

The Company issues general insurance to individuals and corporate businesses. The Company Insurance contracts which are classified into various classes like Motor, Aviation, Accident, Marine, Oil and Gas, Engineering, Bond and Fire are accounted for in accordance with IFRS 17 Insurance Contracts. Products offered include Fire insurance, General accident, Motor insurance, Workmen compensation, Marine insurance, Aviation, Oil and Energy, Engineering all risk, Bond, Goods-in-transit, Terrorism etc. These products offer protection of policyholder's assets and indemnification of other parties that have suffered damage as a result of a policyholder's loss accident. Products sold by the Company are classified as insurance contracts when the Company accepts significant insurance risk from a policyholder by agreeing to compensate the policyholder if a specified uncertain future event adversely affects the policyholder.

The Company does not issue any contracts with direct participating features.

Recognition, measurement and presentation of insurance contracts

Separating components from insurance and reinsurance contracts

Some insurance contracts may contain one or more components that would be within the scope of another IFRS if they were separate contracts. Such components may be embedded derivatives, an investment component, or a component for services other than insurance contract services. When separated, those components are accounted for under the relevant IFRS instead of under IFRS 17. This makes these components more comparable to similar contracts that are issued by the Company and other entities as separate contracts and allows users of financial statements to better compare the risks undertaken by entities in different businesses or industries.

Therefore, the Company:

- Applies IFRS 9 to determine whether there is an embedded derivative to be bifurcated (i.e., be separated) and, if there is, account for that separate derivative.
- Separates from a host insurance contract an investment component if, and only if, that investment component is distinct and apply IFRS 9 to account for the separated component unless it is an investment contract with discretionary participation features and then.

- Separates from the host insurance contract any promise to transfer to a policyholder distinct goods or services other than insurance contract services by applying IFRS 15.

Embedded derivatives are not separated for accounting purposes if the non-derivative host is a financial asset within the scope of IFRS 9 i.e., the classification criteria of IFRS 9 are applied to the financial asset as a whole, otherwise, an embedded derivative will be separated from the host contract if and only if, all the criteria below are met:

2.15 Insurance and reinsurance contracts held

Recognition, measurement and presentation of insurance contracts

Separating components from insurance and reinsurance contracts

- The economic characteristics and risks of the embedded derivatives are not closely related to the economic characteristics and risks of the host;
- A separate instrument with the same terms as embedded derivative would meet the definition of a derivative; and
- The hybrid contract is not measured at fair value with changes in fair value recognized in profit or loss.

An investment component is distinct if and only if, both of the following conditions are met;

- The investment component and the insurance components are highly interrelated
- a contract with equivalent terms is sold, or could be sold, separately in the same market or the same jurisdiction, either by entities that issue insurance contracts or by other parties. An investment component and an insurance component are highly interrelated if and only if; the company is unable to measure one component without considering the other or the policyholder is unable to benefit from one component unless the other is also present, for example the lapse and maturity of one component causes the lapse or maturity of the other.

The Company assesses its non-life insurance products to determine whether they contain distinct components which must be accounted for under another IFRS instead of under IFRS 17. Currently, the Company's products do not include any distinct components that require separation.

Summary of Material Accounting Policies Contd

Some reinsurance contracts issued contain profit commission arrangements. Under these arrangements, there is a minimum guaranteed amount that the policyholder will always receive either in the form of profit commission, or as claims, or another contractual payment irrespective of the insured event happening. The minimum guaranteed amounts have been assessed to be highly interrelated with the insurance component of the reinsurance contacts and are, therefore, non-distinct investment components which are not accounted for separately.

Combining a set or series of contracts

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

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

Level of aggregation

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

The Company may acquire insurance contracts as part of a business combination or a portfolio transfer. Unlike originally issued contracts, contracts acquired in a settlement phase transfer an insurance risk of adverse claims development. The Company considers such risk to be different from contracts it originally issues and aggregates such contracts in separate portfolios by product line.

At initial recognition, the Company segregates contracts based on when they were issued. A cohort contains all contracts that were issued within a 12-month period. Each cohort is then further disaggregated into three groups of contracts based on the initial assessment of the contracts and the expectations as at the date of initial recognition, with fulfilment cash flow expectations determined on a probability-weighted basis and management judgment of whether the contracts are onerous on initial recognition, have no significant possibility of becoming onerous subsequently and remaining contracts

The Company manages insurance contracts issued by product lines within an operating segment, where each product line includes contracts that are subject to similar risks. All insurance contracts within a product line represent a portfolio of contracts. Each portfolio is further disaggregated into groups of contracts that are issued within a calendar year (annual cohorts).

2.15 Insurance and reinsurance contracts held

Recognition, measurement and presentation of insurance contracts

Separating components from insurance and reinsurance contracts

The company determines the level of aggregation for applying its requirements. The level of aggregation for the Company is determined firstly by dividing the business written into portfolios using the current lines of business framework with consideration for the reserving segmentation and product types within each line of business to support the definition of similar risk. These lines of business are Fire insurance, Accident, Motor, Marine insurance, Aviation, Oil and Energy, Engineering and Bond. Portfolios are further divided based on expected profitability at inception into three categories: onerous contracts, contracts with no significant risk of becoming onerous, and the remainder. This means that, for determining the level of aggregation, the Company identifies a contract as the smallest ‘unit’, i.e., the lowest common denominator. However, the Company makes an evaluation of whether a series of contracts need to be treated together as one unit based on reasonable and supportable information, or whether a single contract contains components that need to be separated and treated as if they were stand-alone contracts. As such, what is treated as a contract for accounting purposes may differ from what is considered as a contract for other purposes (i.e., legal or management). IFRS 17 also requires that no group for level of aggregation purposes may contain contracts issued more than one year apart.

Summary of Material Accounting Policies Contd

The Company has elected to group together those contracts that would fall into different groups only in the event where the law or regulation specifically constrains its practical ability to set a different price or level of benefits for policyholders with different characteristics. Currently, there is no law or regulation that constrained the Company's practical ability to set a different price or level of benefits for policyholder with different characteristics.

The portfolios are further divided by year of issue and profitability for recognition and measurement purposes. Hence, within each year of issue, portfolios of contracts are divided into three groups, as follows:

- A group of contracts that are onerous at initial recognition (if any)
- A group of contracts that, at initial recognition, have no significant possibility of becoming onerous subsequently (if any)
- A group of the remaining contracts in the portfolio (if any)

The Company determines the appropriate level at which reasonable and supportable information is available to assess whether the contracts are onerous at initial recognition and whether the contracts not onerous at initial recognition have a significant possibility of becoming onerous subsequently. The Company applies significant judgement in determining at what level of granularity the Company has sufficient information to conclude that all contracts within a set will be in the same group. In the absence of such information, the Company assesses each contract individually.

The profitability of groups of contracts is assessed by actuarial valuation models that take into consideration existing and new business. For contracts that are not onerous, the Company assesses, at initial recognition, that there is no significant possibility of becoming onerous subsequently by assessing the likelihood of changes in applicable facts and circumstances. The Company considers facts and circumstances to identify whether a group of contracts are onerous based on:

- Historical loss ratio

Summary of Material Accounting Policies Contd

- Pricing information
- Results of similar contracts it has recognised
- Environmental factors, e.g., a change in market experience or regulations

The Company divides portfolios of reinsurance contracts held applying the same principles set out above, except that the references to onerous contracts refer to contracts on which there is a net gain on initial recognition.

Contract boundary

The measurement of a group of insurance contracts includes all future cash flows expected to arise within the boundary of each contract in the group. A contract is an arrangement that binds one or both of the parties involved. If both parties are bound equally, the boundary of the contract is generally clear. Similarly, if neither party is bound, no genuine contract exists. Thus:

- The outer limit of the existing contract is the point at which the Company is no longer required to provide coverage and the policyholder has no right of renewal. Beyond that outer limit, neither party is bound.
- The company is no longer bound by the existing contract at the point at which the contract confers on the company the practical ability to reassess the risk presented by a policyholder and, as a result, the right to set a price that fully reflects that risk.

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

- Existing insurance contracts. If so, those future premiums, and the resulting benefits and claims, are included in the measurement of the group of insurance contracts,

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

Summary of Material Accounting Policies Contd

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

The Company 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 if they arise from substantive rights and obligations that exist during the reporting period in which the Company can compel the policyholder to pay the premiums, or in which the Company has a substantive obligation to provide the policyholder with insurance contract services. A substantive obligation to provide insurance contract services ends when:

- The Company has the practical ability to reassess the risks of the particular policyholder and, as a result, can set a price or level of benefits that fully reflects those risks

Or both of the following criteria are satisfied:

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

A liability or asset relating to expected premiums or claims outside the boundary of the insurance contract is not recognised. Such amounts relate to future insurance contracts.

The Company have set contract boundaries for its portfolio of insurance contracts based on the duration of coverage as stated in the policy document for each class of business which is one (1) year for all classes of contracts.

Summary of Material Accounting Policies Contd

Recognition

Initial recognition of insurance contracts

The Company recognises groups of insurance contracts it issues from the earliest of the following:

- The beginning of the coverage period of the group of contracts
- The date when the first payment from a policyholder in the group is due or when the first payment is received if there is no due date
- For a group of onerous contracts, when the group becomes onerous, if facts and circumstances indicate that the group is onerous

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

Initial recognition of reinsurance contracts held

The Company recognises a group of reinsurance contracts held it has entered into from the earlier of the following:

- The beginning of the coverage period of the group of reinsurance contracts held. (However, the Company delays the recognition of a group of reinsurance contracts held that provide proportionate coverage until the date any underlying insurance contract is initially recognised, if that date is later than the beginning of the coverage period of the group of reinsurance contracts held.

  And
- The date the Company recognises an onerous group of underlying insurance contracts if the Company entered into the related reinsurance contract held in the group of reinsurance contracts held at or before that date.

The Company adds new contracts to the group in the reporting period in which that contract meets one of the criteria set out above.

Summary of Material Accounting Policies Contd

Initial recognition of reinsurance contracts held

The issue date of a contract is when the Company has a contractual obligation to accept risk. The issue date is typically before the beginning of coverage and due date for the initial premium. However, the Company only recognizes issued insurance contracts before these dates if facts and circumstances indicate that the contracts in the group to which the PAA applies are onerous. For instance, in the case where business has been intentionally sold as onerous, the inception date of the contract will be the issue date.

The recognition requirements for reinsurance contracts held that provide proportionate coverage are intended to simplify recognition for proportionate reinsurance contracts held. Circumstances in which the first underlying attaching contract is issued, shortly after the reinsurance contracts are written, will result in similar timing of recognition for proportionate and 'other-than-proportionate' reinsurance contracts. In other cases, there may be a greater difference in the timing of recognition.

If there is no contractual due date, the first payment from the policyholder is deemed to be due when it is received. The Company determines whether any contracts form a group of onerous contracts before the earlier of the first two dates above (i.e., before the earlier of the beginning of the coverage period and the date when the first payment from a policyholder in the group is due) if facts and circumstances indicate there is such a group.

Initial recognition of insurance acquisition cash flows

Insurance acquisition cash flows arise 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.

The company allocates acquisition cost to policies based on applicable rate per policy, claims expenses are allocated based on number of claims on the policies and fixed, variable overhead cost and other maintenance cost are allocated based on apportionment basis.

Summary of Material Accounting Policies Contd

The company recognises an asset for insurance acquisition cash flows paid (or insurance acquisition cash flows for which a liability has been recognised under another IFRS standard) before the related group of insurance contracts is recognised, unless it elects to expense those acquisition cash flows as incurred for premium allocation approach contracts. The Company recognise such an asset for each related group of insurance contracts and allocates insurance acquisition cash flows to an existing or future group of insurance contracts using a systematic and rational method.

The systematic and rational method of allocating insurance acquisition cash flows to groups of contracts is used to allocate;

- Insurance acquisition cash flows that are directly attributable to a group of insurance contracts:

- To that group; and

- To groups that will include insurance contracts that are expected to arise from renewals of the insurance contracts in that group

- Insurance acquisition cash flows directly attributable to a portfolio of insurance contracts that are not directly attributable to individual contracts or groups of contracts to groups in the portfolio.

Where insurance acquisition cash flows have been paid or incurred before the related group of insurance contracts is recognised in the statement of financial position, a separate asset for insurance acquisition cash flows is recognised for each related group.

The asset for insurance acquisition cash flow is derecognized from the statement of financial position when the insurance acquisition cash flows are included in the initial measurement of the related group of insurance contracts.

Initial recognition of insurance acquisition cash flows

After any re-allocation, the Company assesses the recoverability of the asset for insurance acquisition cash flows, if facts and circumstances indicate the asset may be impaired. When assessing the recoverability, the Company applies:

- An impairment test at the level of an existing or future group of insurance contracts and
- An additional impairment test specifically covering the insurance acquisition cashflows allocated to expected future contracts renewals

If an impairment loss is recognised, the carrying amount of the asset is adjusted and an impairment loss is recognised in profit or loss.

The Company recognises in profit or loss a reversal of some or all of an impairment loss previously recognised and increases the carrying amount of the asset, to the extent that the impairment conditions no longer exist or have improved.

Summary of Material Accounting Policies Contd

Measurement - Premium Allocation Approach

The company have adopted the following options and practical expedients available in IFRS 17 as detailed below:

Alternatives	IFRS 17 Options	Adopted approach
Premium Allocation Approach (PAA) Eligibility	Subject to specified criteria, the PAA can be adopted as a simplified approach to the IFRS 17 general model	Coverage period for the non life business portfolios especially property insurance and liability reinsurance) are one year or less and so qualifies automatically for PAA. Though policies under Engineer class of business which include erection and contractor all risk insurance may have coverage period greater than one year. However, there is no material difference in the measurement of the liability for remaining coverage between PAA and the general model, therefore, these qualify for PAA.
Insurance acquisition cash flows for insurance contracts issued"	Where the coverage period of all contracts within a group is not longer than one year, insurance acquisition cash flows can either be expensed as incurred, or allocated, using a systematic and rational method, to groups of insurance contracts (including future groups containing insurance contracts that are expected to arise from renewals) and then amortised over the coverage period of the related group. For groups containing contracts longer than one year, insurance acquisition cash flows must be allocated to related groups of insurance contracts and amortised over the coverage period of the related group.	For all business, insurance acquisition cash flows are allocated to related groups of insurance contracts and amortised over the coverage period of the related group.

Summary of Material Accounting Policies Contd

Alternatives	IFRS 17 Options	Adopted approach
Liability for Remaining Coverage (LFRC), adjusted for financial risk and time value of money	Where there is no significant financing component in relation to the LFRC, or where the time between providing each part of the services and the related premium due date is no more than a year, an entity is not required to make an adjustment for accretion of interest on the LFRC.	For all non life insurance contracts, no allowance is made for accretion of interest on the LFRC as the premiums are received within first thirty days of the year of the coverage period.
Liability for Incurred Claims, (LFIC) adjusted for time value of money	Where claims are expected to be paid within a year of the date that the claim is incurred, it is not required to adjust these amounts for the time value of money.	For all Non-life insurance policies, the incurred claims are expected to be paid out in less than one year. Hence, no adjustment for time value of money is expected to be made for the time value of money. However for some claims in some classed especially oil and gas policies, settlement of incurred claims may linger for over a year and on this grounds, the related LFIC is adjusted for the time value of money.
Insurance finance income and expense" Insurance finance income and expense	There is an option to disaggregate part of the movement in LFIC resulting from changes in discount rates and present this in OCI.	For all Non Life Insurance business, the change in LFIC as a result of changes in discount rates are captured within profit or loss.

Insurance contract – Initial measurement

The premium allocation approach is an optional simplified form of measuring an eligible group of insurance contracts issued or reinsurance contracts held. The eligibility is assessed for each group of insurance contracts and the election is made for each eligible group. However, the ability to use the premium allocation approach for reinsurance contracts held must be assessed separately from the use of the premium allocation approach for the related underlying insurance contracts covered by reinsurance.

The premium allocation approach compared to the general model, results in a simpler accounting method:

- The premium allocation approach does not require separate identification of the elements (i.e., the four building blocks) of the general model until a claim is incurred. Only a total amount for a liability for remaining coverage on initial recognition is determined
- Subsequently, the liability for remaining coverage is recognised by the company over the coverage period on a pro rata basis (the basis of passage of time) unless the expected pattern of release from risk differs significantly from the passage of time, in which case, it is recognised based on the expected timing of incurred claims and benefits
- The company need only assess whether a group of insurance contracts is onerous if facts and circumstances indicate that the group is onerous. The general model effectively requires an assessment of whether a group of contracts is onerous at each reporting date after the initial recognition of a group
- The company also has certain elections available once it applies the premium allocation approach for a group of insurance contracts. This includes:
- The Company applies the premium allocation approach (PAA) to all the insurance contracts that it issues and reinsurance contracts that it holds, as:
- The coverage period of each contract in the group is one year or less, including insurance contract services arising from all premiums within the contract boundary

  Or

Summary of Material Accounting Policies Contd

- For contracts longer than one year, the Company has modelled possible future scenarios and reasonably expects that the measurement of the liability for remaining coverage for the group containing those contracts under the PAA does not differ materially from the measurement that would be produced applying the general model. In assessing materiality, the Company has also considered qualitative factors such as the nature of the risk and types of its lines of business.

  All the company's' product is measured using the PAA approach because the coverage period of each contract it issues is for a period of One (1) year except for the All-risk contracts under engineering and some Marine cargo portfolio which could be issued for a period of more than one year, for this product, the company will perform the PAA eligibility test as required by the second criteria stated above and has set materiality level for difference in the liability for remaining coverage at plus or minus 5%.

  The company interprets "reasonably expects" to means the liability for remaining coverage under the premium allocation approach (PAA) and general measurement model (GMM) under all probable scenarios is Immaterial. Hence the company has defined probable scenario for both economic and non-economic assumptions which includes interest rate sensitivity of +/- 1%, expected combined ratio of +/-10%, lapse at +/-10%.

  The Company does not apply the PAA if, at the inception of the group of contracts, it expects significant variability in the fulfilment cash flows that would affect the measurement of the liability for the remaining coverage during the period before a claim is incurred. Variability in the fulfilment cash flows increases with, for example:

- The extent of future cash flows related to any derivatives embedded in the contracts
- The length of the coverage period of the group of contracts

  For a group of contracts that is not onerous at initial recognition, the Company measures the liability for remaining coverage as:
- The premiums, if any, received at initial recognition
- Minus any insurance acquisition cash flows at that date, with the exception of contracts which are one year or less where this is expensed

Summary of Material Accounting Policies Contd

- Plus, or minus any amount arising from the derecognition at that date of the asset recognised for insurance acquisition cash flows and
- Any other asset or liability previously recognised for cash flows related to the group of contracts that the Company pays or receives before the group of insurance contracts is recognised.

For All-risk contracts under engineering, Marine cargo contracts, the liability for remaining coverage (LFRC) is not discounted to reflect the time value of money and the effect of financial risk as the premiums are received for one year and the liability is limited to one year coverage period.

Where claims are to be paid within a year the company would not discount the liability for incurred claims (LFIC) for the time value of money, however where claims are settled after a year period, the company would consider the impact of the time value of money on its liability for incurred claims (LFIC)

The company assumes that all contracts measured using the premium allocation approach (PAA) are profitable unless there has been approval through an official process to implement commercial actions such as promotional discounts on premium rate, selling loss leaders to gain market shares or no claims discount on renewal of policies that would results in a group of contracts being onerous.

Where facts and circumstances indicate that contracts are onerous at initial recognition, the Company performs additional analysis to determine if a net outflow is expected from the contract. Such onerous contracts are separately grouped from other contracts and the Company recognises a loss in profit or loss for the net outflow, resulting in the carrying amount of the liability for the group being equal to the fulfilment cash flows. A loss component is established by the Company for the liability for remaining coverage for such onerous group depicting the losses recognized.

In assessing the profitability of the contracts, the company has used “all reasonable and supportable information available at reporting date without undue cost or effort”, hence the company has used the combined ratio for this assessment. The combined ratio represents the total costs and losses divided by the earned premium and a combined ratio of below 100% indicates that the business is profitable. The company assesses whether a group of contracts will be deemed onerous subsequently if there has been combined ratio over 100% in two (2) subsequent annual reporting.

Risk adjustment for non-financial risk

The risk adjustment for non-financial risk represents the compensation that the Company requires for bearing the uncertainty about the amount and timing of the cash flows of groups of insurance contracts and covers insurance risk, lapse risk and expense risk. The risk adjustment reflects an amount that an insurer would rationally pay to remove the uncertainty that future cash flows will exceed the expected value amount.

Insurance contract liabilities are calculated by discounting expected future cash flows at a risk free rate, plus an illiquidity premium where applicable. Risk free rates are determined by reference to the yields of highly liquid AAA-rated sovereign securities in the currency of the life insurance contract liabilities. The illiquidity premium is determined by reference to observable market rates, including sovereign debt, corporate debt and market swap rates.

The Company has estimated the risk adjustment using a confidence level (value at risk) approach in which a full IFRS 17 liability distribution is generated across all non-financial risks and risk adjustment is calculated as the difference between the best estimate liability and the liability value at the chosen confidence level.

Reinsurance contracts held – initial measurement.

The Company measures its reinsurance assets for a group of reinsurance contracts that it holds on the same basis as insurance contracts that it issues. However, they are adapted to reflect the features of reinsurance contracts held that differ from insurance contracts issued, for example the generation of expenses or reduction in expenses rather than revenue.

Where the Company recognises a loss on initial recognition of an onerous group of underlying insurance contracts or when further onerous underlying insurance contracts are added to a group, the Company establishes a loss-recovery component of the asset for remaining coverage for a group of reinsurance contracts held depicting the recovery of losses.

The Company calculates the loss-recovery component by multiplying the loss recognised on the underlying insurance contracts and the percentage of claims on the underlying insurance contracts the Company expects to recover from the group of reinsurance contracts held. The Company uses a systematic and rational method to determine the portion of losses recognised on the group to insurance contracts covered by the group of reinsurance contracts held where some contracts in the underlying group are not covered by the group of reinsurance contracts held.

Summary of Material Accounting Policies Contd

The loss-recovery component adjusts the carrying amount of the asset for remaining coverage.

Insurance contracts – subsequent measurement

The Company measures the carrying amount of the liability for remaining coverage at the end of each reporting period as the liability for remaining coverage at the beginning of the period:

- Plus, premiums received in the period
- Minus insurance acquisition cash flows, with the exception of insurance product line for which the Company chooses to expense insurance acquisition cash flows as they occur
- Plus, any amounts relating to the amortisation of the insurance acquisition cash flows recognised as an expense in the reporting period for the group
- Plus, any adjustment to the financing component, where applicable
- Minus the amount recognised as insurance revenue for the services provided in the period
- Minus any investment component paid or transferred to the liability for incurred claims

The Company estimates the liability for incurred claims as the fulfilment cash flows related to incurred claims. The fulfilment cash flows incorporate, in an unbiased way, all reasonable and supportable information available without undue cost or effort about the amount, timing and uncertainty of those future cash flows, they reflect current estimates from the perspective of the Company and include an explicit adjustment for non-financial risk (the risk adjustment). The Company does not adjust the future cash flows for the time value of money and the effect of financial risk for the measurement of liability for incurred claims that are expected to be paid within one year of being incurred.

Where, during the coverage period, facts and circumstances indicate that a group of insurance contracts is onerous, the Company recognises a loss in profit or loss for the net outflow, resulting in the carrying amount of the liability for the group being equal to the fulfilment cash flows. A loss component is established by the Company for the liability for remaining coverage for such onerous group depicting the losses recognised.

Summary of Material Accounting Policies Contd

Subsequent measurement – Liability for incurred claims

The liability for incurred claims for a group of insurance contracts subject to the premium allocation approach (which should usually be nil on initial recognition) is measured in the same way as the liability for incurred claims using the general model (i.e., a discounted estimate of future cash flows with a risk adjustment for non-financial risk).

However, when applying the premium allocation method to the liability for incurred claims, the company is not required to adjust future cash flows for the time value of money and the effect of financial risk if those cash flows (for that group of insurance contracts) are expected to be paid or received in one year or less from the date the claims are incurred. This is a separate election from the choice not to adjust the carrying amount of the liability for remaining coverage to reflect the time value of money and the effect of financial risk at initial recognition.

When the entire insurance finance income or expenses is included in profit or loss, the company discounts the incurred claims at current rates (i.e., the rate at the reporting date). When insurance finance income or expenses is disaggregated between profit or loss and other comprehensive income the amount of insurance finance income or expenses included in profit or loss is determined using the discount rate at the date of the incurred claim.

Reinsurance contracts held – subsequent measurement

The subsequent measurement of reinsurance contracts held follows the same principles as those for insurance contracts issued and has been adapted to reflect the specific features of reinsurance held.

Where the Company has established a loss-recovery component, the Company subsequently reduces the loss- recovery component to zero in line with reductions in the onerous group of underlying insurance contracts in order to reflect that the loss-recovery component shall not exceed the portion of the carrying amount of the loss component of the onerous group of underlying insurance contracts that the Company expects to recover from the group of reinsurance contracts held.

Summary of Material Accounting Policies Contd

Insurance contracts – modification and derecognition

An insurance contract may be modified, either by agreement between the parties or as result of regulation. If the terms are modified, the Company derecognises the original insurance contract and recognise the modified contract as a new contract, if and only if, any of the conditions listed below are satisfied.

- If the modified terms were included at contract inception:
- The modified contract would have been excluded from the scope of IFRS 17.
- The Company would have separated different components from the host insurance contract resulting in a different insurance contract to which IFRS 17 would have applied.
- The modified contract would have had a substantially different contract boundary
- The modified contract would have been included in a different group of contracts at initial recognition (e.g., the contracts would have been onerous at initial recognition rather than having no significant possibility of being onerous subsequently)
- The original contract met the definition of an insurance contract with direct participation features, but the modified contract no longer meets that definition or vice versa.
- The Company applied the premium allocation approach to the original contract, but the modifications mean that the contract no longer meets the eligibility criteria for that approach.

In summary, any contract modification that changes the accounting model or the applicable standard for measuring the components of the insurance contract, is likely to result in derecognition.

If a contract modification meets none of the conditions above for derecognition, the Company would treat any changes in cash flows caused by the modification as changes in the estimates of the fulfilment cash flows.

Summary of Material Accounting Policies Contd

The Company derecognises insurance contracts when:

- The rights and obligations relating to the contract are extinguished (i.e., discharged, cancelled or expired)

  Or
- The contract is modified such that the modification results in a change in the measurement model or the applicable standard for measuring a component of the contract, substantially changes the contract boundary, or requires the modified contract to be included in a different group. In such cases, the Company derecognises the initial contract and recognises the modified contract as a new contract.

  When a modification is not treated as a derecognition, the Company recognises amounts paid or received for the modification with the contract as an adjustment to the relevant liability for remaining coverage.

  The Company treats the derecognition of a contract three different ways, depending on the circumstances.

2.15 Insurance and reinsurance contracts held

Insurance contract -Derecognition resulting from extinguishment

When the Company derecognises an insurance contract because it transfers the contract to a third party, the Company:

- Adjusts the fulfilment cash flows allocated to the group for the rights and obligations that have been derecognised
- Adjusts the contractual service margin of the group from which the contract has been derecognised for the difference between the change in the contractual cash flows resulting from derecognition and the premium charged by the third party (unless the decrease in fulfilment cash flows is allocated to the loss component of the liability for remaining coverage).

If there is no contractual service margin to be adjusted, then the difference between the fulfilment cash flows derecognised and the premium charged by the third party is recognised in profit or loss.

Derecognition resulting from modification

When the Company derecognises an insurance contract and recognises a new insurance contract as a result of a modification described above, the Company:

- Adjusts the fulfilment cash flows allocated to the group relating to the rights and obligations that have been derecognised, as discussed above
- Adjusts the contractual service margin of the group, from which the contract has been derecognised for the difference between the change in the contractual cash flows resulting from derecognition and the hypothetical premium the Company would have charged, had it entered into a contract with terms equivalent to the new contract at the date of the contract modification, less any additional premium charged forthe modification (unless the decrease in fulfilment cash flows is allocated to the loss component of the liability for remaining coverage)

And

- Measures the new contract recognised assuming the Company received the hypothetical premium that it would have charged, had it entered into the modified contract at the date of the contract modification.

Presentation

The Company has presented separately, in the statement of financial position, the carrying amount of portfolios of insurance contracts issued that are assets, portfolios of insurance contracts issued that are liabilities, portfolios of reinsurance contracts held that are assets and portfolios of reinsurance contracts held that are liabilities.

Any assets for insurance acquisition cash flows recognised before the corresponding insurance contracts are included in the carrying amount of the related groups of insurance contracts are allocated to the carrying amount of the portfolios of insurance contracts that they relate to.

The Company disaggregates the total amount recognised in the statement of profit or loss and other comprehensive income into an insurance service result, comprising insurance revenue and insurance service expense, and insurance finance income or expenses.

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

The Company separately presents income or expenses from reinsurance contracts held from the expenses or income from insurance contracts issued.

2.17 Profit or loss presentation for insurance and reinsurance contract held

Insurance contract revenue

The insurance contract revenue for the period is the amount of expected premium receipts allocated to the period. The Company allocates the expected premium receipts to each period of insurance contract services on the basis of the passage of time (Pro rata basis). But if the expected pattern of release of risk during the coverage period differs significantly from the passage of time, then the allocation is made on the basis of the expected timing of incurred insurance service expenses. The Company changes the basis of allocation between the two methods above as necessary, if facts and circumstances change. The change is accounted for prospectively as a change in accounting estimate.

Loss components

The Company assumes that no contract is onerous at initial recognition unless facts and circumstances indicate otherwise. Where this is not the case, and if at any time during the coverage period, the facts and circumstances indicate that a group of insurance contracts is onerous, the Company establishes a loss component as the excess of the fulfilment cash flows that relate to the remaining coverage of the group over the carrying amount of the liability for remaining coverage of the group. Accordingly, by the end of the coverage period of the group of contracts the loss component will be zero.

Profit or loss presentation for insurance and reinsurance contract held

Loss-recovery components

Where the Company recognises a loss on initial recognition of an onerous group of underlying insurance contracts, or when further onerous underlying insurance contracts are added to a group, the Company establishes a loss-recovery component of the asset for remaining coverage for a group of reinsurance contracts held depicting the expected recovery of the losses.

Summary of Material Accounting Policies Contd

A loss-recovery component is subsequently reduced to zero in line with reductions in the onerous group of underlying insurance contracts in order to reflect that the loss-recovery component shall not exceed the portion of the carrying amount of the loss component of the onerous group of underlying insurance contracts that the Company expects to recover from the group of reinsurance contracts held.

Insurance service expenses

Insurance service expenses arising from insurance contracts are recognised in profit or loss as they are incurred. This comprise the following items.

- Incurred claims (excluding investment components): The company allocates claims expenses based on number of claims on the policies.
- Other incurred insurance service expenses: This consists of cash flows arising from the costs of maintaining an existing group of insurance contracts as well as directly attributable expenses (fixed and variable overheads). The company allocates maintenance cost to policies based on actual expense on each policy. Fixed and variable overhead cost are allocated based on apportionment basis. Apportionment between other incurred insurance service expenses and other operating expenses in profit or loss is based on space occupied, number of employees, asset allocated, etc. between the core business facing staff and the back office staff.
- Amortization of insurance acquisition cash flows: The company amortises insurance acquisition cash flows on a straight-line basis over the coverage period of the group of contracts.
- Changes that relate to past service, i.e. changes in fulfilment cash flows relating to the liability for incurred claims; and
- Changes that relate to future service, i.e. losses on onerous groups of contracts and reversals of such losses.

Insurance finance income and expense

Insurance finance income or expenses comprise the change in the carrying amount of the group of insurance contracts arising from:

- The effect of the time value of money and changes in the time value of money; and
- The effect of financial risk and changes in financial risk.

Net income or expense from reinsurance contracts held

The Company presents separately on the face of the statement of profit or loss and other comprehensive income, the amounts expected to be recovered from reinsurers, and an allocation of the reinsurance premiums paid. The Company treats reinsurance cash flows that are contingent on claims on the underlying contracts as part of the claims that are expected to be reimbursed under the reinsurance contract held, and excludes investment components and commissions from an allocation of reinsurance premiums presented on the face of the statement of profit or loss and other comprehensive income.

2.16 Payables

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

The company recognises premium inflows for policies with future start dates as cashflows outside of the insurance contract boundary and are reported as other technical liabilities which become part of the insurance contract liability measurement once the insurance contract is recognised on the earlier of when the premium is due, the start date of the insurance policy or when the insurance contract is onerous.

2.17 Provisions and other payables

Provisions are recognised when: the Company has a present legal or constructive obligation as a result of past events; it is more likely that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. 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.

Summary of Material Accounting Policies Contd

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.

Other payables are initially recognised at fair value, fair value represents transaction price and subsequently measured at amortised cost.

2.18 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

2.18.1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in profit or loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible.

The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

The current taxes include: Company Income Tax at 30% of taxable profit; Education Tax at 2% of assessable profit; Capital Gain Tax at 10% of chargeable gains; and Information Technology Development Levy at 1% of accounting profit. Minimum tax may be computed based on Company Income Tax Act(CITA).

2.18.2 Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax is provided and accounted for using liability method. Deferred tax assets are generally recognised for all deductible temporary difference, unutilised tax loss and unutilised tax credits.

Such deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets arising from deductible temporary differences are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

2.18.3 Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

The Company offsets deferred tax assets and deferred tax liabilities if, and only if:

(a) the entity has a legally enforceable right to set off current tax assets against current tax liabilities; and
(b) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:
(I) the same taxable entity; or
(ii) different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered

2.19 Employee benefit costs

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

This is done in line with the Pension Reform Act 2014, whereby the minimum rate of Pension Contribution is 18% of monthly emolument, where 8% will be contributed by employee and 10% by the employer.

Wages, salaries, paid annual leave and sick leave, bonuses and non-monetary benefits are recognised as employee benefit expense and accrued when the associated services are rendered by the employees of the Company.

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

2.20 Share capital and share premium

Shares are classified as equity when there is no obligation to transfer cash or other assets. Any amounts received over and above the par value of the shares issued are classified as 'share premium' in equity. Incremental external costs that are directly attributable to the issue of these shares are recognised in equity, net of tax.

Summary of Material Accounting Policies Contd

2.21 Retained earnings

This reserve represents amount set aside out of the profits of the Company which shall at the discretion of the Directors be applicable for meeting contingencies, repairs or maintenance of any works connected with the business of the Company, for equalising dividends, for special dividend or bonus, or such other purposes for which the profits of the Company may lawfully be applied.

2.22 Reserves

2.22.1 Fair value reserve

The fair value reserve comprises the cumulative net change in the fair value of the equity instruments designated at fair value through other comprehensive income until the assets are derecognised or impaired. This amount cannot be recycled to profit or loss in subsequent period even if the instruments are derecognized.

2.22.2 Statutory contingency reserve

The Company maintains Statutory contingency reserve in accordance with the provision of Section 21(2) of the Insurance Act CAP I17, LFN 2004 to cover fluctuations in securities and variations in statistical estimates at a rate equal to greater of 3% of gross premium or 20% of net profits until the accumulated amount reaches the greater of the minimum paid-up capital or 50% of the net premium.

2.23 Dividends

Interim dividend paid to the shareholders of the Company is recognised in the period in which the interim dividend approved by the Board of Directors or a second interim dividend approved by the Company's shareholders at the Company's annual general meeting is paid.

The Company recognises a liability to pay a dividend when the distribution is authorised and the distribution is no longer at the discretion of the Company. A distribution is authorised when it is approved by the shareholders at the Annual General Meeting and the insurance industry regulator (NAICOM)

2.24 Investment income

Investment income consists of dividend, interest and rental income on investment properties, realized gains and losses, and unrealized gains and losses on fair value assets.

Interest income

Interest income comprises amount calculated using effective interest method.
The Company calculates interest income on financial assets, other than those considered credit-impaired, by applying the EIR to the gross carrying amount of the financial asset.

Interest income is recognised in profit or loss as it accrues and is calculated by using the effective interest method. Fees and commissions that are an integral part of the effective yield of the financial asset or liability are recognised as an adjustment to the effective interest rate of the instrument.

The effective interest rate method

If expectations of fixed rate financial asset's cash flows are revised for reasons other than credit risk, the changes to future contractual cash flows are discounted at the original EIR with a consequential adjustment to the carrying amount. The difference to the previous carrying amount is booked as a positive or negative adjustment to the carrying amount of the financial asset in the statement of financial position with a corresponding increase or decrease in interest income.

For floating-rate financial instruments, periodic re-estimation of cash flows to reflect the movements in the market rates of interest also alters the effective interest rate but when instruments were initially recognised at an amount equal to the principal, re-estimating the future interest payments does not significantly affect the carrying amount of the asset or the liability.

When a financial asset becomes credit-impaired and is therefore regarded as 'Stage 3', the Company calculates interest income by applying the EIR to the net amortised cost of the financial asset. If the financial assets cures (and is no longer credit-impaired, the Company reverts to calculating interest income on a gross basis.

Summary of Material Accounting Policies Contd

Dividend income

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established. Dividends are received from financial assets measured at fair value through profit or loss (FVPL) and at fair value through other comprehensive income (FVOCI).

Dividend income is recognised in profit or even if they are paid out of pre-acquisition profits, unless the dividend clearly represents a recovery of part of the cost of an investment. In this case, the dividend is recognised in OCI if it relates to an investment measured at FVOCI.

Rental income

Rental income is recognised on an accrual basis.

Realized gains and losses

Gains and losses on the sale of investments are calculated as the difference between net sales proceeds and carrying amount and are recorded in profit or loss on occurrence of the sale transaction.

Unrealised gains and losses

Unrealized gains or losses represent the difference between the carrying value at the year end and the carrying value at the previous year end or purchase value during the year, less the reversal of previously recognised unrealised gains and losses in respect of disposals during the year.

2.25 Other operating expenses

All other operating expenses are recognised directly in profit or loss when incurred.

Summary of Material Accounting Policies Contd

2.26 Fair value measurement

IFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e. an exit price). The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to the Company.
The fair value of an asset or a liability is measured using the assumption that market participant would use when pricing the asset or liability, assuming that market participant's act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest input that is significant to the fair value measurement as a whole:

- Level 1- Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2- Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
Level 3- Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The fair value of financial instruments that are actively traded in organized financial markets is determined by reference to quoted market bid prices for assets and offer prices for liabilities, at the close of business on the reporting date, without any adjustment for transaction costs.

Summary of Material Accounting Policies Contd

For other financial instruments other than investment in equity instruments not traded in an active market, the fair value is determined by using appropriate valuation techniques. Valuation techniques include the discounted cash flow method, comparison to similar instruments for which market observable prices exist and other relevant valuation models. Their fair value is determined using a valuation model that has been tested against prices or inputs to actual market transactions and using the Company's best estimate of the most appropriate model assumptions.

For discounted cash flow techniques, estimated future cash flows are based on management's best estimates and the discount rate used is a market-related rate for a similar instrument. The use of different pricing models and assumptions could produce materially different estimates of fair values.

The fair value of floating rate and overnight deposits with credit institutions is their carrying value. The carrying value is the cost of the deposit and accrued interest. The fair value of fixed interest-bearing deposits is estimated using discounted cash flow techniques. Expected cash flows are discounted at current market rates for similar instruments at the reporting date. All transaction costs directly attributable to the acquisition are also included in the cost of the investment.

3 Critical accounting judgments and key sources of estimation uncertainty

In the application of the Company's accounting policies, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

Summary of Material Accounting Policies Contd

Critical judgments in applying the Company's accounting policies

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur. The Company disaggregates information to disclose major product lines namely, marine, property, personal accident insurance and liability reinsurance issued. This disaggregation has been determined based on how the Company is managed

Going Concern

The financial statements have been prepared on the going concern basis and there is no intention to curtail business operations. Capital adequacy, profitability and liquidity ratios are continuously reviewed and appropriate action taken to ensure that there are no going concern threats to the operation of the Company.

The Directors have made assessment of the Company's ability to continue as a going concern and have no reason to believe that the Company will not remain a going concern in the next 12 months ahead.

Insurance and reinsurance contracts

The Company applies the PAA to simplify the measurement of insurance contracts. When measuring liabilities for remaining coverage, the PAA is broadly similar to the Company's previous accounting treatment under IFRS 4. However, when measuring liabilities for incurred claims, the Company now discounts cash flows that are expected to occur more than one year after the date on which the claims are incurred and includes an explicit risk adjustment for non-financial risk.

Assessment of significance of insurance risk

The Company applies its judgement in assessing whether a contract transfers to the issuer significant insurance risk. A contract transfers significant insurance risk only if an insured event could cause the Company to pay additional amounts that are significant in any single scenario and only if there is a scenario that has commercial substance in which the issuer has a possibility of a loss on a present value basis upon an occurrence of the insured event, regardless of whether the insured event is extremely unlikely. The assessment of whether additional amounts payable on the occurrence of an insured event are significant and whether there is any scenario with commercial substance in which the issuer has a possibility of a loss on a present value basis involves significant judgement and is performed at initial recognition on a contract-by-contract basis. The type of contracts where this judgement is required are those that transfer financial and insurance risk and result in the latter being the smaller benefit provided. The application of judgement in this area is aided by the Company's processes to filter contracts where the additional amounts referred to above are more than 5% but less than 10% of the amounts paid if the insured event does not occur. Additional amounts that are less than 5% are considered by the Group as insignificant. A underwriting unit working alongside with the Actuaries conducts all these judgemental classifications under IFRS 17 to maintain consistency across the Company. This assessment is performed after separation of non-

insurance related components and all promises to transfer distinct goods and non-insurance services.

Separation of non-insurance components from insurance contracts

The Company issues some insurance contracts that have several elements in addition to the provision of the insurance coverage service, such as a deposit component, and tracking service, and other goods or services. Some of these elements need to be separated and accounted for by applying other Standards, while other elements remain within the insurance measurement model. In assessing whether components meet the separation criteria and should be separated, the Company applies significant judgement

Separation of insurance components of an insurance contract

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

Summary of Material Accounting Policies Contd

Determination of the contract boundary

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

Level of aggregation

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

Assessment of directly attributable cash flows

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

Assessment of eligibility for PAA

For quota share home and motor reinsurance contracts with a coverage period extending beyond one year, the Company elects to apply the PAA if at the inception of the group, the Company reasonably expects that it will provide a liability for remaining coverage that would not differ materially from the General Model. The Company exercises judgement in determining whether the PAA eligibility criteria are met at initial recognition.

Summary of Material Accounting Policies Contd

Assessment of significance of modification

As explained in accounting policies on insurance contract held, the Company derecognises the original contracts and recognises the modified contract as a new contract, if the derecognition criteria are met. The Company applies judgement to assess whether the modified terms of the contract would result in the original contract meeting the criteria for derecognition

Selecting a method of allocation of coverage units:

IFRS 17 establishes a principle for determining coverage units, not a set of detailed requirements or methods. The selection of the appropriate method for determining the amount of coverage units is not an accounting policy choice. It involves the exercise of significant judgement and development of estimates considering individual facts and circumstances. The Company selects the appropriate method on a portfolio-by-portfolio basis. In determining the appropriate method, the company considers the likelihood of insured events occurring to the extent that they affect expected period of coverage in the group, different levels of service across the period and the quantity of benefits expected to be received by the policyholder

Liability for remaining coverage

Insurance acquisition cash flows

In all non-life insurance product line, the Company is eligible and chooses to recognise insurance acquisition cash flows as an expense immediately as incurred. This is because all insurance contracts issued within that product line have a coverage period of one year or less.

Where groups are not eligible to recognise an expense immediately, insurance acquisition cash flows are allocated to related groups of insurance contracts recognised in the statement of financial position (including those groups that will include insurance contracts expected to arise from renewals). An asset for insurance acquisition cash flows is recognised for acquisition cash flows incurred before the related group of insurance contracts has been recognised

Summary of Material Accounting Policies Contd

The effect of electing to recognise insurance acquisition cash flows as an expense when incurred for a group of insurance contracts is to increase the liability for remaining coverage and reduce the likelihood of any subsequent onerous contract loss. There would be an increased charge to profit or loss on incurring the expense, offset by an increase in profit released over the coverage period.

The company uses the following key assumption for its liability for remaining coverage. Earnings pattern for LRC (Liability for Remaining coverage) includes two (2) options under the PAA, they are

- Pro rata temporis (passage of time)
- Risk based curve

For insurance contracts which automatically qualify for PAA (i.e., with coverage period not exceeding 1 year), the passage of time or pro-rata temporis pattern will be used. This approach is almost identical to the 365th method that is currently used for determining IFRS 4 unearned premium reserves (UPR). However, contracts which automatically qualify for PAA does not necessarily imply that the uniform earnings curve will be appropriate. For example, seasonality of claim incidence under certain class of policy would normally require calibration of the earnings curve. But the default curve will be uniform unless facts and circumstances indicate otherwise, i.e., there is sufficient credible data and grounds that the incidence of risk may not be linear.

Liability for remaining coverage

Insurance acquisition cash flows

For contracts with coverage period exceeding 1-year, actuarial investigations will be conducted by deriving the claims incidence pattern using historical claims data. Actual observed claims incidence curve is tested for goodness of fit by applying standard statistical techniques. In the absence of credible claims data, an equivalent risk incidence curve will be sourced from our international reinsurers. If external risk curve is not available, then by default a uniform earnings curve will apply.

The selected earnings curve will be applied to both insurance and reinsurance contract.

Summary of Material Accounting Policies Contd

Claims payment pattern for liability for incurred claims

In estimating the claims payment pattern for liability for incurred claims, the company sets:

- An assumption regarding the future timing of claim settlement is required as the IFRS 17 requires the determination of probability weighted future cash flows. Weighted future cash flows will include expected claim payment, expected cost of settling the claims, unallocated claim expenses that are integral to the claim cost but due to system limitations they cannot be allocated to individual claims (e.g. cost of pool of contract cars), legal costs incurred or expected to be incurred for litigated claims, motor recoveries from third party insurers, salvage and subrogation and directly attributable maintenance expenses. For reinsurers' LIC, same cashflows shall apply as described above but the cashflows are apportioned according to reinsurance arrangement.
- Run off triangles are used to project future claims payment generated by direct insurance contracts and claim recovered from reinsurance contracts. Actual claims paid and outstanding claim reserves are grouped by accident year cohorts.
- Methodology used for claims reserving is defined by the Company's Reserving Policy and Reserving Guidance, and it relies on the Basic Chain Ladder as well as the Bornhuetter-Ferguson method. Same methodology is applied to claims generated by direct contracts and claim recovered from reinsurance contracts.
- The best estimate for claims development or payment to ultimate is determined by the link ratio estimator for each period of development. This is achieved by selecting the weighted averages or simple averages of link ratios for each period of claims development until the ultimate period when the claims development is deemed to be fully run off. For each reserving class that best estimate claim payment pattern is derived separately on a gross basis Insurance contracts and reinsurers' share (claim recovered from reinsurance contracts). The process of selecting link ratios often involves identifying outliers and excluding them. Analysis of Actual versus Expected claim reserves is carried out to assess adequacy of best estimate payment pattern estimated in prior year/period. Where significant deviations are noted, further investigations are carried out to ascertain whether this is indicative of a new trend in the underlying claim development process or whether this is caused by the occurrence of abnormally large claims that tend to distort the latest link ratios or whether it was caused by certain specific events impacting the claims process that are not expected to recur in the future (e.g. restructuring of claims department, or installing a new admin system or claim backlog). If the cause of the deviation is driven by changes in the claims development process which is expected to be recurring or be permanent in the future (e.g. application of new case reserving practice), then judgement is applied in choosing the link ratio for the most recent accident year cohort.

