



2025 ANNUAL REPORT & ACCOUNTS





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TABLE OF CONTENTS

Notice of Meeting	02
Corporate information	04
Brief History	05
Branch Network	05
Our Mission, Vision and Core Values	06
Result at a Glance	07
Chairman's Statement	08
Meet the Board of Directors	12
From the Desk of the Managing Director/(CEO)	16
Enterprise Risk Management Report	18
Risk Management Declaration	28
Report of the Audit and Compliance Committee	29
Director's Report	30
Corporate Governance Report	39
Certification by Company Secretary	51
Sustainability Report	52
Complaints and Feedback Management	64
Statement of Directors' Responsibilities on Financial Statements	68
Independent Auditor's Report	75
Statement of Financial Position	83
Statement of Profit or Loss and other Comprehensive Income	84
Statement of Changes in Equity	85
Statement of Cash Flows	87
Notes to the Financial Statements	88
Other National Disclosure	225
Value Added Statement	226
Five Year Financial Summary	227
Proxy Form	229

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Forty-Ninth (49th) Annual General Meeting (“AGM”) of the members of **VERITAS KAPITAL ASSURANCE PLC** (“the Company”) will be held virtually via [Veritas Kapital Assurance PLC - AGM Meeting Page](#) on Friday, 16th October 2026 at 11.00 am to transact the following business:

ORDINARY BUSINESS

- | | |
|----|---|
| 1. | To lay before the members, the Audited Financial Statements of the Company for the year ended December 31, 2025, together with the Reports of the Directors, Auditors, and Audit Committee thereon. |
| 2. | To authorize the Directors to fix the remuneration of the External Auditors, Messrs Ernst and Young. |
| 3. | To elect members of the Statutory Audit Committee. |
| 4. | To re-elect the following Directors retiring by rotation and being eligible, have offered themselves for re-election: <ul style="list-style-type: none"> a. Mr. Babatunde Irukera b. Mr. Paul Oki c. Mr. Emmanuel Etuh |
| 5. | To disclose the remuneration of Managers of the Company. |

SPECIAL BUSINESS

- | | |
|----|--|
| 6. | To approve the remuneration of the Non-Executive Directors of the Company for the year ending December 31, 2026. |
| 7. | To appoint Planet Governance Advisory Limited as Board Evaluation Consultant. |

Dated this 24th day of September, 2026

BY THE ORDER OF THE BOARD



SARATU UMAR GARBA
Company Secretary
FRC/2019/PRO/NBA/004/00000019159

NOTES

- | | |
|----|--|
| 1. | PROXY
A member of the Company entitled to attend and vote at the Annual General Meeting (AGM) is entitled to appoint a proxy in his/her stead. A proxy need not be a member of the Company. A proxy form is attached at the end of the Annual Report. For the appointment to be valid, all valid instruments of proxy should be completed, duly stamped at the Stamp Duties Office, and deposited at the registered office of the Company, or office of the Registrars, Unity Registrars Limited, No. 25 Ogunlana Drive, Surulere, Lagos not more than 48 hours before the time of the meeting, or through the following email address: info@unityregistrarsng.com . |
| 2. | LIVE STREAMING OF THE AGM
This Annual General Meeting will be held virtually. The meeting will be streamed live to enable shareholders, representatives of regulatory bodies, and other stakeholders to follow the proceedings real time. The link for the live streaming of the meeting will be made available on the Company's website at www.veritaskapital.com and will be streamed on all the Company's social media channels. |
| 3. | STAMPING OF PROXY FORM
The Company has made arrangements at its cost for the stamping of the duly completed and signed proxy forms submitted to the Company's Registrars within the stipulated time. |
| 4. | RE-ELECTION OF DIRECTORS
In accordance with Section 285(1) of the Companies and Allied Matters Act, 2020, the Directors to retire by rotation are Mr. Babatunde Irukera , Mr. Paul Oki and Mr. Emmanuel Etuh and have offered themselves for re-election.

Their profiles alongside the other Directors are contained in this Annual Report and also available on the Company's website at www.veritaskapital.com . |

5.	AUDIT COMMITTEE In accordance with Section 404(3) of the Companies and Allied Matters Act 2020, the Audit Committee shall consist of five members comprising of three Shareholders and two Non-Executive Directors. Section 404(6) of the Act also provides that any member may nominate a shareholder as a member of the Audit Committee by giving notice in writing of such nomination to the Company Secretary at least twenty-one days before the Annual General Meeting. The Financial Reporting Council's Nigerian Code of Corporate Governance provides that all members of the Audit Committee should be financially literate and be able to read and understand financial statements. Consequently, a detailed curriculum vitae confirming the nominee's qualification should be submitted with each nomination. We, therefore, request that nominations be accompanied by a copy of the nominee's curriculum vitae.
6.	SHAREHOLDERS' RIGHT TO ASK QUESTIONS Any member attending the meeting reserves the right to ask questions not only at the meeting but also, in writing before the meeting. Any question, observation, or comment should be forwarded to the Company Secretariat, Veritas Kapital Assurance Plc, Plot 497 Abogo Largema Street, Off Constitutional Avenue, CBD, Abuja, not later than 7 days before the time fixed for the meeting.
7.	E-DIVIDEND MANDATE Shareholders who are yet to complete the E-Dividend Form or who need to update their records and relevant bank accounts are urged to complete the e-dividend Form which can be detached/downloaded from the Annual Report and Accounts as well as from the website of the Company, www.veritaskapital.com or that of the Registrar, www.registrarsng.com. The duly completed form should be returned to Unity Registrars Limited, 25. Ogunlana Drive, Surulere, Lagos, or via email: info@unityregistrarsng.com.
8.	UNCLAIMED DIVIDEND AND SHARE CERTIFICATES Shareholders are hereby informed that some Dividends have remained unclaimed and returned to the Registrars Unity Registrars Limited, No. 25 Ogunlana Drive, Surulere, Lagos, or via email to info@unityregistrars.com.
9.	CLOSURE OF REGISTER OF MEMBERS The Register of Members will be closed from 1st October - 15th October, 2026 (both days inclusive).
10.	ELECTRONIC ANNUAL REPORT The electronic version of the Annual Report is available at www.veritaskapital.com. Shareholders who have provided their email addresses to the Registrars will receive the electronic version of the Annual Report via e-mail. Furthermore, shareholders who are interested in receiving the electronic version of the Annual Report are kindly required to request via e-mail to info@unityregistrarsng.com.
11.	WEBSITE A copy of this notice and other information relating to the meeting can be found at www.veritaskapital.com.

CORPORATE INFORMATION

Membership of the Board of Directors during the year ended 31 December, 2025

DIRECTORS	1.	Mr. Babatunde Irukera	Non-Executive Director/Chairman												
	2.	Hajia. Yabawa Lawan Wabi (mni)	Non-Executive Director												
	3.	Mr. Aminu Babangida	Non-Executive Director												
	4.	Mrs. Priya Heal	Non-Executive Director												
	5.	Mr. Paul Oki	Independent Non-Executive Director												
	6.	Mr. Emmanuel Etuh	Non-Executive Director												
	7.	Dr. Oluwafunsho A. Obasanjo	Non-Executive Director												
	8.	Dr. Adaobi Nwakuche	Managing Director/CEO												
	9.	Mr. Sunkanmi Adekeye	Executive Director, Operations												
COMPANY SECRETARY	Ms. Saratu Umar Garba FRC/2019/PRO/NBA/004/00000019159														
REGISTERED OFFICE	Plot 497, Abogo Largema Street Off Constitution Avenue Central Business District Abuja -FCT														
RC NO	11785														
FRC REGISTRATION NO	FRC/2013/0000000000717														
TAX IDENTIFICATION NUMBER	01129230-0001														
RE-INSURERS	<table><tr><td>Gallagher Re</td><td>IBL Re</td><td>Howden Specialty</td></tr><tr><td>African Reinsurance Corporation</td><td colspan="2">Continental Reinsurance Corporation</td></tr><tr><td>FBS Reinsurance</td><td colspan="2"></td></tr><tr><td>Meridian Risk Solutions Ltd</td><td colspan="2">Alwen Hough Johnson (AHJ) Ltd</td></tr></table>			Gallagher Re	IBL Re	Howden Specialty	African Reinsurance Corporation	Continental Reinsurance Corporation		FBS Reinsurance			Meridian Risk Solutions Ltd	Alwen Hough Johnson (AHJ) Ltd	
	Gallagher Re	IBL Re	Howden Specialty												
	African Reinsurance Corporation	Continental Reinsurance Corporation													
	FBS Reinsurance														
Meridian Risk Solutions Ltd	Alwen Hough Johnson (AHJ) Ltd														
BANKERS	<table><tr><td>Access Bank Plc</td><td>First City Monument Bank Plc</td><td>9 Payment Service Bank Ltd.</td></tr><tr><td>Fidelity Bank Plc</td><td>Guaranty Trust Bank Limited</td><td>ProvidusUnity Bank Ltd.</td></tr><tr><td>First Bank of Nigeria Ltd.</td><td>Parallex Bank Ltd.</td><td>Sterling Bank</td></tr><tr><td>Zenith Bank Plc</td><td colspan="2"></td></tr></table>			Access Bank Plc	First City Monument Bank Plc	9 Payment Service Bank Ltd.	Fidelity Bank Plc	Guaranty Trust Bank Limited	ProvidusUnity Bank Ltd.	First Bank of Nigeria Ltd.	Parallex Bank Ltd.	Sterling Bank	Zenith Bank Plc		
	Access Bank Plc	First City Monument Bank Plc	9 Payment Service Bank Ltd.												
	Fidelity Bank Plc	Guaranty Trust Bank Limited	ProvidusUnity Bank Ltd.												
	First Bank of Nigeria Ltd.	Parallex Bank Ltd.	Sterling Bank												
Zenith Bank Plc															
EXTERNAL AUDITORS	Ernst & Young Nigeria (Chartered Accountants) 10th & 13th Floor, UBA House 57 Marina, Lagos, Nigeria														
ACTUARIES	O & A Hedge Actuarial Consulting (<i>Consulting Actuaries & Chartered Insurers</i>) FRC/2016/NAS/00000015764 Suite 28, Motorways Centre (Opposite 7UP Bottling Plant) - No. 1 Motorways Avenue, Alausa Ikeja - Lagos, Nigeria														
PROPERTY VALUERS	Jide Taiwo & Co No 70 Abidjan Street Wuse Zone 3, Abuja-FCT														
TAX CONSULTANTS	Kreston Pedabo Professional Services 67 Norman Williams Street, Ikoyi, Lagos														
REGISTRARS	Unity Registrars Limited 25 Ogunlana Drive Surulere Lagos.														
REGULATORY AUTHORITY	National Insurance Commission														
www.veritaskapital.com															

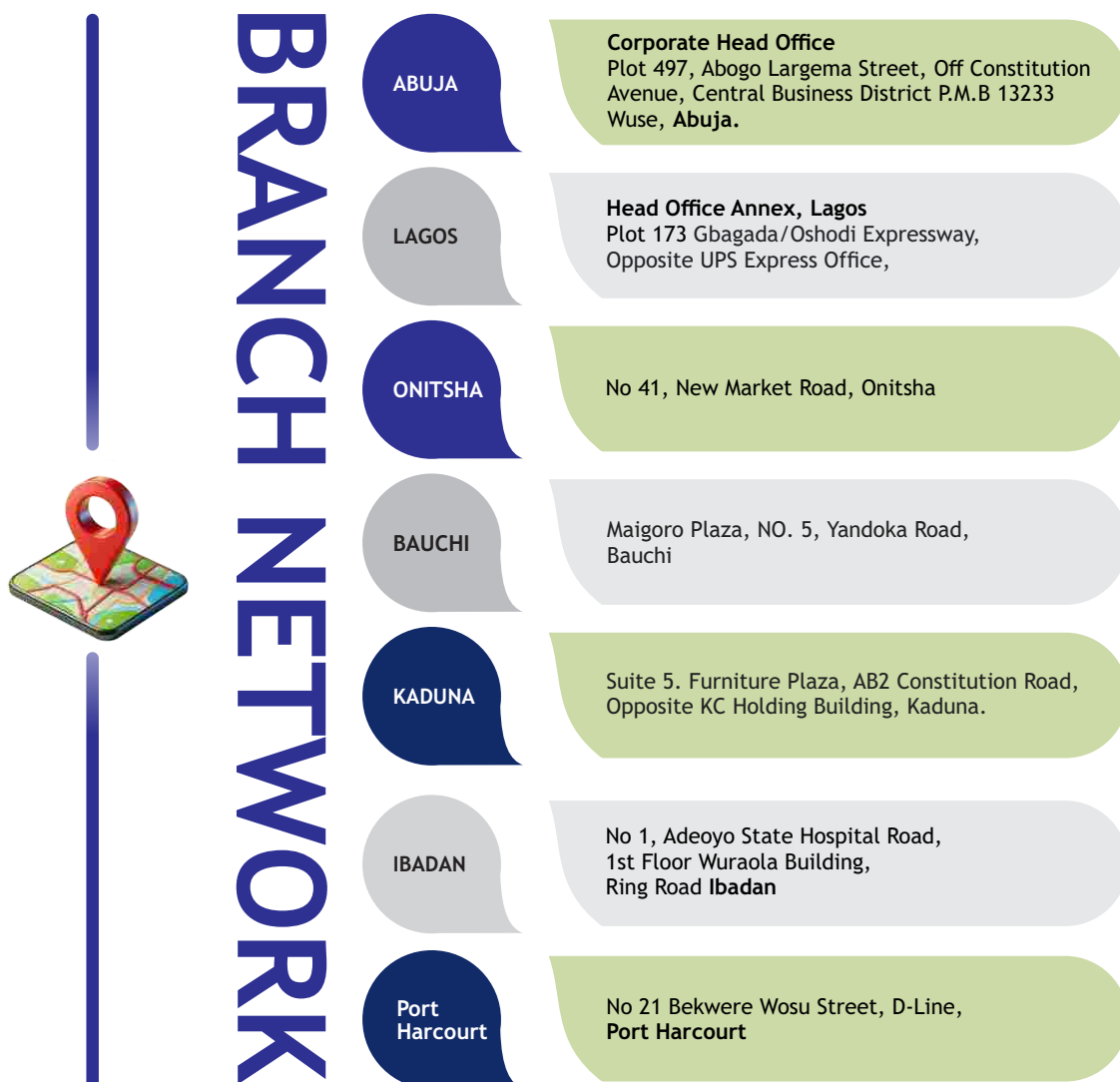
BRIEF HISTORY

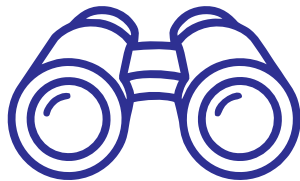
Veritas Kapital Assurance Plc, formerly known as UnityKapital Assurance was incorporated in 1973 as a Private Limited Liability Company, under the name, Kano State Insurance Company Limited with Registration Number RC11785. It started business in 1974 at its Head Office in Kano State. The name was changed to Kapital Insurance Company Limited in 1981.

Following the Insurance Regulation of September 2005, which required Insurance Companies to recapitalize to the level of N3billion for Non-Life Companies and N2billion for Life Companies, three Companies that had over the years shared a similar vision and mission, met and decided to merge and consolidate. The Companies were, Kapital Insurance Company Limited, Intercontinental Assurance Company Limited, and Global Commerce & General Assurance Company Limited.

The Company was registered as a general business company; this move was endorsed and approved by the National Insurance Commission (NAICOM) and offers non-life insurance products and services to individuals and institutions across Nigeria under the following categorization: Insurance of Automobile, Property, Casualty, Transportation, Suretyship, Engineering Services, and Equipment and Energy Insurance.

UnityKapital Assurance Plc rebranded to Veritas Kapital Assurance Plc and currently prised itself as one of the leading insurance companies in Nigeria.





OUR VISION

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



OUR MISSION

To help our stakeholders have peace of mind



OUR CORE VALUES

Team-Work
Responsibility
Respect
Integrity
Professionalism
Proactiveness
Shareholder Value
Service Excellence

Build with confidence



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RESULT AT A GLANCE (GROUP)

Figure in thousands of naira	2025	2024	Changes	
Gross premium	23,733,535	23,694,266	39,269	0%
Insurance revenue	22,579,472	23,310,885	(731,413)	(3%)
Insurance service expense	(3,441,947)	(18,590,142)	15,148,195	81%
Insurance service result before reinsurance contracts held	19,137,525	4,720,743	14,416,782	305%
Net expenses from reinsurance contracts held	(11,174,832)	(8,923,025)	(2,251,807)	25%
Profit/(loss) before income tax	4,180,927	(627,549)	4,808,476	766%
Income tax expense	(144,939)	(465,319)	320,380	(69%)
Profit/(loss) after income tax	4,035,988	(1,092,868)	5,128,856	469%

RESULT AT A GLANCE (COMPANY)

Figure in thousands of naira	2025	2024	Changes	
Gross premium	23,733,535	23,694,266	39,269	0%
Insurance revenue	22,602,820	23,330,242	(727,422)	(3%)
Insurance service expense	(3,441,947)	(18,590,142)	15,148,195	81%
Insurance service result before reinsurance contracts held	19,160,873	4,740,100	14,420,773	304%
Net expenses from reinsurance contracts held	(11,174,832)	(8,923,025)	(2,251,807)	25%
Profit/(loss) before income tax	3,156,815	(1,485,504)	4,642,319	313%
Income tax expense	(110,042)	(149,092)	39,050	(26%)
Profit/(loss) after income tax	3,046,773	(1,634,596)	4,681,369	286%



Your Income Has a Story **Your Pension Should Too.**

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“2025 tested the strength of institutions across markets, yet your Company continued to demonstrate resilience, operational discipline, adaptability, and a clear commitment to sustainable value creation.”

