KAPITAL ASSURANCE PLC

RC 11785

VERITAS KAPITAL ASSURANCE PLC

CONSOLIDATED AND SEPARATE UNAUDITED FINANCIAL STATEMENTS (UFS)

FOR THE PERIOD ENDED 30 SEPTEMBER 2025

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CORPORATE INFORMATION

DIRECTORS

Mr. Nahim Abe Ibraheem	Non-Executive Director - Chairman (Resigned 2 May, 2025)
Mr. Babatunde Ayokunle Irukera	Non-Executive Director - Chairman (Appointed 31 July, 2025)
Dr. Oluwafunsho A. Obasanjo	Non-Executive Director
Mr. Aminu Babangida	Non-Executive Director
Hajia Yabawa Lawan Wabi (MNI)	Non-Executive Director
Mrs Priya Heal (British)	Non-Executive Director
Emmanuel Etuh	Non-Executive Director
Mr. Paul Oki	Independent Non-Executive Director
Dr. Adaobi Nwakuche	Managing Director/CEO
Mr. Sunkanmi Adekeye	Executive Director, Operations

COMPANY SECRETARY
Ms. Saratu Umar Garba
FRC/2019/NBA/00000019159

REGISTERED OFFICE
Plot 497, Abogo Largema Street,
Off Constitution Avenue,
Central Business District
Abuja.

www.veritaskapital.com
RC NO: 11785

FRC REGISTRATION NO:
FRC/2013/0000000000717

BANKERS
Unity Bank Plc
Guaranty Trust Bank Ltd.
First Bank Limited
Fidelity Bank Plc
Keystone Bank Limited
Sterling Bank Plc
Access Bank Plc
Zenith Bank Plc

PROPERTY VALUERS
Jide Taiwo & Co
No 70 Abidjan street wuse zone 3
Abuja-FCT

Tax Identification Number

RE-INSURERS
African Reinsurance Corporation
Continental Reinsurance Corporation
WAICA Reinsurance Corporation
Nigerian Reinsurance Corporation
CK Reinsurance Limited
Score Re.
CICA Re.

ACTUARIES
O & A Hedge Actuarial Consulting
(Consulting Actuaries & Chartered Insurers)
Suite 28, Motorways Centre
(Opposite 7UP Bottling Plant)
1 Motorways Avenue
Alausa Ikeja – Lagos, Nigeria

REGISTRARS
Unity Registrars Limited
25 Ogunlana Drive
Surulere Lagos.

AUDITORS
Ernst & Young Nigeria
(Chartered Accountants)
10th & 13th Floor, UBA House,
57 Marina, Lagos, Nigeria

TAX CONSULTANTS
Kreston Pedabo Professional Services
67 Norman Williams Street, Ikoyi, Lagos

REGULATORY AUTHORITY
National Insurance Commission

01129230-0001

FINANCIAL RESULT AT A GLANCE

RESULT AT A GLANCE (GROUP)				
Figure in thousands of naira	**2025**	**2024**	**Changes**	
Gross premium	18,679,649	18,539,697	139,952	1%
Insurance revenue	16,309,925	16,098,534	211,391	1%
Insurance service expense	(5,329,490)	(13,976,711)	8,647,221	62%
Insurance service result before reinsurance contracts held	10,980,436	2,121,823	8,858,613	418%
Net expenses from reinsurance contracts held	(4,403,488)	(3,465,326)	(938,162)	-27%
Profit before taxation	4,883,464	2,975,834	1,907,630	64%
Taxation	(759,525)	(108,730)	(650,795)	-599%
Profit after taxation	4,123,939	2,867,104	1,256,835	44%

RESULT AT A GLANCE (COMPANY)				
Figure in thousands of naira	**2025**	**2024**	**Changes**	
Gross premium	18,246,461	18,539,697	(293,236)	-2%
Insurance revenue	15,876,737	16,098,534	(221,797)	-1%
Insurance service expense	(5,066,835)	(13,976,711)	8,909,876	64%
Insurance service result before reinsurance contracts held	10,809,902	2,121,823	8,688,079	409%
Net expenses from reinsurance contracts held	(4,403,488)	(3,465,326)	(938,162)	-27%
Profit before taxation	4,123,646	2,441,096	1,682,550	69%
Taxation	(732,646)	(101,968)	(630,678)	619%
Profit after taxation	3,391,000	2,339,128	1,051,872	45%

VISION, MISSION AND VALUES

MISSION
To help our Stakeholders have peace of mind

VISION
To be one of the top Insurance Companies of choice in Africa

PRINCIPLES

Integrity

We will act with openness, fairness, integrity and diligence. We will always adhere to the applicable laws, regulations and standards of doing business.

Performance

We will promote a positive and challenging high performance culture. We will do this by encouraging personal accountability, development and measuring, reward and recognizing success.

Responsibilty

We will act responsibly as individuals and as a Company. This applies to the management of our business, our approach to corporate interaction with key external stakeholders.

Values

Working in teams
Servicing our Customers
Respecting each other
Being proactive
Growing our people
Delivering to our Shareholders
Guarding against arrogance
Upholding the highest levels of integrity

OUR COMMITMENTS

Customers
A satisfied and loyal customer base is core to our business.

We are committed to:
- Delivering the consistent and reliable levels of customer service.
- Acting with integrity, due care and diligence.
- Communicating openly, honestly and with sensitivity and understanding.
- Listening to our customers.
- Handling complaints fairly and promptly.
- Respecting our customers' rights to privacy and confidentiality.
- Protecting our customers and our business from fraud.

Business Partners
We demand high standards from the companies we work with and believe that they should expect the same from us.

We are committed to:
- Carrying out our business with fairness and integrity.
- Being reliable and quick to respond.
- Awarding contracts and selecting business partners solely on the basis of fair and objective business criteria and having regards to high ethical standards.
- Respecting all obligations and confidentiality.
- Protecting our customers and our business from fraud.

Employees
Motivated and skilled employees are critical to our success.

We are committed to:
- Fostering a positive and challenging high performance culture.
- Rewarding superior performance.
- Encouraging personal development.
- Encouraging a culture of frank and honest communication.
- Encouraging teamwork and strong leadership.
- Providing a safe and secure working environment.
- Encouraging diversity and equal opportunities.
- Ensuring that grievances and unethical behaviour can be raised without fear of discrimination.

In return we expect our employees to:
- Act with integrity.
- Take responsibility and accountability for their own actions.
- Show support and commitment for change.
- Focus their energy in getting the best from themselves and others.
- Have the confidence and courage to act with conviction.
- Show understanding for and meet external and internal customers needs.
- Show a relentless desire for success.
- Create positive and effective working relationships.

OUR COMMITMENTS - CONTINUED

Regulators

We have an open, cooperative and transparent relationship with our regulators.

We are committed to:

- Dealing with our regulators in an open, cooperative and transparent manner.
- Managing our business with appropriate standards of risk management and controls.
- Preventing and reporting any instances of significant financial crime.
- Preventing breaches of relevant regulatory requirements.
- Complying with all set standards.

Community & Environment

We believe in continuous improvement of our environmental performance and in taking action around emerging environmental issues. Whenever we operate, we will seek positive engagement with local communities.

We are committed to:

- As a business, we have a responsibilty to manage our impacts on the environment through appropriate use of resources such as energy, paper and water and the investment of our assets.
- We also have a responsibility to take proactive action on environmental issues that are likely to affect our business and community at large.
- In each of these areas, we will look to make continuous improvement and actively monitor our performance.

Shareholders

We are committed to fufilling the aspirations of our shareholders through a commitment to business performance, and high standards of transparency, communication and corporate governance.

We are committed to:

- A culture of business performance, focused on delivering returns to shareholders.
- Comprehensive and transparent disclosure.
- Aiding Shareholder's understanding through the disclosure of relevant financial and non-financial information.
- Listening to the views of our shareholders.
- Managing our business with appropriate standards of risk and control.
- Ensuring due care in the selection of our third party advisers, including our auditors.
- Preventing and reporting any market abuse.
- Acting with due sense of responsibilty on confidence entrusted to us.

CONSOLIDATED AND SEPARATE STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2025

	Notes	2025 Group N'000	2024 Group N'000	2025 Company N'000	2024 Company N'000
Assets					
Cash and cash equivalents	3	8,921,561	11,196,743	6,396,604	9,830,861
Investment securities:					
Fair value through profit or loss	4	179,024	138,264	179,024	138,264
Amortised cost	4	9,441,748	10,197,218	4,801,907	5,084,068
Fair value through OCI	4	492,287	492,056	492,287	492,056
Trade receivables	5	579,239	1,545,616	579,239	1,545,616
Reinsurance contract assets	17	8,312,180	5,841,670	8,312,180	5,841,670
Other receivables and prepayments	6	1,285,428	884,869	196,411	174,054
Investment in subsidiaries	7	-	-	4,026,300	4,026,300
Property, plant and equipment	9	6,024,572	6,020,334	5,037,509	5,033,899
Goodwill	10	316,884	316,884	-	-
Intangible assets	11	447,956	551,790	435,661	539,166
Statutory deposits	12	355,000	355,000	355,000	355,000
Total assets		**36,355,879**	**37,540,443**	**30,812,122**	**33,060,953**
Liabilities:					
Insurance contract liabilities	17	10,253,023	16,303,627	10,253,023	16,303,627
Other contract liabilities	25	53,558	8,899	-	-
Trade payables	13	2,105,220	2,785,404	2,105,220	2,785,404
Employees retirement benefit obligations	14	12,622	27,712	-	-
Provision and other payables	15	3,151,243	2,351,635	2,201,778	1,690,510
Income tax liabilities	16	939,377	404,691	752,897	173,210
Deferred tax liabilities	16.2	372,737	372,737	190,671	190,671
Total liabilities		**16,887,780**	**22,254,705**	**15,503,589**	**21,143,422**
Share capital & reserves:					
Share capital	18	6,933,333	6,933,333	6,933,333	6,933,333
Share premium	19	663,600	663,600	663,600	663,600
Statutory contingency reserves	20	3,289,484	2,611,284	3,289,484	2,611,284
Retained earnings	21	2,069,198	(1,189,503)	407,050	(2,305,750)
Other components of equity:					
Asset revaluation reserve	22	3,974,282	3,974,282	3,735,496	3,735,496
Fair value reserve	23	275,880	275,880	279,569	279,569
Equity attributable to equity holders of the parent		**17,205,777**	**13,268,875**	**15,308,532**	**11,917,532**
Non Controlling interest (NCI)	37	2,262,322	2,016,865	-	-
Total Equity		**19,468,099**	**15,285,740**	**15,308,532**	**11,917,531**
Total Equity & Liabilities		**36,355,879**	**37,540,443**	**30,812,122**	**33,060,953**

These financial statements were approved by the Board on 27 October 2025 and signed on its behalf by:

Mojeed Somorin
Chief Financial Officer
FRC/2017/PRO/ICAN/001/00000016849

Dr. Adaobi Nwakuche
Managing Director
FRC/2021/003/00000023865

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

CONSOLIDATED AND SEPARATE STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR PERIOD ENDED 30 SEPTEMBER 2025

		Group				Company			
	Notes	Q3 2025 N'000	YTD 2025 N'000	Q3 2024 N'000	YTD 2024 N'000	Q3 2025 N'000	YTD 2025 N'000	Q3 2024 N'000	YTD 2024 N'000
Insurance revenue	26	3,730,316	16,309,925	6,191,000	16,098,534	3,563,587	15,876,737	6,191,000	16,098,534
Insurance service expenses	27	(6,024,913)	(5,329,490)	(10,751,922)	(13,976,711)	(5,933,138)	(5,066,835)	(10,751,922)	(13,976,711)
Insurance service result before reinsurance contracts held		(2,294,596)	10,980,436	(4,560,922)	2,121,823	(2,369,551)	10,809,902	(4,560,922)	2,121,823
Net expenses from reinsurance contracts held	28	4,113,549	(4,403,488)	1,251,258	(3,465,326)	4,113,549	(4,403,488)	1,251,258	(3,465,326)
Insurance service result		**1,818,953**	**6,576,948**	**(3,309,664)**	**(1,343,503)**	**1,743,998**	**6,406,414**	**(3,309,664)**	**(1,343,503)**
Interest income calculated using the effective interest method	31a	258,059	745,396	278,648	759,829	115,648	321,556	143,249	326,224
Net fair value gains on financial assets at fair value through profit or loss	31c	22,595	35,660	29,621	26,615	22,595	35,660	29,621	26,615
Net foreign exchange (loss)/gain	32	(336,055)	(362,414)	825,653	4,958,034	(336,055)	(362,414)	825,653	4,958,034
Credit impairment (charge)/reversal	34	-	(5,740)	-	-	-	-	-	-
Finance cost	14a(i)	-	-	-	-	-	-	-	-
Other investment income	31b	772,456	2,200,034	(512,927)	639,878	156,861	521,909	180,398	478,158
Net investment income		**717,055**	**2,612,936**	**620,995**	**6,384,356**	**(40,951)**	**516,711**	**1,178,921**	**5,789,031**
Finance expenses from insurance contracts issued	29	-	-	(468,993)	(609,656)	-	-	(468,993)	(609,656)
Finance income from reinsurance contracts held	30	-	-	106,554	194,128	-	-	106,554	194,128
Net insurance finance income		**-**	**-**	**(362,439)**	**(415,528)**	**-**	**-**	**(362,439)**	**(415,528)**
Net insurance and investment result		**2,536,008**	**9,189,884**	**(3,051,108)**	**4,625,325**	**1,703,047**	**6,923,125**	**(2,493,182)**	**4,030,000**
Other operating income	33	180,777	542,596	1,469,864	1,842,565	9,827	30,561	4,592	33,666
Other operating expenses	35	(1,536,006)	(4,849,016)	(1,230,174)	(3,492,056)	(827,100)	(2,830,040)	(574,992)	(1,622,570)
Profit before income tax		**1,180,779**	**4,883,464**	**(2,811,418)**	**2,975,834**	**885,774**	**4,123,646**	**(3,063,582)**	**2,441,096**
Tax expense	36	(654,351)	(759,525)	494,658	(108,730)	(657,999)	(732,646)	494,658	(101,968)
Profit for the period		**526,428**	**4,123,939**	**(2,316,760)**	**2,867,104**	**227,775**	**3,391,000**	**(2,568,924)**	**2,339,128**
Other comprehensive income:									
Items that may be reclassified subsequently to profit or loss									
Items that will not be reclassified subsequently to profit or loss(net of tax):									
Net acturial gains/(loss) on retirement benefit obligation	50a	-	-	-	-	-	-	-	-
Gain on revaluation of property, plant and equipment (net of tax)	50b	-	-	-	-	-	-	-	-
Fair value gain on financial asset at FVOCI(net of tax)	50c	-	-	-	-	-	-	-	-
Other comprehensive income, Net of tax		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total comprehensive (loss)/income		**526,428**	**4,123,939**	**(2,316,760)**	**2,867,104**	**227,775**	**3,391,000**	**(2,568,924)**	**2,339,128**
Profit for the period, attributable to:									
* Non-controlling interests		74,528	202,135	-	622,064	227,775	3,391,000	(3,182,739)	2,339,128
* Owners' of the Parent		451,900	3,921,803	(2,316,760)	2,245,040	-	-	-	-
		526,428	**4,123,939**	**(2,316,760)**	**2,867,104**	**227,775**	**3,391,000**	**(3,182,739)**	**2,339,128**
Total Comprehensive Income, attributable to:									
* Non-controlling interests		74,528	202,135	-	622,064	227,775	3,391,000	(3,182,739)	2,339,128
* Owners' of the Parent		451,900	3,921,803	(2,316,760)	2,245,040	-	-	-	-
		526,428	**4,123,939**	**(2,316,760)**	**2,867,104**	**227,775**	**3,391,000**	**(3,182,739)**	**2,339,128**
Basic Earnings per Share	**24**	**0.08**	**0.59**	**(0.33)**	**0.41**	**0.03**	**0.49**	**(0.37)**	**0.34**

CONSOLIDATED AND SEPARATE STATEMENT OF CHANGES IN EQUITY
FOR PERIOD ENDED 30 SEPTEMBER 2025

Group

	Share Capital N'000	Share Premium N'000	Asset revaluation reserve N'000	Fair value reserve N'000	Contingency Reserve N'000	Retained Earnings N'000	Total N'000	Non-Controlling Interest N'000	Total N'000
At 1 January 2025	6,933,333	663,600	3,974,282	275,880	2,611,284	(1,189,504)	13,268,875	2,016,863	15,285,738
Profit for the year	-	-	-	-	-	3,940,914	3,940,914	202,135	4,143,049
Other Comprehensive Income:							-		
Gain on revaluation of properties, plant and equipment	-	-	-	-	-	-	-	-	-
Fair value gain on financial asset at FVOCI	-	-	-	-	-	-	-	-	-
Transfer to statutory reserve						-	-	43,602	43,602
Transfer of revaluation gain on disposal of PPE	-	-	-	-	-	-	-	-	-
Acturial gain on retirement benefit obligation	-	-	-	-	-	-	-	-	-
Total Comprehensive Income	**-**	**-**	**-**	**-**	**-**	**3,940,914**	**3,940,914**	**245,737**	**4,186,651**
Transfer to Contingency Reserve	-	-	-	-	678,200	(678,200)	-	-	-
Transactions with owners of equity									
Dividends to equity holders	-	-	-	-	-	(4,012)	(4,012)	(279)	(4,291)
At 30 September 2025	**6,933,333**	**663,600**	**3,974,282**	**275,880**	**3,289,484**	**2,069,198**	**17,205,777**	**2,262,322**	**19,468,099**

	Share Capital N'000	Share Premium N'000	Asset revaluation reserve N'000	Fair value reserve N'000	Contingency Reserve N'000	Retained Earnings N'000	Total N'000	Non-Controlling Interest N'000	Total N'000
At 1 January 2024	6,933,333	663,600	3,634,971	235,984	1,900,456	1,008,862	14,377,206	1,991,597	16,368,802
Profit for the year	-	-	-	-	-	2,721,390	2,721,390	145,713	2,867,103
Other Comprehensive Income:							-		-
Gain on revaluation of properties, plant and equipment	-	-	-	-	-	-	-	-	-
Fair value gain on financial asset at FVOCI	-	-	-	-	-	-	-	-	-
Transfer of revaluation gain on disposal of PPE	-	-	-	-	-	-	-	-	-
Acturial gain on retirement benefit obligation			-			-	-	-	-
Total Comprehensive Income	**-**	**-**	**-**	**-**	**-**	**2,721,390**	**2,721,390**	**145,713**	**2,867,103**
Transfer to Contingency Reserve	-	-	-	-	981,610	(981,610)	-	-	-
Transactions with owners of equity:									
Dividends to equity holders	-	-	-	-	-	-	-	-	-
At 30 September 2024	**6,933,333**	**663,600**	**3,634,971**	**235,984**	**2,882,066**	**2,748,642**	**17,098,596**	**2,137,310**	**19,235,905**

CONSOLIDATED AND SEPARATE STATEMENT OF CHANGES IN EQUITY
FOR PERIOD ENDED 30 SEPTEMBER 2025

Company

	Share Capital N'000	Share Premium N'000	Asset revaluation reserve N'000	Fair value reserve N'000	Contingency Reserve N'000	Retained Earnings N'000	Total N'000
At 1 January 2025	6,933,333	663,600	3,735,496	279,569	2,611,284	(2,305,750)	11,917,532
Loss for the year	-	-	-	-	-	3,391,000	3,391,000
Other Comprehensive Income:							
Gain on revaluation of properties, plant and equipment	-	-	-	-	-	-	-
Fair value gain on financial asset at FVOCI	-	-	-	-	-	-	-
Transfer of revaluation gain on disposal of PPE	-	-	-	-	-	-	-
Total Comprehensive Income	**-**	**-**	**-**	**-**	**-**	**3,391,000**	**3,391,000**
Transfer to Contingency Reserve	-	-	-	-	678,200	(678,200)	-
At 30 September 2025	**6,933,333**	**663,600**	**3,735,496**	**279,569**	**3,289,484**	**407,050**	**15,308,532**

	Share Capital N'000	Share Premium N'000	Asset revaluation reserve N'000	Fair value reserve N'000	Contingency Reserve N'000	Retained Earnings N'000	Total N'000
At 1 January 2024	6,933,333	663,600	3,396,185	239,673	1,900,456	39,674	13,172,921
Profit for the year	-	-	-	-	-	2,339,128	2,339,128
Other Comprehensive Income:							
Gain on revaluation of properties, plant and equipment	-	-	-	-	-	-	-
Fair value gain on financial asset at FVOCI	-	-	-	-	-	-	-
Transfer of revaluation gain on disposal of PPE	-	-	-	-	-	-	-
Total Comprehensive income	**-**	**-**	**-**	**-**	**-**	**2,339,128**	**2,339,128**
Transfer to Contingency Reserve	-	-	-	-	467,826	(467,826)	-
At 30 September 2024	**6,933,333**	**663,600**	**3,396,185**	**239,673**	**2,368,282**	**1,910,976**	**15,512,049**

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

CONSOLIDATED AND SEPARATE STATEMENT OF CASHFLOWS
FOR PERIOD ENDED 30 SEPTEMBER 2025

Cash flows from operating activities:	Notes	2025 Group N'000	2024 Group N'000	2025 Company N'000	2024 Company N'000
Premium received	17a	17,735,903	17,475,972	17,280,082	17,241,918
Amount received in respect of claims	17b	6,483,815	809,706	6,483,815	809,706
Other operating income	33	542,596	1,842,565	30,561	33,666
Cash paid to and on behalf of employees	35	(2,305,610)	(1,249,879)	(1,164,011)	(379,984)
Reinsurance premium paid	17b	(13,357,812)	(7,259,512)	(13,357,812)	(7,259,512)
Insurance benefits and claims paid	17a	(10,826,188)	(1,921,089)	(10,563,533)	(1,811,513)
Acquisition costs paid	17a	(2,586,918)	(2,602,725)	(2,586,918)	(2,602,725)
Other acqusition (Maintenance expense) paid during the year	17a	(71,357)	75,387	(71,357)	75,387
Exchange loss	32	(362,414)	-	(362,414)	-
Cash paid to intermediaries and other suppliers		(707,100)	(3,324,250)	(269,924)	(2,397,948)
Company income tax paid	16	(224,839)	(122,787)	(152,959)	(56,757)
Net cashflow from operating activites		**(5,679,923)**	**3,723,388**	**(4,734,470)**	**3,652,238**
Cash flow from investing activities:					
Purchase of property, Plant and equipment	9	(298,915)	(364,770)	(203,243)	(329,156)
Purchase of intangible assets	11	(6,960)	(2,659)	-	-
Proceed from sale of property and equipment	49a	8,868	(107,258)	-	(104,439)
Proceed from disposal of investment property	9	-	-	-	-
Dividend income	31	9,425	6,868	13,437	6,868
Interest received	31	2,936,005	1,392,839	865,688	771,152
Purchase of amortised cost investment	4v	(472,882)	(2,407,906)	-	(1,284,110)
Investment in subsidiary	7	-	-	-	-
Redemption/repayment on amortised cost investments	4v	1,228,349	1,346,296	624,331	1,346,296
Net cashflows used in investing activites		**3,403,890**	**(136,590)**	**1,300,213**	**406,611**
Cash flow from financing activities:					
Investment in subsidiary	7	-	-	-	-
Deposit for shares	38	-	-	-	-
Dividend paid	21&37	(279)	-	-	-
Net cashflows used in financing activites		**(279)**	**-**	**-**	**-**
Net increase in cash and cash equivalents		(2,276,312)	3,586,798	(3,434,257)	4,058,849
Cash and cash equivalents at the 1 January		11,258,477	6,576,971	9,890,315	4,721,860
Cash and cash equivalents at the 30 September	3	**8,982,165**	**10,163,769**	**6,456,058**	**8,780,709**

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

NOTES TO THE FINANCIAL STATEMENTS

1.1 Reporting Entity

Veritas Kapital Assurance Plc ("the Company") was initially incorporated under the name of Kapital Insurance Company Limited as a private limited liability Company On the 8 August, 1973. on 14 March 2007, it acquired and merged withs two other insurance companies became a public limited liability group. Its shares are quoted on the Nigerian Exchange Group.

Its Head Office is located at 497 Abogo Largema Street, Off constitution Avenue, Central Business District, Abuja Nigeria.

The Company has 93.5% equity interest in Veritas Health Care Limited and 70% interest in Veritas Glanvills Pensions Limited and 51.53% in Gold link Insurance Plc. The group comprises of two subsidiaries, an associate and the parent Company.

1.2 Principal Activities

The principal business of the group is underwriting of non-life insurance risks.

The subsidiaries activities are:

- Veritas Glanvills Pensions Limited, the administration and management of pension fund assets.
- Veritas Health Care Limited provision of health insurance.

1.3 Components of Financial Statements

The Consolidated and Separate Financial Statements comprise the Statements of Profit or Loss and Other Comprehensive Income, Consolidated and separate statements of Financial Position, Consolidated and separate Statement of Changes in Equity, Consolidated and separate Statements of Cash Flows, and the accompanying Notes.

Income and expenses (excluding the components of other comprehensive income) are recognized in the profit or loss segment of profit or loss to arrive at the profit for the year.

Other comprehensive income is recognized in the other comprehensive segment of the statement of other comprehensive income and comprises items of income and expenses that are not recognized in the statement of profit or loss as required or permitted by IFRS Accounting Standards.

The addition of the profit for the year and the other comprehensive income gives the total comprehensive income for the year.

Reclassification adjustments are amounts reclassified to profit or loss in the current period that were recognized in other comprehensive income in the current or previous periods. Transactions with the owners of the group in their capacity as owners are recognized in the statement of changes in equity.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

1.4 Basis of preparation and measurement

Historical cost basis was used in preparation of the consolidated and separate financial statements as modified by the certain items of:

- Property, plant and equipment at valuation
- Investment property at fair value
- Investments at fair value
- Impaired assets at their recoverable amounts

1.5 Compliance with IFRS and NAICOM

These Consolidated and separate financial statements have been prepared in accordance with the (IFRS) Accounting Standards, IFRS Interpretations Committee (IFRIC) Interpretations applicable to companies reporting under IFRS as issued by the International Accounting Standards Board (IASB), Financial Reporting Council of Nigeria (Amendment) Act, 2023, Insurance Act, 2023 and regulatory guidelines as pronounced from time to time by National Insurance Commission (NAICOM). Additional information required by national regulations have been included where appropriate.

1.6 Going Concern status

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

1.7 Presentation of financial statements

The group presents its consolidated and separate statements of financial position broadly in order of liquidity. An analysis regarding recovery or settlement within twelve months after the reporting date (current) and more than 12 months after the reporting date (non-current) is presented in the Notes.

1.8 Significant judgements and key sources of estimation uncertainty

In the process of applying the accounting policies adopted by the group and company, the Directors make certain judgements and estimates that may affect the carrying values of assets and liabilities in the next financial period. Such judgements and estimates are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the current circumstances. the directors evaluate these at each financial reporting date to ensure that they are still reasonable under the prevailing circumstances based on the information available.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

1.8 Significant judgements and key sources of estimation uncertainty - continued

The preparation of the group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future. These factors should include:

The judgements made by the Directors in the process of applying the group's accounting policies that have the most significant effect on the amounts recognized in the financial statements include:

- Claims arising from insurance contracts
  Liabilities for unpaid claims are estimated on a case-by-case basis. The liabilities recognized for claims fluctuate based on the nature and severity of the claim reported. Claims incurred but not reported are determined using statistical analyses and the group deems liabilities reported as adequate.