Summary of Material Accounting Policies Contd

- Consideration is also given on the need to allow for a tail factor for projecting claims payment beyond the available data horizon.
- Claim payment pattern will be derived for each reserving class or portfolio (portfolio if there is only one reserving class).
- Basically, the payment pattern provides probabilities to project the settlement of claims in future time periods
- For a given portfolio or reserving class, same payment pattern will be applied to project the payment of OCR (outstanding claim reserve), IBNR reserve and Risk Adjustment estimates over future time periods.
- Existing reserving models (primarily the Basic Chain Ladder) will be used to derive the payment probabilities from the link ratios obtained from paid triangles
- Pattern will be derived once a year, that is, at the year-end valuation. It is expected that same payment pattern will be used in the LIC cashflow modelling for interim valuation periods and roll forward.
- However, for reserving class or portfolios which exhibit significant volatility, payment pattern might be reviewed and revised more frequently and also pattern used in LIC model will need to be updated. A change in payment pattern will lead to a change in fulfilment cashflows arising from non-financial assumption change. This change or delta in fulfilment cashflow will be accounted for as an insurance service expense.
- Changes of payment pattern during a financial year will only be considered if justified by facts and circumstances. Examples of facts and circumstances could be as follows:
- major changes in claim reporting and settlement processes that would invalidate existing payment pattern (e.g. non-life claims backlog can be quite common arising from dispute in settlement amount or change in policy administration system.
- occurrence of major external systemic events such as a pandemic related lockdown will impact the development factors- hence invalidate existing payment pattern
- It is to be noted that, for consistency, the same payment pattern as used for claim projection will be applied in the projection of Risk Adjustment estimates. The same approach would be used to derive the payment pattern for modelling the LIC cashflows for a portfolio of reinsurance contracts.
- Moreover, it is required to allocate the projected OCR, IBNR and RA to issue year cohorts /underwriting year cohorts. This will necessitate the application of an allocation driver. Projected IBNR, OCR and RA cashflows will be allocated to underwriting year by making use of weights. Weights, as a proxy for coverage, for each underwriting year will be derived from earned premium /revenue (as computed for the LRC).

Summary of Material Accounting Policies Contd

For internal reporting needs, further allocation of IBNR, OCR and RA (risk adjustment) down to more granular levels (issue year cohorts/distribution channels/ cover-section/ client types) will be required. Earned premium weights, as described above, will also be used for a more granular allocation of projected OCR, IBNR and RA.

Insurance acquisition cash flows

For the company's PAA eligible contracts, the company is eligible to recognize insurance acquisition cashflows as an expense immediately as incurred or amortize it over the coverage period. The company will make this choice on a portfolio basis. Where the company has not recognized an expense immediately, the company allocates insurance acquisition cash flows to related groups of insurance contracts recognised in the statement of financial position (including those groups that will include insurance contracts expected to arise from renewals). An asset for insurance acquisition cash flows is recognised for acquisition cash flows incurred before the related group of insurance contracts has been recognised.

The effect of electing to recognise insurance acquisition cash flows as an expense when incurred for a group of insurance contracts is to increase the liability for remaining coverage and reduce the likelihood of any subsequent onerous contract loss. There would be an increased charge to profit or loss on incurring the expense, offset by an increase in profit released over the coverage period.

Onerous groups

For groups of contracts that are onerous, the liability for remaining coverage is determined by the fulfilment cash flows. Any loss-recovery component is determined with reference to the loss component recognised on underlying contracts and the recovery expected on such claims from reinsurance contracts held.

Time value of money on liability for remaining coverage

For engineering contract and oil and gas contract, the Company would adjust the carrying amount of the liability for remaining coverage to reflect the time value of money and the effect of financial risk using discount rates that reflect the characteristics of the cash flows of the group of insurance contracts at initial recognition. While for other business lines, the company has elected not to discount the liability for remaining coverage.

Discount rates

In determining discount rates for different products, the Company uses the bottom-up approach. Applying this approach, Insurance contract liabilities are calculated by discounting expected future cash flows at a risk-free rate, plus an illiquidity premium where applicable. Risk free rates are determined by reference to the yields of highly liquid high grade rated sovereign securities in the currency of the insurance contract liabilities. The illiquidity premium is determined by reference to observable market rates or as published by the Nigerian Actuarial Society (NAS).

Risk adjustment for non-financial risk

The risk adjustment for non-financial risk is the compensation that the Company requires for bearing the uncertainty about the amount and timing of the cash flows of groups of insurance contracts. The risk adjustment reflects an amount that an insurer would rationally pay to remove the uncertainty that future cash flows will exceed the expected value amount.

The Company has estimated the risk adjustment using a confidence level (probability of sufficiency) approach at the 75th percentile. That is, the Company has assessed its indifference to uncertainty for all product lines (as an indication of the compensation that it requires for bearing non-financial risk) as being equivalent to the 75th percentile confidence level less the mean of an estimated probability distribution of the future cash flows. The Company has estimated the probability distribution of the future cash flows, and the additional amount above the expected present value of future cash flows required to meet the target percentiles

Determining the lease term of contracts with renewal and termination options – Company as lessee

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Company has several lease contracts that include extension and termination options. The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

The Company included the renewal period as part of the lease term for leases of office spaces and plant and machinery with shorter non-cancellable period (i.e., three to five years) where this is expressly stated in the lease contract or enforceable at law per the lease contract. The Company typically exercises its option to renew for these leases because there will be a significant negative effect on its operation if a replacement asset is not readily available. The renewal periods for leases of office spaces are not included as part of the lease term as these are not reasonably certain to be exercised.

Furthermore, the periods covered by termination options are included as part of the lease term only when they are reasonably certain not to be exercised.

Property lease classification – Company as lessor

The Company has entered into commercial property leases on its investment property portfolio. The Company has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life of the commercial property and the present value of the minimum lease payments not amounting to substantially all of the fair value of the commercial property, that it retains all the significant risks and rewards of ownership of these properties and accounts for the contracts as operating leases.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below:

Estimates are made for both the expected ultimate cost of claims reported and claims incurred but not reported (IBNR) at the reporting date. The estimate of IBNR is generally subject to a greater degree of uncertainty than that for reported claims. The ultimate cost of outstanding claims is estimated by using a range of standard actuarial claims projection techniques, such as the Chain Ladder, Stochastic reserving (Bootstrap) and Bornheutter-Ferguson methods.

Summary of Material Accounting Policies Contd

The main assumption underlying these techniques is that a Company's past claims development experience can be used to project future claims development and hence ultimate claims costs. As such, these methods extrapolate the development of paid and incurred losses, average costs per claim and claim numbers based on the observed development of earlier years and expected loss ratios. Historical claims development is mainly analysed by accident years, but can also be further analysed by geographical area, as well as by significant business lines and claim types. Large claims are usually separately addressed, either by being reserved at the face value of loss adjuster estimates or separately projected in order to reflect their future development.

Fair value of financial instruments using valuation techniques

The Directors use their judgment in selecting an appropriate valuation technique. Where possible, financial instruments are marked at prices quoted in active markets. In the current market environment, such price information is typically not available for all instruments and the company uses valuation techniques to measure such instruments. These techniques use "market observable inputs" where available, derived from similar assets in similar and active markets, from recent transaction prices for comparable items or from other observable market data. For positions where observable reference data are not available for some or all parameters the company estimates the non-market observable inputs used in its valuation models.

Other financial instruments are valued using a discounted cash flow analysis based on assumptions supported, where possible, by observable market prices or rates although some assumptions are not supported by observable market prices or rates.

The carrying amount of financial assets fair valued using valuation techniques as at the report date are N5.80 billion (31 December 2023: N3.13 billion) for financial asset designated at fair value through OCI and N2.79 billion (31 December 2023: N0.97 billion) for financial assets fair valued through profit or loss .

Revaluation of property, plant and equipment and investment properties

The Company carries its investment properties at fair value, with changes in fair value being recognised in the statement of profit or loss. For investment properties, a valuation methodology based on a market comparable or discounted cash flow (DCF) model was used where there is a lack of comparable market data because of the nature of the properties. The Company engaged an independent valuation specialist to assess fair values as at 31 December 2024 and 2023 for the investment properties. The key assumptions used to determine the fair value of the properties and sensitivity analyses are provided in Notes 5 to the financial statements

Impairment under IFRS 9

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

Staged Approach to the Determination of Expected Credit Losses

IFRS 9 outlines a three-stage model for impairment based on changes in credit quality since initial recognition. These stages are as outlined below:
Stage 1:The Company recognises a credit loss allowance at an amount equal to the 12 month expected credit losses. This represents the portion of lifetime expected credit losses from default events that are expected within 12 months of the reporting date, assuming that credit risk has not increased significantly after the initial recognition.

Stage 2: The Company recognises a credit loss allowance at an amount equal to the lifetime expected credit losses (LTECL) for those financial assets that are considered to have experienced a significant increase in credit risk since initial recognition. This requires the computation of ECL based on Lifetime probabilities of default that represents the probability of a default occurring over the remaining lifetime of the financial assets. Allowance for credit losses is higher in this stage because of an increase in credit risk and the impact of a longer time horizon being considered compared to 12 months in stage 1.

Stage 3: The Company recognises a loss allowance at an amount equal to life-time expected credit losses, reflecting a probability of default (PD) of 100% via the recoverable cash flows for the asset. For those financial assets that are credit impaired. The Company's definition of default is aligned with the

Summary of Material Accounting Policies Contd

regulatory definition. The treatment of the loans and other receivables in stage 3 remains substantially the same as the treatment of impaired financial assets under IAS 39 except for the portfolios of assets purchased or originated as credit impaired

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

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

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

Assessment and calculation of ECL

Forecast of future economic conditions when calculating ECLs are considered. The lifetime expected losses are estimated based on the probability – weighted present value of the difference between:

1) The contractual cash flows that are due to the Company under the contract; and
2) The cash flows that the Company expects to receive.

Summary of Material Accounting Policies Contd

Elements of ECL models that are considered accounting judgements and estimates include:

- The Company's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a LTECL basis and the qualitative assessment
- The development of ECL models, including the various formulas and the choice of inputs
- Determination of associations between macroeconomic scenarios and, economic inputs, such as unemployment levels and collateral values, and the effect on PDs, EADs and LGDs
- Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models.
  The level of estimation uncertainty has increased since 31 December 2019 as a result of the economic disruption and consequential impact of the Covid-19 pandemic. This includes significant judgements relating to:

- The selection and weighting of macro-economic scenarios;
- The effect of government and other support measures put in place to mitigate the negative economic impact;
- The uncertainty over the duration and severity of the effect of the pandemic as well as the timing and duration of the recovery;
- Determination of the impact of the macro-economic scenarios on ECL and whether the required parameters can be modelled given the unavailability of historical information for a similar event;
- Identification and assessment of significant increases in credit risk and impairment especially for counterparties who have received support under the various government and bank support schemes and the inherent limitations in data availability to facilitate a reliable segmentation

Impact on modelled ECL allowance

The Company's models have been constructed and calibrated using historical trends and correlations as well as forward looking economic scenarios. The severity of the current macro-economic projections and the added complexity caused by the various support schemes and regulatory guidance affecting different counterparties in the Company's investment and treasury operations could not be reliably modelled for the time being. As a consequence, the existing models may generate results that are either overly conservative or overly optimistic depending on the specific portfolio/segment. As a result, post-model adjustments are needed. Given model changes take a significant amount of time to develop and test and the data limitation issues noted above, the Company expects that post model adjustments which results from the use of the most recent crises adjusted probability of default as published by Moody's for emerging markets will be applied for the foreseeable future.

Expected lifetime:

The expected life time of a financial asset is a key factor in determining the life time expected credit losses. Lifetime expected credit losses represents default events over the expected life of a financial asset. The company measures expected credit losses considering the risk of default over the maximum contractual period (including any borrower's extension option) over which it is exposed to credit risk.

4 Standards issued but not yet effective

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

i) Amendments to IFRS 10 and IAS 28 —Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments to IFRS 10 and IAS 28 deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognised in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, gains and losses resulting from the remeasurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognised in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture.

Summary of Material Accounting Policies Contd

The effective date of the amendments is yet to be set by the International Accounting Standards Board (IASB); however, earlier application of the amendments is permitted. The application of these amendments does not have a material impact on the financial statements of the company since it has no associates or joint venture arrangements.

ii) **Lack of exchangeability – Amendments to IAS 21**

In August 2023, the Board issued Lack of Exchangeability (Amendments to IAS 21). The amendment to IAS 21 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.

When an entity estimates a spot exchange rate because a currency is not exchangeable into another currency, it discloses information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows

The amendments which is not expected to have any impact on the financial statements as the reporting currency and functional currency (the Nigerian Naira is adequately exchangeable for any other currency, will be effective for annual reporting periods beginning on or after 1 January 2025. Early adoption is permitted, but will need to be disclosed. When applying the amendments, an entity cannot restate comparative information.

Summary of Material Accounting Policies Contd

iii) **IFRS 18 - Presentation and Disclosure in Financial Statements**

In April 2024, the IASB released IFRS 18 Presentation and Disclosure in Financial Statements (IFRS 18) which includes presentation and disclosure requirements for all entities applying IFRS Accounting Standards. When effective, IFRS 18 supersedes IAS 1 Presentation of Financial Statements. Entities will continue to apply IAS 7 Statement of Cash Flows, although there are certain limited amendments to IAS 7 as a result of IFRS 18.

Entities will be required to classify income and expenses in the categories (operating, investing, financing, income taxes and discontinued operations. Enhanced principles on the aggregation and disaggregation of information have been included in IFRS 18. Supporting application guidance will assist in determining whether information about transactions should be included in the primary financial statements or note.

Most entities report alternative performance measures. IFRS 18 defines management-defined performance measures (MPMs). Entities are required to present MPMs in a single note to the financial statements and disclose reconciliations between the MPMs and totals or subtotals required by IFRS 18 or other IFRS Accounting Standards. The requirements will be applied retrospectively. The standard is applicable for period beginning on or after 1 January 2027. Earlier application is permitted. Having aligned the presentation and disclosure in the financial statements with IFRS 17 requirements, the company is still assessing the impact of this standard on the financial statements

iv) **IFRS 19 - Subsidiaries without Public Accountability: Disclosures**

In May 2024, the Board issued IFRS 19 Subsidiaries without Public Accountability: Disclosures (IFRS 19), which allows eligible entities to elect to apply reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS accounting standards. Unless otherwise specified, eligible entities that elect to apply IFRS 19 will not need to apply the disclosure requirements in other IFRS accounting standards. An entity applying IFRS 19 is required to disclose that fact as part of its general IFRS accounting standards compliance statement. IFRS 19 requires an entity whose financial statements comply with IFRS accounting standards including IFRS 19 to make an explicit and unreserved statement of such compliance

Summary of Material Accounting Policies Contd

An entity may elect to apply IFRS 19 if at the end of the reporting period:

- It is a subsidiary as defined in IFRS 10 Consolidated Financial Statements;
- It does not have public accountability; and
- It has a parent (either ultimate or intermediate) that prepares consolidated financial statements, available for public use, which comply with IFRS accounting standards

An entity has public accountability if Its debt or equity instruments are traded in a public market, or it is in the process of issuing such instruments for trading in a public market; or It holds assets in a fiduciary capacity for a broad group of outsiders as one of its primary businesses (i.e., not for reasons incidental to its primary business). The disclosure requirements in IFRS 19 are organised into subheadings per IFRS accounting standards and where disclosure requirements in other IFRS Accounting Standards remain applicable, these are specified under the subheading of each IFRS accounting standard. IFRS 19 disclosures exclude IFRS 8 Operating Segments, IFRS 17 Insurance Contracts and IAS 33 Earnings per Share.

Therefore, if an entity that applies IFRS 19 is required to apply IFRS 17 or elects to apply IFRS 8 and/or IAS 33, that entity would be required to apply all the relevant disclosure requirements in those standards.

IFRS 19 is effective for reporting periods beginning on or after 1 January 2027 and earlier adoption is permitted. If an eligible entity chooses to apply the standard earlier, it is required to disclose that fact. An entity is required, during the first period (annual and interim) in which it applies the standard, to align the disclosures in the comparative period with the disclosures included in the current period under IFRS 19, unless IFRS 19 or another IFRS accounting standard permits or requires otherwise. The Company is publicly accountable and so will not be materially impacted by the new standard.

Summary of Material Accounting Policies Contd

v) **Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7**

In May 2024, the Board issued Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7), which:

Clarifies that a financial liability is derecognised on the 'settlement date', i.e., when the related obligation is discharged, cancelled, expires or the liability otherwise qualifies for derecognition. It also introduces an accounting policy option to derecognise financial liabilities that are settled through an electronic payment system before settlement date if certain conditions are met

Clarified how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features

Clarifies the treatment of non-recourse assets and contractually linked instruments

Requires additional disclosures in IFRS 7 for financial assets and liabilities with contractual terms that reference a contingent event (including those that are ESG-linked), and equity instruments classified at fair value through other comprehensive income

The amendments will be effective for annual reporting periods beginning on or after 1 January 2026. Entities can early adopt the amendments that relate to the classification of financial assets plus the related disclosures and apply the other amendments later. The new requirements will be applied retrospectively with an adjustment to opening retained earnings. Prior periods are not required to be restated and can only be restated without using hindsight. An entity is required to disclose information about financial assets that change their measurement category due to the amendments. The amendment is not expected to have any material impact on the Company's financial statements.

vi) **IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information**

IFRS S1 sets out overall requirements for sustainability-related financial disclosures with the objective to require an entity to disclose information about its sustainability-related risks and opportunities that is useful to primary users of general purpose financial reports in making decisions relating to providing resources to the entity.

Summary of Material Accounting Policies Contd

The Group is currently assessing the impact of the standards which will be effective from 1 January 2028 in order to ascertain the significance of impact to have on its financial statements in providing adequate disclosure on this in line with the requirements.

vii) **IFRS S2 Climate-related Disclosures**

IFRS S2 sets out the requirements for identifying, measuring and disclosing information about climate-related risks and opportunities that is useful to primary users of general purpose financial reports in making decisions relating to providing resources to the entity. The Group is currently assessing this in order to ascertain the significance of impact to have on its financial statements in providing adequate disclosure on this in line with the requirements

viii) **Power Purchase Agreements – Amendments to IFRS 9 and IFRS 7**

In December 2024, the Board issued Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7). The amendments include:

- Clarifying the application of the 'own-use' requirements
- Permitting hedge accounting if these contracts are used as hedging instruments
- Adding new disclosure requirements to enable investors to understand the effect of these contracts on a company's financial performance and cash flows.

The clarifications regarding the 'own use' requirements must be applied retrospectively, but the guidance permitting hedge accounting have to be applied prospectively to new hedging relationships designated on or after the date of initial application. The amendments will be effective for annual reporting periods beginning on or after 1 January 2026. The Company is still assessing the impact of the amendments.

Summary of Material Accounting Policies Contd

ix) **Annual Improvements to IFRS Accounting Standards - Volume II**

On 18 July 2024, the IASB published nine narrow scoped amendments as part of its annual improvements process that deals with non-urgent, but necessary, clarifications and amendments to IFRS Accounting Standards. The Group is currently assessing the impact of the amendments which are applicable for annual reporting periods beginning on or after 1 January 2026. Earlier application is permitted.

The following is a summary of the amendments from the Annual Improvements to IFRS Accounting Standards—Volume 11:

- **IFRS 1 First-time Adoption of International Financial Reporting Standards**

  Hedge Accounting by a First-time Adopter

  Paragraphs B5 and B6 of IFRS 1 have been amended to include cross references to the qualifying criteria for hedge accounting in paragraph 6.4.1(a), (b) and (c) of IFRS 9. These amendments are intended to address potential confusion arising from an inconsistency between the wording in IFRS 1 and the requirements for hedge accounting in IFRS 9.

- **IFRS 7 Financial Instruments: Disclosures**

  Gain or Loss on Derecognition

  The amendments update the language on unobservable inputs in paragraph B38 of IFRS 7 and include a cross reference to paragraphs 72 and 73 of IFRS 13 Fair Value Measurement.

- **Guidance on implementing IFRS 7 Financial Instruments: Disclosures**

  Introduction

  The amendments to paragraph IG1 of the Guidance on implementing IFRS 7 clarify that the guidance does not necessarily illustrate all the requirements in the referenced paragraphs of IFRS 7, nor does it create additional requirements.

Summary of Material Accounting Policies Contd

Disclosure of Deferred Difference between Fair Value and Transaction Price

Paragraph IG14 of the Guidance on implementing IFRS 7 has been amended mainly to make the wording consistent with the requirements in paragraph 28 of IFRS 7 and with the concepts and terminology used in IFRS 9 and IFRS 13.

Credit Risk Disclosures

Paragraph IG20B of the Guidance on implementing IFRS 7 has been amended to simplify the explanation of which aspects of the IFRS requirements are not illustrated in the example.

ix) Annual Improvements to IFRS Accounting Standards — Volume II

- **IFRS 9 Financial Instruments**

Lessee Derecognition of Lease Liabilities

Paragraph 2.1 of IFRS 9 has been amended to clarify that, when a lessee has determined that a lease liability has been extinguished in accordance with IFRS 9, the lessee is required to apply paragraph 3.3.3 and recognise any resulting gain or loss in profit or loss. However, the amendment does not address how a lessee distinguishes between a lease modification as defined in IFRS 16 and an extinguishment of a lease liability in accordance with IFRS 9.

Transaction Price

Paragraph 5.1.3 of IFRS 9 has been amended to replace the reference to 'transaction price as defined by IFRS 15 Revenue from Contracts with Customers' with 'the amount determined by applying IFRS 15'. The use of the term 'transaction price' in relation to IFRS 15 was potentially confusing and so it has been removed. The term was also deleted from Appendix A of IFRS 9.

Summary of Material Accounting Policies Contd

- **IFRS 10 Consolidated Financial Statements**
  Paragraph B74 of IFRS 10 has been amended to clarify that the relationship described in paragraph B74 is just one example of various relationships that might exist between the investor and other parties acting as de facto agents of the investor. The amendments are intended to remove the inconsistency with the requirement in paragraph B73 for an entity to use judgement to determine whether other parties are acting as de facto agents. The amendments is applicable for annual reporting periods beginning on or after 1 January 2026. Earlier application is permitted.

- **IAS 7 Statement of Cash Flows**
  Paragraph 37 of IAS 7 has been amended to replace the term 'cost method' with 'at cost', following the prior deletion of the definition of 'cost method'.

Financials
ERM Framework Report

Statement of Financial Position

As at 31 December, 2024

Assets	Notes	2024 ₦'000	2023 ₦'000
Cash and cash equivalents	1	20,646,170	11,419,213
Financial assets	2	95,008,524	57,069,702
Premium receivables	3	270,207	316,646
Reinsurance contract assets	10	10,426,226	7,057,798
Other receivables and prepayments	4	3,826,595	1,350,212
Investment properties	5	5,495,500	4,050,000
Property, plant and equipment	6	183,369	199,213
Right of use assets	7	4,333	8,333
Intangible assets	8	76,204	123
Statutory deposits	9	300,000	300,000
Total assets		136,237,128	81,771,240
Liabilities			
Insurance contract liabilities	10	36,886,613	24,081,523
Other technical liabilities	12	25,126,168	14,620,617
Provisions and other payables	13	5,164,715	2,680,102
Deferred rental income	14	35,000	35,000
Current income tax payable	15	1,983,227	507,800
Deferred tax liabilities	16	6,774,066	5,178,466
Total liabilities		75,969,789	47,103,508
Equity			
Share capital			
Share premium	17.2	10,000,000	10,000,000
Statutory contingency reserve	17.2	84,607	84,607
Retained earnings	18.1	12,085,172	10,000,000
Fair value reserve	18.2	34,547,316	12,917,456
Total equity attributable to Owners	18.3	3,550,244	1,665,669
		60,267,339	34,667,732
Total liabilities and equity		136,237,128	81,771,240

These financial statements were approved by the Board of Directors and authorized for issue on 4 March 2025 and signed on its behalf by:

T.Y.D

Mr. Ibrahim Dikko
Director
FRC/2013/PRO/DIR/003/00000001718

Edeki Isujeh
Managing Director
FRC/2020/PRO/DIR/003/00000022391

Friday Nwachukwu
Chief Financial Officer
FRC/2013/PRO/ICAN/001/00000002207

The accompanying summary of significant accounting policies and notes to the financial statements form an integral part of these financial statements.

Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December, 2024

	Notes	2024 ₦'000	2023 ₦'000
Insurance contract revenue	19	66,250,057	40,377,128
Insurance service expenses	20	(29,585,585)	(22,472,417)
Net expense from reinsurance contracts held	21	(33,966,149)	(21,062,783)
Insurance service result		**2,698,323**	**(3,158,072)**
Interest revenue calculated using effective interest rate method	24	10,251,060	4,462,414
Other investment income	25	199,437	240,021
Net realised gain	26	195,790	162,153
Unrealised fair value gains	27	3,292,562	646,154
Unrealised foreign exchange gains	28	19,484,987	14,708,640
Impairment loss charge	29	(657,531)	(466,470)
Investment result		**32,766,305**	**19,752,912**
Finance (expense)/income from insurance contract issued	22	1,376,788	1,349,743
Finance (expense)/income from reinsurance contract held	23	(129,048)	(135,430)
Net insurance finance income		**1,247,740**	**1,214,313**
Net investment result		**34,014,045**	**20,967,225**
Net insurance and investment result		**36,712,368**	**17,809,153**
Other operating income	25.1	119,098	(5,988)
Other operating expenses	30.3	(3,718,554)	(2,590,432)
Profit before income tax expense		**33,112,912**	**15,212,733**
Income tax expense	15.1	(3,397,880)	(4,891,720)
Profit for the year		**29,715,032**	**10,321,013**
Other Comprehensive Income:			
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Net gain on equity instruments designated at fair value through other comprehensive income net of tax)	31	1,884,575	1,232,439
Other comprehensive profit for the year, net of tax		1,884,575	1,232,439
Total comprehensive income for the year, net of tax		**31,599,607**	**11,553,452**

The accompanying summary of significant accounting policies and notes to the financial statements form an integral part of these financial statements.

	Notes	2024	2023
Earnings per share:			
Basic & Diluted (kobo)	33	149	52
Diluted (kobo)	33	149	52

The accompanying summary of material accounting policies and notes to the financial statements form an integral part of these financial statements.

Statement of Changes In Equity

For the period ended 31 December, 2024

	Attributable to equity holders					
	Issued and paid -up share capital ₦'000	Share Premium ₦'000	Statutory Contingency Reserve ₦'000	Retained Earnings ₦'000	Fair value reserve ₦'000	Total Equity ₦'000
At 1 January 2024	10,000,000	84,607	10,000,000	12,917,456	1,665,669	34,667,732
Profit for the year	-	-	-	29,715,032	-	29,715,032
Other comprehensive income, net of tax (Note 31)	-	-	-	-	1,884,575	1,884,575
Total Comprehensive income	-	-	-	29,715,032	1,884,575	31,599,607
Dividend for last financial result (2023) (Note 34)	-	-	-	(6,000,000)	-	(6,000,000)
Transfer between reserves (Note 18)			2,085,172	(2,085,172)	-	
At 31 December 2024	**10,000,000**	**84,607**	**12,085,172**	**34,547,316**	**3,550,244**	**60,267,339**
For the year ended 31 December 2023						
At 1 January 2023	10,000,000	84,607	10,000,000	4,596,443	433,230	25,114,280
Profit for the year	-	-	-	10,321,013	-	10,321,013
Other comprehensive income, net of tax (Note 31)	-	-	-	-	1,232,439	1,232,439
Total Comprehensive income	-	-	-	10,321,013	1,232,439	11,553,452
Dividend for last financial result (2022) (Note 34)	-	-	-	(2,000,000)	-	(2,000,000)
Transfer between reserves (Note 18)			-	-	-	
At 31 December 2023	**10,000,000**	**84,607**	**10,000,000**	**12,917,456**	**1,665,669**	**34,667,732**

Statement of Cash Flows

For the year ended 31 December, 2024

Cash flows from operating activities	Notes	2024 ₦'000	2023 ₦'000
Premiums received for insurance contracts	3.1	57,113,949	36,079,001
Premiums received in respect of future policies	12	25,126,168	14,620,617
Reinsurance premium paid during the year**	11	(42,811,024)	(26,256,703)
Other cashflow from/(to) providers of services*		1,200,160	(8,058,091)
Staff loan disbursed during the year	4.1	(11,550)	(7,662)
Staff loan repayment during the period	4.1	25,183	57,484
Claims paid on behalf of reinsurance brokers**	4.2	(886,138)	(932,262)
Recovery from reinsurance brokers during the year**	4.2	1,543,503	985,326
Minimum deposit on premium paid	4.3	(161,911)	(52,990)
Acquisition cashflows received	10.2	3,096,876	1,794,993
Acquisition cashflows paid	10.2	(7,960,859)	(4,136,764)
Claims paid	10.2	(9,992,674)	(7,526,323)
Other directly attributable expenses paid	10.2	(2,888,254)	(1,894,357)
Claims and other benefit received	10.2	2,393,294	1,033,730
Cash flows generated from operating activities		25,786,723	5,705,998
Income tax paid	15.2	(405,677)	(1,372,462)
Net cash provided by operating activities	**36**	**25,381,046**	**4,333,536**
Purchase of property, plant and equipment	6	(96,396)	(100,440)
Purchase of intangible software	8	(23,289)	-
Deposit for shares*	4	(3,073,024)	(289,275)
Depsoit for asset acquisition*	4.4.3	(80,000)	(78,297)
Addition to right of use asset	7	-	(12,000)
Proceeds on disposal of property, plant and equipment		1,302	13,759
Interest income received		9,084,578	4,212,705
Rental income received	14	70,000	70,000
Dividend income received	25	129,437	171,771
Proceeds on disposal of investments	2.5	2,700,753	1,148,373
Purchase of investments	2.5	(23,060,974)	(7,361,234)
Proceed from redemption of financial assets measured at amortised costs	2.5	3,997,733	2,394,312
Net cash (used in) / provided by investing activities		**(10,349,880)**	**169,674**

Statement of Cash Flows Contd

For the year ended 31 December, 2024

Cash flows from financing activities	Notes	2024 ₦'000	2023 ₦'000
Dividends paid to shareholders		(6,000,000)	(2,000,000)
Net cash used in financing activities		(6,000,000)	(2,000,000)
Net (decrease)/ increase in cash and cash equivalents		**9,031,166**	**2,503,210**
Net foreign exchange difference		195,790	122,056
Cash and cash equivalents at 1 January		11,419,213	8,793,947
Cash and cash equivalents at 31 December	1	20,646,170	11,419,213

*Deposit for shares and deposit for asset acquisition, presented as part of other cashflow from/(to) providers of services under cash flows used in operating activities, have now been presented separately as cash flows used in investing activities in the comparative cash flow statement for 2023.

**Claims paid on behalf of reinsurance brokers and recovery from reinsurance brokers, merged with reinsurance premium paid have now been presented separately in the comparative cash flow statement for 2023.

Notes To The Financial Statements

Notes To The Financial Statements

		Notes	31-Dec-2024 ₦'000	31-Dec-2023 ₦'000
1	**Cash and cash equivalents**			
	Cash and bank balances	1.1	11,105,068	1,113,175
	Short-term deposits	1.2	9,920,084	10,656,976
			21,025,152	11,770,151
	Less: Allowance for credit losses	1.3	(378,982)	(350,938)
	Cash and cash equivalents(per statement of cash flows)		**20,646,170**	**11,419,213**
1.1	**Cash and banks is made up of the following:**			
	Cash on hand		56	54
	Balances held with local banks		827,494	668,828
	Balances held in domiciliary accounts		10,277,518	444,293
		1.3	11,105,068	1,113,175
	Less: Allowance for credit losses	1.3	(197,575)	(26,257)
	Total Cash and banks		10,907,493	1,086,918

Interest income on bank accounts held with banks amounted to N1.6m (2023: N0.9m). See note 24 to the financial statements.

		Notes	31-Dec-2024 ₦'000	31-Dec-2023 ₦'000
1.2	**Short term deposit is made up of:**			
	Call deposits	1.3	1,504,040	6,795
	Term deposits	1.3	8,416,044	10,650,181
			9,920,084	10,656,976
	Less: Allowance for credit losses		(181,407)	(324,681)
			9,738,677	10,332,295

Interest income on calls and term deposits with banks amounted to N1.55 billion (2023: N562.9million). See note 24 to the financial statements.
Cash and cash equivalents comprise cash and short-term deposits with an original maturity of three months or less, net of outstanding bank overdrafts(if any). The carrying amount of these assets is approximately equal to their fair value. Cash and cash equivalents at the end of the reporting period as shown in the statement of cash flows can be reconciled to the related items in the reporting position as shown above. Short–term deposits are made for varying periods of between one day and three months depending on the immediate cash requirements of the Company. All deposits are subject to an average variable interest rate of 11% per annum (2023:11%).

1.3 **Impairment loss on cash and cash equivalents**

An analysis of the gross carrying amount and corresponding ECLs is as follows:

	31-Dec-24			
Gross carrying amount	**Stage 1 Individual ₦'000**	**Stage 2 Individual ₦'000**	**Stage 3 Individual ₦'000**	**Total ₦'000**
Cash on hand	56	-	-	56
Balances held with local banks and domiciliary accounts (Note 1.1)	11,105,012	-	-	11,105,012
Call deposits (Note 1.2)	1,504,040	-	-	1,504,040
Term deposits (Note 1.2)	8,416,044	-	-	8,416,044
	21,025,152	**-**	**-**	**21,025,152**
Expected credit losses				
Cash on hand	-	-	-	-
Balances held with local banks and domiciliary accounts (Note 1.1)	197,575	-	-	197,575
Call deposits (Note 1.2)	26,721	-	-	26,721
Term deposits (Note 1.2)	154,686	-	-	154,686
	378,982	**-**	**-**	**378,982**

Cash and cash equivalents - continued

1.3 Impairment loss on cash and cash equivalents - continued

An analysis of the gross carrying amount and corresponding ECLs is as follows:

	31-Dec-23			
Gross carrying amount	**Stage 1 Individual ₦'000**	**Stage 2 Individual ₦'000**	**Stage 3 Individual ₦'000**	**Total ₦'000**
Cash on hand	54	-	-	54
Balances held with local banks and domiciliary accounts (Note 1.1)	1,113,121	-	-	1,113,121
Call deposits (Note 1.2)	6,795	-	-	6,795
Term deposits (Note 1.2)	10,650,181	-	-	10,650,181
	11,770,151	-	-	11,770,151
Expected credit losses	-	-	-	-
Cash on hand	26,257	-	-	26,257
Balances held with local banks and domiciliary accounts (Note 1.1)	114	-	-	114
Call deposits (Note 1.2)	324,567	-	-	324,567
Term deposits (Note 1.2)	350,938	-	-	350,938

1.3a Analysis of impairment allowance on cash and cash equivalents

Gross carrying amount	**Notes**	**31-Dec-24 ₦'000**	**31-Dec-23 ₦'000**
At 1 January		350,938	137,579
Charged for the year	29	59,429	169,837
Foreign exchange adjustments	28	(31,385)	43,522
At 31 December		378,982	350,938

Foreign exchange adjustments relating to impairment allowance on cash and cash equivalents above are reported in net unrealised loss on foreign bank balances and deposits in Note 29

1.3b An analysis of changes in the gross carrying amount and corresponding ECLs is as follows:

	2024							
	Stage 1		Stage 2		Stage 3		Total	
Cash and cash equivalents	Gross carrying amount ₦'000	ECL ₦'000	Gross carrying amount ₦'000	ECL ₦'000	Gross carrying amount ₦'000	ECL ₦'000	Gross carrying amount ₦'000	ECL ₦'000
As at 1 January 2024	11,770,151	350,938	-	-	-	-	11,770,151	350,938
New assets purchased	11,148,007	322,737	-	-	-	-	11,148,007	322,737
Liquidation of managed funds(FVTPL) to cash and cash equivalents (Note 2.5)	323,679	9,651	-	-	-	-	323,679	9,651
Assets derecognised or matured (excluding write-offs)	(3,269,297)	(87,826)	-	-	-	-	(3,269,297)	(87,826)
Amounts written off	-	-	-	-	-	-	-	-
Changes to models and inputs used for ECL calculations	-	(185,133)	-	-	-	-	-	(185,133)
Unrealised foreign exchange adjustments	1,052,612	(31,385)	-	-	-	-	1,052,612	(31,385)
At 31 December 2024 (Note 1)	21,025,152	378,982	-	-	-	-	21,025,152	378,982
	2023							
As at 1 January 2023	8,931,526	137,579	-	-	-	-	8,931,526	137,579
New assets purchased	5,445,610	166,254	-	-	-	-	5,445,610	166,254
Assets derecognised or matured (excluding write-offs)	(4,032,521)	(123,113)	-	-	-	-	(4,032,521)	(123,113)
Amounts written off	-	-	-	-	-	-	-	-
Changes to models and inputs used for ECL calculations	-	213,739	-	-	-	-	-	213,739
Unrealised foreign exchange adjustments	1,425,536	(43,522)	-	-	-	-	1,425,536	(43,522)
At 31 December 2023 (Note 1)	11,770,151	350,938	-	-	-	-	11,770,151	350,938

During the year, there were no transfers between stages (2021: nil). The total Income Statement (writeback)/charge for the allowance for ECL on cash and cash equivalents for the year was N169.8 million (2022:N50.6 million). Related foreign exchange adjustments are reported as part of net unrealised (loss)/gain on foreign exchange in note 29.

2. Financial Assets

Below is an analysis of the Company's financial assets	Notes	31-Dec-2024 ₦'000	31-Dec-2023 ₦'000
Equity : Fair Value through profit or loss (FVTPL)	2.1	2,791,610	966,058
Equity : Fair Value through OCI (FVTOCI)	2.2	5,802,819	3,130,296
Debt instruments measured at amortised cost:			
Federal government bonds		43,095,412	26,146,085
State government bonds		485,542	573,926
Corporate bonds		43,689,218	26,243,363
Other debt securities - term deposits		1,689,017	1,273,442
Impairment losses on financial assets measured at amortised cost	2.4	(2,545,094)	(1,263,468)
Total debt instruments measured at amortised cost	2.3	86,414,095	52,973,348
		95,008,524	57,069,702

2.1 Equity : Fair Value through Profit or Loss (FVTPL)

The Company's fair value through profit or loss (FVTPL) financial assets consist of investment in quoted equities of entities whose stock are actively traded on the stock exchange. The investments are held primarily for trading purposes and are fair valued frequently. The Fair values of these equities are determined by reference to published price quotations in an active market. The resulting fair value adjustments are recorded in the profit or loss.

2.1 Equity : Fair Value through Profit or Loss (FVTPL) contd

Listed Equities		31-Dec-2024 ₦'000	31-Dec-2023 ₦'000
Aradel Holdings Plc		1,913,600	-
Dangote Cement Plc		59,850	39,988
Dangote Sugar Refinery Plc		6,500	11,400
GTCO Plc		47,410	20,726
Wema Bank Plc		924	-
Tourist Company of Nigeria Plc.		7,911	8,988
UAC OF Nigeria		729	298
Union Homes Savings and Loans Plc.		48	49
Zenith Bank Plc		138,576	113,848
		2,175,548	195,297
Managed Funds			
ARM Aggressive Fund		46,458	37,680
ARM Discovery Fund		20,466	16,213
Coral Growth Fund		155,149	117,280
FBN Heritage Fund		219,344	165,087
Stanbic IBTC Bond Fund		129,455	127,880
Zenith Equity Fund		45,190	39,193
Meristem Growth ETF		-	267,430
		616,062	770,761
Total FVTPL Financial assets	Note 2.5	2,791,610	966,058

The reconciliation of movement in financial assets above is contained in Note 2.5.

2.1a Analysis of fair value gains on FVTPL financial assets

	Notes	31-Dec-2024 ₦'000	31-Dec-2023 ₦'000
Unrealised gain on equities at FVTPL	27	1,847,062	272,924
Net realised gain on equities at FVTPL	26	-	40,097
		1,847,062	313,021

The Company received dividends of N13.8million on equity holdings reported as fair valued through profit or loss during the year(2023: N33.6million). See note 2.7.

2.2 Equity : Fair Value through Other Comprehensive Income (FVTOCI)

Equity I instruments designated at fair value through other comprehensive income include investments in equity shares of non listed companies and other OTC traded equities. The Company holds non controlling interest (between 2% and 9%) in these companies. These investments were irrevocably designated at fair value through OCI as the Company considers these investments to be strategic in nature.

The fair values of the non listed equities are determined using either income or market approach (See Note 43.1- Valuation bases) while fair value of OTC listed equities are determined by reference to the published price quotation in the active market. The resulting fair value adjustments of all equities designated at fair value through other comprehensive income(FVTOCI) are recorded in other comprehensive income.

2.2

		31-Dec-2024 ₦'000	31-Dec-2023 ₦'000
ARM Properties Plc.		10,750	7,450
Friesland Wamco Nig. Plc.		1,919	3,780
ARM Hospitality Fund		165,895	207,369
African Reinsurance Corporation		806,405	432,659
Energy and Allied Insurance Pool of Nigeria		986,222	606,533
Interswitch Limited		3,076,500	1,816,786
FBS Re Limited		695,812	-
WSTC Financial Services Limited		59,316	55,719
Total FVTOCI Financial assets	Note 2.5	**5,802,819**	**3,130,296**

The reconciliation of movement in financial assets above is contained in Note 2.5.

2.2a

Analysis of fair value gains on FVTOCI financial assets		31-Dec-2024 ₦'000	31-Dec-2023 ₦'000
Fair value gains recorded in OCI (Note 31)		2,093,973	1,369,376
Net realised gain on equities at FVTOCI		-	-
	Note 2.5	2,093,973	1,369,376

The Company received dividends of N116.8million on equity shares designated as FVTOCI during the year(2023: N138.1million). See note 2.7.

Notes To The Financial Statements Contd

2.3 Debt instruments at amortised cost

	Credit Rating	31-Dec-2024 ₦'000	31-Dec-2023 ₦'000
Federal Government Debt Securities			
Treasury bills	B3/Moody's	7,890,313	2,001,242
Impairment allowance of treasury bills		(5,066)	(2,387)
a		7,885,247	1,998,855
FGN Naira Bonds			
FGN Bond 12.75% Apr 2023	B3/Moody's	-	-
FGN Bond 12.5% 22 Jan 2026	B3/Moody's	599,298	600,153
FGN Bond 13.98% 23 Feb 2028	B3/Moody's	2,304,149	2,329,207
FGN Bond 12.75% 27 April 2033	B3/Moody's	1,904,388	989,066
FGN Bond 12.15% 18 JUL 2034	B3/Moody's	223,736	224,409
FGN Bond 12.5% 27 MAR 2035	B3/Moody's	388,574	387,833
Impairment allowance of FGN NGN Bonds		(7,651)	(5,047)
b		5,412,495	4,525,621
FGN Eurobonds			
NIGERIA 8.375% 21-Mar-2029	B3/Moody's	-	2,160,568
NIGERIA 7.143% 23-Feb-2030	B3/Moody's	4,702,572	2,757,660
NIGERIA 8.747% 23-Feb-2031	B3/Moody's	25,082,381	14,695,955
Impairment allowance on FGN Euro Bonds		(1,208,533)	(316,726)
c		28,576,420	19,297,457
Total Federal government debt securities		41,874,163	25,821,933

2.3 Debt instruments at amortised cost

	Credit Rating	31-Dec-2024 ₦'000	31-Dec-2023
State Government Debt Securities			
ONDO 13% 30-JAN-2027	A-/ Agusto	244,580	322,977
LAGOS IIA 13.00% 20 DEC-2031	A+/Augusto	240,962	250,949
Impairment on State Bonds		(1,134)	(1,109)
d		484,408	572,817
Corporate Debt Securities			
FCMB I 14.25% 20-NOV-2021	B2/Moody's	-	-
PRIMERO BRT-SPV 17.00%15-MAY-2026	Bbb-/Agusto	272,373	272,271
FLOURMILLS IIIB 11.10% 27-FEB-2025	A/Agusto	259,849	259,805
NOVAMBL SPV I 12.00% 23-JUL-2027	Bbb-/Agusto	37,038	37,028
LAPO MFB II 13.00% 30-MAR-2025	Bbb+/ Agusto	310,010	310,545
FBNQ SPV I 10.50% 5-FEB-2023	A/Agusto	-	-
MTN 2020 TRANCH B 14.50% 30-SEPT-2032	AAA/GCR	234,329	234,260
Impairment on Corporate Bonds		(14,095)	(32,603)
e		1,099,504	1,081,306
Corporate Eurobonds			
FBNL 8.625% 27-OCT-2025	B2/Moody's	6,575,272	3,940,593
SEPLAT 9.25% 01- OCT-2026	B2/Moody's	7,603,759	4,507,184
ECOTRA 8.75 17 JUNE 2031	B3/Moody's	11,925,547	7,037,574
ACCESS 9.125% PERPETUAL BOND	B2/Moody's	16,471,041	9,644,115
Impairment on Corporate Euro Bonds		(1,267,648)	(866,447)
f		41,307,971	24,263,019

2.3

	Credit Rating	31-Dec-2024 ₦'000	31-Dec-2023 ₦'000
Commercial papers			
C&I lesing CP 3	BBB-/Agusto	-	222,231
Lagos Free Zone Company Cp5	Bbb-/Agusto	-	208,937
UAC Nig CP	A/ Agusto	-	97,083
Flour Mills of Nigeria CP	A-/Agusto	-	73,989
Dangote CP 8	B3/Moodys	-	297,441
FSDH CP 17	BBB/GCR	-	110,519
Impairment on Commercial papers		-	(30,913)
g		-	979,287
Other debt securities - term deposits			
Meristem Wealth Management Limited	BBB/Datapro	1,377,178	258,661
WSTC Financial Services Limited	BBB-/ GCR	255,692	-
Capital Bancorp Securities Limited	Not rated	51,587	-
Accrued interest on CBN deposit		4,560	4,560
Impairment on other debt securities		(40,968)	(8,235)
h		1,648,049	254,986
Total Amortised Cost Financial assets(a+b+c+d+e+f+g+h)		**86,414,095**	**52,973,348**

The reconciliation of movement in the financial assets above is contained in Note 2.5.

2.4 An analysis of changes in the gross carrying amount and corresponding ECLs is as follows:

	2024							
	Stage 1		Stage 2		Stage 3		Total	
Amortised cost	Gross carrying amount ₦'000	ECL ₦'000	Gross carrying amount ₦'000	ECL ₦'000	Gross carrying amount ₦'000	ECL ₦'000	Gross carrying amount ₦'000	ECL ₦'000
As at 1 January 2024	54,236,816	1,263,468	-	-	-	-	54,236,816	1,263,468
New assets purchased	22,180,254	516,698	-	-	-	-	22,180,254	516,698
Assets derecognised or matured (excluding write-offs)	(6,698,486)	(156,044)	-	-	-	-	(6,698,486)	(156,044)
Amounts written off	-	-	-	-	-	-	-	-
Changes to models and inputs used for ECL calculations	-	472,755	-	-	-	-	-	472,755
Unrealised foreign exchange adjustments	19,240,605	448,217	-	-	-	-	19,240,605	448,217
At 31 December 2024	88,959,189	2,545,094	-	-	-	-	88,959,189	2,545,094
	2023							
As at 1 January 2023	28,187,227	328,699	-	-	-	-	28,187,227	328,699
New assets purchased	7,211,178	148,045	-	-	-	-	7,211,178	148,045
Assets derecognised or matured (excluding write-offs)	(3,175,306)	(65,189)	-	-	-	-	(3,175,306)	(65,189)
Amounts written off	-	-	-	-	-	-	-	-
Changes to models and inputs used for ECL calculations	-	399,971	-	-	-	-	-	399,971
Unrealised foreign exchange adjustments	22,013,717	451,942	-	-	-	-	22,013,717	451,942
At 31 December 2023	54,236,816	1,263,468	-	-	-	-	54,236,816	1,263,468

2.5 Analysis of movement in financial assets

	Fair value through OCI ₦'000	Fair value through profit or loss ₦'000	Amortised Cost ₦'000	Total ₦'000
At 1 January 2023	1,760,920	870,360	27,858,528	30,489,808
Additions	-	150,056	7,211,178	7,361,234
Maturities and redemptions	-	-	(2,394,312)	(2,394,312)
Proceeds on disposals	-	(367,379)	(780,994)	(1,148,373)
Realised fair value gains recorded in profit or loss (Note 26)	-	40,097	-	40,097
Fair value gains recorded in OCI (Note 31)	1,369,376	-	-	1,369,376
Unrealised fair value gains taken to profit or loss (Note 27)	-	272,924	-	272,924
Impairment charge during the year (Note 29)	-	-	(482,827)	(482,827)
Unrealised foreign exchange adjustments (Note 28)	-	-	22,013,717	22,013,717
Unrealised foreign exchange adjustments on ECL relating to Amortised cost financial assets (Note 28)	-	-	(451,942)	(451,942)
At 31 December 2023	**3,130,296**	**966,058**	**52,973,348**	**57,069,702**
Additions	578,551	302,169	22,180,254	23,060,974
Liquidation of managed funds (FVTOCI) to cash and cash equivalents(Note 1.3b)	-	(323,679)	-	(323,679)
Maturities and redemptions	-	-	(3,997,733)	(3,997,733)
Proceeds on disposals	-	-	(2,700,753)	(2,700,753)
Realised fair value gains recorded in profit or loss (Note 26)	-	-	-	-
Fair value gains recorded in OCI (Note 31)	2,093,972	-	-	2,093,972
Unrealised fair value gains taken to profit or loss (Note 27)	-	1,847,062	-	1,847,062
Impairment charge during the year (Note 29)	-	-	(833,409)	(833,409)
Unrealised foreign exchange adjustments (Note 28)	-	-	19,240,605	19,240,605
Unrealised foreign exchange adjustments on ECL relating to Amortised cost financial assets (Note 28)	-	-	(448,217)	(448,217)
At 31 December 2024	5,802,819	2,791,610	86,414,095	95,008,524

2.6 Maturity profile of debt instruments at amortised cost (gross):

	31-Dec-2024 ₦'000	31-Dec-2023 ₦'000
Within one year	16,678,429	3,233,131
More than one year	69,735,666	49,740,217
	86,414,095	52,973,348

The Company's "debt instrument measured at amortised costs" under IFRS 9 consist of investment in bonds and other securities that the Company holds within a business model of collecting the contractual cashflow till maturity. These investments are carried at their amortised cost and interest income is recognised using the effective interest rate.