Esteemed Shareholders, members of the Board of Directors, the Veritas Kapital Management team, and all our distinguished stakeholders here present, good morning, and welcome to the 49th Annual General Meeting of your Company; Veritas Kapital Assurance PLC.

It is my honor and indeed my pleasure to stand before you today, as we examine our company's performance, and accomplishments over the past year, while also deliberating the way forward in ever-changing macro-economic environment.

Global Economy in 2025

The global economy in 2025 showed measured stabilization, with growth estimated at approximately 2.8%-3.0%, though uneven across regions. The United States remained the primary anchor, expanding by about 2%, supported by resilient consumption and a stable labour market. Europe lagged, with growth around approx. 1%, constrained by weak industrial output and subdued demand. Overall, global expansion remained below long-term averages, reflecting the cumulative impact of prior monetary tightening and structural headwinds.

Inflation eased materially across advanced economies. In the United States, inflation moderated to around ~3%, while in Europe it declined to roughly 2%-3%, down from prior highs. This trend enabled central banks to pause rate

hikes, with policy rates largely maintained at elevated levels (circa 4%-5% range) while signaling cautious easing. Nonetheless, policymakers remained vigilant, particularly given persistent core inflation in services.

Emerging markets sustained their role as key growth drivers, expanding by approximately 4%. India led with growth in the 6% - 7% range, while China recorded more moderate expansion of about circa 5%. Across Africa and Latin America, growth averaged around 3% - 4%, supported by commodities and reforms but constrained by currency pressures, inflation-often in the high single to low double digits - and elevated debt levels. Capital flows improved modestly but remained sensitive to global rate movements.

In conclusion, the global outlook was cautiously positive, with growth expected to edge toward 3% in the near term, supported by easing inflation and gradual policy normalization. However, downside risks persist, including geopolitical tensions, trade fragmentation, and fiscal pressures. The interplay between a resilient United States, a slowly recovering Europe, and high-growth emerging markets will continue to shape global outcomes, underscoring the need for strategic agility and disciplined risk management.

Domestic Economy

The Nigerian economy in 2025 continued its gradual adjustment to ongoing macroeconomic reforms, with real GDP growth estimated in the low-to-mid 3% range. Growth was largely driven by the services sector, agriculture, and a modest rebound in oil production, while non-oil activities remained the primary engine of expansion. However, manufacturing and trade sectors continued to face constraints from elevated input costs, infrastructure gaps, and foreign exchange-related pressures, limiting a more broad-based recovery.

Inflation remained elevated and a key macroeconomic challenge throughout the year, averaging in the mid-20% range, driven primarily by food inflation, exchange rate pass-through, and structural supply-side bottlenecks. Monetary policy remained tight, with high interest rates sustained to anchor inflation expectations and stabilize the currency. Despite policy efforts to improve FX liquidity and market functioning, exchange rate volatility persisted, continuing to impact business planning, import costs, and household purchasing power.

Overall, 2025 reflected a transitional year for the Nigerian economy, as reforms in FX management, and fiscal recalibration began to reshape fundamentals, with medium-term gains expected to depend on sustained policy consistency and improved investor confidence.

Amid these macroeconomic challenges, the most recent industry performance bulletin published by the National Insurance Commission (NAICOM) shows that the Nigerian insurance sector's gross written premium maintained its growth trajectory in FY 2025, reaching N2.302trn. This implies an impressive Year-on-Year (YoY) growth of 47.3%.

From a market size perspective, latest data from NAICOM also revealed that the insurance industry recorded total assets of about N4.8 trillion in Q4 2025 representing a 7.4% increase compared to the N4.4 trillion reported in the corresponding period of 2024.

Performance Review

2025 presented both trials and opportunities for

your company, as it navigated through a challenging economic landscape. Nevertheless, and despite these uncertainties, Veritas Kapital Assurance demonstrated resilience and strength in its core business areas.

Our financial performance remained steady year-on-year, with a 0.2% increase in Gross Premium to N23.733Bn from N23.694Bn in 2024. Insurance Revenue contracted slightly by 3% to N22.602Bn in 2025 from N23.330Bn prior year.

The Company's Profit before Tax (PBT) rose to N3.156Bn in 2025 from a negative position of -N1.485Bn in 2024; a growth of 313%. A 286% expansion was also recorded in Profit after Tax (PAT) from -N1.634Bn in 2024 to N3.046Bn in 2025.

Total assets dipped by 10% from N33.060Bn in 2024 to N29.877Bn in 2025, as Shareholders equity grew by 27% from N11.917Bn in 2024 to N15.173Bn in 2025

Successful Recapitalization - A New Chapter for Veritas Kapital Assurance Plc

In 2026, One of the defining milestones in our Company's journey was the successful completion of our recapitalization programme in line with the minimum capital requirements prescribed under the Nigerian Insurance Industry Reform Act (NIIRA). This achievement represents far more than regulatory compliance; it is a significant affirmation of the confidence reposed in Veritas Kapital Assurance Plc by you our shareholders and other stakeholders.

The successful recapitalization has substantially strengthened the Company's capital base, enhanced our underwriting capacity, improved our financial resilience, and positioned us to compete more effectively in an increasingly dynamic and capital-driven insurance market. It also reinforces our ability to undertake larger and more complex risks while maintaining the highest standards of corporate governance, solvency, and financial stability.

This milestone would not have been possible without the unwavering support of our shareholders, whose continued confidence and commitment have enabled the Company to

emerge stronger and better positioned for sustainable growth. On behalf of the Board, I extend our sincere appreciation to every shareholder for your belief in our vision and your continued investment in the future of Veritas Kapital Assurance Plc.

As we move into the next phase of our corporate journey, we view recapitalization not as the culmination of a process, but as the foundation for accelerated growth, improved profitability, enhanced customer value, and long-term shareholder returns. With a stronger balance sheet and a clear strategic direction, we are confident that Veritas Kapital Assurance Plc is well positioned to capitalize on emerging opportunities and deliver sustainable value in the years ahead.

Future Growth Outlook

As we look to the future, the Board remains optimistic about the Company's prospects and confident in our ability to deliver sustainable growth and superior shareholder value. The successful recapitalization of Veritas Kapital Assurance Plc, together with the evolving regulatory landscape, has provided a stronger platform from which we can pursue our strategic ambitions with renewed confidence and financial strength.

In 2026 and beyond, our strategic priorities will be centered on profitable premium growth, disciplined underwriting, operational excellence, digital transformation, customer-centric innovation, and prudent investment management.

The Board also remains committed to maintaining the highest standards of corporate governance, enterprise risk management, and regulatory compliance. We recognize that long-term success depends not only on financial performance but also on building a resilient institution that consistently creates value for shareholders, customers, employees, business partners, and the communities we serve.

While the operating environment may continue to present economic and market challenges, we are confident that our stronger capital base, experienced leadership, dedicated workforce, and clearly defined strategic direction position

Veritas Kapital Assurance Plc to seize emerging opportunities and strengthen its position as one of Nigeria's leading non-life insurance companies. We therefore look to the future with confidence, believing that the Company is well positioned to achieve sustainable profitability, expand its market presence, and deliver enduring returns to our shareholders.

Appreciation/Conclusion

In conclusion, 2025 tested the strength of institutions across markets, yet your Company continued to demonstrate resilience, operational discipline, adaptability, and a clear commitment to sustainable value creation. These achievements reflect the collective effort of management and staff, whose dedication has been instrumental in navigating inflationary pressures, currency volatility, and evolving industry dynamics.

“We view recapitalisation not as the culmination of a process, but as the foundation for accelerated growth, improved profitability, enhanced customer value, and long-term shareholder returns.”

On behalf of the Board, I once again extend sincere appreciation to our shareholders for their continued trust and support, to our customers for their loyalty, and to our regulatory and industry stakeholders for their ongoing collaboration. I also commend management and staff for their professionalism and commitment during the year. As we look ahead, the Board remains confident in the Company's strategic direction and its ability to deliver sustainable value while navigating the evolving landscape of the Nigerian insurance industry.

Thank you.

MEET THE BOARD OF DIRECTORS

MR. BABATUNDE IRUKERA - Non-Executive Director/Chairman

Babatunde Irukera is a respected legal and regulatory expert with over 30 years of experience driving institutional reform, market regulation, and public interest litigation in Nigeria and internationally. He brings to the Board of Veritas Kapital Assurance Plc a rare blend of legal acumen, policy insight, and strategic leadership gained from decades of service across the public and private sectors.

He is the immediate past Executive Vice Chairman/CEO of the Federal Competition and Consumer Protection Commission (FCCPC), where he led the transformation of Nigeria's consumer protection landscape and pioneered the country's first comprehensive competition law regime. Under his leadership, the FCCPC became a model for regulatory innovation, accountability, and market fairness.

Mr. Irukera has advised and represented the Federal and State Governments, regulatory agencies, and international organizations in complex, high-impact matters including major aviation accident claims, and multi-jurisdictional consumer and competition cases. He has also been instrumental in shaping national legislation and regulatory frameworks across consumer protection, aviation, digital trade, and competition law.

A former Managing Partner at Simmons Cooper Partners, his work spans commercial law, securities litigation, corporate governance, and stakeholder engagement. He is also actively engaged in Africa-wide regulatory development, currently consulting for regional bodies such as ECOWAS, COMESA, and AFCFTA on digital trade and competition enforcement. Called to the Nigerian Bar and admitted to practice in the United States, Mr. Irukera holds a law degree from Obafemi Awolowo University. He is a member of the Nigerian Bar Association (NBA), American Bar Association (ABA), and International Bar Association (IBA). His contributions to law and regulatory reform have earned him several recognitions, including citations in Who's Who Legal and The American Lawyer.



MR. AMINU BABANGIDA - Non-Executive Director

Aminu is the Co-founder and Chief Executive Officer of Phoenix Energy; an energy distribution company that pioneered diesel home delivery services in the North. He is a member of both the Institute of Directors (IoD) and the Bank Directors Association of Nigeria (BDAN). Aminu serves as Chairman at Unity Bank Plc, and has also served in various capacities on several committees at the bank such as Chairman, the Board Credit Committee; Chairman, of the Board Governance and Nominations Committee; Member, of the Board Audit Committee; Member, Board Finance and General-Purpose Committee to name a few.



He holds an MA from the Westminster Business School, London, and a BA from Regents Business School, London. He also attended the College Du Leman and the Gstaad International School both in Switzerland, and the College of Petroleum and Energy Studies, Oxford, UK.

Aminu has attended many local and international training and workshops such as a Directors Training on Anti-Money Laundering & Combating of Financing of Terrorism - AML/CFT, facilitated by the CBN, an International Program on effective Enterprise Risk Management Oversight held in London, a workshop on capacity building program on the Nigerian Sustainable banking principles facilitated by UNEP-FI to name a few.

HAJIA YABAWA LAWAN WABI *mni* - Non-Executive Director

Hajia Yabawa L. Wabi is an accomplished and versatile individual with deep knowledge and experience in the Nigerian Public Sector. She has held various senior positions in different Nigerian Ministries and Parastatals and has served with distinction as Minister of Finance from 2010 - 2011.

She has demonstrated her sterling leadership attributes while serving as Permanent Secretary at the Ministry of Local Government & Chieftaincy Affairs Borno State, (2009 - 2010); Permanent Secretary, at the Ministry of Health, Borno State, (2007 - 2008); The Accountant General of Borno State (2003 - 2007), Director of Finance and Accounts at the Ministry of Works & Housing, Borno State, (2002 - 2003) just to name a few.

Hajiya Wabi is a Member of the Infrastructure Concession Regulatory Commission and a Non-Executive Director at Unity Bank Plc. She is also a Member of the Institute of Certified Public Accountants of Nigeria, The National Institute, the Chartered Institute of Taxation of Nigeria, the Institute of Directors, and a Fellow of the Association of National Accountants of Nigeria.

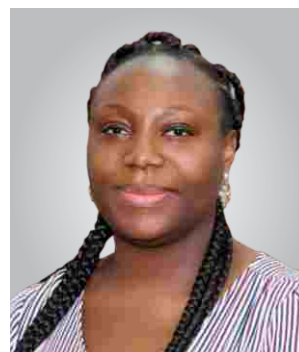
Hajiya Yabawa L. Wabi is a graduate of the Ahmadu Bello University, Zaria.



DR OLUWAFUNSHO OBASANJO - Non-Executive Director

Funsho is a member of the Institute of Director (IoD); the Chartered Institute of Banking; the Royal Society of Chemistry, and the American Chemical Society.

Dr. Funsho was awarded a Ph.D in Bio-organic Chemistry from the School of Chemistry, University of East Anglia in 2012, and an MSc in Medicinal Chemistry from University College, London (2007). She also attended St. Edmunds College, Ware, Hertfordshire, UK. She possesses astute research, supervisory, and technical experience in Bioinformatics, Chemistry, Analytical Technique, and Molecular Biology/Biochemistry. Dr. Funsho has attended a wide spectrum of regional and international trainings and workshops such as a Credit Approval Procedure organized by the Jafa Group in Ghana, a Business Strategy Retreat organized by Nextzon Business Services, an International Program on Effective Enterprise Risk Management Oversight organized by EuroMoney in London, UK, and many others.



MRS PRIYA HEAL - Non-Executive Director

Priya is a target-oriented individual whose range of experience over the years has seen her covering various sectors in the business/financial world, establishing a presence in Europe, The Middle East, and Africa.

She is co-founder and Managing Director of CHRONOS Asset Management, an Op-Co with expertise in advising, structuring, financing, managing, and executing large-scale projects. The Company has been tasked with a mandate to manage 5,000 properties within Germany.

Priya has served as Managing Director at FiLTERINVEST, Holland; as a Restructuring Consultant, at Competition Authority (OFT), London, UK; she was a Member of the legal team at GEC Marconi, Surrey, UK; and has also established a local representative office for a Pipeline Integration Company in Johannesburg, South Africa. With a primarily legal educational background and a skill set squarely in execution, Priya attended Yale University, USA; Call To Bar, Lincolns Inn, UK; Inns of Court School of Law, UK; Kings College, UK, LLB Law with



German; and The University of Passau, Germany.

She is a goal-oriented achiever whose work goes beyond geographical boundaries. She has worked remarkably in multicultural environments like Dubai, Germany, London, South Africa, and Holland. Ms. Priya Heal is a member of the World Economic Forum.

MR. PAUL OKI - INDEPENDENT Non-Executive Director

Paul T. Oki combines over twenty-three (23) years of hands-on experience and expertise from strategic business partnerships, company law, compliance, and public policy; acquired from providing advisory services to various Nigerian, U.S., and European clients on significant cross-border transactions and business partnerships in Company Law, Telecommunications, Aviation, Energy and other areas of Commercial Law.

He is a seasoned local and international bureaucrat, who remains a valued consultant to international risk management establishments providing due diligence and compliance advice on Nigerian businesses.

Earning his LLB from the prominent University of Benin in 1997 and being called to the Nigerian Bar in 1998, Paul is also a member of the Nigerian Bar Association (NBA), the Nigerian Corporate Counsel Forum (CCF), a pioneer member of the Governing Council of the Section on Business Law (SBL) a member of the International Bar Association, (IBA) and the Commonwealth Lawyers Association (CLA).

He is also the former Legal Adviser of the Nigerian Gas Association (NGA) and a former Director and Company Secretary of the Nigerian Airspace Management Agency (NAMA). Mr. Oki has distinguished himself in various high-level advisory roles for the Federal and State government(s) of Nigeria; serving diligently as a member on several ministerial committees.



MR. EMMANUEL ETUH - Non-Executive Director

Emmanuel is a financial adviser at TMD Capital Partners, where he specializes in building and managing client portfolios and maximizing local investment opportunities, asset structures, and tax-efficient vehicles. He has private equity experience across a variety of sectors, including information technology, consumer services, retail, media, real estate, and healthcare.

He earlier worked at Banwo & Ighodalo, where he advised on corporate and commercial law, partnerships, foreign investment, and joint venture transactions across finance, international trade, and technology. He also provided support to local and international entities on corporate governance, company secretarial, and regulatory compliance matters.

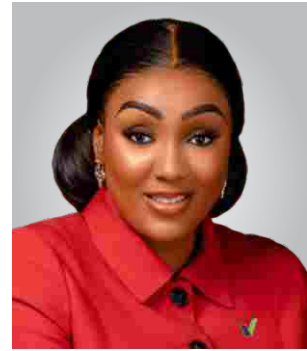
Having worked at the International Bar Association (IBA) London, he developed expertise in international law and policy analytic research. He advised on notable advisory projects concerning countries, such as Ghana, Sudan, Mali, and Turkey relating to constitutional reform, insecurity, immigration control, and climate change. He serves as a trustee of the Jennifer Etuh Foundation; a non-profit, developmental organization focused on providing free education and healthcare to women and children in low-income communities across Nigeria.

Emmanuel earned his LLB from SOAS University of London and earned an LLM from Durham University. He is a member of the Nigerian Bar Association and a Fellow of the Chartered Institute of Arbitration (FCIArB).



DR. ADAOBI NWAKUCHE - Managing Director/CEO

Adaobi Nwakuche is a seasoned insurance professional, who brings to the fore, over Twenty-Five (25) years of distinguished and hands-on service encompassing; but not limited to, Execution and management of strategic partnerships and alliances; Deal structuring and contract negotiations; Channel development and marketing; and Team development and leadership. All were acquired across several leading national organizations.