- Fair value of unquoted equity financial instruments
  The fair value of financial instruments where no active market exists or where quoted prices are not otherwise available are determined by using valuation techniques. In these cases, the fair values are estimated from observable data using valuation models.

- Property, Plant and equipment
  Property, Plant and equipment represent one of the most significant proportions of the asset base of the group, accounting for about 26% of the group's total assets. Therefore, the estimates and assumptions made to determine their carrying value and related depreciation are critical to the group's financial position and performance.

  The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. Increasing an asset's expected life or its residual value would result in the reduced depreciation charge in the statement of comprehensive income.
  The useful lives and residual values of the property, plant and equipment are determined by management based on historical experience as well as anticipation of future events and circumstances which may impact their useful lives.

- Goodwill
  Goodwill is tested for impairment annually or whenever we identify certain triggering events or circumstances that would more likely than not reduce the fair value of a reporting unit below its carrying amount. Events or circumstances that might indicate an interim evaluation is warranted include, among

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

1.8 Significant judgements and key sources of estimation uncertainty - continued

other things, unexpected adverse business conditions, macro and reporting unit specific economic factors (for example, interest rate and foreign exchange rate fluctuations, and loss of key personnel), supply costs, unanticipated competitive activities, and acts by governments and courts.

Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of the cash generating unit to which the goodwill relates. Where the recoverable amount of the cash generating unit is less than their carrying amount, an impairment is recognized.

- Deferred Tax Assets

Deferred tax assets are recognized for all unused tax losses to the extent that it is probable that taxable profit will be available against which temporary differences can be utilized. Management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and other factors.

1.9 Functional and presentation currency

The consolidated and separate financial statements are presented in Nigerian Naira (Naira), rounded to the nearest thousand, this is also the functional currency of the group.

2 Summary **of material accounting policies**

2.1 Introduction to summary of accounting policies

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

2.2 Insurance contracts

A. Key types of insurance contracts issued, reinsurance contracts held and measurement approach.

The Group issues non-life insurance to individuals and businesses. Non-life insurance products offered include motor, general accident, marine, fire bond, oil & gas, engineering and agriculture. These products offer protection of policyholder's assets and indemnification of other parties that have suffered damage as a result of a policyholder's accident.

The company accounts for these contracts applying the Premium Allocation Approach (PAA).

The company also holds reinsurance contracts to mitigate risk exposures. The types of reinsurance contracts held include -facultative reinsurance, treaty Reinsurance. proportional reinsurance, non-proportional reinsurance. These are also accounted for using the Premium Allocation Approach (PAA).

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

2 Summary of material accounting policies - continued

2.2 Insurance contracts - continued

B. Definition and Classification

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

The company has assessed whether its portfolio of insurance contracts needs to be treated as a single contract and if there exist any embedded derivatives investment components and goods and services components, which would have to be separated and accounted for under another standard. There is currently no product with such components.

C. Combining a set or series of contracts

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

i· The rights and obligations are different when looked at together compared to when looked at individually.

ii· The company is unable to measure one contract without considering the other.

D. Separating components from insurance and reinsurance contracts

In line with the requirement of IFRS 17, the company assesses its insurance and reinsurance products to determine whether they contain components which must be accounted for under another IFRS rather than IFRS 17 (distinct non-insurance components). After separating any distinct components, an entity must apply IFRS 17 to all remaining components of the (host) insurance contract.

Currently, the company's products do not include distinct components that require separation.

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

2 Summary of material accounting policies - continued

2.2 Insurance contracts - continued

E. Level of aggregation (Unit of account)

IFRS 17 requires an entity to determine the level of aggregation for applying its requirements. The company identifies portfolios by aggregating insurance contracts that are subject to similar risks and managed together. In 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. Each portfolio is subdivided into groups of contracts to which the recognition and measurement requirements of IFRS 17 are applied. At initial recognition, the company segregates contracts based on when they were issued. A cohort contains all contracts that were issued within a 12-month period. Each cohort is then further disaggregated into three groups of contracts:

- Contracts that are onerous on initial recognition
- Contracts that, on initial recognition, have no significant possibility of becoming onerous subsequently
- Any remaining contracts

For short term contracts accounted for applying the PAA, the company determines that contracts are not onerous on initial recognition, unless there are facts and circumstances indicating otherwise. As IFRS 17 does not define what "facts/circumstances" entail; the following are considered on their impact on expected cashflows and resulting profitability:

-Significant changes in external conditions including economic or regulatory changes.

-Changes to the organization or processes

-Changes in underwriting and pricing strategies

-Trends in experience and expected variability in cashflows

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

All short-term contracts have currently been assessed as having no possibility of becoming onerous. In

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

2 Summary of material accounting policies - continued

subsequent periods, non-onerous contracts are re-assessed based on the likelihood of prevailing facts and circumstances leading to significant possibility of becoming onerous.

Reinsurance contracts held are assessed for aggregation on an individual contract basis and are assessed separately from insurance contracts. The smallest unit of account is a reinsurance contract, even where this contract covers more than one type of insurance product. However, there are cases where a reinsurance contract covers separate and identifiable product lines which are only included in the same legal document for administrative convenience. These contracts have been separated into its different component.

If two or more reinsurance contracts are written on a particular product line, these may be grouped together in the same portfolio as they will be covering risks of the same nature and will be managed together. For example, the Surplus contracts (1&2) on Fire have been grouped together as they cover risks of the same nature and can be measured under the same measurement approach (PAA because they have a contract boundary of 1 year). While, facultative and excess of loss contracts are in separate groups; though they cover the same risks and are even managed together, differing measurement approaches as well as recognition requirements may apply.

F. Recognition

The company recognizes groups of insurance contracts issued from the date when the first payment from a policyholder in the group becomes due. As the company adheres to the statutory "no premium no cover", the date premium is received from the policyholder will always be earlier or on the same date as the coverage period. This premium receipt date would then be used to separate the groups of insurance contracts into yearly cohorts. The contract groupings shall not be reassessed until they are derecognized.

G. Contract Boundaries

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 Group can compel the policyholder to pay the premiums, or in which the Group 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.

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

2 Summary of material accounting policies - continued

2.2 Insurance contracts - continued

- The pricing of the premiums up to the date when the risks are reassessed does not take into account the

risks that relate to periods after the reassessment date.

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

H. Measurement of insurance contracts issued.

Discount Rate

The time value of money and financial risk is measured separately from expected future cash flows with changes in financial risks recognized in profit or loss at the end of each reporting period unless the Company has elected the accounting policy to present the time value of money separately in profit or loss and other comprehensive income. The Company measures the time value of money using discount rates that reflect the liquidity characteristics of the insurance contracts and the characteristics of the cash flows, consistent with observable current market prices. They exclude the effect of factors that influence such observable market prices but do not affect the future cash flows of the insurance contracts (e.g., credit risk).

In determining discount rates for cash flows, the Company uses the 'bottom-up approach' to estimate discount rates starting from a risk-free rate with similar characteristics, plus an illiquidity premium where applicable. Risk free rates are determined by reference to the yields of highly liquid FGN Bonds. The illiquidity premium is determined by reference to observable market rates, including sovereign debt, corporate debt and market swap rates. However, for the current year the company has adopted a Bottom-up approach which was adopted in setting the average discount rate for the liability valuation, having regard to the published yield curve by the Nigeria Actuarial Society (NAS) on its website or on the NAICOM website and adjusts it to reflect the illiquidity in the insurance contracts. An average spot/zero curve locked in rate of 28.20% per year was adopted to estimate the value of the future expected cashflows from the liability for incurred claims (LIC) obligations as at the valuation date. No deduction for illiquidity premium and No (additional) spread has been applied. The NAS interest curve used to discount future cash flows is derived from the published yield curve by the Nigeria Actuarial Society (NAS) on its website or on the NAICOM website and adjusts it to reflect the illiquidity in the insurance contracts with similar characteristics (in terms of timing, currency and liquidity requirements) as the future fulfillment cashflows.

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

2 Summary of material accounting policies - continued

Risk adjustment for non-financial risk

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

The company adopts the Value at Risk approach as a measure of the risk adjustment for non-financial risks. The Confidence level used was set at 75th percentile in determining the discounted best estimate liability for incurred claims. This also applies to the reinsurance held.

A full IFRS 17 liability distribution is generated across all non-financial risks and the risk adjustment is calculated as the difference between the best estimate liability and the liability value at the chosen confidence level. This is allocated to all the group of insurance contracts. Diversification benefits are derived from a study of the negative correlation that exists among the different non-financial variables impacting the cash flows from the portfolios of the Company and results in lower economic capital being necessary to absorb the residual level of uncertainty.

A bootstrap (Mack) stochastic reserving approach was used to derive the risk margin or risk adjustment in the above. The Confidence level used in the calculation of the company's technical provisions was set at an average of 75th percentile (75% confidence level) yielding 16.97% of the discounted best estimate liability for incurred claims. The risk adjustment as a proportion of the discounted liability at 99.5% confidence level using VAR method would be 252,0%. This also applies to the reinsurance held. "

Premium Allocation Approach (PAA)

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

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

On initial recognition, the company measures the carrying amount of the Liability for remaining coverage for insurance contracts held as the premiums received - Gross Written premium

At subsequent measurement, the LRC is effectively the unearned premium reserve (UPR) under IFRS 4 less the deferred acquisition costs (DAC). Unlike IFRS 4, DAC will not be presented as an asset under IFRS17. It is instead reflected in the overall insurance contract liability for remaining coverage, without being identified as a separate component in the statement of financial position.

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

Insurance acquisition cash flows

IFRS 17 defines insurance acquisition cash flows as cash flows arising from the costs of selling, underwriting

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

2 Summary of material accounting policies - continued

2.2 Insurance contracts - continued

and starting a group of insurance contracts that are directly attributable to the portfolio of insurance contracts to which the group belongs. These include direct and indirect costs incurred in originating insurance contracts, including cashflows related to unsuccessful efforts to obtain new business.

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

The exiting IFRS 4 approach is to recognize a separate deferred acquisition cost (DAC) assets for costs associated with writing new insurance contracts (e.g., commissions paid to brokers). Under IFRS 17, if acquisition costs are paid before the related insurance groups are recognized, an entity shall recognize an asset. These assets are derecognized when the group of insurance contracts are recognized. If insurance acquisition cash flows are expected to be paid after the related group is recognized, then they are included as part of the measurement of insurance contracts (LRC).

IFRS 17 allows for the deferral of acquisition costs to smooth out the recognition of profits. Paid acquisition costs are an asset that is amortized (or derecognized) when they are included in the measurement of the related group of insurance contracts. Company has chosen to defer all insurance acquisition cash flows and recognize them over the coverage period of contracts or groups they are attributed to. Therefore, acquisition costs and related revenue are recognized over the same periods and in the same pattern, based on the passage of time.

It must be noted that IFRS 17 requires allocation to future renewals if the acquisition cashflows are judged to support future renewals. Also, the expensing acquisition costs policy choice only applies for contracts with coverage period one year or less.

For contracts measured under PAA in the Company, insurance acquisition costs comprise of costs:

- that are directly attributable to individual contracts or groups of contracts in a portfolio that are not directly attributable to individual contracts but, directly attributable to the portfolio of insurance contracts to which the group belongs; with the costs being allocated to groups on a systematic and rationale method e.g., Activity- Based Costing method or based on GWP proportions or claims cost etc.

Onerous contracts

The Company considers an insurance contract to be onerous if the expected fulfilment cash flows allocated to the contract, any previously recognized acquisition cash flows and any cash flows arising from the contract at

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

2 Summary of material accounting policies - continued

2.2 Insurance contracts - continued

the date of initial recognition in total result in a net cash outflow.

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

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

After the loss component is recognized, the Company allocates any subsequent changes in fulfilment cash flows of the LRC on a systematic basis between the loss component and the LRC excluding the loss component. For groups of onerous contracts, without direct participating features, the Company uses locked-in discount rates. They are determined at initial recognition to calculate the changes in the estimate of future cash flows relating to future service (both changes in a loss component and reversals of a loss component).

For all issued contracts, other than those accounted for applying the PAA, the subsequent changes in the fulfilment cash flows of the LRC to be allocated are:

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

The Company determines the systematic allocation of insurance service expenses incurred based on the percentage of loss component to the total fulfilment cash outflows included in the LRC, including the risk adjustment for non-financial risk, excluding any investment component amount.

For contracts that are measured under PAA, the assumption is that there are no onerous contracts at initial recognition, unless facts and circumstances indicate otherwise. If the measurement of the LIC results in a loss-making group, this does not translate to the LRC being onerous. In this case, the group will be assessed as to whether its LRC will be similar to the incurred experience and hence considered to be

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

2 Summary of material accounting policies - continued

2.2 Insurance contracts – continued

onerous. For example, actions taken to improve profitability on the fire portfolio which has been historically loss-making may indicate that the LRC will have a different loss experience.

If facts and circumstances indicate that a group of contracts is onerous during the coverage period, the onerous liability is calculated as the difference between:

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

I. Measurement of Reinsurance contracts issued.

1. Recognition

Proportional reinsurance contracts held will be first recognized on the later of the beginning of the coverage period of the reinsurance contract or the date that the first underlying insurance contract in the treaty is initially recognized.

Non-Proportionate reinsurance coverage is recognized at the beginning of the coverage period of the contract.

2. Reinsurance contracts held measured under the PAA.

All reinsurance contracts with contract boundaries not exceeding one year are automatically considered to meet PAA eligibility. Most of the company's Surplus reinsurance contracts are immediately eligible for PAA as they are written on a clean-cut basis. At the end of the period, the reinsurer withdraws from the contract and the reinsurance held portfolio (including outstanding recoveries and ceded portion of unexpired premiums) is transferred to a new reinsurer.

A smaller number of surplus reinsurance contracts and all Facultative contracts are written on an underwriting year basis. This basis extends the contract boundary beyond one year as coverage of contracts ceded to the treaty may continue even after the underwriting year has ended.

For example, if an insurance contract incepted in May 2022 and cedes to the Marine Hull Surplus reinsurance treaty (which incepted 1 January 2022); the contract boundary extends till May 2023 when the insurance contract will expire. So, the contract boundary for the reinsurance contract is beyond one year i.e., 1 Jan 2022 – May 2023.

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

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

2 Summary of material accounting policies - continued

2.2 Insurance contracts – continued

results in the recognition for the loss recovery component of the asset for the remaining coverage of a group of reinsurance contracts held.

J. Modification and Derecognition

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

- If the modified terms were included at contract inception and the Group would have concluded that the modified contract:

- Is outside of the scope of IFRS 17

- Results in a different insurance contract due to separating components from the host contract

- Results in a substantially different contract

- Would be included in a different group of contracts.

- The original contract met the definition of an insurance contract with direct participating features, but the modified contract no longer meets the definition.

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

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

K. Presentation

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

The Company disaggregates the amounts recognized in the consolidated and separate statement of profit or loss and other comprehensive income into an insurance service result sub-total that comprises insurance revenue and insurance service expenses and, separately from the insurance service result, the insurance finance income or expenses' sub-total. The company has voluntarily included the net insurance finance

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

2 Summary of material accounting policies - continued

2.2 Insurance contracts - continued

income or expenses line in another sub- total: net insurance and investment result, which also includes the income from all the assets backing the Company's insurance liabilities.

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

1. Insurance Revenue

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

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

- The insurance service expenses incurred in the period measured at the amounts expected at the beginning of the period, excluding:
  - Amounts allocated to the loss component.
  - Repayments of investment components, if any.
  - Amounts that relate to transaction-based taxes collected on behalf of third parties. Insurance acquisition expenses.
  - Amounts relating to risk adjustment for non-financial risk.
- The change in the risk adjustment for non-financial risk, excluding:
  - Changes that relate to future service that adjust the CSM.
  - Amounts allocated to the loss component.
- Other amounts, such as experience adjustments for premium receipts that relate to current or past service, if any Insurance revenue also includes the portion of premiums that relate to recovering those insurance acquisition cash flows included in the insurance service expenses in each period.

Both amounts are measured in a systematic way on the basis of the passage of time. The company applies PAA in determine its insurance revenue. When applying the PAA, the Company recognizes insurance revenue for the period based on the passage of time by allocating expected premium receipts including

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

2 Summary of material accounting policies - continued

2.2 Insurance contracts – continued

premium experience adjustments to each period of service.

At the end of each reporting period, the Company considers whether there was a change in facts and circumstances indicating a need to change, on a prospective basis, the premium receipt allocation due to changes in the expected pattern of claim occurrence.

2. Insurance service expenses

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

- Incurred claims
- Changes in the LIC related to claims and expenses incurred in the period excluding repayment of investment components. (if any)
- Changes in the LIC related to claims and expenses incurred in prior periods (related to past service)
- Other directly attributable insurance service expenses incurred in the period. The company has adopted a policy of allocating average of 40% of some specific expense items to insurance service expense. The specific expense items include technical staff, business development, customer care staff salaries, marketing & advertising expenses. All other costs are allocated to operational /administrative expenses
- Amortization of insurance acquisition cash flows, is recognized at the same amount in both insurance service expense and insurance contract revenue for products measured using the GMM Model
- Loss component of onerous groups of contracts initially recognized in the period.

3. Income or expenses from reinsurance contracts held.

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

- Amount recovered from reinsurers.
- An allocation of the premiums paid.

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

The Company establishes a loss recovery component of the asset for the remaining coverage for a group of

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

2 Summary of material accounting policies - continued

2.2 Insurance contracts - continued

reinsurance contracts held. This depicts the recovery of losses recognized on the initial recognition of an onerous group of underlying insurance contracts or on addition of onerous underlying insurance contracts to a group. The loss recovery component adjusts the CSM of the group of reinsurance contracts held. The

- Changes in the fulfilment cash flows of the underlying insurance contracts that relate to future service and do not adjust the CSM of the respective groups to which the underlying insurance contracts belong to.

- Reversals of loss recovery component to the extent those reversals are not changes in the fulfilment cash flows of the group of reinsurance contracts held.

- Allocations of the loss recovery component against the amounts recovered from reinsurers reported in line with the associated reinsured incurred claims or expenses.

4. Insurance finance income and expenses

Insurance finance income or expenses present the effect of the time value of money
and the change in the time value of money, together with the effect of financial risk and changes in financial risk of a group of insurance contracts and a group of reinsurance contracts held.

The use of OCI presentation for insurance finance income and expenses

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

Currently the Company present all the period's insurance finance income or expenses in the profit or loss.

The Company does not write participating contracts and does need to reassess its accounting policy choice in respect of such policies. Comparatives are not restated.

When applying the PAA, the Company does not discount the liability for remaining coverage to reflect the time value of money and financial risk for its non-life policies with a coverage period of one year or less. For those claims that the Company expects to be paid within one year or less from the date of incurrence, the Company does not adjust future cash flows for the time value of money and the effects of financial risks. However, claims expected to take more than one year to settle are discounted applying the discount rate at the time the incurred claim is initially recognized.

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

2 Summary of material accounting policies - continued

2.3 Foreign currencies

On initial recognition, all transactions are recorded in the functional currency (the currency of the primary economic environment in which the group operates or transact business), which is Nigerian Naira. Transactions in foreign currencies during the year are converted into the functional currency using the exchange rate prevailing at the transaction date.

Monetary assets and liabilities at the statement of financial position date denominated in foreign currencies are translated into the functional currency using the exchange rate prevailing as at that date. The resulting foreign exchange gains and losses from the settlement of such transactions and from year-end translation are recognized on a net basis profit or loss in the year in which they arise, except for difference arising on translation of non-monetary available-for-sale financial assets, which are recognized in other comprehensive income.

2.3 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value. Cash equivalents have a maturity period of less than or equal to three months.

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

2 Summary of material accounting policies - continued

2.3 Financial instruments

a. Initial recognition and measurement

Financial instruments are recognized initially when the group becomes a party to the contractual provisions of the instrument.
All financial instruments are measured initially at their fair value plus transaction costs, except in the case of financial assets and financial liabilities recorded at fair value through profit or loss where transaction cost is expensed in profit or loss.

The group classifies financial instruments or their components parts, on initial recognition as a financial asset, a financial liability, or an equity instrument in accordance with the substance of the contractual agreement. Classification depends on the purpose for which the financial instruments were obtained or incurred and takes place at initial recognition.

Regular-way purchases and sales of financial assets are recognized on settlement date which is the date on which the group commits to purchase or sell the asset. Financial instruments are initially measured at fair value plus transaction costs for all financial assets not carried at fair value through profit and loss. These transaction costs are expensed in profit or loss.

b. Measurement and recognition of expected credit losses

"The measurement of expected credit losses is a function of the probability of default, loss given default (i.e., the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this shall be an estimate of the exposure at a future default date; for financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the group's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

If the group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the group measures the loss allowance at an amount equal to 12-month ECL at the current reporting date, except for assets for which simplified approach was used.

The group recognizes an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognized in other comprehensive income and accumulated in the investment revaluation reserve and does not reduce the carrying amount of the financial asset in the statement of financial position.

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

2 Summary of material accounting policies - continued

2.3 Financial instruments - continued

c. Derecognition of financial instruments

Previously recognized financial assets are derecognized when either the contractual rights to receive the cash flows from these assets have ceased to exist or the assets expire or the group transfers the assets such that the transfer qualifies for derecognition. The decision as to whether a transfer qualifies for derecognition is made by applying a combination of risks, rewards and control tests.

Financial assets that are transferred to a third party but do not qualify for derecognition are presented in the statement of financial position as pledged assets, if the transferee has the right to sell or repledge them.

Derecognition of a financial liability occurs only when the obligation is extinguished. A financial liability is said to be extinguished when the obligation is discharged, cancelled or expired.

d. Offsetting financial instruments

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

e. Financial assets

a) Classification and subsequent measurement

For the purpose of measuring a financial asset after initial recognition, IFRS 9 classifies financial assets into the following categories: at fair value through profit or loss; at fair value through other comprehensive income and at amortized cost. The classification is based on the results of the group's business model test and the contractual cashflow characteristics of the financial assets. The category relevant to the group as at 31 December 2024 are fair value through profit or loss; at fair value through other comprehensive income and at amortized cost. At initial recognition all assets are measured at Fair Value.

i) financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading and those designated by the group as at fair value through profit or loss upon initial recognition. Financial assets classified as held through profit or loss are those that have been acquired principally for the purpose of selling in the short term or repurchasing in the near term, or held as part of a portfolio that is managed together for short-term profit.

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

2 Summary of material accounting policies - continued

2.3 Financial instruments - continued

Financial instruments included in this category are recognized initially at fair value; transaction costs are taken directly to profit or loss. Gains and losses arising from changes in fair value are included directly in profit or loss and are reported as 'Net fair value gains on financial assets at fair value through profit or loss'. Interest income and expense and dividend income on financial assets held for trading are included in 'Other investment income', respectively. Fair value changes relating to financial assets designated at fair value through profit or loss are recognized in 'Net gains from financial assets held for trading'.

ii) Amortized Cost
"Except for financial assets that are designated at initial recognition as at fair value through profit or loss a financial asset is measured at amortized cost only if both of the following conditions are met:

a. the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows (the business model test) and
b. the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding (the contractual cash flows characteristics test).

If a financial asset satisfies both of these conditions, it is required to be measured at amortized cost unless it is designated as at fair value through profit or loss (FVTPL) on initial recognition"

iii) Fair Value through other comprehensive income (FVTOCI)

"Except for financial assets that are designated at initial recognition as at fair value through profit or loss, a financial asset is measured at fair value through other comprehensive income (FVTOCI) if both of the following conditions are met:

a. the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets (the business model test); and

b. the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding (the contractual cash flows characteristics test). "

b) Impairment of financial assets
The impairment model under IFRS 9 reflects expected credit losses, as opposed to incurred credit losses under IAS 39. Under the impairment approach in IFRS 9, it is no longer necessary for a credit event to have occurred before credit losses are recognized. Instead, a group always accounts for expected credit losses and changes in those expected credit losses. The amount of expected credit losses should be updated at each reporting date to reflect changes in credit risk since initial recognition.

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

2 Summary of material accounting policies - continued

2.3 Financial instruments - continued

"The group recognizes loss allowances for Expected Credit Losses (ECL) on the following financial instruments that are not measured at FVTPL:
The group has recognized ECL for its debt instruments at amortized cost, cash and cash equivalents, premium receivables and other receivables. The group measures expected credit losses and recognizes interest income on risk assets based on the following stages:"

"Stage 1: Assets that are performing. If credit risk is low as of the reporting date or the credit risk has not increased significantly since initial recognition, the group recognize a loss allowance at an amount equal to 12-month expected credit losses. This amount of credit losses is intended to represent lifetime expected credit losses that will result if a default occurs in the 12 months after the reporting date, weighted by the probability of that default occurring.
Stage 2: Assets that have significant increases in credit risk. In instances where credit risk has increased significantly since initial recognition, the group measures a loss allowance at an amount equal to full lifetime expected credit losses. That is, the expected credit losses that result from all possible default events over the life of the financial instrument. For these debt instruments, interest income recognition will be based on the EIR multiplied by the gross carrying amount.
Stage 3: Credit impaired. For debt instruments that have both a significant increase in credit risk plus observable evidence of impairment.

"The group's process to assess changes in credit risk is multi-factor and has three main elements;
I. Quantitative element, a quantitative comparison of PD at the reporting date and PD at initial recognition
II. Qualitative elements
III. Backstop indicators

For individually significant exposures such as corporate and commercial risk assets, the assessment is driven by the internal credit rating of the exposure and a combination of forward-looking information that is specific to the individual borrower and forward-looking information on the macro economy, commercial sector (to the extent such information has not been already reflected in the rating process).
For other exposures, significant increases in credit risk are made on a collective basis that incorporates all relevant credit information, including forward-looking macroeconomic information. For this purpose, the group groups its exposures on the basis of shared credit risk characteristics."

Significant increase in credit risk: "The group decision on whether expected credit losses are based on 12-month expected credit losses or lifetime expected credit losses depends on whether there has been a significant increase in credit risk since initial recognition. An assessment of whether credit risk has increased significantly is made at each reporting date. When making the assessment, the group uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. This forms the basis of stage 1, 2 and 3 classification and subsequent migration.
The group applies qualitative and quantitative criteria for stage classification and for its forward and backward migration.

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

2 Summary of material accounting policies - continued

2.3 Financial instruments – continued

i) Assets carried at amortized cost

The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognized in profit or loss. If a financial instrument has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

The calculation of the present value of the estimated future cash flows of a collateralized financial asset reflects the cash flows that may result from disposal less costs for obtaining and selling the collateral, whether or not disposal is probable.

For the purposes of a collective evaluation of impairment, financial assets are grouped on the basis of similar credit risk characteristics (i.e., on the basis of the group's grading process that considers asset type, industry, geographical location, collateral type, past-due status and other relevant factors). Those characteristics are relevant to the estimation of future cash flows for groups of such assets by being indicative of the debtors' ability to pay all amounts due according to the contractual terms of the assets being evaluated.

Future cash flows in a group of financial assets that are collectively evaluated for impairment are estimated on the basis of the contractual cash flows of the assets in the group and historical loss experience for assets with credit risk characteristics similar to those in the group. Historical loss experience is adjusted on the basis of current observable data to reflect the effects of current conditions that did not affect the period on which the historical loss experience is based and to remove the effects of conditions in the historical period that do not currently exist.

Estimates of changes in future cash flows for groups of assets are reflected and directionally consistent with changes in related observable data from period to period (for example, changes in unemployment rates, property prices, payment status, or other factors indicative of changes in the probability of losses in the group and their magnitude). The methodology and assumptions used for estimating future cash flows are reviewed regularly by the group to reduce any differences between loss estimates and actual loss experience.