The financial assets with the exception of those carried at fair value through profit or loss (FVTPL) and fair value through OCI (FVTOCI) are monitored and tested for impairment when applicable. Additional information and breakdown are listed above.

2.7 Investment Income from Financial Assets

Financial Assets	Notes	Carrying amount ₦'000	Income type	31-Dec-2024 ₦'000	31-Dec-2023 ₦'000
Equity: Fair value through Profit or loss	2.1	2,791,610	Dividends	13,759	33,604
Equity: Fair value through Other Comprehenive Income	2.2	5,802,819	Dividends	115,678	138,166
Total dividend received	25			129,437	171,770
Debt instruments measured at amortised cost:					
Federal government Bond	2.3	33,988,915	Interest	3,816,187	1,873,162
State government bonds	2.3	484,408	Interest	66,834	66,251
Corporate bonds	2.3	42,407,475	Interest	3,493,514	1,696,707
Treasury bills	2.3	7,885,247	Interest	1,115,160	70,808
Commercial papers		-	Interest	164,066	164,684
				8,491,695	3,706,928
Other debt securities- Term deposits	2.3	1,684,049	Interest	171,346	169,556
Total interest received/receivables		95,008,523		8,663,041	3,876,484

3. Premium receivables

	31-Dec-2024 ₦'000	31-Dec-2023 ₦'000
Due from brokers	270,207	316,646
Due from insurers	-	-
	270,207	316,646

3.1 Analysis of movement in premium received for cashflow purpose

	31-Dec-2024 ₦'000	31-Dec-2023 ₦'000
Premium received 30days after previous year end	316,646	365,397
Premium received in respect of Gross written premium(GWP)	71,688,127	42,594,486
Exclude premium deposit	(14,620,617)	(6,564,236)
Premium received from insurance contracts in the year	(57,113,949)	(36,079,001)
	270,207	316,646

3.2 Aging analysis of trade receivables:

	No of Policies	Amount ₦'000	No of Policies	Amount ₦'000
Within 14 days	115	45,184	139	99,342
Within 15-30 days	390	225,023	343	217,304
Within 31-90 days	-	-	-	-
Within 91-180 days	-	-	-	-
Above 180days	-	-	-	-
	505	**270,207**	**482**	**316,646**

All insurance receivables are designated as premium receivables and their carrying values approximate fair value at the reporting date. The total amount outstanding was received as at 31 January 2024 (2023: N316.6m).

		31-Dec-2024 ₦'000	31-Dec-2023 ₦'000
4	**Other receivables and prepayments**		
	Staff loans (Note 4.1)	104,973	115,195
	Prepayments and sundry debtors (Note 4.4)	428,325	314,777
	Due from reinsurance brokers (Note 4.2)	306,520	963,885
	Minimum deposit on premiums paid (Note 4.3)	72,134	52,990
	Withholding tax credit notes(Note 4.5)	-	7,777
	Deposit for shares (Note 4.6)	3,073,024	289,275
		3,984,976	1,743,899
	*Allowance for impairment on Other receivables (Note 4.8)	(158,381)	(393,687)
		3,826,595	**1,350,212**

*Individual impairment of items were carried out to arrive at this value.

4.1	**Staff loans**	115,195	160,972
	At 1 January	11,550	7,662
	Addition during the period	3,411	4,045
	Accrued Interest (Note 24)	(25,183)	(57,484)
	Repayment during the period	104,973	115,195
	ECL impairment provision	(38,475)	(38,451)
	At 31 December	**66,498**	**76,744**

As at the end of the year, outstanding balance in respect of staff loans granted to key management staff was N1.4m (2023: Nil). See note 38.3

Notes To The Financial Statements Contd

4.2 Due from reinsurance brokers

	31-Dec-2024 ₦'000	31-Dec-2023 ₦'000
At 1 January	963,885	1,016,949
Claims paid on behalf of reinsurance brokers	886,138	932,262
Recovery from reinsurance brokers during the year	(1,543,503)	(985,326)
	306,520	963,885
Allowance for impairment	-	(273,034)
At 31 December	**306,520**	**690,851**

Amounts due from reinsurance brokers represent amounts outstanding in respect of claims paid on behalf of reinsurers. They are valued after an allowance for their recoverability, and the carrying amount is a reasonable approximation of fair value. Based on our aged analysis of amounts due from reinsurance brokers as at year end, there was no outstanding amount due from any of the brokers above 90 days (2023 : N273million). Amounts above 90days are usually impaired fully while reconciliation and recovery drive are ongoing with the broker. This accounts for the writeback of N273million in the current year (See notes 4.8 and 29 to the financial statments).

4.3 Minimum deposit on premiums paid to reinsurance brokers

	31-Dec-2024 ₦'000	31-Dec-2023 ₦'000
At 1 January	52,990	60,617
Addition	161,911	52,990
Expensed during the year	(142,767)	(60,617)
At 31 December	**72,134**	**52,990**

This relates to minimum deposits made to Reinsurance brokers as reinsurance intermediaries. M&D premium paid during the year are reported separately in the statement of cashflow.

4.4 Prepayment and sundry debtors

	31-Dec-2024 ₦'000	31-Dec-2023 ₦'000
Sundry debtors (Note 4.4.1)	54,826	58,863
Prepaid others (Note 4.4.2)	145,499	75,474
Deposit for assets acquisition (Note 4.4.3)	105,337	103,634
	72,809	61,109
Prepaid insurance on owned assets	49,854	15,697
	428,325	**314,777**

4.4.1 Sundry debtors represents deposit for various services not yet received and recoverable from suppliers and service providers.

4.4.2 **Prepaid others**	31-Dec-2024 ₦'000	31-Dec-2023 ₦'000
Prepaid NSITF contribution	14,239	12,500
Prepaid IT subscriptions	87,281	24,829
Prepaid service charge	8,685	-
Prepaid HMO	3,799	453
Prepaid staff expenses	31,495	37,692
Prepaid rent	145,499	75,474

4.4.3 **Deposit for asset acquisition**		
Motor Vehicle	80,000	-
Software (Note 4.4.3.1)	-	78,297
Properties (Note 4.4.3.2)	25,337	25,337
	105,337	103,634

4.4.3.1 This represents payments paid to FIS capital Markets UK Limited for the deployment of IFRS 17 Software solution. This amount has now been capitalised as additions to intangible assets

4.4.3.2 This relates to payments made in advance in respect of a property development for which an initial deposit of N36.8million was made. The property development stalled and the developer had so far refunded the sum of N11.4million whilst the balance of N25.4million was fully impaired.

4.5 **Withholding tax credit notes**	31-Dec-2024 ₦'000	31-Dec-2023 ₦'000
Balance as at 1 Jan	7,777	26,230
Additional credit notes received (Note 25.1)	122,796	1,026
Utilised credit notes (Note 15.2)	(130,573)	(19,479)
Balance as at 31 Dec	-	7,777

4.6 Deposit for shares

Deposit for shares are in respect of shares yet to be allotted as at year end by some Nigerian companies. This includes like Zenith bank Right issues (73 million) and Evercorp Industries Limited (3billion). As at the date of board approval of 2024 Financial statments, only the Zenith bank right issues had been alloted. In 2023, the deposit for shares which amounted to 289million was in respect of FBS Reinsurance Limited that was allotted in 2024.

4.7 Impairment loss on other receivables

	2024							
	Stage 1		Stage 2		Stage 3		Total	
These items are not rated.	Gross carrying amount ₦'000	ECL ₦'000	Gross carrying amount ₦'000	ECL ₦'000	Gross carrying amount ₦'000	ECL ₦'000	Gross carrying amount ₦'000	ECL ₦'000
As at 1 January 2024	1,634,331	284,119	-	-	109,568	109,568	1,743,899	393,687
New assets purchased	3,077,061	694,650	-	-	-	-	3,077,061	694,650
Assets derecognised or matured (excluding write-offs)	(835,984)	(188,724)	-	-	-	-	(835,984)	(188,724)
Amounts written off	-		-	-	-	-	-	-
Changes to models and inputs used for ECL calculations	-	(741,232)	-	-	-	-	-	(741,232)
Unrealised foreign exchange adjustments	-	-	-	-	-	-	-	-
At 31 December 2024	3,875,408	48,813	-	-	109,568	109,568	3,984,976	158,381
	2023							
As at 1 January 2023	1,477,116	483,527	-	-	96,356	96,356	1,573,472	579,882
New assets purchased	540,222	4,442	-	-	-	-	540,222	4,442
Assets derecognised or matured (excluding write-offs)	(383,007)	(212,113)	-	-	-	-	(383,007)	(2,853)
Amounts written off	-		-	-	-	-	-	-
Changes to models and inputs used for ECL calculations	-	8,263	-	-	13,212	13,212	13,212	21,475
Unrealised foreign exchange adjustments	-	-	-	-	-	-	-	-
At 31 December 2023	1,634,331	284,119	-	-	109,568	109,568	1,743,899	393,687

Analysis of impact of impairment 2023

Analysis of impact of impairment 2024	Asset Gross carrying amount as at 31 December ₦'000	Impairment Balance as at 1 January ₦'000	Increase/ (Write-back) during the year ₦'000	Balance as at 31 December ₦'000	Asset Carrying amount as at 31 December ₦'000
Staff loans	104,973	38,451	24	38,475	66,498
Prepayments	268,162	-	-	-	268,162
Sundry debtors	54,826	56,865	(9,778)	47,089	7,737
Due from reinsurance brokers	306,520	273,034	(273,034)	-	306,520
Minimum deposit on premiums paid	72,134	-	-	-	72,134
Deposit for assets acquisition	105,337	25,337	-	25,337	80,000
Withholding tax credit notes	-	-	-	-	-
Deposit for shares	3,073,024	-	47,481	47,481	3,025,543
Total	3,984,976	393,687	(235,307)	158,381	3,826,595
Analysis of impact of impairment 2023					
Staff loans	115,195	39,128	(677)	38,451	76,744
Prepayments	230,577	-	-	-	230,577
Sundry debtors	348,138	33,124	23,741	56,865	291,273
Due from reinsurance brokers	963,885	482,293	(209,259)	273,034	690,851
Minimum deposit on premiums paid	52,990	-	-	-	-
Deposit for assets acquisition	25,337	25,337	-	25,337	-
Withholding tax credit notes	7,777	-	-	-	7,777
Total	1,743,899	579,882	(186,195)	393,687	1,350,212

5 Investment properties

	31-Dec-2024 ₦'000	31-Dec-2023 ₦'000
At 1 January	4,050,000	3,676,770
Improvements during the year	-	-
Net gain on fair value adjustments (Note 27)	1,445,500	373,230
At 31 December	5,495,500	4,050,000

Further analysis and details of the investment properties including their location are stated below. These include the carrying amount and the corresponding fair value adjustments recognized in the profit or loss.

5.1 Description of properties and movement

	1-Jan-2024 ₦'000	Additions during the year ₦'000	Improvements during the year ₦'000	Fair value adjustments recognised in profit or loss ₦'000	31- Dec 2024 ₦'000
88, Adetokunbo Ademola Street, Victoria Island, Lagos	245,000	-	-	215,000	460,000
3, Aja Nwachukwu Close, Off Bourdillon Road, Ikoyi, Lagos*	3,140,000	-	-	860,000	4,000,000
156 Awolowo Road, Ikoyi, Lagos	440,000	-	-	100,000	540,000
Plot 3243, Block 71, Peace Prayer Estate, Amuwo Odofin, Lagos	45,000	-	-	30,000	75,000
Plot 676 Cadastral Zone, Abuja	70,000	-	-	180,000	250,000
5 Chapel Street, Yaba	110,000	-	-	60,500	170,500
	4,050,000	**-**	**-**	**1,445,500**	**5,495,500**

The Company did not acquire any new investment properties during the year (2023:Nil). Improvements during the year represent directly attributable expenditure(e.g. survey cost, remodelling costs) incurred. There was no disposal of investment properties during the year(2023:Nil).

The Investment property located at 3, Aja Nwachukwu Close, Off Bourdillon Road, Ikoyi, Lagos is jointly owned by Policyholders and Shareholders. A fixed portion of N1,513m is owned by policyholders while shareholder own any excess above the same value(i.e. N2,487m as at year end)(2023: 1,627m). Shareholders bear the full exposure to the related risk (Fair valuation gains and losses on the property) while rental income on the property is shared proportionally based on holdings.

5.1 Description of properties and movement	1-Jan-2023 ₦'000	Additions during the year ₦'000	Improvements during the year ₦'000	Fair value adjustments recognised in profit or loss ₦'000	31- Dec 2023 ₦'000
88, Adetokunbo Ademola Street, Victoria Island, Lagos	230,000	-	-	15,000	245,000
3, Aja Nwachukwu Close, Off Bourdillon Road, Ikoyi, Lagos	2,850,000	-	-	290,000	3,140,000
156 Awolowo Road, Ikoyi, Lagos	405,000	-	-	35,000	440,000
Plot 3243, Block 71, Peace Prayer Estate, Amuwo Odofin, Lagos	41,770	-	-	3,230	45,000
Plot 676 Cadastral Zone, Abuja	50,000	-	-	20,000	70,000
5 Chapel Street, Yaba	100,000	-	-	10,000	110,000
	3,676,770	-	-	373,230	4,050,000

Valuation techniques used for fair valuation of Investment properties

This represents the Company's investment in building and landed property for the purpose of capital appreciation. The investment properties are stated at fair value, which has been determined based on valuations performed by a qualified estate surveyor. The investment properties were independently valued by Barin Epega & Company (a registered estate surveyor & valuer) as at 31 December 2024 and 31 December 2023 based on valuation model in accordance with that recommended by the International Valuation Standards Committee. The determination of fair value of the investment property was supported by market evidence. The rental income arising from these properties during the year is included in other investment and sundry income.

Details of the Valuer

The investment properties were independently valued as at 31 December 2024 and 31 December 2023 by Barin Epega & Co(an estate surveyor & chartered valuer firm) duly registered with the Financial Reporting Council of Nigeria with number FRC/2020/00000013769, with office located at No. 98, Norman Williams Street Ikoyi, Lagos. The valuation report was signed by Sir Obarinsola Epega KJW who is a qualified member of the Nigerian Institution of Estate Surveyors and Valuers with FRC No. FRC/2012/PRO/NIESV/004/00000000597.

The rental income arising during the year amounted to N70.0million (2023: N68.3million) which is included in other investment and operating income. Direct operating expenses arising in respect of such properties during the year are included within management expenses.

5. Investment properties contd	2024 ₦'000	2023 ₦'000
Rental income derived from investment properties (Note 25)	70,000	68,250
Direct operating expenses in generating rental income (Note 30.4)	(11,808)	(6,746)
Profit from investment properties carried at fair value	58,192	61,504

There are no restrictions on the realisability of investment property or the remittance of income and proceeds of disposal. The Company has no contractual obligations to purchase, construct or develop investment property or for repairs or enhancement.

Valuation techniques used for fair valuation of investment properties - 31 December 2024

Location of Investment properties	Status of Title	Valuation technique	Significant unobservable inputs
88, Adetokunbo Ademola Street, Victoria Island, Lagos	Title is covered by the Lagos State Land certificate Title No LO8556 which was registered and perfected on 1 September 2011	Depreciated replacement cost approach.	-Construction cost/M2 : N15,015,000 for Main Building of 300.3m2, N1,516,800 for Domestic Staff Quarters of 47.4m2 and N130,000 for Gate house of 8.48m2 Depreciation rate of 70% Unit Land price (N275,000-N33000/m2)
3, Aja Nwachukwu Close, Off Bourdillon Road, Ikoyi, Lagos	Title is covered by the Lagos State Land certificate Title No LO8707 which was registered and perfected on 7 September 2011.	Income approach (DCF Method)	- Estimated unit rental per annum N25,000,000 – N30,000,000 per flat - Rent growth p.a 5% - Long-term vacancy rate less 10% - Discount rate 10%
156 Awolowo Road, Ikoyi, Lagos	Title is covered by the Lagos State Land certificate Title No LO5032 which was registered and perfected on 29 June 1994.	Income approach (DCF Method).	- Estimated rental per annum N80,000/m2 - Rent growth p.a 5% - Annual outgoings - 10% - Long-term vacancy rate 2% - Discount rate 10%

Valuation techniques used for fair valuation of investment properties - 31 December 2024 continued

Location of Investment properties	Status of Title	Valuation technique	Significant unobservable inputs
Plot 3243, Block 71, Peace Prayer Estate, Amuwo Odofin, Lagos	Title is evidenced by the D160Deed of Assignment dated 1995. Title perfection is ongoing with the Lagos State Government since April 2017.	Market comparison approach.	- Estimated price per square metre N75,000
Plot 676 Cadastral Zone, Abuja	Title is evidenced by the Federal Government Certificate of Occupancy No 149123 and registered as No 11488 in Volume 58 of the Certificate of Occupancy register in Land registry office Abuja. Title was perfected and obtained on 1 September 2011.	Market comparison approach.	- Estimated price per square meter N90,000
5 Chapel Street, Yaba, Lagos	Title perfection is ongoing with the Lagos State Government since acquisition in September 2019.	Depreciated replacement cost approach was adopted in arriving at the market value.	-Construction cost per square meter : N350,000 - N500,000, - Land cost/M2: N150,000 - N200,000/m2 Depreciation rate of building), - Nil

Valuation techniques used for fair valuation of investment properties - 31 December 2023

Location of Investment properties	Status of Title	Valuation technique	Significant unobservable inputs
88, Adetokunbo Ademola Street, Victoria Island, Lagos	Status of Title Title is covered by the Lagos State Land certificate Title No LO8556 which was registered and perfected on 1 September 2011	Depreciated replacement cost approach.	-Construction cost/M2 : N220,000 for Main Building of 300.3m2, N200,000 for Domestic Staff Quarters of 47.4m2 and N100,000 for Gate house of 8.48m2 Depreciation rate of 70% Unit Land price (N275,000-N33000/m2)
3, Aja Nwachukwu Close, Off Bourdillon Road, Ikoyi, Lagos	Title is covered by the Lagos State Land certificate Title No LO8707 which was registered and perfected on 7 September 2011.	Income approach (DCF Method)	- Estimated unit rental per annum N19,800,000 – N23,100,000 per flat - Rent growth p.a 5% - Long-term vacancy rate less 10% - Discount rate 10%
156 Awolowo Road, Ikoyi, Lagos	Title is covered by the Lagos State Land certificate Title No LO5032 which was registered and perfected on 29 June 1994.	Income approach (DCF Method).	- Estimated rental per annum N50,000-N80,000/m2 - Rent growth p.a 5% - Long-term vacancy rate 2% - Discount rate 10%

Valuation techniques used for fair valuation of investment properties - 31 December 2023 contd

Location of Investment properties	Status of Title	Valuation technique	Significant unobservable inputs
Plot 3243, Block 71, Peace Prayer Estate, Amuwo Odofin, Lagos	Title is evidenced by the Deed of Assignment dated 1995. Title perfection is ongoing with the Lagos State Government since April 2017.	Market comparison approach.	- Estimated price per square metre N40,000 - N50,000
Plot 676 Cadastral Zone, Abuja	Title is evidenced by the Federal Government Certificate of Occupancy No 149123 and registered as No 11488 in Volume 58 of the Certificate of Occupancy register in Land registry office Abuja. Title was perfected and obtained on 1 September 2011.	Market comparison approach.	- Estimated price per square meter N8,000 - N12,000
5 Chapel Street, Yaba, Lagos	Title perfection is ongoing with the Lagos State Government since acquisition in September 2019.	Depreciated replacement cost approach was adopted in arriving at the market value.	-Construction cost per square meter : N120,000 - N200,000, - Land cost/M2: N120,000- N180,000/m2 Depreciation rate of building), - Nil

Investment Properties carried at fair value

All Investment properties are carried at fair value as determined by an independent valuer. Valuation under the market approach is based on open market capital valuation using the market comparison approach through analysis of recent transactions of sale of comparable properties in the neighbourhood to arrive at the value of the property. The income approach using discounted cashflows method is also used in arriving at the fair value of income yielding investment properties. The Depreciated replacement cost approach was used in arriving at the fair value of dilapidated structures due to the specialised nature of the property. Investment properties are categorised as Level 3 assets based on the methodology adopted in determining the fair value.

Investment Properties carried at fair value using income approach

"Using the DCF method, fair value is estimated using assumptions regarding the benefits and liabilities of ownership over the asset's life including an exit or terminal value. This method involves the projection of a series of cash flows on a real property interest. To this projected cash flow series, a market-derived discount rate is applied to establish the present value of the income stream associated with the asset. The exit yield is normally separately determined and differs from the discount rate.

The duration of the cash flows and the specific timing of inflows and outflows are determined by events such as rent reviews, lease renewal and related re-letting, redevelopment, or refurbishment. The appropriate duration is typically driven by market behaviour that is a characteristic of the class of real property. Periodic cash flow is typically estimated as gross income less vacancy, non-recoverable expenses, collection losses, lease incentives, maintenance cost, agent and commission costs and other operating and management expenses. The series of periodic net operating income, along with an estimate of the terminal value anticipated at the end of the projection period, is then discounted.

Significant increases/(decreases) in estimated rental value and rent growth per annum in isolation would result in a significantly higher (lower)/fair value of the properties. Significant increases (decreases) in the long-term vacancy rate and discount rate (and exit yield) in isolation would result in a significantly lower/(higher) fair value. Generally, a change in the assumption made for the estimated rental value is accompanied by a directionally similar change in the rent growth per annum and discount rate (and exit yield), and an opposite change in the long term vacancy rate.

Investment Properties carried at fair value using market approach

Market comparable method is used when there exist a good volume of transactions involving comparable properties in the area during the year. Under the market comparable approach, a property's fair value is estimated based on comparable transactions. This approach is based on the principle of substitution under which a potential buyer will not pay more for the property than it will cost to buy a comparable substitute property. The unit of comparism applied by the Company is the price per square meter(sqm). The valuations have been performed by the valuer and are based on proprietary databases of prices of transactions for properties of similar nature, location and condition.

Investment Properties carried at depreciated replacement cost approach

Depreciated replacement cost (DRC) method of valuation is used where there is no active market for the asset being valued – that is, where there is no useful or relevant evidence of recent sales transactions due to the specialised nature of the asset. The cost of a modern equivalent asset is estimated and then adjusted to reflect the subject asset's physical condition and utility together with obsolescence and relative disabilities affecting the actual asset.

	Fair value hierarchy of Investment Properties			
	Level 1 ₦'000	Level 2 ₦'000	Level 3 ₦'000	Total ₦'000
At 31 December 2024				
Investment properties	-	-	5,495,500	5,495,500
At 31 December 2023				
Investment properties	-	-	4,050,000	4,050,000

6 Property, plant and equipment

Cost	Motor Vehicles ₦'000	Furniture and Fittings ₦'000	Computer and Office Equipment ₦'000	Plant and Machinery ₦'000	Total ₦'000
At 1 January 2023	529,814	82,116	217,700	20,835	850,466
Additions	79,000	1,382	20,058	-	100,440
Disposals	(74,000)	-	(1,155)	-	(75,155)
At 31 December 2023	534,814	83,498	236,604	20,835	875,751
Additions	37,050	963	58,382	-	96,396
Disposals	(55,718)	-	-	-	(55,718)
At 31 December 2024	516,146	84,461	294,986	20,835	916,429
Accumulated depreciation:					
At 1 January 2023	351,465	78,695	176,151	11,491	617,802
Charge for the year	81,020	1,946	21,280	2,924	107,170
Disposals	(47,750)	-	(685)	-	(48,435)
At 31 December 2023	384,736	80,641	196,746	14,415	676,538
Charge for the year	77,290	1,163	26,094	2,693	107,240
Disposals	(50,718)	-	-	-	(50,718)
At 31 December 2024	411,308	81,804	222,840	17,108	733,060
Carrying Amount					
At 31 December 2024	**104,838**	**2,657**	**72,146**	**3,727**	**183,369**
At 31 December 2023	**150,079**	**2,857**	**39,858**	**6,419**	**199,213**

6.1 The Company had no capital commitment as at the end of the period (2023: Nil).

6.2 Impairment assessment was carried out during the period and there was no indication of impairment of any of the assets in use by the Company, hence no impairment test was performed during the period.

6.3 None of the property, plant and equipment of the Company has been pledged as security for borrowings or otherwise, as at the end of the year (2023: Nil).

7 Right of use assets

	31-Dec-2024 ₦'000	31-Dec-2023 ₦'000
At 1 January	8,333	1,044
Additions during the year	-	12,000
Depreciation expense	(4,000)	(4,711)
At 31 December	4,333	8,333

The Company leases buildings used as office premises and land spaces used for storing accidented vehicles. The total lease term for the office spaces are 12 month or less which are treated as short term lease (See prepaid rent in note 4.4). In many of the lease contracts, there are no extension options and where there exist in other contracts, the company is not reasonably certain that extension options will be exercised and termination options are exercisable by both leasee and lessor without penalty.

In 2020, the Company leased a vacant land for storing its salvage vehicles. The 3 year lease term for the land space which ended in February 2023 and was subsequent renewed for another 3 year term for the sum of N12 million. There are no lease liabilities relating to the lease as at the end of the year.

8. Intangible assets

Cost:	Software costs ₦'000	Total ₦'000
At 1 January 2023	128,214	128,214
Additions	-	-
At 31 December 2023	128,542	128,542
Additions	23,289	23,289
Transfer from deposit for Assets (IFRS 17 software solution)- Note 4.4.3	78,297	78,297
At 31 December 2024	230,128	230,128
Accumulated amortisation:		
At 1 January 2023	127,596	127,596
Charge for the year	823	823
At 31 December 2023	128,419	128,419
Charge for the year	25,505	25,505
At 31 December 2024	153,924	153,924
Carrying amount:		
At 31 December 2024	76,204	76,204
At 31 December 2023	123	123

9. Statutory deposits

	31-Dec-2024 ₦'000	31-Dec-2023 ₦'000
Deposits with CBN	300,000	300,000

In line with Section 10 (3) of the Insurance Act of Nigeria, a deposit of 10% of the regulatory share capital required for non-life insurance business (N3billion) is kept with the Central Bank of Nigeria(CBN). The cash amount held is considered to be a restricted cash balance.

10. Insurance contract liabilities issued / Reinsurance contracts held

10.1 Carrying amount of Insurance contract issued and Reinsurance contract held

		31-Dec-2024 ₦'000	31-Dec-2023 ₦'000
a	**Insurance contracts issued**		
	Insurance contract Liabilities		
	Insurance contract liabilities (excluding insurance acquisition cashflows assets and other pre - recognition cashflows)	38,757,789	25,215,194
	Insurance acquisition cashflows	(1,871,175)	(1,133,671)
	Other pre-recognition cashflows	-	-
	Insurance contract Liabilities	36,886,613	24,081,523
b	**Insurance contract Assets**	-	-
	Insurance contract liabilities (excluding insurance acquisition cashflows assets and other pre - recognition cashflows)	-	-
	Insurance acquisition cashflows	-	-
	Other pre-recognition cashflows	-	-
c	**Reinsurance contract Assets**		
	Reinsurance contract assets (excluding reinsurance deferred acquisition income cashflows assets and other pre - recognition cashflows and reinsurance payables)	19,146,394	12,895,286
	Reinsurance deferred acquisition income cashflows assets	(811,036)	(620,697)
	Other pre-recognition cashflows	-	-
	Reinsurance payables	(7,909,132)	(5,216,790)
		10,426,226	7,057,798

10. Insurance contract liabilities issued / Reinsurance contracts held

10.1 Carrying amount of Insurance contract issued and Reinsurance contract held

		31-Dec-2024 ₦'000	31-Dec-2023 ₦'000
d	**Reinsurance contract liabilities**		
	Reinsurance contract liabilities (excluding reinsurance deferred acquisition income cashflows assets and other pre - recognition cashflows and reinsurance payables)	-	-
	Reinsurance deferred acquisition income cashflows assets	-	-
	Other prerecognition cashflows	-	-
	Reinsurance payables	-	-
		-	-
e	**Liabilities for remaining coverage:**		
	Excluding loss component	14,934,909	10,234,332
	loss component	-	-
		14,934,909	10,234,332
	Liabilities for incurred claims:		
	Estimates of present value of future cash flows	19,992,444	12,430,149
	Risk adjustment for non financial risk	1,959,260	1,417,042
		21,951,704	13,847,191
		36,886,613	24,081,523
f	**Reinsurance contract Assets**		
	Assets for remaining coverage:		
	Excluding loss recovery component	2,155,501	1,488,199
	Loss recovery component	-	-
		2,155,501	1,488,199
	Assets for incurred claims:		
	Estimates of present value of future cash flows	6,616,580	4,430,867
	Risk adjustment for non financial risk	1,654,145	1,138,732
		8,270,725	5,569,599
		10,426,226	**7,057,798**

10. Insurance contract liabilities issued / Reinsurance contracts held

10.2 Portfolios of Insurance and Reinsurance contract assets liabilities held

31 December 2024	Motor	Accident	Bond	Marine	Aviation	Fire	Engineering	Oil & Energy	Total
Insurance contract liabilities	4,328,731	4,268,313	35,699	1,418,898	546,113	10,778,511	3,441,580	12,068,768	36,886,613
Reinsurance contract assets	147,825	1,484,182	3,118	554,107	1,860	2,988,478	2,053,887	3,192,769	10,426,226
31 December 2023									
Insurance contracts liabilities	3,067,358	2,781,169	8,071	806,127	115,879	6,423,783	1,679,822	9,199,314	24,081,523
Reinsurance contracts assets	316,999	612,967	2,828	630,077	19,012	2,277,581	1,085,588	2,112,746	7,057,798

a. **Insurance contracts issued**

i. **Reconciliation of the liability for remaining coverage and the liability for incurred claims - Premium Allocation Approach Insurance contracts issued**

		31 December 2024				
		Liabilities for Remaining Coverage		Liability for incurred claims		
	Notes	Excluding loss component ₦'000	Loss-component ₦'000	Present value of future cash flows ₦'000	Risk adjustment ₦'000	Total ₦'000
Opening insurance contract assets		-		-	-	-
Opening insurance contract liabilities		10,234,332	-	12,430,149	1,417,042	24,081,523
Net Opening balance		10,234,332	-	12,430,149	1,417,042	24,081,523
Changes in the statement of profit or loss and OCI						
Insurance revenue						
Insurance revenue	19	(66,250,057)	-	-	-	(66,250,057)
		(66,250,057)	-	-	-	(66,250,057)
Insurance service expenses						
Incurred claims		-	-	6,468,561	(500,070)	5,968,491
Other incurred insurance service expense		-	-	2,888,246	-	2,888,246
Acquisition expenses		7,223,356	-	-	-	7,223,356
Changes that relate to future services: Losses on onerous groups of contracts and reversals		-	-	-	-	-
Changes that relate to past services: changes to liabilities for incurred claims (including reinsurer's non-performance risk)		-	-	12,243,851	1,261,641	13,505,492
	20	7,223,356	-	21,600,658	761,571	29,585,585
Insurance finance expenses						
Insurance finance expenses		-	-	(1,157,435)	(219,353)	(1,376,788)
	22	-	-	(1,157,435)	(219,353)	(1,376,788)
Total changes in the statement of profit or loss and OCI		**(59,026,701)**	-	**20,443,223**	**542,218**	**(38,041,260)**

31 December 2023				
Liabilities for Remaining Coverage		Liability for incurred claims		
Excluding loss component ₦'000	Loss-component ₦'000	Present value of future cash flows ₦'000	Risk adjustment ₦'000	Total ₦'000
-	-	-	-	-
8,273,848	-	5,132,101	892,988	14,298,937
8,273,848	-	5,132,101	892,988	14,298,937
(40,377,128)	-	-	-	(40,377,128)
(40,377,128)	-	-	-	(40,377,128)
-	-	4,694,988	(217,397)	4,477,591
-	-	1,231,195	-	1,231,195
3,879,892	-	-	-	3,879,892
-	-	-	-	-
-	-	11,972,430	911,309	12,883,739
3,879,892	-	17,898,613	693,912	22,472,417
-	-	(1,179,885)	(169,858)	(1,349,743)
-	-	(1,179,885)	(169,858)	(1,349,743)
(36,497,236)	**-**	**16,718,728**	**524,054**	**(19,254,454)**

a. **Insurance contracts issued**

i. **Reconciliation of the liability for remaining coverage and the liability for incurred claims - Premium Allocation Approach Insurance contracts issued**

	31 December 2024				
	Liabilities for Remaining Coverage		Liability for incurred claims		
	Excluding loss component ₦'000	Loss-component ₦'000	Present value of future cash flows ₦'000	Risk adjustment ₦'000	Total ₦'000
Cash flows					
Premiums received- premium from insurance contract (1)	57,113,949	-	-	-	57,113,949
Claims paid	-	-	(9,992,674)		(9,992,674)
Directly attributables expenses paid	-	-	(2,888,254)	-	(2,888,254)
Acquisition cash flows paid	(7,960,859)	-	-	-	(7,960,859)
	49,153,090	-	(12,880,928)	-	36,272,162
Non- cashflow Items					
Premiums on new insurance contract(premium received in previous year(2)	14,620,617	-	-	-	14,620,617
Premiums on new insurance contract(adjustment to premium receivables during the year)	(46,429)	-	-	-	(46,429)
	14,574,188	-	-	-	14,574,188
Closing insurance contract assets	-	-	-	-	-
Closing insurance contract liabilities	14,934,909	-	19,992,444	1,959,260	36,886,613
Net closing balance	**14,934,909**	**-**	**19,992,444**	**1,959,260**	**36,886,613**

31 December 2023				
Liabilities for Remaining Coverage		Liability for incurred claims		
Excluding loss component ₦'000	Loss-component ₦'000	Present value of future cash flows ₦'000	Risk adjustment ₦'000	Total ₦'000
36,079,001	-	-	-	36,079,001
-	-	(7,526,323)	-	(7,526,323)
-	-	(1,894,357)	-	(1,894,357)
(4,136,764)	-	-	-	(4,136,764)
31,942,237	-	(9,420,680)	-	22,521,557
6,564,236	-	-	-	6,564,236
(48,753)	-	-	-	(48,753)
6,515,483	-	-	-	6,515,483
-	-	-	-	-
10,234,332	-	12,430,149	1,417,042	24,081,523
10,234,332	-	12,430,149	1,417,042	24,081,523

10. Insurance contract liabilities issued/ Reinsurance contracts held

b. Reinsurance contracts held

(i). Reconciliation of the liability for remaining coverage and the liability for incurred claims - Premium Allocation Approach

		31 December 2024				
		Assets for Remaining Coverage		Asset for incurred claims		
Reinsurance contracts held	Notes	Excluding loss recovery component ₦'000	Loss-recovery component ₦'000	Present value of future cash flows ₦'000	Risk adjustment ₦'000	Total ₦'000
Opening reinsurance contract assets		(1,488,198)	-	(4,430,868)	(1,138,732)	(7,057,798)
Opening reinsurance contract liabilities		-	-	-	-	-
Net Opening balance		(1,488,198)	-	(4,430,868)	(1,138,732)	(7,057,798)
Changes in the statement of profit or loss and OCI						
Allocation of reinsurance premiums paid		42,096,153	-	-	-	42,096,153
		42,096,153	-	-	-	42,096,153
Net income/ (expenses) from reinsurance contracts held						
Incurred claims recovery		-	-	(2,774,496)	445,108	(2,329,388)
Acquisition income amortised		(2,906,537)	-	-	-	(2,906,537)
Changes that relate to future services: Losses on onerous groups of contracts and reversals		-	-	-	-	-
Changes that relate to past services: changes to liabilities for incurred claims (including reinsurer's non-performance risk)		-	-	(1,837,295)	(1,056,786)	(2,894,081)
		(2,906,537)	-	(4,611,791)	(611,678)	(8,130,006)
Reinsurance service result	21	39,189,616	-	(4,611,791)	(611,678)	33,966,147
Insurance finance expenses/income from reinsurance contracts held						
Reinsurance finance expenses/income		-	-	32,783	96,265	129,048
	23	-		32,783	96,265	129,048
Total changes in the statement of profit or loss and OCI		39,189,616	-	(4,579,008)	(515,413)	34,095,195

31 December 2023				
Assets for Remaining Coverage		Asset for incurred claims		
Excluding loss recovery component ₦'000	Loss-recovery component ₦'000	Present value of future cash flows ₦'000	Risk adjustment ₦'000	Total ₦'000
(2,204,970)	-	(2,046,680)	(515,764)	(4,767,414)
-	-	-	-	-
(2,204,970)	-	(2,046,680)	(515,764)	(4,767,414)
26,819,313	-	-	-	26,819,313
26,819,313	-	-	-	26,819,313
-	-	(2,537,829)	(136,458)	(2,674,287)
(1,580,216)	-	-	-	(1,580,216)
-	-	-	-	-
-	-	(960,493)	(541,535)	(1,502,028)
(1,580,216)	-	(3,498,322)	(677,993)	(5,756,531)
25,239,097	-	(3,498,322)	(677,993)	21,062,782
-	-	80,405	55,025	135,430
-		80,405	55,025	135,430
25,239,097	-	(3,417,917)	(622,968)	21,198,212

10. Insurance contract liabilities issued/ Reinsurance contracts held

b. Reinsurance contracts held

(i). Reconciliation of the liability for remaining coverage and the liability for incurred claims - Premium Allocation Approach

	31 December 2024				
	Assets for Remaining Coverage		Asset for incurred claims		
Cashflow	Excluding loss recovery component ₦'000	Loss-recovery component ₦'000	Present value of future cash flows ₦'000	Risk adjustment ₦'000	Total ₦'000
Reinsurance Premiums paid on new contracts - reinsurance premium paid during the year-1	(42,811,024)	-	-	-	(42,811,024)
Recoveries from reinsurance	-	-	2,393,294	-	2,393,294
Acquisition cash flows for ceding commissions	3,096,876	-	-	-	3,096,876
	(39,714,148)	-	2,393,294	-	(37,320,854)
Non- cash flow Items					
Reinsurance Premiums payable - Amortisation of M&D premium paid in previous period - (2)	(142,767)	-	-	-	(142,767)
Reinsurance Premiums on new contracts (adjustment to reinsurance payables during the year- (3)	-	-	-	-	-
Commission receivable - commission on reinsurance contract	-	-	-	-	-
	(142,767)	-	-	-	(142,767)
Closing reinsurance contract assets	(2,155,501)	-	(6,616,580)	(1,654,145)	(10,426,226)
Closing reinsurance contract liabilities	-	-	-	-	-
Net closing balance	(2,155,501)	-	(6,616,580)	(1,654,145)	(10,426,226)

31 December 2023				
Assets for Remaining Coverage		Asset for incurred claims		
Excluding loss recovery component ₦'000	Loss-recovery component ₦'000	Present value of future cash flows ₦'000	Risk adjustment ₦'000	Total ₦'000
(26,256,704)	-	-	-	(26,256,704)
-	-	1,033,730	-	1,033,730
1,794,993	-	-	-	1,794,993
(24,461,711)	-	1,033,730	-	(23,427,981)
(60,615)	-	-	-	(60,615)
-	-	-	-	-
-	-	-	-	-
(60,615)	-	-	-	(60,615)
(1,488,199)	-	(4,430,867)	(1,138,732)	(7,057,798)
-	-	-	-	-
(1,488,199)	-	(4,430,867)	(1,138,732)	(7,057,798)

Notes To The Financial Statements Contd

10. Insurance contract liabilities issued/ Reinsurance contracts held
10.2 Portfolios of insurance and reinsurance contract assets and liabilities
10.2.1 Motor
a. Motor - Insurance contracts issued
i. Reconciliation of the liability for remaining coverage and the liability for incurred claims - Premium Allocation Approach

	31 December 2024				
	Liabilities for Remaining Coverage		Liability for incurred claims		
	Excluding loss component ₦'000	Loss-component ₦'000	Present value of future cash flows ₦'000	Risk adjustment ₦'000	Total ₦'000
Opening insurance contract assets					-
Opening insurance contract liabilities	1,668,235	-	1,255,946	143,177	3,067,358
Net Opening balance	1,668,235	-	1,255,946	143,177	3,067,358
Changes in the statement of profit or loss and OCI					
Insurance revenue	(9,966,116)	-	-	-	(9,966,116)
Insurance revenue	(9,966,116)	-	-	-	(9,966,116)
Insurance service expenses					
Incurred claims	-	-	985,068	(5,970)	979,098
Other incurred insurance service expense	-	-	415,008	-	415,008
Acquisition expenses	1,101,356	-	-	-	1,101,356
Changes that relate to future services: Losses on onerous groups of contracts and reversals	-	-	-	-	-
Changes that relate to past services: changes to liabilities for incurred claims (including reinsurer's non-performance risk)	-	-	2,797,818	65,814	2,863,632
	1,101,356	-	4,197,894	59,844	5,359,094
Insurance finance expenses					
Insurance finance expenses	-	-	7,373	(7,634)	(261)
	-	-	7,373	(7,634)	(261)
Total changes in the statement of profit or loss and OCI	(8,864,760)	-	4,205,267	52,210	(4,607,283)

31 December 2023				
Liabilities for Remaining Coverage		Liability for incurred claims		
Excluding loss component ₦'000	Loss-component ₦'000	Present value of future cash flows ₦'000	Risk adjustment ₦'000	Total ₦'000
				-
1,465,560	-	647,295	112,629	2,225,484
1,465,560	-	647,295	112,629	2,225,484
(5,675,375)	-	-	-	(5,675,375)
(5,675,375)	-	-	-	(5,675,375)
-	-	815,966	558.00	816,524
-	-	176,909	-	176,909
591,818	-	-	-	591,818
-	-	-	-	-
-	-	1,966,449	34,385	2,000,834
591,818	-	2,959,324	34,943	3,586,085
-	-	(8,914)	(4,395)	(13,309)
-	-	(8,914)	(4,395)	(13,309)
(5,083,557)	-	**2,950,410**	**30,548**	**(2,102,599)**

10.2.1 Motor

a. Motor - Insurance contracts issued

i. Reconciliation of the liability for remaining coverage and the liability for incurred claims - Premium Allocation Approach

	31 December 2024				
	Liabilities for Remaining Coverage		Liability for incurred claims		
	Excluding loss component ₦'000	Loss-component ₦'000	Present value of future cash flows ₦'000	Risk adjustment ₦'000	Total ₦'000
Cash flows					
Premiums received- premium from insurance contract (1)	8,253,400	-	-	-	8,253,400
Claims paid	-	-	(2,787,033)	-	(2,787,033)
Directly attributables expenses paid	-	-	(680,434)	-	(680,434)
Acquisition cash flows paid	(1,142,428)	-	-	-	(1,142,428)
	7,110,972	-	(3,467,467)	-	3,643,505
Non- cashflow Items					
Premiums on new insurance contract(premium received in previous year(2)	2,199,406	-	-	-	2,199,406
Premiums on new insurance contract(adjustment to premium receivables during the year)	25,746	-	-	-	25,746
	2,225,152	-	-	-	2,225,152
Closing insurance contract assets					
Closing insurance contract liabilities					
	-		-	-	-
	2,139,598	-	1,993,746	195,387	4,328,731
Net closing balance	2,139,598	-	1,993,746	195,387	4,328,731

31 December 2023				
Liabilities for Remaining Coverage		Liability for incurred claims		
Excluding loss component ₦'000	Loss-component ₦'000	Present value of future cash flows ₦'000	Risk adjustment ₦'000	Total ₦'000
5,040,847	-	-	-	5,813,822
-	-	(2,032,649)	-	(2,032,649)
-	-	(309,110)	-	(309,110)
(611,350)	-	-	-	(611,350)
4,429,497	-	(2,341,759)	-	2,860,713
987,470	-	-	-	987,470
(130,735)	-	-	-	-130,735
856,735	-	-	-	856,735
-		-	-	-
1,668,235	-	1,255,946	143,177	3,067,358
1,668,235	-	1,255,946	143,177	3,067,358

b. **Motor - reinsurance contracts held**

i. **Reconciliation of the liability for remaining coverage and the liability for incurred claims - Premium Allocation Approach**

	31 December 2024				
	Assets for Remaining Coverage		Asset for incurred claims		
Motor - Reinsurance contracts held	Excluding loss recovery component ₦'000	Loss-recovery component ₦'000	Present value of future cash flows ₦'000	Risk adjustment ₦'000	Total ₦'000
Opening reinsurance contract assets	(8,018)	-	(245,808)	(63,173)	(316,999)
Opening reinsurance contract liabilities	-	-	-	-	-
Net Opening balance	(8,018)		(245,808)	(63,173)	(316,999)
Changes in the statement of profit or loss and OCI					
Allocation of reinsurance premiums paid	202,815	-	-	-	202,815
	202,815	-	-	-	202,815
Net income/ (expenses) from reinsurance contracts held					
Incurred claims recovery	-	-	(31,989)	55,176	23,187
Acquisition income amortised	(20,635)	-	-	-	(20,635)
Changes that relate to future services: loss on onerous contracts and reversals	-		-	-	-
Changes that relate to past services: changes to liabilities for incurred claims (including reinsurer's non-performance risk)	-	-	65,219	(19,433)	45,786
	(20,635)	-	33,230	35,743	48,338
Reinsurance finance expenses/income	-	-	(7,645)	1,731	(5,914)
	-	-	(7,645)	1,731	(5,914)
Total changes in the statement of profit or loss and OCI	182,180	-	25,585	37,474	245,239

31 December 2023				
Assets for Remaining Coverage		Asset for incurred claims		
Excluding loss recovery component ₦'000	Loss-recovery component ₦'000	Present value of future cash flows ₦'000	Risk adjustment ₦'000	Total ₦'000
(362,496)	-	(14,960)	(3,770)	(381,226)
-	-	-	-	-
(362,496)		(14,960)	(3,770)	(381,226)
130,806	-	-	-	130,806
130,806	-	-	-	130,806
-	-	(486,325)	(121,216)	(607,541)
(14,708)	-	-	-	(14,708)
-		-	-	-
-	-	162,533	70,279	232,812
(14,708)	-	(323,792)	(50,937)	(389,437)
-	-	(33,709)	(8,466)	(42,175)
-	-	(33,709)	(8,466)	(42,175)
116,098	-	(357,501)	(59,403)	(300,806)

b. **Motor - reinsurance contracts held**

i. **Reconciliation of the liability for remaining coverage and the liability for incurred claims - Premium Allocation Approach**

Motor - Reinsurance contracts held

	31 December 2024				
	Assets for Remaining Coverage		Asset for incurred claims		
Cash flows	Excluding loss component ₦'000	Loss-component ₦'000	Present value of future cash flows ₦'000	Risk adjustment ₦'000	Total ₦'000
Reinsurance Premiums paid on new contracts - reinsurance premium paid during the year-1	210,350	-	-	-	210,350
Recoveries from reinsurance	-	-	117,423	-	117,423
Acquisition cash flows for ceding commissions	22,652	-	-	-	22,652
	233,002	-	117,423	-	350,425
Non- cash flow Items					
Reinsurance Premiums payable - Amortisation of M&D premium paid in previous period - (2)	(426,491)	-	-	-	(426,491)
Reinsurance Premiums on new contracts (adjustmnet to reinsurance payables during the year- (3)	-	-	-	-	-
Commission receivable - commission on reinsurance contract	-	-	-	-	-
	(426,491)	-	-	-	(426,491)
Closing reinsurance contract assets	(19,326)	-	(102,800)	(25,699)	(147,825)
Closing reinsurance contract liabilities	-	-	-	-	-
Net closing balance	(19,326)	-	(102,800)	(25,699)	(147,825)