Prior to joining Veritas Kapital Assurance Plc; Adaobi was the immediate past, and pioneer Managing Director/CEO of Heirs Insurance Limited, wherein she orchestrated the strategic direction of the Company. Her over two-decade career includes experience garnered as Executive Director at Heirs Holdings Group and Director (Commercial division), at Equity Assurances, as well as other high-level positions at STACO and Standard Alliance Insurance Company Limited.

A seasoned business executive with an enviable track record of achieving exceptional results, Adaobi earned her first degree in Government and Public Administration from Abia State University. She furthered her education by earning an MBA in Business Administration from ESUT Business School.

She has a Doctorate in Insurance, Risk Management, and Corporate Governance from the prestigious European American University. She is also a Member of the Chartered Insurance Institute of Nigeria (CIIN), and the Chartered Insurance Institute, UK(CII).

Adaobi is an Alumnus of Harvard Kennedy School and Lagos Business School. She has attended various national and international executive-level training programs and seminars.

MR. SUNKANMI ADEKEYE - Executive Director, Technical & Operations

Sunkanmi Adekeye is responsible for and oversees all operational aspects of the company necessary for business success and growth. In addition, he helps set strategic goals and is responsible for the flow of operations information to the chief executive and the board, while developing and executing new growth initiatives.



A seasoned professional with over Twenty-Seven (27) years of insurance knowledge and expertise; with fifteen (15) of those serving in an executive capacity; Sunkanmi combines expertise in key partnership development; mergers and acquisitions; project management; strategic planning; technical; and sales and marketing; acquired across leading national and international organizations. Preceding his appointment as Executive Director (Operations) at Veritas Kapital Assurance Plc, his insurance work experience cuts across reputable Insurance broking firms and Underwriters such as SCIB Nigeria Insurance Brokers, Cornerstone Insurance Plc and Custodian & Allied Insurance Plc. He was the Managing Director of Allianz Nigeria Insurance Plc up until November 2020.

A first-degree graduate of Economics from Lagos State University and Risk Management & Insurance from the University of Lagos at the Masters level; Sunkanmi became an Associate Member of the Chartered Insurance Institute of Nigeria (ACII) in 1997, and a Fellow (FCII) of the same Institute in 2012.

He is also an Associate member of the Certified Pension Institute of Nigeria and has continued to contribute immensely to People's Development within and outside of the Insurance Industry.

FROM THE DESK OF THE MANAGING DIRECTOR/CEO

Management Discussion and Analysis

The Insurance Industry

The Nigerian insurance industry in 2025 operated within a dynamic but increasingly reform - driven regulatory environment, anchored by the implementation momentum of the Nigeria Insurance Industry Reform Act (NIIRA) and ongoing supervisory interventions by the National Insurance Commission.

These reforms, alongside recapitalization requirements and heightened governance expectations, continued to reshape market structure, encouraging consolidation, strengthening balance sheets, and improving overall sector resilience. However, prevailing macroeconomic headwinds - including elevated inflation, foreign exchange volatility, and constrained disposable incomes - continued to moderate insurance uptake and pressure premium growth across both life and non-life segments.

Within this context, competitive intensity increased meaningfully, driven by stronger broker influence, aggressive product innovation, and the gradual deepening of embedded insurance channels. While pricing discipline improved in certain commercial lines, margins remained under pressure due to claims inflation and rising reinsurance costs. Notwithstanding these challenges, the industry benefited from gradual improvements in digital distribution, regulatory push for financial inclusion, and increasing awareness of risk protection products, which supported modest growth in gross written premiums relative to prior periods.

In spite of these macroeconomic challenges, the most recent industry performance bulletin published by the National Insurance Commission (NAICOM) shows that the Nigerian insurance sector's gross written premium maintained its growth trajectory in FY 2025, reaching N2.302trn. This implies an impressive Year-on-Year (YoY) growth of 47.3% from N1.558Trn recorded prior year.

From a market size perspective, latest data from NAICOM also revealed that the insurance industry recorded total assets of about N4.8 trillion in Q4 2025 representing a 7.4% increase compared to the N4.4 trillion reported in the corresponding period of 2024.

Business Overview

2025 presented both trials and opportunities for your company. Despite the persistently challenging business environment, Veritas Kapital Assurance demonstrated resilience and strength in its core business areas.

Our financial performance remained steady year-on-year, with a marginal 0.2% increase in Gross Premium to N23.733Bn from N23.69Bn in 2024. Insurance Revenue contracted slightly by 3% to N22.603Bn in 2025 from N23.330Bn prior year.

The Company's Profit before Tax (PBT) rose to N3.156Bn in 2025 from a negative position of -N1.485Bn in 2024; a growth of 313%. A 286% expansion was also recorded in Profit after Tax (PAT) from -N1.634Bn in 2024 to N3.046Bn in 2025.

Total assets dipped by 10% from N33.060Bn in 2024 to N29.877Bn in 2025, as Shareholders equity grew by 27% from N11.917Bn in 2024 to N15.173Bn in 2025

Recapitalization/Future Outlook

A defining milestone in the Company's growth journey was the successful completion of its recapitalization programme in compliance with the minimum capital requirements prescribed under the Nigerian Insurance Industry Reform Act (NIIRA).

This achievement significantly strengthens our capital base and reinforces the Company's financial resilience, underwriting capacity, and ability to participate in larger and more complex risks across key sectors of the economy. More importantly, it positions Veritas Kapital Assurance Plc to capitalize on the opportunities that are expected to emerge from increased industry consolidation, improved investor confidence, and a stronger regulatory framework. The successful recapitalization represents not only regulatory compliance but also a strategic investment in the Company's future competitiveness, profitability, and long-term value creation.

Building on this stronger capital position, Management will continue to pursue profitable premium growth by strengthening broker and corporate relationships, leveraging technology to improve customer experience, and driving greater operational excellence across the business. We will also continue to maintain prudent risk management, disciplined capital allocation, and sound corporate governance to ensure sustainable returns for shareholders while preserving the Company's financial strength.

We remain confident that our strengthened balance sheet, experienced leadership, dedicated workforce, and clearly defined strategic priorities will enable Veritas Kapital Assurance Plc to navigate market uncertainties, seize emerging business opportunities, and reinforce its position as one of Nigeria's leading non-life insurance companies. As we embark on this new phase of growth, we remain grateful to our esteemed shareholders, customers, business partners, regulators, and employees for their continued confidence and unwavering support. Together, we are building a stronger, more resilient institution that is well positioned to deliver sustainable value to all stakeholders for many years to come.

Looking ahead, Veritas Kapital Assurance Plc is well positioned to sustain a positive growth trajectory despite the evolving macroeconomic and regulatory environment. While inflationary pressures, exchange rate volatility, and competitive market dynamics are expected to persist, the Company's strategic focus on underwriting discipline, operational efficiency, digital transformation, and customer-centric innovation provides a strong foundation for long-term sustainable growth.

We are especially grateful to you, and other business partners for your continued commitment and support of the company.



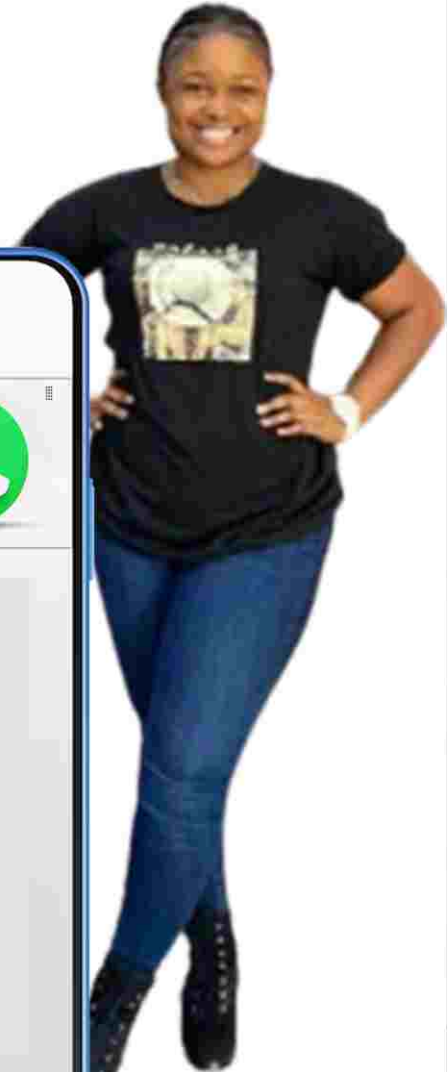
Dr Adaobi Nwakuche
Managing Director/CEO

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OVERVIEW

The Enterprise Risk Management (ERM) Framework of Veritas Kapital Assurance Plc “the Company” or “VKAP” establishes a comprehensive, structured, and integrated approach to the identification, assessment, measurement, management, monitoring, and reporting of risks across the Company.

This Framework is developed in strict alignment with applicable regulatory and supervisory requirements, including guidelines issued by the National Insurance Commission (NAICOM), as well as globally recognized best-practice standards such as the Committee of Sponsoring Organizations of the Treadway Commission (COSO) Enterprise Risk Management Framework. It further reflects sound corporate governance principles and industry standards applicable to insurance institutions operating in Nigeria.

The ERM Framework provides a holistic enterprise-wide view of risk, ensuring that risk management is not treated as a standalone compliance function but as a core strategic capability embedded within:

- Corporate strategy formulation and execution
- Underwriting and claims management processes
- Investment and treasury activities
- Operational and technology systems
- Regulatory compliance and reporting
- Product development and innovation
- Human capital and outsourcing arrangements

The Framework adopts a “three lines model” governance structure to ensure accountability, independence, and effective oversight across the Company. It clearly defines roles and responsibilities for the Board of Directors, Board Committees, Executive Management, the Risk Management Function, Internal Audit, and business unit risk owners.

ERM within Veritas Kapital Assurance Plc promotes a proactive risk culture characterized by:

- Clear articulation of risk appetite and tolerance levels
- Transparent risk communication and escalation protocols
- Ownership of risks at operational levels
- Continuous monitoring and periodic reporting to the Board
- Accountability for risk-adjusted performance

The Framework supports business continuity, financial soundness, regulatory compliance, and long-term sustainability. By embedding risk considerations into decision-making at all levels, the Company enhances its resilience to adverse events, protects stakeholder value, and strengthens its ability to achieve strategic and operational objectives in a dynamic and evolving risk environment.

1.0 ENTERPRISE RISK MANAGEMENT OBJECTIVES

The Enterprise Risk Management Framework of Veritas Kapital Assurance Plc is designed to achieve the following strategic and operational objectives:

▪ Strategic Integration	▪ Enterprise-Wide Risk Identification and Assessment
▪ Risk Appetite and Tolerance Management	▪ Governance and Internal Control Strengthening
▪ Risk-Informed Decision-Making	▪ Capital and Financial Protection
▪ Regulatory Compliance and Supervisory Engagement	▪ Reputation and Stakeholder Confidence
▪ Business Continuity and Resilience	▪ Sustainable Growth and Long-Term Stability

2.0 SCOPE OF ENTERPRISE RISK MANAGEMENT

The Enterprise Risk Management (ERM) Framework of Veritas Kapital Assurance Plc applies across the entire organization and encompasses all material risks—whether strategic, financial, operational, regulatory, or reputational—arising from the Company’s underwriting, investment, administrative, technological, and stakeholder engagement activities.

The Framework is enterprise-wide in scope and extends to the Board, Executive Management, all business units, subsidiaries (where applicable), outsourced service providers, intermediaries, agents,

and strategic partners whose activities may impact the Company's risk profile. It also considers both current and emerging risks that may affect the Company's ability to achieve its strategic objectives, maintain solvency, and comply with regulatory obligations, including those of the National Insurance Commission (NAICOM).

The ERM Framework covers, but is not limited to, the following categories of risk:

- Legal and Compliance Risk
- Underwriting Risk
- Reinsurance Risk
- Claims Risk
- Operational Risk
- Market and Investment Risk
- Credit Risk
- Liquidity Risk
- Business (Strategic) Risk
- Reserving Risk
- Reputational Risk
- Pandemic and Emerging Risks
- Anti-Money Laundering/Combating the Financing of Terrorism/Combating Proliferation Financing (AML/CFT/CPF)

3.0 RISK MANAGEMENT PRINCIPLES

The risk management philosophy of Veritas Kapital Assurance Plc is anchored on sound corporate governance, regulatory compliance, and long-term value creation. The Company's Enterprise Risk Management (ERM) Framework is guided by the following core principles:

- Regulatory Compliance and Legal Adherence
- Protection of Corporate Integrity and Core Values
- Balanced Risk-Return Consideration
- Strategic Alignment
- Informed and Responsible Risk-Taking
- Continuous Improvement
- Value Creation and Preservation
- Financial Strength and Business Sustainability
- Shared Accountability

4.0 RISK GOVERNANCE AND CULTURE

4.0.1 GOVERNANCE STRUCTURE

Ultimate responsibility for risk oversight resides with the Board of Directors, which provides strategic direction, approves the Risk Appetite Statement, and ensures the adequacy and effectiveness of the ERM Framework.

The Board, through its Risk Management Committee (or equivalent committee), exercises delegated oversight responsibilities, including:

- Reviewing risk reports and key risk indicators
- Monitoring compliance with approved risk appetite thresholds
- Evaluating emerging risks and stress testing outcomes
- Ensuring alignment between risk management and corporate strategy

Day-to-day responsibility for implementing and maintaining effective risk management practices is delegated to Senior Management, led by the Managing Director/Chief Executive Officer and supported by the Chief Risk Officer (or designated risk function). Management is responsible for embedding risk controls within operational processes and ensuring timely escalation of material risk issues to the Board.

4.0.2 RISK CULTURE

Veritas Kapital Assurance Plc is committed to fostering a proactive and disciplined risk culture characterized by openness, accountability, and continuous vigilance.

The Company's risk culture is designed to:

- Encourage Early Risk Identification and Escalation
- Embed Risk Awareness Across All Departments
- Require Pre-Implementation Risk Assessment
- Consider Both Quantitative and Qualitative Risks
- Evaluate Internal and External Risk Drivers
- Protect Reputation While Supporting Growth

5.0 RISK GOVERNANCE STRUCTURE – THREE LINES OF DEFENSE

Veritas Kapital Assurance Plc adopts a structured Three Lines of Defence Model to ensure clear accountability, effective risk oversight, and independent assurance across the organization. This model aligns with global best practices in corporate governance and regulatory expectations for insurance institutions. The framework establishes clear separation of duties between risk ownership, risk oversight, and independent assurance functions, while ensuring strong Board-level supervision.

01 - FIRST LINE OF DEFENSE – RISK OWNERSHIP AND MANAGEMENT
The First Line of Defense consists of business units, functional departments, and process owners who are directly responsible for managing risks within their respective areas of operation. Key responsibilities: ▪ Risk Identification and Assessment ▪ Policy Compliance ▪ Escalation of Material Risks ▪ Risk Control Implementation ▪ Operational Risk Management Business and process owners are accountable for the risks they originate and manage. Risk ownership cannot be delegated to the Risk function. Board Oversight While operational ownership rests with Management, the Board of Directors and the Board Risk Management Committee provide strategic oversight by: ▪ Approving the Risk Appetite Statement ▪ Reviewing periodic risk reports and Key Risk Indicators (KRIs) ▪ Monitoring compliance with approved limits ▪ Providing direction on material risk exposures
02 - SECOND LINE OF DEFENSE – RISK CONTROL AND OVERSIGHT
The Second Line of Defense is led by the Risk Management Function, which provides independent oversight, challenge, and support to the First Line. This function is responsible for designing and maintaining the Enterprise Risk Management (ERM) Framework and ensuring consistent application across the Company. Key Responsibilities: ▪ Development of Risk Frameworks and Policies ▪ Risk Monitoring and Reporting ▪ Risk Advisory Role ▪ Enterprise Risk Register Management ▪ Control Effectiveness Review ▪ Risk Awareness and Training Chief Risk Officer (CRO) Responsibilities The Chief Risk Officer (or designated Head of Risk) leads the Second Line of Defense and has functional access to the Board Risk Management Committee to ensure independence. The CRO is responsible for: ▪ Implementing approved ERM policies, frameworks, and procedures ▪ Coordinating periodic risk assessments, stress testing, and scenario analysis ▪ Consolidating and reporting enterprise-wide risk exposures ▪ Advising Management and the Board on risk mitigation strategies and emerging risk trends ▪ Monitoring adherence to the Risk Appetite Statement ▪ Driving continuous improvement of risk management practices ▪ Strengthening and embedding a proactive risk culture across the organization The CRO operates independently from revenue-generating and operational functions to ensure objective oversight.
03 - THIRD LINE OF DEFENSE – Independent Assurance
The Third Line of Defense is provided by the Internal Audit Function, which offers independent and objective assurance on the effectiveness of governance, risk management, and internal control processes. Key Responsibilities: ▪ Review of Internal Controls ▪ Reporting to the Board ▪ Independent Evaluation of Risk Management Effectiveness ▪ Governance Process Evaluation ▪ Follow-Up and Remediation Monitoring

5.0.1 SEPARATION, INDEPENDENCE, AND COORDINATION

The effectiveness of the Three Lines of Defence model depends on:

- Clear role definition and accountability
- Independence of the Second and Third Lines
- Regular coordination and information sharing between lines
- Strong Board oversight and tone at the top

6.0 RISK APPETITE STATEMENT

The Risk Appetite Statement (RAS) of Veritas Kapital Assurance Plc articulates the nature, type, and level of risk the Company is willing to assume in pursuit of its strategic objectives, while safeguarding policyholders' interests, maintaining regulatory compliance, and preserving long-term financial stability.