When a loan is uncollectible, it is written off against the related allowance for loan impairment. Such loans are written off after all the necessary procedures have been completed and the amount of the loss has been determined. Impairment charges relating to loans and advances to staff are classified in 'impairment charge for credit losses' whilst impairment charges relating to investment securities (loans and receivables categories) are classified in 'Net gains/(losses) on investment securities'.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized (such as an improvement in the debtor's credit rating), the previously recognized impairment loss is reversed by adjusting the allowance account. The amount of the reversal is recognized in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

2 Summary of material accounting policies - continued

2.3 Financial instruments – continued

ii) Assets classified as fair value through other comprehensive income: The group can choose to make an irrevocable election at initial recognition for investments in equity instruments that do not meet the definition of held for trading, which would otherwise be measured at fair value through profit or loss, to present changes in fair value in other comprehensive income.

Reclassification of amounts recognized in other comprehensive income and accumulated in equity to profit or loss is not done. This applies throughout the life of the instrument and also at derecognition; such investments will not be subject to the impairment requirements.

Dividends on investments in equity instruments with gains and losses irrevocably presented in other comprehensive income are recognized in profit or loss if the dividend is not a return on investment (like dividends on any other holdings of equity instrument) when:

a. the group's right to receive payment of the dividend is established;
b. it is probable that the economic benefits associated with the dividend will flow to the group; and
c. the amount of the dividend can be measured reliably.

or debt instruments measured at FVTOCI, changes in fair value are recognized in other comprehensive income, except for: interest calculated using the effective interest rate method, foreign exchange gains or losses and; impairment gains or losses until the financial asset is derecognized or reclassified.

When the financial asset is derecognized, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment. Also, when a debt instrument asset is measured at fair value through other comprehensive income, the amounts that are recognized in profit or loss are the same as the amounts that would have been recognized in profit or loss if the financial asset had been measured at amortized cost."

c) Reclassification of financial assets: Reclassification of financial assets is determined by the group's senior management, and is done as a result of external or internal changes which are significant to the group's operations and demonstrable to external parties.
Reclassification of financial assets occurs when the group changes its business model for managing financial assets. Investments in equity instruments that are designated as at FVTOCI at initial recognition cannot be reclassified because the election to designate as at FVTOCI is irrevocable."

Financial liabilities

Classification and subsequent measurement
The Company's holding in financial liabilities represents mainly Insurance Contract Liabilities, '' and 'other liabilities'. These are all classified as financial liabilities measured at amortized cost. These financial liabilities are initially recognized at fair value and subsequently measured at amortized cost. Any difference between the proceeds net of transaction costs and the redemption value is recognized in Profit or loss over the period of the borrowing using the effective interest rate method.

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

Fees paid on the establishment of the liabilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent that there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalized as a pre-payment for liquidity services and amortized over the period of the facility to which it relates.

Category		**Classes as determined by The Group**		**Subclasses**
Financial assets	Financial assets at fair value through profit or loss	Listed Securities		Quoted Equities
	Amortized cost	Cash and bank balances with Central Bank of Nigeria		Cash
				Statutory deposit with CBN
				Current account
				Placements
		Loans and advances		
		Investment securities		Corporate bonds Government bonds FGN, Treasury Bills
		Other assets		Fees receivable
				Related Party receivable
				Other receivables
	Fair value through other comprehensive income	Listed securities		Quoted Equities
				Unquoted Equities
		Unlisted securities		
Financial liabilities	Financial liabilities at amortized cost	Insurance contract liabilities		
		Other technical liabilities		Commission payable
				Co-insurance premium payable
		Other liabilities		Accruals
				Payables

The classification of the Company's financial instruments has been summarized in the table below:

Measurement

All financial instruments are measured initially at their fair value plus transaction costs, except in the case of financial assets and financial liabilities recorded at fair value through profit or loss where transaction cost is expensed in the profit or loss.

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

2 Summary of material accounting policies - continued

2.3 Financial instruments – continued

Amortized cost measurement

The amortized cost of a financial asset or liability is the amount at which the financial asset or liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between the initial amount recognized and the maturity amount, minus any reduction for impairment.

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date

At initial recognition, the best evidence of the fair value of a financial instrument is the transaction price (i.e. the fair value of the consideration paid or received), unless the fair value of that instrument is evidenced by comparison with other observable current market transactions in the same instrument, without modification or repackaging, or based on valuation techniques such as discounted cash flow models and option pricing models whose variables include only data from observable markets.

Subsequent to initial recognition, for financial instruments traded in active markets, the determination of fair values of financial assets and financial liabilities is based on quoted market prices or dealer price quotations. This includes listed equity securities and quoted debt instruments on major exchanges (for example, Nigerian Stock Exchange (NSE) and Financial Markets Dealers Quotation (FMDQ)).

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

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

Forward-Looking Information

In the context of IFRS 9, is an enhanced information set that includes credit information pertaining to future developments (including for example macroeconomic developments). The inclusion of forward-looking information along with traditional past due (realized, historical) information is considered to produce comprehensive credit risk information.

The inclusion of forward-looking information is a distinctive feature of an IFRS 9 ECL model. Incorporating economically stressed states of the world and their potential impact on credit performance is critical for the timely recognition of credit losses." The forward-looking information adopted in the computation of ECL are Gross Domestic Product and Inflation rate.

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

2 Summary of material accounting policies - continued

2.4 Segment reporting

A segment is a distinguishable component of the group that is engaged either in providing related products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of another segment.

An operating segment is a component of an entity:
- That engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity).
- Whose operating results are regularly reviewed by the entity's chief operating decision maker to make decision about resources to be allocated to the segment and assess its performance of the same entity)
- For which discrete financial information is available.

An operating segment may engage in business activities for which it has yet to earn revenues for example startup operations may be operating segments before earning revenues.

The company group operates insurance and pension lines of business and entirely within a geographical region.

2.5 Premium receivables

Premium receivables are recognized when due. They 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.

2.6 Reinsurance

The Company cedes business to reinsurers in the normal course of business for the purpose of limiting its net loss potential through the transfer of risks on the bases of treaty and facultative agreements. Premium ceded comprise gross written premiums. Reinsurance arrangements do not relieve the Company from its direct obligations to its policyholders. In the course of ceding out business to reinsurers, the Company incurs expenses. This is recognized as reinsurance expense in the statement of profit or loss.

2.6.1 Reinsurance assets

Reinsurance assets represent balances due from reinsurance companies. Amounts recoverable from reinsurers are estimated in a manner consistent with settled claims associated with the reinsurer’s policies and are in accordance with the related reinsurance contract.

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

2 Summary of material accounting policies - continued

2.6.2 Reinsurance Liabilities

Reinsurance liabilities are primarily premiums payable for reinsurance contracts and are recognized as an expense when due. The company has the right to set-off re-insurance payables against amount due from re-insurance and brokers in line with the agreed arrangement between both parties.

2.7 Prepayment

Prepayments include amounts paid in advance by the Company on rent, staff benefits, vehicle repairs etc. Expenses paid in advance are amortized on a straight-line basis to the profit and loss account.

2.8 Consolidation

2.8.1 Subsidiaries

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

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

Inter-company transactions, balances and unrealized gains on transactions between companies within the company are eliminated on consolidation. Unrealized losses are also eliminated in the same manner as unrealized gains, but only to the extent that there is no evidence of impairment.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the company. Investment in subsidiaries in the separate financial statements of the parent entity is measured at cost.

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

Disposal of Subsidiaries

On loss of control, the company derecognizes the assets and liabilities of the subsidiary, any controlling interest and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognized in profit or loss. If the company retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, that retained

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

2 Summary of material accounting policies - continued

interest is accounted for as equity accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

2.8.2 Investment in Associates

An associate is an entity over which the company has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

2.8.2 Investment in Associates

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method accounting, except when the investment is classified as held for sale, in which case it is accounted for in accordance with IFRS 5 - Noncurrent Asset Held for Sale and Discontinued Operations. Under the equity method, an investment in an associate is initially recognized in the consolidated statement of financial position at cost and adjusted thereafter to recognize the company's share of the profit or loss and other comprehensive income of the associate. when the company's share of losses of an associate exceeds the company's interest in that associate (which includes any long-term interest that, in substance, form part of the company's net investment in the associate), the company discontinues recognizing its share of further losses. Additional losses are recognized only to the extent that the company has incurred legal or constructive obligations or made payments on behalf of the associate.

Any excess of the cost of acquisition over the company's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of an associate recognized at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment. Any excess of the company's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognized immediately in profit or loss.

The requirements of IAS 36 are applied to determine whether it is necessary to recognize any impairment loss with respect to the company's investment in an associate. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount. Any impairment loss recognized forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

When a company entity transacts with its associate, profits and losses resulting from the transactions with the associate are recognized in the company's consolidated financial statements only to the extent of interests in the associate that are not related to the company.

2.9 Investment Properties

Investment property is property held on earn rentals or for capital appreciation or both. Investment property includes leasehold land and building, is initially recognized at cost including the transaction costs. Subsequently, investment property is carried at fair value representing the open market value at the statement of financial position date determined by annual valuation carried out by external registered

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

2 Summary of material accounting policies - continued

2.9 Investment Properties– continued

valuers. gains or losses arising from changes in the fair value are included in determining the profit or loss for the year to which they relate.

Investment properties are derecognized when either they have been disposed off or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. On disposal of an investment property, the difference between the disposal proceeds and the carrying amount is charged or credited to profit or loss.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner occupied property becomes an investment property, the company accounts for such property in accordance with the policy stated under property and equipment up to the date of the change in use.

When the company completes the construction or development of a self-constructed investment property, any difference between the fair value of the property at that date and its previous carrying amount is recognized in the profit or loss.

2.10 Intangible Assets

Computer software that is not an integral part of the related hardware are initially recognized at cost, and subsequently carried at cost less accumulated amortization and accumulated impairment losses. Costs that are directly attributable to the production of identifiable computer software products controlled by the company are recognized as intangible assets.

Amortization is calculated using the straight-line method to write down the cost of each item of software to its residual value over its estimated useful life.

Amortization begins when the asset is available for use, i.e., when it is in the location and condition necessary for it to be capable of operating in the manner intended by management, even when idle. Amortization ceases at the earlier date that the asset is classified as held for sale and the date that the asset is derecognized and ceases temporarily, while the residual value exceeds or is equal to the carrying value.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in profit or loss when the asset it derecognized.

Intangibles recognized as assets are amortized over their useful lives, which does not exceed five years.

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

2 Summary of material accounting policies - continued

2.11 Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any. For the purposes of impairment testing, goodwill is allocated to each of the company's cash generating units (or group of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each in the unit.

Any impairment loss for goodwill is recognized directly in profit or loss in the consolidated (statement of comprehensive income/profit or loss). An impairment loss recognized for goodwill is not reversed in subsequent periods. On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

2.12 Property and Equipment

a. Recognition and measurement
All categories of property, plant and equipment are initially recognized at cost less accumulated depreciation and impairment losses. Cost includes expenditure directly attributable to the acquisition of the assets. Computer software, including the operating system that is an integral part of the related hardware is capitalized as part of the computer equipment"

Work in progress owner-occupied property that are included in property, plant and equipment are stated at cost to date and are not yet componentized as the asset has not been put into use.

b. Subsequent cost
Subsequent cost is included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. Repairs and maintenance expenses are charged to the profit or loss in the year in which they are incurred.

Increases in the carrying amount arising on revaluation are recognized in other comprehensive income and accumulated in equity under the heading of revaluation surplus. Decreases that offset previous increases of the same asset are recognized in other comprehensive income. All other decreases are charged to the profit or loss.

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

2 Summary of material accounting policies - continued

2.12 Property, Plant and Equipment – continued

c. Depreciation
Depreciation is calculated using the straight- l i n e method to write down the cost or the revalued amount of each asset to its residual value over its estimated useful life using the following annual rates:"

Leasehold land	0%
Buildings	2%
Office Furniture & Fittings	20%
Office Computer Equipment	20%
Motor Vehicles	25%

Leasehold land is not depreciated. Depreciation on an item of property, plant and equipment commences when it is available for use and continues to depreciate until it is derecognized, even if during that period the item is idle. Depreciation of an item ceases when the item is retired from active use and is being held for disposal. Items of Work in progress are not depreciated.

Where no parts of items of property, plant and equipment have a cost that is significant in relation to the total cost of the item, the same rate of depreciation is applied to the whole item.

The assets' residual values, depreciation method and useful lives are reviewed, and adjusted if appropriate, at each statement of financial position date.

d. Revaluation of land and building.
land and building initially recorded at cost are subsequently carried at revalued amount being the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are made with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period.

When land and building are revalued, any increase in it carrying amount (as a result of revaluation) is transferred to a revaluation reserve, except to the extent that it reverses a revaluation decrease of the same property previously recognized as an expense in the of profit or loss. When the value of a land or building is decreased as a result of a revaluation, the decrease is charged against any related credit balance in the revaluation reserve in respect of that land or building. However, to the extent that it exceeds any surplus, it is recognized as an expense in profit or loss.

When revalued land and building are being depreciated, part of the surplus is being realized as the asset is used. The amount of the surplus realized is the difference between the depreciation charged on the revalued amount and the lower depreciation which would be charged to revaluation reserve and accumulated losses but not through profit or loss. The revaluation of land and building is carried out every year.

e. Derecognition
An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

2 Summary of material accounting policies - continued

2.12 Property, Plant and Equipment – continued

are expected from its use or disposal. Gains and losses on disposal of property, plant and equipment are determined by reference to their carrying amounts and are taken into account in determining operating profit."

2.13 Statutory Deposits

Statutory Deposit represents 10% of the minimum paid up capital of the Company deposited with the Central Bank of Nigeria (CBN) pursuant to Section 10(3) of the Insurance Act 2003.

Statutory deposit is measured at cost.

2.14 Insurance Contract Liabilities

Contract that are classified as insurance contracts are those under which the company underwrites significant insurance risk from another party (the broker or insured) by agreeing to compensate the insured or other beneficiary if a fortuitous random event (the insured event) adversely affects the policyholder or other beneficiary.

2.14.1 Types of Insurance Contracts

Insurance contract may be non-life or life. The company issues only non-life insurance contracts. Non-life insurance contracts are motor, general accident, marine, fire bond, oil & gas, engineering and agriculture contracts.

Accident and casualty insurance contracts protect the company's customers against the risk of causing harm to third parties as result of their legitimate activities. Damages covered include both contractual and non-contractual events. The typical protection offered is designed for employers who become legally liable to pay compensation to injured employees (employers' liability) and for individual and business customers who become liable to pay compensation to a third party for bodily harm or property damage (public liability).

Property insurance contracts mainly compensate the company's customers for damage suffered to their properties or for the value of property lost. Customers who undertake commercial activities on their premises could also receive compensation for the loss of earnings caused by the inability to use the insured properties in their business activities (business interruption cover).

Non-life insurance contracts protect the company's customers from the consequences of events (such as death or disability) that would affect the ability of the customer or his/her dependents to maintain their current level of income. Guaranteed benefits paid on occurrence of the specified insurance event are either fixed or linked to the extent of the economic loss suffered by the policy holder. There is no maturity or surrender benefits.

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

2 Summary of material accounting policies - continued

2.14.2 Recognition and measurement of non-life insurance contracts

a. For all non-life insurance contract, premiums are recognized as revenue (earned premiums) proportionally over the period of coverage. The portion of premium received on in-force contracts that relates to unexpired risks at the reporting date is reported as the unearned premium liability. Premiums are shown before deduction of commission.

Claims and loss adjustment expenses are charged to income as incurred based on the estimated liability for compensation owed to contract holders or third parties damaged by the contract holders. They include direct and indirect claims settlement costs and arise from events that have occurred up to the end of the reporting period even if they have not yet been reported to the company. The company does not discount its liabilities for unpaid claims.

Liabilities for unpaid claims are estimated using the input of assessments for individual cases reported to the company and statistical analyses for the claims incurred but not reported, and to estimate the expected ultimate cost of more complex claims that may be affected by external factors (such as court decisions).

b. Salvages
Some non-life insurance contracts permit the company to sell (usually damaged) property acquired in the process of settling a claim. The company may also have the right to pursue third parties for payment of some or all costs of damages to its client's property (i.e., subrogation right).

Salvage recoveries are used to reduce the claim expense when the claim is settled.

c. Subrogation
Subrogation is the right for an insurer to pursue a third party that caused an insurance loss to the insured. This is done as a means of recovering the amount of the claim paid to the insured for the loss. A receivable for subrogation is recognized in other assets when the liability is settled and the company has the right to receive future cash flow from the third party.

d. Deferred Income
Deferred Income represents a proportion of commission received on reinsurance contracts which are booked during a financial year and are deferred to the extent that they are recoverable out of future revenue margins. It is calculated by applying to the reinsurance commission income the ratio of prepaid reinsurance to reinsurance cost.

e. Reinsurance Contracts held
Contracts entered into by the company with reinsurers under which the company is compensated for losses on one or more contracts issued by the company and that meet the classification requirements for insurance contracts are classified as reinsurance contracts held. Contracts that do not meet this classification requirements are classified as financial assets. Insurance contracts entered into by the company

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

2 Summary of material accounting policies - continued

2.14.2 Recognition and measurement of non-life insurance contracts – continued

under which the contract holder is another insurer (inwards reinsurance) are included with insurance contracts.

f. Technical Reserves

These are computed in accordance with the provisions of section 22 of the insurance Act 2003 as follows:

* Reserve for unearned premium: In compliance with Section 20() (a) of Insurance Act 2003, the reserve for unearned premium is calculated on a time apportionment basis in respect of the risks accepted during the year.

* Reserve for outstanding claims: The reserve for outstanding claims is maintained ta the total amount of outstanding claims incurred and reported plus claims incurred but not reported ("IBNR") as at the reporting date. The IBNR is based on the liability adequacy test.

g. Liability Adequacy Test

At each end of the reporting period, liability adequacy tests are performed by an Actuary to ensure the adequacy of the contract liabilities net of related DAC assets. In performing these tests, current best estimates of future contractual cash flows and claims handling and administration expenses, as well as investment income from the assets backing such liabilities, are used. Any deficiency is immediately charged to profit or loss initially by writing off DAC and by subsequently establishing a provision for losses arising from liability adequacy tests "the unexpired risk provision".

The provisions of the Insurance Act 2003 require an actuarial valuation for life insurance reserves only. However, IFRS 4 requires a liability adequacy test for both life and non-life insurance reserves. The provision of section 59 of the Financial Reporting Council Act 2011 gives superiority to the provision of IFRS and since it results in a more conservative reserving than the provision of the Insurance Act 2003, it serves the company's prudential concerns well.

2.15 Other Technical Liabilities

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

2.16a Defined Contribution Plan

Pension Cost

The company operates a defined contributory retirement benefit scheme as stipulated in the Pension Reform Act 2014. Under the defined contribution scheme, the company pays fixed contributions of 10% of emoluments as defined by the Act to Pension Fund Administrators; employees also pay a fixed percentage of 8% to the same entity. Once the contributions have been paid, the company retains no legal or constructive obligation to pay further contribution if the fund does not hold sufficient assets to finance benefits accruing under the retirement benefit plan.

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

2 Summary of material accounting policies - continued

2.16b Defined Benefit Obligation

The Group has a non-contributory gratuity scheme whereby on, separation staff who spent a minimum number of periods are paid a sum based on their qualifying emoluments and the number of periods spent on service of the company. The rate used to discount post-employment benefit is determined in line with IAS 19, with reference to market yields at the balance sheet date on high quality corporate bonds. In countries where there is no deep market in such bonds, the market yields on government bonds are used. The actuary is of the opinion that there is no deep market in corporate bonds in Nigeria and as such, assumptions underlying the determination of discount rates are referenced to the yield on Nigeria Government Bonds of medium duration, as compiled by the debt management office, after provision for small risk premium to be included in the discount rate assumption.

2.17 Provisions

General Provisions are recognized when the company has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the company expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in profit or less net of any reimbursement. if the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

2.19 Income tax

Income tax expense comprises current and deferred tax. It is recognized in profit or loss except to the extent that this relates to a business combination, or items recognized directly in equity or other comprehensive income.

2.19.1 Current Income Tax

Current income tax is the amount of income tax payable on the taxable profit for the year determined in accordance with the Nigeria Company Income Tax Act (2007) as amended. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted as at the reporting date.

2.19.2 NITDA Levy

The National Information Technology Development Agency Act (2007) empowers and mandates the Federal Inland Revenue Service (FIRS) to collect and remit 1% of profit before tax of Companies with turnovers of a minimum of ₦100million under the third schedule of the Act.

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

2 Summary of material accounting policies - continued

2.19.3 Deferred Tax

Deferred income tax is provided in full on all temporary differences except those arising on the initial recognition of an asset or liability.

Deferred income tax is determined using the liability method on all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes, using tax rates and laws enacted or substantively enacted at the statement of financial position date and expected to apply when the related deferred income tax asset is realized or the deferred tax liability is settled.

Deferred income tax assets are recognized only to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilized. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off such:

* Current tax assets against current income tax liabilities and
* The deferred taxes relate to the same taxable entity and
* The same taxation authority

2.20 Share Capital and Share Premium

Ordinary shares are recognized at par value and classified as 'share capital' inequity. Any amounts received over and above the par value of the shares issued are classified as 'share premium' in equity.

2.21 Statutory Contingency Reserve

The company maintains contingency reserves in accordance with the provisions of Insurance Act 2003 to cover fluctuations in securities and variations in statistical estimates at the rate equal to the higher of 3% of total premium or 20% of the net profits.

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

2 Summary of material accounting policies - continued

2.22 Retained Earnings

The retained earnings represent the amount available for dividend distribution to the equity shareholders of the company. See statement of changes in equities for movement in retained earnings.

2.23 Assets Revaluation Reserve

This represents the company's revaluation reserve emanating from revaluation of certain assets.

2.24 Other Income Items Recognition

2.24.1 Commission income

Fees and commission income during the year is the income the company is entitled to for ceding businesses to the reinsurers and co-insurers. In accordance with IFRS 15 (Revenue from Contracts with Customers), fees and commission income are recognized over time, covering the policy period over which services are expected to be provided, using the time apportionment basis. With the adoption of IFRS 17 these are treated as part of reinsurance service expenses to arrive at Net expenses from reinsurance contracts held.

2.24.2 Investment Income

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

Investment income also includes dividend income which is recognized when the right to receive the payment is established.

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms.

2.24.3 Management and Administrative Fees

Management Fee
Management fee, an asset-based fee is charged as a percentage of the opening net assets value of the pension fund investments at the beginning of the year of charge for the Retirement Savings Account (RSA). It is accrued daily upon portfolio valuation while the actual charge is effected against the Fund within five working days of the month end. Fee for the Retiree Account is computed based on 5% of income earned on the fund.

Administrative Fee
Administrative fee is calculated as a flat charge payable monthly from contributions received. It is deducted before converting contributions into accounting units of pension fund assets.

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

2 Summary of material accounting policies - continued

2.24.6 Realized/Unrealized Gains and Losses

Realized or unrealized gains and losses recorded in profit or loss on investments include gains and losses on financial assets and investment properties. Gains and losses on the sale of investments are calculated as the difference between net sales of investments are calculated as the difference between net sales proceeds and the original carrying or amortized cost and are recorded on occurrence of the sale transaction.

2.25 Claims Expenses Recognition

2.25.1 Claims Incurred/Expense

Claims incurred in respect of Insurance contracts include the cost of all claims arising during the year including internal and external claims, handling costs that are directly related to the processing and settlement of claims as well as changes in the gross valuation of insurance. All claims paid and incurred are charged against the underwriting income as expense when incurred. With the adoption of IFRS 17 these costs are treated as part of insurance service expenses before determining insurance service result.

2.25.2 Reinsurance Claims

Reinsurance claims are recognized when the related gross insurance claim is recognized according to the terms of the relevant contract.

2.26 Interest Income

Interest income is recognized using the effective interest method for debt instruments measured subsequently at amortized cost and at FVTOCI. For financial assets other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired. For financial assets that have subsequently become credit-impaired, interest income is recognized by applying the effective interest rate to the amortized cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognized by applying the effective interest rate to the gross carrying amount of the financial asset.

For purchased or originated credit-impaired financial assets, interest income is recognized by applying the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition. The calculation does not revert to the gross basis even if the credit risk of the financial asset subsequently improves so that the financial asset is no longer credit-impaired. Interest income is recognized in profit or loss and is included in the "investment income - interest income" line item.

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

2 Summary of material accounting policies - continued

2.27 Expenses

Expenses are recognized in profit or loss when a decrease in future economic benefit related to a decrease in an asset or an increase of a liability has arisen that can be measured reliably. This means, in effect, that recognition of expenses occurs simultaneously with the recognition of an increase in liabilities or a decrease in assets (for example, the accrual of employee entitlements or the depreciation of equipment)

When economic benefits are expected to arise over several accounting periods and the association with income can only be broadly or indirectly determined, expenses are recognized in profit or loss on the basis of systematic and rational allocation procedures.

This is often necessary in recognizing the equipment associated with the using up of assets such as property, plant and equipment in such cases the expense is referred to as a deprecation or amortization. These allocation procedures are intended to recognize expenses in the accounting periods in which the economic benefits associated with these items ae consumed or expire. an expense is recognized immediately in profit or loss when expenditure produces no future economic benefits or when, and to the extent that future economic benefits do not qualify, or cease to qualify, for recognition in the statement of financial position as an asset.

2.27.1 Underwriting Expenses

Underwriting expenses comprise acquisition costs and other underwriting expenses. Acquisition costs comprise all direct and indirect costs arising from writing insurance contracts. These costs are charged in profit or loss in the period they are incurred. With the adoption of IFRS 17 these costs are treated as part of insurance service expenses.

2.28 Impairment of non-financial assets

The company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the company estimates the asset's recoverable amount. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. an asset's recoverable amount is the higher of an assets or cash generating unit's fair value less costs to sell and its value in use.

The 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 group of assets. In assessing value in use, he estimated future cash flows are discounted to their present value using a pre- discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. in determining fair value less costs to sell, an appropriate valuation model is used.

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

3 Summary of material accounting policies - continued

Impairment losses of continuing operations are recognized in profit or loss in those expenses categories consistent with the function of the impaired asset, except for property previously revalued where the revaluation was taken to comprehensive income. in this case the impairment is also recognized in comprehensive income up to the amount of any previous revaluation.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the company makes an estimate of recoverable amount. A previous impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. if that is the case the carrying amount of the asset is increased to its recoverable amount.

The increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in t unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase.

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

2. Summary of material accounting policies - continued

2.29 Earnings Per Share

The company presents basic earnings per share for its ordinary shares. Basic earnings per share are calculated by dividing the profit attributable to ordinary shareholders of the company by the number of shares outstanding during the period.

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

2.30 Dividends

Dividends on ordinary shares are recognized as a liability in the year in which they are approved by the company's shareholders. Proposed dividends are not recognized in equity until they have been declared at a general meeting. Dividends for the year that are approved after the statement of financial position date are dealt with as a non-adjusting event after the statement of financial position date.

2.31 Comparatives

Where necessary, comparative have been adjusted to conform to changes in presentation in the current year. Where changes are made and affect the statement of financial position, a third statement of financial position at the beginning of the earliest period presented is presented together with the corresponding notes.

2.32 Contingent liabilities

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

2.33 Contingent assets

Contingent assets are not recognized in the financial statements but are disclosed when, as a result of the past events, it is highly likely that economic benefits will flow to the company, but this will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events which are not wholly within the company's control.