31 December 2023				
Assets for Remaining Coverage		Asset for incurred claims		
Excluding loss component ₦'000	Loss-component ₦'000	Present value of future cash flows ₦'000	Risk adjustment ₦'000	Total ₦'000
240,441	-	-	-	240,441
-	-	126,653	-	126,653
7,058	-	-	-	7,058
247,499	-	126,653	-	374,152
(9,119)	-	-	-	(9,119)
-	-	-	-	-
-	-	-	-	-
(9,119)	-	-	-	(9,119)
(8,018)	-	(245,808)	(63,173)	(316,999)
-	-	-	-	-
(8,018)	-	(245,808)	(63,173)	(316,999)

Notes To The Financial Statements Contd

10. Insurance contract liabilities issued/ Reinsurance contracts held
10.2 Portfolios of insurance and reinsurance contract assets and liabilities
10.2.2 Accident
(a) Accident - Insurance contracts issued
(i) Reconciliation of the liability for remaining coverage and the liability for incurred claims - Premium Allocation Approach

	31 December 2024				
	Liabilities for Remaining Coverage		Liability for incurred claims		
	Excluding loss component ₦'000	Loss-component ₦'000	Present value of future cash flows ₦'000	Risk adjustment ₦'000	Total ₦'000
Opening insurance contract assets	-	-	-	-	-
Opening insurance contract liabilities	867,994		1,717,392	195,783	2,781,169
Net Opening balance	867,994	-	1,717,392	195,783	2,781,169
Changes in the statement of profit or loss and OCI Insurance revenue					
Insurance revenue	(7,060,109)	-	-	-	(7,060,109)
	(7,060,109)	-	-	-	(7,060,109)
Insurance service expenses					
Incurred claims	-	-	905,446	(75,632)	829,814
Other incurred insurance service expense	-	-	320,586	-	320,586
Acquisition expenses	991,272	-	-	-	991,272
Changes that relate to future services: Losses on onerous groups of contracts and reversals	-	-	-	-	-
Changes that relate to past services: changes to liabilities for incurred claims (including reinsurer's non-performance risk)	-	-	2,279,843	167,764	2,447,607
	991,272	-	3,505,875	92,132	4,589,279
Insurance finance expenses					
Insurance finance expenses	-	-	(242,711)	(38,068)	(280,779)
	-	-	(242,711)	(38,068)	(280,779)
Total changes in the statement of profit or loss and OCI	(6,068,837)	-	3,263,164	54,064	(2,751,609)

31 December 2023				
Liabilities for Remaining Coverage		Liability for incurred claims		
Excluding loss component ₦'000	Loss-component ₦'000	Present value of future cash flows ₦'000	Risk adjustment ₦'000	Total ₦'000
-	-	-	-	-
610,703		968,227	168,471	1,747,401
610,703	-	968,227	168,471	1,747,401
(5,088,841)	-	-	-	(5,088,841)
(5,088,841)	-	-	-	(5,088,841)
-	-	734,517	(69,157)	665,360
-	-	136,659	-	136,659
747,279	-	-	-	747,279
-	-	-	-	-
-	-	1,236,713	119,434	1,356,147
747,279	-	2,107,889	50,277	2,905,445
-	-	(136,451)	(22,965)	(159,416)
-	-	(136,451)	(22,965)	(159,416)
(4,341,562)	-	1,971,438	27,312	(2,342,812)

10. Insurance contract liabilities issued/ Reinsurance contracts held

10.2 Portfolios of insurance and reinsurance contract assets and liabilities

10.2.2 Accident

(a) Accident - Insurance contracts issued

(i) Reconciliation of the liability for remaining coverage and the liability for incurred claims - Premium Allocation Approach

	31 December 2024				
	Liabilities for Remaining Coverage		Liability for incurred claims		
Cash flows	Excluding loss component ₦'000	Loss-component ₦'000	Present value of future cash flows ₦'000	Risk adjustment ₦'000	Total ₦'000
Premiums received- premium from insurance contract (1)	6,186,320	-	-	-	6,186,320
Claims paid	-	-	(2,159,817)	-	(2,159,817)
Directly attributables expenses paid	-	-	(271,276)	-	(271,276)
Acquisition cash flows paid	(1,061,933)	-	-	-	(1,061,933)
	5,124,387	-	(2,431,093)	-	2,693,294
Non- cashflow Items					
Premiums received- premium from insurance contract (2)	1,558,084	-	-	-	1,558,084
Premiums on new insurance contract(adjustment to premium receivables during the year)	(12,625)			-	(-12,625)
	1,545,459	-	-	-	1,545,459
Closing insurance contract assets	-	-	-	-	-
Closing insurance contract liabilities	1,469,003	-	2,549,463	249,847	4,268,313
Net closing balance	1,469,003	-	2,549,463	249,847	4,268,313

31 December 2023				
Liabilities for Remaining Coverage		Liability for incurred claims		
Excluding loss component ₦'000	Loss-component ₦'000	Present value of future cash flows ₦'000	Risk adjustment ₦'000	Total ₦'000
4,662,019	-	-	-	5,339,185
-	-	(1,001,867)	-	(1,001,867)
-	-	(220,406)	-	(220,406)
(768,944)	-	-	-	(768,944)
3,893,075	-	(1,222,273)	-	3,347,968
699,535	-	-	-	699,535
6,243				6,243
705,778	-	-	-	705,778
-	-	-	-	-
867,994	-	1,717,392	195,783	2,781,169
867,994	-	1,717,392	195,783	2,781,169

Notes To The Financial Statements Contd

b. Accident - reinsurance contracts held

i. Reconciliation of the liability for remaining coverage and the liability for incurred claims - Premium Allocation Approach

	31 December 2024				
	Assets for Remaining Coverage		Asset for incurred claims		
	Excluding loss recovery component ₦'000	Loss-recovery component ₦'000	Present value of future cash flows ₦'000	Risk adjustment ₦'000	Total ₦'000
Opening reinsurance contract assets	(527,427)	-	(68,050)	(17,490)	(612,967)
Opening reinsurance contract liabilities					
Net Opening balance	(527,427)	-	(68,050)	(17,490)	(612,967)
Changes in the statement of profit or loss and OCI					
Allocation of reinsurance premiums paid	4,010,651	-	-	-	4,010,651
	4,010,651	-	-	-	4,010,651
Net income/ (expenses) from reinsurance contracts held					
Incurred claims recovery	-	-	(565,998)	(124,010)	(690,008)
Acquisition income amortised	(354,843)	-	-	-	(354,843)
Changes that relate to future services: loss on onerous contracts and reversals	-	-	-	-	-
Changes that relate to past services: changes to liabilities for incurred claims (including reinsurer's non-performance risk)	-	-	(10,693)	(5,991)	(16,684)
	(354,843)	-	(576,691)	(130,001)	(1,061,535)
Reinsurance finance expenses/income	-	-	(6,530)	382	(6,148)
	-	-	(6,530)	382	(6,148)
Total changes in the statement of profit or loss and OCI	3,655,808	-	(583,221)	(129,619)	2,942,968

31 December 2023				
Assets for Remaining Coverage		Asset for incurred claims		
Excluding loss recovery component ₦'000	Loss-recovery component ₦'000	Present value of future cash flows ₦'000	Risk adjustment ₦'000	Total ₦'000
(540,232)	-	(132,939)	(33,501)	(706,672)
(540,232)	-	(132,939)	(33,501)	(706,672)
2,690,453	-	-	-	2,690,453
2,690,453	-	-	-	2,690,453
-	-	(41,607)	22,808	(18,799)
(323,010)	-	-	-	(323,010)
-	-	-	-	-
-	-	45,826	(13,468)	32,358
(323,010)	-	4,219	9,340	(309,451)
-	-	18,891	6,671	25,562
-	-	18,891	6,671	25,562
2,367,443	-	23,110	16,011	2,406,564

b. Accident - reinsurance contracts held

i. Reconciliation of the liability for remaining coverage and the liability for incurred claims - Premium Allocation Approach

	31 December 2024				
	Assets for Remaining Coverage		Asset for incurred claims		
Cash flows	Excluding loss recovery component ₦'000	Loss-recovery component ₦'000	Present value of future cash flows ₦'000	Risk adjustment ₦'000	Total ₦'000
Reinsurance Premiums paid - reinsurance premium on reinsurance contract-1	(4,285,792)	-	-	-	(4,285,792)
Recoveries from reinsurance	-	-	62,839	-	62,839
Acquisition cash flows for ceding commissions	423,985	-	-	-	423,985
	(3,861,807)	-	62,839	-	(3,798,968)
Non- cash flow Items					
Reinsurance Premiums payable - Amortisation of M&D premium paid in previous period - (2)	(15,214)	-	-	-	(15,214)
Reinsurance Premiums on new contracts (adjustment to reinsurance payables during the year- (3)	-	-	-	-	-
Commission receivable - commission on reinsurance contract	-	-	-	-	-
	(15,214)	-	-	-	(15,214)
Closing reinsurance contract assets	(748,641)	-	(588,432)	(147,109)	(1,484,182)
Closing reinsurance contract liabilities		-			
Net closing balance	(748,641)	-	(588,432)	(147,109)	(1,484,182)

Notes To The Financial Statements Contd

31 December 2023				
Assets for Remaining Coverage		Asset for incurred claims		
Excluding loss recovery component ₦'000	Loss-recovery component ₦'000	Present value of future cash flows ₦'000	Risk adjustment ₦'000	Total ₦'000
(2,647,956)	-	-	-	(2,647,956)
-	-	41,779	-	41,779
299,777	-	-	-	299,777
(2,348,179)	-	41,779	-	(2,306,400)
(6,460)	-	-	-	(6,460)
-	-	-	-	-
-	-	-	-	-
(6,459.81)	-	-	-	(6,459.81)
(527,427)	-	(68,050)	(17,490)	(612,967)
	-			
(527,427)	-	(68,050)	(17,490)	(612,967)

10 Insurance contract liabilities issued/ Reinsurance contracts held
10.2 Portfolios of insurance and reinsurance contract assets and liabilities
10.2.3 Bond
(a) Bond - Insurance contracts issued
(i) Reconciliation of the liability for remaining coverage and the liability for incurred claims - Premium Allocation Approach

	31 December 2024				
	Liabilities for Remaining Coverage		Liability for incurred claims		
Bond - Insurance contracts issued	Excluding loss component ₦'000	Loss-component ₦'000	Present value of future cash flows ₦'000	Risk adjustment ₦'000	Total ₦'000
Opening insurance contract assets	-	-	-	-	-
Opening insurance contract liabilities	4,990		2,765	316	8,071
Net Opening balance	4,990	-	2,765	316	8,071
Changes in the statement of profit or loss and OCI					
Insurance revenue					
Insurance revenue	(44,800)	-	-	-	(44,800)
	(44,800)	-	-	-	(44,800)
Insurance service expenses					
Incurred claims	-	-	289	9	298
Other incurred insurance service expense	-	-	3,021	-	3,021
Acquisition expenses	7,319	-	-	-	7,319
Changes that relate to future services: Losses on onerous groups of contracts and reversals	-	-	-	-	-
Changes that relate to past services: changes to liabilities for incurred claims (including reinsurer's non-performance risk)	-	-	1,780	243	2,023
	7,319	-	5,090	252	12,661
Insurance finance expenses					
Insurance finance expenses	-	-	21	(14)	7
	-	-	21	(14)	7
Total changes in the statement of profit or loss and OCI	(37,481)	-	5,111	238	

31 December 2023				
Liabilities for Remaining Coverage		Liability for incurred claims		
Excluding loss component ₦'000	Loss-component ₦'000	Present value of future cash flows ₦'000	Risk adjustment ₦'000	Total ₦'000
-	-	-	-	-
11,743		2,240	390	14,373
11,743	-	2,240	390	14,373
(31,441)	-	-	-	(31,441)
(31,441)	-	-	-	(31,441)
-	-	970	132	838
-	-	1,288	-	1,288
2,785	-	-	-	2,785
-	-	-	-	-
-	-	(924)	62	(862)
2,785	-	1,334	(70)	4,049
-	-	70	(4)	66
-	-	70	(4)	66
(28,656)	**-**	**1,404**	**(74)**	

10.3. Bond

a. Bond - Insurance contracts issued

i. Reconciliation of the liability for remaining coverage and the liability for incurred claims - Premium Allocation Approach

	31 December 2024				
	Liabilities for Remaining Coverage		Liability for incurred claims		
	Excluding loss component ₦'000	Loss-component ₦'000	Present value of future cash flows ₦'000	Risk adjustment ₦'000	Total ₦'000
Cash flows					
Premiums received- premium from insurance contract (1)	65,762	-	-	-	65,762
Claims paid			-	-	-
Directly attributables expenses paid	-	-	(2,233)	-	(2,233)
Acquisition cash flows paid	(13,656)	-	-	-	(13,656)
	52,106	-	(2,233)	-	49,873
Non- cashflow Items					
Premiums received- premium from insurance contract (2)	9,887	-	-	-	9,887
Premiums on new insurance contract(adjustment to premium receivables during the year)	-	-	-	-	-
	9,887	-	-	-	9,887
Closing insurance contract assets	-	-	-	-	-
Closing insurance contract liabilities	29,502	-	5,643	554	35,699
Net closing balance	**29,502**	**-**	**5,643**	**554**	**35,699**

31 December 2023				
Liabilities for Remaining Coverage		Liability for incurred claims		
Excluding loss component ₦'000	Loss-component ₦'000	Present value of future cash flows ₦'000	Risk adjustment ₦'000	Total ₦'000
20,348	-	-	-	20,348
-		(35)	-	(35)
-	-	(844)	-	(844)
(2,885)	-	-	-	(2,885)
17,463	-	(879)	-	16,584
4,440	-	-	-	4,440.00
	-	-	-	-
-				
4,440	-	-	-	4,440
-	-	-	-	-
4,990	-	2,765	316	8,071
4,990	**-**	**2,765**	**316**	**8,071**

b. **Bond - reinsurance contracts held**

i. **Reconciliation of the liability for remaining coverage and the liability for incurred claims - Premium Allocation Approach**

	31 December 2024				
	Assets for Remaining Coverage		Asset for incurred claims		
	Excluding loss recovery component ₦'000	Loss-recovery component ₦'000	Present value of future cash flows ₦'000	Risk adjustment ₦'000	Total ₦'000
Opening reinsurance contract assets	(1,183)	-	(1,309)	(336)	(2,828)
Opening reinsurance contract liabilities		-			
Net Opening balance	(1,183)		(1,309)	(336)	(2,828)
Changes in the statement of profit or loss and OCI					
Allocation of reinsurance premiums paid	8,339	-	-	-	8,339
	8,339	-	-	-	8,339
Net income/ (expenses) from reinsurance contracts held					
Incurred claims recovery	-	-	(172)	293	121
Acquisition income amortised	(2,085)	-	-	-	(2,085)
Changes that relate to future services: Losses on onerous groups of contracts and reversals	-	-	-	-	-
Changes that relate to past services: changes to liabilities for incurred claims (including reinsurer's non-performance risk)	-	-	705	(99)	606
	(2,085)	-	533	194	(1,358)
Reinsurance finance expenses/income	-	-	61	35	96
	-	-	61	35	96
Total changes in the statement of profit or loss and OCI	**6,254**	**-**	**594**	**229**	**7,077**

31 December 2023				
Assets for Remaining Coverage		Asset for incurred claims		
Excluding loss recovery component ₦'000	Loss-recovery component ₦'000	Present value of future cash flows ₦'000	Risk adjustment ₦'000	Total ₦'000
(5,650)	-	(145)	(36)	(5,831)
	-			
(5,650)		(145)	(36)	(5,831)
11,121	-	-	-	11,121
11,121	-	-	-	11,121
-	-	(24)	30	6
(3,336)	-	-	-	(3,336)
-	-	-	-	-
-	-	(1,210)	(350)	(1,560)
(3,336)	-	(1,234)	(320)	(4,890)
-	-	70	20	90
-	-	70	20	90
7,785	**-**	**(1,164)**	**(300)**	**6,321**

b. **Bond - reinsurance contracts held**

i. **Reconciliation of the liability for remaining coverage and the liability for incurred claims - Premium Allocation Approach**

	31 December 2024				
	Assets for Remaining Coverage		Asset for incurred claims		
Cash flows	Excluding loss component ₦'000	Loss-component ₦'000	Present value of future cash flows ₦'000	Risk adjustment ₦'000	Total ₦'000
Reinsurance Premiums paid - reinsurance premium on reinsurance contract-1	(11,226)		-	-	(11,226)
Recoveries from reinsurance	-	-	287	-	287
Acquisition cash flows for ceding commissions	3,668	-	-	-	3,668
	(7,558)	-	287	-	(7,271)
Non- cash flow Items					
Reinsurance Premiums payable - Amortisation of M&D premium paid in previous period - (2)	(97)	-	-	-	(97)
Reinsurance Premiums on new contracts (adjustment to reinsurance payables during the year- (3)	-	-	-	-	-
Commission receivable - commission on reinsurance contract	-	-	-	-	-
	(97)	-	-	-	(97)
Closing reinsurance contract assets	(2,583)		(428)	(107)	(3,118)
Closing reinsurance contract liabilities		-		-	
Net closing balance	**(2,583)**	**-**	**(428)**	**(107)**	**(3,118)**

31 December 2023				
Assets for Remaining Coverage		Asset for incurred claims		
Excluding loss component ₦'000	Loss-component ₦'000	Present value of future cash flows ₦'000	Risk adjustment ₦'000	Total ₦'000
(5,097)		-	-	(5,097)
-	-	-	-	-
1,820	-	-	-	1,820
(3,277)	-	-	-	(3,277)
(41)	-			
		-	-	(41)
-	-	-	-	-
-	-	-	-	-
(41)	-	-	-	(41)
(1,183)		(1,309)	(336)	(2,828)
	-			
(1,183)	**-**	**(1,309)**	**(336)**	**(2,828)**

Notes To The Financial Statements Contd

10 Insurance contract liabilities issued/ Reinsurance contracts held
10.2 Portfolios of insurance and reinsurance contract assets and liabilities
10.2.4 Marine
(a) Marine - Insurance contracts issued
(i) Reconciliation of the liability for remaining coverage and the liability for incurred claims - Premium Allocation Approach

	31 December 2024				
	Liabilities for Remaining Coverage		Liability for incurred claims		
	Excluding loss component ₦'000	Loss-component ₦'000	Present value of future cash flows ₦'000	Risk adjustment ₦'000	Total ₦'000
Opening insurance contract assets					-
Opening insurance contract liabilities	251,529	-	497,844	56,754	806,127
Net Opening balance	251,529	-	497,844	56,754	806,127
Changes in the statement of profit or loss and OCI					
Insurance revenue					
Insurance revenue	(4,299,723)	-	-	-	(4,299,723)
	(4,299,723)	-	-	-	(4,299,723)
Insurance service expenses					
Incurred claims	-	-	286,773	(11,086)	275,687
Other incurred insurance service expense	-	-	179,229	-	179,229
Acquisition expenses	774,928	-	-	-	774,928
Changes that relate to future services: Losses on onerous groups of contracts and reversals	-	-	-	-	-
Changes that relate to past services: changes to liabilities for incurred claims (including reinsurer's non-performance risk)	-	-	742,284	56,474	798,758
	774,928	-	1,208,286	45,388	2,028,602
Insurance finance expenses					
Insurance finance expenses	-	-	(22,996)	(6,212)	(29,208)
	-	-	(22,996)	(6,212)	(29,208)
Total changes in the statement of profit or loss and OCI	**(3,524,795)**	**-**	**1,185,290**	**39,176**	**(2,300,329)**

31 December 2023				
Liabilities for Remaining Coverage		Liability for incurred claims		
Excluding loss component ₦'000	Loss-component ₦'000	Present value of future cash flows ₦'000	Risk adjustment ₦'000	Total ₦'000
				-
99,574	-	467,845	81,405	648,824
99,574	-	467,845	81,405	648,824
(1,672,080)	-	-	-	(1,672,080)
(1,672,080)	-	-	-	(1,672,080)
-	-	144,720	(56,197)	88,523
-	-	76,401	-	76,401
282,226	-	-	-	282,226
-	-	-	-	-
-	-	163,048	36,111	199,159
282,226	-	384,169	(20,086)	646,309
-	-	(13,461)	(4,565)	(18,026)
-	-	(13,461)	(4,565)	(18,026)
(1,389,854)	**-**	**370,708**	**(24,651)**	**(1,043,797)**

10.4. Marine

a. Marine - Insurance contracts issued

i. Reconciliation of the liability for remaining coverage and the liability for incurred claims - Premium Allocation Approach

	31 December 2024				
	Liabilities for Remaining Coverage		Liability for incurred claims		
Cash flows	Excluding loss component ₦'000	Loss-component ₦'000	Present value of future cash flows ₦'000	Risk adjustment ₦'000	Total ₦'000
Premiums received- premium from insurance contract (1)	3,440,242	-	-	-	3,440,242
Claims paid	-	-	(522,025)	-	(522,025)
Directly attributables expenses paid	-	-	(182,235)	-	(182,235)
Acquisition cash flows paid	(809,095)	-	-	-	(809,095)
	2,631,147	-	(704,260)	-	1,926,887
Non- cashflow Items					
Premiums received- premium from insurance contract (2)	948,899	-	-	-	948,899
Premiums on new insurance contract(adjustment to premium receivables during the year)	37,314	-	-	-	37,314
	986,213	-	-	-	986,213
Closing insurance contract assets	-	-	-	-	-
Closing insurance contract liabilities	344,094	-	978,874	95,930	1,418,898
Net closing balance	**344,094**	**-**	**978,874**	**95,930**	**1,418,898**

Notes To The Financial Statements Contd

31 December 2023				
Liabilities for Remaining Coverage		Liability for incurred claims		
Excluding loss component ₦'000	Loss-component ₦'000	Present value of future cash flows ₦'000	Risk adjustment ₦'000	Total ₦'000
1,451,219	-	-	-	1,451,219
-	-	(252,174)	-	(252,174)
-	-	(88,535)	-	(88,535)
(311,631)	-	-	-	(311,631)
1,139,588	-	(340,709)	-	798,879
426,028	-	-	-	426,028
(23,807)	-	-	-	23,807
402,221	-	-	-	402,221
-	-	-	-	-
251,529	-	497,844	56,754	806,127
251,529	**-**	**497,844**	**56,754**	**806,127**

(b) **Portfolios of insurance and reinsurance contract assets and liabilities - reinsurance contracts held**
(i) **Reconciliation of the liability for remaining coverage and the liability for incurred claims - Premium Allocation Approach**
Marine - Reinsurance contracts held

	31 December 2024				
	Assets for Remaining Coverage		Asset for incurred claims		
	Excluding loss recovery component ₦'000	Loss-recovery component ₦'000	Present value of future cash flows ₦'000	Risk adjustment ₦'000	Total ₦'000
Opening reinsurance contract assets	(159,386)	-	(374,456)	(96,235)	(630,077)
Opening reinsurance contract liabilities		-			
Net Opening balance	(159,386)		(374,456)	(96,235)	(630,077)
Changes in the statement of profit or loss and OCI					
Allocation of reinsurance premiums paid	1,983,618	-	-	-	1,983,618
	1,983,618	-	-	-	1,983,618
Net income/ (expenses) from reinsurance contracts held					
Incurred claims recovery	-	-	(249,221)	33,930	(215,291)
Acquisition income amortised	(214,655)	-	-	-	(214,655)
Changes that relate to future services: Losses on onerous groups of contracts and reversals	-	-	-	-	-
Changes that relate to past services: changes to liabilities for incurred claims (including reinsurer's non-performance risk)	-	-	(65,751)	(50,091)	(115,842)
	(214,655)	-	(314,972)	(16,161)	(545,788)
Reinsurance finance expenses/income	-	-	(5,112)	5,253	141
	-	-	(5,112)	5,253	141
Total changes in the statement of profit or loss and OCI	**1,768,963**	**-**	**(320,084)**	**(10,908)**	**1,437,971**

31 December 2023				
Assets for Remaining Coverage		Asset for incurred claims		
Excluding loss recovery component ₦'000	Loss-recovery component ₦'000	Present value of future cash flows ₦'000	Risk adjustment ₦'000	Total ₦'000
(175,866)	-	(178,463)	(44,973)	(399,302)
	-			
(175,866)		(178,463)	(44,973)	(399,302)
763,079	-	-	-	763,079
763,079	-	-	-	763,079
-	-	(47,490)	32,768	(14,722)
(118,513)	-	-	-	(118,513)
-	-	-	-	-
-	-	(292,873)	(91,422)	(384,295)
(118,513)	-	(340,363)	(58,654)	(517,530)
-	-	18,369	7,392	25,761
-	-	18,369	7,392	25,761
644,566	**-**	**(321,994)**	**(51,262)**	**271,310**

(b) **Portfolios of insurance and reinsurance contract assets and liabilities - reinsurance contracts held**

(i) **Reconciliation of the liability for remaining coverage and the liability for incurred claims - Premium Allocation Approach**

Marine - Reinsurance contracts held

	31 December 2024				
	Assets for Remaining Coverage		Asset for incurred claims		
Cash flows	Excluding loss component ₦'000	Loss-component ₦'000	Present value of future cash flows ₦'000	Risk adjustment ₦'000	Total ₦'000
Reinsurance Premiums paid - reinsurance premium on reinsurance contract-1	(1,838,609)		-	-	(1,838,609)
Recoveries from reinsurance	-	-	265,971	-	265,971
Acquisition cash flows for ceding commissions	219,903	-	-	-	219,903
	(1,618,706)	-	265,971	-	(1,352,735)
Non- cash flow Items					
Reinsurance Premiums payable - Amortisation of M&D premium paid in previous period - (2)	(9,266)	-	-	-	(9,266)
Reinsurance Premiums on new contracts (adjustment to reinsurance payables during the year- (3)	-	-	-	-	-
Commission receivable - commission on reinsurance contract	-	-	-	-	-
	(9,266)	-	-	-	(9,266)
Closing reinsurance contract assets	(18,395)		(428,569)	(107,143)	(554,107)
Closing reinsurance contract liabilities		-			
Net closing balance	**(18,395)**	**-**	**(428,569)**	**(107,143)**	**(554,107)**

Notes To The Financial Statements Contd

31 December 2023				
Assets for Remaining Coverage		Asset for incurred claims		
Excluding loss component ₦'000	Loss-component ₦'000	Present value of future cash flows ₦'000	Risk adjustment ₦'000	Total ₦'000
(755,211)		-	-	(755,211)
-	-	126,001	-	126,001
131,059	-	-	-	131,059
(624,152)	-	126,001	-	(498,151)
(3,934)	-	-	-	(3,934)
-	-	-	-	-
-	-	-	-	-
(3,934)	-	-	-	(3,934)
(159,386)	-	(374,456)	(96,235)	(630,077)
(159,386)	**-**	**(374,456)**	**(96,235)**	**(630,077)**

Notes To The Financial Statements Contd

10 Insurance contract liabilities issued/ Reinsurance contracts held
10.2 Portfolios of insurance and reinsurance contract assets and liabilities
10.2.5 Aviation
(a) Aviation - Insurance contracts issued
(i) Reconciliation of the liability for remaining coverage and the liability for incurred claims - Premium Allocation Approach

	31 December 2024				
	Liabilities for Remaining Coverage		Liability for incurred claims		
	Excluding loss component ₦'000	Loss-component ₦'000	Present value of future cash flows ₦'000	Risk adjustment ₦'000	Total ₦'000
Opening insurance contract assets					-
Opening insurance contract liabilities	41,114	-	67,114	7,651	115,879
Net Opening balance	41,114	-	67,114	7,651	115,879
Changes in the statement of profit or loss and OCI					
Insurance revenue					
Insurance revenue	(608,328)	-	-	-	(608,328)
	(608,328)	-	-	-	(608,328)
Insurance service expenses					
Incurred claims	-	-	145,564	9,350	154,914
Other incurred insurance service expense	-	-	27,914	-	27,914
Acquisition expenses	107,507	-	-	-	107,507
Changes that relate to future services: Losses on onerous groups of contracts and reversals	-	-	-	-	-
Changes that relate to past services: changes to liabilities for incurred claims (including reinsurer's non-performance risk)	-	-	541,066	27,172	568,238
	107,507	-	714,544	36,522	858,573
Insurance finance expenses					
Insurance finance expenses	-	-	(18,232)	(2,230)	(20,462)
	-	-	(18,232)	(2,230)	(20,462)
Total changes in the statement of profit or loss and OCI	**(500,821)**	**-**	**696,312**	**34,292**	

31 December 2023				
Liabilities for Remaining Coverage		Liability for incurred claims		
Excluding loss component ₦'000	Loss-component ₦'000	Present value of future cash flows ₦'000	Risk adjustment ₦'000	Total ₦'000
				-
21,340	-	16,756	2,915	41,011
21,340	-	16,756	2,915	41,011
(228,223)	-	-	-	(228,223)
(228,223)	-	-	-	(228,223)
-	-	9,858	(435)	9,423
-	-	11,899	-	11,899
27,920	-	-	-	27,920
-	-	-	-	-
-	-	59,155	5,581	64,736
27,920	-	80,912	5,146	113,978
-	-	(2,223)	(410)	(2,633)
-	-	(2,223)	(410)	(2,633)
(200,303)	**-**	**78,689**	**4,736**	

10 Insurance contract liabilities issued/ Reinsurance contracts held

10.2 Portfolios of insurance and reinsurance contract assets and liabilities

10.2.5 Aviation

(a) Aviation - Insurance contracts issued

(i) Reconciliation of the liability for remaining coverage and the liability for incurred claims - Premium Allocation Approach

	31 December 2024				
	Liabilities for Remaining Coverage		Liability for incurred claims		
Cash flows	Excluding loss component ₦'000	Loss-component ₦'000	Present value of future cash flows ₦'000	Risk adjustment ₦'000	Total ₦'000
Premiums received- premium from insurance contract (1)	523,494	-	-	-	523,494
Claims paid	-	-	(316,431)		(316,431)
Directly attributables expenses paid	-	-	(19,011)	-	(19,011)
Acquisition cash flows paid	(113,472)	-	-	-	(113,472)
	410,022	-	(335,442)	-	74,580
Non- cashflow Items					
Premiums received- premium from insurance contract (2)	134,251	-	-	-	134,251
Premiums on new insurance contract(adjustment to premium receivables during the year)	8,380			-	8,380
	125,871	-	-	-	125,871
Closing insurance contract assets	-	-	-	-	-
Closing insurance contract liabilities	76,186	-	427,984	41,943	546,113
Net closing balance	**76,186**	**-**	**427,984**	**41,943**	**546,113**

31 December 2023				
Liabilities for Remaining Coverage		Liability for incurred claims		
Excluding loss component ₦'000	Loss-component ₦'000	Present value of future cash flows ₦'000	Risk adjustment ₦'000	Total ₦'000
186,410	-	-	-	186,410
-	-	(19,752)	-	(19,752)
-	-	(8,579)	-	(8,579)
(32,062)	-	-	-	(32,062)
154,348	-	(28,331)	-	126,017
60,275	-	-	-	60,275
5,455				5,455
65,729	-	-	-	65,729
-	-	-	-	-
41,114	-	67,114	7,651	115,879
41,114	**-**	**67,114**	**7,651**	**115,879**

(b) **Aviation - reinsurance contracts held**

(i) **Reconciliation of the liability for remaining coverage and the liability for incurred claims - Premium Allocation Approach**

	31 December 2024				
	Assets for Remaining Coverage		Asset for incurred claims		
	Excluding loss recovery component ₦'000	Loss-recovery component ₦'000	Present value of future cash flows ₦'000	Risk adjustment ₦'000	Total ₦'000
Opening reinsurance contract assets	(19,012)	-	-	-	(19,012)
Opening reinsurance contract liabilities	-	-	-	-	-
Net Opening balance	(19,012)	-	-	-	(19,012)
Changes in the statement of profit or loss and OCI					
Allocation of reinsurance premiums paid	47,951	-	-	-	47,951
	47,951	-	-	-	47,951
Net income/ (expenses) from reinsurance contracts held					
Incurred claims recovery	-	-	-	-	-
Acquisition income amortised	(3,867)	-	-	-	(3,867)
Changes that relate to future services: Losses on onerous groups of contracts and reversals	-	-	-	-	-
Changes that relate to past services: changes to liabilities for incurred claims (including reinsurer's non-performance risk)	-	-	-	-	-
	(3,867)	-	-	-	(3,867)
Reinsurance finance expenses/income	-	-	-	-	-
	-	-	-	-	-
Total changes in the statement of profit or loss and OCI	**44,084**	-	-	-	**44,084**

31 December 2023					
Assets for Remaining Coverage		Asset for incurred claims			
Excluding loss recovery component ₦'000	Loss-recovery component ₦'000	Present value of future cash flows ₦'000	Risk adjustment ₦'000	Total ₦'000	
(28,897)	-	-	-	(28,897)	
-	-	-	-	-	
(28,897)	-	-	-	(28,897)	
38,147	-	-	-	38,147	
38,147	-	-	-	38,147	
-	-	-	-	-	
(5,771)	-	-	-	(5,771)	
-	-	-	-	-	
-	-	-	-	-	
(5,771)	-	-	-	(5,771)	
-	-	-	-	-	
-	-	-	-	-	
32,376	-	-	-	**32,376**	

(b) **Aviation - reinsurance contracts held**

(i) **Reconciliation of the liability for remaining coverage and the liability for incurred claims - Premium Allocation Approach**

	31 December 2024				
	Assets for Remaining Coverage		Asset for incurred claims		
Cash flows	Excluding loss component ₦'000	Loss-component ₦'000	Present value of future cash flows ₦'000	Risk adjustment ₦'000	Total ₦'000
Reinsurance Premiums paid - reinsurance premium on reinsurance contract-1	(899)	-	-	-	(899)
Recoveries from reinsurance	-	-	-	-	-
Acquisition cash flows for ceding commissions	-	-	-	-	-
	(899)	-	-	-	(899)
Non- cash flow Items					
Reinsurance Premiums payable - Amortisation of M&D premium paid in previous period - (2)	(26,033)	-	-	-	(26,033)
Reinsurance Premiums on new contracts (adjustmnet to reinsurance payables during the year- (3)	-	-	-	-	-
Commission receivable - commission on reinsurance contract	-	-	-	-	-
	(26,033)	-	-	-	(26,033)
Closing reinsurance contract assets	(1,860)	-	-	-	(1,860)
Closing reinsurance contract liabilities					
Net closing balance	**(1,860)**	-	-	-	**(1,860)**

31 December 2023				
Assets for Remaining Coverage		Asset for incurred claims		
Excluding loss component ₦'000	Loss-component ₦'000	Present value of future cash flows ₦'000	Risk adjustment ₦'000	Total ₦'000
(29,055)	-	-	-	(29,055)
-	-	-	-	-
7,120	-	-	-	7,120
(21,935)	-	-	-	(21,935)
(557)	-	-	-	(557)
-	-	-	-	-
-	-	-	-	-
(557)	-	-	-	(557)
(19,012)	-	-	-	(19,012)
(19,012)	-	-	-	**(19,012)**

10 Insurance contract liabilities issued/ Reinsurance contracts held
10.2 Portfolios of insurance and reinsurance contract assets and liabilities
10.2.6 Fire
(a) Fire - Insurance contracts issued
(i) Reconciliation of the liability for remaining coverage and the liability for incurred claims - Premium Allocation Approach

	31 December 2024				
	Liabilities for Remaining Coverage		Liability for incurred claims		
Fire - Insurance contracts issued	Excluding loss component ₦'000	Loss-component ₦'000	Present value of future cash flows ₦'000	Risk adjustment ₦'000	Total ₦'000
Opening insurance contract assets	-	-	-	-	-
Opening insurance contract liabilities	3,200,580	-	2,893,361	329,842	6,423,783
Net Opening balance	3,200,580	-	2,893,361	329,842	6,423,783
Changes in the statement of profit or loss and OCI					
Insurance revenue					
Insurance revenue	(19,347,408)	-	-	-	(19,347,408)
	(19,347,408)	-	-	-	(19,347,408)
Insurance service expenses					
Incurred claims	-	-	1,973,569	(49,916)	1,923,653
Other incurred insurance service expense	-	-	882,835	-	882,835
Acquisition expenses	1,756,057	-	-	-	1,756,057
Changes that relate to future services: Losses on onerous groups of contracts and reversals	-	-	-	-	-
Changes that relate to past services: changes to liabilities for incurred claims (including reinsurer's non-performance risk)	-	-	2,611,730	261,527	2,873,257
	1,756,057	-	5,468,134	211,611	7,435,802
Insurance finance expenses					
Insurance finance expenses	-	-	(24,379)	(24,253)	(48,632)
	-	-	(24,379)	(24,253)	
Total changes in the statement of profit or loss and OCI	**(17,591,351)**	-	**5,443,755**	**187,358**	**(11,911,606)**

31 December 2023				
Liabilities for Remaining Coverage		Liability for incurred claims		
Excluding loss component ₦'000	Loss-component ₦'000	Present value of future cash flows ₦'000	Risk adjustment ₦'000	Total ₦'000
-	-	-	-	-
2,453,739	-	1,995,550	347,225	4,796,514
2,453,739	-	1,995,550	347,225	4,796,514
(12,044,682)	-	-	-	(12,044,682)
(12,044,682)	-	-	-	(12,044,682)
-	-	1,093,665	(179,646)	914,019
-	-	376,333	-	376,333
1,242,258	-	-	-	1,242,258
-	-	-	-	-
-	-	2,320,397	181,564	2,501,961
1,242,258	-	3,790,395	1,918	5,034,571
-	-	(53,083)	(19,301)	(72,384)
-	-	(53,083)	(19,301)	
(10,802,424)	-	**3,737,312**	**(17,383)**	**(7,010,111)**

10 Insurance contract liabilities issued/ Reinsurance contracts held
10.2 Portfolios of insurance and reinsurance contract assets and liabilities
10.2.6 Fire
(a) Fire - Insurance contracts issued
(i) Reconciliation of the liability for remaining coverage and the liability for incurred claims - Premium Allocation Approach

	31 December 2024				
	Liabilities for Remaining Coverage		Liability for incurred claims		
Cash flows	Excluding loss component ₦'000	Loss-component ₦'000	Present value of future cash flows ₦'000	Risk adjustment ₦'000	Total ₦'000
Premiums received- premium from insurance contract (1)	17,078,624	-	-	-	17,078,624
Claims paid	-	-	(2,289,598)	-	(2,289,598)
Directly attributables expenses paid	-	-	(769,954)	-	(769,954)
Acquisition cash flows paid	(1,971,449)	-	-	-	(1,971,449)
	15,107,175	-	(3,059,552)	-	12,047,623
Non- cashflow Items					
Premiums received- premium from insurance contract (2)	4,269,748	-	-	-	4,269,748
Premiums on new insurance contract(adjustment to premium receivables during the year)	2,405	-	-	-	2,405
	4,267,343	-	-	-	4,267,343
Closing insurance contract assets	-	-	-	-	-
Closing insurance contract liabilities	4,983,747	-	5,277,564	517,200	10,778,511
Net closing balance	**4,983,747**	**-**	**5,277,564**	**517,200**	**10,778,511**

31 December 2023				
Liabilities for Remaining Coverage		Liability for incurred claims		
Excluding loss component ₦'000	Loss-component ₦'000	Present value of future cash flows ₦'000	Risk adjustment ₦'000	Total ₦'000
10,936,615	-	-	-	10,936,615
-	-	(2,274,019)	-	(2,274,019)
-	-	(565,482)	-	(565,482)
(1,342,570)	-	-	-	(1,342,570)
9,594,045	-	(2,839,501)	-	6,754,544
1,916,994	-	-	-	1,916,994
38,227	-	-	-	38,227
1,955,221	-	-	-	1,955,221
-	-	-	-	-
3,200,580	-	2,893,361	329,842	6,423,783
3,200,580	-	**2,893,361**	**329,842**	**6,423,783**

(b) Fire - reinsurance contracts held

(i) Reconciliation of the liability for remaining coverage and the liability for incurred claims - Premium Allocation Approach

Fire - reinsurance contracts held

	31 December 2024				
	Assets for Remaining Coverage		Asset for incurred claims		
	Excluding loss recovery component ₦'000	Loss-recovery component ₦'000	Present value of future cash flows ₦'000	Risk adjustment ₦'000	Total ₦'000
Opening reinsurance contract assets	351,889	-	(2,091,861)	(537,609)	(2,277,581)
Opening reinsurance contract liabilities		-			
Net Opening balance	351,889	-	(2,091,861)	(537,609)	(2,277,581)
Changes in the statement of profit or loss and OCI					
Allocation of reinsurance premiums paid	15,455,651	-	-	-	15,455,651
	15,455,651	-	-	-	15,455,651
Net income/ (expenses) from reinsurance contracts held					
Incurred claims recovery	-	-	(944,498)	301,484	(643,014)
Acquisition income amortised	(1,149,418)	-	-	-	(1,149,418)
Changes that relate to future services: Losses on onerous groups of contracts and reversals	-	-	-	-	-
Changes that relate to past services: changes to liabilities for incurred claims (including reinsurer's non-performance risk)	-	-	(656,534)	(350,872)	(1,007,406)
	(1,149,418)	-	(1,601,032)	(49,388)	(2,799,838)
Insurance finance expenses					
Insurance finance expenses	-	-	(27,434)	35,250	7,816
	-	-	(27,434)	35,250	7,816
Total changes in the statement of profit or loss and OCI	**14,306,233**	**-**	**(1,628,466)**	**(14,138)**	**12,663,629**

31 December 2023				
Assets for Remaining Coverage		Asset for incurred claims		
Excluding loss recovery component ₦'000	Loss-recovery component ₦'000	Present value of future cash flows ₦'000	Risk adjustment ₦'000	Total ₦'000
601,745	-	(1,078,268)	(271,724)	(748,247)
	-			
601,745	-	(1,078,268)	(271,724)	(748,247)
8,982,877	-	-	-	8,982,877
8,982,877	-	-	-	8,982,877
-	-	(1,274,635)	(55,858)	(1,330,493)
(747,008)	-	-	-	(747,008)
-	-	-	-	-
-	-	(406,411)	(236,463)	(642,874)
(747,008)	-	(1,681,046)	(292,321)	(2,720,375)
-	-	36,074	26,436	62,510
-	-	36,074	26,436	62,510
8,235,869	**-**	**(1,644,972)**	**(265,885)**	**6,325,012**

(b) Fire - reinsurance contracts held

(i) Reconciliation of the liability for remaining coverage and the liability for incurred claims - Premium Allocation Approach

Fire - reinsurance contracts held

	31 December 2024				
	Assets for Remaining Coverage		Asset for incurred claims		
Cash flows	Excluding loss component ₦'000	Loss-component ₦'000	Present value of future cash flows ₦'000	Risk adjustment ₦'000	Total ₦'000
Reinsurance Premiums paid - reinsurance premium on reinsurance contract-1	(16,321,263)	-	-	-	(16,321,263)
Recoveries from reinsurance	-	-	1,513,340	-	1,513,340
Acquisition cash flows for ceding commissions	1,475,090	-	-	-	1,475,090
	(14,846,173)	-	1,513,340	-	(13,332,833)
Non- cash flow Items					
Reinsurance Premiums payable - Amortisation of M&D premium paid in previous period - (2)	(41,693)	-	-	-	(41,693)
Reinsurance Premiums on new contracts (adjustmnet to reinsurance payables during the year- (3)	-	-	-	-	-
Commission receivable - commission on reinsurance contract	-	-	-	-	-
	(41,693)	-	-	-	(41,693)
Closing reinsurance contract assets	(229,744)	-	(2,206,987)	(551,747)	(2,988,478)
Closing reinsurance contract liabilities					
Net closing balance	**(229,744)**	**-**	**(2,206,987)**	**(551,747)**	**(2,988,478)**

31 December 2023				
Assets for Remaining Coverage		Asset for incurred claims		
Excluding loss component ₦'000	Loss-component ₦'000	Present value of future cash flows ₦'000	Risk adjustment ₦'000	Total ₦'000
(9,188,843)	-	-	-	(9,188,843)
-	-	631,379		631,379
720,819	-	-	-	720,819
(8,468,024)	-	631,379	-	(7,836,645)
(17,702)	-	-	-	(17,702)
-	-	-	-	-
-	-	-	-	-
(17,701)	-	-	-	(17,702)
351,889	-	(2,091,861)	(537,609)	(2,277,581)
351,889	**-**	**(2,091,861)**	**(537,609)**	**(2,277,581)**

10 Insurance contract liabilities issued/ Reinsurance contracts held
10.2 Portfolios of insurance and reinsurance contract assets and liabilities
10.2.7 Engineering
(a) Engineering - Insurance contracts issued
(i) Reconciliation of the liability for remaining coverage and the liability for incurred claims - Premium Allocation Approach

	31 December 2024				
	Liabilities for Remaining Coverage		Liability for incurred claims		
	Excluding loss component ₦'000	Loss-component ₦'000	Present value of future cash flows ₦'000	Risk adjustment ₦'000	Total ₦'000
Opening insurance contract assets					-
Opening insurance contract liabilities	429,981	-	1,121,939	127,902	1,679,822
Net Opening balance	429,981	-	1,121,939	127,902	1,679,822
Changes in the statement of profit or loss and OCI					
Insurance revenue					
Insurance revenue	(1,713,227)	-	-	-	(1,713,227)
	(1,713,227)	-	-	-	(1,713,227)
Insurance service expenses					
Incurred claims	-	-	1,265,152	5,967	1,271,119
Other incurred insurance service expense	-	-	100,852	-	100,852
Acquisition expenses	310,026	-	-	-	310,026
Changes that relate to future services: Losses on onerous groups of contracts and reversals	-	-	-	-	-
Changes that relate to past services: changes to liabilities for incurred claims (including reinsurer's non-performance risk)	-	-	653,579	94,537	748,116
	310,026	-	2,019,583	100,504	2,430,113
Insurance finance expenses					
Insurance finance expenses	-	-	(16,331)	(11,257)	(27,588)
	-	-	(16,331)	(11,257)	(27,588)
Total changes in the statement of profit or loss and OCI	**(1,403,201)**	**-**	**2,003,252**	**89,247**	**689,298**

-

31 December 2023				
Liabilities for Remaining Coverage		Liability for incurred claims		
Excluding loss component ₦'000	Loss-component ₦'000	Present value of future cash flows ₦'000	Risk adjustment ₦'000	Total ₦'000
				-
249,120	-	224,974	39,146	513,240
249,120	-	224,974	39,146	513,240
(892,325)	-	-	-	(892,325)
(892,325)	-	-	-	(892,325)
-	-	897,985	68,126	966,111
-	-	42,991	-	42,991
155,268	-	-	-	155,268
-	-	-	-	-
-	-	277,230	23,271	300,501
155,268	-	1,218,206	91,397	1,464,871
-	-	(8,593)	(2,641)	(11,234)
-	-	(8,593)	(2,641)	(11,234)
(737,057)	**-**	**1,209,613**	**88,756**	**561,312**

Notes To The Financial Statements Contd

10 Insurance contract liabilities issued/ Reinsurance contracts held

10.2 Portfolios of insurance and reinsurance contract assets and liabilities

10.2.7 Engineering

(a) Engineering - Insurance contracts issued

(i) Reconciliation of the liability for remaining coverage and the liability for incurred claims - Premium Allocation Approach

	31 December 2024				
	Liabilities for Remaining Coverage		Liability for incurred claims		
Cash flows	Excluding loss component ₦'000	Loss-component ₦'000	Present value of future cash flows ₦'000	Risk adjustment ₦'000	Total ₦'000
Premiums received- premium from insurance contract (1)	2,077,724	-	-	-	2,077,724
Claims paid			(809,188)		(809,188)
Directly attributables expenses paid	-	-	(100,206)	-	(100,206)
Acquisition cash flows paid	(454,721)	-	-	-	(454,721)
	1,623,003	-	(909,394)	-	713,609
Non- cashflow Items					
Premiums received- premium from insurance contract (2)	378,089	-	-	-	378,089
Premiums on new insurance contract(adjustment to premium receivables during the year)	(19,238)		-	-	(19,238)
	358,851	-	-	-	358,851
Closing insurance contract assets	-	-	-	-	-
Closing insurance contract liabilities	1,008,634		2,215,797	217,149	3,441,580
Net closing balance	**1,008,634**	**-**	**2,215,797**	**217,149**	**3,441,580**