The Risk Appetite Statement is reviewed at least annually and approved by the Board of Directors. It is aligned with the Company's corporate strategy, capital position, solvency requirements, and regulatory expectations. The RAS serves as a foundational guide for strategic decision-making, underwriting practices, investment strategies, reinsurance arrangements, and operational activities.

6.0.1 OBJECTIVES OF THE RISK APPETITE STATEMENT

The Company's Risk Appetite Statement is designed to:

- Minimize Avoidable Losses
- Protect Earnings and Capital
- Optimize Capital Utilization
- Improve Return on Equity (ROE)
- Maintain Low Tolerance for Operational Risk
- Maintain Zero Tolerance for Internal Fraud and Ethical Misconduct

6.0.2 RISK LIMITS AND THRESHOLDS

To operationalize the Risk Appetite Statement, the Company establishes measurable risk limits, tolerance thresholds, and Key Risk Indicators (KRIs) across major risk categories, including underwriting, reinsurance, market, credit, liquidity, operational, and compliance risks.

- Limits are clearly documented and communicated to relevant business units.
- Breaches or near-breaches are escalated in accordance with defined reporting protocols.
- Risk exposures are monitored regularly and reported to Executive Management and the Board Risk Management Committee.
- Stress testing and scenario analysis are conducted to evaluate resilience under adverse conditions.

The Risk Appetite Statement is embedded within business planning, budgeting, capital management, product approval processes, and performance evaluation frameworks.

7.0 RISK CLASSIFICATION AND MANAGEMENT

Veritas Kapital Assurance Plc adopts a structured and comprehensive approach to risk classification to ensure that all material risks are properly identified, assessed, monitored, and mitigated in line with its approved Risk Appetite Statement and regulatory requirements.

Each risk category is supported by defined control frameworks, monitoring mechanisms, escalation procedures, and periodic reporting to Executive Management and the Board Risk Management Committee. They are as follows:

MARKET/INVESTMENT RISK

Definition:

The risk of financial loss arising from adverse movements in market variables such as interest rates, equity prices, foreign exchange rates, and property valuations, which may negatively impact the Company's asset portfolio and capital position.

Management Approach:

- Portfolio diversification across asset classes and sectors
- Exposure limits consistent with regulatory investment guidelines
- Asset-liability matching strategies
- Regular portfolio performance review and stress testing
- Active oversight by Management and the Investment Committee
- Compliance with statutory investment regulations and internal investment policy

CREDIT RISK

Definition:

The risk of financial loss resulting from the failure of counterparties—such as reinsurers, brokers, financial institutions, or policyholders—to meet their contractual obligations when due.

Management Approach:

- Comprehensive due diligence and counterparty credit assessment
- Approved counterparty selection criteria
- Exposure limits and obligor concentration thresholds
- Periodic review of reinsurer credit ratings and financial strength
- Premium receivables monitoring and recovery procedures
- Compliance with regulatory limits on concentration risk

OPERATIONAL RISK

Definition:

The risk of loss arising from inadequate or failed internal processes, systems, people, or from external events, including cyber threats and fraud.

Management Approach:

- Clearly documented standard operating procedures
- Segregation of duties and internal control mechanisms
- Process automation and system enhancements
- Staff training and competency development
- Information security controls and cyber risk management
- Incident reporting and root cause analysis
- Vendor and outsourcing risk oversight

LIQUIDITY RISK

Definition:

The risk that the Company may be unable to meet its financial obligations—such as claims payments, operating expenses, or regulatory obligations—when they fall due.

Management Approach

- | | |
|--|---|
| ▪ Asset-liability matching strategies | ▪ Maintenance of adequate liquid asset buffer |
| ▪ Liquidity ratio monitoring and early warning indicators | ▪ Periodic cash flow forecasting |
| ▪ Oversight by the Investment Committee and Executive Management | |

REINSURANCE RISK

Definition:

The risk of financial loss arising from inadequate, ineffective, or poorly structured reinsurance arrangements, including counterparty default risk.

Management Approach:

- | | |
|--|---|
| ▪ Board-approved reinsurance strategy and retention limits | ▪ Careful reinsurer selection based on financial strength and rating criteria |
| ▪ Diversification of reinsurance counterparties | ▪ Periodic review of treaty performance and recoveries |
| ▪ Monitoring of outstanding reinsurance receivables | |

UNDERWRITING RISK

Definition:

The risk of loss resulting from inappropriate pricing, poor risk selection, inaccurate risk assessment, or unexpected claim frequency and severity.

Management Approach:

- Product approval and review governance
- Portfolio monitoring and accumulation control
- Clearly defined underwriting guidelines and authority limits
- Technical pricing standards and actuarial input
- Periodic underwriting audits and performance analysis

REPUTATIONAL RISK

Definition:

The risk of brand damage, loss of stakeholder confidence, or adverse publicity arising from operational failures, ethical breaches, or regulatory sanctions.

Management Approach:

- Strong ethical culture and code of conduct
- Active stakeholder communication and media engagement
- Service quality standards and customer complaint resolution framework
- Transparent governance and regulatory compliance
- Crisis communication planning

BUSINESS (STRATEGIC) RISK

Definition:

The risk of loss arising from flawed strategic decisions, ineffective execution, competitive pressures, technological disruption, or changing market dynamics.

Management Approach:

- Stakeholder and customer engagement strategies
- Profitability and cost analysis
- Structured strategic planning and periodic performance reviews
- Product governance and new initiative risk assessments
- Competitive market monitoring

CLAIMS RISK

Definition:

The risk arising from ineffective claims management processes, including fraud, excessive settlement costs, delays, leakage, or poor documentation.

Management Approach:

- Structured and documented claims handling procedures
- Expert loss assessment and investigation processes
- Defined claims settlement timelines
- Defined authority limits and escalation protocols
- Fraud detection controls
- Claims performance monitoring and reporting

LEGAL/COMPLIANCE RISK

Definition:

The risk of regulatory breaches, legal sanctions, financial penalties, or litigation arising from non-compliance with applicable laws and standards.

Management Approach:

- Know Your Customer (KYC) procedures
- Corporate governance standards
- Whistleblowing and ethics reporting mechanisms
- Anti-Money Laundering/Combating the Financing of Terrorism/Combating Proliferation Financing (AML/CFT/CPF) controls
- Anti-bribery and anti-corruption policies
- Data protection and privacy controls
- Regulatory reporting and periodic compliance reviews

PANDEMIC AND EMERGING RISK	
Definition: The risk of significant operational, financial, or systemic disruption arising from pandemics, widespread health emergencies, climate events, geopolitical shifts, or emerging threats.	
Management Approach:	
- Implementation of health and safety protocols - Staff rotation and workforce continuity planning - Comprehensive Business Continuity Management (BCM) framework	- Periodic scenario analysis and stress testing - Vaccination and employee wellness initiatives - Remote work capability and digital infrastructure
ANTI-MONEY LAUNDERING/COMBATING THE FINANCING OF TERRORISM/COMBATING PROLIFERATION FINANCING (AML/CFT/CPF) RISK	
Definition: The risk of the Company being used—intentionally or unintentionally—for money laundering, terrorism financing, or proliferation financing activities.	
Management Approach	
- Sanctions and watchlist screening - Source-of-funds and source-of-wealth verification - Ongoing transaction monitoring and red flag detection - Periodic AML/CFT/CPF training and independent compliance review - Filing of regulatory reports, including Currency Transaction Reports (CTR) and Suspicious Transaction Reports (STR), in accordance with applicable laws	- Politically Exposed Persons (PEPs) checks - Ultimate Beneficial Owner (UBO) identification and verification - Risk-based Customer Due Diligence (CDD) procedures

8.0 RISK REPORTING

Veritas Kapital Assurance Plc maintains a structured and transparent risk reporting framework to ensure that risk information is timely, accurate, and relevant for effective decision-making at both Management and Board levels. Risk reporting forms a critical component of the Enterprise Risk Management (ERM) Framework and supports proactive oversight, regulatory compliance, and strategic alignment.

8.0.1 PURPOSE OF RISK REPORTING

Risk assessments conducted across business units are consolidated into periodic Enterprise Risk Reports designed to:

- Highlight Key and Emerging Risks.
- Evaluate Control Effectiveness
- Present Risk Ratings and Trends
- Support Management Decision-Making
- Inform Board Risk Committee Oversight

8.0.2 REPORTING STRUCTURE AND FREQUENCY

- Risk reports are prepared on a periodic basis (e.g., quarterly) and escalated in accordance with defined governance protocols.
- Material risk events, breaches of risk limits, or significant control failures are reported promptly outside the regular reporting cycle.
- Reports include Key Risk Indicators (KRIs), Key Control Indicators (KCIs), incident summaries, regulatory compliance updates, and progress on remediation plans.

8.0.3 Escalation and Accountability

Where risk exposures exceed approved tolerance thresholds:

- Immediate notification is made to Executive Management.
- Corrective action plans are developed with defined timelines and responsible officers.
- Significant matters are escalated to the Board Risk Management Committee for oversight and guidance.

8.0.4 CONTINUOUS IMPROVEMENT

The risk reporting framework is subject to periodic review to ensure:

- Alignment with evolving regulatory requirements and industry best practices
- Adequate coverage of emerging risks
- Clarity, consistency, and relevance of risk metrics and analysis

9.0 RISK CONTROL AND SELF-ASSESSMENT (RCSA)

Veritas Kapital Assurance Plc implements a structured Risk and Control Self-Assessment (RCSA) process as a key component of its Enterprise Risk Management (ERM) framework. The RCSA enables proactive identification, evaluation, and mitigation of risks at the operational level and strengthens accountability within the First Line of Defense.

9.0.1 OBJECTIVES OF THE RCSA PROCESS

The Company conducts periodic risk assessment exercises to:

- a. Evaluate existing Key Controls
- b. Identify Control Gaps and Weaknesses
- c. Update Risk Registers
- d. Incorporate Audit Findings and Loss Events
- e. Strengthen Mitigation Measures

9.0.2 GOVERNANCE AND IMPLEMENTATION

- a. RCSA exercises are coordinated by the Risk Management Function and conducted in collaboration with business unit heads and process owners.
- b. Risk ratings are determined using standardized likelihood and impact criteria to ensure consistency across the enterprise.
- c. Results are consolidated into enterprise risk reports and escalated to Executive Management and the Board Risk Management Committee where necessary.

9.0.3 ROLE OF RISK CHAMPIONS

The Company designates Risk Champions within business units to:

- Facilitate RCSA workshops and documentation
- Promote risk awareness at the departmental level
- Ensure timely implementation of corrective actions
- Act as liaison between business units and the Risk Management function

This structured approach enhances ownership, strengthens internal controls, and reinforces a proactive risk culture across the organization.

10.0 HEALTH, SAFETY AND ENVIRONMENT (HSE)

Veritas Kapital Assurance Plc is committed to maintaining a safe, healthy, and environmentally responsible workplace for employees, contractors, customers, and other stakeholders. The Health, Safety, and Environment (HSE) Program is guided by documented policies and procedures that define responsibilities, reporting protocols, and preventive measures.

10.0.1 HSE OBJECTIVES

- Provide safe and healthy working conditions
- Prevent workplace injuries, accidents, and occupational hazards
- Promote employee wellness and mental health awareness
- Ensure compliance with applicable health and safety regulations
- Foster environmental responsibility in operational activities

10.0.2 KEY HSE CONTROLS

- Clearly defined HSE roles and responsibilities
- Workplace risk assessments and hazard identification
- Fire safety systems and emergency evacuation procedures
- Periodic safety drills and staff awareness training
- Incident reporting and investigation procedures
- Monitoring of environmental and workplace safety standards
- HSE performance is periodically reviewed, and corrective measures are implemented to address identified gaps.

11.0 BUSINESS CONTINUITY MANAGEMENT (BCM)

Veritas Kapital Assurance Plc maintains a comprehensive Business Continuity Management (BCM) Framework to ensure operational resilience and continuity of critical services in the event of disruptions such as system failures, cyber incidents, pandemics, natural disasters, or other unforeseen events.

11.0.1 BUSINESS CONTINUITY PLAN (BCP) OBJECTIVES

The Business Continuity Plan (BCP) is designed to:

- Safeguard critical business operations
- Protect policyholder data and financial records
- Minimize service disruption
- Ensure timely recovery of essential systems and processes
- Maintain regulatory compliance during crises

11.0.2 KEY COMPONENTS OF THE BCP

- Data Backup and Cloud Redundancy to ensure data integrity and availability.
- Disaster Recovery (DR) Procedures
- Remote Work Capabilities
- Emergency Response Protocols
- Periodic Penetration Testing and Vulnerability Assessments

11.0.3 TESTING AND CONTINUOUS IMPROVEMENT

- The BCP and Disaster Recovery Plan are tested periodically through simulations and tabletop exercises.
- Gaps identified during testing exercises or real-life incidents are documented, analyzed, and addressed through structured remediation plans.
- Continuous improvement is embedded within the BCM framework to ensure evolving risks and technological changes are adequately addressed.

RISK MANAGEMENT DECLARATION

The Board, Enterprise Risk Management Committee of Veritas Kapital Assurance Plc hereby declares As follows:

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



Dr. Adaobi Nwakuche
MANAGING DIRECTOR/CEO
FRC/2021/003/00000023865



Mr. Babatunde Irukera
CHAIRMAN
FRC/2020/003/00000020878

**REPORT OF THE AUDIT AND COMPLIANCE COMMITTEE TO THE
MEMBERS OF VERITAS CAPITAL ASSURANCE PLC FOR THE YEAR ENDED
31ST DECEMBER, 2025
TO MEMBERS OF VERITAS CAPITAL ASSURANCE PLC**

By the provision of Section 404 (7) of the Companies and Allied Matters Act, 2020, we confirm that we have seen the Audit Plan and Scope and the Management Letter on the audit of the books of the Group and Company and the response.

In our opinion, the plan and scope of the audit for the year ended 31 December 2025 were adequate.

We have reviewed the auditor's findings and we are satisfied with the management response thereon.

We also confirm that the accounting and reporting policies of the company are in accordance with legal requirements and ethical practices.



Mr. Emmanuel Etuh
FRC/2022/PRO/NBA/002/571378
CHAIRMAN, AUDIT AND COMPLIANCE COMMITTEE

Members of the Audit and Compliance Committee are:

Mr. Emmanuel Etuh	Independent Non-Executive Director	CHAIRMAN
Hajia Yabawa Lawan Wabi <i>mni</i>	Non-Executive Director	MEMBER
Mal. Muhammed B. Alhassan	Shareholders' Representative	MEMBER
Alh. Usman Abaji	Shareholders' Representative	MEMBER
Mr. Olusegun J. Akintunde	Shareholders' Representative	MEMBER



The Directors have the pleasure of presenting the report on Veritas Kapital Assurance Plc's affairs, together with the audited consolidated and separate financial statements and auditors' report for the year ended 31 December, 2025

1. Legal Form

The Company was incorporated in Nigeria under the Companies and Allied Matters Act, 2020 as a private limited liability company in 1973. It started business in 1974 as Kano State Insurance Company Limited. The name was changed to Kapital Insurance Company Limited in 1981. In 2005, it merged with Global Commerce and General Assurance Company Limited and Inter-Continental Assurance Company Limited. In 2008, the name of the Company was changed to Unity Kapital Assurance Plc and subsequently Veritas Kapital Assurance Plc. The Company became quoted on the Nigerian Exchange Limited (NGX) on 17th December, 2009.

Veritas Kapital Assurance Plc, as of the reporting date, has two subsidiaries namely Veritas Glanvills Pensions Limited (70%) and Veritas Healthcare Limited (94%) in addition to a 51.53% stake in Goldlink Insurance Plc.

2. Principal Activities and Business Review

The principal activity of the company is to transact general (non-life) insurance business

3. Directors and their Interest

The direct and indirect interests of the Directors in the issued share capital of the company, as recorded in the Register of Directors' shareholding and/or as notified by the Directors for the purpose of Section 303 of the Companies and Allied Matters Act, 2020 and the listing requirements of the Nigerian Exchange Limited as at 31 December, 2025, are as follows

Names	Direct Shareholding	Indirect Shareholding	%	Interest Represented
Mr. Aminu Babangida		7,321,989,662	52.80	Veritas Capital Limited
Mr. Emmanuel Etuh	112,280,700	196,600,567	1.41	Tak Asset Management Limited

4. Directors' Remuneration

The Company ensures that remuneration paid to its Directors complies with the provisions of the Codes of Corporate Governance issued by its Regulators.

In compliance with Section 34(5) of the Code of Corporate Governance for Public Companies as issued by the Securities and Exchange Commission, the Company discloses the remuneration paid to its directors as follows:

Type of package fixed	Description	Timing
Basic Salary	- Part of the gross salary package for Executive Directors only. - It reflects the industry's competitive salary package and the extent to which the Bank's objectives have been met for the financial year.	Paid monthly during the financial year.
13th-month salary	- Part of the gross salary package for Executive Directors only. - It reflects the industry's competitive salary package and the extent to which the Bank's objectives have been met for the financial year.	Paid last month of the financial year.
Director fees	Paid quarterly to Non -Executive Directors only as approved by members at the Annual General Meeting.	Paid quarterly to Non -Executive Directors only as approved by members at the Annual General Meeting.
Sitting allowances	Allowances paid to Non-Executive Directors only for attending Board and Board Committee Meetings.	Paid after each Meeting.
Reimbursable travel and hotel expenses.	This is paid to Non -Executive Directors residing outside the venue for Board/Committee meetings.	Paid after each meeting.