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

2.34 Changes in accounting policies and disclosures

New and amended standards and interpretations

The Company applied for the first time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2024 (unless otherwise stated). The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

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

The amendments in IFRS 16 specify 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 recognize any amount of the gain or loss that relates to the right of use it retains.

The amendments had no impact on the Company's financial statements.

b) Amendments to IAS 1 - Classification of liabilities with covenants as current or non-current

The amendments to IAS 1 specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

In addition, an entity is required to disclose when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months.

The amendments had no impact on the Company's financial statements.

c) Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7

The amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments 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 had no impact on the Company's financial statements.

2.35 Standards issued but not yet effective

The new and amended 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 new and amended standards and interpretations, if applicable, when they become effective.

a. Lack of exchangeability – Amendments to IAS 21

In August 2023, the IASB issued amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates to specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
2 Summary of material accounting policies - continued

2.35 S t a n d a r d s issued but not yet effective - continued

b. Lack of exchangeability – Amendments to IAS 21- Continued

other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.
The amendments 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.
The amendments are not expected to have a material impact on the Company's financial statements.

b. IFRS 18 Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18, which replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new.
IFRS 18 also requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements (PFS) and the notes.
In addition, narrow-scope amendments have been made to IAS 7 Statement of Cash Flows, which include changing the starting point for determining cash flows from operations under the indirect method, from 'profit or loss' to 'operating profit or loss' and removing the optionality around classification of cash flows from dividends and interest. In addition, there are consequential amendments to several other standards.
IFRS 18, and the amendments to the other standards, are effective for reporting periods beginning on or after 1 January 2027, but earlier application is permitted and must be disclosed. IFRS 18 will apply retrospectively.

 The Company is currently working to identify all impacts the amendments will have on the primary financial statements and notes to the financial statements.

c. IFRS 19 Subsidiaries without Public Accountability: Disclosures

In May 2024, the IASB issued IFRS 19, which allows eligible entities to elect to apply its reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS accounting standards. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in IFRS 10, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements, available for public use, which comply with IFRS accounting standards.
IFRS 19 will become effective for reporting periods beginning on or after 1 January 2027, with early application permitted.
As the Company's equity instruments are publicly traded, it is not eligible to elect to apply IFRS 19.

d. Power Purchase Agreements – Amendments to IFRS 9 and IFRS 7

On 18 December 2024, the International Accounting Standards Board (IASB) issued targeted amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures to enhance the reporting of nature-dependent electricity contracts, commonly structured as Power Purchase Agreements (PPAs).

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
2 Summary of material accounting policies - continued

2.35 Standards issued but not yet effective – continued

d. Power Purchase Agreements – Amendments to IFRS 9 and IFRS 7 - continued

Key aspects of the amendments include:
Clarification of 'Own-Use' Requirements: The amendments provide guidance on applying the 'own-use' exception, helping companies determine when PPAs qualify for this designation.

Hedge Accounting Eligibility: Companies can now apply hedge accounting to PPAs used as hedging instruments, aligning accounting treatments with risk management practices.

Enhanced Disclosure Requirements: New disclosures are mandated to inform investors about the impact of PPAs on financial performance and cash flows.

These amendments are effective for annual reporting periods beginning on or after 1 January 2026, with early application permitted.

The Group is currently evaluating the potential impact of these amendments on its financial reporting practices. Preliminary assessments suggest that while some adjustments may be necessary to align with the new guidance, the amendments are not expected to have a material effect on the Group's financial statements.

The Group will continue to monitor developments and provide updates as necessary to ensure compliance by the effective date.

E. Amendments to the Classification and Measurement of Financial Instruments—Amendments to IFRS 9 and IFRS 7

On 30 May 2024, the IASB issued Amendments to IFRS 9 and IFRS 7, Amendments to the Classification and Measurement of Financial Instruments (the Amendments). The Amendments include:

► A clarification that a financial liability is derecognized on the 'settlement date' and introduce an accounting policy choice (if specific conditions are met) to derecognize financial liabilities settled using an electronic payment system before the settlement date.

► Additional guidance on how the contractual cash flows for financial assets with environmental, social and corporate governance (ESG) and similar features should be assessed.

► Clarifications on what constitute 'non-recourse features' and what are the characteristics of contractually linked instruments.

► The introduction of disclosures for financial instruments with contingent features and additional disclosure requirements for equity instruments classified at fair value through other comprehensive income (OCI).

The Amendments are effective for annual periods starting on or after 1 January 2026. Early adoption is permitted, with an option to early adopt the amendments for classification of financial assets and related disclosures only. The Group is currently not intending to early adopt the Amendments.

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

2 Summary of material accounting policies - continued

2.35 Standards issued but not yet effective – continued

E. Amendments to the Classification and Measurement of Financial Instruments—Amendments to IFRS 9 and IFRS 7 -Continued

With respect to the amendments on the derecognition of financial liabilities that are settled through an electronic payment system, the Group is currently performing an assessment of all material electronic payment systems utilized in the various jurisdictions it operates, in order to assess whether the amendments will result in a material change with respect to current practices and whether it meets the conditions to apply the accounting policy option to derecognize such financial liabilities before the settlement date. Moreover, the Group is reviewing all its other payment systems (such as cheques, credit cards, debit cards) to ensure that the corresponding financial assets are derecognized when the right to cash flows are extinguished and that the corresponding financial liabilities are derecognized on settlement date.

In addition, the Group is assessing the impact of the Amendments on its financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features, as well as on non-recourse financing and contractually linked instruments. Based on the initial assessment performed, the amendments in these areas are not expected to have a material impact on the financial statements, however, the assessment is yet to be concluded

F. Annual Improvements to IFRS Accounting Standards— Volume 11

On 18 July 2024, the International Accounting Standards Board (IASB) issued Annual Improvements to IFRS Accounting Standards—Volume 11 to enhance clarity and consistency in financial reporting. These amendments apply to annual periods beginning on or after 1 January 2026, with earlier application permitted.

Key amendments include:

-IFRS 1: Aligns hedge accounting criteria with IFRS 9 to resolve inconsistencies.
-IFRS 7: Updates language on unobservable inputs and derecognition of financial instruments, with cross-references to IFRS 13.
-Guidance on IFRS 7 (Introduction): Clarifies that the implementation guidance does not cover all IFRS 7 requirements.
-Guidance on IFRS 7 (Fair Value vs. Transaction Price): Aligns disclosure wording with IFRS 7, IFRS 9, and IFRS 13.
-Guidance on IFRS 7 (Credit Risk Disclosures): Simplifies the explanation of unillustrated aspects of IFRS requirements.
-IFRS 9 (Lessee Derecognition of Lease Liabilities): Clarifies that gains or losses from extinguished lease liabilities must be recognized in profit or loss.
-IFRS 9 (Transaction Price Terminology): Replaces "transaction price" as defined in IFRS 15 with "amount determined by applying IFRS 15" to eliminate confusion.
-IFRS 10: Reinforces that assessing a ‘de facto agent’ requires judgment, with paragraph B74 providing only one example.
-IAS 7: Replaces ‘cost method’ with ‘at cost’ for consistency.

The Group is assessing the impact of these amendments but does not expect material effects on its financial statements. It will continue to monitor developments to ensure timely compliance.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR PERIOD ENDED 30 SEPTEMBER 2025

3 Cash and cash equivalents

	Group 2025 N'000	Group 2024 N'000	Company 2025 N'000	Company 2024 N'000
This comprises of :				
Cash on hand	1,444	790	952	551
Cash at Banks	1,929,648	2,602,183	1,786,417	2,423,531
Short term deposit (Staff gratuity fund assets)	3,823	3,823	3,823	3,823
Short term deposit (note 3.2)	7,047,250	8,651,681	4,664,866	7,462,410
	8,982,165	11,258,477	6,456,058	9,890,315
Adjustment for ECL on fixed deposit and bank balances (note 3.1)	(60,604)	(61,734)	(59,454)	(59,454)
Total	8,921,561	11,196,743	6,396,604	9,830,861

*Staff gratuity fund assets relates to fund set aside for staff of the parent who were still in service when the gratuity scheme was discontinued in July 2016. The intention of management is to keep the funds and make it available to the beneficiaries on exit.

3.1 Movement in Adjustment ECL

	Group 2025 N'000	Group 2024 N'000	Company 2025 N'000	Company 2024 N'000
At 1 January	60,604	12,304	59,454	3,115
Charge/(Write back)	-	49,430	-	56,339
At 30 September 2025	60,604	61,734	59,454	59,454

3.2 Financed by:
In compliance with section 19(3) of Insurance Act 2003, the short term deposit is financed as follows:

	Group 2025 N'000	Group 2024 N'000	Company 2025 N'000	Company 2024 N'000
Financed by Insurance fund	4,664,866	7,462,410	4,664,866	7,462,410
Financed by other funds	2,382,384	1,189,271	-	-
	7,047,250	8,651,681	4,664,866	7,462,410

Short term deposits consist of placements with commercial banks with contractual maturity date of less than 3 months.

3.3 A reconciliation of gross carrying amount and corresponding allowance for ECL

	STAGE 1	
Group	**Gross carrying amount N'000**	**ECL N'000**
At 1 January 2025	8,655,504	61,734
New assets originated or purchased	7,051,073	60,604
Assets derecognized	(8,655,504)	(61,734)
At 30 September 2025	7,051,073	60,604
At 1 January 2024	5,914,575	12,304
New assets originated or purchased	8,655,504	61,734
Assets derecognized	(5,914,575)	(12,304)
At 31 December 2024	8,655,504	61,734

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

3.3 A reconciliation of gross carrying amount and corresponding allowance for ECL - Continued

	STAGE 1	
Company	**Gross carrying amount N'000**	**ECL N'000**
At 1 January 2025	7,466,233	59,454
New assets originated or purchased	4,668,689	59,454
Assets derecognized	(7,466,233)	(59,454)
At 30 September 2025	4,668,689	59,454
At 1 January 2024	4,153,470	3,115
New assets originated or purchased	7,466,233	59,454
Assets derecognized	(4,153,470)	(3,115)
At 31 December 2024	7,466,233	59,454

4 **Investment securities**	**Group 2025 N'000**	**Group 2024 N'000**	**Company 2025 N'000**	**Company 2024 N'000**
Equity instruments at fair value through profit or loss (note 4a)	179,024	138,264	179,024	138,264
Debt instuments at armotised cost (Note 4b)	9,441,748	10,197,218	4,801,907	5,084,068
Fair value through OCI (Note 4c)	492,287	492,056	492,287	492,056
	10,113,059	10,827,538	5,473,218	5,714,388
Current	280,598	681,221	134,071	141,879
Non-current	9,832,462	10,146,317	5,339,147	5,572,509
	10,113,059	10,827,538	5,473,218	5,714,388

a These are quoted equities on the Nigerian Stock Exchange. The fair value is determined by reference to the quoted closing bid price at the end of the reporting period and are derived as follows:

Movement in FVTPL during the period	**Group 2025 N'000**	**Group 2024 N'000**	**Company 2025 N'000**	**Company 2024 N'000**
Fair value at 1 January	138,264	113,615	138,264	113,615
Addition	5,765	-	5,100	-
Reclassification		(1,105)	-	(1,105)
Fair value gain	34,995	25,754	35,660	25,754
Fair value at 30 September	179,024	138,264	179,024	138,264

a(i) Historical movement in FVTPL				
Cost at initial recognition	152,278	152,278	152,278	152,278
Accumulated fair value gains/(losses) to date	26,746	(14,014)	26,746	(14,014)
Fair value at 30 September	179,024	138,264	179,024	138,264

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

		Group 2025	Group 2024	Company 2025	Company 2024
b	**Amortised Cost**	**N'000**	**N'000**	**N'000**	**N'000**
	FGN treasury bills see note (i) below	280,598	681,221	134,071	141,879
	State/FGN government bonds see note (ii) below	8,938,738	9,261,240	4,667,836	4,942,189
	Corporate bond see note (iii) below	222,412	254,757	-	-
		9,441,748	10,197,218	4,801,907	5,084,068
	Balance at 1 January	10,226,801	7,524,321	5,113,347	3,189,284
	Additions	2,314	4,002,563	-	3,143,438
	Disposal	-	(50,000)	-	(50,000)
	Redemption/repayment during the year	(1,228,349)	(1,862,715)	(624,331)	(1,200,176)
	Accrued interest	470,568	612,632	342,170	30,801
	Balance at 30 September	9,471,332	10,226,801	4,831,187	5,113,347
	Expected credit loss	(29,583)	(29,583)	(29,280)	(29,280)
		9,441,749	10,197,218	4,801,907	5,084,067
i	**FGN Treasury Bills**				
	Balance at 1 January	681,948	94,609	142,606	-
	Additions		570,843	-	121,934
	Redemption/repayment during the year	(431,031)	(4,176)	(28,422)	-
	Accrued interest	30,408	20,672	20,614	20,672
	Balance at 30 September	281,325	681,948	134,798	142,606
	ECL	(727)	(727)	(727)	(727)
		280,598	681,221	134,071	141,879
ii	**FGN Bonds and State Bonds**				
	Balance at 1 January	9,289,793	7,164,613	4,970,741	3,189,284
	Additions	2,314	3,431,504	-	3,021,504
	Disposal	-	(50,000)	-	(50,000)
	Redemption/repayment during the year	(754,252)	(1,832,080)	(595,909)	(1,200,176)
	Accrued interest	429,436	575,756	321,556	10,129
	Balance at 30 September	8,967,291	9,289,793	4,696,388	4,970,741
	ECL	(28,553)	(28,553)	(28,553)	(28,553)
		8,938,738	9,261,240	4,667,835	4,942,188
iii	**Corporate Bonds**				
	Balance at 1 January	255,060	265,099	-	-
	Additions	-	216	-	-
	Redemption/repayment during the year	(43,066)	(26,459)	-	-
	Accrued interest	10,722	16,204	-	-
	Exchange difference		-	-	-
	Balance at 30 September	222,716	255,060	-	-
	ECL	(303)	(303)	-	-
		222,413	254,757	-	-
iv	**Movement in expected credit losses (ECL) during the year**				
	Balance at 1 January	29,583	52,270	29,280	28,058
	Charge during the year	-	(22,687)	-	1,222
	Balance at 30 September	**29,583**	**29,583**	**29,280**	**29,280**

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

v A reconciliation of gross carrying amount and corresponding allowance for ECL

Group	**STAGE 1**	
	Gross carrying amount	**ECL**
	N'000	**N'000**
At 1 January 2025	10,226,801	29,583
New assets originated or purchased	472,882	-
Assets derecognized	(1,228,349)	-
At 30 September 2025	**9,471,334**	**29,583**
At 1 January 2024	7,524,321	52,270
New assets originated or purchased	6,423,734	21,783
Assets derecognized	(3,721,254)	(44,470)
At 31 December 2024	**10,226,801**	**29,583**
Company		
At 1 January 2025	5,113,348	29,280
New assets originated or purchased	342,170	-
Assets derecognized	(624,331)	
At 30 September 2025	**4,831,187**	**29,280**
At 1 January 2024	3,189,284	28,058
New assets originated or purchased	1,924,064	1,222
Assets derecognized	-	-
At 31 December 2024	**5,113,348**	**29,280**

c Fair value through other comprehensive income

	Group 2025 N'000	**Group 2024 N'000**	**Company 2025 N'000**	**Company 2024 N'000**
Fair value at 1 January	492,056	433,485	492,056	433,485
Additions	-	1,104	231	1,104
Fair value gain	-	57,467	-	57,467
Balance at 30 September	**492,056**	**492,056**	**492,287**	**492,056**

Fair value through other comprehensive income consists of equity investment in Waica RE and Systemspec.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

		Group	Group	Company	Company
5	Trade Receivables	**2025**	**2024**	**2025**	**2024**
a	This comprises of:	**N'000**	**N'000**	**N'000**	**N'000**
	Due from insurance brokers	1,069,084	2,036,242	1,069,084	2,036,242
	Due from insurance agents	55,270	55,270	55,270	55,270
	Due from policy holders	33,158	33,158	33,158	33,158
	Due From Insurance Companies	159,712	158,931	159,712	158,931
		1,317,224	2,283,601	1,317,224	2,283,601
	Impairment of trade receivables	(737,985)	(737,985)	(737,985)	(737,985)
		579,239	1,545,616	579,239	1,545,616
	b. Movement in impairment is as follow:				
	At 1 January	737,985	737,985	737,985	737,985
	Charge for the period	-	-	-	-
	At 30 September 2025	737,985	737,985	737,985	737,985
b	Age analysis of gross premium receivables are as follows:				
	0-30 days	579,239	1,545,616	579,239	1,545,616
		579,239	1,545,616	579,239	1,545,616

c Analysis of movement in impairment

	Balance at 1 January	Adjustment	Provision no longer required	Balance at 30 September
2025				
Group	**N'000**	**N'000**	**N'000**	**N'000**
Premium receivable from insurance brokers	490,626	-	-	490,626
Premium receivable from insurance agents	55,270	-	-	55,270
Premium receivable from policy holders	33,158	-	-	33,158
Premium receivable from insurance companies	158,911	-	-	158,911
	737,965	-	-	737,965
Company				
Premium receivable from insurance brokers	490,626	-	-	490,626
Premium receivable from insurance agents	55,270	-	-	55,270
Premium receivable from policy holders	33,158	-	-	33,158
Premium receivable from insurance companies	158,931		-	158,931
	737,985	-	-	737,985
2024				
Group				
Premium receivable from insurance brokers	490,626	-	-	490,626
Premium receivable from insurance agents	55,270	-	-	55,270
Premium receivable from policy holders	33,158	-	-	33,158
Premium receivable from insurance companies	158,931	-	-	158,911
	737,985	**-**	**-**	**737,985**
Company				
Premium receivable from insurance brokers	490,626	-	-	490,626
Premium receivable from insurance agents	55,270	-	-	55,270
Premium receivable from policy holders	33,158	-	-	33,158
Premium receivable from insurance companies	158,931		-	158,931
	737,985	**-**	**-**	**737,985**

		Group	Group	Company	Company
d	Movement in premium receivables	**2025**	**2024**	**2025**	**2024**
		N'000	**N'000**	**N'000**	**N'000**
	Opening balance	2,283,603	1,767,765	2,283,603	1,767,765
	Gross written premium during the year	18,246,461	23,694,268	18,246,461	23,694,268
	Premium received during the year	(19,212,840)	(23,178,430)	(19,212,840)	(23,178,430)
		1,317,224	2,283,603	1,317,224	2,283,603
	Impairment during the year	(737,985)	(737,985)	(737,985)	(737,985)
	Balance at 30 September	**579,239**	**1,545,618**	**579,239**	**1,545,618**

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

		Group 2025	Group 2024	Company 2025	Company 2024
6	**Other receivables and prepayments**	**N'000**	**N'000**	**N'000**	**N'000**
	Receivables from staff (Note 6a)	206	8,332	206	8,332
	Deposit for investment (Note 6b)	28,337	34,112	28,337	34,112
	Commercial papers (Note 6c)	217,459	217,459	217,459	217,459
	Prepayment	321,357	33,325	47,705	33,325
	Inventory	1,027	369	1,027	369
	Receivables from Related parties (Note 6i)	62,033	62,033	62,033	62,033
	Fees receivables and other receivables (Note 6d)	880,297	793,652	121,632	107,697
	Prepaid recapitalisation expenses (Note 6e)	83,049	83,050	83,049	83,050
	Witholding tax receivable(Note 6f)	94,515	55,389	37,815	30,529
		1,688,280	1,287,721	599,263	576,906
	Impairment of other receivables and prepayment (Note 6g)	(402,852)	(402,852)	(402,852)	(402,852)
		1,285,428	**884,869**	**196,411**	**174,054**
	Current	1,285,424	877,995	196,413	174,054
	Non-current	-	6,874	-	-
		1,285,424	884,869	196,413	174,054

a Receivables from staff consist of amount due from staff in respect of unutilized upfront allowances.

	Group 2025	Group 2024	Company 2025	Company 2024
	N'000	**N'000**	**N'000**	**N'000**
Balance at 1 January	8,331	48,047	8,331	30,082
Addition	-	414	-	414
Utilised during the year	(8,125)	(40,129)	(8,125)	(22,164)
	206	**8,332**	**206**	**8,332**

b Included in deposit for investment is the amount with Chapel Hill and Planet Capital Ltd. for purchase of quoted equities on the Nigeria Exchange (NGX) and investment in other financial instruments.

c Commercial papers represents receivables from the following entities

	Group 2025	Group 2024	Company 2025	Company 2024
	N'000	**N'000**	**N'000**	**N'000**
a) TKM Mestro Nigeria Ltd	131,649	131,649	131,649	131,649
b) Off-shore Intergrated Concession Ltd	39,711	39,711	39,711	39,711
c) Kruger Brent Global Services Ltd	46,099	46,099	46,099	46,099
	217,459	217,459	217,459	217,459

ci These commercial papers have been impaired by the company as they are in doubt of recovery.

d Fee receivables includes fees receivable on RSA assets and administrative fees as at year end.

e This represents amount paid to consultants with respect to proposed preference shares to be issued by the company. This was classified as prepaid expense pending the conclusion of the process. On completion, this will be applied against the share premium.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

	Group 2025	Group 2024	Company 2025	Company 2024
f Witholding tax receivables	**N'000**	**N'000**	**N'000**	**N'000**
At 1 January	55,389	24,856	30,529	24,856
Additions	39,126	56,049	7,286	31,189
Utilised during the period(see note 17)	-	(25,516)	-	(25,516)
Balance at 30 September	94,515	55,389	37,815	30,529

	Group 2025	Group 2024	Company 2025	Company 2024
g The movement in impairment charge is as follows:	**N'000**	**N'000**	**N'000**	**N'000**
Balance at 1 January	402,852	393,427	402,852	393,427
Impairment charge/(write-back) during the year	-	9,425	-	9,425
Balance at 30 September	402,852	402,852	402,852	402,852

Group	**Balance at 1 Jan 2025**	**Addition**	**Provision no longer required**	**Adjustment**	**Balance at 31 March 2025**
Commercial papers	217,459	-	-	-	217,459
Receivables from staff	1,369	-	-	-	1,369
Receivables from Related Party (Goldlink)	62,033	-	-	-	62,033
Fees receivable and other receivables	121,991	-	-	-	121,991
	402,852	-	-	-	402,852
Company					
Commercial papers	217,459	-	-	-	217,459
Receivables from staff	1,369	-	-	-	1,369
Receivables from Goldlink	62,033	-	-	-	62,033
Fees receivable and other receivables	121,991	-	-	-	121,991
	402,852	-	-	-	402,852

Group	**Balance at 1 Jan 2024**	**Addition**	**Provision no longer required**	**Adjustment**	**Balance at 31 December 2024**
Commercial papers	217,459	-	-	-	217,459
Receivables from staff	1,369	-	-	-	1,369
Receivables from Related Party (Goldlink)	62,033	-	-	-	62,033
Fees receivable and other receivables	112,566	-	-	9,425	121,991
	393,427	**-**	**-**	**9,425**	**402,852**
Company					
Commercial papers	217,459	-	-	-	217,459
Receivables from staff	1,369	-	-	-	1,369
Receivables from Goldlink	62,033	-	-	-	62,033
Fees receivable and other receivables	112,566	-	-	9,425	121,991
	393,427	**-**	**-**	**9,425**	**402,852**

i This relates to amount recoverable from :1.Associates- Goldlink Insurance Plc. As at 30 September 2025, the amount relates to various expenses incurred on their behalf amounting to N62.033 million (2024, N62.033 milion).

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

7 Investment in Subsidiaries

Veritas Kapital has 2 subsidiaries as at 30 September 2025. The details of the subsidiaries and principal activities are detailed below:

	Company 2025 N'000	Company 2024 N'000
Veritas Glanvills Pension Limited at cost(a)	3,610,000	3,610,000
Veritas Health Care Limited at cost (b)	416,300	416,300
	4,026,300	**4,026,300**

a Veritas Glanvills Pension Limited has issued ordinary share capital of 5 billion units of N1 each.

Veritas Kapital holds 3.5 billion (70%): The company was incorporated on 20 April 2005, and licenced by National Pension Commission to carry on business of a Pension Fund Administrator on 19 June 2007. Its principal place of business is Lagos.

b Veritas HealthCare Limited has issued ordinary share capital of 429,075,000 units of N1 each Veritas Kapital holds 401,000,000 units (93.5%): The company carries on the business of a health maintenance organisation, and its principal place of business is Abuja.

Management tested investment in subsidiaries for impairment and concluded that there was no indication of impairment. Summarized financial information in respect of each of the Group's subsidiaries is set out below. The summarized financial information below represents amounts before intragroup eliminations.

	Veritas Glanvill Pension		Veritas Healthcare Limited	
	2025 N'000	2024 N'000	2025 N'000	2024 N'000
Total revenue	2,536,670	2,853,088	548,753	425,517
Profit before tax	656,313	431,650	107,516	31,301
Total assets	8,429,629	7,473,800	823,259	707,678
Total liabilities	1,210,396	714,838	(122,469)	57,871
Shareholders fund	7,219,233	6,758,962	(700,789)	649,806

c Movement in Investment in Subsidiaries

	Group		Company	
	2025	2024	2025	2024
Veritas Glanvills Pensions Ltd	N'000	N'000	N'000	N'000
Balance at January 1	-	-	3,610,000	3,610,000
Balance at 30 September	-	-	3,610,000	3,610,000
Investment in Veritas Healthcare Ltd	N'000	N'000	N'000	N'000
Balance at January 1	-	-	416,300	416,300
Balance at 30 September	-	-	416,300	416,300

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

		Group 2025 N'000	Group 2024 N'000	Company 2025 N'000	Company 2024 N'000
8	**Investment in Associates**	1,010,650	1,010,650	1,010,650	1,010,650
	Share of associate loss	(1,010,650)	(1,010,650)	(1,010,650)	(1,010,650)
		-	-	-	-

GOLDLINK Insurance Plc

Veritas Kapital holds 1,268,064,351 (2023:1,268,314,351) ordinary shares representing 51.53% (2023:51.53%) holdings in Goldlink Insurance Plc as at 30 September 2025.

Goldlink Insurance Plc became associate company of Veritas Kapital in 2011 but was taken over by the regulatory authority - National Insurance Commission (NAICOM) for infraction of insurance regulations and its Board of Directors was dissolved in 2012.

Though Veritas Kapital holds majority shares in Goldlink Insurance Plc. (51.53%) the investment has been treated as an associate and accounted for using equity method at both the Company and Group level.
In arriving at the decision to treat the investment as an associate, the Board of Directors considered if Veritas Kapital has control over Goldlink Insurance Plc based on the requirements of IFRS 10. IFRS 10.5 states that an investor regardless of the nature of its involvement with an entity is required to determine whether it is a parent by assessing whether it controls the investee.

Specifically, IFRS 10 states that an investor controls an investee if and only if the investor has the following:

- Power over the investee;
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect the amount of the investor's returns.

Based on assessment carried out, Directors concluded that Veritas Kapital does not have the power over the investee because the relevant activities of Goldlink Insurance Plc are subject to direction of the NAICOM instituted Board of Directors. The Board of Directors report directly to NAICOM on all its activities and resolutions are subject to the NAICOM (IFRS 10:B37).