31 December 2023				
Liabilities for Remaining Coverage		Liability for incurred claims		
Excluding loss component ₦'000	Loss-component ₦'000	Present value of future cash flows ₦'000	Risk adjustment ₦'000	Total ₦'000
927,020	-	-	-	927,020
		(259,237)		(259,237)
-	-	(53,411)	-	(53,411)
(199,510)	-	-	-	(199,510)
727,510	-	(312,648)	-	414,862
169,751	-	-	-	169,751
20,657				20,657
190,408	-	-	-	190,408
-	-	-	-	-
429,981		1,121,939	127,902	1,679,822
429,981	**-**	**1,121,939**	**127,902**	**1,679,822**

(b) Engineering - reinsurance contracts held

(i) Reconciliation of the liability for remaining coverage and the liability for incurred claims - Premium Allocation Approach

	31 December 2024				
	Assets for Remaining Coverage		Asset for incurred claims		
	Excluding loss recovery component ₦'000	Loss-recovery component ₦'000	Present value of future cash flows ₦'000	Risk adjustment ₦'000	Total ₦'000
Opening reinsurance contract assets	(302,188)	-	(623,231)	(160,169)	(1,085,588)
Opening reinsurance contract liabilities					
Net Opening balance	(302,188)	-	(623,231)	(160,169)	(1,085,588)
Changes in the statement of profit or or loss and OCI	646,252	-	-	-	646,252
Allocation of reinsurance premiums paid	646,252	-	-	-	646,252
Net income/ (expenses) from reinsurance contracts held					
Incurred claims recovery	-	-	(595,291)	11,347	(583,944)
Acquisition income amortised	(177,956)	-	-	-	(177,956)
Changes that relate to future services: Losses on onerous groups of contracts and reversals	-	-	-	-	-
Changes that relate to past services: changes to liabilities for incurred claims (including reinsurer's non-performance risk)	-	-		(178,999)	(496,049)
	(177,956)	-	(912,341)	(167,652)	(1,257,949)
Reinsurance finance expenses/income	-	-	44,712	24,749	69,461
Total changes in the statement of profit or loss and OCI	**468,296**	**-**	**(867,629)**	**(142,903)**	**542,236)**

31 December 2023				
Assets for Remaining Coverage		Asset for incurred claims		
Excluding loss recovery component ₦'000	Loss-recovery component ₦'000	Present value of future cash flows ₦'000	Risk adjustment ₦'000	Total ₦'000
(233,326)	-	(128,497)	(32,381)	(394,204)
(233,326)	-	(128,497)	(32,381)	(394,204)
391,038	-	-	-	391,038
391,038	-	-	-	391,038
-	-	(505,068)	(97,421)	(602,489)
(82,539)	-	-	-	(82,539)
-	-	-	-	-
-	-	(94,647)	(34,156)	(128,803)
(82,539)	-	(599,715)	(131,577)	(813,831)
-	-	5,231	3,789	9,020
308,499	**-**	**(594,484)**	**(127,788)**	**(413,773)**

(b) Engineering - reinsurance contracts held

(i) Reconciliation of the liability for remaining coverage and the liability for incurred claims - Premium Allocation Approach

	31 December 2024				
	Assets for Remaining Coverage		Asset for incurred claims		
Cash flows	Excluding loss component ₦'000	Loss-component ₦'000	Present value of future cash flows ₦'000	Risk adjustment ₦'000	Total ₦'000
Reinsurance Premiums paid - reinsurance premium on reinsurance contract-1	(894,498)	-	-	-	(894,498)
Recoveries from reinsurance	-	-	278,567	-	278,567
Acquisition cash flows for ceding commissions	193,560	-	-	-	193,560
	(700,938)	-	278,567	-	(422,371)
Non- cash flow Items					
Reinsurance Premiums payable - Amortisation of M&D premium paid in previous period - (2)	(3,692)	-	-	-	(3,692)
Reinsurance Premiums on new contracts (adjustmnet to reinsurance payables during the year- (3)	-	-	-	-	-
Commission receivable - commission on reinsurance contract	-	-	-	-	-
	(3,692)	-	-	-	(3,692)
Closing reinsurance contract assets	(538,522)	-	(1,212,293)	(303,072)	(2,053,887)
Closing reinsurance contract liabilities	-	-	-	-	-
Net closing balance	**(538,522)**	**-**	**(1,212,293)**	**(303,072)**	**(2,053,887)**

31 December 2023				
Assets for Remaining Coverage		Asset for incurred claims		
Excluding loss component ₦'000	Loss-component ₦'000	Present value of future cash flows ₦'000	Risk adjustment ₦'000	Total ₦'000
(490,268)	-	-	-	(490,268)
-	-	99,750	-	99,750
114,475	-	-	-	114,475
(375,793)	-	99,750	-	(276,043)
(1,568)	-	-	-	(1,568)
-	-	-	-	-
-	-	-	-	-
(1,568)	-	-	-	(1,568)
(302,188)	-	(623,231)	(160,169)	(1,085,588)
-	-	-	-	-
(302,188)	**-**	**(623,231)**	**(160,169)**	**(1,085,588)**

Notes To The Financial Statements Contd

10 Insurance contract liabilities issued/ Reinsurance contracts held
10.2 Portfolios of insurance and reinsurance contract assets and liabilities
10.2.8 Oil & Energy
(a) Oil & Energy - Insurance contracts issued
(i) Reconciliation of the liability for remaining coverage and the liability for incurred claims - Premium Allocation Approach

	31 December 2024				
	Liabilities for Remaining Coverage		Liability for incurred claims		
	Excluding loss component ₦'000	Loss-component ₦'000	Present value of future cash flows ₦'000	Risk adjustment ₦'000	Total ₦'000
Opening insurance contract assets					-
Opening insurance contract liabilities	3,769,916	-	4,873,784	555,614	9,199,314
Net Opening balance	3,769,916	-	4,873,784	555,614	9,199,314
Changes in the statement of profit or loss and OCI					
Insurance revenue	(23,210,345)	-	-	-	(23,210,345)
Insurance revenue	(23,210,345)	-	-	-	(23,210,345)
Insurance service expenses					
Incurred claims	-	-	906,699	372,792	533,907
Other incurred insurance service expense	-	-	958,802	-	958,802
Acquisition expenses	2,174,891	-	-	-	2,174,891
Changes that relate to future services: Losses on onerous groups of contracts and reversals	-	-	-	-	-
Changes that relate to past services: changes to liabilities for incurred claims (including reinsurer's non-performance risk)	-	-	2,615,751	588,110	3,203,861
	2,174,891	-	4,481,252	215,318	6,871,461
Insurance finance expenses					
Insurance finance expenses	-	-	(840,180)	(129,679)	(969,859)
	-	-	(840,180)	(129,679)	(969,859)
Total changes in the statement of profit or loss and OCI	**(21,035,454)**	**-**	**3,641,072**	**85,639**	**(17,308,743)**

31 December 2023				
Liabilities for Remaining Coverage		Liability for incurred claims		
Excluding loss component ₦'000	Loss-component ₦'000	Present value of future cash flows ₦'000	Risk adjustment ₦'000	Total ₦'000
				-
3,362,070	-	809,214	140,805	4,312,089
3,362,070	-	809,214	140,805	4,312,089
(14,744,161)	-	-	-	(14,744,161)
(14,744,161)	-	-	-	(14,744,161)
-	-	997,306	19,486	1,016,792
-	-	408,716	-	408,716
830,338	-	-	-	830,338
-	-	-	-	-
-	-	5,950,362	510,901	6,461,263
830,338	-	7,356,384	530,387	8,717,109
-	-	(957,230)	(115,578)	(1,072,808)
-	-	(957,230)	(115,578)	(1,072,808)
(13,913,823)	**-**	**6,399,154**	**414,809**	**(7,099,860)**

10 Insurance contract liabilities issued/ Reinsurance contracts held
10.2 Portfolios of insurance and reinsurance contract assets and liabilities
10.2.8 Oil & Energy
(a) Oil & Energy - Insurance contracts issued
(i) Reconciliation of the liability for remaining coverage and the liability for incurred claims - Premium Allocation Approach

	31 December 2024				
	Liabilities for Remaining Coverage		Liability for incurred claims		
Cash flows	Excluding loss component ₦'000	Loss- component ₦'000	Present value of future cash flows ₦'000	Risk adjustment ₦'000	Total ₦'000
Premiums received- premium from insurance contract (1)	19,488,382	-	-	-	19,488,382
Claims paid	-	-	(1,108,582)	-	(1,108,582)
Directly attributables expenses paid	-	-	(862,903)	-	(862,903)
Acquisition cash flows paid	(2,394,105)	-	-	-	(2,394,105)
	17,094,277	-	(1,971,485)	-	15,122,792
Non- cashflow Items					
Premiums received- premium from insurance contract (2)	5,122,253	-	-	-	5,122,253
Premiums on new insurance contract(adjustment to premium receivables during the year)	66,849				66,849
	5,055,405	-	-	-	5,055,405
Closing insurance contract assets	-	-	-	-	-
Closing insurance contract liabilities	4,884,144	-	6,543,371	641,253	12,068,768
Net closing balance	**4,884,144**	**-**	**6,543,371**	**641,253**	**12,068,768**

31 December 2023				
Liabilities for Remaining Coverage		Liability for incurred claims		
Excluding loss component ₦'000	Loss-component ₦'000	Present value of future cash flows ₦'000	Risk adjustment ₦'000	Total ₦'000
12,854,524	-	-		12,854,524
-	-	(1,686,590)	-	(1,686,590)
-	-	(647,994)	-	(647,994)
(867,806)	-	-	-	(867,806)
11,986,718	-	(2,334,584)	-	9,652,134
2,299,744	-	-	-	2,299,744
35,207			-	35,207
2,334,951	-	-	-	2,334,951
-	-	-	-	-
3,769,916	-	4,873,784	555,614	9,199,314
3,769,916	**-**	**4,873,784**	**555,614**	**9,199,314**

(b) **Oil & Energy - reinsurance contracts held**

(i) **Reconciliation of the liability for remaining coverage and the liability for incurred claims - Premium Allocation Approach**

	31 December 2024				
	Assets for Remaining Coverage		Asset for incurred claims		
	Excluding loss recovery component ₦'000	Loss-recovery component ₦'000	Present value of future cash flows ₦'000	Risk adjustment ₦'000	Total ₦'000
Opening reinsurance contract assets	(822,873)	-	(1,026,153)	(263,720)	(2,112,746)
Opening reinsurance contract liabilities	-	-	-	-	-
Net Opening balance	(822,873)	-	(1,026,153)	(263,720)	(2,112,746)
Changes in the statement of profit or or loss and OCI					
Allocation of reinsurance premiums paid	19,740,876	-	-	-	19,740,876
	19,740,876	-	-	-	19,740,876
Net income/ (expenses) from reinsurance contracts held					
Incurred claims recovery	-	-	(387,327)	166,888	(220,439)
Acquisition income amortised	(983,078)	-	-	-	(983,078)
Changes that relate to future services: Losses on onerous groups of contracts and reversals	-	-	-	-	-
Changes that relate to past services: changes to liabilities for incurred claims (including reinsurer's non-performance risk)	-	-	(853,191)	(451,301)	(1,304,492)
	(983,078)	-	(1,240,518)	(284,413)	(2,508,009)
Reinsurance finance expenses/income	-	-	34,728	28,865	63,593
	-	-	34,728	28,865	63,593
Total changes in the statement of profit or loss and OCI	18,757,798	**-**	**(1,205,790)**	**(255,548)**	**17,296,460**

31 December 2023				
Assets for Remaining Coverage		Asset for incurred claims		
Excluding loss recovery component ₦'000	Loss-recovery component ₦'000	Present value of future cash flows ₦'000	Risk adjustment ₦'000	Total ₦'000
(1,460,249)	-	(513,408)	(129,379)	(2,103,036)
-	-	-	-	-
(1,460,249)	-	(513,408)	(129,379)	(2,103,036)
13,811,792	-	-	-	13,811,792
13,811,792	-	-	-	13,811,792
-	-	(182,680)	82,431	(100,249)
(285,331)	-	-	-	(285,331)
-	-	-	-	-
-	-	(373,711)	(235,955)	(609,666)
(285,331)	-	(556,391)	(153,524)	(995,246)
-	-	35,478	19,183	54,661
-	-	35,478	19,183	54,661
13,526,461	**-**	**(520,913)**	**(134,341)**	**12,871,207**

(b) **Oil & Energy - reinsurance contracts held**

(i) **Reconciliation of the liability for remaining coverage and the liability for incurred claims - Premium Allocation Approach**

	31 December 2024				
	Assets for Remaining Coverage		Asset for incurred claims		
Cash flows	Excluding loss component ₦'000	Loss-component ₦'000	Present value of future cash flows ₦'000	Risk adjustment ₦'000	Total ₦'000
Reinsurance Premiums paid - reinsurance premium on reinsurance contract-1	(19,669,087)	-	-	-	(19,669,087)
Recoveries from reinsurance	-	-	154,867	-	154,867
Acquisition cash flows for ceding commissions	758,018	-	-	-	758,018
	(18,911,069)	-	154,867	-	(18,756,202)
Non- cash flow Items					
Reinsurance Premiums payable - Amortisation of M&D premium paid in previous period - (2)	379,718	-	-	-	379,718
Reinsurance Premiums on new contracts (adjustment to reinsurance payables during the year- (3)	-	-	-	-	-
Commission receivable - commission on reinsurance contract	-	-	-	-	-
	379,718	-	-	-	379,718
Closing reinsurance contract assets	(596,425)	-	(2,077,076)	(519,268)	(3,192,769)
Closing reinsurance contract liabilities	-	-	-	-	-
Net closing balance	**(596,425)**	**-**	**(2,077,076)**	**(519,268)**	**(3,192,769)**

31 December 2023				
Assets for Remaining Coverage		Asset for incurred claims		
Excluding loss component ₦'000	Loss-component ₦'000	Present value of future cash flows ₦'000	Risk adjustment ₦'000	Total ₦'000
(13,380,715)	-	-	-	(13,380,715)
-	-	8,168	-	8,168
512,865	-	-	-	512,865
(12,867,850)	-	8,168	-	(12,859,682)
(21,235)	-	-	-	(21,235)
-	-	-	-	-
-	-	-	-	-
(21,235)	-	-	-	(21,235)
(822,873)	-	(1,026,153)	(263,720)	(2,112,746)
-	-	-	-	-
(822,873)	**-**	**(1,026,153)**	**(263,720)**	**(2,112,746)**

Notes To The Financial Statements Contd

10.3 Age analysis of Incurred claims

10.3a Age analysis by number of claimants:

Age analysis by number of claimants:	2024 Number of claimants	2024 Amounts ₦'000	2023 Number of claims	2023 Amounts ₦'000
0 - 90 days	765	2,394,946	918	2,445,681
91- 180 days	492	2,093,157	523	2,591,680
181-270 days	385	1,384,988	365	781,757
271-365 days	363	3,419,468	305	569,732
365 days and above	2,703	10,699,885	3,313	6,041,299
	4,708	19,992,444	5,424	12,430,149

10.3b Age analysis of incurred claims by reason of being outstanding:

	0- 90 days		91- 180 days		181-270 days		271-365 days		365 days and above		Total	
2024 claims status- reason	Qty	₦'000	Qty	₦'000	Qty	₦'000	Qty	₦'000	Qty	₦'000	Qty	₦'000
Discharged vouchers signed and returned to policyholders	70	249,632	-	-	-	-	-	-	-	-	70	249,632
Discharge vouchers not yet signed	24	37,705	-	-	-	-	-	-	-	-	24	37,705
Claims reported but incomplete documentation	475	1,575,605	492	2,093,157	385	1,384,988	363	3,419,468	2,703	10,699,885	4,418	19,173,103
Claims reported but being adjusted	196	532,004	-	-	-	-	-	-	-	-	196	532,004
Claims repudiated	-	-	-	-	-	-	-	-	-	-	-	-
Awaiting Adjusters final report	-	-	-	-	-	-	-	-	-	-	-	-
Litigation awarded	-	-	-	-	-	-	-	-	-	-	-	-
Awaiting Lead Insurer's instruction	-	-	-	-	-	-	-	-	-	-	-	-
Third party liability outstanding	-	-	-	-	-	-	-	-	-	-	-	-
Adjusters fee payable	-	-	-	-	-	-	-	-	-	-	-	-
Total	765	2,394,946	492	2,093,157	385	1,384,988	363	3,419,468	2,703	10,699,885	4,708	19,992,444

10.3b Age analysis of incurred claims by reason of being outstanding:

	0- 90 days		91- 180 days		181-270 days		271-365 days		365 days and above		Total	
2023 claims status- reason	Qty	₦'000	Qty	₦'000	Qty	₦'000	Qty	₦'000	Qty	₦'000	Qty	₦'000
Discharged vouchers signed and returned to policyholders	105	125,126	-	-	-	-	-	-	-	-	105	125,126
Discharge vouchers not yet signed	2	1,270	-	-	-	-	-	-	-	-	2	1,270
Claims reported but incomplete documentation	658	2,094,274	523	2,591,680	365	781,757	305	569,732	3,313	6,041,299	5,164	12,078,741
Claims reported but being adjusted	153	225,011	-	-	-	-	-	-	-	-	153	225,011
Claims repudiated	-	-	-	-	-	-	-	-	-	-	-	-
Awaiting Adjusters final report	-	-	-	-	-	-	-	-	-	-	-	-
Litigation awarded	-	-	-	-	-	-	-	-	-	-	-	-
Awaiting Lead Insurer's instruction	-	-	-	-	-	-	-	-	-	-	-	-
Third party liability outstanding	-	-	-	-	-	-	-	-	-	-	-	-
Adjusters fee payable	-	-	-	-	-	-	-	-	-	-	-	-
Total	918	2,445,681	523	2,591,680	365	781,757	305	569,732	3,313	6,041,299	5,424	12,430,149

Notes To The Financial Statements Contd

10.3c Age analysis by number of claimants:

2024 incurred claims	0 - 90 days ₦'000	91- 180 days ₦'000	181-270 days ₦'000	271-365 days ₦'000	365 days and above ₦'000	Total
Motor	849,899	178,125	117,668	202,606	645,448	1,993,746
Accident	487,080	395,281	439,327	211,441	1,016,334	2,549,463
Bond	-	-	-	-	5,646	5,646
Fire	298,107	481,512	169,751	2,878,036	1,450,150	5,277,556
Marine	287,677	154,713	120,488	20,570	395,426	978,874
Aviation	120,524	580	-	2,331	304,550	427,985
Engineering	330,754	481,981	211,506	82,177	1,109,381	2,215,799
Oil & Energy	20,914	400,965	326,237	22,307	5,772,952	6,543,375
Total	**2,394,955**	**2,093,157**	**1,384,977**	**3,419,468**	**10,699,887**	**19,992,444**

Age analysis of outstanding claims
by class of business

2023 incurred claims						
Motor	434,752	205,878	199,089	85,567	330,660	1,255,946
Accident	252,039	227,159	265,670	173,212	799,311	1,717,391
Bond	-	-	-	-	2,767	2,767
Fire	381,456	851,291	210,753	139,506	1,310,355	2,893,361
Marine	63,458	48,965	47,780	52,479	285,162	497,844
Aviation	14,777	-	2,087	2,380	47,870	67,114
Engineering	236,094	712,929	34,536	16,399	121,981	1,121,940
Oil & Energy	1,063,105	545,458	21,841	100,190	3,143,192	4,873,786
Total	**2,445,681**	**2,591,680**	**781,757**	**569,732**	**6,041,299**	**12,430,149**

10.3d Age analysis of incurred claims by class of business and number of claimants

2024 incurred claims	0 - 90 days ₦'000	91- 180 days ₦'000	181-270 days ₦'000	271-365 days ₦'000	365 days and above ₦'000	Total
	Number of Claimants					
Motor	288	121	99	133	549	1,190
Accident	288	180	150	164	965	1,747
Bond	-	-	-	-	3	3
Fire	54	88	56	28	510	736
Marine	75	67	38	19	201	400
Aviation	3	2	-	2	14	21
Engineering	55	29	35	13	153	285
Oil and Gas	2	5	7	4	308	326
Total	**765**	**492**	**385**	**363**	**2,703**	**4,708**

2023 incurred claims	0 - 90 days ₦'000	91- 180 days ₦'000	181-270 days ₦'000	271-365 days ₦'000	365 days and above ₦'000	Total
	Number of Claimants					
Motor	485	162	108	133	770	1,658
Accident	198	146	94	80	980	1,498
Bond	-	-	-	-	3	3
Fire	75	63	56	41	860	1,095
Marine	115	91	94	37	198	535
Aviation	3	-	1	1	13	18
Engineering	35	59	11	10	188	303
Oil and Gas	7	2	1	3	301	314
Grand Total	**918**	**523**	**365**	**305**	**3,313**	**5,424**

The technical reserves and valuation models as at 31 December 2024 were independently reviewed by Ernst and Young Nigeria duly registered with the Financial Reporting Council of Nigeria. The actuary, Kingsley Miller, whose office is located at 10 Floor, UBA House, 57 Marina, Lagos, Nigeria is an associate of the Society of Actuaries, USA and Fellow of the Institute of Actuaries, England with FRC No. FRC/2012/NAS/00000002392.

10.3e Actuarial assumptions

Chain-ladder techniques are applied to premiums, paid claims and incurred claims (i.e. paid claims plus case estimates). The basic technique involves the analysis of historical claims development factors and the selection of estimated development factors based on historical patterns. The selected development factors are then applied to cumulative claims data for each underwriting year that is not yet fully developed to produce an estimated ultimate claims cost for each underwriting year.

Chain-ladder techniques are most appropriate for classes of business that have a relatively stable development pattern. Chain-ladder techniques are less suitable in cases in which the insurer does not have a developed claims history for a particular class of business or for underwriting years that are still at immature stages of development where there is a higher level of assumption volatility.

The Bornhuetter-Ferguson method uses a combination of a benchmark/market-based estimate and an estimate based on claims experience. The former is based on a measure of exposure such as premiums; the latter is based on the paid or incurred claims observed to date. The two estimates are combined using a formula that gives more weight to the experience-based estimate as time passes. This technique has been used in situations where developed claims experience was not available for the projection (i.e. recent underwriting years or new classes of business).

The expected loss ratio method uses a benchmark/market-based estimate applied to the expected premium and is used for classes with little or no relevant historical data.
The choice of selected results for each underwriting year of each class of business depends on an assessment of the technique that has been most appropriate to observed historical developments. In certain instances, this has meant that different techniques or combinations of techniques have been selected for individual underwriting years or groups of underwriting years within the same class of business. As such, there are many assumptions used to estimate general insurance liabilities.

The valuation approach/methodology is similar to those adopted in the last valuation cycle. See table below for valuation methodology and the large loss cut off level assumed for each class of business. The large loss for 2024 are the same as 2023 due to stable claims distribution experience during the year

11 Reinsurance Premium Payable

	31-Dec-2024 ₦'000	31-Dec-2023 ₦'000
Reinsurance premium for prior year paid in current year	5,216,790	3,170,374
Premium paid in respect of current year contract	45,646,133	28,363,736
Minimum deposit premium paid in advance	(142,767)	(60,617)
Premium paid on reinsurance contract during the year	(42,811,024)	(26,256,703)
	7,909,132	5,216,790
Transfer to Reinsurance contract assets (Note 10.1c)	(7,909,132)	(5,216,790)
	-	-

12 Other technical liabilities

Premium deposit	25,126,168	14,620,617
	25,126,168	**14,620,617**

Premium advance deposit represents premium paid in advance into the Company's bank account by insurance intermediaries(insurance agent, brokers and companies) for policies that relates to future periods i.e. they do not fall within the insurance contract boundary. for cashflow purpose, premium deposit received.

For cashflow purpose, premium deposit received in any reporting year is taken into consideration when determining the cash flow for the premium received from policyholders and insurance intermediaries for the subsequent year.

13 Provisions and other payables

	31-Dec-2024 ₦'000	31-Dec-2023 ₦'000
Accrued expenses (Note 13.1)	1,407,316	889,445
Statutory payables (Note 13.2)	2,055,751	964,505
Survey fees payables (Note 13.3)	1,667,370	797,143
Other payables (Note 13.4)	34,278	29,009
	5,164,715	2,680,102

13.1 Accrued expenses

Audit fee	10,320	24,000
Fees and subscriptions	40,203	54,219
NAICOM levy	660,831	411,037
Performance bonus	361,738	217,962
General welfare and entertainment	33,408	68,119
Other accruals (Note 13.1.1)	300,816	114,108
	1,407,316	889,445

13.1.1 Other accruals are accrued expenses in respect of brand campaign, advert and other office administrative expenses.

13.1.1 Statutory payables

	31-Dec-2024 ₦'000	31-Dec-2023
Withholding tax due to Federal government	37,996	35,556
Value added tax payables	9,856	7,539
Nigerian Content Development Levy	2,004,899	919,638
Withholding tax due to State government	3,000	1,772
	2,055,751	964,505

13.3 Survey fees payable are fees payable to external consultants for inspection and survey services rendered in the course of underwriting engineering, oil and gas and other special risk policies.

13.4 Other payables relates to amounts due to suppliers and service providers in respect of services rendered.

14 Deferred rental income	Rent ₦'000	Total ₦'000
At 1 January 2023	33,250	33,250
Additions during the year	70,000	70,000
Credit to profit or loss (Note 25)	(68,250)	(68,250)
At 31 December 2023	**35,000**	**35,000**
Additions during the year	70,000	70,000
Credit to profit or loss (Note 25)	(70,000)	(70,000)
At 31 December 2024	**35,000**	**35,000**

Deferred income are rental income received in advance on investment properties leased by the Company to third parties. and commissions received in advance. These are released to income in-line with the

15 Income taxes

15.1 **Per Statement of profit or loss and other comprehensive income** - Recognised in profit or loss:	31-Dec-2024 ₦'000	31-Dec-2023 ₦'000
Income tax	1,278,976	358,674
Tertiary Education tax	173,121	-
Information technology development levy (NITDA)	331,129	149,126
Adjustment of current tax of prior periods	228,450	15,223
Current tax charge for the year	2,011,677	523,023
Deferred tax (credit)/charge	1,386,203	4,368,697
Income tax expense 1	**3,397,880**	**4,891,720**

15.2 Current income tax payable as per statement of financial position:

		31-Dec-2024 ₦'000	31-Dec-2023 ₦'000
At 1 January		507,800	1,361,495
Charge for the year		1,783,227	523,023
Withholding tax credit	Note 4.5	(130,573)	(19,479)
Adjustment of current tax of prior periods		228,450	15,223
Payment during the year		(405,677)	(1,372,462)
At 31 December		**1,983,227**	**507,800**

The charge for income tax in these financial statements is based on the provisions of the Finance Act 2021 which amended some sections of the Companies Income Tax Act, CAP C21 LFN 2004 as amended and Education Tax Act, CAP E4 LFN 2004.

15 Income taxes

15.3 Reconciliation of income tax expense

The income tax expense of the Company for the year can be reconciled to the accounting profits as follows:	2024 ₦'000	2023 ₦'000
Profit before income tax expense	33,112,912	15,050,032
Income tax expense calculated at 30%	9,933,874	4,515,010
Effect of income that is exempt from taxation	(12,688,878)	(4,418,095)
Effect of expenses not tax deductible	4,858,956	423
Effect of minimum tax	(947,381)	261,335
Effect of origination and reversal of temporary difference	1,386,203	4,368,697
Education tax	282,963.12	-
Information technology development levy (NITDA)	343,693	149,127
Adjustment of current tax of prior periods 0	228,450	15,223
Company income tax	**3,397,880**	**4,891,720**
Effective tax rate	10%	33%

The tax rate applied for the 2024 and 2023 reconciliations above is the corporate tax rate of 30% and payable by the Company. Education tax of 2.5% is applied on the assessable profits.

15 **Deferred tax liabilities**

Deferred tax related to items recognised in profit or loss

	31-Dec-2024 ₦'000	31-Dec-2023 ₦'000
Fair value gains on investment properties	316,744	172,194
Unrealised exchange gains on financial assets at amortised costs	6,089,610	4,969,217
Accelerated depreciation for tax purposes	731,030	487,359
Unrealised fair value gains on Financial asset FVTPL	18,406	27,292
Impairment of financial assets:		
Impairment of cash and cash equivalents	(124,903)	(115,810)
Impairment of debt instruments at amortised cost	(599,026)	(416,944)
Impairment of other receivables	(52,266)	(39,815)
Impairment on balance due from reinsurance broker	-	(90,101)
	6,379,595	4,993,392
Deferred tax related to items recognised in OCI		
Net (gain)/Loss on equity instruments designated at fair value through OCI	394,472	185,074
Deferred tax liabilities	**6,774,066**	**5,178,466**

Reconciliation of deferred tax liabilities is as shown below:

	31-Dec-2024 ₦'000	31-Dec-2023 ₦'000
At 1 January	5,178,466	672,831
Amounts recorded in profit or loss (Note 15)	1,386,203	4,368,697
Deferred tax related to items recognised in OCI(Note 31)	209,397	136,938
At 31 December	**6,774,066**	**5,178,466**

Per Statement of profit or loss:

	31-Dec-2024 ₦'000	31-Dec-2023 ₦'000
Fair value gains on investment properties	144,550	37,324
On unrealised exchange (loss)/gains	1,120,393	4,236,853
Unrealised fair value gains on Financial asset FVTPL	(8,886)	27,292
Accelerated depreciation for tax purposes	243,671	444,130
Impairment of financial assets	(203,625)	(431,489)
Impairment on balance due from reinsurance broker	90,101	54,587
	1,386,203	4,368,697

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

17 Share capital and premium

	31-Dec-2024 ₦'000	31-Dec-2023 ₦'000
17.1 Authorised share capital		
20,000,000 ordinary shares at 50 kobo each	10,000,000	10,000,000

17.2 Issued and paid up capital comprises:
20,000,000,000 fully paid ordinary shares at 50 Kobo each

	2024		2023	
	Share Capital ₦'000	Share Premium ₦'000	Share Capital ₦'000	Share Premium ₦'000
Balance at 1 January	10,000,000	84,607	7,000,000	84,607
Issue of shares during the year	-	-	3,000,000	-
Balance at 31 December	10,000,000	84,607	10,000,000	84,607

18

18.1

18 Reserves

The nature and purpose of the reserves in equity are as follows:

18.1 Statutory contingency reserve:

The solvency regulations in Nigeria require the Company to establish a contingency reserve to be utilised against abnormal future losses arising in certain classes of business. The regulations prescribed that the reserve is increased every year by an amount that is calculated as a percentage of higher of: 3% of the total premium and 20% of net profits for the year until it reaches the amount of the minimum paid-up capital or 50 per centum of the net premiums (whichever is greater)" in accordance with Section 21(2) of the Insurance Act 2003.

Required annual transfers:	31-Dec-2024 ₦'000	31-Dec-2023 ₦'000
Total premium	71,688,127	42,594,486
Net profit	33,112,912	15,212,733
The higher of the below:		
a) 3% of total gross premium	2,150,644	1,277,835
b) 20% of net profit	6,622,582	3,042,547
Higher of a and b	6,622,582	3,042,547
Maximum limit:		
50% of Net premium	12,085,172	6,769,356
Minimum paid up capital	3,000,000	3,000,000
Movement in contingency reserve:		
As at 1 January	10,000,000	10,000,000
Transfer from retained earnings	2,085,172	-
As at 31 December	**12,085,172**	**10,000,000**

There was no transfer from retained earnings to statutory contingency reserve given that the company had exceeded the statutory limit of 50% of net premium. The company had been appropriating retained earnings to its statutory contingency reserve over the years in view of the proposed recapitalization plan which was eventually put on hold.

18.2 Retained earnings

Retained earnings comprise the undistributed profits from previous years, which have not been reclassified to the other reserves noted below.

	31-Dec-2024 ₦'000	31-Dec-2023 ₦'000
As at 1 January	12,917,456	4,596,443
Profit for the year	29,715,032	10,321,013
Dividend declared and paid	(6,000,000)	(2,000,000)
Transfer to statutory contingency reserves (Note 18.1)	(2,085,172)	-
As at 31 December	34,547,316	12,917,456

18.3 Fair value reserve:

The fair value reserve comprise the net cumulative change in the fair value of financial assets measured at fair value through other comprehensive income.

	31-Dec-2024 ₦'000	31-Dec-2023 ₦'000
As at 1 January	1,665,669	433,230
Net gain on equity instruments designated at fair value through other comprehensive income (Note 31)	1,884,575	1,232,439
As at 31 December	3,550,244	1,665,669

Notes To The Financial Statements Contd

Revenue account

2024	Motor ₦'000	Accident ₦'000	Bond ₦'000	Marine ₦'000	Aviation ₦'000	Fire ₦'000	Engineering ₦'000	Oil & Energy ₦'000	Total ₦'000
Insurance contract revenue	9,966,116	7,060,109	44,800	4,299,723	608,328	19,347,408	1,713,227	23,210,346	66,250,057
Insurance service expense	(5,359,094)	(4,589,279)	(12,661)	(2,028,602)	(858,573)	(7,435,802)	(2,430,113)	(6,871,461)	(29,585,585)
Net reinsurance expense	(251,152)	(2,949,115)	(6,982)	(1,437,833)	(44,083)	(12,655,813)	611,697	(17,232,868)	(33,966,149)
Insurance service result	**4,355,870**	**(478,285)**	**25,157**	**833,288**	**(294,328)**	**(744,207)**	**(105,189)**	**(893,983)**	**2,698,323**
Investment return	1,904,083	2,133,087	14,706	650,980	468,984	2,765,516	1,580,464	932,673	10,450,497
Net realised gain/(loss)	24,602	13,194	172	12,128	(1,336)	63,609	(3,828)	87,251	195,790
Fair value gain	413,722	221,887	2,886	203,952	(22,473)	1,069,692	(64,378)	1,467,273	3,292,562
Other income - Foreign exchange gain	2,448,358	1,313,099	17,080	1,206,966	(132,990)	6,330,310	(380,982)	8,683,146	19,484,987
Impairment losses on financial assets	(82,622)	(44,311)	(576)	(40,729)	4,488	(213,619)	12,856	(293,016)	(657,531)
Total investment income	**4,708,144**	**3,636,956**	**34,268**	**2,033,298**	**316,673**	**10,015,509**	**1,144,132**	**10,877,327**	**32,766,305**
Net insurance finance (expense)/income	261	280,780	(6)	29,210	20,464	48,630	27,588	969,861	1,376,788
Net reinsurance finance income/(expense)	5,911	6,147	(95)	(142)	-	(7,817)	(69,458)	(63,594)	(129,048)
Net investment financial result	**6,172**	**286,927**	**(101)**	**29,068**	**20,464**	**40,813**	**(41,870)**	**906,267**	**1,247,740**
Other operating income	192,258	(21,110)	1,110	36,779	(12,991)	(32,848)	(4,643)	(39,458)	119,098
Other operating expenses	(543,535)	(401,057)	(3,924)	(229,606)	(33,683)	(1,107,241)	(126,388)	(1,273,121)	(3,718,554)
Profit before tax	**8,718,909**	**3,023,431**	**56,510**	**2,702,827**	**(3,865)**	**8,172,026**	**866,042**	**9,577,032**	**33,112,912**

Revenue account

2023	Motor ₦'000	Accident ₦'000	Bond ₦'000	Marine ₦'000	Aviation ₦'000	Fire ₦'000	Engineering ₦'000	Oil & Energy ₦'000	Total ₦'000
Insurance contract revenue	5,675,375	5,088,840	31,441	1,672,080	228,223	12,044,681	892,324	14,744,164	40,377,128
Insurance service expense	(3,586,085)	(2,905,445)	(4,049)	(646,309)	(113,978)	(5,034,571)	(1,464,871)	(8,717,109)	(22,472,417)
Net reinsurance expense	258,631	(2,381,002)	(6,231)	(245,549)	(32,376)	(6,262,502)	422,793	(12,816,547)	(21,062,783)
Insurance service result	**2,347,921**	**(197,607)**	**21,161**	**780,222**	**81,869**	**747,608**	**(149,754)**	**(6,789,492)**	**(3,158,072)**
Investment return	647,607	593,859	2,701	203,444	27,722	1,423,952	123,831	1,692,281	4,715,396
Net realised gain/(loss)	18,922	19,774	248	9,290	1,035	63,487	(5,185)	54,584	162,153
Fair value gain	75,399	78,795	989	37,019	4,123	252,984	(20,662)	217,507	646,154
Other income - Foreign exchange gain	1,716,342	1,793,649	22,502	842,666	93,852	5,758,774	(470,345)	4,951,199	14,708,640
Impairment losses on financial assets	(54,432)	(56,884)	(714)	(26,724)	(2,976)	(182,634)	14,917	(157,022)	(466,470)
Total investment income	**2,403,838**	**2,428,193**	**25,726**	**1,065,694**	**123,755**	**7,316,564**	**(357,445)**	**6,758,548**	**19,765,873**
Net insurance finance (expense)/income	13,309	159,418	(67)	18,026	2,633	72,381	11,234	1,072,809	1,349,743
Net reinsurance finance income/(expense)	42,175	(25,564)	(90)	(25,759)	-	(62,510)	(9,020)	(54,662)	(135,430)
Net investment financial result	**55,484**	**133,854**	**(157)**	**(7,733)**	**2,633**	**9,871**	**2,214**	**1,018,147**	**1,214,313**
									-
Other operating income	4,452	(375)	40	1,473	155	1,418	(284)	(12,874)	(5,988)
Other operating expenses	(360,463)	(328,082)	(1,515)	(113,283)	(15,411)	(787,954)	(68,298)	(928,387)	(2,603,393)
Profit before tax	**4,451,232**	**2,036,984**	**45,255**	**1,726,379**	**193,001**	**7,287,506**	**(573,567)**	**45,942**	**15,212,733**

19 Insurance revenue

For the year ended 31 December 2024	Motor ₦'000	Accident ₦'000	Bond ₦'000	Marine ₦'000	Aviation ₦'000	Fire ₦'000	Engineering ₦'000	Oil & Energy ₦'000	Total ₦'000
Contracts measured under PAA	9,966,116	7,060,109	44,800	4,299,723	608,328	19,347,408	1,713,227	23,210,346	66,250,057
Insurance revenue	**9,966,116**	**7,060,109**	**44,800**	**4,299,723**	**608,328**	**19,347,408**	**1,713,227**	**23,210,346**	**66,250,057**
For the year ended 31 December 2023									
Contracts measured under PAA	5,675,375	5,088,840	31,441	1,672,080	228,223	12,044,681	892,324	14,744,164	40,377,128
Insurance revenue	**5,675,375**	**5,088,840**	**31,441**	**1,672,080**	**228,223**	**12,044,681**	**892,324**	**14,744,164**	**40,377,128**

20 Insurance service expense

	Motor ₦'000	Accident ₦'000	Bond ₦'000	Marine ₦'000	Aviation ₦'000	Fire ₦'000	Engineering ₦'000	Oil & Energy ₦'000	Total ₦'000
For the year ended 31 December 2024									
Incurred claims	979,098	829,814	298	275,687	154,914	1,923,653	1,271,119	533,907	5,968,491
Other incurred insurance service expense	415,008	320,586	3,021	179,229	27,914	882,835	100,852	958,802	2,888,246
Acquisition expenses	1,101,356	991,272	7,319	774,928	107,507	1,756,057	310,026	2,174,891	7,223,356
Changes that relate to future services: losses on onerous contracts and reversals	-	-	-	-	-	-	-	-	-
Changes that relate to past services: changes to liabilities for incurred claims (including reinsurer's non-performance risk)	2,863,632	2,447,607	2,023	798,758	568,238	2,873,257	748,116	3,203,861	13,505,492
	5,359,094	**4,589,279**	**12,661**	**2,028,602**	**858,573**	**7,435,802**	**2,430,113**	**6,871,461**	**29,585,585**
For the year ended 31 December 2023									
Incurred claims	816,524	665,360	838	88,523	9,423	914,019	966,111	1,016,792	4,477,592
Other incurred insurance service expense	176,909	136,659	1,288	76,401	11,899	376,333	42,991	408,716	1,231,194
Acquisition expenses	591,818	747,279	2,785	282,226	27,920	1,242,258	155,268	830,338	3,879,892
Changes that relate to future services: losses on onerous contracts and reversals	-	-	-	-	-	-	-	-	-
Changes that relate to past services: changes to liabilities for incurred claims (including reinsurer's non-performance risk)	2,000,834	1,356,147	(862)	199,159	64,736	2,501,961	300,501	6,461,263	12,883,739
	3,586,085	**2,905,445**	**4,049**	**646,309**	**113,978**	**5,034,571**	**1,464,871**	**8,717,109**	**22,472,417**

21 Net expenses from reinsurance contracts

For the year ended 31 December 2024	Motor ₦'000	Accident ₦'000	Bond ₦'000	Marine ₦'000	Aviation ₦'000	Fire ₦'000	Engineering ₦'000	Oil & Energy ₦'000	Total ₦'000
Reinsurance expenses	(202,815)	(4,010,651)	(8,339)	(1,983,618)	(47,951)	(15,455,651)	(646,252)	(19,740,876)	(42,096,153)
Incurred claims recovery	(23,187)	690,008	(121)	215,291	-	643,014	583,944	220,439	2,329,388
Acquisition income amortised	20,635	354,843	2,085	214,655	3,867	1,149,418	177,956	983,078	2,906,537
Changes that relate to future services: losses on onerous contracts and reversals	-	-	-	-	-	-	-	-	-
Changes that relate to past services: changes to liabilities for incurred claims (including reinsurer's non-performance risk)	(45,786)	16,684	(606)	115,842	-	1,007,406	496,049	1,304,490	2,894,079
	(251,153)	**(2,949,116)**	**(6,981)**	**(1,437,830)**	**(44,084)**	**(12,655,813)**	**611,697**	**(17,232,869)**	**(33,966,149)**
For the year ended 31 December 2023									
Reinsurance expenses	130,806	(2,949,115)	11,121	763,079	38,147	8,982,877	391,038	13,811,792	26,819,313
Incurred claims recovery	(607,541)	(18,799)	6	(14,722)	-	(1,330,493)	(602,489)	(100,249)	(2,674,287)
Acquisition income amortised	(14,708)	(323,010)	(3,336)	(118,513)	(5,771)	(747,008)	(82,539)	(285,331)	(1,580,216)
Changes that relate to future services: losses on onerous contracts and reversals	-	-	-	-	-	-	-	-	-
Changes that relate to past services: changes to liabilities for incurred claims (including reinsurer's non-performance risk)	232,812	32,358	(1,560)	(384,295)	-	(642,874)	(128,803)	(609,665)	(1,502,027)
	(258,631)	**2,381,002**	**6,231**	**245,549**	**32,376**	**6,262,502**	**(422,793)**	**12,816,547**	**21,062,783**

22 Net insurance finance (expense) /income

2024	Motor ₦'000	Accident ₦'000	Bond ₦'000	Marine ₦'000	Aviation ₦'000	Fire ₦'000	Engineering ₦'000	Oil & Energy ₦'000	Total ₦'000
Interest accreted on Insurance contracts	85,273	145,734	167	40,395	4,527	223,104	98,537	483,071	1,080,808
Effect of changes in interest rates and other financial assumptions	(85,534)	(426,514)	(161)	(69,605)	(24,991)	(271,734)	(126,125)	(1,452,932)	(2,457,596)
	(261)	**(280,780)**	**6**	**(29,210)**	**(20,464)**	**(48,630)**	**(27,588)**	**(969,861)**	**(1,376,788)**

2023									
Interest accreted on Insurance contracts	29,640	64,996	101	26,579	1,378	116,221	14,574	56,615	310,104
Effect of changes in interest rates and other financial assumptions	(42,949)	(224,414)	(34)	(44,605)	(4,011)	(188,602)	(25,808)	(1,129,423)	(1,659,846)
	(13,309)	**(159,418)**	**67**	**(18,026)**	**(2,633)**	**(72,381)**	**(11,234)**	**(1,072,808)**	**(1,349,742)**

There was a change in locked in rate between the date of initial recognition and the reporting date with insurance finance expense resulting to income. In line with the company's accounting policy, the impact was accounted for in the statement of profit or loss.

23 Net reinsurance finance income/(expense)

2024	Motor ₦'000	Accident ₦'000	Bond ₦'000	Marine ₦'000	Aviation ₦'000	Fire ₦'000	Engineering ₦'000	Oil & Energy ₦'000	Total ₦'000
Interest accreted on Insurance contracts	(14,567)	(8,061)	(80)	(26,124)	-	(168,432)	(54,285)	(80,731)	(352,280)
Effect of changes in interest rates and other financial assumptions	8,656	1,912	175	26,268	-	176,249	123,743	144,325	481,328
	(5,911)	**(6,149)**	**95**	**144**	**-**	**7,817**	**69,458**	**63,594**	**129,048**
2023									
Interest accreted on Insurance contracts	(765)	(7,067)	(8)	(10,393)	-	(66,790)	(9,510)	(39,165)	(133,698)
Effect of changes in interest rates and other financial assumptions	(41,410)	32,629	98	36,154	-	129,300	18,530	93,827	269,128
	(42,175)	**25,562**	**90**	**25,761**	**-**	**62,510**	**9,020**	**54,662**	**135,430**

There was a change in locked in rate between the date of initial recognition and the reporting date with reinsurance finance income resulting to expense. In line with the company's accounting policy, the impact was accounted for in the statement of profit or loss.

Notes To The Financial Statements Contd

			2024 ₦'000	2023 ₦'000
24	**Interest income based on effective interest rate**			
	Interest income based on effective interest rate	Note 2.7	8,491,695	3,706,928
	Interest income on bonds	Note 2.7	171,346	169,556
	interest income on other debt securities- Term deposits	Note 1.1	1,582	955
	interest on current accounts with banks	Note 1.2	1,547,812	562,885
	Interest income on calls and term deposits with banks		35,214	18,045
	Interest income on statutory deposits	Note 4.1	3,411	4,045
	Interest income on staff loans	a	10,251,060	4,462,414

25	**Other investment and operating income**			
	Other investment income			
	Rental income	Note 14	70,000	68,250
	Dividend income	Note 2.7	129,437	171,771
			199,437	240,021
	Other operating income	Note 25.1	119,098	(5,988)
		b	**318,535**	**246,994**

25.1	**Other operating income**			
	Withholding tax credit notes received	Note 4.5	122,796	1,026
	Loss on disposal of property, plant and equipment		(3,698)	(12,961)
	Other sundry income		-	5,947
			119,098	(5,988)
	Investment and operating income is attributable to:			
			3,299,462	1,470,114
	Policy holders' funds		7,270,133	3,239,294
	Shareholders' funds	a + b	**10,569,595**	**4,709,408**

Notes To The Financial Statements Contd

			2024 ₦'000	2023 ₦'000
26	**Net realised gain/(loss)**			
	Realised on:			
	Net realised gains on equities at fair value through profit or loss	Note 2.5	-	40,097
	Net realised gains on foreign exchange		195,790	122,056
			195,790	162,153

Net realised gains on foreign exchange is based on the sale of foreign currency.