5. **Changes on the Board**

In the course of the reporting year, the following changes were made on the Board:

S/N	NAME	POSITION
1.	Mr. Nahim Abe Ibraheem	Non-Executive Director/Chairman - Mr. Nahim Abe Ibraheem resigned from the Board on the 2 nd of May, 2025.
2.	Mr. Babatunde Irukera	Non-Executive Director/Chairman - Mr. Babatunde Irukera was appointed as a member of the Board on the 2 nd of May, 2025.

6. The names of the directors as of this report and those who held office during the year are as follows:

S/N	NAME	POSITION
1.	Mr. Babatunde Irukera	Non-Executive Director/Chairman
2.	Dr. Oluwafunsho A. Obasanjo	Non-Executive Director
3.	Mr. Paul Oki	Independent Non-Executive Director
4.	Mr. Aminu Babangida	Non-Executive Director
5.	Mr. Emmanuel Etuh	Non-Executive Director
6.	Hajia. Yabawa Lawan Wabi (mni)	Non-Executive Director
7.	Mrs. Priya Heal	Non-Executive Director
8.	Dr. Adaobi Nwaku	Managing Director/CEO
9.	Mr. Sunkanmi Adekeye	Executive Director, Operations

7. **Directors' Interest in Contracts**

In compliance with Section 303 of the Companies and Allied Matters Act, 2020, none of the directors has notified the Company of any declarable interest in contracts deliberated by the Company during the year under review.

8. **Acquisition of Own Shares**

The Company did not acquire any of its shares during the year ended 31 December, 2025.

9. **Property, Plant and Equipment**

Information relating to changes in property and equipment during the year is given in Note 9 to the Financial Statements.

10. **Security Trading Policy**

In compliance with Rule 17.15 Disclosure of Dealings in Issuers' Share, Rulebook of the Exchange, 2015 (Issuers' Rule), the Company maintains an effective Security Trading Policy that guides Directors, members of the Audit and Compliance Committee, employees, and all individuals categorized as insiders as to their dealings in the Company shares.

The Policy is regularly reviewed and updated by the Board. Relevant persons are prohibited from dealing in the Company's shares both when they have material non-public information about the Company's activities and during their closed period.

The Company has made specific inquiries of all Directors whether they have complied with the required standards set out in the listing rules and the Company's Code of Conduct regarding securities transactions by Directors and it is not aware of any non-compliance as of the period ended, 31 December, 2025.

11. **Corporate Social Responsibility (CSR) Report - 2025**

In alignment with its Corporate Social Responsibility (CSR) Policy, Sustainability Framework, and commitment to Environmental, Social and Governance (ESG) principles, Veritas Kapital Assurance Plc executed several impactful community and industry-focused initiatives in 2025.

These initiatives were strategically designed to:

- Promote preventive healthcare and community wellbeing
- Support insurance education and professional development
- Foster youth empowerment and industry inclusion
- Strengthen community engagement through lifestyle and safety advocacy
- Promote diversity, inclusion, and resilience

The following were the initiatives carried out by the Company in the year 2025:

01	STRATEGIC CSR INITIATIVE : HEALTH AWARENESS ROAD WALK THEME: Promoting Preventive Health DATE: March 29, 2025 PARTNER: Waka Community International Foundation		
OBJECTIVE AND STRATEGIC RATIONALE		KEY ACTIVITIES	IMPACT
Objective To promote preventive healthcare awareness, encourage healthy lifestyles, and reinforce the importance of early detection and risk mitigation within communities. Strategic Rationale As an insurance company committed to risk prevention—not merely risk transfer—Veritas Kapital Assurance Plc recognizes that proactive health management reduces long-term financial and social burdens. The initiative aligns with the Company’s preventive risk philosophy and ESG social objectives.		Key Activities - Community road walk and public sensitization campaign - Distribution of health awareness materials - Advocacy on lifestyle-related disease prevention - Engagement with community leaders and residents - Public education on the role of insurance in health risk management	Impact - Increased awareness of preventive health practices - Strengthened community trust and corporate reputation - Enhanced visibility of the Company’s health risk advocacy role - Reinforced alignment between insurance principles and public health education
02	STRATEGIC CSR INITIATIVE : INDUSTRIAL VISIT - ASISA LASU STUDENTS THEME: Inspiring Future Insurance Professionals DATE: June 19, 2025 PARTNER: Actuarial Science and Insurance Students Association, Lagos State University		
OBJECTIVE AND STRATEGIC RATIONALE		PROGRAMME HIGHLIGHTS	OUTCOMES
Objective: To expose undergraduate students to practical insurance operations, corporate governance standards, actuarial functions, underwriting processes, claims administration, compliance culture, and risk management practices. Strategic Rationale: As part of its industry development mandate, Veritas Kapital Assurance Plc is committed to strengthening Nigeria’s insurance talent pipeline by bridging the gap between academic theory and real-world application.		- Executive welcome session and corporate overview - Interactive sessions on underwriting, actuarial science, claims, compliance, and risk management - Exposure to regulatory expectations and corporate governance culture - Career mentorship dialogue with management representatives - Question-and-answer engagement session	- Enhanced student understanding of insurance operations - Strengthened academia-industry collaboration - Encouraged career interest in actuarial science and insurance - Positioned Veritas Kapital Assurance Plc as an employer of choice
03	STRATEGIC CSR INITIATIVE : INSURANCE SUMMIT & AWARENESS DAY THEME: Supporting Industry Education and Professional Development DATES: July 17-18, 2025 PARTNER: Actuarial Science and Insurance Students Association, Lagos State University		
OBJECTIVE AND STRATEGIC RATIONALE		AREAS OF ENGAGEMENT	IMPACT
Objective: To support insurance literacy, promote awareness of risk management principles, and encourage professionalism within the next generation of industry practitioners. Strategic Rationale: The insurance penetration rate in Nigeria remains relatively low. Supporting educational summits directly contributes to improving awareness, understanding, and acceptance of insurance as a financial protection tool.		- Sponsorship support - Technical presentations by Company representatives - Panel discussions on industry trends and regulatory developments - Career pathway advisory sessions - Insurance awareness sensitization for non-insurance students	- Increased insurance literacy among students - Strengthened professional development pathways - Enhanced corporate visibility within academic and professional circles - Reinforced Veritas Kapital Assurance Plc’s leadership role in industry advocacy.

04	STRATEGIC CSR INITIATIVE : THE CAR LOVERS CONNECT THEME: Engaging Communities through Automotive Passion & Road Safety Advocacy DATES: August 2, 2025 & November 1, 2025 PARTNER: Automotive Mechanics Associations and Car Enthusiast Groups		
OBJECTIVE AND STRATEGIC RATIONALE		KEY COMPONENTS	IMPACT
Objective: To engage automotive communities while promoting motor insurance awareness, road safety, and responsible vehicle ownership. Strategic Rationale: Motor insurance constitutes a significant class of general insurance business. Engagement with automotive communities enables the Company to promote compliance with compulsory insurance requirements and advocate safe driving practices.		- Insurance education sessions for vehicle owners - Awareness on compulsory third-party motor insurance - Engagement with automobile mechanics on risk prevention - Road safety sensitization - Interactive brand engagement sessions	- Increased awareness of insurance compliance - Strengthened relationship with automotive communities - Promoted responsible vehicle ownership culture - Enhanced public perception of the Company as a proactive risk partner
05	STRATEGIC CSR INITIATIVE : FCT PARA-ATHLETIC COMPETITION THEME: Celebrating Excellence, Inclusion & Resilience DATES: October 4, 2025 PARTNER: Automotive Mechanics Associations and Car Enthusiast Groups		
OBJECTIVE AND STRATEGIC RATIONALE		ENGAGEMENT AREAS	IMPACT
Objective: To support inclusive sports development and celebrate the resilience, excellence, and determination of para-athletes. Strategic Rationale: Veritas Kapital Assurance Plc is committed to diversity, equity, and inclusion (DEI). Supporting para-athletic competitions reflects the Company’s dedication to empowering persons with disabilities and promoting equal opportunity participation in society.		- Event sponsorship support - Brand participation and advocacy - Inclusion-focused messaging - Community engagement with athletes and stakeholders	- Promoted inclusive community participation - Supported sports development for persons with disabilities - Strengthened ESG social performance metrics - Demonstrated corporate commitment to social equity

OVERALL CSR IMPACT - 2025

Through these initiatives, Veritas Kapital Assurance Plc achieved:

- Enhanced community engagement and brand trust
- Strengthened educational partnerships
- Increased insurance literacy among youths and community members
- Promotion of preventive health and safety culture
- Reinforcement of ESG and sustainability objectives
- Improved corporate reputation and stakeholder confidence

CONCLUSION

The 2025 CSR initiatives reflect Veritas Kapital Assurance Plc's commitment to responsible corporate citizenship, sustainable development, and long-term stakeholder value creation.

The Company remains dedicated to:

- Supporting community wellbeing
- Strengthening Nigeria's insurance ecosystem
- Promoting financial protection awareness
- Encouraging inclusion and resilience
- Aligning business growth with social impact

Veritas Kapital Assurance Plc will continue to implement structured, measurable, and high-impact CSR programmes consistent with regulatory expectations, corporate governance standards, and global ESG best practices.

12. GOVERNANCE, ETHICS AND ANTI-CORRUPTION

a. Governance Framework

The Company maintains a strong governance structure that promotes ethical leadership, accountability, transparency, and responsible business conduct. Our governance practices are designed to support long-term sustainability and align with international best practices and regulatory expectations.

The Board of Directors provides oversight for the Company's governance, risk management, and compliance framework through dedicated committees responsible for audit, risk management, and corporate governance. These committees ensure that management operates within approved policies and maintains effective internal control systems.

Our governance practices are guided by internationally recognized frameworks, including the Global Reporting Initiative (GRI Standards), the International Sustainability Standards Board (IFRS Sustainability Disclosure Standards), and relevant local regulatory requirements.

b. Ethics and Integrity

The Company is committed to maintaining the highest standards of integrity in all its operations. Our Code of Business Conduct and Ethics provides clear guidance on expected ethical behavior and applies to directors, employees, contractors, and business partners.

The Company adopts a **zero-tolerance approach to bribery and corruption**, aligning its policies with international conventions such as the United Nations Convention against Corruption and the African Union Convention on Preventing and Combating Corruption.

c. Anti-Bribery and Corruption Programme

To prevent corruption risks and ensure ethical business practices, the Company operates a robust Anti-Bribery and Corruption (ABC) framework which includes:

- **Code of Business Conduct and Ethics**
- **Anti-Bribery and Corruption Policy**
- **Conflict of Interest Policy**
- **Gifts and Hospitality Policy**
- **Third-Party Due Diligence Procedures**
- **Internal Audit and Compliance Monitoring**

These policies apply to employees, directors, contractors, suppliers, and intermediaries engaged by the Company.

d. Whistleblowing and Speak-Up Culture

The Company encourages a strong speak-up culture that empowers employees and stakeholders to report suspected misconduct or unethical behavior.

A confidential whistleblowing mechanism is available for reporting concerns related to fraud, bribery, corruption, regulatory breaches, or other unethical practices. Reports may be submitted anonymously and are treated with strict confidentiality.

The Company maintains a **non-retaliation policy** to protect whistleblowers from any form of victimization or adverse treatment.

e. Compliance Training and Ethical Awareness

The Company regularly conducts training programs aimed at strengthening employees'

understanding of compliance, governance, and ethical standards.

Training programs cover areas such as:

- Anti-Bribery and Corruption
- Fraud Prevention
- Conflict of Interest Management
- Anti-Money Laundering and Counter-Terrorism Financing
- Data Protection and Privacy

These programs ensure that employees remain aware of regulatory requirements and ethical responsibilities in the conduct of business.

f. ESG Governance Metrics

To measure the effectiveness of our governance and compliance framework, the Company monitors key indicators, including:

- Percentage of employees trained on ethics and compliance policies
- Number of whistleblowing reports received and investigated
- Compliance breaches reported and resolved
- Internal audit findings related to governance and ethics
- Disciplinary actions taken for policy violations

Monitoring these metrics enables the Company to strengthen governance practices and continuously improve its risk management processes.

g. Commitment to Sustainable and Responsible Business

Through strong governance, ethical leadership, and responsible business practices, the Company aims to build trust with stakeholders and contribute to sustainable economic development. These initiatives support our broader ESG objectives and reinforce our commitment to transparency, accountability, and responsible corporate citizenship.

13. Complaints Management Policy

The Company has in place, a Compliant Management Policy and an investor complaints desk at the Head Office to resolve complaints arising from issues covered under the Investment and Securities Act (ISA) 2007 by the shareholders.

A copy of the Shareholder's Complaints Management Policy and Procedure can be found on the Company's Website: www.veritaskapital.com

14. Agent and Brokers

The Company maintains a network of licensed agents and renders services to its customers through Insurance Licensed Brokers and Registered Agents.

15. Human Resources

Staff Gender Analysis

The number of males and females in employment of the company as of December 31, 2025 is as follows

	MALE	FEMALE	TOTAL
EMPLOYEES	41 (Forty- One)	42 (Forty Two)	83 (Eighty Three)

Other Human Resources matters within the year in the review are as follows:

STAFF RECRUITMENT	The Company conforms with all regulatory requirements in the employment of staff, whilst also ensuring that only fit and proper persons are approved for appointment to the board and top management positions. All prescribed pre -employment screening for prospective employees and other requirements for regulatory confirmation of top management appointments is duly implemented.	
	In the year under review, we had a staff strength of 119 (62 Males and 57 Females). Veritas Kapital Assurance Plc encourages the participation of employees in arriving at decisions in respect of matters affecting their well -being through various forums including town hall meetings. The Company also places a high premium on the development of its Workforce. Consequently, employees were sponsored for various training courses in the year under review.	EMPLOYEE INVOLVEMENT, TRAINING AND DEVELOPMENT
EMPLOYMENT EQUITY, GENDER, POLICIES & PRACTICES	Our resourcing and promotion policy ensures equity and is free from the discriminatory bias of gender, ethnicity, origin, age, marital status, sexual orientation, disability, religion, and other diversity issues. This is role modelled throughout our end -to-end employee life cycle process.	
	Veritas Kapital Assurance Plc is an equal opportunity employer and does not discriminate on any ground. Thus, we provide employment opportunities to physically challenged persons. However, this goes beyond the need to ensure that there is no discrimination against such persons but is driven by a deep conviction that even with disability, there could be immense ability.	EMPLOYMENT OF PHYSICALLY CHALLENGED PERSONS
DISSEMINATION OF INFORMATION	To maintain a shared perception of our goals, we are committed to communicating information to employees in a fast and effective manner as possible. We consider this critical to the maintenance of team spirit and high employee morale. Circulars and newsletters are published in respect of relevant corporate issues. A good communication link with the workforce is also maintained through regular meetings between the Management and Staff. Engagement is viewed as an important driver of employee performance.	

16. Share Capital Information

The analysis of the distribution of the shares of the Company as of December 31, 2025, is as follows:

Share Range Analysis	Holdings	Units	%	=N=
1-500000	472	26925903	0.19	13,462,952
500001-1000000	51	32412215	0.23	16,206,108
1000001-5000000	236	1695097208	12.22	847,548,604
50000001-100000000	15	1083097208	7.82	541,984,337
100000001-500000000	14	2229532677	16.08	1,114,766,339
500000001-1000000000	1	535758596	3.86	267,879,298
1000000001-50000000000	2	8262971394	59.59	4,131,485,697
		13,865,795,201	100	6,933,333,335

According to the Register of Members as of December 31, 2025, no individual shareholder held more than 5% of the issued share capital of the Company except for the following:

Member	Share units	%
Dr. Emmanuel I. U Ojei	1,287,628,018	9.29
Veritas Capital Limited	7,321,989,662	52.80

YEAR	AUTHORIZED (₦)			ISSUED AND FULLY PAID UP			CONSIDERATION
	Increase	Cumulative	Naira Value (₦)	Increase	Cumulative	Naira Value (₦)	
1974	200,000	200,000	100,000	200,000	200,000	100,000	Cash
1977	100,000	300,000	150,000	100,000	300,000	150,000	Cash
1978	37,500	337,500	168,750	37,500	337,500	168,750	Cash
1980	162,500	500,000	250,000		337,500	168,750	
1981		500,000	250,000	151,394	488,894	244,447	Cash
1983		500,000	250,000	11,106	500,000	250,000	Cash
1990	4,500,000	5,000,000	2,500,000	900,000	1,400,000	700,000	Cash & Bonus
1991	10,000,000	15,000,000	7,500,000	2,100,000	3,500,000	1,750,000	Cash & Bonus
1992		15,000,000	7,500,000	1,800,000	5,300,000	2,650,000	Cash
1993		15,000,000	7,500,000	4,700,000	10,000,000	5,000,000	Cash
1996	85,000,000	100,000,000	50,000,000	10,000,000	20,000,000	10,000,000	Cash & Bonus
1997		100,000,000	50,000,000	20,000,000	40,000,000	20,000,000	Cash & Bonus
1998		100,000,000	50,000,000	35,685,000	75,685,000	37,842,500	Cash & Bonus
1999		100,000,000	50,000,000	14,315,000	90,000,000	45,000,000	Cash
2003	400,000,000	500,000,000	250,000,000	30,000,000	120,000,000	60,000,000	Cash & Bonus
2004		500,000,000	250,000,000	230,000,000	350,000,000	175,000,000	Cash & Bonus
2005		500,000,000	250,000,000	44,000,000	394,000,000	197,000,000	Cash & Bonus
2006	3,000,000,000	3,500,000,000	1,750,000,000		394,000,000		
2007		3,500,000,000	1,750,000,000	2,000,000,000	2,394,000,000	1,197,000,000	Cash & Bonus
2008	3,500,000,000	7,000,000,000	3,500,000,000	3,606,000,000	6,000,000,000	3,000,000,000	
2008	7,000,000,000	14,000,000,000	7,000,000,000	6,000,000,000	12,000,000,000	6,000,000,000	Split 50k per share
2008		14,000,000,000	7,000,000,000	350,000,000	12,350,000,000	6,175,000,000	Cash
2009		14,000,000,000	7,000,000,000	650,000,000	13,000,000,000	6,500,000,000	Bonus
2011		14,000,000,000	7,000,000,000	866,666,666	13,866,666,666	6,933,333,333	Bonus

16. **Unclaimed Dividends Account**

These are maintained in a fixed deposit account with Unity Bank Plc. The amount is jointly managed by both Veritas Kapital Assurance Plc and Unity Registrars Limited. The total amount in the account as of 31st December, 2025, was **N6,007,636.51 (Six Million, Seven Thousand, Six Hundred and Thirty-Six Naira, Fifty-One Kobo only)**.