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

9 Property, plant and equipment
Group

Cost/valuation	Leasehold land N'000	Building N'000	computer equipment N'000	Motor vehicles N'000	Office furniture and fittings N'000	Work in progress N'000	Total N'000
At 1 January	2,028,100	3,640,946	771,924	1,004,894	249,768	4,950	7,700,581
Additions	-	378	215,342	16,050	17,638	49,507	298,915
Revaluation adjustments	-	-	-	-	-	-	-
Transfer/ reclassification	-	(98,787)	-	-	-	-	(98,787)
Disposals	-	-	(945)	(35,409)	-	-	(36,354)
At 30 September 2025	**2,028,100**	**3,542,537**	**986,321**	**985,535**	**267,406**	**54,457**	**7,864,355**
Accumulated depreciation							
At 1 January	-	202,942	590,143	690,765	196,397	-	1,680,247
Depreciation	-	41,903	50,806	78,097	16,216	-	187,022
Disposals	-	-	(87)	(27,399)	-	-	(27,486)
At 30 September 2025	**-**	**244,845**	**640,862**	**741,463**	**212,613**	**-**	**1,839,783**
Carrying amount at 30 September 2025	**2,028,100**	**3,297,692**	**345,458**	**244,072**	**54,793**	**54,457**	**6,024,572**

Cost/valuation	Leasehold land N'000	Building N'000	Office computer equipment N'000	Motor vehicles N'000	Office furniture and fittings N'000	Work in progress N'000	Total N'000
At 1 January	1,306,849	3,846,717	680,954	847,481	224,574	-	6,906,574
Additions	-	138,468	93,794	198,584	27,010	4,950	462,806
Revaluation adjustments	721,251	(344,239)	-	-	-	-	377,012
Transfer/ reclassification	-	-	-	-	-	-	-
Disposals	-	-	(2,824)	(41,171)	(1,816)	-	(45,811)
At 31 December 2024	2,028,100	3,640,946	771,924	1,004,894	249,768	4,950	7,700,581
Accumulated depreciation							
At 1 January	-	145,882	545,529	608,525	170,249	-	1,470,184
Depreciation expenses	-	57,060	47,279	123,243	27,964	-	255,546
Disposals	-	-	(2,664)	(41,003)	(1,816)	-	(45,483)
At 31 December 2024	-	202,942	590,143	690,765	196,397	-	1,680,247
Carrying amount as at 31 December 2024	**2,028,100**	**3,438,004**	**181,780**	**314,129**	**53,371**	**4,950**	**6,020,334**

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

9 Property, plant and equipment - Continued
Company

Cost/valuation	**Leasehold land N'000**	**Building N'000**	**Office computer equipment N'000**	**Motor vehicles N'000**	**Office furniture and fittings N'000**	**Work in progress N'000**	**Total N'000**
At 1 January	2,028,100	2,861,816	371,504	395,645	157,394	4,950	5,819,409
Additions	-	-	151,848	-	1,887	49,507	203,243
Revaluation adjustments	-	-	-	-	-	-	-
Transfer/ Reclassification	-	(98,787)	-	-	-	-	(98,787)
Disposals	-	-	-	-	-	-	-
At 30 September 2025	2,028,100	2,763,029	523,352	395,645	159,281	54,457	5,923,864
Accumulated depreciation							
At 1 January	-	136,417	287,011	237,009	125,073	-	785,510
Depreciation expenses	-	30,179	24,586	37,360	8,721	-	100,846
Disposals	-	-	-	-	-	-	-
At 30 September 2025	-	166,596	311,596	274,369	133,794	-	886,356
Carrying amount at 30 September 2025	**2,028,100**	**2,596,432**	**211,756**	**121,276**	**25,487**	**54,457**	**5,037,509**

Cost/valuation	**Leasehold land N'000**	**Building N'000**	**Office computer equipment N'000**	**Motor vehicles N'000**	**Office furniture and fittings N'000**	**Work in progress N'000**	**Total N'000**
At 1 January	1,306,849	3,067,587	326,496	251,909	144,247	-	5,097,088
Additions	-	138,468	47,832	181,230	14,963	4,950	387,443
Revaluation adjustments	721,251	(344,239)	-	-	-	-	377,012
Transfer/ Reclassification	-	-	-	-	-	-	-
Disposals	-	-	(2,824)	(37,494)	(1,816)	-	(42,134)
At 31 December	2,028,100	2,861,816	371,504	395,645	157,394	4,950	5,819,409
Accumulated depreciation							
At 1 January	-	94,982	260,077	231,812	118,662	-	705,533
Depreciation expenses	-	41,435	29,598	44,189	8,228	-	123,450
Disposals	-	-	(2,664)	(37,494)	(1,816)	-	(41,974)
At 31 December	-	136,417	287,011	237,009	125,073	-	785,510
Carrying amount as at 31 December 2024	**2,028,100**	**2,725,399**	**84,493**	**158,636**	**32,321**	**4,950**	**5,033,899**

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

9 Property, plant and equipment - Continued

a Land and Building was independently valued by Jide Taiwo & Co, Real Estate survayors (FRC/2012/00000000254) and signed by Apeh Jeremiah (FRC/2019/NIESV/00000019829), in December 2024 to ascertain the open market value of land and building .The carrying amount of the land and building as 31st March 2025 was N4.743million (2024: N4,754million) while the open market value of land and building as at 31 December 2024 was N4,754million

b Valuation technique and significant unobservation inputs

The following table shows the valuation technique used in measuring the value of the land & building, as well as the significant unobservable inputs used.

Valuation technique	Significant Observable Input	Sensitivity
The fair values are determined by applying market value approach. This valuation model reflects the current price on actual transaction for similar properties in the neighbourhood in recent time. References were made to prices of land and comparable properties in the neighbourhood.The data obtained were analysed and adjustments was made to reflect differences in site area and the actual location, quality of construction and off-site facilities.	-Price PER square meter. -Rate of development in the area. -Location of the building. -Commercial neighbourhood. -Specialised nature of the building -Accessibilty to transport links. - Physical condition	The estimated fair value would increase/ (decrease) if the rate of development in the area increases/ (decreases), quality of the building increases / (decreases), influx of people and/or business to the area increases/ (decreases)

c Leasehold land and building Comprises:

	2025			2024		
	Leasehold Land N'000	Building N'000	Total N'000	Leasehold Land N'000	Building N'000	Total N'000
Group						
Plot 1698 C and D Oyin Jolayemi St. V.I. Lagos	-	702,394	702,394	-	712,604	712,604
Plot 497 Abogo Largema Street. Off Const. Ave. CBD	1,816,900	2,362,298	4,179,198	1,816,900	2,492,400	4,309,300
Plot 173 Oshodi-Gbagada express way, opp. UPS, Gbagada, Lagos.	211,200	233,000	444,200	211,200	233,000	444,200
	2,028,100	3,297,692	5,325,792	2,028,100	3,438,004	5,466,104
Company						
Plot 497 Abogo Largema Street. Off Const. Ave. CBD	1,816,900	2,363,432	4,180,332	1,816,900	2,492,400	4,309,300
Plot 173 Oshodi-Gbagada express way, opp. UPS, Gbagada, Lagos.	211,200	233,000	444,200	211,200	233,000	444,200
	2,028,100	2,596,432	4,624,532	2,028,100	2,725,400	4,753,500

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

9 Property, plant and equipment - Continued

d Movement in leasehold land and building is as follows:

Group **Property Location/Description**	**1-Jan-25** **N'000**	**Addition** **N'000**	**Disposals** **N'000**	**Transfer** **N'000**	**Depreciation** **N'000**	**Revaluation adjustment** **N'000**	**30-Jun-25** **N'000**
Plot 1698 C and D Oyin Jolayemi St. V.I. Lagos	711,693	-	-	-	-	-	711,693
Plot 497 Abogo Largema Street. Off Const. Ave. CBD	4,246,939	-	-	(98,787)	(41,527)	-	4,106,625
Plot 173 Oshodi-Gbagada express way, opp. UPS, Gbagada, Lagos.	507,474	-	-	-	-	-	507,474
	5,466,105	**-**	**-**	**(98,787)**	**(41,527)**	**-**	**5,325,791**

Property Location/Description	**1-Jan-24** **N'000**	**Addition** **N'000**	**Disposals** **N'000**	**Transfer** **N'000**	**Depreciation** **N'000**	**Revaluation adjustment** **N'000**	**31-Dec-24** **N'000**
Plot 1698 C and D Oyin Jolayemi St. V.I. Lagos	727,318	-	-	-	(15,625)	-	711,693
Plot 497 Abogo Largema Street. Off Const. Ave. CBD	3,783,197	61,724	-	-	(36,100)	438,118	4,246,939
Plot 173 Oshodi-Gbagada express way, opp. UPS, Gbagada, Lagos.	497,170	76,745	-	-	(5,335)	(61,106)	507,474
	5,007,685	138,469	-	-	(57,060)	377,012	5,466,105

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

9 Property, plant and equipment - Continued

d Movement in leasehold land and building is as follows:

Company Property Location/Description	1-Jan-25 N'000	Addition N'000	Disposals N'000	Transfer/Adjustment N'000	Depreciation N'000	Revaluation adjustment N'000	30-Jun-25 N'000
Plot 497 Abogo Largema Street. Off Const. Ave. CBD	4,309,300	-	-	(98,787)	(27,576)	-	4,182,937
Plot 173 Oshodi-Gbagada Express way, opp. UPS, Gbagada, Lagos.	444,200	-	-	-	(2,604)	-	441,596
	4,753,500	-	-	(98,787)	(30,181)	-	4,624,532

Property Location/Description	1-Jan-23 N'000	Addition N'000	Disposals N'000	Transfer N'000	Depreciation N'000	Revaluation adjustment N'000	31-Dec-23 N'000
Plot 497 Abogo Largema Street. Off Const. Ave. CBD	3,845,560	138,218	-		(36,891)	362,413	4,309,300
Plot 173 Oshodi-Gbagada Express way, opp. UPS, Gbagada, Lagos.	433,894	250	-		(4,544)	14,600	444,200
	4,279,454	138,468	-	-	(41,435)	377,013	4,753,500

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

		Company 2025 N'000	Company 2024 N'000
10	**Goodwill**		
	Balance at 1 January	316,884	316,884
	Adjustment	-	-
	Balance at 30 September	316,884	316,884
	The goodwill is arising on acquisitions in the following subsidiaries:		
	VG Pension	316,884	316,884
	Veritas Health Care Limited	-	-
		316,884	316,884
a	Analysis of movement		
	Balance at 1 January	316,884	316,884
	Balance at 30 September	316,884	316,884

The goodwill recognised on acquisition of Veritas Healthcare Limited (N69.56 million) has been fully impaired.

The calculation of value-in-use was based on the following key assumptions
- The cashflows were projected based on the company's approved budget. The cashflows were based on past experiences and were adjusted to reflect expected future performances of the company .

The key assumptions described above may change as economic and market conditions change. The company estimates that reasonably possible changes in these assumptions would not cause the recoverable Amount of either CGU to decline below The carrying amount.

Assessment of impairment on goodwill was developed by the management of the company.

11 Intangible assets

This comprises of acquired computer software which does not form part of a related hardware.

Computer software	Group 2025 N'000	Group 2024 N'000	Company 2025 N'000	Company 2024 N'000
Cost				
Balance, at 1 January	1,148,707	915,015	999,590	767,996
Additions	6,960	233,692	-	231,594
Balance at 30 September	**1,155,667**	**1,148,707**	**999,590**	**999,590**
Accumulated amortisation				
Balance, at 1 January	596,918	492,262	460,424	366,455
Amortisation	110,793	104,655	103,505	93,969
Balance at 30 September	**707,711**	**596,917**	**563,929**	**460,424**
Carrying amount at 30 September 2025	**447,956**	**551,790**	**435,661**	**539,166**

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

		Group 2025 N'000	Group 2024 N'000	Company 2025 N'000	Company 2024 N'000
12	**Statutory deposit**	355,000	355,000	355,000	355,000

This represent amount deposited with the Central Bank of Nigeria (CBN) as at 30 September, 2025 in pursuant to section 9(1) and section 10(3) of insurance Act 2003. Interest income earned on this deposit is included in investment income. (See note 34)

13 Trade payables

Trade payables represent amounts payable to reinsurance, co-insurers, agents and brokers at period end. The carrying amounts disclosed below approximate the fair values at the reporting date.

This is analysed as follows:	Group 2025 N'000	Group 2024 N'000	Company 2025 N'000	Company 2024 N'000
Commission payable	530,709	417,489	530,709	417,489
Co-insurance premium payable	1,574,511	2,367,915	1,574,511	2,367,915
	2,105,220	**2,785,404**	**2,105,220**	**2,785,404**
a Movement on commission (Acquisition cost) payable				
Balance at 1 january	417,489	182,465	417,489	182,465
Acquisition cost during the year		3,542,626	530,709	3,542,626
Acqusition cost paid during the year		(3,307,602)	(417,489)	(3,307,602)
Balance at 30 September	**417,489**	**417,489**	**530,709**	**417,489**
b Movement in co-insurance premium payable				
Balance at 1 january	2,367,915	1,923,507	2,367,915	1,923,507
Addition during the year		2,367,915	1,574,511	2,367,915
Co-insurance premium owing paid		(1,923,507)	(2,367,915)	(1,923,507)
Balance at 30 September	**2,367,915**	**2,367,915**	**1,574,511**	**2,367,915**

14 Retirement benefit obligation	Group 2025 N'000	Group 2024 N'000	Company 2025 N'000	Company 2024 N'000
Gratuity scheme	12,622	27,712	-	-
Balance at 1 january	27,712	22,187	-	-
Contributions in the period	-	-	-	-
Payments during the year	(15,090)	5,525	-	-
Balance at 30 September	12,622	27,712	-	-

a Defined Benefit Scheme

Veritas Healthcare Limited has a non-contributory defined gratuity scheme whereby on separation, staff who have spent a minimum of five (5) years are paid a sum based on their qualifying emoluments and the number of years spent in service of the Company. The actuarial valuation of the scheme for 31 December 2024 was performed by PENMED Actuarial Consultants FRC/2014/NAS/0000000953 and signed by Bode Olajumoke (FRC/2014/NAS/0000000953).

Summary of membership data	**2025**	**2024**
Active Members	8	13
Total annual emoluments	N108.8mn	N108.8mn
Average Liability duration over future service	18	18

Underlying assumptions

The rate used to discount Pre-retirement employment benefit obligations is determined in line with IAS19, with reference to market yields at the balance sheet date on high quality corporate bonds. The following are the significant assumptions adopted in the computations.

Valuation interest rate	22.0%
Salary increase rate	25.0%

Benefit Liability	Group 2025 N'000	Group 2024 N'000
(Deficit) / Surplus of Funded Plans	12,622	(27,712)
Liability Recognized	12,622	(23,933)

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

14 Retirement benefit obligation - Continued

(i) Reconciliation of Defined Benefit Obligation

Changes in the present value of the defined benefit obligation are as follows;

	Group 2025 N'000	Group 2024 N'000
At 1 January	27,712	23,933
Current service cost*	-	2,475
Interest Cost	-	1,316
Benefit paid	(15,090)	(8,449)
Actuarial (gains) due to change in financial assumptions	-	8,437
Balance at 30 September	12,622	27,712

*Current service cost was included as part of staff cost in note 36.

Pension scheme

The employees of the Company are members of a state arranged Pension scheme (Pension Reform Act, 2004) which is managed by several Pension Funds Administrators. The only obligation of the Company with respect to this pension plan is to make the specified contributions.

15 Provisions and other payables	Group 2025 N'000	Group 2024 N'000	Company 2025 N'000	Company 2024 N'000
Life insurance fund (Note 15a)	131,417	131,417	131,417	131,417
PAYE tax, VAT, NHF and other remitable deductions	529,530	327,255	478,351	290,678
Staff accounts (Note 15b)	310,337	152,598	310,337	15,261
Accrued professional fees (Note 15c)	289,834	111,968	163,216	110,968
Accrued NAICOM levy	187,465	237,934	187,465	237,934
Supplies & Services Bills Payables (Note 15e)	127,055	182,522	127,055	167,576
Other accruals and payables (Note 15f)	834,441	780,065	786,550	719,202
Unclaimed dividends	13,606	13,606	13,606	13,606
Due to employees	193,320	4,563	3,781	3,868
Pension protection fund(Note 15d)	534,238	409,707	-	-
	3,151,243	2,351,635	2,201,778	1,690,510

a Life insurance fund arose from the business of the defunct Kapital Insurance Company Limited that ceased life business in 2007 because the emerged Unity Kapital and then Veritas Kapital is not licensed to carry on life business. The fund was kept in abeyance pending transfer to a Life Assurance Company.

b Staff account balance is in respect, unremitted amount on behalf of staff to various PFAs for the month of December 2024 and deductions from staff salary to be remitted to their co-operative scheme administrator. As at January 2025, staff related benefits have been fully settled.

c Accrued professional fees include accrual for audit fees, tax review and actuarial fees.

d Pension protection fund represents pension protection fund maintained by the pension fund administrators as a cushion to Pensioner whose pension balance is not enough to guarantee at least 2/3 of the Federal Government minimum wage bill on retirement based on section 82 of the Pension Reform Act, 2014

e Suppliers and service bills payables relates to outstanding payments due to vendors and suppliers for services rendered.

f Other accruals and payables are made up of the following

	Group 2025 N'000	Group 2024 N'000	Company 2025 N'000	Company 2024 N'000
Unmatched inflows	725,651	672,147	**725,651**	672,147
Retention fee to contractors	(4,327)	17,467	**(4,327)**	17,467
Unpresented cheques	30,258	29,588	30,258	29,588
Accruals	82,859	57,034	34,968	
	834,441	**776,236**	**786,550**	**719,202**

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

		Group 2025	Group 2024	Company 2025	Company 2024
15	**Provisions and other payables - Continued**	**N'000**	**N'000**	**N'000**	**N'000**
	Current	2,471,982	1,796,905	2,056,755	1,545,487
	Non-Current	679,261	554,730	145,023	145,023
		3,151,243	**2,351,635**	**2,201,778**	**1,690,510**

		Group 2025	Group 2024	Company 2025	Company 2024
16	**Income tax liabilities**	**N'000**	**N'000**	**N'000**	**N'000**
	Company income tax	759,525	316,304	732,646	149,092
	Education tax	-	24,550	-	-
	Information technology levy	-	7,402	-	-
	Police Trust Fund	-	37	-	-
	Under provision in prior years	-	-	-	-
	Deferred tax expense or write back	-	117,026	-	-
	Per income statement	759,525	465,319	732,646	149,092
	Balance at beginning of the year	404,691	187,033	173,210	80,876
	Witholding tax utilsed (Note 6f)	-	(25,516)	-	(25,516)
	Payments	(224,839)	(222,145)	(152,959)	(31,242)
	Per statement of financial position	**939,377**	**404,691**	**752,897**	**173,210**
16.1	**Deferred tax asset**				
	At 1 January	21,745	60,854	21,745	21,745
	Write back to income statement	-	(39,109)	-	-
	Balance at 30 September	**21,745**	**21,745**	**21,745**	**21,745**
16.2	**Deferred tax liability**				
	At 1 January	394,482	184,753	212,416	157,143
	Charges for the year	-	156,136	-	-
	Other comprehensive income	-	53,593	-	55,273
	Balance at 30 September	**394,482**	**394,482**	**212,416**	**212,416**
	Movements in deferred tax liabilities during the year:				
	Recognised in other comprehensive income during the year:				
	Net acturial gains on retirement benefit obligation	-	(1,679)	-	-
	Gain on revaluation of property, plant and equipment	-	37,701	-	37,701
	Fair value gain on financial asset at FVOCI	-	17,571	-	17,571
	Recognised in profit or loss during the year:	-		-	-
	Propety and equipment	-	153,035	-	-
	Intangible assets	-	3,101	-	-
		-	**209,729**	**-**	**55,272**
	Movement in deferred tax asset				
	Recognized in profit or loss during the year				
	Property and equipment	**-**	**(39,109)**	**-**	**-**
		-	**(39,109)**	**-**	**-**
	Deferred tax assets are attributable to the following item:				
	Property and equipment		**21,745**		**21,745**
	Cash and cash equivalents		**-**		**-**
		-	**21,745**	**-**	**21,745**
	Deferred tax liabilities are attributable to the following items:				
	Net acturial gains on retirement benefit obligation	-	(1,528)	-	-
	Fair value gains on PPE	-	346,556	-	162,963
	Fair value gains on equity instruments at FVOCI	-	49,454	-	49,453
		-	**394,482**	**-**	**212,416**
16.3	Net deferred tax liability				
	Deferred tax asset	394,482	394,482	212,416	212,416
	Deferred tax liability	(21,745)	(21,745)	(21,745)	(21,745)
	Net deferred tax liability	**372,737**	**372,737**	**190,671**	**190,671**

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

17 Insurance and reinsurance contracts

The breakdown of groups of insurance contracts issued and reinsurance contracts held, that are in an asset position and those in a liability position is set out in the table below:

	Group 2025	Group 2024	Company 2025	Company 2024
Insurance contract liabilities	**N'000**	**N'000**	**N'000**	**N'000**
Insurance contract liabilities (excluding insurance acquisition cash flows assets and other pre-recognition cash flows)	11,162,472	16,834,500	11,162,472	16,834,500
Insurance acquisition cash flows	(909,449)	(530,873)	(909,449)	(530,873)
Insurance contract liabilities	**10,253,023**	**16,303,627**	**10,253,023**	**16,303,627**
Reinsurance contract assets				
Insurance contract assets (excluding reinsurance deferred acquisition income cash flows, other pre recognition cash flows and reinsurance payables)	8,312,180	5,969,559	8,312,180	5,969,559
Reinsurance deferred acquisition income cash flows	-	(127,889)	-	(127,889)
	8,312,180	**5,841,670**	**8,312,180**	**5,841,670**
Assets for remainging coverage (ARC)				
Excluding loss component	5,565,560	605,682	5,565,560	605,682
Loss component	236,488	236,491	236,488	236,491
	5,802,048	**842,172**	**5,802,048**	**842,172**
Assets for Incurred Claims (AIC)				
Estimate of present value of future cashflows	2,386,162	4,875,529	2,386,162	4,875,529
Risk Adjustment	123,970	123,969	123,970	123,969
	2,510,132	**4,999,498**	**2,510,132**	**4,999,498**
	8,312,180	**5,841,670**	**8,312,180**	**5,841,670**

Insurance contract liabilities	Group 2025	Group 2024	Company 2025	Company 2024
Liabilities for remaining coverage (LRC)	**N'000**	**N'000**	**N'000**	**N'000**
Excluding loss component	4,742,215	2,751,066	4,742,215	2,751,066
Loss component	-	-	-	-
	4,742,215	**2,751,066**	**4,742,215**	**2,751,066**
Liability for Incurred Claims				
Estimate of present value of future cash flows	4,950,979	12,992,733	4,950,979	12,992,733
Risk adjustment for non-financial risk	559,829	559,828	559,829	559,828
	5,510,808	**13,552,561**	**5,510,808**	**13,552,561**
Insurance contract liabilities	**10,253,023**	**16,303,627**	**10,253,023**	**16,303,627**

Group

	2025			2024		
	Asset	Liabilities	Net	Asset	Liabilities	Net
	₦'000	**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**
Insurance contact issued						
General Accident	-	634,691	634,691	-	441,413	441,413
Agriculture	-	316,862	316,862	-	293,141	293,141
Aviation	-	1,810,297	1,810,297	-	1,284,040	1,284,040
Bond	-	(52,256)	(52,256)	-	16,714	16,714
Engineering	-	975,492	975,492	-	1,502,858	1,502,858
Fire	-	1,314,329	1,314,329	-	903,412	903,412
Marine	-	244,598	244,598	-	193,071	193,071
Motor	-	949,602	949,602	-	629,243	629,243
Oil & Gas	-	4,059,408	4,059,408	-	11,039,734	11,039,734
	-	**10,253,023**	**10,253,023**	**-**	**16,303,627**	**16,303,627**
Reinsurance contracts held						
General Accident	(310,923)	-	(310,923)	(112,823)	-	(112,823)
Agriculture	(22,078)	-	(22,078)	(8,074)	-	(8,074)
Aviation	(3,184,182)	-	(3,184,182)	(3,406)	-	(3,406)
Bond	(1,803)	-	(1,803)	(1,597)	-	(1,597)
Engineering	(283,956)	-	(283,956)	(394,661)	-	(394,661)
Fire	(483,017)	-	(483,017)	(347,913)	-	(347,913)
Marine	(162,369)	-	(162,369)	(50,780)	-	(50,780)
Motor	(217,442)	-	(217,442)	(120,148)	-	(120,148)
Oil & Gas	(3,646,410)	-	(3,646,410)	(4,802,269)	-	(4,802,269)
	(8,312,180)	**-**	**(8,312,180)**	**(5,841,670)**	**-**	**(5,841,670)**

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

17 The breakdown of groups of insurance contracts issued and reinsurance contracts held, that are in an asset position and those in a liability position is set out in the table below:

Company

	2025			2024		
	Asset	Liabilities	Net	Asset	Liabilities	Net
	₦'000	**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**
Insurance contact issued						
Accident	-	634,691	634,691	-	441,413	441,413
Agriculture	-	316,862	316,862	-	293,141	293,141
Aviation	-	1,810,297	1,810,297	-	1,284,040	1,284,040
Bond	-	(52,256)	(52,256)	-	16,714	16,714
Engineering	-	975,492	975,492	-	1,502,858	1,502,858
Fire	-	1,314,329	1,314,329	-	903,412	903,412
Marine	-	244,598	244,598	-	193,071	193,071
Motor	-	949,602	949,602	-	629,243	629,243
Oil & Gas	-	4,059,408	4,059,408	-	11,039,734	11,039,734
	-	**10,253,023**	**10,253,023**	**-**	**16,303,627**	**16,303,627**
Reinsurance contracts held						
Accident	(310,923)	-	(310,923)	(112,823)	-	(112,823)
Agriculture	(22,078)	-	(22,078)	(8,074)	-	(8,074)
Aviation	(3,184,182)	-	(3,184,182)	(3,406)	-	(3,406)
Bond	(1,803)	-	(1,803)	(1,597)	-	(1,597)
Engineering	(283,956)	-	(283,956)	(394,661)	-	(394,661)
Fire	(483,017)	-	(483,017)	(347,913)	-	(347,913)
Marine	(162,369)	-	(162,369)	(50,780)	-	(50,780)
Motor	(217,442)	-	(217,442)	(120,148)	-	(120,148)
Oil & Gas	(3,646,410)	-	(3,646,410)	(4,802,269)	-	(4,802,269)
	(8,312,180)	**-**	**(8,312,180)**	**(5,841,670)**	**-**	**(5,841,670)**

The subsequent individual portfolio roll forward for insurance contract liabilities and reinsurance contract assets represents both group and company.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

17a **Reconciliation of insurance contract liabilities (Extended roll forward)**

Roll-forward of net asset or liability for insurance contracts issued showing the liability for remaining coverage and the liability for incurred claims

The Company disaggregates information to provide disclosure in respect of major product lines separately This disaggregation has been determined based on how the company is managed.

The roll forward presented below shows a summarized position of all the portfolios.