27	**Unrealised fair value gains**			
	Unrealised gains on fair value of FVTPL equities	Note 2.5	1,847,062	272,924
	Net fair value gains on investment properties	Note 5	1,445,500	373,230
		a	3,292,562	646,154
28	**Unrealised foreign exchange gain**			
	Net unrealised gain on foreign exchange on the gross amount of cash and cash equivalents		1,052,612	1,425,536
	Foreign exchange adjustments on the ECL relating to cash and cash equivalents (Note 2.3a)		31,385	43,522
	Foreign exchange adjustments on financial assets (AC)		19,240,605	22,013,717
	Foreign exchange adjustments on the ECL relating to financial assets (AC)		(448,217)	(451,942)
	Unrealised foreign exchange loss on payables		(391,398)	(8,322,193)
		b	19,484,987	14,708,640
		a+b	22,777,549	15,354,794

29 Impairment loss (charge)/ write back

		2024 ₦'000	2023 ₦'000
Charge on cash and cash equivalents	Note 1.3a	(59,429)	(169,837)
Charge on financial assets at amortised costs	Note 2.5	(833,409)	(482,827)
Charge on other receivables:		(37,728)	(23,064)
(Charge)/writeback on staff loan	Note 4.8	(24)	677
Charge in deposit for shares	Note 4.8	(47,481)	-
Writeback/ (charges) on sundry debtors	Note 4.8	9,778	(23,741)
Writeback on Due from Reinsurance Brokers	Note 4.8	273,034	209,259
		(657,531)	**(466,470)**

Analysis of Impairment loss charge	Cash and cash equivalent ₦'000	Financial asset at amortised cost ₦'000	Other receivables ₦'000	Due from reinsurance brokers ₦'000	Total ₦'000
At 1 January 2024	350,938	1,263,468	120,653	273,034	2,008,093
Increase/(write-back) during the year	59,429	833,409	37,728	(273,034)	657,532
Foreign exchange adjustments	(31,385)	448,217	-	-	416,833
Total movement during the year	28,044	1,281,626	37,728	(273,034)	1,074,364
At 31 December 2024	378,982	2,545,094	158,381	-	3,082,457
At 1 January 2023	137,579	328,699	97,589	482,293	1,046,160
Increase/(write-back) during the year	169,837	482,827	23,064	(209,259)	466,470
Foreign exchange adjustments	43,522	451,942	-	-	495,463
Total movement during the year	213,359	934,769	23,064	(209,259)	961,933
At 31 December 2023	350,938	1,263,468	120,653	273,034	2,008,093

30	Management expenses		2024 ₦'000	2023 ₦'000
	Employee benefit expenses	Note 30.2	996,961	875,514
	Administrative expenses	Note 30.1	1,666,879	1,002,395
	Adverts and publicity		543,827	532,745
	Repairs and maintenance	Note 30.4	711,440	403,939
	NAICOM insurance levy		716,881	425,944
	Professional fees		530,637	318,940
	Depreciation on property, plant and equipment	Note 6	107,240	107,170
	Depreciation on right of use asset	Note 7	4,000	4,711
	Rent and rates		54,234	37,756
	Directors' fees		77,050	104,925
	Audit fees		34,400	24,000
	Subscriptions		46,916	22,906
	Amortization of intangible assets - software	Note 8	25,505	824
	Penalties and fines	Note 41	173	7,250
	AGM expenses		-	183
			5,516,143	3,869,202

The auditors did not provide any non-audit service to the Company during the year (2024: Nil).

		2024 ₦'000	2023 ₦'000
30.1	**Administrative expenses**		
	Printing and stationary	24,880	20,404
	General entertainment	59,108	44,232
	General welfare	933,824	569,209
	Investment management expenses	74,340	44,279
	Business promotion expenses	372,589	215,014
	Other general expenses	202,138	109,257
		1,666,879	1,002,395
30.2	**Employee benefit expenses**		
	Wages and salaries	428,818	388,629
	Defined contribution pension costs	42,869	39,802
	Other staff allowances	525,274	447,083
		996,961	875,514

Other staff allowances includes medical expenses, canteen expenses staff prefessional subscritions incurred during the year

30.3 Below is the breakdown of the management expenses into directly attributable and unattributable expenses.

Directly attributable expenses	1,797,589	1,278,770
Non Directly attributable expenses /Other operating expenses	3,718,554	2,590,432
	5,516,143	3,869,202

30.4 Included in repairs and maintenance is an amount of N11.8million(2023: N6.7million) incurred in relation to investment properties owned by the company.

31 Net gain on equity instruments designated at fair value through OCI

	2024 ₦'000	2023 ₦'000
Gain during the year	2,093,972	1,369,377
Deferred tax on gains accumulated on equity instruments designated at FCTOCI	(209,397)	(136,938)
	1,884,575	1,232,439

32 Profit for the year

Profit for the year has been arrived at after:

	2024 ₦'000	2023 ₦'000
Net foreign exchange gain	19,680,777	14,830,696
Depreciation of property and equipment	(107,240)	(107,170)
Amortisation of intangible assets	(25,505)	(824)
Staff costs and other expenses	(996,961)	(875,514)
Auditors' remuneration	(34,400)	(24,000)
Loss on disposal of property plant and equipment	(3,698)	(12,961)
Credit write back /(loss) on financial assets	(657,531)	(466,470)
Change in fair value of investment properties	1,445,500	373,230

33 Earnings per share

Basic EPS amounts are calculated by dividing the profit for the year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the year. The diluted earnings per share is the same as the basic earnings per share because there are no potential ordinary shares outstanding during the year.

	2024	2023
Profit for the year attributable to owners of the Company ('N'000)	29,715,032	10,321,013
Weighted average number of ordinary shares('000)	20,000,000	20,000,000
Basic and diluted earnings per share (kobo)	149	52

34	Dividends paid and declared	2024 ₦'000	2023 ₦'000
	Final dividend 2023: 30kobo (2022:10kobo) (Note 14.1)	6,000,000	2,000,000
		-	-
		6,000,000	2,000,000

35	Hypothecation of Investment Assets 2024	Shareholder's Funds ₦'000	InsuranceFunds ₦'000	Total ₦'000
	Cash and cash equivalents (Note 1)	9,058,903	11,587,267	20,646,170
	Financial assets (Note 2):			
	-Fair Value through Profit or Loss (FVTPL)	66,350	2,725,260	2,791,610
	-Fair Value through OCI (FVOCI)	-	5,802,819	5,802,819
	- Treasury bills at AC*	7,885,247	-	7,885,247
	- FGN Bonds at AC*	5,412,495	28,576,421	33,988,916
	- State Government Bonds at AC*	244,139	240,269	484,408
	- Corporate Bonds at AC*	574,920	41,832,555	42,407,475
	- Other debt instruments at AC*	-	1,648,049	1,648,049
	Premium receivables (Note 3)	-	270,207	270,207
	Other receivables and prepayments (Note 4)	-	3,826,595	3,826,595
	Reinsurance contract assets (Note 10c)	18,335,358	(7,909,132)	10,426,226
	Intangible assets (Note 8)	-	76,204	76,204
	Investment properties (Note 5.1)	1,513,600	3,981,900	5,495,500
	Property, plant and equipment (Note 6)	-	183,369	183,369
	Right of use assets(Note 7)	-	4,333	4,333
	Statutory deposits (Note 9)	-	300,000	300,000
	Total Assets	**43,091,012**	**93,146,116**	**136,237,128**
	The Funds			
	Insurance funds (Note 10)	36,886,613	-	36,886,613
	Shareholders' and other Funds	-	99,350,515	99,350,515
	Total Funds	**36,886,613**	**99,350,515**	**136,237,128**
	Surplus/(Deficit)	**6,204,399**	**(6,204,399)**	**-**

35 Hypothecation of Investment Assets	2023	Shareholder's Funds ₦'000	InsuranceFunds ₦'000	Total ₦'000
Cash and cash equivalents (Note 1)		6,107,091	5,312,122	5,312,122
Financial assets (Note 2):				
-Fair Value through Profit or Loss (FVTPL)		51,388	914,670	914,670
-Fair Value through OCI (FVOCI)		-	3,130,296	3,130,296
- Treasury bills at AC*		1,998,855		
- FGN Bonds at AC*		4,525,621	19,297,457	19,297,457
- State Government Bonds at AC*		250,407	322,410	322,410
- Corporate Bonds at AC*		565,787	25,757,825	25,757,825
- Other debt instruments at AC*		-	254,986	254,986
Premium receivables (Note 3)		-	316,646	316,646
Other receivables and prepayments (Note 4)		-	1,350,212	1,350,212
Reinsurance contract assets (Note 10c)		12,274,588	(5,216,790)	(5,216,790)
Intangible assets (Note 8)		-	123	123
Investment properties (Note 5.1)		1,513,600	2,536,400	2,536,400
Property, plant and equipment (Note 6)		-	199,213	199,213
Right of use assets (Note 7)		-	8,333	8,333
Statutory deposits (Note 9)		-	300,000	300,000
Total Assets		**27,287,337**	**54,483,903**	**54,483,903**
The Funds				
Insurance funds (Note 10)		24,081,523	-	-
Shareholders' and other Funds		-	62,906,507	62,906,507
Total Funds		**24,081,523**	**62,598,174**	**62,598,174**
Surplus/(Deficit)		**3,205,814**	**(3,205,814)**	**-**

*AC - Amortised Cost

Investments representing insurance funds are not co-mingled with shareholders' investments. All assets representing policyholders' fund (excluding reinsurance assets) have been transferred to a Custodian, Stanbic Nominees Limited. Notations of proprietary and preferential interests of the policyholders have been made in the mandate given to the Custodian of the assets.

Notes To The Financial Statements Contd

36 Notes to the statement of cash flows

	Note	2024 ₦'000	2023 ₦'000
Profit before income tax expense		33,112,912	15,212,733
Fair value gains on financial assets at fair value through profit or loss		(1,847,062)	(272,924)
Depreciation and impairment of property, plant	27	111,240	111,881
and equipment and right-of-use assets	6 &7	-	(40,097)
Gain on disposal of investments	8	25,505	823
Amortisation of intangible assets	5.1, 5.2	(1,445,500)	(373,230)
Fair value gain on investment property		(3,698)	12,961
Loss/(Gain) on disposal of property, plant and equipment	29	657,531	466,470
Impairment loss charge		(16,947,835)	(21,041,934)
Net foreign currency exchange gain	24	(10,251,060)	(4,462,414)
Interest income	25	(318,535)	(246,994)
Other investment and sundry income		3,093,499	(10,632,725)
Operating cash flows before movements in working capital			
(Increase)/decrease in reinsurance contract assets		(3,368,428)	(4,336,800)
Increase/(decrease) in insurance contract liabilities		12,805,090	1,726,204
Increase/(decrease) in other technical liabilities		10,505,551	8,056,382
Increase)/(decrease) in premium receivables		46,439	48,751
(Increase)/decrease in other receivables		(2,476,383)	(356,622)
Increase in reinsurance premium payables		2,692,342	10,102,797
Decrease/(increase) in right of use assets		4,000	(7,289)
Increase/(decrease) in deferred income		-	1,750
Increase/(decrease) in provision and other payables		2,484,613	1,103,551
Cash generated by operations		25,786,723	5,705,999
Income tax paid	15.2	(405,677)	(1,372,462)
Net cash (used in)/ from operating activities		**25,381,046**	**4,333,536**

37 Contingencies and commitments

The Company, in its ordinary course of business, is presently involved in 5 cases as a defendant (31 December 2023: 5).

The Company has been advised by its legal counsel of total legal claims of N685.5million (2023: N692.6million). However, the Management is of the opinion that the claims are only possible but not probable to materialise. Accordingly, no provision was made for this liability in the financial statements for the year ended 31 December 2024
The litigations indicating defendants, status of each case and the contingent liability are listed below:

Suit 1

Mr. Chinenye Gerald Onwuachu V Nigerian Breweries Plc (Adeboye Badejo & Co.)

Facts and contingent liability

The Product Liability case is being held at the High Court of the Federal Capital Territory, Abuja Judicial Division. Claim is for the sum of N111,002,720 as damages, purportedly caused by the claimant ingesting the contents of a contaminated Heineken beer bottle. Custodian and allied Insurance is a party in the case on the grounds that Nigerian Breweries is insured with the company under a Product liability insurance.

Update/status

On November 20, 2024, the Court did not sit. The case was adjourned to February 13, 2025 for continuation of trial.

Suit 2

Gray and Savoy V Custodian and Allied Insurance Plc (Sofunde, Osakwe, Ogundipe & Belgore)

Facts and contingent liability

Purported theft case reported prior to payment of premium and inspection of vehicle. The case commenced in 2011 and has been through mediation with no settlement. Claim is for the value of the Jeep – : N6.8m and interest at 28% from 2008 until final settlement by court. Presently this amounts to :N39,168,000.

Update/status

On December 9, 2024, the matter came up for hearing, however, due to the failure of the Claimant to pay the default with respect to the application for an extension, the hearing did not proceed. The case was adjourned to March 17, 2025, for the hearing of all pending applications.

Suit 3

Soddel Company Nig. Ltd. & ANOR. V Custodian and Allied Insurance Limited: (LEXX & SOPHY Barristers, Solicitors & Intellectual Property Attorneys).

Facts and contingent liability

The dispute on alleged refusal of the Company to release the Claimant's original land title document following the completion of their Performance Bond. The sum of N35.35m is being claimed for general and aggravated damages

Update/status

The matter came up on October 11, 2024, for continuation of trial. The matter did not proceed, as the registrar stated that the file could not be found. The Court apologized and adjourned the case to March 7, 2025, for continuation of trial.

Suit 4

Abubakar Alli v. West African Seasoning Company Limited & Ors: (JB Majiyagbe & Co.)

Facts and contingent liability

Custodian and Allied Insurance issued a Group and Personal Accident (GPA) cover to West African Seasoning, (upon the payment of premium), for the benefits of the latter's staff, of which the Claimant was described as one. Upon a ghastly accident involving the Claimant, a referral letter, issued and signed by a Chief Medical Officer of a Government Hospital, was required by Custodian before an overseas treatment abroad could be processed. Upon failure to produce this letter, and further demand by West African Seasoning Cube, Custodian paid the Permanent Disability benefit to the Company for the sake of the Claimant. Following from the above, The Claimant in this suit seeks, inter alia, the sum of N500,000,000 (Five hundred million) to be paid, severally or jointly, between parties for his permanent disability state.

Update/status

On November 18, 2024, the counsel to the 4th-6th Defendants informed the Court that he had just been served with the Claimant's counter-affidavit against the motion challenging the jurisdiction of the Court. The matter was consequently adjourned to 17 January 2025, for definite trial.

On January 17, 2025, the matter came up for trial. The Claimant's counsel was not in court. Our counsel applied that the matter be struck out for want diligent prosecution. The court was however of the view that in the interest of justice, we should oblige them another time. The matter was the adjourned to March 20, 2025, for hearing.

Suit 5

Custodian and Allied Insurance Limited V. Ranjay Construction Ltd (Copley Partners.)

Facts and contingent liability

Its's a tortious matter of trespass to land by the defendant. The matter was adjourned to September 26, 2024, for adoption of Final Written Addresses. On September 26, 2024, the matter came up for adoption of final written address. However, the Court discovered an irregularity in the Defendant's Final Written Address and directed the necessary correction to be made. Consequently, the case was adjourned to December 5, 2024, for adoption of final written address.

Update/status

On December 5, 2024, Counsel adopted their final written addresses, and the case was adjourned to March 20, 2025, for judgement.

There were no capital commitments as at 31st December 2024 (2023: Nil).

38 Related parties

Details of transactions and balances between the Company and other related parties are disclosed below.

38.1 Transactions with related parties

The Company enters into transactions with parent, affiliates and its key management personnel in the normal course of business. The transactions with related parties are made at normal market prices and conducted at arm's length.

Companies	Status of relationship	Interest (%)
Custodian Investments Plc	Parent Company	Nil
Interstate Securities Limited	Associate of the parent company	Nil
Custodian Life Assurance Limited	Fellow subsidiary of the parent company	Nil
Custodian Trustees Limited	Fellow subsidiary of the parent company	Nil
Crusader Sterling Pensions Limited	Fellow subsidiary of the parent company	Nil
UPDC Plc	Fellow subsidiary of the parent company	Nil

38.2 Transactions with related parties

Detail of transactions carried out during the year with related parties are as follows:

	Nature of transaction	2024 ₦'000	2023 ₦'000
Interstate Securities Limited	Stock brokerage fees	100	216
UPDC Plc(REITS)	Lease expense	642	2,690
Key management personnel	Loan	2,700	238
Custodian Trustees Limited	Legal	6,450	6,450
Custodian Life Assurance	services/Retainership	44,321	38,090
Limited	fees	6,000,000	2,000,000

38.3 Balances with related parties

The following balances were outstanding at the end of the reporting period
Receivables from and payables to related parties are as follows:

Due from related parties:	Nature of transaction	2024 ₦'000	2023 ₦'000
UPDC Plc(REITS)	Prepayment	-	642
Key management personnel	Loan	1,435	-
		1,435	642

Due to related parties:

There was no balances due to any related party as at the year ended 2024

The terms and conditions of the loan grated to Key management personnel complied with the requirements of Section 77(1) of the Insurance Act 2003. The loan granted to key management personnel is fully collaterised and no impairment charge for the year (2023: Nil).

39 Directors and employees

39.1 Chairman and Directors' emoluments

Emoluments:	2024 ₦'000	2023 ₦'000
Chairman	12,800	12,250
Other Directors	64,250	92,675
	77,050	77,050
As Directors' fees	54,000	56,625
Other emoluments	23,050	48,300
	77,050	104,925

39.2 Employees remuneration

a The number of employees whose emoluments, excluding allowances within the following ranges were:

	2024 Numbers	2023 Numbers
60,000 - 999,999	-	1
1,000,000 - 1,999,999	5	10
2,000,000 - 2,999,999	2	30
3,000,000 - 3,999,999	59	3
4,000,000 - 4,999,999	14	18
5,000,000 - 5,999,999	8	6
6,000,000 and above	43	39
	131	107

b **Staff**

Average number of persons employed during the year were:

	2024 Numbers	2023
Management staff	12	10
Non-management staff	119	97
	131	107

Staff cost excluding the Directors relating to the above	**2023 ₦'000**	**2022 ₦'000**
Wages and salaries	428,818	388,629
Defined contribution pension costs	42,869	39,802
Other staff allowances	525,274	446,804
	996,961	875,235

39.3 Compensation of key management personnel

Key management personnel of the Company includes all directors, executive and non- executive, and senior management. The summary of compensation of key management personnel for the year is as follows:

	2024 ₦'000	**2023 ₦'000**
Short-term employee benefits	243,117	270,339
Post employment benefit	21,940	18,685
	265,057	**289,024**
Fees and other emolument disclosed above includes amount paid to:		
Chairman	**12,800**	**12,250**
Highest paid director	**13,700**	**12,250**

40 **Events after the reporting period**

No significant event has occurred since the reporting date which requires adjustment of, or further disclosure in the financial statements.

41 **Contraventions**

The Company incurred and paid the sum of N172,500(2023:N 7,250,000) as a penalty for a contravention during the year.

	2024 ₦'000	2023 ₦'000
Violation of Paragraph 2.5.8 of the Market conduct and Business practice Guidelines for insurance Companies in Nigeria in 2016	-	7,250
Late submission of post placement report in 2019	173	-
	173	**7,250**

42 **Capital management**

The Company manages its capital to ensure that the Company will be able to continue as going concern and comply with the regulators' capital requirements of the markets in which the Company operates while maximising the return to stakeholders through the optimisation of the debt and equity balance. The capital structure of the Company consists of equity attributable to equity holders of the company, comprising issued capital, reserves and retained earnings. Reinsurance is also used as part of capital management.

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

(a) 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:	2024 ₦'000	2023 ₦'000
Share capital	10,000,000	10,000,000
Share premium	84,607	84,607
Statutory contingency reserve	12,085,172	10,000,000
Retained earnings	34,547,316	12,917,456
Excess of admissible assets over liabilities	56,717,095	33,002,063
Less the amount of own shares held(Treasury shares)	-	-
	56,717,095	33,002,063
Subordinated liabilities subject to approval by the Commission	-	-
Any other financial instrument as prescribed by the Commission	-	-
Capital requirement	**56,717,095**	**33,002,063**

42 Capital management - continued

The solvency margin requirement

The regulatory capital (as required under Section 24 of the Insurance Act 2003 and NAICOM Guideline) within the Company have been maintained and preserved over the reporting periods. The Section defines Solvency Margin of a Non-Life Insurer as the difference between the admissible assets and liabilities and this shall not be less than 15% of Net Premium Income (Gross Premium Income less Re-insurance premium paid) or the minimum capital base of N3 billion, whichever is higher. The regulatory capital within the Insurance Industry in Nigeria, in which the entity has its major operations is as follows:

Minimum capital requirement	2024 ₦'000	2023 ₦'000
** Non-life business	3,000,000	3,000,000

Notes To The Financial Statements Contd

The Solvency Margin for the Company as at 31 December 2024 is as follows:

Assets:	**Total ₦'000**	**Admissible ₦'000**	**Inadmissible ₦'000**
Cash and cash equivalents	20,646,170	20,259,987	386,183
Financial assets:			
-Amortised Cost			
Treasury bills	7,885,247	7,885,247	
Government bonds	34,473,324	34,473,324	
Corporate bonds - Quoted	42,407,475	41,796,307	611,168
Other placements with financial institutions	1,648,049	737	1,647,312
-Fair Value through Profit or Loss (FVTPL- Quoted shares)	2,791,610	2,791,610	-
-Fair Value through OCI (FVOCI - Unquoted shares)	5,802,819	5,636,924	165,895
Premium receivables	270,207	270,207	-
Loan to staff	66,498	66,498	-
Other receivables and prepayments	3,760,097	3,752,360	7,737
Reinsurance contract assets	10,426,226	10,426,226	-
Right of use assets	4,333	-	4,333
Investment properties	5,495,500	2,513,600	2,981,900
Intangible assets	76,204	76,204	-
Property, plant and equipment	183,369	183,369	-
Statutory deposits	300,000	300,000	-
Total assets	136,237,128	130,432,600	5,804,528
Liabilities:			
Insurance contract liabilities	36,886,613	36,886,613	-
Other technical liabilities	25,126,168	25,126,168	
Provisions and other payables	5,164,715	5,164,715	-
Deferred rental income	35,000	35,000	-
Current income tax payable	1,983,227	1,983,227	-
Deferred tax liabilities	6,774,066	-	6,774,066
Total liabilities	75,969,789	69,195,723	6,774,066
Available Solvency Margin (Total Admissible Assets minus Admissible Liabilities)		61,236,877	
Required Solvency Margin - Higher of:			
A. Minimum capital requirement	3,000,000		
B. 15% of net premium (Premium less reinsurance)	4,842,586		
C. Higher of A and B		4,842,586	
Surplus solvency margin		56,394,291	
Level of solvency (Available solvency/Required solvency *100)		1265%	

Notes To The Financial Statements Contd

The Solvency Margin for the Company as at 31 December 2023 is as follows:

Assets:	Total ₦'000	Admissible ₦'000	Inadmissible ₦'000
Cash and cash equivalents	11,419,213	11,355,462	63,751
Financial assets:			
-Amortised Cost	52,973,348	52,120,821	852,527
Treasury bills	1,998,855	1,998,855	-
Government bonds	24,395,895	24,395,895	-
Corporate bonds - Quoted	25,344,325	24,742,583	601,742
Other placements with financial institutions	1,234,273	983,488	250,785
-Fair Value through Profit or Loss (FVTPL- Quoted shares)	966,058	698,628	267,430
-Fair Value through OCI (FVOCI - Unquoted shares)	3,130,296	2,922,927	207,369
Premium receivables	316,646	316,646	-
Loan to staff	76,744	76,744	
Other receivables and prepayments	1,273,468	52,988	1,220,480
Reinsurance contract assets	7,057,798	7,057,798	-
Right of use assets	8,333	-	8,333
Investment properties	4,050,000	2,513,600	1,536,400
Intangible assets	123	123	-
Property, plant and equipment	199,213	199,213	-
Statutory deposits	300,000	300,000	-
Total assets	81,771,240	77,614,950	4,156,290
Liabilities:			
Insurance contract liabilities	24,081,523	24,081,523	-
Other technical liabilities	14,620,617	14,620,617	
Provisions and other payables	2,680,102	2,680,102	-
Deferred rental income	35,000	35,000	-
Current income tax payable	507,800	507,800	-
Deferred tax liabilities	5,178,466	-	5,178,466
Total liabilities	47,103,508	41,925,042	5,178,466
Available Solvency Margin (Total Admissible Assets minus Admissible Liabilities)		35,689,909	
Required Solvency Margin - Higher of:			
A. Minimum capital requirement	3,000,000		
B. 15% of net premium (Premium less reinsurance)	2,030,807		
C. Higher of A and B		3,000,000	
Surplus solvency margin		32,689,909	
Level of solvency (Available solvency/Required solvency *100)		1190%	

43. Financial risk management framework

The Company monitors and manages the financial risks relating to the operations of the Company through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (currency risk, interest rate risk and price risk), credit risk and liquidity risk.
The Company may seek to minimise the effects of these risks by using derivative financial instruments to hedge risk exposures.

The Company does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

43.1 Valuation bases

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Fair values are determined at prices quoted in active markets. In the current environment, such price information is typically not available for all instruments and the Company applies valuation techniques to measure such instruments. These valuation techniques make maximum use of market observable data but in some cases management estimate other than observable market inputs within the valuation model. There is no standard model and different assumptions would generate different results.

Fair values are subject to a control framework designed to ensure that input variables and output are assessed independent of the risk taker. These inputs and outputs are reviewed and approved by a valuation committee. The Company has minimal exposure to financial assets which are valued at other than quoted prices in an active market.

The table below shows financial assets carried at fair value.

31 December 2024	**Notes**	**Fair value through profit or loss ₦'000**	**Fair value through OCI ₦'000**	**Fair value ₦'000**
Quoted equities at FVTPL	2	2,791,610	-	2,791,610
Fair value through OCI - quoted		-	12,669	12,669
Fair value through OCI - unquoted	2	-	5,790,150	5,790,150
		2,791,610	5,802,819	8,594,429
31 December 2023				
Quoted equities at FVTPL	2	966,058	-	966,058
Fair value through OCI - quoted		-	11,230	11,230
Fair value through OCI - unquoted	2	-	3,119,066	3,119,066
		966,058	3,130,296	4,096,354

The management assessed that the fair values of cash and cash equivalents, Premium receivables, reinsurance premium payables, other liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The following methods and assumptions were used to estimate the fair value of unquoted equity measured at fair value and other debt securities whose fair values are disclosed.

i **Unquoted equity**

The fair values of the unquoted ordinary shares have been estimated using either of Income approach or Market approach.

Under the income approach, the valuation requires management to make certain assumptions about the model inputs, including forecast cash flows, the discount rate, credit risk and volatility. The probabilities of the various estimates within the range can be reasonably assessed and are used in management's estimate of fair value for these unquoted equity investments.

Under the market approach, the Company determines comparable public companies (Peers) based on industry, size, leverage and strategy and calculates an appropriate trading multiple for each comparable company identified. The multiple is calculated by dividing the enterprise value of the comparable company by an earnings measure. The trading multiple is then discounted for considerations such as illiquidity and size differences between the comparable companies based on company-specific facts and circumstances. The discounted multiple is applied to the corresponding earnings measure of the investee company to measure the fair value.

The Company classifies the fair value of these investments as Level 3.

ii **Unlisted managed funds**

The Company invests in managed funds, including private equity funds, which are not quoted in an active market and which may be subject to restrictions on redemptions such as lock up periods, redemption gates and side pockets.

The Company's investment manager considers the valuation techniques and inputs used in valuing these funds as part of its due diligence prior to investing, to ensure they are reasonable and appropriate. Therefore, the NAV of these funds may be used as an input into measuring their fair value. In measuring this fair value, the NAV of the funds is adjusted, as necessary, to reflect restrictions on redemptions, future commitments, and other specific factors of the fund and fund manager. In measuring fair value, consideration is also paid to any transactions in the shares of the fund. Depending on the nature and level of adjustments needed to the NAV and the level of trading in the fund, the Company classifies these funds as Level 3.

iii **Listed debt securities - bonds**

Fair values of publicly traded debt securities are based on quoted market prices in an active market for identical assets with adjustments for accrued interest on the instrument after the last interest/coupon payment date. The Company values these investments at closing bid price.

iv **Money market funds and similar securities (treasury bills)**

The estimated fair value of money market funds is based on discounted cash flows using prevailing quoted Money-market interest rates for debts with similar credit risk and maturity.

Quantitative information of significant observable inputs - unquoted equity instruments

Investment	Valuation technique (Significant unobservable valuation input)	Range* (weighted average)	Sensitivity used*	Effect on fair value (N'000)
African Reinsurance Corporation	Market Approach	Average EBITDA multiple of peers	2024: 5% 2023: 5%	2024: N26,212 2023: N21,632
		Discount to average multiple (10%)	2024: 1% 20223 1%	2024: N5,825 2023: N13,683
Interswitch Limited	Market Approach	Market value adjustment	2024: 1% 2023: 1%	2024: N113,374 2023: N97,879
WSTC Financial Services Limited	Income approach	Cost of capital (11.5%/10.9%)	2024: 5% 2023: 5%	2024: N2,562 2023: N2,047
		Dividend growth rate (2.51/7.62)	2024: 5% 2023: 5%	2024: N1,833 2023: N1,500
FBS Re Limited	Adjusted NAV	Discount for lack of liquidity	2024: 1%	2024: N2,234
Energy and Allied Insurance Pool of Nigeria	Adjusted NAV	Discount for lack of liquidity	Unappropriated-ed reserves	2024: N72,179 2023: N55,613

Financial Assets measured at Fair Value	2024 ₦'000	2023 ₦'000
Quoted prices in active markets (level 1)	2,804,279	977,288
Valuation technique:		
Market observable data (level 2)	-	-
Other than observable market data (level 3)	5,790,150	3,119,066
	8,594,429	4,096,354
Financial Assets measured at Amortised Cost:		
Amortised cost	86,414,095	52,973,348
	86,414,095	52,973,348

43.1.1 Fair value and fair value hierarchy

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, into Levels 1 to 3 based on the degree to which the fair value is observable. The categorisation also includes items not measured at fair value but whose fair value is disclosed.

Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Financial instruments in level 1

The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the company is the current bid price. These instruments are included in Level 1. Instruments included in Level 1 comprise primarily Nigerian Stock Exchange equity investments classified as trading securities.

Financial instruments in 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.

Financial instruments in level 3

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.

Notes To The Financial Statements Contd

Items measured at fair value	2024			
Financial assets	**Level 1 ₦'000**	**Level 2 ₦'000**	**Level 3 ₦'000**	**Total ₦'000**
Financial assets at FVTPL:				
Equity shares	2,791,610	-	-	2,791,610
	2,791,610	-	-	2,791,610
Financial assets at FVOCI:				
Equity shares	12,669	-	5,790,150	5,802,819
	2,804,279	-	5,790,150	8,594,429
Items whose fair values are disclosed				
Debt instruments	-	78,888,702	244,580	79,133,282
	-	78,888,702	244,580	79,133,282
Total financial assets	2,804,279	78,888,702	6,034,730	87,727,711

Items measured at fair value	2023			
Financial assets				
Financial assets at FVTPL:				
Equity shares	966,058	-	-	966,058
	966,058	-	-	966,058
Financial assets at FVOCI:				
Equity shares	11,230	-	3,119,066	3,130,296
	977,288	-	3,119,066	4,096,354
Items whose fair values are disclosed				
Debt instruments	-	50,403,585.00	322,977	50,726,562
	-	50,403,585.00	322,977	50,726,562
Total financial assets	977,288	50,403,585	3,442,043	54,822,916

There were no transfers between level 1 and 2 or in and out of level 3 in 2024 and 2023.

There were no transfers between level 1 and 2 or in and out of level 3 in 2024 and 2023.

Fair value of financial assets and liabilities	31-Dec-2024		31-Dec-2023	
Financial assets	**Carrying value ₦'000**	**Fair value ₦'000**	**Carrying value ₦'000**	**Fair value ₦'000**
Cash and cash equivalents:				
Cash and cash equivalents:	10,907,493	10,907,493	1,086,918	1,086,918
Cash and bank balances	9,738,677	9,738,677	10,332,295	10,656,976
Short-term deposits				
Debt instruments:				
Federal Government bonds &T-bills	43,095,412	34,453,025	26,146,085	24,425,116
State Government bonds	485,542	436,988	573,926	450,330
Corporate bonds	43,689,218	42,554,252	26,243,363	24,577,693
Term deposits	1,689,017	1,689,017	1,273,442	1,273,423

43.2 Market risk

Market risk is the risk of adverse financial impact as a consequence of market movements such as currency exchange rates, interest rates and other price changes. Market risk arises due to fluctuations in both the value of assets held and the value of liabilities.

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

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

Foreign currency risk management

The Company undertakes certain transactions denominated in foreign currencies. Hence, exposures to exchange rate fluctuations arise.

The Company has minimal exposure to currency risk as the Company's financial assets are primarily matched to the same currencies as its insurance contract liabilities.

Carrying amounts of the Company's foreign currency denominated assets and liabilities:

43.2. Market risk - continued

Carrying amounts of the Company's foreign currency denominated assets and liabilities:

2024				
Assets	**Pounds Sterling ₦'000**	**Euro ₦'000**	**US dollars ₦'000**	**Total ₦'000**
Cash and cash equivalents	69	57,366	16,678,978	16,736,413
Financial assets	-	-	76,829,487	76,829,487
Reinsurance contract assets	-	-	2,345,465	2,345,465
	69	57,366	95,853,930	95,911,365
Liabilities				
Insurance contract liabilities	-	-	7,555,286	7,555,286
	-	-	7,555,286	7,555,286
Net assets	69	57,366	88,298,645	88,356,079

2023				
Assets	**Pounds Sterling ₦'000**	**Euro ₦'000**	**US dollars ₦'000**	**Total ₦'000**
Cash and cash equivalents	635	10,775	5,950,937	5,962,347
Financial assets	-	-	47,474,607	47,474,607
Reinsurance assets	-	-	1,456,552	1,456,552
	635	10,775	54,882,095	54,893,505
Liabilities				
Insurance contract liabilities	-	-	3,438,258	
	-	-	3,438,258	3,438,258
				3,438,258
Net assets	635	10,775	51,443,837	51,455,247

43.2. Market risk - continued

Cash and cash equivalents	Changes in variables ₦'000	31-Dec-24 Impact on Profit before tax ₦'000	31-Dec-24 Impact on Equity ₦'000	31-Dec-23 Impact on Profit before tax ₦'000	31-Dec-23 Impact on Equity ₦'000
Sterling	+10%	7	-	63	-
	-10%	(7)	-	(63)	-
Euro	+10%	5,737	-	1,078	-
	-10%	(5,737)	-	(1,078)	-
USD	+10%	8,829,864	201,315	5,144,384	48,296
	-10%	(8,829,864)	(201,315)	(5,144,384)	(48,296)

43.3. Interest rate risk management

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

The Company has no significant concentration of interest rate risk because:
- It invests in fixed income securities carried at fixed and not floating rates
- Its fixed income securities are measured at amortised cost and not at fair value.

Price risk management

The Company is exposed to equity price risks arising from equity investments primarily from investments not held for unit-linked business. The shares included in financial assets represent investments in listed and unlisted securities that present the Company with opportunity for return through dividend income and capital appreciation. Equity investments designated as fair value through OCI are held for strategic rather than trading purposes.

The analysis below is performed for reasonably possible movements in market indices with all other variables held constant, showing the impact on profit before tax (due to changes in fair value of financial assets whose fair values are recorded in the statement of profit or loss).

		31-Dec-24		31-Dec-23	
Cash and cash equivalents	Changes in variables ₦'000	Impact on Profit before tax ₦'000	Impact on Equity ₦'000	Impact on Profit before tax ₦'000	Impact on Equity ₦'000
Fair value through profit or loss	+1%	27,916	-	9,661	-
	-1%	(27,916)	-	(9,661)	-
Fair value through OCI	+1%	-	58,028	-	31,303
	-1%	-	(58,028)	-	(31,303)

43.4. Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The key areas of exposure to credit risk for the Company are in relation to its investment portfolio, loan receivables, cash and cash equivalents reinsurance programme and to a lesser extent amounts due from policyholders and intermediaries.

The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company only transacts with entities that are rated the equivalent to investment grade and above.

This information is supplied by independent rating agencies where available and if not available the Company uses other publicly available financial information and its own trading records to rate its major policyholders and reinsurers.

The Company's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the risk management committee annually.

Receivables consist of a large number of policyholders, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable.

43.4. Credit risk - continued

Industry analysis 31 December 2024	Financial services ₦'000	Government ₦'000	Consumers ₦'000	Retail and Wholesale ₦'000	Construction and Materials ₦'000	Manufacturing and Petroleum ₦'000	Others ₦'000	Total ₦'000
Cash and cash equivalents	20,646,170	-	-	-	-	-	-	20,646,170
Debt instruments at amortised costs	43,303,067	42,358,571	256,224	-	-		496,233	86,414,095
Staff loans and advances	-	-	-	-	-	-	104,973	104,973
Sundry debtors	-	-	-	-	-	-	54,826	54,826
Deposit for assets	-	-	-	-	-	-	105,337	105,337
Deposit for shares	-	-	-	-	-	-	3,073,024	3,073,024
Premium receivables	32,403	4,280	3,000	69,796	732	123,961	36,035	270,207
Reinsurance contract assets	-	-	-	-	-	-	10,426,226	10,426,226
Statutory deposits	-	300,000	-	-	-	-	-	300,000
	63,981,640	42,662,851	259,224	69,796	732	123,961	14,296,654	121,394,858
31 December 2023								
Cash and cash equivalents	11,419,213	-	-	-	-	-	-	11,419,213
Debt instruments at amortised costs	24,600,376	26,394,750	256,224	-	-		1,721,998	52,973,348
Staff loans and advances	-	-	-	-	-	-	115,195	115,195
Sundry debtors	-	-	-	-	-	-	348,138	348,138
Deposit for properties	-	-	-	-	-	-	25,337	25,337
Premium receivables	27,205	15,266	2,558	35,814	16,478	153,756	65,568	316,646
Reinsurance contract assets	-	-	-	-	-	-	7,057,798	7,057,798
Statutory deposits	-	300,000	-	-	-	-	-	300,000
	36,046,794	26,710,016	258,782	35,814	16,478	153,756	9,334,034	72,555,675

43.4. Credit risk - continued

The table below provides information regarding the credit risk exposure of the Company by classifying assets according to the Company's credit ratings of counter parties:

31 December 2024	Investment Grade ₦'000	Non Investment Grade: Satisfactory ₦'000	Unrated Non Investment Grade: Unsatisfactory ₦'000	Total ₦'000
Debt instruments at amortised costs	-	84,766,046	1,648,049	86,414,095
Cash and cash equivalents	-	21,025,152	-	21,025,152
Staff loans and advances	-	-	104,973	104,973
Sundry debtors	-	-	54,826	54,826
Deposit for properties	-	-	105,337	105,337
Trade receivables	-	-	270,207	270,207
	-	105,791,198	2,183,392	107,974,590
31 December 2023				
Debt instruments at amortised costs	-	52,714,687	258,661	52,973,348
Cash and cash equivalents	-	11,770,151	-	11,770,151
Staff loans and advances	-	-	115,195	115,195
Sundry debtors	-	-	348,138	348,138
Deposit for properties	-	-	25,337	25,337
Trade receivables	-	-	316,646	316,646
	-	64,484,838	1,063,977	65,548,815

The Company actively manages its product mix to ensure that there is no significant concentration of credit risk.

43.4. Credit risk - continued

Impairment assessment

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

Significant increase in credit risk, default and cure

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

- The counterparty having past due liabilities to public creditors or employees
- The counterparty (or any legal entity within the debtor's group) filing for bankruptcy application/protection
- Counterparty's listed debt or equity suspended at the primary exchange because of rumours or facts about financial difficulties"

The Company considers a financial instrument defaulted and, therefore, credit-impaired for ECL calculations in all cases when the counterparty becomes 90 days past due on its contractual payments. The Company may also consider an instrument to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full. In such cases, the Company recognises a lifetime ECL.

There has been no significant increase in credit risk or default for financial assets during the year.

Expected credit loss

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

Impairment losses on financial investments subject to impairment assessment

Debt instruments measured at amortised cost

The table below shows the credit quality and the maximum exposure to credit risk based on Moody's credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances. Details of the Company's internal grading system are also provided.

	2024			2023		
Moody's rating **Performing** **Cash and cash equivalents**	**12mECL** **₦'000**	**LTECL** **₦'000**	**Total** **₦'000**	**12mECL** **₦'000**	**LTECL** **₦'000**	**Total** **₦'000**
AAA-A+	-	-	-	-	-	-
BBB-B+	21,025,152	-	21,025,152	11,770,151	-	11,770,151
C-CCC	-	-	-	-	-	-
Not rated						
Total Gross Amount	**21,025,152**	-	**21,025,152**	**11,770,151**	-	**11,770,151**
ECL	(378,982)		(378,982)	(350,938)		(350,938)
Total Net Amount	**20,646,170**	-	**20,646,170**	**11,419,213**	-	**11,419,213**
Financial assets - amortised cost						
AAA-A+	-	-	-	-	-	-
BBB-B+	87,274,732	-	87,274,732	53,978,155	-	53,978,155
C-CCC	-	-	-	-	-	-
Note rated	1,684,457	-	1,684,457	258,661	-	258,661
Total Gross Amount	**88,959,189**	-	**88,959,189**	**54,236,816**	-	**54,236,816**
ECL	(2,545,094)	-	(2,545,094)	(1,263,468)	-	(1,263,468)
Total Net Amount	**86,414,095**	-	**86,414,095**	**52,973,348**	-	**52,973,348**

Debt instruments measured at amortised cost

	2024			2023		
Unrated	12mECL ₦'000	LTECL ₦'000	Total ₦'000	12mECL ₦'000	LTECL ₦'000	Total ₦'000
Other receivables	3,716,814	109,567	3,826,381	488,670	109,567	598,237
Total Gross Amount	3,716,814	109,567	3,826,381	488,670	109,567	598,237
ECL	(48,814)	(109,567)	(158,381)	(11,086)	(109,567)	(120,653)
Total Net Amount	**3,668,000**	-	**3,668,000**	**477,584**	-	**477,584**

Collateral for other receivables

Some of the Company's receivables (e.g. mortgage loans and car loans) are collaterised with assets including properties and cars. As at 31 December 2024 the value of assets accepted as collateral that the Company is permitted to repossess or sell in the absence of default in respect of the staff loans was N140million (2023: N160million) against the receivables balances of N105million (2023:N115million).

As at 31 December 2024, the Company had no asset repossessed as security against asset. The Company's policy is to pursue timely realisation of collateral in an orderly manner in the case of default. The Company does not generally use the non cash collateral for its own operations.

As at 31 December 2024, the Company has not pledged any of its assets as collateral for any liability or payable balance (2023: nil)

Amounts arising from ECL

Inputs, assumptions and techniques used for estimating impairment

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

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

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

The Company has assumed that the credit risk of a financial asset has not increased significantly since the initial recognition if the financial asset has low credit risk at reporting date. The company considers a financial asset to have low credit risk when its credit risk rating is equivalent to the globally understood definition of "investment grade". The Company considers this to be Baa3 or higher based on the Moody rating.

Amounts arising from ECL

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

Loss Given Default is the magnitude of the likely loss if there is a default. The Company estimates LGD parameters based on the history of recovery rates of claims against the defaulted counterparties. The LGD for sovereign fixed income exposures are based on publications by Moody's and the models consider the structure, collateral, seniority of claims and recovery of any collateral that is integral to the financial asset. For loans secured with properties or asset, loan to value ratios are key parameter in determining LGD. LGDs are calculated on discounted cash flow basis using effective interest rate as the discounting factor.

Measurement of ECL

EAD represents the expected exposure in the event of a default. The Company derives the EAD from the current exposure to the counterparty and potential changes to the current amount allowed under the contract, including amortisation, and prepayments. The EAD of a financial asset is its gross carrying amount. As described in the accounting policy, and subject to using a maximum of a 12-month PD for financial assets for which credit risk has not significantly increased, the Company measures ECL considering the risk of default over the maximum contractual period (including any borrower’s extension options over which it is exposed to credit risk, even if, for risk management purposes, the Company considers a longer period. The modelling of parameter is carried out on an individual basis.

An overview of the approach to estimating ECLs is set out in Note 2 Summary of significant accounting policies and in Note 3 critical accounting judgements and key sources of estimation uncertainty. To ensure completeness and accuracy, the Company obtains the data used from third party sources (Moodys, Standards and Poor, Economist associate etc.) and its investment team verifies the accuracy of inputs to the Company’s ECL models including determining the weights attributable to the multiple scenarios. The following tables set out the key drivers of expected loss and the assumptions used for the Company’s base case estimate, ECLs based on the base case, plus the effect of the use of multiple economic scenarios for Nigeria, as at 31 December 2024 and 31 December 2023.

The Company has identified and documented key divers of credit risk and ECL for each portfolio of financial instruments and using an analysis of historical data, has estimated relationships between macro economic variables and credit risk and credit losses. The tables show the values of the key forward looking economic variables/assumptions used in each of the economic scenarios for the ECL calculations. The figures for “Subsequent years” represent a long-term average and so are the same for each scenario.

The inputs and models used for calculating ECL may not always capture all characteristics of the market at the date of the financial statements. To reflect this, qualitative adjustments or overlays are occasionally made as temporary adjustments when such differences are significantly material. Detailed information about these inputs and sensitivity analysis are provided below.

-The criteria are capable of identifying significant increase in credit risk before an exposure is in default;

-The average time between The identification of a significant increase in credit risk and default appears reasonable

- The criteria do no align with the point in time when the asset becomes 30 days past due;

-Exposures are not generally transferred from 12- month ECL measurement to credit impaired and

-There is no unwarranted volatility in loss allowance from transfers between 12-month ECL and Lifetime ECL measurement.

Modified financial assets

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

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

Definition of default

The Company considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realizing security (if any is held); or the financial asset Is more than 90 days past due.

In assessing whether a borrower is in default, the Company considers indicators that are:

- qualitative: e.g. breaches of covenant and the other indicators of financial distress;
- quantitative: e.g. overdue status and non-payment of another obligation of the same issuer to the Company; and
- based on data developed internally and obtained from external sources.

Inputs into the assessment of whether a financial instrument is in default and their significance may vary over time to reflect changes in circumstances.

Incorporation of forward looking information

The Company incorporates forward-looking information into its measurement of ECL. It formulates a ‘base case’ view of the future direction of relevant economic variables and a representative range of other possible forecast scenarios based on advice from the Company's Investment and Risk committee, economic experts and consideration of a variety of external actual and forecast information. This process involves developing two additional economic scenarios and considering the relative probabilities of each outcome. External information includes economic data and forecasts published by governmental bodies and monetary authorities in the Nigeria, supranational organizations such as the Organisation for Economic Cooperation and Development and the International Monetary Fund, and selected private-sector and academic forecasters.

The base case represents a best estimate and is aligned with information used by the Company for other purposes such as strategic planning and budgeting. The other scenarios represent more optimistic and pessimistic outcomes.

Measurement of ECL

The calculation of the expected credit loss is based on the key risk parameters of Probability of default(PD), Loss given default(LGD) and Exposure at default (EAD)

To determine the Lifetime and 12-month PDs, the Company uses the PD tables supplied by Moody's based on the default history of sovereign and corporate obligors with the same credit rating. The Company adopts the same approach for unrated investments by mapping its internal risk grades to the equivalent external credit ratings. The PDs are recalibrated and adjusted to reflect forward looking information as described below. changes in the rating for counterparties and exposure lead to a change in estimate of the associated PD.

43.4. Analysis of inputs to the ECL model under multiple economic scenarios 31 December 2024

Key drivers	ECL Scenario	Assigned Weightings/ Probabilities	2024	2025	2026	2027	2028
Macroeconomic variable							
GDP Growth rate (%)							
	Upside	12%	3.02	3.34	3.54	3.74	5.04
	Base case	78%	2.98	3.30	3.50	3.70	5.00
	Downside	10%	2.94	3.26	3.46	3.66	4.96
Inflation rates (%)							
	Upside	12%	27.28	34.55	33.45	29.95	24.95
	Base case	78%	27.33	34.60	33.50	30.00	25.00
	Downside	10%	27.41	34.68	33.58	30.08	25.08
Oil Prices "USD"							
(price per barrel)	Upside	12%	113.18	127.57	135.41	121.02	113.18
	Base case	78%	72.06	86.45	94.29	79.90	72.06
	Downside	10%	42.90	57.29	65.13	50.74	42.90
Unemployment rates (%)							
	Upside	12%	34.91	35.61	29.32	28.63	34.91
	Base case	78%	43.00	48.00	5.00	51.00	54.00
	Downside	10%	47.81	52.81	9.81	55.81	58.81

Since the beginning of the year, as the Company has reassessed the key economic indicators used in its ECL models, the expected GDP growth rate over the next few years has been revised downwards, given the slowdown of Nigeria's economy which is majorly due to the unstable political outlook of the country. Unemployment and oil price assumptions follow a similar trend. Central Bank base rates have been revised downward while inflation rate is on the rise with the expected minimum wage legislation as part of governmental response. Long-term expectations remain unchanged.