17. **Audit and Compliance Committee**

By section 404(3) of the Companies and Allied Matters Act, 2020, the Audit Committee members of the Company re-elected at the last Annual General Meeting were as follows:

Mr. Emmanuel Etuh	Non-Executive Director	Chairman
Hajia Yabawa Lawan Wabi <i>mni</i>	Non-Executive Director	Member
Mr. Olusegun J. Akintunde	Shareholders' representative	Member
Mal. Usman Abaji	Shareholders' representative	Member
Mal. Mohammed B. Alhassan	Shareholders' representative	Member

18. **Post Balance Sheet Events**

There are no significant post-balance sheet events that have not been provided for in these Financial Statements.

19. **External Auditors**

Messrs Ernst & Young was appointed on 3rd August 2023 as auditors of the Company in accordance with Section 401(1) of the Companies and Allied Matters Act of Nigeria, 2020, and have indicated their willingness to continue in office as the Company's auditors.

A resolution will be proposed at the Annual General Meeting to authorize the Directors to determine the remuneration of the External Auditors.

BY THE ORDER OF THE BOARD



SARATU UMAR GARBA
Company Secretary
FRC/2019/PRO/NBA/004/00000019159



VERITAS HEALTHCARE LIMITED

Was licensed and accredited by the National Health Insurance Scheme in 2005 as a Health Maintenance Organization (HMO), a major stakeholder in the implementation of the National Health Insurance Scheme in Nigeria.



OUR OBJECTIVE

To deliver unparalleled and enviable healthcare services that will exceed the expectations of our clients while maintaining the highest ethical standards.



Contact us



OUR HEALTH PLANS

Our Packages include:
Executive Plan, Standard Plan, Budget Plus, & Budget Plan.
All these categories provides individuals and their family access to prompt healthcare services every time they need one.



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OUR SERVICES

- EMERGENCY SERVICES
- SURGICAL SERVICES
- OUT-PATIENT SERVICES
- RADIOLOGY SERVICES
- IN-PATIENT SERVICES
- EYE AND EAR CARE
- MATERNITY SERVICES
- DENTAL CARE
- CHILD HEALTH SERVICES
- MEDICAL CHECK-UP



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veritashealthcareltd





21st September 2026

The Shareholders

Veritas Kapital Assurance Plc
497 Abogo Largema Street
Off Constitution Avenue
Abuja, FCT.

Dear Esteemed Shareholders,

SUMMARY REPORT ON THE BOARD EVALUATION REVIEW

Planet Governance Advisory Limited was engaged by the Board of Directors of Veritas Kapital Assurance Plc (the Company) to conduct an independent evaluation of the effectiveness of the Board, its Committees and the Company's corporate governance practices.

The evaluation was undertaken with reference to the Nigerian Code of Corporate Governance (NCCG) 2018, Companies and Allied Matters Act (CAMA) 2020, Nigeria Insurance Industry Reform Act (NIIRA) 2025, NAICOM Corporate Governance Guideline 2021 and International Corporate Governance Best Practices

Approach

The evaluation involved a review of the Company's governance framework, Board and Committee processes, relevant governance documents and meeting records, together with structured assessments by Directors and Committees.

The review focused on the effectiveness of the Board in providing strategic leadership, oversight, accountability, risk management, financial stewardship and stakeholder value creation.

Planet Governance Advisory Limited. RC 1493767
(Member of the Nigerian Stock Exchange)
8th Floor, Mulliner Towers
39 Alfred Rewane Road, Ikoyi, Lagos, Nigeria.
Tel: 08148654598
Email: planetgovernance@planetcapitaltd.com
Website: www.planetcapitaltd.com

Directors: Dr. Nosike Agokei (Chairman)
Mrs. Aderonke Adedeji
Mrs. Aisha Abraham
Dr. Abdul Buhari
Mr. Chidi Agbapu
Mr. Efe Akhigbe
Dr. Tony Anonyai (Managing)



Overall Assessment

The evaluation concluded that the Board of Veritas Kapital Assurance Plc is highly effective and demonstrates a strong commitment to sound corporate governance.

The Board provides effective leadership and oversight and has established governance structures that support the Company's strategic direction, risk management, financial stewardship and regulatory compliance.

The evaluation particularly recognised the following strengths:

- **Strong Board leadership and composition**, supported by an appropriate blend of skills, experience and diversity.
- **Effective strategic oversight**, with the Board providing direction and constructive challenge to Management.
- **Sound financial stewardship**, including effective oversight of financial reporting, internal controls and internal audit.
- **Strong risk governance**, supported by established risk management structures and an active Enterprise Risk Management Committee.
- **Effective Board and Committee processes**, with appropriate structures supporting informed deliberation and decision-making.
- **Strong stakeholder orientation**, reflecting the Board's commitment to protecting shareholder interests and maintaining constructive relationships with stakeholders.
- **Positive governance and compliance culture**, supported by established policies, controls and oversight mechanisms.

The evaluation also found that the Board's principal Committees are generally functioning effectively, providing appropriate support to the Board in the discharge of its oversight responsibilities.

Specific observations and recommendations arising from the evaluation have been formally communicated to the Board for consideration and continuous improvement.



Conclusion

In our assessment, the Board of Directors of Veritas Kapital Assurance Plc is a highly effective Board and demonstrates a commitment to sound corporate governance principles and the sustainable creation of value for shareholders and other stakeholders. This is substantiated by a well-defined committee structure, active Board engagement, and oversight of the Company's strategy, financial reporting, risk management and regulatory compliance.

We commend the Board and Management for their cooperation, openness and support throughout the evaluation process, which greatly facilitated the effective conduct of the assignment.

Yours faithfully,

For: Planet Governance Advisory Limited

Isioma Akpadiaha
Vice President

Emmanuel Otaigbe
Director

INTRODUCTION

At Veritas Kapital Assurance Plc, we are committed to upholding the creed and principles of good Corporate Governance in all our operations. Our good corporate governance is the bedrock of strong public trust and confidence reposed in us by shareholders, business partners, employees, and the financial markets and the key to our continued long-term success.

In the pursuit of delivering greater shareholder value, we continue to subject our operations to the highest standards of corporate governance, which is an essential foundation for sustainable corporate success.

Our Code of Corporate Governance provides a robust framework for the governance of the Board and the Company. The Company also ensures compliance with the Nigeria Code of Corporate Governance (NCCG), 2018, and the Corporate Governance Guidelines as issued by the various Regulators.

Furthermore, the Company's Code of Corporate Governance ("the Code") is continuously reviewed to align with additional legal and regulatory requirements and global best practices, to remain a pacesetter in the area of good corporate governance practices. In addition to the Code, the Company aggressively promotes its core values to its employees through its Code of Professional Conduct; as well as its Communications Policy, which regulates employee relations with internal and external parties. This is a strong indicator of the Company's determination to ensure that its employees remain professional at all times in their business practices.

The Company also conducts an Annual Board and Directors' Evaluation covering all aspects of the Board's structure, composition, responsibilities, processes, and relationships, in compliance with the requirements of the relevant Codes. To conduct the Annual Board Appraisal for the financial year ended December 31, 2025, the Board engaged the consultancy firm of Messer's Planet Governance Advisory Limited. The independent consultants carried out a comprehensive review of the effectiveness of the Board by evaluating the performance of the Board, the Board Committees, and the Directors.

The Board Evaluation report for the financial year ended December 31, 2025, by the independent consultants to the Board revealed that the Company was in substantial compliance with the provisions of the FRC Code.

During the 2025 financial year, the Company executed various governance initiatives/activities which included; the review of its Corporate Governance Code and other Corporate Governance Policies to align with additional regulatory requirements and global best practices, to remain a pacesetter in the area of good corporate governance practices. The Board and its Committees also carried out annual self-assessments to evaluate compliance with the terms of reference as contained in their respective Charters.

THE CORPORATE GOVERNANCE STRUCTURE

The Board

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

The Board is committed to the highest standards of business integrity, ethical values, and governance; it ensures that an appropriate level of checks and balances is maintained. Members of the Board possess the right balance of expertise, skills, and experience, which translates to an effective Board and an executive management team capable of steering the affairs of the Company in an ever-changing and challenging environment.

Furthermore, the Board also reviews corporate performance, monitors the implementation of corporate strategy, and sets the Company's performance objectives. The Board monitors the effectiveness of its governance practices, manages potential conflict, and provides general direction to management.

Members of the Board of Directors are seasoned professionals, who have excelled in various sectors including; Banking, Accounting, Oil and Gas, Insurance, Private Business, Politics, Legal Profession, etc. They possess the requisite integrity, skills, and experience to bring to bear independent judgment on the deliberations and decisions of the Board. The Directors have a good understanding of the Company's businesses and affairs to enable them to properly evaluate information and responses provided by Management and to provide an objective challenge to Management.

In addition to the Board's direct oversight, the Board exercises its oversight responsibilities through its various committees namely:

- a. Statutory Audit and Compliance Committee
- b. Finance, Investment, and General-Purpose Committee
- c. Establishment and Governance Committee
- d. Enterprise Risk Management Committee

The Board and its various Committees convene quarterly, with additional meetings scheduled as necessary to address critical matters. The Board is structured to ensure a balanced mix of leadership, consisting of both Executive and Non-Executive Directors, all of whom are accountable to the shareholders.

The Board comprises a total of nine (9) members, including seven (7) Non-Executive Directors—comprising the Chairman, an Independent Director, and other Non-Executive Directors—as well as two (2) Executive Directors. This composition is designed to foster effective governance, strategic oversight, and sound decision-making.

Composition of the Board of Directors as of 31st December, 2025

S/N	NAMES OF DIRECTORS	DESIGNATION	STATUS
NON-EXECUTIVE DIRECTORS			
1.	Mr. Babatunde Irukera	Chairman	Existing Director
2.	Hajia Yabawa Lawan Wabi <i>mni</i>	Non-Executive Director	Existing Director
3.	Mr. Emmanuel Etuh	Non-Executive Director	Existing Director
4.	Mr. Paul Oki	Independent Non-Executive Director	Existing Director
5.	Mrs. Priya Heal	Non-Executive Director	Existing Director
6.	Mr. Aminu Babangida	Non-Executive Director	Existing Director
7.	Dr. Oluwafunsho A. Obasanjo	Non-Executive Director	Existing Director
EXECUTIVE DIRECTORS			
8.	Dr. Adaobi Nwakuche	Managing Director/CEO	Existing Director
9.	Mr. Sunkanmi Adekeye	Executive Director, Operations	Existing Director

Gender analysis of the Board of Directors as at December 31, 2025, is as follows:

BOARD	MALE	FEMALE	TOTAL
	5 (Five)	4 (Four)	9 (Nine)

Responsibilities of the Board

The Board determines the strategic objectives of the Company in delivering long-term growth and short-term goals. In fulfilling its primary responsibilities, it is aware of the importance of achieving a balance between conformance to governance principles and economic importance.

The power reserved for the Board includes the following:

- a. Determination of Board structure, size, and composition, including appointment and removal of Directors, succession planning for the Board, Senior Management, and Board Committee members.
- b. Approval of mergers and acquisitions, branch expansion/reduction, the establishment of subsidiaries, approval of remuneration policy and packages of the Board members.

- c. Approval of policy documents on significant issues including Enterprise-wide Risk Management, Human Resources, Corporate Governance, and Anti-money laundering.
- d. Approval of resources and corresponding documentation for shareholders in general meeting(s), shareholders circulars, prospectus, and principal regulatory filings with regulators.
- e. Approval of major changes to the Company's corporate structure, and changes relating to the Company's capital structure or its status as a public liability company.
- f. Approval of quarterly, half-yearly, and full-year financial statements (whether audited or unaudited) and any significant change in accounting policies and/or practices.
- g. Approval of the Company's strategy, medium and short-term plans, and its annual operating and capital expenditure budget.
- h. Recommendation to shareholders of the appointment or removal of auditors and the remuneration of auditors.

The Chairman

The roles of the Chairman and Chief Executive Officer are separate and no one individual combines the two positions. The Chairman is responsible for providing overall leadership of the Company and the Board and eliciting the constructive participation of all Directors to ensure that it operates effectively and fully discharges its legal and regulatory responsibilities.

The Chairman is responsible for ensuring that Directors receive accurate, timely, and clear information to enable the Board to make informed decisions and provide advice to promote the success of the Company. The Chairman also facilitates the contribution of Directors and promotes effective relationships and open communications between Executive and Non-Executive Directors, both inside and outside the Boardroom.

The Chief Executive Officer

The Board has delegated the responsibility for the day-to-day management of the Company to the Managing Director/Chief Executive Officer, who is supported by Executive Management. The Managing Director executes the powers delegated to him following the guidelines approved by the Board of Directors. Executive Management is accountable to the Board for the development and implementation of strategies and policies.

The Chief Executive Officer is charged with the supervisory role over the technical operations of the Company. The Board regularly reviews group performance, matters of strategic concern, and any other matter it regards as material.

The Independent Director

The Independent Director is responsible for the protection of shareholder's rights and interest in the Company and brings a high degree of objectivity to the Board for sustaining stakeholder trust and confidence. The Independent Director does not have a significant shareholding interest or special business relationship with the Company.

The Company Secretary

The Company Secretary is a point of reference and support for the Directors. The Company Secretary performs both functional and administrative responsibilities to the Board and Management, respectively by assisting in the formulation of an annual Board plan, organization of Board meetings, ensuring that the minutes of each meeting highlight the resolutions of the Board, and ensuring that the decisions are implemented.

Director's Nomination and Appointment Process

The Board Establishment and Governance Committee is charged with the responsibility of leading the process for Board appointments and for identifying, interviewing, and nominating suitable candidates for

the approval of the Board. In identifying suitable candidates, the Committee considers candidates on merit against objective criteria and with due regard for the benefits of diversity on the Board, including gender as well as the balance and mix of appropriate skills and experience.

Shareholding in the Company is not considered a criterion for the nomination or appointment of a Director. The appointment of Directors is subject to the approval of the National Insurance Commission and the Shareholders at the Annual General Meeting.

Separation of the Positions of Chairman and Managing Director

The positions of the Managing Director and that of the Chairman of the Board are occupied by different persons and the Managing Director is responsible for the implementation of the Company's business strategy and the day-to-day management of the business.

Induction and Continuous Training

Upon appointment to the Board and Board Committees, all Directors receive an induction upon appointment and continuous training tailored to meet their requirements.

The induction, which is arranged by the Company Secretary, may include meetings with senior management staff and key external advisors, to assist Directors in acquiring a detailed understanding of the Bank's operations, its strategic plan, its business environment, the key issues the Company faces, and to introduce Directors to their fiduciary duties and responsibilities.

The Company Secretary is in charge of evolving a continuing education program to ensure existing Directors stay current with the Company's business and objectives as well as relevant industry information and other external factors such as corporate governance requirements and best practices. As part of the program, Directors are encouraged to periodically attend appropriate continuing education seminars or programs that would be beneficial to the Company and the Directors' service on the Board.

The Company attaches great importance to training its Directors and for this purpose, continuously offers training and education from onshore and offshore institutions to its Directors, to enhance their performance on the Board and the various Committees to which they belong.

Non-Executive Director's (NED) Remuneration

The Company's policy on remuneration of Non-Executive Directors is guided by the provisions of the NAICOM Code and the Financial Reporting Council (FRC) Code, which stipulates that Non-Executive Directors' remuneration should be limited to sitting allowances, Directors' fees, and reimbursable travel and hotel expenses.

Attendance to Board and Board Committee Meetings

The primary mission of the Board of Directors is to advance the interests of shareholders by creating a valuable long-term business. The Board believes that this mission is best served by establishing a corporate culture of accountability and ethical responsibility through the careful selection and evaluation of Directors and Senior Management Team and carrying out the Board's responsibilities with integrity and honesty.

The Board carries out its responsibilities through its committees, namely: Statutory Audit and Compliance Committee, Establishment and Governance Committee, Finance, Investment, and General-Purpose Committee, and Enterprise Risk Management Committee.

Through these Committees, the Board can more effectively deal with complex and specialized issues and fully utilize its expertise to formulate strategies for the Company. The Committees make recommendations

to the Board which retains responsibility for final decision-making.

All Committees in the exercise of their powers as delegated, conform to the regulations laid down by the Board, with well-defined terms of reference contained in the charter of each committee. The Committees render reports on their meetings and recommendations to the Board at the Board's quarterly meetings.