Company

Reconciliation of 2025

	Liabilities for remaining coverage		Liability for Incurred Claims		
	Excluding loss component ₦'000	Loss component ₦'000	Estimate of present value of future cashflows ₦'000	Risk Adjustment ₦'000	Total ₦'000
Opening insurance contract liabilities	2,751,065	-	12,992,733	559,828	16,303,627
Opening insurance contract assets	-	-	-	-	-
Net Insurance contract liabilities	2,751,065	-	12,992,733	559,828	16,303,627
Insurance revenue	**(15,876,737)**	**-**	**-**	**-**	**(15,876,737)**
Insurance service expense:	-	-	-	-	-
Incurred claims	-	-	2,521,780	(559,828)	1,961,952
Amortisation of insurance acquisition cash flows	2,473,698	-	-	-	2,473,698
Other acquisition (Maintenamce expense) expensed during the year	71,357	-	-	-	71,357
Changes related to past service ie changes in fulfilment cash flows relating to incurred claims	-	-	559,828	-	559,828
Total Insurance service expenses	**2,545,055**	**-**	**3,081,608**	**(559,828)**	**5,066,835**
Investment components	-	-	-	-	-
Insurance service result	**(13,331,682)**	**-**	**3,081,608**	**(559,828)**	**(10,809,902)**
Insurance finance expenses	-	-	-	-	-
Total change in comprehensive income	**(13,331,682)**	**-**	**3,081,608**	**(559,828)**	**(10,809,902)**
Cashflows					
Premiums received	17,280,082	-	-	-	17,280,082
Claims and expenses paid	-	-	(10,563,533)	-	(10,563,533)
Other directly attributable expenses paid	-	-	-	-	-
Acquisition costs paid on policies initially recognized during the year	(2,586,918)	-	-	-	(2,586,918)
Other acqusition (Maintenance expense) paid during the year	(71,357)	-	-	-	(71,357)
Total cashflows	**14,621,807**	**-**	**(10,563,533)**	**-**	**4,058,274**
Items reported in SOFP (Non-cashflows items)					
Impact of commission payable on policies initially recognized	113,220	-	-	-	113,220
Impact of changes in LRC	(378,575)	-	-	-	(378,575)
Impact of trade receivables on policies initially recognized	966,379	-	-	-	966,379
Total cashflows	**701,024**	**-**	**-**	**-**	**701,024**
Closing insurance contract liabilities	4,742,214	-	5,510,808	-	10,253,023
Closing insurance contract assets	-	-	-	-	-
Net closing balance	**4,742,214**	**-**	**5,510,808**	**-**	**10,253,023**

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

17b Reconciliation of reinsurance contract assets (Extended roll forward)

The roll-forward of the net asset or liability for reinsurance contracts held showing assets for remaining coverage and amounts recoverable on incurred claims arising from business ceded to reinsurers is disclosed in the table below:

	2025				
	Asset for remaining coverage		Amount recoverable on Incurred Claims		
	Excluding loss comonent ₦'000	Loss component ₦'000	Estimate of present value of future cashflows ₦'000	Risk Adjustment ₦'000	Total ₦'000
Opening re-insurance contract assets	605,682	236,490	4,875,530	123,969	5,841,671
Opening re-insurance contract liabilities	-				
Net re-insurance contract assets	605,682	236,490	4,875,530	123,969	5,841,671
Allocation of reinsurance premium	(8,397,935)		-	-	(8,397,935)
Amounts recoverable from reinsurers for incurred claims	-	-	4,118,416	(123,969)	3,994,447
Other incurred directly attributable expenses	-	-	-	-	-
Changes to amounts recoverable for incurred claims	-	-	-	-	-
Reinsurance Investment components	-	-		-	-
Net income or expense from reinsurance contracts held	**(8,397,935)**	**-**	**4,118,416**	**(123,969)**	**(4,403,488)**
Reinsurance finance income	-	-	-	-	-
Total change in comprehensive income	**(8,397,935)**	**-**	**4,118,416**	**(123,969)**	**(4,403,488)**
Cashflows					
Premiums and similar expense paid	13,357,812	-	-	-	13,357,812
Amounts received	-	-	(6,483,815)	-	(6,483,815)
	13,357,812	**-**	**(6,483,815)**	**-**	**6,873,997**
Items reported in SOFP (Non-cashflows items)					
Impact of changes in ARC					-
	-	**-**	**-**	**-**	**-**
Closing re-insurance contract assets	5,565,559	236,490	2,510,131	-	8,312,180
Closing re-insurance contract liabilities	-	-	-	-	-
Net closing balance	**5,565,559**	**236,490**	**2,510,131**	**-**	**8,312,180**

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

17a Reconciliation of insurance contract liabilities (Extended roll forward)

Roll-forward of net asset or liability for insurance contracts issued showing the liability for remaining coverage and the liability for incurred claims

The Company disaggregates information to provide disclosure in respect of major product lines separately This disaggregation has been determined based on how the company is managed.

The roll forward presented below shows a summarized position of all the portfolios.

Company

Reconciliation of 2024

	Liabilities for remaining coverage		Liability for Incurred Claims		
	Excluding loss component ₦'000	Loss component ₦'000	Estimate of present value of future cashflows ₦'000	Risk Adjustment ₦'000	Total ₦'000
Opening insurance contract liabilities	1,816,576	-	2,337,459	385,168	4,539,202
Opening insurance contract assets	-	-	-	-	-
Net Insurance contract liabilities	1,816,576	-	2,337,459	385,168	4,539,202
Insurance revenue	(23,330,242)	-	-	-	(23,330,242)
Insurance service expense	-	-	-	-	-
Incurred claims and other expenses	-	-	14,530,554	(569,125)	13,961,429
Amortisation of insurance acquisition cash flows	3,765,816	-	-	-	3,765,816
Other acquisition (Maintenamce expense) expensed during the year	86,616	-	-	-	86,616
Changes related to future service	-	-	98,807	(31,525)	67,282
Changes related to past service	-	-	(66,314)	775,312	708,998
Total Insurance service expenses	**3,852,432**	**-**	**14,563,047**	**174,661**	**18,590,142**
Investment components	-	-	-	-	-
Insurance service result	**(19,477,809)**	**-**	**14,563,047**	**174,661**	**(4,740,100)**
Insurance finance expenses			(956,336)	-	(956,336)
Total change in comprehensive income	**(19,477,809)**	**-**	**13,606,711**	**174,661**	**(5,696,436)**
Cashflows					
Premiums received	23,178,430	-	-	-	23,178,430
Claims and expenses paid	-	-	(2,162,686)	-	(2,162,686)
Other directly attributable expenses paid	-	-	(788,750)		(788,750)
Acquisition costs paid on policies initially recognized during the year	(3,220,986)	-	-	-	(3,220,986)
Other acqusition (Maintenance expense) paid during the year	(86,616)	-	-	-	(86,616)
Total cashflows	**19,870,828**	**-**	**(2,951,436)**	**-**	**16,919,392**
Items reported in SOFP (Non-cashflows items)					
Impact of commission payable on policies initially recognized	25,619	-	-	-	25,619
Impact of trade receivables on policies initially recognized	515,855	-	-	(1)	515,854
Total cashflows	**541,474**	**-**	**-**	**(1)**	**541,473**
Closing insurance contract liabilities	2,751,065	-	12,992,733	559,828	16,303,627
Closing insurance contract assets	-	-	-	-	-
Net closing balance	**2,751,065**	**-**	**12,992,733**	**559,828**	**16,303,627**

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

17b Reconciliation of reinsurance contract assets (Extended roll forward)

The roll-forward of the net asset or liability for reinsurance contracts held showing assets for remaining coverage and amounts recoverable on incurred claims arising from business ceded to reinsurers is disclosed in the table below:

2024

	Asset for remaining coverage		Amount recoverable on Incurred Claims		
	Excluding loss comonent	Loss component	Estimate of present value of future cashflows	Risk Adjustment	Total
	₦'000	₦'000	₦'000	₦'000	₦'000
Opening re-insurance contract assets	425,533	5,297	1,111,437	105,591	1,647,857
Opening re-insurance contract liabilities	-				
Net re-insurance contract assets	425,533	5,297	1,111,437	105,591	1,647,857
An allocation of reinsurance premiums	(14,512,705)	236,474	-	-	(14,276,231)
Amounts recoverable from reinsurers for incurred claims	-	-	5,485,309	(196,578)	5,288,731
Amounts recoverable for other directly attributable expenses	500,259	(5,280)	(494,980)	-	(0)
Changes to amounts recoverable for incurred claims	-	-	(150,480)	214,956	64,475
Reinsurance Investment components	-	-	-	-	-
Net income or expense from reinsurance contracts held	(14,012,446)	231,194	4,839,849	18,377	(8,923,026)
Reinsurance finance income	-	-	(250,922)		(250,922)
Total change in comprehensive income	**(14,012,446)**	**231,194**	**4,588,926**	**18,377**	**(9,173,948)**
Cashflows					
Premiums and similar expense paid	14,192,596	-	-	-	14,192,596
Amounts received	-	-	(824,834)	-	(824,834)
	14,192,596	**-**	**(824,834)**	**-**	**13,367,762**
Closing re-insurance contract assets	605,682	236,491	4,875,529	123,969	5,841,671
Closing re-insurance contract liabilities	-	-	-	-	-
Net closing balance	**605,682**	**236,491**	**4,875,529**	**123,969**	**5,841,671**

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

18 Share capital	Group 2025 N'000	Group 2024 N'000	Company 2025 N'000	Company 2024 N'000
Issued and fully paid				
At 30 September 2025	6,933,333	6,933,333	6,933,333	6,933,333

13,866,666 units (2023 - 13,866,666 units) of shares at 50k each were issued and fully paid as at September 30, 2025. All shares rank equally with regard to the Company's residual assets.

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at the meetings of the Company.

19 Share premium	Group 2025 N'000	Group 2024 N'000	Company 2025 N'000	Company 2024 N'000
Balance at 30 September	663,600	663,600	663,600	663,600

Share premium comprises additional paid-in capital in excess of their per value.

20 Statutory contingency reserve

In compliance with Section 21 (1) of Insurance Act 2003, the contingency reserve for non-life insurance business is credited with the greater of 3% of total premiums, or 20% of the net profits and the amount shall accumulate until it reaches the amount of greater of minimum paid-up capital or 50 percent of net premium. The movement in the account is as follows:-

	Group 2025 N'000	Group 2024 N'000	Company 2025 N'000	Company 2024 N'000
Balance at 1 January	2,611,284	1,434,593	2,611,284	1,900,456
Transfer from retained earnings	678,200	465,863	678,200	710,828
Balance at 30 September	3,289,484	1,900,456	3,289,484	2,611,284

21 Retained earnings

The retained earning are carried forward recognised income net of expenses plus current period profit attributable to shareholders.

See statement of changes in equity for movement in retained earnings.

	Group 2025 N'000	Group 2024 N'000	Company 2025 N'000	Company 2024 N'000
Balance at 1 January	(1,189,504)	1,008,862	(2,305,749)	39,674
Profit for the year	3,940,914	(1,224,396)	3,391,000	(1,634,596)
On disposal of property	-	-	-	-
Transfer to contingency reserve	(678,200)	(710,828)	(678,200)	(710,828)
Net actuarial gain /(loss) on retirement benefit obligations	-	(14,131)	-	-
Transfer of revaluation gain on disposal of PPE	-	-	-	-
Dividend paid to equity holders	(4,012)	(249,010)	-	-
Balance at 30 September	2,069,198	(1,189,503)	407,051	(2,305,750)

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

22 Assets revaluation reserve

Assets revaluation reserve represents the net accumulated change in the fair value of land and buildings until the asset is derecognized or impaired.

	Group 2025 N'000	Group 2024 N'000	Company 2025 N'000	Company 2024 N'000
Land				
Balance at 1 January	2,012,896	1,291,645	2,012,896	1,291,645
Revaluation surplus	-	721,251	-	721,251
Balance at 30 September	2,012,896	2,012,896	2,012,896	2,012,896
Building				
Balance at 1 January	1,950,191	2,533,216	1,950,191	2,294,430
Revaluation (deficit)/surplus	-	(344,239)	-	(344,239)
Balance at 30 September	1,950,191	2,188,977	1,950,191	1,950,191
Opening balance deferred tax impact	11,195	(189,890)	(227,591)	(189,890)
Disposal	-	-	-	-
Deferred tax impact	-	(37,701)	-	(37,701)
Transfer to NCI	-	-	-	-
Carrying amount	3,974,282	3,974,282	3,735,496	3,735,496

23 FVOCI reserve

	Group 2025 N'000	Group 2024 N'000	Company 2025 N'000	Company 2024 N'000
Balance at 1 January	275,880	235,984	279,568	239,673
Net actuarial gains on retirement benefit obligation	-	-	-	-
Fair value gain on FVOCI financial	-	39,896	-	39,896
Balance at 30 September	275,880	275,880	279,569	279,569

24 Earnings per share

Basic (loss)/earnings per share (kobo)

The calculation of basic earnings per share was based on the profit after tax attributable to ordinary shareholders, and a weighted average number of ordinary shares outstanding on that date calculated as follow:

	Group 2025 N'000	Group 2024 N'000	Company 2025 N'000	Company 2024 N'000
Profit/(Loss) after tax attributable to equity holders N'000	4,123,939	(785,403)	3,391,000	(1,634,596)
Weighed average no. of ordinary shares at end of year '000	6,933,333	6,933,333	6,933,333	6,933,333
Basic (loss)/ earnings per share (kobo)	0.59	(0.11)	0.49	(0.24)

The Company does not have any instrument with a dilutive effect on its capital,Hence, the basic earnings per share is same as diluted earnings per share

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

25 Other contract liabilities	Group 2025 N'000	Group 2024 N'000	Company 2025 N'000	Company 2024 N'000
Provisions for claims	30,500	6,861	-	-
Unearned/deferred premium	23,058	2,038	-	-
	53,558	**8,899**	**-**	**-**

Other contract liabilities includes the outstanding claims provision and the provision for unearned premium. The outstanding claims provision is based on the estimated ultimate cost of all claims incurred but not settled at the reporting date, whether reported or not, together with related claims handling. The provision for unearned premiums represents that portion of premiums received or receivable that relates to risks that have not yet expired at the reporting date.

26 Insurance revenue

	Group 2025 N'000	Group 2024 N'000	Company 2025 N'000	Company 2024 N'000
Accident	709,314	433,461	710,340	433,461
Agriculture	34,522	9,807	34,522	9,807
Aviation	8,989,341	10,730,484	8,989,341	10,730,484
Bond	16,942	23,065	16,942	23,065
Engineering	639,205	229,243	639,359	229,243
Fire	1,516,984	948,976	1,520,457	948,976
Marine	449,194	261,514	449,194	261,514
Motor	1,218,947	1,039,181	1,236,927	1,039,181
Oil & Gas	2,279,655	2,422,803	2,279,655	2,422,803
PHI Premium	455,821	-	-	-
	16,309,925	**16,098,534**	**15,876,737**	**16,098,534**

The revenue was measured and released based on effluxion of time .

27 Insurance service expense

	Group 2025 N'000	Group 2024 N'000	Company 2025 N'000	Company 2024 N'000
Incurred claims	2,784,435	12,062,562	2,521,780	12,062,562
Amortization of insurance aquistion cashflows	2,545,055	1,914,149	2,545,055	1,914,149
	5,329,490	**13,976,711**	**5,066,835**	**13,976,711**

28 Net expense from reinsurance contract held

	Group 2025 N'000	Group 2024 N'000	Company 2025 N'000	Company 2024 N'000
Allocation of reinsurance premium	8,397,935	9,959,996	8,397,935	9,959,996
Amount recovered for claims and other expenses	(3,994,447)	(6,494,670)	(3,994,447)	(6,494,670)
Net expense from reinsurance contract held	**4,403,488**	**3,465,326**	**4,403,488**	**3,465,326**

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

		Group 2025 N'000	Group 2024 N'000	Company 2025 N'000	Company 2024 N'000
29	**Finance expenses from insurance contracts issued**				
	Finance expense	-	609,656	-	609,656
30	**Finance income from reinsurance contracts held**				
	Finance income	-	194,128	-	194,128

		Group 2025 N'000	Group 2024 N'000	Company 2025 N'000	Company 2024 N'000
31	**Investment income**				
	Interest income calculated using effective interest rate (Note 31a)	745,396	759,829	321,556	326,224
	Other investment income (Note 31b)	2,200,034	639,878	521,909	478,158
	Total Investment income	**2,945,430**	**1,399,707**	**843,465**	**804,382**
31a	**Interest income calculated using effective interest rate**				
	Interest income on bonds	745,396	759,829	321,556	326,224
		745,396	**759,829**	**321,556**	**326,224**
31b	**Other investment income**				
	Interest income-FGN Treasury bills	26,448	50,134	20,614	13,125
	Interest income -Short term deposits	618,642	548,816	414,757	444,928
	Dividends from equity investments	9,425	6,868	13,437	6,868
	Profit on Disposal of Assets	-	-	-	-
	RSA asset based fee	1,472,418	-	-	-
	Interest income on Statutory deposit	73,101	34,060	73,101	13,237
		2,200,034	**639,878**	**521,909**	**478,158**
	Further analysed as follows:				
	Attributable to policy holders fund	98,106	93,560	98,106	93,560
	Attributable to shareholders funds.	2,847,324	1,306,147	745,359	710,822
		2,945,430	**1,399,707**	**843,465**	**804,382**
31c	**Net fair value gains/(losses) on financial assets at fair value through profit or loss**				
	Fair value gain/(loss) on financial assets	35,660	26,615	35,660	26,615
		35,660	**26,615**	**35,660**	**26,615**

		Group 2025 N'000	Group 2024 N'000	Company 2025 N'000	Company 2024 N'000
32	**Foreign Exchange gain**				
	Exchange gain/(loss) (Note 32a)	(362,414)	4,958,034	(362,414)	4,958,034
		(362,414)	**4,958,034**	**(362,414)**	**4,958,034**

32a Exchange gain/(loss) relates to translation of transactions in foreign currency for oustanding claims, bank balances and foriegn currency investments as at end of the year to naira.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

		Group 2025	Group 2024	Company 2025	Company 2024
33	**Other operating income**	**N'000**	**N'000**	**N'000**	**N'000**
	Rental income	-	6,153	7,596	6,153
	Profit on sale of PPE	-	12,355	-	12,355
	Staff mortgage loan-interest	232	781	232	781
	RSA administrative fee income	37,807	1,558,954	-	-
	PHI Premium	-	234,054	-	-
	Admin charges- formal sector	484,219	-	-	-
	Sundry income	20,338	30,268	22,733	14,377
		542,596	**1,842,565**	**30,561**	**33,666**

Sundry income relates to income received in the current year as a result of transactions which were not earlier accrued for due to insufficient information.

		Group 2025	Group 2024	Company 2025	Company 2024
34	**Credit loss expense/(reversal) on financial asset**	**N'000**	**N'000**	**N'000**	**N'000**
	Impairment charge/(reversal) on other asset (note 6)	-	-	-	-
	Impairment (reversal)/charge on financial asset (note 4(iv))	-	-	-	-
	Impairment charge/ (reversal) on placement (note 3.1)	5,740	-	-	-
	Impairment charge on trade receivable (note 5c)	-	-	-	-
		5,740	**-**	**-**	**-**
35	**Other operating expenses**				
	Staff costs	2,305,610	1,249,879	1,164,011	379,984
	Directors' allowances and expenses	542,619	572,917	314,911	264,769
	Depreciation and amortisation (Note 36.1)	283,639	256,299	204,351	147,551
	Professional fees	106,488	136,186	96,122	124,241
	Audit fees	66,637	39,304	41,832	28,500
	Marketing and advertisement	575,906	185,839	523,668	136,505
	Administrative expenses	393,437	369,567	211,945	165,833
	Amortization-monetized benefit	-	-	-	-
	Repairs and maintenance	100,807	43,924	23,695	12,653
	Travel costs and allowances	58,489	39,492	17,858	29,288
	NAICOM Levy	78,733	191,056	78,733	191,056
	Donation	28,398	7,225	-	50
	Electricity and power	85,299	68,217	54,348	55,369
	Penalty charge (Note 42)	-	-	-	-
	Subscription	43,410	13,378	29,807	10,683
	Printing and stationeries	10,711	20,060	2,603	2,402
	Information technology expenses	89,220	122,457	66,156	73,686
	Pension protection fund levy	58,296	45,404	-	-
	Rent and rate	21,317	21,276	-	-
	PHI claims paid	-	109,576	-	
		4,849,016	**3,492,056**	**2,830,040**	**1,622,570**

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

		Group 2025	Group 2024	Company 2025	Company 2024
35	**Breakdown of depreciation and amortisation**	**N'000**	**N'000**	**N'000**	**N'000**
	Depreciation (Note 9)	187,022	177,084	100,846	77,650
	Amortisation (Note 11)	110,793	79,215	103,505	69,900
		297,815	**256,299**	**204,351**	**147,550**
36	**Income tax expense**				
	Company income tax	759,525	101,426	732,646	101,426
	Education tax	-	(171,782)	-	316,212
	Minimum tax	-	-	-	-
	Police trust fund	-	892	-	892
	Information technology levy	-	178,194	-	178,194
	Deferred tax (write-back)/expense	-	-	-	-
		759,525	**108,730**	**732,646**	**101,968**

37 Non-controlling interest

The movement in non-controlling interest during the year is shown below:

	Group 2025	Group 2024
	N'000	**N'000**
Balance, beginning of year	2,016,865	1,991,597
Share of profit for the period	202,135	131,530
Share of other comprehensive income	-	-
Dividend Paid	(279)	(105,280)
Acturial gain on retirement benefit obligation	-	(982)
Statutory reserves fund	43,602	-
	2,262,323	2,016,865

38 Proposed dividend

There was no proposed dividend during the year (2024: Nil)

39 Contingent liabilities

There were claims and litigations against the company as at 30 September 2025, amounting to ₦5,183,344,729 (2024: ₦4,633,519,059). No provision is made in respect of this, as our legal team is of the opinion that it is not certain an outflow of economic resources will be required to settle this amount in the future.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

40 Contraventions

At 30 September 2025 **Nature of contraventions**	**Group** **N'000**	**Company** **N'000**
No contravention dwas incurred or paid during the year	-	-
	-	-

31 December 2024 **Nature of contraventions**	**Group** **N'000**	**Company** **N'000**
Pencom penalty on KYC and single obligor limit	-	-
	-	-

41 Related Parties Transactions

a Transactions between the company, and the subsidiaries also meet the definition of related party transactions where these are eliminated on consolidation, they are not disclosed in the consolidated financial statements. Details of transactions between the group and other related parties are disclosed below:

The Company enters into transactions with its subsidiaries, major shareholders and its key management personnel in the normal course of business of providing insurance cover on Motor,Fire,and General accidents. The transactions with related parties are made at normal market prices and conducted at arm's lenght.

	Relationship	**Premium written** **N'000**	**Claims paid** **N'000**
Veritas Glanvills Pensions Limted	Subsidiary	21,706	3,839
Veritas Health Care Ltd	Subsidiary	927	156
Gold links insurance plc	Associates	-	-

b Included in Note 8 is the sum of N62.03m recoverable from related entities during the year under review. The breakdown and nature of transactions are included below:

	Relationship	**Amount** **N'000**	**Nature of transaction**
Goldlink Insurance Plc	Associate	62,033	This relates to the amount receivable on various expenses incurred on behalf of the entity in year 2019.

c Compensation of key management personnel

Key management personnel refers to those persons having authority and responsibility for planning, directing and controlling the activities of the company. It comprises executive and non-executive directors and senior management.

The summary of compensation of key management personnel for the year is as follows:

	2025	**2024**
Salaries (senior management and executive directors)	150,422	137,510
Total compensation to key management personnel	150,422	137,510
Directors cost (Non-Executive)	252,000	198,750
Salaries and wages (Executive)	135,653	66,133
Pension cost (Executive)	14,789	2,061
Total Directors cost	402,442	266,944
Remuneration of highest paid Director/Chairman	42,000	21,000

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

42 Information regarding employees

The table below shows the number of staff whose emoluments during the year excluding pension contributions were within the ranges stated:

			2025	2024	2025	2024
			Number	Number	Number	Number
Below	-	500000	-	-	-	-
500001	-	1500000	55	55	-	-
1500001	-	2500000	64	75	-	11
2500001	-	3500000	49	72	8	23
3500001	-	4500000	24	38	-	14
4500001	-	5500000	18	22	20	4
5500001	-	6500000	20	32	14	12
6500001	-	7500000	7	15	1	8
7500001	-	8500000	-	-	1	-
8500001	-	9500000	18	27	12	9
9500001	-	10500000	9	13	1	4
10500001	-	and above	11	22	25	8
			275	371	82	93

43 Hypothecation

The Company is exposed to a range of financial risks through its financial assets, financial liabilities, reinsurance assets and insurance liabilties. In particular, the key financial risk is that in the long term its investment proceeds will not be sufficient to fund the obligations arising from its insurance and investment contracts. In response to the risk, the Company's assets and liabilities at 30 September 2025 were allocated as follows:

	Shareholders fund N'000	Policy Holders N'000	Total N'000
Insurance Contract Liabilities - Liability for Incurred Claims	-	5,510,808	5,510,808
Insurance Contract Liabilities - Liability for Remaining Coverage	-	4,742,215	4,742,215
Gross Insurance Funds	**-**	**10,253,023**	**10,253,023**
Less			
Reinsurance Contract Assets			
Assets for Incurred Claims	-	(2,510,132)	(2,510,132)
Assets for Remaining Coverage	-	(5,802,048)	(5,802,048)
Net Insurance Funds	**-**	**1,940,843**	**1,940,843**
Admissible Assets:			
Cash and Cash Equivalents	1,787,369	-	1,787,369
Placement with Financial Insititutions	-	4,609,235	4,609,235
Treasury bills and Government Bonds	-	4,801,907	4,801,907
Quoted Shares	179,024	-	179,024
Premium receivables	579,239	-	579,239
Statutory deposits	355,000	-	355,000
Total Admissible Assets	**2,900,632**	**9,411,142**	**12,311,774**
SURPLUS(DEFICIT) IN ASSETS COVER	**2,900,632**	**7,470,299**	**10,370,931**

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

44 Capital Management

Nigerian Insurance Industry Reform Act (NIIRA) 2025

The Federal Government of Nigeria, by Federal Republic of Nigeria Official Gazette, dated 29 August 2025, enacted the Nigerian Insurance Industry Reform Act, 2025. The NIIRA 2025 repealed the Insurance Act 2004, the Marine Insurance Act 2004, the Motor Vehicles (Third Party Insurance) Act, 2004, the National Insurance Corporation of Nigeria Act, 2004 and the Nigeria Reinsurance Corporation Act 2004. The Nigerian Insurance Industry Reform Act, 2025 was enacted to provide for a comprehensive legal and regulatory framework for insurance business in Nigeria; and for related matters.The words “Minimum Capital” was introduced in Section 15 of the Act. Section 15(1)(a) stipulates that A person shall not carry on insurance business in Nigeria unless the insurer has and maintains, while carrying on that business, a minimum capital, in the case of non-life insurance business, the higher of;

(i) NGN15billion or

(ii) Risk-based capital determined by the Commission ;

By the provision of section 15(5), minimum capital requirement means -

(a) (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.

(b) In the case of a new company - Section 15(4) -

(i) Government Bonds and Treasury Bills; or

(ii) Cash and cash equivalents.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

45 Segment reporting

Identification of reportable segments

The business activities of Veritas Kapital Plc Group are first organized by product and type of service: insurance activities, asset management activities and Health Management activities.
Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit (or loss) before income taxes, as included in the internal management reports that are reviewed by the Group's CEO.

Information reported to the chief operating decision maker (the CEO) for the purposes of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided. The Company's reportable segments under IFRS 8 are therefore as follows:

- Non-life business
- Pension Administration
- Health Care

Non-Life Business

The non -life reportable segment offers a wide variety of insurance products for both personal and corporate customers. The products offer range from engineering, aviation, marine liability, motor liability, oil and energy, bond, fire and property. The main source of income in this segment is the premium received from the insured on risk covered by the entity and the investment income earned on placements and deposit with financial institutions.