42.4. Credit risk - continued

Analysis of inputs to the ECL model under multiple economic scenarios 31 December 2023

Key drivers	ECL Scenario	Assigned Weightings/ Probabilities	2023	2024	2025	2026	2027
Macroeconomic variable							
GDP Growth rate (%)							
	Upside	13%	2.64	3.14	3.44	3.54	3.74
	Base case	79%	2.60	3.10	3.40	3.50	3.70
	Downside	8%	2.56	3.06	3.36	3.46	3.66
Inflation rates (%)							
	Upside	13%	27.28	29.95	20.95	16.95	18.95
	Base case	79%	27.33	30.00	21.00	17.00	19.00
	Downside	8%	27.41	30.08	21.08	17.08	19.08
Oil Prices "USD"							
(price per barrel)	Upside	13%	121.02	130.75	139.12	129.39	121.02
	Base case	79%	79.90	89.63	98.00	88.27	79.90
	Downside	8%	50.74	60.47	68.84	59.11	50.74
Unemployment rates (%)							
	Upside	13%	34.91	35.61	29.32	28.63	34.91
	Base case	79%	37.00	37.70	31.42	30.72	37.00
	Downside	8%	41.81	42.51	36.23	35.53	41.81

Since the beginning of the year, as the Company has reassessed the key economic indicators used in its ECL models, the expected GDP growth rate over the next few years has been revised downwards, given the slowdown of Nigeria's economy which is majorly due to the unstable political outlook of the country. Unemployment and oil price assumptions follow a similar trend. Central Bank base rates have been stable while inflation rate is on the rise with the expected minimum wage legislation. Long-term expectations remain unchanged.

43.4. Credit risk - continued

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

31 December 2024		Cash and cash equivalents	Financial assets - amortised cost	Other receivables	Total
Upside	12%	44,586	299,423	18,633	362,642
Base case	78%	295,606	1,985,173	123,537	2,404,316
Downside	10%	37,899	254,509	15,838	308,246
		378,982	2,545,094	158,381	3,075,205
31 December 2023					
Upside	13%	47,025	169,305	16,168	232,498
Base case	79%	278,434	1,002,436	95,726	1,376,596
Downside	8%	28,988	104,362	9,966	143,316
		350,938	1,263,468	120,653	1,752,410

43.5. Liquidity risk

Liquidity risk is the risk that the Company cannot meet its obligations associated with financial liabilities as they fall due.

The Company has adopted an appropriate liquidity risk management framework for the management of the Company's liquidity requirements. The Company manages liquidity risk by maintaining banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of assets and liabilities. The Company is exposed to liquidity risk arising from clients on its insurance contracts. In respect of catastrophic events there is liquidity risk from a difference in timing between claim payments and recoveries thereon from reinsurers.

43.5. Liquid risk - continued

Liquidity management ensures that the Company has sufficient access to funds necessary to cover insurance claims. In practice, most of the Company's assets are marketable securities which could be converted to cash when required.

The following table shows details of the expected maturity profile of the Company's undiscounted obligations with respect to its financial liabilities and estimated cash flows of recognised insurance contract liabilities. Unearned premiums are excluded from this analysis. The table includes both interest and principal cash flows. Cash and cash equivalents including insurance receivables which are used to manage liquidity risk are included in this table.

	< 1 month ₦'000	1 - 3 months ₦'000	3 - 12 months ₦'000	1 - 5 years ₦'000	> 5 years ₦'000	Total ₦'000
31 December 2024						
Cash and cash equivalents	12,362,927	6,181,463	2,060,488	-	-	20,604,878
Financial assets (debt securities at amortised cost)	14,017,877	9,030,137	7,216,769	11,705,672	44,530,956	86,501,411
Trade receivables	316,646	-	-	-	-	316,646
	26,697,449	15,211,600	9,277,257	11,705,672	44,530,956	107,422,934
Insurance contract liabilities	8,692,559	2,745,681	2,591,680	544,845	5,417,679	19,992,444
Trade payables	2,512,617	1,758,832	-	1,256,308	19,598,412	25,126,168
Other payables	3,463,067	1,701,648		-	-	5,164,715
	14,668,243	6,206,161	2,591,680	1,801,153	25,016,091	50,283,327
Liquidity Gap	12,029,206	9,005,440	6,685,577	9,904,519	19,514,865	57,139,607
31 December 2023						
Cash and cash equivalents	11,515,384	254,767	-	-	-	11,770,151
Financial assets (debt securities at amortised cost)	5,514,845	9,760,000	7,235,000	22,435,535	11,793,829	56,739,209
Trade receivables	316,646	-	-	-	-	316,646
	17,346,875	10,014,767	7,235,000	22,435,535	11,793,829	68,826,006
Insurance contract liabilities	2,445,681	2,745,681	2,591,680	544,845	1,037,319	9,365,206
Trade payables	5,505,693	3,477,652	2,431,413	2,646,423	559,436	14,620,617
Other payables	1,853,950	826,152	-	-	-	2,680,102
	9,805,324	7,049,484	5,023,093	3,191,268	1,596,755	26,665,925
Liquidity Gap	7,541,551	2,965,283	2,211,907	19,244,267	10,197,074	42,160,081

43.6. Maturity analysis of the amounts in the statement of financial position

Maturity analysis on expected maturity bases

The table below summarises the expected maturity of assets and liabilities.

31 December 2024

Asset	Current ₦'000	Non- current ₦'000	Total ₦'000
Cash and cash equivalents	20,646,170	-	20,646,170
Financial assets	23,048,014	71,960,510	95,008,524
Premium receivables	270,207	-	270,207
Reinsurance contract assets	10,426,226	-	10,426,226
Other receivables and prepayments	3,826,595	-	3,826,595
Investment properties	-	5,495,500	5,495,500
Property, plant and equipment	-	183,369	183,369
Right of use assets	-	4,333	4,333
Intangible assets	-	76,204	76,204
Statutory deposits	-	300,000	300,000
Total assets	58,217,212	78,019,916	136,237,128
Liabilities			
Insurance contracts liabilities	14,029,920	22,856,693	36,886,613
Other technical liabilities	25,126,168	-	25,126,168
Provisions and other payables	5,164,715	-	5,164,715
Deferred rental income	35,000	-	35,000
Current income tax payable	1,983,227	-	1,983,227
Deferred tax liabilities	-	6,774,066	6,774,066
Total liabilities	46,339,030	29,630,759	75,969,789

42.6. Maturity analysis of the amounts in the statement of financial position

Maturity analysis on expected maturity bases

The table below summarises the expected maturity of assets and liabilities.

31 December 2023

Asset	Current ₦'000	Non- current ₦'000	Total ₦'000
Cash and cash equivalents	11,419,213	-	11,419,213
Financial assets	15,274,845	41,794,857	57,069,702
Premium receivables	316,646	-	316,646
Reinsurance contract assets	7,057,798	-	7,057,798
Other receivables and prepayments	1,350,212	-	1,350,212
Right of use assets	1,044	7,289	8,333
Investment properties	-	4,050,000	4,050,000
Property, plant and equipment	-	199,213	199,213
Intangible assets	-	123	123
Statutory deposit	-	300,000	300,000
Total assets	35,419,758	46,351,482	81,771,240
Liabilities			
Insurance contracts liabilities	11,999,359	12,082,164	24,081,523
Other technical liabilities	14,620,617		14,620,617
Provisions and other payables	2,680,102	-	2,680,102
Deferred rental income	35,000	-	35,000
Current income tax payable	507,800	-	507,800
Deferred tax liabilities	-	5,178,466	5,178,466
Total liabilities	29,842,878	17,260,630	47,103,508

44. Insurance risk management

The Company accepts insurance risk through its insurance contracts where it assumes the risk of loss from persons or organisations that are directly subject to the underlying loss. The Company is exposed to the uncertainty surrounding the timing, frequency and severity of claims under these contracts. The Company manages its risk via its underwriting and reinsurance strategy within an overall risk management framework.

The objective of the Company is to ensure that sufficient reserves are available to cover the liabilities associated with these insurance and reinsurance contracts that it issues. The risk exposure is mitigated by diversification across the portfolios of insurance contracts. The variability of risks is also improved by careful selection and implementation of underwriting strategy guidelines, as well as the use of reinsurance held arrangements. Furthermore, strict claim review policies to assess all new and ongoing claims, regular detailed review of claims handling procedures and frequent investigation of possible fraudulent claims are established to reduce the risk exposure of the Company. The Company further enforces a policy of actively managing and promptly settling claims, in order to reduce its exposure to unpredictable future developments that can negatively impact the business. Inflation risk is mitigated by taking expected inflation into account when estimating insurance contract liabilities and pricing appropriately

Pricing is based on assumptions which have regard to trends and past experience. Exposures are managed by having documented underwriting limits and criteria.
Reinsurance is purchased to mitigate the effect of potential loss to the Company from individual large or catastrophic events and also to provide access to specialist risks and to assist in managing capital. Reinsurance policies are written with approved reinsurers on either a proportional or excess of loss treaty basis.

Regulatory capital is also managed (though not exclusively) by reference to the insurance risk to which the Company is exposed.

The Company writes property, liability and motor risks primarily over a twelve month duration. The most significant risks arise from natural disasters, climate change and other catastrophes (i.e. high severity, low frequency events). A concentration of risk may also arise from a single insurance contract issued to a particular demographic type of policyholder, within a geographical location or to types of commercial business. The relative variability of the outcome is mitigated if there is a large portfolio of similar risks.

	Gross premium		Reinsurance premium		Net	
	2024 ₦'000	2023 ₦'000	2024 ₦'000	2023 ₦'000	2024 ₦'000	2023 ₦'000
Within Nigeria	66,250,057	47,776,214	28,295,569	17,339,196	37,954,488	30,437,018
Outside Nigeria	-	-	5,670,580	3,723,587	(5,670,580)	(3,723,587)
	66,250,057	47,776,214	33,966,149	21,062,783	32,283,908	26,713,431

The Company monitors insurance risk per class of business. An analysis of the company's insurance risk concentration (both before and after reinsurance) per class of business is provided in the following table. The concentration of non-life insurance by type of contract is summarised below by reference insurance contract revenue and Net reinsurance service expense.

	Insurance Contract Revenue		Net Expenses from Reinsurance Contracts held		Net	
	2024 ₦'000	2023 ₦'000	2024 ₦'000	2023 ₦'000	2024 ₦'000	2023 ₦'000
Accident	7,060,109	5,088,840	5,088,840	2,381,000	4,110,994	2,707,840
Aviation	608,328	228,223	228,223	32,376	564,245	195,847
Bond	44,800	31,441	31,441	6,230	37,818	25,211
Engineering	1,713,227	892,324	892,324	(422,792)	2,324,924	1,315,116
Fire	19,347,408	12,044,681	12,044,681	6,262,502	6,691,595	5,782,179
Marine	4,299,723	1,672,080	1,672,080	245,552	2,861,890	1,426,528
Motor	9,966,116	5,675,375	5,675,375	(258,632)	9,714,964	5,934,007
Oil and Energy	23,210,346	14,744,162	14,744,162	12,816,547	5,977,478	1,927,615
	66,250,057	40,377,126	40,377,126	21,062,783	32,283,908	19,314,343

The proportion that best represent the maximum exposure to credit risk in reinsurance contract assets at the reporting dates are analysed below, using the A.M best credit risk rating grading

Rating	A++	A+	A	A-	B++	B+
Propotional exposure	1%	3%	94%	1%	1%	1%

44 **Assumptions and sensitivities**

The risks associated with the non-life insurance contracts are complex and subject to a number of variables which complicate quantitative sensitivity analysis. The Company uses several statistical and actuarial techniques based on past claims development experience. This includes indications such as average claims cost, ultimate claims numbers and expected loss ratios. The Company considers that the liability for non-life insurance claims recognised in the statement of financial position is adequate. However, actual experience will differ from the expected outcome.

		Impact on profit before tax		Impact on equity	
	Change in assumptions	Gross of reinsurance ₦'000	Net of reinsurance ₦'000	Gross of reinsurance ₦'000	Net of reinsurance ₦'000
2024					
Expected loss	10%	6,348,152	2,146,580	5,205,485	1,760,196
Inflation	1%	32,419	25,208	26,584	20,671
Expected loss	10%	(6,348,152)	(2,146,580)	(5,205,485)	(1,760,196)
Inflation	1%	(32,419)	(25,208)	(26,584)	(20,671)
2023					
Expected loss	10%	2,324,456	1,884,123	1,720,097	1,394,251
Inflation	1%	6,043	3,347	4,472	2,477
Expected loss	10%	(2,324,456)	(128,423)	(1,720,097)	(95,033)
Inflation	1%	(6,043)	(3,347)	(4,472)	(2,477)

43 Insurance risk management - continued

43.2 Claims development tables

The following tables show the development of claims over a period of time on both a gross and net of reinsurance basis. The Company has not disclosed previously unpublished information about claims development that occurred earlier than five years before the end of the annual reporting period in which it first applies IFRS 17. Actual claims payments are compared with previous estimates of the undiscounted amounts of the claims in the claims development disclosure below on a gross of reinsurance basis as at 31 December 2024.

Analysis of claims development – Gross

Estimate of ultimates: End of accident year	2016 ₦'000	2017 ₦'000	2018 ₦'000	2019 ₦'000	2020 ₦'000	2021 ₦'000	2022 ₦'000	2023 ₦'000	2024 ₦'000	Total ₦'000
1 year later	6,852,525	6,903,787	6,921,028	6,921,028	6,921,791	3,644,034	4,880,566	9,953,007	13618409.82	
2 years later	6,881,274	6,930,653	6,930,563	6,930,822	5,735,958	5,411,617	7,541,785	14,209,969		
3 years later	6,012,985	6,026,293	6,030,904	5,164,154	5,436,345	5,749,779	8,062,179			
4 years later	7,684,726	7,713,653	4,045,427	4,947,415	5,718,499	5,706,503				
5 years later	5,922,033	5,495,842	4,029,737	5,586,889	5,719,012					
6 years later	4,755,437	5,455,669	4,924,244	5,756,680						
7 years later	5,075,617	5,947,458	5,025,708							
8 years later	7,035,975	5,955,360								
9 years later	7,172,573									
Current estimate of ultimate claims	7,172,573	5,955,360	5,025,708	5,756,680	5,719,012	5,706,503	8,062,179	14,209,969	13,618,410	71,226,394
Net cumulative claims liabilities – prior accident years	226,624									226,624
Cumulative payments	6,503,262	5,427,368	4,214,012	4,766,554	5,012,730	4,290,121	5,043,680	7,790,308	3,729,027	46,777,061
Net cumulative claims liabilities – accident years from 2016 to 2024	**895,936**	**527,993**	**811,696**	**990,126**	**706,282**	**1,416,382**	**3,018,499**	**6,419,662**	**9,889,382**	**24,675,958**
Effect of discounting										(4,683,513)
Effect of the risk adjustment for non-financial risk										1,959,260
Net LIC for the contracts originated (refer to notes 10a)										**21,951,704**

Analysis of claims development – Net

Estimate of ultimates: End of accident year	2016 ₦'000	2017 ₦'000	2018 ₦'000	2019 ₦'000	2020 ₦'000	2021 ₦'000	2022 ₦'000	2023 ₦'000	2024 ₦'000	Total ₦'000
1 year later	4,076,419	5,672,662	6,469,742	2,186,660	3,836,936	2,538,022	3,038,248	6,792,762	10,490,587	
2 years later	3,088,087	4,958,226	6,409,350	2,328,371	3,179,597	4,201,230	2,034,960	10,437,498		
3 years later	2,973,164	4,250,979	5,697,968	1,734,869	2,620,633	4,045,862	5,780,077			
4 years later	3,515,434	5,595,525	3,822,099	1,912,519	3,240,928	4,576,984				
5 years later	3,005,179	3,986,713	3,804,642	2,209,778	3,422,182					
6 years later	2,413,181	3,953,458	4,153,511	2,510,756						
7 years later	2,636,280	3,686,568	4,472,762							
8 years later	4,069,880	3,522,927								
9 years later	4,540,952									
Current estimate of ultimate claims	4,540,952	3,522,927	4,472,762	2,510,756	3,422,182	4,576,984	5,780,077	10,437,498	10490586.54	49,754,724
Net cumulative claims liabilities – prior accident years	219,476									219,476
Cumulative payments	4,239,933	3,275,094	4,027,621	1,849,855	3,068,773	3,454,924	3,469,738	6,421,537	2,984,107	32,791,582
Net cumulative claims liabilities – accident years from 2016 to 2024	520,495	247,833	445,141	660,901	353,409	1,122,060	2,310,339	4,015,962	7,506,479	17,182,618
Effect of discounting										(3,806,754)
Effect of the risk adjustment for non-financial risk										305,115
Net LIC for the contracts originated (refer to notes 10a)										13,680,979

Statement Of Value Added

For The Year Ended 31 December 2024

	2024 ₦'000	%	2023 ₦'000	%
Insurance service result	2,698,323	7	(3,158,072)	(15)
Net Investment income	32,766,305	87	19,752,911	94
Net insurance financial result	1,247,740	3	1,214,313	6
	36,712,368	98	17,809,153	85
Other operating expenses	(3,718,554)	(10)	(2,603,393)	(12)
Adjustment for directly attributable expenses and other model adjuments	4,646,684	12	4,932,417	23
Value added	**37,640,498**	**100**	**21,087,962**	**100**
Applied as follows:				
To pay employees				
Salaries, wages and benefits	996,961	3	875,514	4
To pay Government:				
Taxes	2,011,677	5	523,023	3
Retained for asset replacement and future expansion of business:				
- Deferred taxation	1,386,203	4	4,368,698	21
- Depreciation and amortization	132,745	1	107,994	1
- Profit for the year	33,112,912	87	15,212,733	71
	37,640,498	**100**	**21,087,962**	**100**

Value added is the wealth created by the efforts of the Company and its employees and the allocation between employees, shareholders, government and that retained in the future for the creation of more wealth.

Five-Year Financial Summary

As at 31 December 2024

	31 December				
	IFRS 17				IFRS 4
	2024	2023	2022	2021	2020
Assets	**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**
Cash and cash equivalents	20,646,170	11,419,213	8,793,947	8,808,248	3,506,745
Financial assets	95,008,524	57,069,702	30,489,808	23,947,860	22,073,818
Premium receivables	270,207	316,646	365,397	109,967	132,603
Reinsurance assets	10,426,226	7,057,798	4,767,414	4,650,512	7,196,988
Deferred acquisition costs		-	-	-	583,433
Other receivables and prepayments	3,826,595	1,350,212	993,590	772,722	163,990
Investment properties	5,495,500	4,050,000	3,676,770	3,676,770	3,637,178
Right of use assets	183,369	199,213	232,664	303,954	6,250.00
Property, plant and equipment	4,333	8,333	1,044	7,221	211,944
Intangible assets	76,204	123	946	3,427	6,274
Statutory deposits	300,000	300,000	300,000	300,000	300,000
Total assets	**136,237,128**	**81,771,240**	**49,621,580**	**42,580,681**	**37,819,223**
Liabilities and equity					
Insurance contract liabilities	36,886,613	24,081,523	14,298,937	12,704,190	11,814,478
Reinsurance premium payable	-		-	-	1,519,128
Other technical liabilities	25,126,168	14,620,617	6,564,236	4,366,048	572,971
Provisions and other payables	5,164,715	2,680,102	1,576,551	1,493,142	1,653,323
Deferred commission income	-	-	-	-	232,848
Deferred rental income	35,000	35,000	33,250	33,250	44,500
Current income tax payable	1,983,227	507,800	1,361,495	836,792	878,769
Deferred tax liabilities	6,774,066	5,178,466	672,831	753,816	568,300
Total liabilities	**75,969,789**	**47,103,507**	**24,507,300**	**20,187,238**	**17,284,317**
Equity					
Share capital	10,000,000	10,000,000	10,000,000	7,000,000	7,000,000
Share premium	84,607	84,607	84,607	84,607	84,607
Statutory contingency reserve	12,085,172	10,000,000	10,000,000	10,000,000	9,394,735
Retained earnings	34,547,316	12,917,456	4,596,443	4,931,902	3,793,640
Fair value reserve	3,550,244	1,665,669	433,230	376,934	261,924
Total equity	**60,267,339**	**34,667,732**	**25,114,280**	**22,393,443**	**20,534,906**
Total liabilities and equity	**136,237,128**	**81,771,239**	**49,621,580**	**42,580,681**	**37,819,223**

Five-Year Financial Summary Contd

For the year ended 31 December 2024

	31 December				
	IFRS 17			IFRS 4	
	2024 ₦'000	2023 ₦'000	2022 ₦'000	2021 ₦'000	2020 ₦'000
Gross premium written	71,688,127	42,594,486	37,982,979	34,437,522	31,587,929
Insurance service result	2,698,323 -	(3,158,072)	3,625,987	-	-
Net premium income	-	-	-	10,426,320	9,214,365
Profit before income tax expense	33,112,912	15,212,733	6,137,539	5,022,684	4,255,453
Income tax expense	(3,397,880)	(4,891,720)	(884,612)	(578,485)	(578,367)
Profit for the year	29,715,032	10,321,013	5,252,927	4,444,199	3,677,086
Transfer to retained earnings	29,715,032	10,321,013	5,252,927	4,444,199	3,677,086
Basic earnings per share (kobo)	149	52	33	32	45
Diluted earnings per share (kobo)	149	52	33	32	45

ERM Framework

1.0 Introduction and Overview

The Board of Directors appreciates that risks are inherent in all aspects of the Company's operations and that it cannot totally eliminate risks. It therefore acknowledges the critical role of risk management in the achievement of the objectives of the Company in order to meet the varied expectations of its stakeholders.

The Enterprise Risk Management Framework establishes the criteria within which enterprise risks are managed. The intent of the framework is to ensure the effective communication and management of risk categories across all business units. The scope of the Framework is enterprise-wide and is applicable to Board, Management and employees of the Company.

Enterprise risk management is a process, applied by our organization in a strategic setting, which enables management to identify potential risk events that may affect the entity; and provides a framework to manage risk within the organization’s risk appetite in order to provide reasonable assurance regarding the achievement of the organization’s objectives.

The Board is committed to managing risk in accordance with established risk management standards and has overall responsibility for the establishment and oversight of the enterprise risk management framework. There is an established Board Risk Committee, which is responsible for developing and monitoring the enterprise risk management policies. It meets quarterly to receive reports from the Management Risk Committee. The Management Risk Committee in turn meets every two months to review risk reports from the Chief Risk Officer.

The enterprise risk management policies are established to give broad guidance on how strategic objectives are to be set, and cascaded through to operational, reporting and compliance objectives. To identify and analyze the risks faced by the Company, risks are attached to objectives, core processes and key dependencies. The Company's risk policies set appropriate risk limits and appetites that form the basis for prioritizing identified risks. Risk controls are set and reviewed continually to monitor adherence to risk appetite and limits.

ERM Framework Contd

The Company has a policy to review the risk management policies and systems annually in order to reflect changes associated with its activities and the global economy generally. The Company, through regular risks workshops, trainings and design of standard operating procedures, aims to embed a risk culture in which all employees are aware of the risks in their respective roles and obligations.

The Company's risk management framework functions on three lines of risk defense. Core Process owners function as the first line of risk defense and they have responsibility for risk prevention. The risk management unit assumes the second line of risk defense and is assigned responsibility to holistically coordinate the risk control functions, enterprise-wide. The internal audit function, as the last line of risk defense, functions to secure assurance that risk controls are effective and efficient.

1.1 Objectives

The Company is committed to the management of inherent risks. The Company’s enterprise risk management framework aims to:

- Promote proactive recognition of external factors and anticipate uncertainties that may affect the achievement of strategy.
- Protect the interests of the Company’s shareholders.
- Provide assurance to counterparts, customers, employees and the community.
- Recognize that risk is embedded in all our activities and that the underlying risk appetite is key to effective decision making.
- Provide appropriate, consistent and transparent ownership and accountability around risk mitigation.
- Enable the design and implementation of controls
- Improve performance measurement; the Company’s improved understanding of its risk profile enables appropriate allocation of risk and economic capital to individual lines of business, which allows improved performance measurement and evaluation of activities
- Ensure better control of operations; the Company expects that increased understanding of risk activities within various business units, the Board and senior management will lead to improvements in the control of operations and the emergence of a more proactive enterprise risk management culture

ERM Framework Contd

2.0 Philosophy and Principles

The continued successful safeguarding, maintenance and expansion of the Company's businesses requires a comprehensive approach to risk management.

It is the policy of the Company to identify, assess, control and monitor all risks that the business may incur to ensure that the risks are appropriate in relation to the scale and benefit of the associated project, business or practice and to ensure that no individual risk or combination of risks result in a likely material impact to the financial performance, brand or reputation of the Company.

By acknowledging that risk and control are part of everyone's job, and by incorporating risk management into the Company's daily business practices the Company will be better equipped to achieve its strategic objectives, whilst maintaining the highest ethical standards.

The Company adopts a risk philosophy aimed at maximizing business opportunities and minimizing adverse outcomes, thereby enhancing shareholder value by effectively balancing risk and reward.

The Board of Directors is responsible for setting the enterprise risk management strategy of the Company and its implementation. All staff are expected to demonstrate the highest ethical standards of behaviour in development of strategy and pursuit of objectives.

The following philosophy and principles govern the management of enterprise risk in the Company:

- The Board approves and periodically reviews the enterprise risk management framework.
- Ownership, management and accountability for risk is decentralised with business and functional units.
- There are consistent standards for defining, evaluating, measuring, monitoring and reporting risks.
- The Company's enterprise risk management practices are subject to regular independent review internally and externally.

ERM Framework Contd

- Enterprise risk management is governed by well-defined policies and procedures which are clearly communicated across the Company.
- Enterprise risk-related issues are taken into consideration in business decisions including new product and process designs.
- Various risk and loss events are reported openly and fully to the appropriate levels once they are identified.
- Adequate processes and systems for identifying, measuring, monitoring, reporting and controlling risks are being implemented by the Company.

2.1 Strategy

Failure to manage risk effectively often results in significant financial losses, regulatory fines or censure, reputational damage, brand erosion or even the loss of insurance licence, all of which directly impact shareholder value. Accordingly, the Company’s enterprise risk strategy aims to minimise the impact of various risks on its shareholders’ value. In more specific terms, the Company’s strategy is to:

- reduce the likelihood of occurrence of unexpected events and related cost by managing the risk factors and implementing loss prevention or reduction techniques to reduce variation in earnings;
- minimise the impact of unexpected and catastrophic events including related costs through risk financing strategies that support the Company’s long-term growth, cash flow management and balance sheet protection; and
- make all managers responsible for the management of risk and thus minimise actual or potential losses. The Company recognises that some losses, such as operational errors, are inevitable and are normal business cost but will ensure these costs are kept within acceptable levels and potential losses are minimised.

In implementing this strategy, the Company:

- has put in place best-practice enterprise risk management policies and procedures. These include procedures to help identify, assess, control, manage and report various risks within the Company;
- ensures that roles and responsibilities are agreed and clearly understood by employees at all levels;

ERM Framework Contd

- ensures that all staff in business and support functions are aware of their responsibilities for risk management; • considers the potential risk impact of its activities and products at the outset with a view to minimising these as far as possible;
- has put in place structures and processes for reporting control failures to designated individuals and escalating material issues to the Board Audit & Risk Committees respectively;
- ensures that staff are provided with appropriate enterprise risk management training that is commensurate to their roles;
- establishes a workable business continuity plan (including disaster recovery and crisis management procedures) that minimises the impact of unexpected and catastrophic events on business operations and customer service;
- minimises the financial impact of losses, through management of risk factors and utilisation of insurance and other risk transfer strategies; and
- ensures that staff responsibility with respect to enterprise risk management is communicated through on-going risk awareness workshops and management action.

3.0 Governance and Culture

The overall responsibility for enterprise risk management in the Company resides with the Board. The responsibility of the day-to-day management has been delegated as described in this section. On a regular basis, the Board receives reports on Company's risk profile through the Board Risk Management Committee.

To ensure consistency and prudent management of risks, the responsibility for managing risk has been split as follows:

- the overall governance owned by the Board and Board Committees (Board Audit & Risk Committees) and Management Risk Committee;
- the approval of enterprise risk management policies and standards for risk identification, measurement, assessment, monitoring and reporting is the responsibility of the Board Risk Management Committee;
- the enterprise risk management framework implementation and review is owned by the Risk Management department;
- the implementation of the enterprise risk management framework within the branches, departments/business units and the day-to-day management of risks is owned by respective core processes and executed through management structure.

ERM Framework Contd

- The assurance role that risk management controls are effective and efficient is owned by the internal audit function.
- Legal and Compliance unit ensures that the Company adheres to laws, regulations, guidelines and specifications relevant to its business

3.1 The Board and Board Committees

The Board of Directors, Board Risk Committees and the Management Risk Committee shall have overall oversight function for enterprise risk management. It shall be their responsibility to ensure effective management of risks and adherence to the approved enterprise risk policies.

3.1.1 Board of Directors

The Board of Directors:

- sets the Company’s enterprise risk strategy and direction in line with the Company’s corporate strategy;
- gives final approval for the Company’s enterprise risk management framework, policies and procedures;
- periodically reviews the framework to ensure its relevance and effectiveness; and ensures that senior management is performing its risk management responsibilities; and
- Sets risk appetite levels

3.1.2 Board Risk Committee

The Board Committees:

- ensures that the enterprise risk management framework is comprehensive and in line with the Company’s strategy;
- approves the enterprise risk management framework and oversees its implementation;

ERM Framework Contd

- establishes a management structure capable of implementing the framework with clear lines of responsibility, accountability and reporting; and
- reports significant risk issues to the Board of Directors.

3.1.3 Management Risk Committee

The Company's Management Risk Committee:

- ensures that the framework is implemented consistently across the Company;
- ensures policies and procedures are developed for managing risk in the Company's products, activities, systems and processes;
- ensures that all levels of staff understand their responsibilities with respect to enterprise risk management;
- reviews the Company's risk dashboard and assesses potential impact on the activities of the Company or business unit;
- ensures the Company's risk profile is within established risk parameters;
- ensures that staff are adequately trained and have access to the necessary resources;
- obtains and reviews periodic reports on loss events, risk profiling, control failures enterprise-wide and monitors that corrective measures are being implemented;
- ensures that the outputs from the enterprise risk management process are factored into the day-to-day management decisions of the Company; and
- ensures that the Company's enterprise risk management policies and procedures promote the desired risk culture.

3.2 Chief Risk Officer

The Chief Risk Officer:

- Leads the development and implementation of enterprise risk management across the Company.
- Develops enterprise risk management strategy, principles, framework and policy.
- Implements appropriate enterprise risk management processes and methodologies.

ERM Framework Contd

- Advises and coaches management and business units on risk management.
- Coordinates the appropriate and timely delivery of risk management information.
- Approves all reports, risk policy proposals, recommendations and other documents prepared for presentation to the Management Risk Committee, and Board Audit & Risk Committees.

The Enterprise Risk Management seeks to build a strong risk management and control culture by setting the appropriate tone at the top, promoting awareness, ownership and proactive management of key risks, and promoting accountability. In short, we seek to promote a risk-conscious workforce across the enterprise.

The Company's risk culture is based on the following:

- Ownership of Risk Management by top executives and senior management with appropriate delegation down the line.
- Integration of risk management into all business units of the company.
- Compliance with company's culture and value system
- Proactive risk management process
- Risk Management training, education and awareness
- Effective risk management and controls
- Constant monitoring of risk environment and risk management process and system
- Compliance with all relevant statutory, regulatory and supervisory rules, regulations, pronouncements and requirements
- Ensuring risk management owners are responsible and accountable relative to their function and position
- Ensure crises free management of risk issue when and if it occurs

4.0 Risk Identification and Prioritization

Risk identification is a deliberate and systematic effort to identify and document the enterprise’s key risks. Risks emanate from internal or external sources which affects implementation of strategy or achievement of objectives.

ERM Framework Contd

The objective of risk identification is to understand what is at risk within the context of the enterprise explicit and implicit objectives and to generate a comprehensive inventory of risks based on the threats and events that might prevent, degrade or delay the achievement of the objectives. The Company adopts a rigorous and ongoing process of risk identification that also includes mechanisms to identify new and emerging risks timely. These risks form the basis of the overall risk profile for the enterprise.

The following broad categories of risk are used to enable appropriate aggregation and to assist with the identification of inherent risks across the Company:

- Business Strategy Risk
- Credit Risk
- Compliance Risk
- Insurance Risk
- Legal/Regulatory Risk
- Liquidity Risk
- Market Risk
- Operational Risk
- Reputation/Brand Risk

The risks identified are then assessed in order to prioritize the most important risks. Risk assessment is a process to quantify or qualify the level of risk associated with a specific threat or event, to enrich the risk intelligence available to the enterprise.

Risks are prioritized, considering likelihood and impact of a given outcome, to determine how they should be managed. The purpose of prioritizing the risk is to determine the level of action needed for the identified and assessed risks. The objectives at this step are to separate the minor risks from major ones. The level of risk is determined by measuring the likelihood of each event arising and the associated consequences.

ERM Framework Contd

Risk Identification Methods:

The following are the methods adopted in identifying risks faced by the enterprise:

Brainstorming: Risk identification through brainstorming sessions on risk areas, vulnerabilities and threats.
Questionnaire: Risk identification by issuing questionnaires to members of various units in order to identify risks peculiar to them

5.0 Risk Appetite/Risk Tolerance

It is not always efficient to manage risks to zero residual risk or very low residual threshold because of the time, cost and effort that will be required. However, it is also poor risk management practice to accept risks which create unnecessary exposure for the enterprise.

As a result, the enterprise will not accept risks which could expose her to:

- Unacceptable levels of financial loss relative to strategic and operational targets
- Breaches of legislation or regulatory non-compliance
- Damage to its reputation
- Unacceptable interruption to the provision of services to customers
- Damage to relationships with its customers and key stakeholders

The Company's risk tolerance statement is defined below which guides strategic decision making;

The Company shall hold capital at the 99.6% Value-at-risk level. No risk driver for example, line of business or asset class must consume more than 5% of shareholder's equity when looking at the 95% Value at Risk. No extreme scenario with a probability of higher or equal to a 1 in 250 years must result in a loss which exceeds 15% of the shareholder's equity.

ERM Framework Contd

6.0 Risk Reporting And Communication

Information is needed at all levels to identify, assess and respond to risks. Like any other process, the success of risk management depends on the availability of reliable information and effective communication at various levels. Pertinent information has been identified, captured and communicated in a form and time frame that enables members of staff to carry out their responsibilities.

A reporting system is designed to provide assurance that the enterprise risks are adequately managed. Information is provided on risk management status and actions taken for continuous improvement. The report provides information on the effectiveness of achieving corporate objectives; a forward looking report that anticipates emerging risks.

Information and communication channels are in place to make various business units aware of risks that fall into their area of responsibility and the expected behavior to mitigate negative outcomes.

Relevant information, properly and timely communicated is essential to equip the relevant officials to identify, assess and respond to risks. The Enterprise’s risk communication and reporting process supports enhanced decision making and accountability through; dissemination of relevant, timely, accurate and complete information.

7.0 Risk Management and Controls

In the management and control of risks, the information gained during risk assessments is used to develop control measures that would be applied to ensure appropriate management of risks. It involves the implementation of new polices and standards, physical changes and procedural changes that can reduce or eliminate certain risks within the various business units.

ERM Framework Contd

The following are the risk control measures the enterprise employs to mitigate risk:

- **Risk Avoidance**: this involves committing to stop executing the activities that give rise to the risk. Risk avoidance is usually a function of consolidating business processes and implementing preventative controls to halt deviations from acceptable norms.

- **Risk Reduction**: The risk reduction strategy involves reorganizing business processes to reduce the risk exposure inherent in them. Risk reduction involves reducing the severity of the loss or the likelihood of the loss occurring.

- **Risk Transfer**: A risk transfer strategy involves reducing risk likelihood or impact by transferring or otherwise sharing a portion of the risk. Common risk transfer techniques used includes purchasing insurance products, pooling risks and engaging in hedging transactions.

- **Risk Acceptance**: A risk acceptance strategy is a well-informed decision to accept loss, or benefit of gain, from a risk when it occurs. This involves making resources available internally to mitigate or accommodate such risks. An acceptance strategy is an effective way of addressing emerging risks which are those risks that are anticipated to arise in the future.

Control activities are also established to ensure that risk management decisions are carried out effectively and consistently throughout the Company. This involves formalizing risk management decisions in the Company's policies, ensuring clear accountability, utilizing self-assessment and monitoring tools and designing controls into the systems and critical business processes.

8.0 Risk Factors and Types

8.1 Insurance Risk

The risk under any one insurance contract is the possibility that the insured event occurs and the uncertainty of the amount of the resulting claim. By the very nature of an insurance contract, this risk is random and therefore unpredictable.

ERM Framework Contd

For a portfolio of insurance contracts where the theory of probability is applied to pricing and provisioning, the principal risk that the Company faces under its insurance contracts is that the actual claims and benefit payments exceed the carrying amount of the insurance liabilities. This could occur because the frequency or severity of claims and benefits are greater than estimated. Insurance events are random, and the actual number and amount of claims and benefits will vary from year to year from the level established using statistical techniques.

Experience shows that the larger the portfolio of similar insurance contracts, the smaller the relative variability of the expected outcome will be. In addition, a more diversified portfolio is less likely to be affected by a change in any subset of the portfolio. The Company has developed its insurance underwriting strategy to diversify the type of insurance risks accepted and within each of these categories to achieve a sufficiently large population of risks to reduce the variability of the expected outcome.

Factors that aggravate insurance risk include lack of risk diversification in terms of type and amount of risk, geographical location and type of industry covered.

8.1.1 General Accident insurance risks

8.1.1.1 Frequency and severity of claims

The frequency and severity of claims can be affected by several factors. The most significant is the long tailed nature of occupational hazards and employers liability. Estimated inflation is also a significant factor due to the long period typically required to settle these cases.

The Company manages these risks through prudent underwriting, adequate reinsurance arrangements and proactive claims handling.

Prudent underwriting attempts to ensure that bad risks are rejected and the underwritten pool of risks are well diversified in terms of type and amount of risk, industry and geography.

ERM Framework Contd

Underwriting policies are in place to enforce proper risk selection. For example, the Company does not write or renew individual policies with established moral hazards. It also imposes excesses and deductibles to make the insured bear a proportion of a loss and thus check negligent or indulgent tendencies. The Company undertakes loss investigation that most times results in downward adjustments of reported claims. The Company rejects payment of fraudulent claims that are thrown up by its investigation search light. Insurance contracts also entitle the Company to pursue third parties for payment of some or all costs through its subrogation rights. Any contract in which a branch office of the Company is committed to cover risks in excess of its prescribed limits requires head office approval.

The reinsurance arrangements include excess of loss and catastrophe covers that are used to protect the Company's net account. The effect of such reinsurance arrangements is that the Company should not suffer total net insurance losses of more than N70 million in any one event.

8.1.1.2 Sources of uncertainty in the estimation of future claim payments

Claims on long-tail general accident insurance contracts are payable on a claims-occurrence basis. Coverage applies to bodily injury or property damage that occurs during the policy period, regardless of when claims for damages are made. As a result, liability claims are settled over a long period of time (long-tail), and a larger element of the claims provision relates to incurred but not reported claims (IBNR). There are several variables that affect the amount and timing of cash flows from these contracts. These mainly relate to the inherent risks of the business activities carried out by individual contract holders and the risk management procedures they adopted. The compensation paid on these contracts is the monetary awards granted for bodily injury suffered by employees (for employer's liability covers) or members of the public (for public liability covers). Such awards are lump-sum payments that are calculated as the present value of the lost earnings and rehabilitation expenses that the injured party will incur as a result of the accident.

The estimated cost of claims includes direct expenses to be incurred in settling claims, net of the expected subrogation value and other recoveries. The Company takes all reasonable steps to ensure that it has appropriate information regarding its claims exposures. However, given the uncertainty in establishing claims provisions, it is likely that the final outcome will prove to be different from the original liability established. The liability for these contracts comprises a provision for IBNR, a provision for reported claims not yet paid and a provision for unexpired risks at the end of the reporting period.

ERM Framework Contd

The amount of casualty claims is particularly sensitive to the level of court awards and to the development of legal precedent on matters of contract and tort. Casualty contracts are also subject to the emergence of new types of latent claims, but no allowance is included for this at the end of the reporting period.

The estimation of IBNR is generally subject to a greater degree of uncertainty than the estimation of the cost of settling claims already notified to the Company, where information about the claim event is available. IBNR claims may not be apparent to the insured until many years after the event that gave rise to the claims. For general accident insurance contracts, the IBNR proportion of the total liability is high and will typically display greater variations between initial estimates and final outcomes because of the greater degree of difficulty of estimating these liabilities.

In estimating the liability for the cost of reported claims not yet paid, the Company considers any information available from loss adjusters and information on the cost of settling claims with similar characteristics in previous periods. Large claims are assessed on a case-by-case basis or projected separately in order to allow for the possible distortive effect of their development and incidence on the rest of the portfolio.

8.1.1.3 Process used to decide on assumptions

The risks associated with these insurance contracts are complex and subject to a number of variables that complicate quantitative sensitivity analysis. However, the Nigerian market has not had severe losses from asbestos-related diseases which is usually material and is therefore not too complicated to come up with reasonable assumptions.

The Company uses assumptions based on a mixture of internal and market data. Internal data is derived mostly from the Company's quarterly claims reports and screening of the actual insurance contracts carried out at year-end 2017 to derive data for the contracts held. The Company has reviewed the individual contracts and in particular the industries in which the insured companies operate and the actual exposure years of claims. This information is used to develop scenarios related to the latency of claims

ERM Framework Contd

8.1.1.4 Change in assumptions and sensitivity analysis

There were no additional net insurance reserves (outstanding claims) arising in respect of prior years that has arisen due to changes in the assumptions used to estimate the ultimate cost of claims, including public liability claims.

Because the assumptions used to estimate these liabilities require judgment, they are subject to great uncertainty.

8.1.2 Property insurance contracts

8.1.2.1 Frequency and severity of claims

For property insurance contracts, climatic changes give rise to more frequent and severe extreme weather events (for example, flooding) and their consequences (for example, flood claims). For certain contracts, the Company has also limited the number of claims that can be paid in any policy year or introduced a maximum amount payable for claims in any policy year.

The Company has the right to impose deductibles and reject fraudulent claims. These contracts are underwritten by reference to the commercial replacement value of the properties and contents insured, and claim payment limits are always included to cap the amount payable on occurrence of the insured event. Cost of rebuilding properties, of replacement or indemnity for contents and time taken to restart operations for business interruption are the key factors that influence the level of claims under these policies. The greatest likelihood of significant losses on these contracts arises from storm or flood damage. The Company has reinsurance cover for such damage to limit losses to N300 million in any one catastrophe event.

Property insurance contracts are subdivided into the following risk Companys: fire, business interruption, and theft. The insurance risk arising from these contracts is not concentrated in any of the territories in which the Company operates, and there is a balance between commercial and personal properties in the overall portfolio of insured buildings. The Company does not underwrite property insurance contracts outside Nigeria.

ERM Framework Contd

8.1.2.2Sources of uncertainty in the estimation of future claim payments

The shorter settlement period for these claims allow the Company to achieve a higher degree of certainty about the estimated cost of claims, and relatively little IBNR is held at year-end. However, the longer time needed to assess the emergence of a flood claim make the estimation process more uncertain for these claims.

The uncertain nature of the costs of this type of claim causes greater uncertainty in the estimates than in previous years. The Company has been monitoring numbers of reported claims on a weekly basis and reflected such information in its assessment of the adequacy of the unearned premium provision held at year end. The effect of this unexpected weather may affect prior year claims, due to the re-opening of old claims and higher settlement costs for flood claims in the current market. At year-end 2017, the Company believes that its liabilities for fire claims are adequate. However, more permanent changes in the climate may produce a higher frequency and severity of claims than currently expected.

8.1.2.3 Process used to decide on assumptions

For non-subsidence-related property risks, the Company uses similar statistical methods used for general accident insurance risks that incorporate the various assumptions made in order to estimate the ultimate cost of claims.

Similar to the approach for the assumptions underlying the casualty insurance liabilities, the choice of selected results for each accident year of each class of business depends on an assessment of the technique that has been most appropriate to observed historical developments. In certain instances, this has meant that different techniques or combination of techniques have been selected for individual accident years or Companys of accident years within the same class of business.

8.1.2.4 Changes in assumptions

The Company did not change its assumptions for the insurance contracts disclosed in this note other than updating the costs of rebuilding properties, replacement or indemnity for contents for time value of money.

ERM Framework Contd

8.2 Credit Risks

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. The key areas of exposure to credit risk for the Company are in relation to its investment portfolio, reinsurance programme and to a lesser extent amounts due from policyholders and intermediaries. Key areas where the Company is exposed to credit risk are:

Principal Credit Risks

- 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 debt securities; and
- Amounts due from money market and cash positions.

The Company structures the levels of credit risk it accepts by placing limits on its exposure to a single counterparty, or Companys of counterparties, and to geographical and industry segments. Such risks are subject to an annual or more frequent review. Limits on the level of credit risk by category and territory are approved quarterly by the Board of Directors.

The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company only transacts with entities that are rated the equivalent to investment grade and above.

ERM Framework Contd

This information is supplied by independent rating agencies where available and if not available the Company uses other publicly available financial information and its own trading records to rate its major policyholders and reinsurers.

The Company's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the risk management committee annually.

Receivables consist of a large number of policyholders, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable.

8.2.1 Credit Risk Measurement, Control and Mitigation

i. Premium and Reinsurance Receivables

Reinsurance is used to manage insurance risk. This does not, however, discharge the Company's liability as primary insurer. If a reinsurer fails to pay a claim for any reason, the Company 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 finalization of any contract.

The Credit Control Committee works closely with the Underwriting and Reinsurance departments to assess the creditworthiness of all reinsurers and intermediaries by setting and reviewing regularly the credit rating of each reinsurer using internal records and other publicly available financial information.

Individual operating units maintain records of the payment history for significant contract holders with whom they conduct regular business. The exposure to individual counterparties is also managed by other mechanisms, such as the right of offset where counterparties are both debtors and creditors of the Company. Management information reported to the Company includes details of provisions for impairment on loans and receivables and subsequent write-offs. Internal audit makes regular reviews to assess the degree of compliance with the Company procedures on credit. Exposures to individual policyholders and Companys of policyholders are collected within the ongoing monitoring of the controls associated with regulatory solvency.

Where there exists significant exposure to individual policyholders, or homogenous Companys of policyholders, a financial analysis equivalent to that conducted for reinsurers is carried out by the Company's risk department.

The Company establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables and investments. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component established for Companys of similar assets in respect of losses that have been incurred but not yet identified. The collective loss allowance is determined based on historical data of payment statistics for similar financial assets.

ii. Investments

The Company limits its exposure to credit risk by investing only in liquid securities and only with counterparties that have a credit rating of at least BBB- from rating agencies. Management actively monitors credit ratings and given that the Company only has invested in securities with high credit ratings, management does not expect any counterparty to fail to meet its obligations.

8.3 Liquidity Risks

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

ERM Framework Contd

Typically the Company ensures that it has sufficient cash on demand to meet expected operational expenses for a period of over 90 days, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters. The Company does not maintain any lines of credit as it does not envisage any liquidity stress that would stretch its liquidity position.

8.4 Market Risks

Market risk is the risk that changes in market prices, such as; foreign exchange rates, interest rates and equity prices which will affect the Company's income or the value of its holdings of financial instruments.

Market risk arises due to fluctuations in both the value of assets held and the value of liabilities.

The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return. The Company has established policies and procedures in order to manage market risk.

8.5 Operational Risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people, systems and external events. The Company recognises the significance of operational risk, which is inherent in all areas of our business. Operational risk is managed within acceptable levels through an appropriate level of management focus and resources.

The Company is committed to the management of operational risks. The Company's operational risk management strategy aims to:

- reduce losses arising from operational risk – a key role of operational risk management in the Company is to reduce losses from operational failure and in particular avoid potentially large or catastrophic risk losses;

ERM Framework Contd

- provide early warning signals of deterioration in the Company's internal control system; and
- raise awareness of operational risk in the Company from top to bottom through the implementation of an enterprise-wide risk approach.

One of the foremost operational risks faced by the Company are financial crimes (internal fraud, external fraud and money laundering). Each incident is analysed, control failures identified and new controls designed. The Company is also investing in enhanced loss control. Key counter-measures put in place include:

- enhanced staff training;
- enhanced Know Your Policyholder (KYP) drive and background checks on employees;
- issuance of appropriate and deterrent circulars;
- job rotation and segregation;
- dissemination of email and SMS alerts to the Company's customers for each activity on their accounts;
- imposition of stiff disciplinary measures including prosecution of fraudulent staff, agents and brokers; and
- Installation of panic alarm system, CCTV.