Below are the Board Committees:

- a. **Establishment and Governance Committee:**
The Establishment and Governance Committee is charged with instituting a transparent procedure for the appointment of new Directors to the Board and making recommendations to the Board regarding the tenures and the re-appointment of Non-Executive Directors on the Board and also reviewing and submitting it to the Board for approval, staff qualified for Senior Management positions, bi-annually reviews the description of the Executive Directors and establish objectives to assess performance, etc.
- b. **Finance, Investment, and General-Purpose Committee:**
The Finance, Investment, and General-Purpose Committee is responsible for monitoring the integrity of the financial statements of the Company and also considering and approval of investments above the Management limit among others. The Committee comprises members selected to provide a wide range of financial, commercial, and international experience.
- c. **Statutory Audit and Compliance Committee:**
The Company has an Audit Committee set up by the provisions of the Companies and Allied Matters Act. It comprises a mixture of Non-Executive Directors and shareholders elected at the Annual General Meeting. It evaluates annually, the independence and performance of external auditors, receives the interim and final audit presentation from the external auditors, and also reviews with management and the external auditors, the annual audited financial statements before their submission to the Board. During the year, the Committee approved the audit plan and scope of the external auditors' work for the financial year and reviewed quarterly and half-yearly financial results before they were presented to the Board. The Committee also received reports from management on the accounting system and internal controls framework of the Company.
- d. **Enterprise Risk Management Committee:**
The primary purpose of the Enterprise Risk Management Committee is to assist the Board and the Audit Committee in supervising, reviewing, and assessing the overall adequacy and integrity of the risk management framework of the Company. The coverage of supervision includes the following: Credit Risk, Reputational Risk, Operations Risk, Technology Risk, Market Risk, Liquidity Risk, and other pervasive risks as may be posed by the events in the industry at any point in time.

BOARD AND COMMITTEE ATTENDANCE FOR THE YEAR ENDED 31 DECEMBER, 2025

PRESENT	
ABSENT WITH APOLOGIES	
LEFT THE COMMITTEE/BOARD	
NYM	Not Yet A Member

BOARD OF DIRECTORS MEETING

S/N	NAME OF MEMBERS	POSITION	01-30-25	02-05-25	31-07-25	30-10-25
1.	Mr. Nahim Abe Ibraheem	CHAIRMAN/NON-EXECUTIVE DIRECTOR				
2.	Mr. Babatunde Irukera	CHAIRMAN/NON-EXECUTIVE DIRECTOR	NYM			
3.	Dr. Adaobi Nwakuche	MANAGING DIRECTOR/CEO				
4.	Mr. Aminu Babangida	NON-EXECUTIVE DIRECTOR				
5.	Dr. Oluwafunsho Obasanjo	NON-EXECUTIVE DIRECTOR				
6.	Mrs. Priya Heal	NON-EXECUTIVE DIRECTOR				
7.	Hajia Yabawa L. Wabi mni	NON-EXECUTIVE DIRECTOR				
8.	Mr. Paul Oki	NON-EXECUTIVE DIRECTOR				
9.	Mr. Emmanuel Etuh	NON-EXECUTIVE DIRECTOR				
10.	Mr. Sunkanmi Adekeye	EXECUTIVE DIRECTOR				

AUDIT AND COMPLIANCE COMMITTEE MEETING

S/N	NAME OF MEMBERS	POSITION	27-01-25	28-04-25	28-07-25	27-10-25
1	Mr. Emmanuel Etuh	NON-EXECUTIVE DIRECTOR/CHAIRMAN				
2	Hajia Yabawa L. Wabi	NON-EXECUTIVE DIRECTOR				
3	Mr. Usman Abaji	SHAREHOLDER REPRESENTATIVE				
4	Mr. Akintunde J. Olusegun	SHAREHOLDER REPRESENTATIVE				
5	Mr. Mohammed B. Alhassan	SHAREHOLDER REPRESENTATIVE				

ENTERPRISE RISK MANAGEMENT COMMITTEE MEETING

S/N	NAME OF MEMBERS	POSITION	01-30-25	02-05-25	31-07-25	30-10-25
1	Hajia Yabawa L. Wabi mni	CHAIRMAN/NON-EXECUTIVE DIRECTOR				
2	Mr. Aminu Babangida	NON-EXECUTIVE DIRECTOR				
3	Dr. Oluwafunsho Obasanjo	NON-EXECUTIVE DIRECTOR				
4	Mrs. Priya Heal	NON-EXECUTIVE DIRECTOR				
5	Mr. Paul Oki	NON-EXECUTIVE DIRECTOR				
6	Dr. Adaobi Nwakuche	MANAGING DIRECTOR/CEO				
7	Mr. Sunkanmi Adekeye	EXECUTIVE DIRECTOR				

FINANCE, INVESTMENT AND GENERAL-PURPOSE COMMITTEE MEETING

S/N	NAME OF MEMBERS	POSITION	01-30-25	02-05-25	31-07-25	30-10-25
1	Mrs. Priya Heal	CHAIRMAN/NON-EXECUTIVE DIRECTOR				
2	Hajia Yabawa L. Wabi mni	NON-EXECUTIVE DIRECTOR				
3	Dr. Oluwafunsho Obasanjo	NON-EXECUTIVE DIRECTOR				
4	Mr. Emmanuel Etuh	NON-EXECUTIVE DIRECTOR				
5	Dr. Adaobi Nwakuche	MANAGING DIRECTOR/CEO				
6	Mr. Sunkanmi Adekeye	EXECUTIVE DIRECTOR				

ESTABLISHMENT AND GOVERNANCE COMMITTEE MEETING

S/N	NAME OF MEMBERS	POSITION	01-30-25	02-05-25	31-07-25	30-10-25
1	Mr. Aminu Babangida	CHAIRMAN/NON-EXECUTIVE DIRECTOR				
2	Mrs. Priya Heal	NON-EXECUTIVE DIRECTOR				
3	Dr. Oluwafunsho Obasanjo	NON-EXECUTIVE DIRECTOR				
4	Mr. Paul Oki	NON-EXECUTIVE DIRECTOR				
5	Hajia Yabawa L. Wabi mni	NON-EXECUTIVE DIRECTOR				
6	Mr. Emmanuel Etuh	NON-EXECUTIVE DIRECTOR				

NOTES:

1.	Mr. Nahim Abe Ibraheem resigned from the Board on the 2 nd of May, 2025 and Mr. Babatunde Irukera was appointed as a member of the Board on the 2 nd May, 2025.
2.	Mr. Babatunde Irukera was unanimously appointed as Chairman of the Board of Directors on the 31 st of July, 2025.

Annual Board Evaluation and Appraisal

The Company recognizes that a good corporate governance framework must be anchored on an effective and accountable Board of Directors whose performance is assessed periodically. The Annual Board Appraisal for the financial year ended December 31, 2025, was conducted by Messer's Planet Governance Advisory Limited. The annual appraisal covered all aspects of the Board's structure, composition, responsibilities, processes, relationships, individual members' competencies, and respective roles in the Board performance, as well as the Company's compliance status with the provisions of the various Codes.

Code of Business Conduct and Ethics

The Company has a Code of Business Conduct which is based on our purpose and values as an organization. The Code sets out collective and individual commitments to ethical business practices in line with the Company's global Policies, relevant laws, regulations, and industry standards. The Code applies to all employees, Directors, and business partners of the Company, and employees are trained and annually certified on the salient provisions of the Code.

In addition to the Code of Business Ethics, we have policies that inspire and guide how we work every day and everywhere. These key policies govern our conduct in all facets of the Company's operations and include policies on Anti-Corruption, Anti-Money Laundering etc. We apply the principles of fairness, integrity, and transparency in all our business dealings as entrenched in our Code of Business Ethics and in line with international best practices. Training, communication programs, and compliance monitoring mechanisms are in place to ensure that all relevant stakeholders remain aware of and comply with the provisions of the Code and policies.

Shareholders

The General Meeting of the Company is the highest decision-making body. The General Meetings are conducted transparently and fairly. Shareholders have the opportunity to express their opinions on the Company's financial results and other issues affecting it. The Annual General Meetings are attended by representatives of regulators such as the National Insurance Commission, the Securities and Exchange Commission, the Nigerian Exchange, the Corporate Affairs Commission as well as representatives of Shareholders' Associations.

The Company has an Investors Relations Unit, which deals directly with inquiries from shareholders and ensures that Shareholders' views are escalated to Management and the Board. Also, quarterly, half-yearly, and annual financial results are published in widely-read national newspapers. The Company also dispatches its annual reports, providing the highlight of all the Company's activities to its Shareholders.

Protection of Shareholder's Right

The Board ensures the protection of statutory and general rights of shareholders at all times, particularly their right to attend and vote at general meetings. All Shareholders are equally treated regardless of the volume of Shareholding or social status.

Communication Policy

The Board and Management of the Company ensure that communication and dissemination of information regarding the operations and management of the Company to shareholders, stakeholders, and the public is timely, accurate, and continuous, to give a balanced and fair view of the Company's financial and non-financial matters. Such information, which is in plain language, readable and understandable, is available on the Company's website: <http://www.veritaskapital.com>. The website is constantly updated with information as events occur.

The website also has an investor relations portal where the Company's Financial Reports and other relevant information are published and made accessible to its shareholders, stakeholders, and the public. The main objective of the Company's Communication Policy is to support the Company in achieving the overall goals described in its core values which strengthens the Company's culture of transparency in pursuit of best corporate governance practices.

Insider Trading and Price Sensitive Information

The Company has in place a policy regarding trading in its shares by its Directors and employees on the terms and conditions similar to the standards set out by the Nigerian Stock Exchange. The policy is periodically circulated on the Company's internal communication network ("Intranet") to serve as a reminder to staff of their obligations.

Directors, insiders, and their related persons in possession of confidential price-sensitive information ("insider information") are prohibited from dealing with the securities of the Company where such

would amount to insider trading. Directors, insiders, and related parties are prohibited from disposing of, selling, buying, or transferring their shares in the Company for a “lock-up” period commencing from the date of receipt of such insider information until such a period when the information is released to the public or any other period as defined by the Company from time to time.

Monitoring Compliance with Corporate Governance

- a. The Chief Compliance Officer monitors compliance with money laundering requirements and implementation of the Code of Corporate Governance of the Company. The Chief Compliance Officer together with the Chief Executive Officer certifies each year to the National Insurance Commission (NAICOM) and Securities Exchange Commission (SEC) that they are not aware of any other violation of the corporate governance code other than as disclosed during the year.
- b. Whistle Blowing Procedures: In line with the Group's commitment to instilling the best corporate governance practice, a whistleblowing procedure was established that ensures anonymity on any reported incidence(s). The Company has a dedicated e-mail address for whistleblowing procedures. The whistleblowing policy can be obtained from the Company's website: www.veritaskapital.com

Unclaimed Dividends

The list of unclaimed dividends has been provided by the Registrars in a separate document.

Compliance with Regulatory Requirements

The Company continued to maintain its commitment to achieving 100% compliance with Statutory and other Regulatory requirements. It complied substantially with the Nigeria Code of Corporate Governance (NCCG), 2018, the Corporate Governance Guidelines as issued by the various Regulators, and the post-listing requirements of the Nigerian Exchange Limited (NGX).

To ensure the effectiveness of the Company's compliance system, the level of compliance is monitored regularly by the Internal Audit weekly and by the Audit Committee and the Board through quarterly compliance reports detailing the Company's level of compliance and sanctions imposed (if any) prepared by the Chief Compliance Officer.

Management Committees

Management Committees are set up for a smooth and effective running of the Company. The Committees are risk-driven as they are set up to identify, analyze, synthesize, and make recommendations on risks arising from the day-to-day activities of the Company. They also ensure that risk limits as contained in the Board and Regulatory policies are complied with at all times. They provide inputs for the respective Board Committees and also ensure that the recommendations of the Board Committees are effectively and efficiently implemented. They meet as frequently as necessary to immediately take action and decisions within the confines of their powers.

The Committees are as follows:

1.	Executive Management Committee	2.	IT Steering Committee
3.	Product Development Committee	4.	Appraisal Committee
5.	Claims Committee	6.	Savage Committee
7.	Asset Disposal Committee	8.	Disciplinary Committee
9.	Performance Management Committee	10.	BID Committee
11.	Cost Optimization Committee		

CERTIFICATION BY COMPANY SECRETARY

In my capacity as Company Secretary, I hereby certify, in terms of the Companies and Allied Matters Act, that for the year ended 31 December 2025, the company has lodged all such returns as are required of a Company in terms of this Act, and that all such returns are, to the best of my knowledge and belief, true, correct and up to date.



SARATU UMAR GARBA

Company Secretary

FRC/2019/PRO/NBA/004/00000019159

TELEMEDICINE Healthcare at Your Fingertips

Consult qualified healthcare professionals from the comfort of your home. Connect with doctors, receive medical guidance, and access healthcare services anytime, anywhere.

-  **Consult Remotely**
Connect with qualified doctors and specialists from anywhere.
-  **Access Anywhere**
Get healthcare services wherever you are, anytime you need it.
-  **Secure & Confidential**
Your health and data are protected with the highest security standards.
-  **Save Time**
Skip the waiting room and avoid unnecessary hospital visits.
-  **Easy Access**
Book appointments, chat with doctors, and manage your health through our mobile app.

Download the **Veritas HMO App** Today and Take Charge of Your Health.

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1.0 REPORTING APPROACH AND SCOPE

1.0.1 REPORTING

This Sustainability and ESG Disclosure Report presents a comprehensive account of the environmental, social, governance (ESG), and climate-related practices, policies, controls, and performance of Veritas Kapital Assurance Plc (“VKAP” or “the Company”) for the financial year ended 31 December 2025. Where relevant, comparative references to 2024 performance data have been included to enhance transparency, demonstrate year-on-year progress, and provide meaningful trend analysis. The Report has been prepared in alignment with the core structure and disclosure pillars of the IFRS Sustainability Disclosure Standards, specifically focusing on sustainability-related risks and opportunities that could reasonably be expected to influence the Company's:

- Business prospects and strategic positioning
- Cash flow generation and financial stability
- Access to finance and investor confidence
- Cost of capital
- Long-term enterprise value and resilience

In developing this Report, the Company has adopted a principles-based approach anchored on materiality, reliability, comparability, and consistency. Sustainability-related information disclosed herein reflects matters that are considered material to the Company's operations as a regulated insurance institution operating within Nigeria's evolving economic, environmental, and regulatory landscape.

The disclosures demonstrate the Company's commitment to responsible corporate governance, operational resilience, ethical conduct, regulatory compliance, and sustainable value creation for all stakeholders, including shareholders, policyholders, employees, regulators, business partners, and the communities in which the Company operates.

This Report forms an integral part of the Company's broader corporate reporting framework and complements its audited financial statements for the year ended 31 December 2025. It reflects the Board and Management's collective accountability for embedding sustainability considerations into decision-making, risk management, underwriting practices, investment strategy, and corporate culture.

1.0.2 SCOPE OF DISCLOSURES

The scope of this Report encompasses sustainability-related matters across the Company's operations and value chain that are considered material to its long-term success. Specifically, the disclosures cover:

- a. Governance Oversight
- b. Strategic Integration
- c. Sustainability-Related Risks and Opportunities
- d. Risk Management Framework and Controls
- e. Metrics, Targets, and Performance Indicators

The Report applies to the Company's Nigerian operations for the reporting period and reflects sustainability matters within its operational control. Where forward-looking statements are

included, they are based on reasonable assumptions, current market conditions, regulatory expectations, and management's strategic outlook as at the reporting date.

3.0 GOVERNANCE STRUCTURE FOR SUSTAINABILITY AND ESG

At Veritas Kapital Assurance Plc, sustainability and Environmental, Social, and Governance (ESG) principles are embedded within the Company's corporate governance framework and strategic management processes. The Company recognizes that responsible business conduct, sound governance practices, and sustainable operational strategies are essential for long-term value creation, stakeholder trust, and regulatory compliance.

The governance structure for sustainability and ESG provides a clear framework that defines the roles, responsibilities, and accountability of the Board of Directors, Executive Management, Heads of Departments, and Employees in implementing and overseeing sustainability initiatives across the organization.

Through this structured governance approach, the Company ensures that ESG considerations are integrated into strategic planning, enterprise risk management, operational decision-making, and stakeholder engagement. This framework supports the Company's commitment to ethical conduct, responsible underwriting, environmental stewardship, employee wellbeing, and sustainable community impact while aligning with evolving regulatory expectations and global best practices in corporate governance. The governance structure is highlighted as follows:

3.0.1 BOARD OVERSIGHT

The Board of Directors of Veritas Kapital Assurance Plc provides strategic oversight of sustainability and ESG matters as an integral component of the Company's corporate governance framework, enterprise risk management structure, and long-term value creation strategy.

In line with leading governance practices and regulatory expectations within the Nigerian financial services sector, the Board ensures that sustainability considerations are systematically integrated into the Company's

▪ Enterprise Risk Management (ERM) framework	▪ Compliance and regulatory oversight mechanisms
▪ Internal control and accountability structures	▪ Operational decision-making and business practices
▪ Corporate strategy and long-term planning processes	

The Board exercises oversight and strategic direction across key ESG priority areas, including:

Ethical business conduct and anti-corruption compliance	Corporate governance integrity and accountability
Employee welfare, occupational health, and workplace safety	Responsible underwriting and customer service delivery
Environmental sustainability and operational efficiency initiatives	Stakeholder engagement and community development impact

The Board also ensures that sustainability-related policies and governance frameworks are properly established, approved, and periodically reviewed to remain aligned with evolving regulatory expectations, international best practices, and stakeholder interests. Such policies include, but are not limited to:

▪ Anti-Corruption and Anti-Bribery Policy	▪ Whistleblowing and Ethical Reporting Policy
▪ Health, Safety and Workplace Wellbeing Policy	▪ Employee Code of Conduct and Ethics
▪ Data Protection and Privacy Policy	▪ Risk Management and Compliance Frameworks

Through these governance structures, the Board ensures that sustainability considerations are embedded within the Company's risk culture, operational resilience, and responsible business practices.