Pension Administration

This reportable segment include the administration and management of the retirement benefits of members. The administration includes making investment decisions, collection of contribution and making payment to retirees in-line with provisions of Pension Reform Act 2014. The revenue earned includes administration and management fees received and receivable on members' contributions and the Net Asset value of Funds under Management respectively.

Health Care

This reportable segment is a National Health Maintenance Organization (HMO) duly licenced and accredited by the National Health Insurance Scheme which provide Health Insurance Services to individuals and organizations in both the private sector and the formal sector under the National Health Insurance Scheme (NHIS).

Business Segment Information- Consolidated statement of financial position

	Non-life		Pension administrator		Healthcare		Elimination		Group	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Assets:	**=N= '000**	**=N= '000**	**=N= '000**	**=N= '000**	**=N= '000**	**=N= '000**	**=N= '000**	**=N= '000**	**=N= '000**	**=N= '000**
Cash and cash equivalents	6,396,604	9,830,861	1,870,683	581,969	654,275	569,112	-	-	8,921,561	11,196,743
Financial assets	5,473,218	5,714,388	4,639,841	5,327,951	-	-	-	-	10,113,059	10,827,538
Trade receivable	579,239	1,545,616	-	-	-	-	-	-	579,239	1,545,616
Reinsurance assets	8,312,180	5,841,670	-	-	-	-	-	-	8,312,180	5,841,670
Other receivables and prepayment	196,411	174,053	944,214	603,731	144,801	107,084	-	-	1,285,428	884,869
Investment in subsidiaries	4,026,300	4,026,300	-	-	-	-	(4,026,300)	(4,026,300)	-	-
Goodwill	-	-	-	-	-	-	316,884	316,884	316,884	316,884
Intangible assets	435,661	539,166	12,295	12,625	-	-	-	-	447,956	551,789
Property, Plant and Equipment	5,037,509	5,033,899	962,596	948,577	24,183	37,856	284	-	6,024,572	6,020,334
Statutory deposit	355,000	355,000	-	-	-	-	-	-	355,000	355,000
Deferred tax asset	-	-	-	-	-	-	-	-	-	-
Total Assets	**30,812,122**	**33,060,953**	**8,429,629**	**7,474,854**	**823,259**	**714,052**	**(3,709,132)**	**(3,709,417)**	**36,355,879**	**37,540,443**
Liabilities:										
Insurance contract liabilities	10,253,023	16,303,627	-	-	-	-	-	-	10,253,023	16,303,627
Other contract liabilities	-	-	-	-	53,558	8,899	-	-	53,558	8,899
Trade payables	2,105,220	2,785,404	-	-	-	-	-	-	2,105,220	2,785,405
Employees retirement benefit obligations	-	-	-	-	12,620	29,391	-	-	12,622	27,710
Provision and other payables	2,201,778	1,690,510	938,313	636,906	11,152	16,831	-	-	3,151,243	2,351,635
Income tax liabilities	752,897	173,210	131,145	231,481	18,040	7,389	37,294	-	939,377	404,691
Deferred tax liabilities	190,671	190,671	140,938	154,967	27,099	27,099	14,029	-	372,737	372,737
Equity:										
Issued and paid up share capital	6,933,333	6,933,333	5,000,000	5,000,000	429,075	429,075	(5,429,075)	(5,429,075)	6,933,333	6,933,333
Share premium	663,600	663,600	-	-	8,946	8,946	(8,946)	(8,946)	663,600	663,600
Statutory contingency reserves	3,289,484	2,611,284	498,944	346,994	-	208,188	(498,944)	(293,038)	3,289,484	2,611,284
Retained earnings	407,050	(2,305,750)	1,393,698	777,913	262,769	(21,766)	5,681		2,069,198	(1,189,504)
Other components of equity:										
Asset revaluation reserve	3,735,496	3,735,496	326,592	326,592	-	-	(87,806)	(87,806)	3,974,282	3,974,282
Fair value reserve	279,569	279,569	-	-	-	-	(3,688)	(3,689)	275,880	275,880
Non controlling interest(NCI)	-	-	-	-	-	-	2,262,321	2,110,641	2,262,322	2,016,863
	30,812,121	**33,060,953**	**8,429,629**	**7,474,854**	**823,260**	**714,052**	**(3,709,132)**	**(3,711,913)**	**36,355,876**	**37,540,443**

Business Segment Information- Consolidated statement of Comprehensive Income

	Non-life		Pension administrator		Healthcare		Consolidation Adjustments		Group	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
	=N= '000	**=N= '000**	**=N= '000**	**=N= '000**	**=N= '000**	**=N= '000**	**=N= '000**	**=N= '000**	**=N= '000**	**=N= '000**
Insurance service result	6,406,414	(1,343,503)	-	-	189,172	-	(22,633)	-	6,576,948	(1,343,503)
Profit before income tax	4,123,646	2,441,096	656,313	472,148	107,516	31,888	(4,012)	181,015	4,883,464	2,363,112
Profit after tax	3,391,000	2,339,128	656,313	472,148	80,637	24,168	(4,012)	181,015	4,123,939	2,789,119

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

46 Risk management framework

(a) Capital management objectives, policies and approach

The Company has established the following capital management objectives, policies and approach to managing the risks that affect its capital position:

(i) To maintain the required level of stability of the Company thereby providing a degree of security to policy holders.

(ii) To allocate capital efficiently and support the development of business by ensuring that returns on capital employed meet the requirements of its capital providers and of its shareholders.

(iii) To retain financial flexibility by maintaining strong liquidity and access to a range of capital markets.
(iv) To align the profile of assets and liabilities taking account of risks inherent in the business.

(v) To maintain financial strength to support new business growth and to satisfy the requirements of the policyholders, regulators and stakeholders.

(vi) To maintain strong credit ratings and healthy capital ratios in order to support its business objectives and maximise shareholders value.
In reporting financial strength, capital and solvency are measured using the rules prescribed by the National Insurance Commission (NAICOM). These regulatory capital tests are based upon required levels of solvency, capital and a series of prudent assumptions in respect of the type of business written. The Company's capital management policy for its insurance and non-insurance business is to hold sufficient capital to cover the statutory requirements based on the NAICOM directives, including any additional amounts required by the regulator.

(b) Approach to capital management

The Company seeks to optimise the structure and sources of capital to ensure that it consistently maximises returns to shareholders and policyholders. The Company's approach to managing capital involves managing assets, liabilities and risks in a coordinated way, assessing shortfalls between reported and required capital levels on a regular basis and taking appropriate actions to influence the capital position of the Group in the light of changes in economic conditions and risk characteristics.

The primary source of capital used by the Company is equity shareholders' funds.

The Group has had no significant changes in its policies and processes to its capital structure during the past quarter from previous quarters.

The table below shows the available capital resources as at 30 September:

	2025 N'000	2024 N'000
Total shareholders' funds	15,308,532	13,172,921
Regulatory required capital	15,000,000	3,000,000
Excess capital reserve	308,532	10,172,921

(c) Regulatory framework

The insurance industry regulator measures the financial strength of Non-Life Insurers using a Minimum Capital Requirement (MCR) or Risk Based Capital benchmark. The NAICOM generally expects non-life insurers to comply with the minimum capital requirement as stipulated in the Nigerian Insurance Industry Reform Act (NIIRA) 2025. Section 15 of the NIIRA 2025 defines the MCR of a non-life insurer as the higher of N15billion or risk based capital as maybe determined by NAICOM.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

47 Minimum Capital Requirement

The Minimum Capital Requirement (MCR) for the company as at 30 September 2025 is as follows:

			2025	2024
	Carrying Amount	Inadmisible	Admissible	Admissible Assets
	N'000	N'000	N'000	N'000
Cash and cash equivalents	1,787,369	-	1,787,369	2,424,082
Tenored Deposit with Financial Institutions	4,609,235	-	4,609,235	7,406,779
Government Bonds	4,667,836	-	4,667,836	4,942,188
Treasury Bills	134,071	-	134,071	141,879
Quoted Shares	179,024	-	179,024	138,264
Reinsurance contract assets	8,312,180	-	8,312,180	5,841,670
Premium receivables	579,239	-	579,239	1,545,616
Statutory deposits	355,000	-	355,000	355,000
Others:				
Unquoted Shares	492,287	492,287	-	-
Other receivables and prepayments	196,411	196,411	-	-
Investment in subsidiaries	4,026,300	4,026,300	-	-
Intangible assets - Software	435,661	435,661	-	-
Property, plant and equipment	5,037,509	5,037,509	-	-
Total Assets (a)	**30,812,122**	**10,188,168**	**20,623,954**	**22,795,478**
Insurance contract liabilities	10,253,023	-	10,253,023	16,303,627
Trade payables	2,105,220	-	2,105,220	2,785,404
Provision and other payables	2,201,778	-	2,201,778	1,690,510
Income tax liabilities	752,897	-	752,897	173,210
Deferred tax liabilities	190,671	-	190,671	190,671
Total liabilities (b)	**15,503,589**	**-**	**15,503,589**	**21,143,422**
Minimum Capital Requirement (MCR) = (a)-(b) i.e. Admissible Assets less Admissible Liabilities			**5,120,365**	**1,652,056**
Minimum Capital Requirement (MCR)	15,000,000		15,000,000	15,000,000
MCR SURPLUS/(DEFICIT)			(9,879,635)	(13,347,944)

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

48 Financial instruments - Fair values and risk management

Group

(a) Accounting classifications and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.
It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

30 September 2025	**Carrying amount**					**Fairvalue**			
In thousands of naira	**Designated at fair value**	**Armotised cost**	**Fair value through OCI**	**Other Financial liabilities**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets measured at fair value	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Fair value through OCI	-	-	492,287	-	492,287	492,287	-	-	492,287
Fair Value through Profit or Loss	179,024	-	-	-	179,024	179,024	-	-	179,024
	179,024	-	492,287	-	671,311	671,311	-	-	671,311
Financial assets not measured at fair value									
Cash and cash equivalents	-	1,931,092	-	-	1,931,092	-	1,931,092	-	1,931,092
Trade Receivable*	-	579,239	-	-	579,239	-	579,239	-	579,239
Placements	-	6,990,469	-	-	6,990,469	-	6,990,469	-	6,990,469
Statutory deposit	-	355,000	-	-	355,000	-	355,000	-	355,000
	-	9,855,800	-	-	9,855,800	-	9,855,800	-	9,855,800
Financial liabilities not measured at fair value									
Other payables*	-	-	-	3,151,243	3,151,243	-	3,151,243	-	3,151,243
Trade payables*	-	-	-	2,105,220	2,105,220	-	2,105,220	-	2,105,220
	-	**-**	**-**	**5,256,463**	**5,256,463**	**-**	**5,256,463**	**-**	**5,256,463**

The Company has disclosed the fair value of each class of financial assets and liabilities in a way that permits the information to be compared with the carrying amounts. In addition, it has reconciled the assets and liabilities to the different categories of financial instruments as defined in IFRS 9 Financial instruments: Recognition and Measurement.

* The Company has not disclosed the fair values for financial instruments such as receivables, payables and reinsurance assets because their carrying amounts are a reasonable approximation of fair value.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

Group

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

31 December 2024	**Carrying amount**					**Fairvalue**			
In thousands of naira	**Designated at fair value**	**Armotised cost**	**Fair value through OCI**	**Other Financial liabilities**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets measured at fair value	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Fair value through OCI	-	-	492,056	-	492,056	492,056	-	-	492,056
Fair Value through Profit or Loss	138,264	-	-	-	138,264	138,264	-	-	138,264
	138,264	-	492,056	-	630,320	630,320	-	-	630,320
Financial assets not measured at fair value									
Cash on hand and cash at bank	-	2,602,973	-	-	2,602,973	-	2,602,973	-	2,602,973
Trade Receivable*	-	1,545,616	-	-	1,545,616	-	1,545,616	-	1,545,616
Placements	-	8,593,770	-	-	8,593,770	-	8,593,770	-	8,593,770
Statutory deposit	-	355,000	-	-	355,000	-	355,000	-	355,000
Debt instuments at armotised cost	-	10,197,218	-	-	10,197,218	-	9,584,586		9,584,586
	-	23,294,577	-	23,294,577	23,294,577	-	22,681,945	-	22,681,945
Financial liabilities not measured at fair value									
Other payables*	-	-	-	2,351,635	2,351,635	-	2,351,635	-	2,351,635
Trade payables*	-	-	-	2,785,405	2,785,405	-	2,785,405	-	2,785,405
	-	**-**	**-**	**5,137,040**	**5,137,040**	**-**	**5,137,040**	**-**	**5,137,040**

The Company has disclosed the fair value of each class of financial assets and liabilities in a way that permits the information to be compared with the carrying amounts. In addition, it has reconciled the assets
* The Company has not disclosed the fair values for financial instruments such as receivables, payables and reinsurance assets because their carrying amounts are a reasonable approximation of fair value.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

Company

(a) Accounting classifications and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.
It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

30 September 2025	**Carrying amount**					**Fairvalue**			
In thousands of naira	**Designated at fair value**	**Armotised cost**	**Fair value through OCI**	**Other Financial liabilities**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets measured at fair value	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Fair value through OCI	-	-	492,287	-	492,287	492,287	-	-	492,287
Fair Value through Profit or Loss	179,024	-	-	-	179,024	179,024	-	-	179,024
	179,024	-	492,287	-	671,311	671,311	-	-	671,311
Financial assets not measured at fair value									
Cash and cash equivalents	-	1,787,369	-	-	1,787,369	-	1,787,369	-	1,787,369
Trade Receivable*	-	579,239	-	-	579,239	-	579,239	-	579,239
Placements	-	4,609,235	-	-	4,609,235	-	4,609,235	-	4,609,235
Statutory deposit	-	355,000	-	-	355,000	-	355,000	-	355,000
	-	7,330,843	-	-	7,330,843	-	7,330,843	-	7,330,843
Financial liabilities not measured at fair value									
Other payables*	-	-	-	2,201,778	2,201,778	-	2,201,778	-	2,201,778
Trade payables*	-	-	-	2,105,220	2,105,220	-	2,105,220	-	2,105,220
	-	**-**	**-**	**4,306,998**	**4,306,998**	**-**	**4,306,998**	**-**	**4,306,998**

The Company has disclosed the fair value of each class of financial assets and liabilities in a way that permits the information to be compared with the carrying amounts. In addition, it has reconciled the assets and liabilities to the different categories of financial instruments as defined in IFRS 9 Financial instruments: Recognition and Measurement.

* The Company has not disclosed the fair values for financial instruments such as receivables, payables and reinsurance assets because their carrying amounts are a reasonable approximation of fair value.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

Company

(a) Accounting classifications and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.
It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

31 December 2024	**Carrying amount**					**Fairvalue**			
In thousands of naira	**Designated at fair value**	**Armotised cost**	**Fair value through OCI**	**Other Financial liabilities**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets measured at fair value	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Fair value through OCI	-	-	492,056	-	492,056	492,056	-	-	492,056
Fair Value through Profit or Loss	138,264	-	-	-	138,264	138,264	-	-	138,264
	138,264	-	492,056	-	630,320	630,320	-	-	630,320
Financial assets not measured at fair value									
Cash in hand and cash at bank	-	2,424,082	-	-	2,424,082	-	2,424,082	-	2,424,082
Trade Receivable*	-	1,545,616	-	-	1,545,616	-	1,545,616	-	1,545,616
Placements	-	7,406,779	-	-	7,406,779	-	7,406,779	-	7,406,779
Statutory deposit	-	355,000	-	-	355,000	-	355,000	-	355,000
Debt instuments at armotised cost	-	5,084,068	-	-	5,084,068	-	5,084,068	-	5,084,068
	-	16,815,545	-	16,815,545	16,815,545	-	16,815,545	-	16,815,545
Financial liabilities not measured at fair value									
Other payables*	-	-	-	1,690,510	1,690,510	-	1,690,510	-	1,690,510
Trade payables*	-	-	-	2,785,404	2,785,404	-	2,785,404	-	2,785,404
	-	**-**	**-**	**4,475,914**	**4,475,914**	**-**	**4,475,914**	**-**	**4,475,914**

The Company has disclosed the fair value of each class of financial assets and liabilities in a way that permits the information to be compared with the carrying amounts. In addition, it has reconciled the assets
* The Company has not disclosed the fair values for financial instruments such as receivables, payables and reinsurance assets because their carrying amounts are a reasonable approximation of fair value.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

Financial risk management

The Company has exposure to the following risks arising from financial instruments
Credit risk
Liquidity risk
Market risk

(b)(i) Risk management framework

The company has an Enterprise -wide Risk Management (ERM) Frame work that is responsible for identifying and managing the inherent and residual risks facing the Company. The Company's board of directors has the overall responsibility for the establishment of oversight of the Company's risk management framework. The board of directors has established the Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The committee reports regularly to the board of directors on its activities.

The Company's risk management policies are established to identify and analyse the risk faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and Company activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company audit committee oversees how management monitors compliance with the Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Company Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the result of which are reported to the audit committee.

(b)(ii) Credit risk

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, and arises principally from the Company's receivables from customers and investment in debt securities. The carrying amount of financial assets represents the maximum credit exposure. In addition to credit risks arising out of investments and transactions with clients, Veritas Kapital Assurance actively assumes Credit Risk through the writing of insurance business. Credit Risk can arise when a client defaults on settlement of premium payments and can also arise when its own repayment capability decreases (as reflected in a rating downgrade).

Veritas Kapital Assurance's strategy as Insurance Company does not entail the elimination of Credit Risk but rather to take on Credit Risk in a well-controlled, planned and targeted manner pursuant to its business objectives. Its approach to measuring Credit Risk is therefore designed to ensure that it is assessed accurately in all its forms, and that relevant, timely and accurate Credit Risk information is available to the relevant decision makers at an operational and strategic level at all times.

At a strategic level, Veritas Kapital Assurance manages its credit risk profile within the constraints of its overall Risk Appetite and structured its portfolio so that it provides optimal returns for the level of risk taken. Operationally, the Insurance Company Credit Risk Management is governed by the overall risk appetite framework and aims to ensure that the risk inherent to individual exposures or certain business portfolios are appropriately managed through the economic cycle.

The organization is committed to:

a) Create, and manage credit risk in a manner that complies with all applicable laws and regulations.
b) Identify Credit Risk in each investment, loan or other activity of the Insurance Company.
c) Utilize appropriate, accurate and timely tools to measure credit risk.
d) Set acceptable risk parameters.
e) Maintain acceptable levels of credit risk for existing individual credit exposures.
f) Maintain acceptable levels of overall credit risk for Veritas Kapital Assurance's Portfolio; and
g) Coordinate Credit Risk Management with the

Unsecured exposures to high risk obligors, transactions with speculative cash flows, loans in which the insurance Company will hold an inferior or subordinate position are some of the credit exposures that are considered undesirable by the organization.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

(b)(ii) Credit risk - continued

The Company's credit risk can be analysed as follows:

	Group		Company	
	2025	2024	2025	2024
	N'000	N'000	N'000	N'000
Reinsurance receivables (see note (a) below)	8,312,180	5,841,670	8,312,180	5,841,670
Cash and cash equivalents (see note (b) below)	8,921,561	11,195,953	6,396,604	9,830,861
Debt Instruments (see note (c) below)	9,441,748	10,197,218	4,801,907	5,084,068
Statutory deposit	355,000	884,869	355,000	355,000
	27,030,489	**28,119,710**	**19,865,691**	**21,111,599**

Reinsurance receivables
The Company insures its liabilities with reputable reinsurance companies with which it has a right of set-off. None of its receivables from reinsurance companies was impaired as at 30 September 2025 (2024: Nil).

Cash and cash equivalents
The Company's cash and cash equivalents are held with reputable banks and financial institutions.

Armotized cost
The Company's Debt instruments are investment in bonds with Government and reputable financial institutions. None of its investment was impaired as at 30 September 2025 (2024: Nil)

The Company did not have any debt securities that were past due but not impaired as at 30 September 2025 (2024: Nil)

Veritas Kapital Assurance Plc is exposed to risk relating to its investment securities (Fixed deposits and receivables). Its receivables comprise trade receivables from customers, reinsurers and coinsurers recoverable and other receivables.

Collateral held and other credit enhancements, and their financial effect
The Company does not hold collateral or any other enhancements against any of its receivables as at 30 September 2025.

Trade receivables
The Company has placed more responsiveness on effective management of credit risk exposure that relates to trade receivables. In general, the regulator has laid great emphasis on "No Premium, No Cover" and this has positively changed the phase of credit management within the industry. The Company defines credit risk as the risk of counterparty's failure to meet its contractual obligations. Credit risk arises from insurance cover granted to parties with payment instruments or payments plan issued by stating or implying the terms of contractual agreement.

The Company has placed stringent measures to guard against credit default. Credit risk exposure operates from the level of brokered transactions with little emphasis placed on direct business. The Company's credit risk exposure to brokered business is very low as the Company requires brokers to provide payment within 30 days after which impairment trigger is identified and the receivable is assessed for impairment.

Sources of credit risk:

· Direct default risk: risk that the Company will not receive the cash flows or assets to which it is entitled because a party with which the Company has a bilateral contract defaults on one or more obligations.

· Downgrade Risk: risk that changes in the possibility of a future default by an obligor will adversely affect the present value of the contract with the obligor today.

· Settlement Risk: risk arising from the lag between the value and settlement dates of securities transactions.

Management of credit risk due to trade receivables
The Company constantly reviews brokers' contribution to ensure that adequate attention is paid to high premium contributing brokers.

The Company credit risk is constantly reviewed and approved during the Management Committee meetings. It also ensured that adequate provisions are taken in line with IFRS 9. Other credit risk management includes:

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

(b)(ii) Credit risk - continued

· Formulating credit policies with strategic business units, underwriters, brokers, covering brokers grading, reporting, assessment, legal procedures and compliance with regulatory and statutory bodies.

· Identification of credit risk drivers within the Company in order to coordinate and monitor the probability of default that could have an unfortunate impact.

· Developing and monitoring credit limits. The Company is responsible for setting credit limits through grading in order to categorize risk exposures according to the degree of financial loss and the level of priority expected from management.

· Assessment of credit risk. All first-hand assessment and review of credit exposures in excess of credit limits, prior to granting insurance cover are subject to review process and approval given during MC meetings.

· Continuous reviewing of compliance and processes in order to maintain credit risk exposure within acceptable parameters.

Impairment model

Premium debtors are measured at amortized cost, less provision for impaired receivables. Under IFRS, an asset is impaired if the carrying amount is greater than the recoverable amount. The standard favours the use of the incurred loss model in estimating the impairment of its receivables. However, with the inception of IFRS 9 which becomes effective for annual periods beginning on/after 1 January 2018, the Expected Credit Losses (ECL) method of impairment calculation will be in force.

The Company uses the aging of receivables as the major parameter in calculating impairment. However, based on NAICOM's "No Premium No Cover" guidelines which state that "all insurance covers shall be provided on a strict 'no premium no cover' basis", only cover for which payment has been received shall be booked. However, brokers have a 30 day period to make payments from the date of the credit notes. The Company uses the aging of receivables as the major parameter in calculating impairment.

The impairment requirements of IFRS 9 apply to all debt instruments that are measured at amortised cost or FVOCI, and to off-balance sheet lending commitments such as loan commitments and financial guarantees (hereafter collectively referred to as financial assets). This contrast to the IAS 39 impairment model which was not applicable to loan commitments and financial guarantee contracts, as there were instead covered by International Accounting standards 37: ""Provisions, contingent liabilities and contingent assets (IAS 37).

The determination of impairment loss and allowance moves from the incurred credit loss model whereby credit losses are recognized when a defined loss event occurs under IAS 39, to expected credit loss model under IFRS 9, where provisions 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 for loans that are individually significant and then collectively assess the loan and other receivables that are not significant and those which are significant but for which there is no objective evidence of impairment available under the individual assessment.

Staged Approach to the Determination of Expected Credit Losses

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

Stage 1: The Company recognises a credit loss allowance at an amount equal to the 12 month expected credit losses. This represents the portion of lifetime expected credit losses from default events that are expected within 12 months of the reporting date, assuming that credit risk has not increased significantly after the initial recognition.

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

Stage 3: The Company recognises a loss allowance at an amount equal to life-time expected credit losses, reflecting a probability of default (PD) of 100% via the recoverable cash flows for the asset. For those financial assets that are credit impaired. The Company's definition of default is aligned with the regulatory definition. The treatment of the loans and other receivables in stage 3 remains substantially the same as the treatment of impaired financial assets under IFRS 39 except for the portfolios of assets purchased or originated as credit impaired.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

(b)(ii) Credit risk - continued

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

Impairment Methodology

Calculation of Expected Credit Losses

Calculation of the expected credit loss is based on the key risk parameters of PD, LGD and ED according to the formular set below:

The calculation of ECL incorporates forward-looking information in all the ECL components. This forward-looking information will impact the various ECL components as follows:

ECL	=	PD	X	EAD	X	LGD
12 -month / lifetime Expected Credit Loss (ECL)		Probability of default		Exposure at default		Loss Given Default (after consideration of collaterals and recoveries)

Probability of default – The PDs will vary during various stages of an economic cycle. It is based on the likelihood that a borrower will default within one year (PD), assessment of the creditworthiness of the counterparty and transformation of 1 Year horizon into lifetime of the asset.

Loss Given Default – Collateral values will vary based on the stage of an economic cycle.
Exposure at default – Change in interest rates may affect the EAD e.g. higher interest rates may result in longer terms for loans causing a change in the EAD.

Loss Given Default

The Company applies historical experience to determine the expected loss given default ratios for each class of financial instruments. Where internal historical experience is not available, other sources, e.g. data available from rating companies as well as professional judgments are used to determine the LGD ratios that will apply. Collateral that is held against the financial assets is also considered in determining the LGD.

The Company management has resolved to use the recovery rates as published by Moodys credit analytics for all credit exposures to sovereign denominated in foreign currencies and all corporate exposures.

For sovereign exposures denominated in Naira which are assessed as low credit risk exposures, we have resolved to use LGDs within the rage of 5-10% based on the Central banks of Nigeria's Revised Guidance Notes on Credit risk. Section 3.1 of the document addresses exposure to sovereigns and Central banks and states that financial institutions should assign a risk weight of 0% to the following:

- Exposures to Federal Government of Nigeria (FGN) and Central Bank of Nigeria (CBN);
- Instruments issued by other entities backed by express guarantee of the FGN;
- Inter-bank transactions guaranteed by the FGN or CBN; and
- Inter-bank transactions among supervised institutions collateralized by FGN Bonds,
- Treasury Bills or other similar sovereign bills.

Treatment of loans and other receivables

All loans issued fall within the scope of debt instruments as financial assets. This covers e.g. Inter-company loans, staff loans and mortgages etc.

Estimation of impairment on the loans based on expected loss is done in the three-stage approach with specific consideration for change in credit risk and forward-looking assumptions.

Intercompany loans are considered low credit risk if it meets the required conditions. Estimation and provision for impairment is based on simplified one stage approach. Loans are put in one bucket e.g. stage 1 and assess the 12 month ECL as long as there are no assets for assessed to have had significant increase in credit risk or the initial criteria for categorizing the asset as low risk has changed.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

(b)(ii) Credit risk - continued

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:

- Internal rating of the counterparty indicating default or near-default
- 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. In rare cases when an instrument identified as defaulted, it is the Company's policy to consider a financial instrument as 'cured' and therefore re-classified out of credit-impaired when none of the default criteria have been present for at least twelve consecutive months.