8.5.1 Outsourcing Risk

Outsourcing risk is the risk inherent in the usage of vendors. The Company's extensive use of vendors enables the enterprise to deliver products and services to consumers and benefits to our employees. Risks inherent with using vendors includes: vendor performance, financial risks, reputation/brand, business continuity, information security, and legal/regulatory.

The Key counter-measures put in place includes:

- Maintain Enterprise policies to ensure appropriate management review, approval, and oversight of vendor risks.
- Hold vendors accountable for performance and utilize Management of Service Level Objectives.

ERM Framework Contd

- Monitor whether the value of the services provided by a vendor are commensurate with the vendor expense.
- Through the Vendor Management Community, train associates responsible for vendor management on compliance processes, managing vendor risks, and sharing best practices.
- Review critical vendors and corporate department vendor oversight through the Internal Audit program.
- Conduct vendor vulnerability assessments on critical vendors to validate logical and physical controls protecting Custodian information and business processes.
- Manage vendor relationships and risk through Vendor Management Units.
- Identify Enterprise relationship owners for vendors that span multiple departments at Custodian.
- Use shared information repositories for contracts and vendor relationship management.

9.0 Future Outlook

The Company has succeeded in establishing a robust Enterprise Risk Management Framework, practice, culture and environment beyond complying with regulatory requirements. However, this is a continuous and on-going process which is been improved upon consistently.

The ultimate goal is to make risk management a value driver that enhances and contributes to stakeholders' value and the long-term existence and survival of the institution.

Some of the key initiatives and projects to be embarked upon to ensure a better and more efficient risk management framework are;

- Sourcing of a risk solution that has capacity to support the management of insurance risks, operational risk, credit risk and market risk in line with best practices and ultimately complying with risk-based capital regulation in anticipation.
- Structuring a business continuity management framework and infrastructure.
- On-going aggressive Company-wide risk awareness campaign to increase employees' risk-awareness level, competence and involvement in managing risks.

- Corporate Social Responsibility/ Sustainability Report
- HSE Report

Corporate Social Responsibility/Sustainability Report

There were a few significant events in 2024 with global consequences. There were wars in certain countries, with the on-going one between Russia and Ukraine failing to abate and leaving so far over 100,000 killed and several hundred thousand maimed. Whilst there were calls for a negotiated ceasefire, this did not happen. The economic impact includes the fact that the global supply chain continued to be disrupted, leading to inflation and increased prices of imported goods in many countries. The environment was also impacted as damage caused by the war was estimated at over $56 billion. The damage to the environment includes soil pollution because of the shelling and reduced vegetation greenness. It is said that over 11 million people have been displaced. Other consequences include reduction of energy and food security in many countries, infrastructural damage and lack of development.

Year 2024 was also significant due to elections that took place in many countries including India, Japan, South Africa, the United Kingdom and the United States which witnessed the greatest political come-back in U.S. history, as a former President was re-elected into office. Worthy of note was that in most countries there were significant changes in the style of the elections, driven mostly by dissatisfaction of the populace with the economies of their countries.

Climate change continued to be an issue, as people continued to use fossil fuels which negatively impact the environment, causing irreparable damage to the climate. Consequently, weather-related natural disasters were recorded in various countries during the year, such as severe drought drying parts of the major rivers of the world, most notably the world's largest river system (the Amazon). Carbon dioxide levels in the atmosphere continued to grow and 2024 was adjudged the hottest year so far on record. All the above relate to sustainability, the practice of meeting present needs without compromising the ability of future generations to meet their needs, which calls for responsible resource management, environmental stewardship, social equity and economic prosperity.

As a nation, Nigeria faced several challenges during 2024, which were mostly because of reforms introduced by the Government. Though desirable, reforms such as petrol subsidy removal, liberalization of the foreign exchange system, deregulation of the petroleum downstream sector and tax reforms had serious implications for the general populace. Though the economy was said to have picked up in the second quarter of the year, the oil sector grew faster than the non-oil sector. The result of the introduction of the various reforms was inflationary, with the average annual rate put at 31.7% during the year. Food inflation rate was even higher in 2024, at almost 40% increase in November over the 2023 rate, caused by insecurity in food producing states which led to food shortages, forcing more people to fall into the poverty class and the needy into abject poverty. It is hoped that with the consistent application of the right mix of policy, inflation will begin to fall. Besides, despite efforts to merge the official and parallel market foreign exchange rates, there was still a gap between both, which drove many to save and hold money in foreign exchange. With the depreciating Naira value and constant increase in fuel costs, the poverty rate increased even higher than the 2023 estimated 38.9%, with 87 million Nigerians said to be living below poverty line (World Bank Statistics).

Infrastructure gaps were evident more than ever before in 2024, making it a harsh year for many, as the economic integration that could allow for the country to leverage on its market size was impossible. Power outage worsened, as the nation witnessed an increase in frequency of grid collapse, mostly due to ageing infrastructure, inadequate maintenance and insufficient investment. Power supply infrastructure issues remained the most severe obstacle to business operations which calls for the adoption of a diversified energy mix to reduce dependence on the national grid as well as investment in renewable energy solutions.

Though in previous years, a few foreign companies had left Nigeria, in 2024, more foreign companies exited the country, mostly due to economic considerations such as high interest rates and inflation as well as foreign exchange scarcity, Naira value decline, poor infrastructure, power supply issues and exorbitant energy costs which all have negative impact on operations. Consequently, many people were thrown into the job market, whilst the high exchange rate encouraged many skilled workers to emigrate to advanced countries in search of better job opportunities.

At Custodian, we continued to operate at a high level with dedicated human resources who are integral to our operations and play a significant role in ensuring our clients' needs are met and the trust they have in us is not betrayed. We continued to explore opportunities that will not only lead to growth but also lead to economic sustainability for all our stakeholders. We value our interaction with the environment generally and specifically with the local communities where we have a presence. We always look for opportunities to impact lives positively and leave communities around our offices better than we meet them. 2024 was no exception. Whether in terms of initiatives taken by us because of specific needs around or those that arose because of disasters impacting negatively on human lives, we intervened.

We engage in Life and General insurance, Trustees, Pensions, Real Estate, Wealth and Asset Management businesses which all relate to improving the quality of life of people – ensuring the restoration of life to the former position in the event of a loss, offering advice on protection and transfer of assets, maintaining the quality of life of workers after retirement, providing reasonably priced housing options and ensuring people with assets experience growth of their portfolios.

Through the Custodian Social Responsibility Foundation (CSRF) which is the CSR arm of Custodian Group, we are committed to providing support and alleviating suffering of people.

The Custodian Group

Custodian Investment Plc (CIP) is a diversified group, classified as a conglomerate by the Nigeria Exchange (NGX). The group company has a significant holding in subsidiaries offering services which include General and Life Insurance, Pensions Fund Administration, Trustees, and Real Estate.

Subsidiary Company

Custodian and Allied Insurance Limited (CAIL): CAIL provides general insurance services including Motor, Travel, Home, Personal Accident insurance, Special risks and others to individuals and corporate organizations. The company is registered with National Insurance Commission (NAICOM) and is a member of the Nigerian Insurers Association (NIA).

The Company contribute 1% of their Profit Before Tax (PBT) to fund the Custodian Social Responsibility Foundation (CSRF), to ensure the success of the Foundation in handling initiatives in its chosen areas of support.

Corporate Social Responsibility/Sustainability Report Contd

Our CSR Strategy And Approach

CSRF, the CSR arm of the Custodian Group, focuses on four key areas of intervention:

- Community Development
- Education
- Health
- Sustainability

Education
We work on interventions that enhance the skill levels of Nigerians

Health
We work on interventions aimed at preserving good health and wellbeing

Community Development
We focus on helping our local communities thrive (i.e. are developed and resilient)

Sustainability
We are committed to using natural resources in a responsible manner for our operations, while practicing sustainable insurance

CSRF Strategy And Activities For 2024

Community Development

Over time, we have taken up initiatives that improve the well-being of people around our office locations. We have endeavored to continue maintenance of projects previously handled by us, especially around our Head office to ensure the workability of equipment donated (please see under Education on page). Our donations to the community are, however, not limited to the Head office area though, but to communities within States where we have branches.

1. Old Bodija Ibadan Explosion

On January 16, 2024, there was an explosion caused by the ignition of mining explosives illegally kept by a foreigner resident in a house within old Bodija Estate, Ibadan, an otherwise quiet and peaceful neighborhood mostly resided by retirees.

The incident which shook Ibadan that had hitherto not experienced a disaster of such magnitude in that community also affected many areas around the city stretching from Sango to Ojoo and brought grief to many families, as it involved the loss of five (5)lives, seventy seven (77) injured people, fifty eight (58) damaged buildings, whilst some structures were virtually razed to the ground. Source – The Punch newspaper of 17 October 2024. Consequently, many residents were displaced as there was no guarantee that standing houses that appeared unaffected would hold. Whilst the injured were taken to hospitals, those whose houses were damaged beyond immediate repair relocated to nearby hotels and homes of friends. The worst affected victims whose houses were leveled became tenants, whilst awaiting Government's intervention which was still being expected as of October 2024.

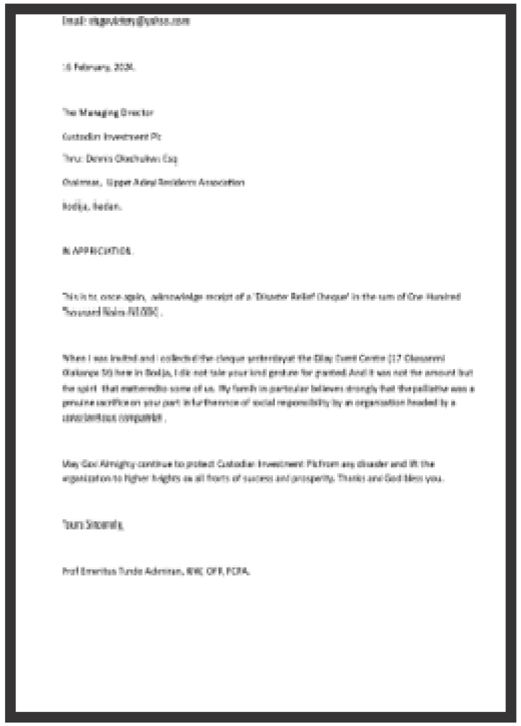
On hearing about the unfortunate occurrence, CSRF decided to intervene in a timely fashion to give succor and show support to the local community, who were in despair and to offer a measure of hope to them at their hour of need. Working with the neighborhood Associations of Residents and Occupants of the most badly affected areas - the Dejo Oyelese Vigilante Group and Upper Adeyi Vigilante Group - as well as individual homeowners not too far from the affected areas, particularly along Ibikunle Avenue, Bodija - homeowners and in some cases, tenants of the structures most badly affected were identified and the sum of N100,000.00 per household/family given. The essence of the gift was to help take care of the immediate needs of the affected families to buy drugs, dressings for wounds, food and to show that we care for those around our community, whilst waiting for Government intervention. Though the effect of the explosion was said to have been felt many miles away from the source and there was no way every affected home could have been reached, in all, 164 families of the worst affected families received payment of N100,000 each on February 15, 2024.

Bodija Explosion Victim Signing For Cheque

Bodija Explosion Victims Holding Their Cheques

In recognition of the humanitarian service rendered by our Foundation, a humanitarian service award was presented to our Foundation on April 29, 2024, whilst a few beneficiaries wrote thank-you letters.

Humanitarian Award



Email: [illegible]

[illegible] February, 2024.

The Managing Director

Custodian Investment Plc

Thru: Dennis Okechukwu Esq

Chairman, Upper Adeyi Residents Association

Bodija, Ibadan.

IN APPRECIATION.

This is to, once again, acknowledge receipt of a 'Disaster Relief Cheque' in the sum of One Hundred Thousand Naira [illegible].

When I was invited and I collected the cheque [illegible] the [illegible] Centre [illegible] here in Bodija, I did not take your kind gesture for granted. And it was not the amount but the spirit that [illegible] some of us. My family in particular believes strongly that the palliative was a genuine sacrifice on your part in furtherance of social responsibility by an organization headed by a [illegible].

May God Almighty continue to protect Custodian Investment Plc from any disaster and lift the organization to higher heights as all fronts of success and prosperity. Thanks and God bless you.

Yours Sincerely,

Prof Emeritus Tunde Adeniran, [illegible], OFR, FCPA.

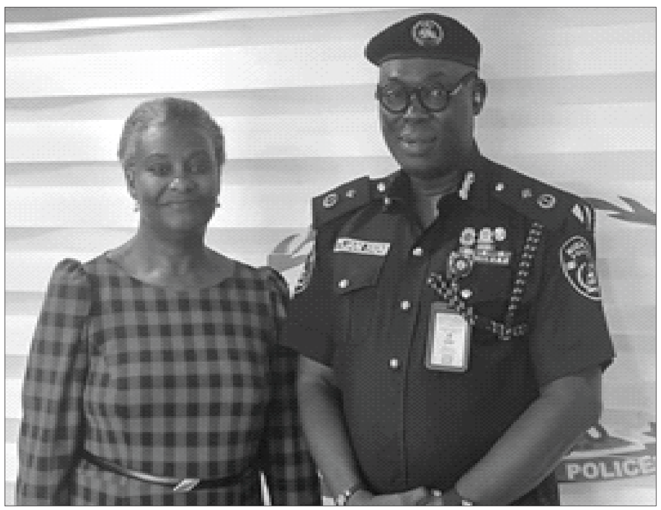
Appreciation Letter from
Prof. E. T. Adeniran A Recipient

Barr. Dennis Okechukwu Giving Award to Mr. Femi Oloniyo (Regional, Manager Southwest Zone) Representing CSRF

2. Refurbishment of Section of Lagos Command Police Headquarters office complex, Ikeja

We were notified of the need for the rehabilitation of parts of the Lagos State Police Command, located at Ikeja area, which needed to be revamped to be more presentable. CSRF helped to rehabilitate part of the office premises by making the necessary improvements to reveal a more presentable layout capable of boosting the morale of the office personnel.

On completion of the work, the CEO of CSRF in August 2024 formally informed the Deputy Commissioner of Police, who on the occasion, appreciated the effort of the Foundation in transforming the office into a more comfortable one.



Mrs. Aderemi with DCP Tijani at the Lagos State Police Command HQ

Before

After

Education

Education is the bedrock of the development of any forward-looking society and a powerful weapon that can change the world. However, as long as there are fundamental challenges to the development of countries, resulting in many living in abject poverty, this will continue to negatively impact education.

For instance, in large parts of the country faced with issues such as flooding which has led to displacement of many and inability to cultivate and plant crops to generate income that will make education affordable, many children remain unable to access even basic education. The education sector has been starved of necessary funds for development, which also affects the teachers, who lack adequate training to make a positive difference in the schools and the ability to acquire necessary skills.

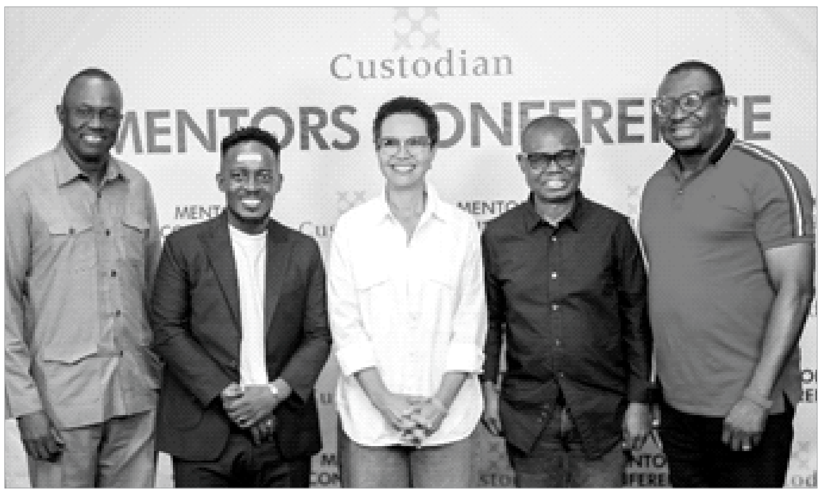
In 2024, Nigeria's education system was still facing challenges, such as a high number of out-of-school children and low literacy rate. While literacy rate for many developed nations consistently stood at 96% in 2024, Nigeria's rate was put at 59.57% (Source: Veriv Africa survey). In the same year, 10.2 million children of primary school age and 8.1 million children of Junior Secondary School age were out of school (Source: UNICEF). Besides, according to UNICEF, one in five out-of-school children in the world are in Nigeria, most especially in the northern part of the country. Barriers to education must therefore be eliminated, especially for vulnerable populations, whilst mass literacy programs must be promoted, to make a difference.

At Custodian, we remain committed to contributing towards human capital development in Nigeria on a regular basis and plan to do even more in years to come. We have been involved in the development of formal and informal education in the country in the past with our collaboration, especially with institutions situated around the communities we operate from and plan to continue to do so in the foreseeable future.

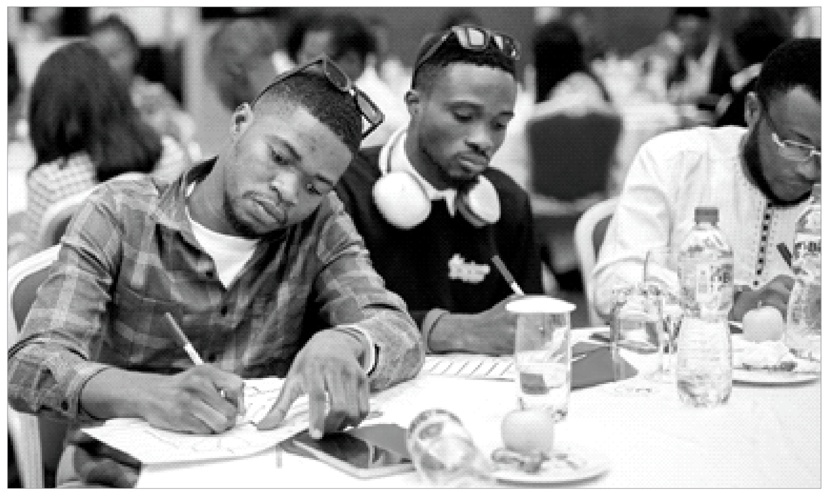
1. Custodian Mentors Conference

The yearly annual conference took place on 24th August 2024 with a total of 320 invitees in attendance physically and virtually. There were 66 new Mentees in attendance, who would thereafter constitute the second cohort of Mentees of the Custodian Mentoring Program. There were three experienced and successful businesspeople who spoke at the conference, sharing knowledge, wisdom and experience with the Mentees. As usual, it was an interesting session as it was engaging with the different insights shared and the Mentees who were not only able to mingle with the Mentors but had the opportunity to clarify issues and ask questions relating to what they learnt and their own personal concerns. In 2024, we had Mr. .Atunyota (Ali Baba) Akpobome, a multi-award-winning stand-up comedian, actor and Master of Ceremonies, Mrs. Adenike Ogunlesi a fashion entrepreneur, business leader and public speaker and Mr. Jude (M.I) Abaga, a renowned music rapper, music producer and executive and entrepreneur who is very popular among youths.

Whilst Mr. Akpobome spoke about starting a new business and gave nuggets of information about starting small and growing, Mrs. Ogunlesi emphasized making the impossible possible, by giving a down-to-earth account of how she grew her business. Mr. Abaga took the participants on a journey of how to dream, from the beginning, the middle and the end, stressing that every day should be marked as the last anyone has to give his best, as all human beings are on borrowed time.



From Left: Mr. Wole Oshin, Jude (MI) Abaga, Mrs. Nike Ogunlesi,
Mr. Leke Alder & Mr. Atunyota (Ali Baba) Akpobome



Some 2024 Custodian MENTEES

Mr. Oshin, Mrs. Aderemi and the Custodian Mentors with the first Graduates of the Custodian Mentoring Program

Reps of the Graduates presenting an Award to Mr. Oshin

During the year's Mentoring Conference, the first cohort of Mentees that attended the Custodian Mentoring Program graduated. 28 members of the set attended out of the class of 66 Mentees, were given Certificates of Participation. The 9-month program which involves constant engagements of the Mentees with carefully selected Custodian Mentors who are professionals in their various fields has been judged successful to the extent that it provides support for the growth and development of the Mentees.

2. Renovation of two classes of Mobolaji Bank Anthony Junior Secondary School, Yaba

Following the tradition of the previous Custodian Graduate Trainee sets to develop a CSR initiative beneficial to our local community, the 2024 class of Custodian Graduate Trainee Program (CGTP) after considering various needed options and following discussions with the CSRF and advice, opted to renovate two classrooms at Mobolaji Bank Anthony Junior High School, Yaba, Lagos, which falls under both Education and Community Development. The project was a collaborative effort involving all the trainees who raised the funds to ensure the project was successfully completed.

The initiative was to enhance the aesthetics and functionality of two classrooms - J.S.S.1 A and J.S.S 1B classrooms – of Mobolaji Bank Anthony Junior Secondary School, which would improve the learning environment whilst fostering a sense of community responsibility and teamwork among the Trainees.

Mrs. Aderemi Cuts the Ribbon to a Newly Renovated Classroom

Newly Renovated Classroom

Mobolaji Bank Anthony J.S.S. 1 Students

Staff of Mobolaji Bank Anthony Junior Secondary School

The renovated classrooms were formally handed over to the School Principal and other staff in the presence of the beneficiaries, who were delighted to gain newly painted classrooms with new desks and chairs and repaired flooring.

Corporate Social Responsibility/Sustainability Report Contd

3. Maintenance of previous projects

We continued to provide support for previous projects handled by the foundation, including:

- The maintenance of Ilupeju E- Library: Through the support of CSRF, the former public library was transformed into an e-library with access to several thousands of e-books through the subscription to a world library, which the Foundation subscribed to for several years. Subsequently, e-books were downloaded for the availability of users of the library. We have also contributed hard copies of books in various fields and through us, donations of hundreds of books have been donated to the library.

  In 2024, total patronage of the library was 13,272, which marked a 35.1% increase in usage, year on year.

- The maintenance of Lagos City Senior College Computer Center: CSRF continued to maintain the 25-system computer center that was donated to the school in 2017. This ensures continuity in the practical aspect of computer training for senior secondary school students who have benefited from the use of computer systems in the preparation and writing of exams.

Our plan for Education

CSRF is interested in working to improve education from the grassroots. We plan to do this by getting involved with activities involving students right from primary school level, being the future of any nation. Often, it is found that many children who should be in school are out of school. With the poor statistics, we intend to follow up on initiatives that will encourage children to have at least primary education by providing support for indigent ones.

We also plan to intervene by giving support to deserving tertiary students who may require internship, to enhance their learning by offering opportunities within the subsidiaries of the Group company.

Corporate Social Responsibility/Sustainability Report Contd

We also plan to get involved with the professional development of schoolteachers right from the lowest level. This would entail organizing training sessions which would enhance their skills and teaching methods.

Health

1. Blood Donation Exercise

The annual blood donation exercise whereby staff of Custodian voluntarily donate blood to be given to the needy took place on November 5, 2024. Our usual partners, the Lagos State Blood Transfusion Service staff, gave a talk on the benefits of donating blood before the exercise, which was successful.

Breakdown of blood collected during blood drive with the Lagos State BloodTransfusion Service on the 5th of November 2024 at Custodian Allied Plc Sabo, Yaba

Units of Blood Collected	- 31
Red Blood Cells	- 31
Platelets	- 12
Fresh Frozen Plasma (FFP)	- 19
Total Red Blood and Products	**- 62**

Total collected blood was negative for Transfusion Transmissible Infection (TTI)

Breakdown by Health Facilities and their Usage

S/N	Hospital	Usage	Red Cells/FFP
1	Lagos State University Teaching Hospital, Ikeja (LASUTH)	20 Red Cells. 6 Platelets. 10 FFP	Red Cells, Platelets and FFP
2	Massey Street Children's Hospital	1 Red Cells. 1 Platelet	Red Cells and Platelets
3	Lagos Island Maternity Hospital	4 Red Cells. 2 Platelets. 3 FFP	Red Cells, Platelets and FFP
4	Ikorodu General Hospital	2 Platelets. 4 FFP	FFP and Platelets
5	Gbagada General Hospital	6 Red Cells. 1 Platelet. 1 FFP	Red Cells, FFP and Platelets
	Total	**31 Red Cells. 12 Platelets. 18 FFP**	**1 FFP Still Unused**

In 2024, 62 total red blood and products were donated and none with transfusion transmissible infection (TTI). We once again contributed to the saving of lives and provided a beacon of hope to many families

All blood donated was distributed to the five above-mentioned hospitals. With greater sensitization, it is hoped that the statistics for next year will surpass this.

2. Custodian Accident and Emergency Center, (CAEC) Epe

The building of our level 4 trauma center which commenced in 2023 was completed this year. The CAEC located within the premises of the Federal Medical Center, Epe (formerly Epe General Hospital) is a project we had dreamt of doing for a while. Having been allocated land within the hospital premises, and undeterred by the prevailing economic circumstances, especially inflation, the close to Billion Naira project was completed.

The purpose-built ultra-modern trauma center with two wards to serve twenty patients is fully air-conditioned and equipped with appurtenances to ensure patients brought in are stabilized in a suitable environment before being transferred to the hospital for treatment. The much-needed centre is the first of its kind in the Epe area of Lagos and is strategically located to effectively serve not just the Ajah/Epe axis but also parts of Ogun State (Epe/Ijebu Ode express road environs which links the Ijebu Ode/Ore Road). Due to the recent infrastructural development in the area which comes with excessive speeding of vehicles and more users plying the roads, accident statistics have increased, making the siting of the CAEC at Epe ideal.

Corporate Social Responsibility/Sustainability Report Contd

Front View of Custodian Accident & Emergency Centre

Side View of Custodian Accident & Emergency Centre

Emergency Room Trolleys in one of the wards

Corridor Inside the Emergency Center

In addition to the donation of the structure, CAEC also donated furniture including an electric operating table and emergency room trolleys for patients.

Road Traffic Accident statistics made available by the hospital reveal that incidents of motor vehicle accidents occur more than motorcycles and tricycles. In 2024, there were 251 motor vehicle accidents compared with 197 in 2023, showing an increase of 27.41%, whilst motorcycle accident cases treated at the Epe General hospital were 194 and 193 in 2023 and 2024 respectively. Though there was a drop in the number of tricycle accidents reported, the overall statistics show an upward trend in accident cases reported, which justifies the need for a trauma center to be positioned in the area. The CAEC is expected to be handed over to the Lagos State Government in 2025 and will be operational as soon as it is fully equipped. It is expected that human lives will be saved because of this and annual records of lives saved will be documented regularly.

Our plan for Health

Going forward, we plan to organize periodic first aid training and possibly provide first responders and traffic management agencies with the required response training.

Where funding permits, we will consider the setting up of trauma care centers in underserved communities. We intend to collaborate with trauma care centers to organize joint blood donation drives and awareness campaigns.

Soon, we plan to publish articles and thought leadership on safety precautions, injury prevention and emergency response.

SUSTAINABILITY

Sustainability refers to the practice of meeting present needs without compromising the ability of future generations to meet their needs. This involves responsible resource management, environmental stewardship, social equity and economic prosperity. Sustainability encapsulates the holistic pursuit of balance between current needs and future generations' wellbeing, whilst integrating all the above resource management, social equity and economic viability to create a harmonious and enduring path forward.

Corporate Social Responsibility/Sustainability Report Contd

The foundations of a sustainable business include:

- Energy efficiencies and renewables
- Water efficiencies and conservation
- Waste and pollution reduction
- Sustainable transportation
- Diversity, equity and inclusion (DEI).

At Custodian, we endeavor to embed all the foundations into the strategies of our various subsidiaries to achieve set goals and achieve global alignment. We understand that our operations and activities, including our decision-making processes, have an impact on the sustainability of the environment, and as such we are careful to carry on with our businesses in a responsible manner. A major aspect of our business relates to insurance and risk management, which requires fidelity and ethical practices, supported by good corporate governance. We practice sustainable insurance by promoting ethical business practices across not only our insurance subsidiaries, but also our other lines of businesses which span real estate, pensions and investment management. As sustainability relates not only to ethical economic practices, but also social responsibilities towards the internal stakeholders, we endeavor to always take into consideration their wellbeing.

We are aware of the newly released ISSB standards S1 and S2 of the IFRS and are committed to aligning the standards with our ESG performance.

Our nation can only develop if the health of the environment is sustained, as other aspects of economic and social activities depend on a healthy environment. As a country, we are faced with different kinds of environmental challenges, in parts of the country that have been faced with flooding. Every year, the Lagdo dam reservoir is opened by Cameroon to release water which floods our environment and has devastating effects, yet nothing has been done to ensure flood waters do not negatively impact our environment. The dam was released once again in September 2024 and there were reports that up to 10 States were affected. The Punch newspaper reported on 21st October 2024 that no fewer than 25 communities living along the River Niger bank were submerged in flood in Edo State following the release of the dam, with thousands displaced. In Borno State, due to an overflow of the Alau dam caused by heavier than usual rainfall, Maiduguri, the capital of

Corporate Social Responsibility/Sustainability Report Contd

the state experienced extreme flooding, resulting in the death of at least 40 persons, displacement of 400,000 people and over a million people were affected. Consequences of the environment being ravaged also include worsened food security, health challenges, offset harvest season, fueling food inflation, increase in poverty levels as well as infrastructural damage and increase in logistics cost. Other environmental issues faced are consequent upon extreme weather conditions exacerbated by increased gases released from activities including gas flaring in parts of the country, deforestation and the use of polluting generators. Other issues include inadequate access to natural resources such as water, depletion of forests, soil and pollution. At Custodian, we are constantly on the lookout for responsible options that will not negatively impact our environment.

In 2024, economic sustainability, which is made up of practices encouraging long-term economic growth that do not negatively impact social, environmental and cultural aspects of the community became a big consideration in our country due to the continuous rise of inflation (including food inflation), limited productivity, limited foreign exchange proceeds and others. In our company, we are careful to ensure our employees are adequately catered to by positive reviews of policies affecting them and ensuring the wellbeing of all, knowing this is the best way to retain the best hands. Once the economic aspect is well attended to, this will positively impact the social aspect of sustainability too, which promotes the wellbeing of members of an organization and supports the ability of future generations to maintain healthy lives.

Our General Insurance subsidiary, Custodian and Allied Insurance Limited back in 2016 became a member of the United Nations Environment Program's Finance Initiative (UNEP-FI) and a signatory to its Principles of Sustainable Insurance (PSI) launched in 2012 as a framework for the global insurance industry to address Environmental, Social and Governance (ESG) risks and opportunities. PSI encourages members to embed ESG into insurance business, work with clients to raise awareness on ESG issues, manage risks and find responsible solutions, work with Government, Regulators and other stakeholders to promote action across ESG issues and demonstrate accountability and transparency in regular disclosure, whilst making progress on the implementation of its principles. As much as possible, we are guided also by the NGX guidelines also, which mandate ethics, transparency, accountability and responsibility in decisions relating to all our products and services, employees, community and the public.

Corporate Social Responsibility/Sustainability Report Contd

Our Frameworks

At Custodian, we align our key focus areas with three different frameworks:

- **Sustainable Development Goals:** which is the 2030 agenda for sustainable development adopted by all United Nations members in 2015, that created 17 world sustainable development goals, aimed at ensuring peace and prosperity for people and the planet.
- **NGX Sustainability Disclosure Guidelines:** which are 9 guidelines for Nigerian listed companies for disclose of their performance
- **Principles of Sustainable Insurance:** which is a global framework made up of 4 principles launched by the United Nations Environment Program's (UNEP) Finance

Initiative, to provide a holistic approach to managing a whole range of global and emerging risks in insurance business, from climate change and natural disasters to water scarcity, food insecurity and pandemics.

As it has become increasingly difficult to assess performance of companies doing different businesses, and compare performance of sustainability-related disclosure standards, the ISSB (S1 and S2) which seeks to deliver a comprehensive global baseline of sustainability related disclosure standards is being proposed for implementation. At Custodian, we intend to align with this, when it is implemented.

Corporate Social Responsibility/Sustainability Report Contd

a. The Sustainable Development Goals (SDGs)

Corporate Social Responsibility/Sustainability Report Contd

b. NGX Sustainability Disclosure Guidelines

Principle 1

Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.

Principle 2

Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.

Principle 3

Businesses should provide products and services that are safe and contribute to sustainability throughout their life cycle.

Principle 4

Businesses should engage with and provide value to their customers and consumers in a responsible manner.

Principle 5

Businesses should promote the well-being of all employees.

Principle 6

Businesses should respect the interest of and be responsive towards all stakeholders especially those who are disadvantaged, vulnerable and marginalized.

Principle 7

Businesses should respect and promote human rights.

Principle 8

Businesses should support inclusive growth and equitable development.

Principle 9

Businesses should respect, protect and make efforts to restore the environment.

c. **Principles of Sustainable Insurance**

PSI Principle **1**

We will embed in our decision-making environmental, social and governance issues relevant to our insurance business.

PSI Principle **2**

We will work together with our clients and business partners to raise awareness of environmental, social and governance issues, manage risk and develop solutions.

PSI Principle

PSI Principle **3**

We will work together with governments, regulators, and other key stakeholders to promote widespread action across society on environmental, social and governance issues.

PSI Principle **4**

We will demonstrate accountability and transparency in regularly disclosing publicly our progress in implementing the principles.

Corporate Social Responsibility/Sustainability Report Contd

Sustainability/ESG Practice at Custodian.

There are many ways sustainability is practiced in Custodian, most of which are embedded in policies guiding the daily activities of the company. Some are contained in the CSR/ESG STATUS REPORTING chart broken down to align with Custodian strategies – (see page 367). Whilst this is not exhaustive, others are highlighted below

1. Environment

a. Use of Natural Resources

- Paper Reduction Strategies/digitization: The practice of recycling paper is embedded in the system. Internally, members communicate via technology such as telephone, emails and others, whilst meetings are held via Microsoft Teams. In the event of paper usage, recycled paper is encouraged. With our digitized systems, internal processes including applications for leave, appraisals, approvals for payment are done electronically.
- Energy Efficiency: Our Head office has been powered by Light Emitting Diode (LED)lighting for a few years now, with the attendant waste reduction/cost reducing benefits. As LED lights are better for the environment and in the long run, are more economically sustainable, this practice will be extended to all our newly built structures, while there is a planned gradual replacement of traditional bulbs in all our offices.
- Limitation of Generator Usage: Should there be power outage, we resort to the use of generators. However, usage is strictly monitored. Only the small generators that have less impact on the environment are used outside regular working hours, whilst there is strict regulation on the usage of the bigger capacity ones. We are working hard to adopt solutions that impact less on the environment and are considering the use of possible available options, especially in the smaller branches where possible.
- Waste reduction: Over the years we have adopted alternative means of getting rid of waste and have resorted to recycling where possible. We endeavor to separate waste by sorting plastic from other waste products, which are kept separately for recycling companies to pick up

and use for products manufactured by them. Wastewater generated at our Head office is processed in the sewage treatment plant located within the building and produces water which drains into the public gutters. Officials of the Lagos State Wastewater Management pay regular visits to enforce this. We have over the years developed tactics with which we get rid of unwanted paper, resorting to soaking of unwanted paper rather than burning, shredding of paper which can be used to stuff breakable items and others.

B. Social

- Employee wellbeing continues to be of prime importance to us and we ensure that the office is not only a safe place to work but also provides comfortable working spaces that are adequate, furnished with proper ventilation. Our Head office has a ramp, making it accessible to all.
- In-house Canteen: At Custodian, we have an in-house canteen run by carefully selected food vendors who offer healthy meals to Management and senior staff of the Head office, free of charge, whilst other categories of staff are given allowances. The ability to meet up during lunch hour further promotes bonding and socialization of staff.
- Staff Bus: We continue to operate staff buses which ply different areas of Lagos for the use and comfort of staff to and from work. This reduces the exorbitant transport costs, especially in Lagos.
- Creche facilities: Our creche operating out of the Head office and manned by dedicated and trained handlers are utilized free of charge by both male and female employees with babies up till the age of 18 months of age. We had an average of 5 babies that used the creche facility this year.
- Employee Engagement/Training: Every year, new blood is brought into the system through the Custodian Graduate Trainee Program (CGTP). The two-month program aims to attract the best young and intelligent graduates across various educational disciplines to be engaged in a highly educative program, which enables the company to develop a strong workforce base of home-grown talent. In 2024, 68% of the Graduate Trainees were of the female gender, satisfying the gender equity principle, whilst 32% were male.

C. Governance

- Good Governance: The highest responsible body for ESG issues is the Board of Custodian Investment Plc, the parent company chaired by a female. The Board submits itself to the Society for Corporate Governance of Nigeria, an independent body on a yearly basis for evaluation. In 2024, the report reveals the Board of Directors conducted its affairs in an acceptable and satisfactory manner

- Anti-bribery and anti-corruption: Our policy on anti-bribery/corruption prohibits Custodian members from offering anything of value to persuade an official to misuse his office to benefit Custodian or any of its employees. The various Boards of Directors and Senior Management ensure compliance with this policy. To ensure every employee is well acquainted with this policy, every member of staff is required to attend two anti-money laundering training courses every year.

- Code of Ethics: Executives and staff of Custodian are held to high standards of ethics in their dealings within the company. Our code of ethics, which outlines the minimum acceptable standard of conduct expected in the management of our businesses across the Group, is documented and well disseminated.

- Responsible Investment: We have an in-house Investment Committee which meets regularly to make investment decisions. This committee is guided by regulations in making investment decisions that are responsible.

- Responsible Underwriting Process: A major aspect of our business has to do with underwriting business and a lot of progress has been made to digitize our processes relating to the insurance business. Clients are now able to make claims on-line, implying accessibility without the use of paper and saving a lot of time. Communication with clients is mainly handled by members of our Sales team as well as the Call Centre. Should Clients want to check their claims status and other things relating to their transactions, they are able to do so through our website.

- Responsible Supplier/Vendor Assessments: We operate ethical procurement practices that are transparent. We do not patronize employee-owned companies. New vendors are carefully evaluated before being on-boarded and are assessed carefully and regularly by relevant Unit heads. Internal Control reviews are carried out by members of the Audit unit who ensure laid down processes are complied with.

Corporate Social Responsibility/Sustainability Report Contd

Year 2024 CSR Highlights/ESG Status Reporting

Focal Areas	Activity highlights	Status	Key PSI Reference	NGX Disclosure Guidelines	Direct SDG Reference
Community Development	• We intervened during the Bodija Ibadan mining explosion which destroyed many properties and injured many, whilst lives were lost. We visited the site and assured victims of support and returned within a month to give out N100,000 cheques per household to 164 households. • We refurbished a section of the Lagos Command Police Headquarters, Ikeja for security personnel to have a conducive environment to work and police effectively.	Completed/ Ongoing Completed	Not Applicable	**Principle 4:** Businesses should engage with and provide value to their customers and consumers in a responsible manner **Principle 6:** Businesses should respect the interest of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized	**Goal1:** No poverty – End poverty in all its forms everywhere **Goal 2:** Zero hunger- End hunger, achieve food security and improved nutrition and promote sustainable agriculture **Goal 8:** Decent work and economic growth – Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

Corporate Social Responsibility/Sustainability Report Contd

Focal Areas	Activity highlights	Status	Key PSI Reference	NGX Disclosure Guidelines	Direct SDG Reference
Community Development	• Through our Custodian Graduate Trainees, two classrooms of the Mobolaji Bank Anthony Secondary school located in the Yaba community were renovated to have a conducive learning environment and replace spoilt furniture and improve the aesthetics • We were directly involved in infrastructural development in the past by rebuilding failed portions of Commercial Avenue, Yaba, thereby promoting safety and security to all in the community	**Completed**			**Goal 9:** Industry innovation and infrastructure – Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation **Goal 11:** Sustainable cities and communities – Make cities and human settlements inclusive, safe, resilient and sustainable. **Goal 17:** Partnerships for the goals - Strengthen the means of implementation and revitalize the global partnership for sustainable development

Corporate Social Responsibility/Sustainability Report Contd

Focal Areas	Activity highlights	Status	Key PSI Reference	NGX Disclosure Guidelines	Direct SDG Reference
Education	• We continued to maintain the computer systems and inverter we donated to the Ilupeju e-library on conversion from a public library in 2016 to an e-library, handled by CSRF, thereby increasing knowledge. • Our annual Custodian Mentor's Conference was once again held during the year to impact knowledge and for youth empowerment, school leavers and other seeking help in finding their feet and establishing a career. • In 2024, our Custodian Graduate Trainees constituted of 68% female and 32% male satisfying the Gender equality principle ensuring females are not excluded. The Graduate	On-going On-going Completed	**Principle 3:** We will work to embed in our decision-making environmental, social and governance issues relevant to our insurance business	**Principle 4:** Businesses should engage with and provide value to their customers and consumers in a responsible manner **Principle 6:** Businesses should respect the interest of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized	**Goal1:** No poverty- End poverty in all its forms everywhere **Goal 4:** Quality education - Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all **Goal 5:** Gender equality- Achieve gender equality and empower all women and girls **Goal 8:** Decent work and economic growth- Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

Corporate Social Responsibility/Sustainability Report Contd

Focal Areas	Activity highlights	Status	Key PSI Reference	NGX Disclosure Guidelines	Direct SDG Reference
Education	Trainees renovated two classrooms of the Mobolaji Bank Anthony Secondary school located in the Yaba community were renovated to have a conducive learning environment and replace spoilt furniture and improve the aesthetics • We continued to maintain the computer systems we earlier donated to the Lagos City Senior College, Sabo, to ensure there are no gaps in computer studies in the school. • Our subsidiary, the UPDC Plc participated in the Liberty School Ikota's Annual Readathon Fundraiser, an inspiring event aimed at fostering literacy and supporting education.	**On-going** **Completed**			**Goal 10:** Reduced inequalities - Reduce inequality within and among countries **Goal 17:** Partnerships for the goals - Strengthen the means of implementation and revitalize the global partnership for sustainable development

Corporate Social Responsibility/Sustainability Report Contd

Focal Areas	Activity highlights	Status	Key PSI Reference	NGX Disclosure Guidelines	Direct SDG Reference
Health	• Our annual blood donation exercise was held during the year. From 62 red blood and products collected, which accounted for 31 units of blood, 5 different hospitals in the Lagos environment benefitted • Our level 4 Custodian Accident and Emergency Centre, Epe with both female and male wards was finally completed. Apart from the imposing structure, to be handed over to the Lagos State Government, donations of a high-quality operating table and emergency patient trolleys were made. With the facility to become fully operational after the formal handing over ceremony, human lives will no doubt be saved.	On-going Structure completed	Not Applicable	**Principle 2:** Businesses, when engaged in influencing public and regulatory policy should do so in a responsible manner **Principle 4:** Businesses should engage with and provide value to their customers and consumers in a responsible manner	**Goal 1:** No poverty - End poverty in all its forms everywhere **Goal 3:** Good health and wellbeing - Ensure healthy lives and promote wellbeing for all at all ages **Goal 9:** Industry innovation and infrastructure - Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation **Goal 10:** Reduced inequalities- Reduce inequality within and among countries

Focal Areas	Activity highlights	Status	Key PSI Reference	NGX Disclosure Guidelines	Direct SDG Reference
Health					**Goal 11:** Sustainable cities and communities - Make cities and human settlements inclusive, safe, resilient and sustainable **Goal 17:** Partnerships for the goals - Strengthen the means of implementation and revitalize the global partnership for sustainable development

Corporate Social Responsibility/Sustainability Report Contd

Focal Areas	Activity highlights	Status	Key PSI Reference	NGX Disclosure Guidelines	Direct SDG Reference
Sustainability	• We have embedded the principles of Diversity, Equity and Inclusion (DEI) in all our subsidiaries. We do not discriminate based on race, age, ethnicity, religion, gender and other aspects. • We have a fair representation of women on the Boards of our companies, including our Group Chairman who is of the female gender. We continue to work on this for a better representation. • The Custodian, our internal newsletter introduced several years ago, whose production ceased along the way was re-introduced during the year and is now circulated among all member of the Custodian group,	On-going On-going On-going			

Corporate Social Responsibility/Sustainability Report Contd

Focal Areas	Activity highlights	Status	Key PSI Reference	NGX Disclosure Guidelines	Direct SDG Reference
Sustainability	to keep all abreast of relevant information. • The wellbeing of our staff is very important to us as we continue with the Fit-Fam initiative. This year, a weight-loss challenge was introduced and top weight losers rewarded. The company continues to celebrate TGIF hangouts on a regular basis, International Men and Women's days, Valentine Day etc.	On-going			

Corporate Social Responsibility/Sustainability Report Contd

Focal Areas	Activity highlights	Status	Key PSI Reference	NGX Disclosure Guidelines	Direct SDG Reference
Sustainability	• We were the first signatory of the UNEP-FI Principles for Sustainable Insurance and continue to subscribe to it through our yearly subventions. • Our Claims and complaints management processes are readily accessible and easy to process. • We continued to provide sustainable solutions to the public such as our Esusu, Term Assurance and Safety Plus for driving insurance inclusivity for those who otherwise would not have been able to purchase insurance.	Completed/ On-going On-going On-going	**Principle 1:** We will demonstrate accountability and transparency in regularly disclosing publicly our progress in implementing the principles **Principle 2:** We will work together with governments, regulators and other key stakeholders to promote widespread	**Principle 1:** Businesses should conduct and govern themselves with ethics, transparency and accountability **Principle 2:** Businesses when engaged in influencing public and regulatory policy, should do so in a responsible manner **Principle 3:** Businesses should provide products and services that are safe and contribute to sustainability throughout their life cycle	**Goal 6:** Clean water and sanitation – Ensure availability and sustainable management of water and sanitation for all **Goal 11:** Sustainable cities and communities - Make cities and human settlements inclusive, safe, resilient and sustainable **Goal 12:** Responsible consumption and production – Ensure sustainable consumption and production patterns

Corporate Social Responsibility/Sustainability Report Contd

Focal Areas	Activity highlights	Status	Key PSI Reference	NGX Disclosure Guidelines	Direct SDG Reference
Sustainability	• Our toilets in the Head Office have the dual-flush cisterns to regulate water usage. We plan to replace the toilet bowls company wide to the same to reduce water wastage. • We also encourage as much as possible the use of hand sanitizers to reduce water wastage and protect staff from disease spread. • The Custodian Olympics was introduced during the year to encourage social interaction and promote employee wellbeing among employees within the group.	On-going On-going On-going	action across society on environmental, social and governance issues	**Principle 4:** Businesses should engage with and provide value to their customers and consumers in a responsible manner **Principle 5:** Businesses should promote the wellbeing of all employees **Principle 7:** Businesses should respect and promote human rights **Principle 9:** Businesses should respect, protect and make efforts to restore the environments	**Goal 13:** Climate action – Take urgent action to combat climate change and its impact **Goal 15:** Life on land – Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, halt and reverse land degradation and halt biodiversity loss **Goal 17:** Partnerships for the goals – Strengthen the means of implementation and revitalize the global partnership for sustainable development

HSE Report

At Custodian, we have continued to build on our existing Health, Safety and Environment system. This has over the time, helped us to develop a safety culture within the organization that has ensured a safe workplace.

During the past years, we have invested significant time and energy into the development of an easy to operate HSE system. This has increased our flexibility and ensured our people can deliver on our strategic objectives.

For easy adaptation, our strategy is broken into three objectives which are:

- eliminate work-related ill health caused by physical or psychological harm
- ensuring people feel safe in the work environment
- ensure major incidents are prevented

Our focus remains to eliminate identified workplace hazards to ensure that people feel safe in their work environment.

To achieve our goals, we continue to ensure that our safety processes are:

- Relevant: The changing nature of work, with the introduction of new technologies in the workplace means we must respond and adapt to the change.
- People-focused: Our top priority is the health and safety of our employees, contractors, customers, and communities. The policy is reviewed continuously to accommodate current realities for the benefit of the employee, organization and all other stakeholders.
- Financially viable: For ease of implementation, all proposed workplace safety measures are proactively budgeted for and executed in a cost-efficient manner.

HSE Report Contd

- Accessible or easy to understand: Our safety policy is designed organically and over time in line with our operations. The policy encourages total inclusion of all employees.

We have continued to comply with all applicable legal and other regulatory requirements that relate to our safety and the wellbeing of the environment.

In conclusion, Custodian is fully committed to a healthy and safe work environment.