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 assumed to be 100%. 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 per based on the Company's internal/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.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

(b)(ii) Credit risk - continued

		2025			2024		
Internal rating grade	Moody's rating	12mECL	LTECL	Total	12mECL	LTECL	Total
Performing		₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Cash and cash equivalents							
High grade	AAA-A+	-	-	-	-	-	-
Standard grade	BBB-B+	8,982,165	-	8,982,165	11,258,477	-	11,258,477
Past due but not impaired	C-CCC	-	-	-	-	-	-
Default	D	-	-	-	-	-	-
Total Gross Amount		8,982,165	-	8,982,165	11,258,477	-	11,258,477
ECL		(60,604)	-	(60,604)	(12,304)	-	(12,304)
Total Net Amount		8,921,561	-	8,921,561	11,246,173	-	11,246,173
				-			-
Amortised cost				-			-
High grade	AAA-A+	-	-	-	-	-	-
Standard grade	BBB-B+	9,471,332	-	9,471,332	10,226,801	-	10,226,801
Past due but not impaired	C-CCC	-	-	-	-	-	-
Default	D	-	-	-	-	-	-
Total Gross Amount		9,471,332	-	9,471,332	10,226,801	-	10,226,801
ECL		(29,583)	-	(29,583)	(29,583)	-	(29,583)
Total Net Amount		9,441,749	-	9,441,749	10,197,218	-	10,197,218

As at 30 September 2025, the Group had no asset reposed as security against asset. The group 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 30 September 2025, the Company has not pledged any of its assets as collateral for any liability or payable balance (2024: 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 comparing the remaining life time probability of default (PD) as at reporting date with the remaining Life time PD for this point in time that was estimated on initial recognition of the exposure.

Whenever available, the Company monitors changes in credit risk by tracking published external credit ratings. To determine whether published ratings remain p 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.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

(b)(ii) Credit risk - continued

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 B- or higher based on the Moody rating which is equivalent to an internal risk grade of standard grade or higher.

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

-The criteria are capable of identifying significant increase in credit risk before an exposure is in default;
-The criteria do no align with the point in time when the asset becomes 30 days past due;
-The average time between the identification of a significant increase in credit risk and default appears reasonable

-Exposures are not generally transferred from 12- month ECL measurement to credit impaired and
-There is no unwarranted volatility in loss allowance from transfers between 12-month ECL and Lifetime ECL measurement.

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 both its assessment of whether the credit risk of an instrument has increased significantly since initial recognition and 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 three 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."

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

(b)(ii) Credit risk - continued

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.

Loss Given Default is the magnitude off 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 cot 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.

EAD represents the expected exposure in the event of a default. The Company deprives 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 or collective basis where the assets share same risk characteristics like instrument type, credit risk rating and grading, collateral type, date of initial recognition or remaining term to maturity or industry. The groupings are subject to regular review to ensure that exposures within a particular group remain appropriately homogeneous.

When ECL are measured using parameters based on collective modelling, a significant input into the measurement of ECL is the external benchmark information that the Company uses to derive the default rates of its portfolios. This includes the PDs provided in the Moody's or Standards and Poor default study and the LGDs provided in the recovery studies reports provided by the same rating agencies.

An overview of the approach to estimating ECLs is set out in Note 3 Summary of material accounting policies. To ensure completeness and accuracy, the Company obtains the data used from third party sources (Moody's, 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.

(c) Liquidity risk

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 have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptables losses or risking damage to the Company's reputation.

The Company uses activity-based costing to cost its products and services, which assists it in monitoring cash flow requirements and optimising its cash return on investments.

The Company aims to maintain the level of its cash and cash equivalents at an amount in excess of expected cash outflows on financial liabilities over the next 60 days.

The Company also monitors the level of expected cash inflows on trade and other receivables togther with expected cash outflows on trade and other payables.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date.
The amounts are gross and undiscounted, include contractual interest payments and exclude the impact of netting agreements.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

Group

30-Sep-25			Contractual cash flows				
	Note	**Carrying amount**	**3 month or less**	**3 - 12 months**	**1-2 years**	**2-5 years**	**More than 5 years**
Non-derivative finacial assets							
Cash and cash equivalents	3	8,921,561	8,921,561	-	-	-	-
Fair value through profit or loss	4a	179,024	-	-	-	179,024	-
Armotised Cost	4b	9,441,748	-	280,598	-	9,161,150	-
Fair Value through OCI	4c	492,287	-	-	-	492,287	-
Trade receivables	5	579,239	579,239	-	-	-	-
Other receivables	6	1,285,428	1,285,428	-	-	-	-
		20,899,287	**10,786,228**	**280,598**	**-**	**9,832,461**	**-**
Non-derivative financial liabilities							
Trade payables	13	2,105,220	2,105,220	-	-	-	-
Other payables	15	3,151,243	3,151,243	-	-	-	-
		5,256,463	**5,256,463**	**-**	**-**	**-**	**-**
Liquidity gap		**15,642,824**	**5,529,765**	**280,598**	**-**	**9,832,461**	**-**

Company

30-Sep-25			Contractual cash flows				
	Note	**Carrying amount**	**3 month or less**	**3 - 12 months**	**1-2 years**	**2-5 years**	**More than 5 years**
Non-derivative finacial assets							
Cash and cash equivalents	3	6,396,604	6,396,604	-	-	-	-
Fair value through profit or loss	4a	179,024	-	-	-	179,024	-
Armotised Cost	4b	4,801,907	-	134,071	-	4,667,836	-
Fair Value through OCI	4c	492,287	-	-	-	492,287	-
Trade receivables	5	579,239	579,239	-	-	-	-
Other receivables	6	196,411	196,411	-	-	-	-
		12,645,472	**7,172,254**	**134,071**	**-**	**5,339,147**	**-**
Non-derivative financial liabilities							
Trade payables	13	2,105,220	2,105,220	-	-	-	-
Other payables	15	2,201,778	2,201,778	-	-	-	-
		4,306,998	**4,306,998**	**-**	**-**	**-**	**-**
Liquidity gap		**8,338,474**	**2,865,256**	**134,071**	**-**	**5,339,147**	**-**

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

Group

31-Dec-24			Contractual cash flows				
	Note	**Carrying amount**	**3 month or less**	**3 - 12 months**	**1-2 years**	**2-5 years**	**More than 5 years**
Non-derivative finacial assets							
Cash and cash equivalents	3	11,196,743	11,196,743	-	-	-	-
Fair value through profit or loss	4a	138,264	-	55,306	-	82,958	-
Reinsurance contract assets	4b	5,841,671	2,336,668	3,505,002	-	-	-
Armotised Cost	4c	10,197,218	509,861	1,019,722	1,529,583	2,039,444	5,098,609
Fair Value through OCI	5	492,056	-	196,822	-	295,234	-
Trade receivables	6	1,545,616	1,545,616	-	-	-	-
Other receivables		801,819	801,819	-	-	-	-
		30,213,387	**16,390,707**	**4,776,852**	**1,529,583**	**2,417,636**	**5,098,609**
Non-derivative financial liabilities							
Trade payables	13	2,785,405	2,785,405	-	-	-	-
Insurance contract liabilities		16,303,627	6,521,451	9,782,176	-	-	-
Other payables	15	2,024,380	2,024,380	-	-	-	-
		21,113,412	**11,331,236**	**9,782,176**	**-**	**-**	**-**
Liquidity gap		**9,099,974**	**5,059,471**	**(5,005,324)**	**1,529,583**	**2,417,636**	**5,098,609**

Company

31-Dec-24			Contractual cash flows				
	Note	**Carrying amount**	**3 month or less**	**3 - 12 months**	**1-2 years**	**2-5 years**	**More than 5 years**
Non-derivative finacial assets							
Cash and cash equivalents	3	9,830,861	9,830,861	-	-	-	-
Fair value through profit or loss	4a	138,264	-	-	-	138,264	-
Reinsurance contract assets		5,841,671	2,336,668	3,505,002	-	-	-
Armotised Cost	4b	5,084,068	254,203	508,407	762,610	1,016,814	2,542,034
Fair Value through OCI	4c	492,056	-	-	-	492,056	-
Trade receivables	5	1,545,616	1,545,616	-	-	-	-
Other receivables	6	91,003	91,003	-	-	-	-
		23,023,539	**14,058,352**	**4,013,409**	**762,610**	**1,647,134**	**2,542,034**
Non-derivative financial liabilities							
Trade payables	13	2,785,404	2,785,404	-	-	-	-
Insurance contract liabilities		16,303,627	6,521,451	9,782,176	-	-	-
Other payables	15	1,399,832	1,399,832	-	-	-	-
		20,488,863	**10,706,687**	**9,782,176**	**-**	**-**	**-**
Liquidity gap		**2,534,675**	**3,351,665**	**(5,768,767)**	**762,610**	**1,647,134**	**2,542,034**

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

Maturity analysis

The table below summarises the expected utilisation or settlement of assets and liabilities as at 30 September:

Group	2025			2024		
	Current	Non-current	Total	Current	Non-current	Total
Financial assets	9,202,159	9,832,462	19,034,621	11,877,964	10,146,317	22,024,281
Reinsurance assets	8,312,180	-	8,312,180	5,841,670	-	5,841,670
Trade debtors	579,239	-	579,239	1,545,616	-	1,545,616
Other receivables and prepayments	1,285,428	-	1,285,428	884,869	-	884,869
Statutory deposit	-	355,000	355,000	-	355,000	355,000
PPE and intangible assets	-	6,472,528	-	-	6,572,123	6,572,123
Other assets	-	316,884.00	-	-	316,884	316,884
	19,379,006	**16,976,874**	**29,566,468**	**20,150,119**	**17,390,324**	**37,540,443**
Insurance contract liabilities	10,253,023	-	10,253,023	16,303,627	-	16,303,627
Trade payables	2,105,220	-	2,105,220	2,785,405	-	2,785,405
Other payables and accruals	3,151,243	-	3,151,243	2,360,534	-	2,360,534
Current tax payable	939,377	-	939,377	404,691	-	404,691
Deferred Tax	-	372,737	372,737	-	372,737	372,737
Retirement benefit obligation	-	12,622	12,622	-	27,710	27,710
Total liabilities	**16,448,863**	**385,359**	**16,834,222**	**21,854,257**	**400,447**	**22,254,704**

Company	2025			2024		
	Current	Non-current	Total	Current	Non-current	Total
Financial assets	6,530,675	5,339,147	11,869,822	9,972,740	5,572,509	15,545,249
Reinsurance assets	8,312,180	-	8,312,180	5,841,670	-	5,841,670
Trade debtors	579,239	-	579,239	1,545,616	-	1,545,616
Other receivables and prepayments	196,411	-	196,411	174,053	-	174,053
Statutory deposit	-	355,000	355,000	-	355,000	355,000
PPE		5,473,170	5,473,170		5,573,065	5,573,065
Other assets		4,026,300	4,026,300		4,026,300	4,026,300
	15,618,505	**15,193,616**	**30,812,122**	**17,534,079**	**15,526,874**	**33,060,953**
Insurance contract liabilities	10,253,023	-	10,253,023	16,303,627	-	16,303,627
Trade payables	2,105,220	-	2,105,220	2,785,404	-	2,785,404
Other payables and accruals	2,201,778	-	2,201,778	1,690,510	-	1,690,510
Current tax payable	752,897	-	752,897	173,210	-	173,210
Deferred Tax	-	190,671	190,671	-	190,671	190,671
Total liabilities	**15,312,918**	**190,671**	**15,503,589**	**20,952,751**	**190,671**	**21,143,422**

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

Market risk

Market risk is the risk that changes in market prices - such as foreign exchange rates, interest rates and equity prices - will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the returns.

Currency risk

The Company is exposed to currency risk to the extent that there is a mismatch between the currencies in which premium and claims are denominated and the respective functional currencies of the Company. The functional currency of the Company is the Nigerian naira.

The currencies in which these transactions are primarily denominated are the Nigerian naira.

However, the Company receives some premium in foreign currencies and also pays some claims in foreign currencies. The foreign currencies the Company transacts in include euro, british pounds and united states dollars.

Exposure to currency risk

The summary quantitative data about the Company's exposure to currency risk as reported to the management of the Company is as follows:

	30 September 2025			31 December 2024		
In Thousands of	**Carrying value**	**USD**	**NGN**	**Carrying value**	**USD**	**NGN**
Cash and cash equivalent	8,921,561		8,921,561	11,196,743		11,196,743
Financial assets	-		-	-		-
Net statements of financial position exposure	8,921,561	-	8,921,561	11,196,743	-	11,196,743

The following significant exchange rates have been applied.

	Period- end spot rate	
	2025	**2024**
Naira		
USD 1	1500	1536

Sensitivity analysis

A reasonably possible strengthening (weakening) of the US dollar against all other currencies at 31 December would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts show below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

	Profit or Loss		**Equity, net of tax**	
Effects in thousand of naira	**Strengthening**	**Weakening**	**Strengthening**	**Weakening**
30 September 2025				
USD (10% movement)	0	0	0	0
31 December 2024				
USD (10% movement)	0	0	0	0

(c)(v) Interest rate risk

The Company adopts a policy of ensuring that all its interest rate risk exposure is at a fixed rate.
This eliminates the variability in the risks and returns on the Company's interest bearing assets and liabilities.

Exposure to interest rate risk

The interest rate profile of the Company's interest-bearing financial instruments as reported to the management of the Company is as follows.

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

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

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

The Company principally issues the following types of general insurance contracts: fire, motor, bond, personal accident, aviation, marine and oil and gas. Risks under non–life insurance policies usually cover twelve months duration. For general insurance contracts, the most significant risks arise from climate changes, natural disasters and terrorist activities. For longer tail claims that take some years to settle, there is also inflation risk. The above risk exposure is mitigated by diversification across a large portfolio of insurance contracts and geographical areas.The variability of risks is improved by careful selection and implementation of underwriting strategies,which are designed to ensure tha trisks are diversified in terms o ftype of risk and level of insured benefits.This is largely achieved through diversification across industry sectors and geography.

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

The Company has also limited its exposure by imposing maximum claim amounts on certain contracts as well as the use of reinsurance arrangements inorder to limit exposure to catastrophic events (e.g.,hurricanes,earthquakes and flood damage).

The purpose of these underwriting and reinsurance strategiesis to limit exposure to catastrophes based on the Company's risk appetite as decided by management.The overall aim is currently to restrict the impact of a single catastrophic even to approximately 50% of shareholders'equity on a gross basis and 10% on a net basis.In the event of such acatastrophe, counterparty exposure to a single reinsurer is estimated not to exceed2% of shareholders'equity. The Board may decide to increase or decrease the maximum tolerances based on market conditions and other factors.

Key assumptions
The principal assumption underlying the liability estimates is that the Company's future claims development will follow a similar pattern to past claims development experience. This includes assumptions in respect of average claim costs, claim handling costs,claim inflation factors and claim numbers for each accident year.

We have adopted actuarial methods and assumptions that are consistent with those used in prior years. The level of reserve was determined after data cleasing by using our internationally accepted actuarial models

The calculation of the reserves was conducted on both deterministic (assuming average historic experience would be reflected in the future experience without attaching probability or level of uncertainty of variations arround such experince) and stochastic(allowing for likely future variation arround the average expected experince) and stochastic approach uses Bootstrap-Mark method

Chain Ladder Method (CL)
We have used the Chain Ladder method which is the most widely used method in loss reserving, and it is the starting point of the other reserving methods described in this report. The Chain Ladder also called Loss development triangle method uses statistical projection technique that relies on the setting of past known claim payments by year of origin (accident year) and year of payment (development year). Using historical claims paid for each class, we grouped the claims into 10 years cohorts, considering the age-age-claim amounts paid. These cohorts are called loss development triangles. Each left - right diagonal represents the total loss amounts paid in that year for losses reported in each accident year. The age-to-age claim amounts are then accumulated from the origin year to the valuation date. The cumulated incremental paid claims (2008-2017) to the valuation date are then projected to their expected ultimate claim estimate, using factors called link ratios or development factors. The gross claim reserves are then derived from the difference between the cumulated actual paid claims and the estimated ultimate claim. Variants of the chain ladder method were exploited to reflect adequately the key characteristics of the risks being reserved for by the company.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

The IACL is a variant of the chain ladder method and it could be used with allowance for time value of money (discounting or no discounting). Under this method, the historical age -to- age paid claims are increased in line with relevant inflation index from their accident year of or payment to the valuation year before being cumulated. The cumulated payments in money terms of the valuation year are projected into the future. The decumulated payments are then projected forward to their expected year of payment and ultimate claim estimate, allowing for future inflation. Published year - to - year inflation factors used in our projection is as stated in the assumptions section of this report. We have calculated for two types of this

Expected Loss Ratio Method
We estimated the ultimate loss ratio from historical data for each class of business and multiplied this by the earned premium for that class in each accident year to obtain the ultimate claim for each accident year. In arriving at the historical loss ratio, we considered the underwriter's views. We then deducted the actual paid claim amount to date to give the required outstanding claim reserve. This approach is considered appropriate for as it is not affected by distortions in data and although it is simplistic but gives an approximate estimate. We applied this method for classes where there is no sufficient mass of data to generate credible results using other more sophisticated methods.

Claims development table
The following tables show the estimates of cumulative incurred claims,including both claims notified and IBNR for each successive accident year at each reporting date, together with cumulative payments to date.The estimated technical reserves are derived statiscally through analysing the company's non-life policy data for policies underwritten and emerging claims over each of the past 6 (six) underwriting years.

In general,the uncertainty associated with the ultimate claims experience in an accident year is greatest when the accident year is at an early stage of development and the margin necessary to provide the necessary confidence in the provisions adequacy is relatively at its highest.As claims develop,and the ultimate cost of claims becomes more certain,the relative level of margin maintained should decrease.However,due to the uncertainty inherited in the estimation process,the actual overall claim provision may not always be in surplus.

In Thousands of naira	30-Sep-25	31-Dec-24
Fixed-rate instruments		
Cash deposit	1,931,092	2,602,973
Money market placement	7,051,073	8,655,504
Armotized	9,441,748	10,197,218
	18,423,913	21,455,695

Cashflow sensitivity analysis for fixed-rate instruments

	Profit or	loss	Equity,	net of tax
Effect in thousands of naira	100bp increase	100bp decrease	100bp increase	100bp decrease
30 September 2025				
Financial instruments	1,842,391	(1,842,391)		
	1,842,391	(1,842,391)	-	-
31 December 2024				
Financial instruments	2,145,570	(2,145,570)		
	2,145,570	(2,145,570)	-	-

The analysis assumes that all other variables, in particular, foreign currency exchange rates remain constant.

Fair value sensitivity analysis for fixed-rate instruments
The Company does not account for any fixed-rate financial assets and financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

Other market price risk
The Company is exposed to equity price risk, which arises from available-for-sale equity securities held for partially meeting the claims and benefits obligations.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

The management of the Company monitors the proportion of equity securities in its investment prortfolio based on market indices.

Material investments within the portfolio are managed on an individual basis and all buy and sell decisions are approved by the Risk Management Committee.

The primary goal of the Company's investment strategy is to maximise investment returns, both to partially meet the Company's claims and benefits obligations and to improve its returns in general.

49 For the purpose of statement of cashflows

a **Proceed from sale of property and equipment**

		Group 2025 N'000	Group 2024 N'000	Company 2025 N'000	Company 2024 N'000
Cost	9	36,354	-	-	-
Accumulated depreciation	9	(27,486)	-	-	-
Net book value		**8,868**	**-**	**-**	**-**
Profit on sale of PPE	33	-	-	-	-
		8,868	**-**	**-**	**-**

50 **Other comprehensive income net of tax**

		Group 2024 N'000	Group 2023 N'000	Company 2024 N'000	Company 2023 N'000
a Net acturial gains/(loss) on retirement benefit obligation	14(i)	-	-	-	-
Income tax effect	16.2	-	-	-	-
		-	**-**	**-**	**-**
b Gain on revaluation of property, plant and equipment	9	-	-	-	-
Income tax effect	16.2	-	-	-	-
		-	**-**	**-**	**-**
c Fair value gain on financial asset at FVOCI	4c	-	-	-	-
Income tax effect	16.2	-	-	-	-
		-	**-**	**-**	**-**

OTHER NATIONAL DISCLOSURES

Value Added Statement

	Group 2025	%	Group 2024	%	Company 2025	%	Company 2024	%
Gross premium income	18,679,649		18,539,697		18,246,461		18,539,697	
Investment Income	2,200,034		639,878		521,909		478,158	
Other income	180,182		6,800,599		(331,853)		4,991,700	
Reinsirance claims, commission and operating expenses	(13,341,881)		(21,267,067)		(12,944,509)		(21,040,924)	
Value added	**7,717,985**	**100**	**4,713,107**	**100**	**5,492,008**	**100**	**2,968,630**	**100**
Applied to pay								
Staff cost	2,305,610	30%	1,249,879	27%	1,164,011	21%	379,984	13%
Government as tax	759,525	10%	108,730	2%	732,646	13%	101,968	3%
To provider finance								
Shareholders as dividend								
Retained in the business								
Deferred Tax	231,096	3%	231,096	5%	-	-	-	-
Depreciation and amortisation	297,815	4%	256,299	5%	204,351	4%	147,550	5%
Retained profit for the year	4,123,939	53%	2,867,103	61%	3,391,000	62%	2,339,128	79%
	7,717,985	**100%**	**4,713,107**	**100%**	**5,492,008**	**100%**	**2,968,630**	**100%**

FIVE YEAR FINANCIAL SUMMARY

STATEMENT OF FINANCIAL POSITION	**Group 2025 N'000**	**Group 2024 N'000**	**Group 2023 N'000**	**Restated Group 2022 N'000**	**Group 2021 N'000**
ASSETS					
Cash and cash equivalents	8,921,561	11,196,743	6,564,667	4,408,793	5,891,133
Financial assets	-	-	-	-	-
Fair value through profit or loss	179,024	138,264	113,615	68,090	69,913
Amortised cost	9,441,748	10,197,218	7,472,050	5,192,133	3,004,760
Fair value through OCI	492,287	492,056	433,485	92,575	83,416
Trade receivables	579,239	1,545,616	1,029,780	738,347	119,564
Reinsurance assets	8,312,180	5,841,670	1,647,856	812,061	1,052,006
Deferred acquisition cost	-	-	-	-	
Other receivables and prepayments	1,285,428	884,869	826,508	535,433	422,450
Investment properties	-	-	-	45,000	45,000
Goodwill	316,884	316,884	316,884	316,884	316,884
Intangible assets- Software	447,956	552,526	422,753	68,114	102,297
Property, plant and equipment	6,024,572	6,018,546	5,436,390	4,556,848	4,729,375
Statutory deposits	355,000	355,000	355,000	355,000	355,000
Deferred tax asset	-	-	60,854	60,854	22,293
Total assets	36,355,879	37,539,392	24,679,842	17,250,133	16,214,090
LIABILITIES					
Insurance contract liabilities	10,253,023	16,303,627	4,539,202	3,217,225	4,015,143
Other contract liabilities	53,558	8,899	15,539	15,912	6,144
Trade payables	2,105,220	2,785,404	2,105,972	548,733	488,190
Employees retirement benefit obligations	12,622	27,712	23,933	22,187	17,024
Provision and other payables	3,151,243	2,346,751	1,254,607	850,252	996,709
Income tax liabilities	939,377	191,446	187,033	109,064	86,652
Deferred tax liabilities	372,737	282,351	184,753	27,459	20,741
Total liabilities	16,887,780	21,946,190	8,311,039	4,790,831	5,630,602
EQUITY					
Issued and paid up share capital	6,933,333	6,933,333	6,933,333	6,933,333	6,933,333
Share premium	663,600	663,600	663,600	663,600	663,600
Statutory contingency reserves	3,289,484	2,611,284	1,900,456	1,434,593	1,303,505
Retained earnings	2,069,198	(975,271)	1,008,862	(985,525)	(1,455,577)
Asset revaluation reserve	3,974,282	3,974,282	3,634,971	2,572,253	2,509,957
Fair value reserve	275,880	275,880	235,984	(50,953)	(60,112)
Non Controlling interest(NCI)	2,262,322	2,110,094	1,991,597	1,892,000	688,780
Shareholders fund	19,468,099	15,593,202	16,368,802	12,459,302	10,583,487
TOTAL LIABILITIES AND EQUITY	36,355,879	37,539,392	24,679,842	17,250,133	16,214,090
Gross premium written	18,679,649	23,694,266	7,563,210	4,670,162	6,318,949
Insurance service result	6,576,948	(4,202,280)	(217,739)	972,734	-
Profit(loss) before taxation	4,883,464	(627,547)	2,982,272	782,672	344,414
Profit/(loss) after taxation	4,123,939	(1,092,866)	2,750,288	712,432	225,949

FIVE YEAR FINANCIAL SUMMARY

STATEMENT OF FINANCIAL POSITION

	Company 2025 N'000	Company 2024 N'000	Company 2023 N'000	Restated Company 2022 N'000	Company 2021 N'000
ASSETS					
Cash and cash equivalents	6,396,604	9,830,861	4,718,745	2,337,933	3,834,178
Financial assets	-	-	-	-	-
Fair value through profit or loss	179,024	138,264	113,615	68,090	69,913
Amortised cost	4,801,907	5,084,068	3,161,226	1,481,075	1,326,510
Fair value through OCI	492,287	492,056	433,485	92,574	83,417
Trade receivables	579,239	1,545,616	1,029,780	738,347	119,565
Reinsurance assets	8,312,180	5,841,670	1,647,858	812,061	1,052,006
Deferred acquisition cost	-	-	-		
Other receivables and prepayments	196,411	174,054	352,853	197,154	220,975
Investment in subsidiaries	4,026,300	4,026,300	4,026,300	4,026,300	3,624,860
Investment properties	-	-	-	45,000	45,000
Intangible asset	435,661	539,166	401,541	48,162	69,901
Property, plant and equipment	5,037,509	5,033,899	4,391,555	3,495,489	3,377,451
Statutory deposits	355,000	355,000	355,000	355,000	355,000
Deferred tax asset	-	-	21,745	21,745	21,745
Total assets	30,812,122	33,060,954	20,653,703	13,718,930	14,200,520
LIABILITIES					
Insurance contract liabilities	10,253,023	16,303,627	4,539,202	3,217,225	4,015,143
Trade payables	2,105,220	2,785,404	2,105,972	548,733	488,190
	-	-	-	-	-
Provision and other payables	2,201,778	1,690,510	597,590	488,843	572,865
Income tax liabilities	752,897	173,210	80,876	34,807	23,542
Deferred tax liabilities	190,671	190,671	157,143	-	-
Total liabilities	15,503,589	21,143,422	7,480,783	4,289,608	5,099,739
EQUITY					
Issued and paid up share capital	6,933,333	6,933,333	6,933,333	6,933,333	6,933,333
Share premium	663,600	663,600	663,600	663,600	663,600
Statutory contingency reserves	3,289,484	2,611,284	1,900,456	1,434,593	1,303,505
Retained earnings	407,050	(2,305,750)	39,673	(1,888,408)	(1,951,246)
Asset revaluation reserve	3,735,496	3,735,496	3,396,185	2,333,468	2,208,012
Fair value reserve	279,569	279,569	239,673	(47,264)	(56,423)
Shareholders fund	15,308,532	11,917,532	13,172,921	9,429,322	9,100,781
TOTAL LIABILITIES AND EQUITY	30,812,121	33,060,954	20,653,703	13,718,930	14,200,520
Gross premium written	18,246,461	23,694,266	7,298,401	4,369,573	6,055,352
Insurance service result	6,406,414	(4,182,925)	(217,739)	972,734	
Profit(loss) before taxation	4,123,646	(1,485,504)	2,405,607	221,552	36,314
Profit/(loss) after taxation	3,391,000	(1,634,596)	2,317,819	193,925	294,928