3.0.2 EXECUTIVE MANAGEMENT RESPONSIBILITIES

Executive Management of Veritas Kapital Assurance Plc is responsible for the effective implementation, monitoring, and continuous improvement of the Company's sustainability strategy, ESG initiatives, and governance policies across all operational areas.

Management translates the Board's strategic direction into operational policies, procedures, and measurable initiatives designed to ensure responsible and sustainable business practices. Executive Management ensures that sustainability principles are integrated into:

- Operational processes and service delivery
- Risk management and regulatory compliance
- Workforce management and organizational culture
- Technology and digital transformation initiatives
- Environmental efficiency and resource management

Performance and progress on sustainability initiatives are regularly reported through established governance channels, including internal management reports, compliance reviews, risk management reports, and periodic updates to the Board of Directors.

3.0.3 ROLE OF HEADS OF DEPARTMENTS

Heads of Departments play a critical operational role in embedding sustainability and ESG considerations into departmental activities and decision-making processes. Departmental leadership is responsible for implementing sustainability-related policies within their respective functional areas and ensuring that operational practices align with the Company's governance, risk, and compliance standards. Key departmental responsibilities include:

HUMAN CAPITAL MANAGEMENT	✚ Promoting fair labour practices and workplace equity ✚ Supporting diversity and inclusion initiatives ✚ Delivering employee capacity development and ESG awareness training ✚ Ensuring employee wellbeing, engagement, and safe working conditions
✚ Monitoring regulatory compliance and ethical conduct ✚ Strengthening anti-corruption and governance controls ✚ Supporting risk identification and ESG risk assessment ✚ Implementing internal compliance monitoring programs	RISK MANAGEMENT AND COMPLIANCE
OPERATIONS	✚ Enhancing workplace safety standards ✚ Driving process automation and digital efficiency ✚ Improving operational resilience and service quality ✚ Supporting sustainable business processes
✚ Implementing environmental sustainability initiatives ✚ Promoting energy efficiency and responsible resource use ✚ Managing sustainable infrastructure and office operations	ADMINISTRATION AND FACILITIES
INFORMATION TECHNOLOGY	✚ Supporting digital transformation initiatives ✚ Strengthening data governance and cybersecurity controls ✚ Implementing environmentally responsible technology solutions

Through coordinated departmental leadership, the Company ensures that sustainability practices are embedded across operational functions and business processes.

3.0.4 ROLE OF EMPLOYEES

Employees of Veritas Kapital Assurance Plc play an essential role in advancing the Company's sustainability and ethical business objectives. All employees are expected to uphold the Company's values, comply with established governance policies, and contribute to responsible and sustainable operational practices. Employee responsibilities include:

- Adhering to the Company's Code of Conduct and ethical standards
- Complying with regulatory, risk management, and internal control requirements
- Supporting environmental sustainability practices within the workplace
- Maintaining responsible use of organizational resources
- Protecting customer information and upholding data privacy standards
- Reporting unethical conduct or compliance concerns through established whistleblowing channels

Through continuous training, internal communication, and awareness programs, employees are equipped with the knowledge and tools necessary to support the Company's ESG commitments.

4. SUSTAINABILITY AND ESG STRATEGY

At VKAP, sustainability is integrated into the Company's strategic direction as a key driver of long-term resilience, responsible growth, and stakeholder value creation. The Company recognizes that ESG considerations influence operational performance, regulatory compliance, corporate reputation, and long-term financial sustainability.

Accordingly, sustainability considerations are embedded within the Company's business model, underwriting philosophy, workforce management practices, operational processes, and stakeholder engagement framework. Through this integrated approach, the Company seeks to balance commercial performance with responsible business conduct, operational efficiency, and positive social impact.

The Company's sustainability strategy focuses on strengthening human capital, maintaining strong governance standards, improving operational efficiency, supporting environmental responsibility, and contributing positively to the communities in which it operates.

4.01 SUSTAINABILITY WITHIN THE BUSINESS MODEL

Veritas Kapital Assurance Plc integrates sustainability principles into its core insurance operations, underwriting practices, workforce management systems, and stakeholder relationships. These sustainability considerations support the Company's commitment to responsible risk management, operational excellence, and long-term value creation.

The Company's sustainability priorities are aligned with key strategic objectives, including:

- Long-term financial resilience and stability
- Strong regulatory compliance and governance standards
- Operational efficiency and resource optimization
- Strengthened stakeholder confidence and trust
- Protection of corporate reputation and brand integrity

Through this alignment, sustainability is embedded into business planning, operational decision-making, and organizational culture.

STRATEGIC SUSTAINABILITY FOCUS AREAS

The Company's sustainability strategy focuses on several key operational and social priorities:

- a. Human Capital Development
- b. Governance and Ethical Conduct
- c. Operational Efficiency and Digital Transformation

- d. Environmental Responsibility
- e. Community Impact and Social Responsibility

These focus areas guide the Company's sustainability initiatives and support the integration of ESG considerations into everyday business operations.

4.0.2 SUSTAINABILITY-RELATED RISKS AND OPPORTUNITIES

Veritas Kapital Assurance Plc recognizes that sustainability-related factors can significantly influence enterprise value, operational performance, regulatory exposure, and long-term competitiveness. As part of its enterprise risk management framework, the Company evaluates ESG-related risks and opportunities that may affect its business environment and strategic objectives.

These sustainability considerations are assessed across three key dimensions:

- a. **Social and Human Capital Factors:** The Company recognizes that a motivated, skilled, and healthy workforce is essential for sustainable organizational performance. Key considerations include:
 - Workforce wellbeing, engagement, and retention
 - Continuous skills development and workforce capacity building
 - Strengthening leadership succession and talent pipelines
 - Diversity, equity, and inclusion within the workplace
 - Workplace safety, productivity, and employee satisfaction

Strong human capital management enables the Company to enhance operational efficiency, maintain service quality, and strengthen organizational resilience.

- b. **Governance Factors:** Robust governance structures are critical to maintaining regulatory compliance, stakeholder confidence, and ethical business conduct. Key governance-related sustainability factors include:
 - Regulatory compliance exposure within the insurance industry
 - Anti-corruption and ethical conduct risks
 - Procurement integrity and supplier due diligence
 - Transparency, accountability, and internal control effectiveness

The Company maintains strong compliance and internal control frameworks to manage these risks and ensure responsible corporate conduct.

- c. **Environmental and Operational Factors:** Environmental and operational sustainability factors may influence operational costs, infrastructure resilience, and resource utilization efficiency. Key considerations include:
 - Energy cost exposure and efficient energy management
 - Operational carbon footprint associated with office infrastructure
 - Opportunities for resource efficiency through digitization
 - Infrastructure resilience through hybrid energy systems and backup power solutions

These environmental and operational factors also present opportunities for cost optimization, operational efficiency improvements, and sustainable infrastructure development.

Overall, sustainability-related risks and opportunities are actively considered in strategic planning, capital allocation decisions, operational improvement initiatives, and enterprise risk management processes. Through this integrated strategic approach, Veritas Kapital Assurance Plc continues to strengthen its long-term resilience, operational sustainability, and stakeholder value creation.

SUSTAINABILITY AND ETHICAL RISK OVERSIGHT

Effective risk management is central to sustaining operational resilience, regulatory compliance, and long-term value creation, in VKAP. Sustainability-related, ethical, and governance risks are fully integrated into the Company's Enterprise Risk Management (ERM) framework, ensuring that potential threats are proactively identified, assessed, controlled, and monitored across all functional areas.

This structured approach enables the Company to manage risks holistically—covering operational, environmental, social, and governance dimensions—while reinforcing ethical conduct and zero-tolerance principles toward corruption, money laundering, and other forms of misconduct.

5.0.1 SUSTAINABILITY RISK IDENTIFICATION AND CONTROL

Sustainability-related risks are embedded into the Company's ERM and compliance structures, ensuring that ESG considerations are systematically monitored across operations.

Key Risk Identification Mechanisms Include:

- Policy compliance monitoring and adherence checks
- Operational control and process reviews
- Health, safety, and workplace assessments
- Vendor and contractor due diligence evaluations
- Regulatory compliance audits and monitoring

Once identified, risks are documented, evaluated, monitored, and escalated in line with the Company's governance and reporting structures. This ensures accountability, timely intervention, and alignment with strategic sustainability objectives.

5.0.2 ETHICS AND ANTI-CORRUPTION CONTROLS

Veritas Kapital Assurance Plc maintains a strict zero-tolerance policy for:

▪ Bribery and corruption	▪ Money laundering
▪ Terrorism and Proliferation Financing	▪ Abuse of office and unethical conduct

Control Measures Include:

- Documented anti-corruption and compliance policies
- Accessible policy documentation via internal digital platforms for all staff
- Confidential whistleblowing channels for reporting misconduct
- Clearly defined investigation, remediation, and enforcement protocols

Performance Outcomes (2025 Reporting Period):

- *Confirmed corruption or bribery incidents: Zero*
- *Regulatory sanctions or penalties relating to corruption: Zero*

Through these risk management and ethical governance practices, the Company ensures that sustainability, integrity, and compliance are deeply embedded in operational and strategic decision-making. This proactive approach safeguards stakeholder trust and reinforces Veritas Kapital Assurance Plc's commitment to responsible, ethical, and sustainable business conduct.

6.0 SOCIAL AND HUMAN CAPITAL DISCLOSURES

The well-being, development, and fair treatment of employees are central to creating a sustainable and high-performing workforce. The Company recognizes that social and human capital management is critical to operational excellence, organizational resilience, and stakeholder trust. Sustainability initiatives in this area focus on workforce health and safety, human rights, labour practices, diversity, and inclusion.

6.0.1 WORKFORCE HEALTH AND SAFETY

The Company maintains structured occupational health and safety programs across all business locations to ensure a safe, healthy, and supportive working environment. Key Measures Include:

- a. Safe workplace design, maintenance, and hazard prevention
- b. Availability of first aid facilities across all sites
- c. Comprehensive medical coverage for employees and dependents via HMO plans
- d. Employee wellness and counselling programs
- e. Preventive health awareness and education initiatives
- f. Access to fitness and wellbeing programs

Performance Outcomes (2025 Reporting Period):

- *Workplace fatalities: Zero*
- *Reported injuries from unsafe conditions: Zero*

6.0.2 HUMAN RIGHTS AND FAIR TREATMENT

Veritas Kapital Assurance Plc upholds non-discrimination, fair treatment, and equal opportunity principles in all operations. Employees and stakeholders have access to formal grievance and whistleblowing channels to report concerns.

Performance Indicator (2025):

- *Substantiated human rights violations: Zero*

6.0.3 LABOUR PRACTICES AND EMPLOYEE DEVELOPMENT

The Company strengthens employee engagement, retention, and career growth through structured labour practices and professional development initiatives. Key Initiatives Include:

- a. Training, capacity building, and continuous learning programs
- b. Leadership development and performance assessments
- c. Periodic employee satisfaction surveys to guide improvements
- d. Structured salary review and promotion frameworks
- e. Comprehensive retirement benefit schemes

Performance Indicator (2025):

- *Female workforce representation: 50.60%*

6.0.4 DIVERSITY AND INCLUSION

Recruitment, advancement, and reward systems are governed by equal opportunity principles, ensuring fairness and equity across the workforce. The Company prohibits discrimination on the basis of:

▪ Gender	▪ Age
▪ Ethnicity	▪ Religion
▪ Physical ability	▪ Socio-economic background

7.0 ECONOMIC AND MARKET CONDUCT

At VKAP, economic and market conduct is guided by principles of responsibility, fairness, and ethical practice. The Company ensures that its products, services, supplier relationships, and community initiatives deliver sustainable value while maintaining regulatory compliance, supporting clients' financial resilience, and fostering positive societal impact.

7.0.1 RESPONSIBLE PRODUCTS AND SERVICES

Insurance products and services are developed, underwritten, and delivered in compliance with applicable regulations and professional standards. The Company emphasizes customer-centric design, service reliability, and responsible risk management to ensure clients' financial security and long-term resilience.

Key focus areas include:

- Compliance with regulatory and industry standards
- Responsible underwriting practices
- Product design that supports client financial stability
- Transparent and ethical service delivery

7.0.2 SUPPLIER AND VENDOR MANAGEMENT

Veritas Kapital Assurance Plc applies ethical procurement standards to manage supplier and vendor relationships, ensuring fairness, transparency, and accountability throughout the supply chain. Key Principles Include:

- Transparency in supplier selection and evaluation
- Confidentiality and protection of sensitive information
- Conflict-of-interest management
- Fair and objective evaluation criteria
- Support for participation by small and medium-sized enterprises (SMEs)

Vendor performance and compliance are reviewed periodically and annually to ensure adherence to service standards, regulatory requirements, and ethical practices.

7.0.3 COMMUNITY INVESTMENT AND SOCIAL IMPACT

The Company actively invests in community development, education, and public awareness initiatives, reinforcing its commitment to social responsibility and inclusion. Key initiatives during the reporting cycle included:

- a. Health Awareness Road Walk - promoting preventive healthcare and wellness
- b. Industrial Visit to Actuarial Science and Insurance Students Association (ASISA), Lagos State University - inspiring future professionals in the insurance industry
- c. Insurance Summit and Awareness Day at Lagos State University - supporting industry education and knowledge sharing
- d. Car Lovers Connect Initiative - engaging communities through shared passion for automotive maintenance and protection
- e. Support to FCT Para-Athletic Competition - celebrating excellence, resilience, and inclusion of persons with disabilities

Through these programs, Veritas Kapital Assurance Plc strengthens social impact, promotes education and health awareness, and fosters community empowerment and engagement.

8. ENVIRONMENTAL AND CLIMATE-RELATED DISCLOSURES

Environmental stewardship and climate-conscious operations are integral to sustainability practices. While the Company's core insurance activities have a relatively low direct environmental footprint, proactive measures are taken to optimize energy use, reduce emissions, conserve resources, and enhance operational efficiency. The Company recognizes that responsible environmental management contributes to long-term operational resilience, regulatory compliance, and positive community impact.

8.0.1 OPERATIONAL ENVIRONMENTAL IMPACT

The Company's operational focus is on minimizing environmental impact through:

- Energy efficiency improvements across office infrastructure
- Emissions reduction initiatives
- Responsible resource management and conservation

These efforts are embedded into operational planning, facilities management, and daily workflows to ensure a sustainable operational model.

8.0.2 DIGITAL TRANSFORMATION AND PAPER REDUCTION

Digital transformation initiatives have significantly reduced paper consumption and resource use through:

- Electronic workflow approvals replacing manual processes
- Digital performance, learning, and training systems
- Electronic regulatory submissions, where permitted
- Delivery of approximately 80% of policy renewal notices electronically
- Expanded adoption of cloud storage and document management solutions

These initiatives not only enhance operational efficiency but also support the Company's environmental objectives by reducing paper use and associated carbon emissions.

8.0.3 ENERGY USE AND EMISSIONS REDUCTION INITIATIVES

The Company has implemented several energy efficiency and emissions reduction measures across major offices:

- a. Solar power installations and hybrid energy systems to reduce reliance on fossil fuels
- b. Abuja Head Office solar upgrade: from 15KVA to 36KVA
- c. Lagos Annex solar upgrade: from 5KVA to 15KVA
- d. Replacement of outdated air-conditioning systems with energy-efficient models
- e. Energy-efficient lighting systems, reducing lighting consumption by ~55%
- f. Modern lower-emission 300 KVA generator infrastructure
- g. Reduced travel through virtual meetings and training to lower vehicle and aircraft emissions
- h. Green landscaping at Head Office to enhance air quality and environmental aesthetics

Operational Outcome:

- *Estimated reduction in lighting energy consumption: ~55%***ENVIRONMENTAL COMPLIANCE**
The Company maintains strict compliance with environmental regulations, ensuring that operational activities meet or exceed statutory requirements.

Performance Metric (2025):

- *Environmental regulatory fines or penalties: Zero*

Through these initiatives, Veritas Kapital Assurance Plc demonstrates its commitment to environmental responsibility, operational sustainability, and climate-conscious business practices.

9.0 METRICS AND PERFORMANCE SUMMARY

The Company continuously monitors, evaluates, and reports on its sustainability, ESG, and operational performance to ensure transparency, accountability, and progress toward strategic objectives. The following metrics summarize key outcomes across governance, social, environmental, and economic dimensions for the reporting period:

Legend:

- ☑ Achieved - Target met or exceeded
- ⚠ On Track - Initiatives ongoing with expected completion
- ✗ Not Achieved - Target not met

METRIC/KPI	TARGET/STANDARD	2025 PERFORMANCE	STATUS
GOVERNANCE & RISK MANAGEMENT			
Confirmed corruption/bribery incidents	0	0	☑ Achieved
Regulatory sanctions related to bribery/corruption	0	0	☑ Achieved
Compliance audit outcomes	100% adherence	100%	☑ Achieved
Sustainability risk monitoring	All identified risks documented & escalated	100%	☑ Achieved
SOCIAL & HUMAN CAPITAL			
Workplace fatalities	0	0	☑ Achieved
Workplace injuries	0	0	☑ Achieved
Substantiated human rights violations	0	0	☑ Achieved
Female workforce representation	≥50%	50.6%	☑ Achieved
Employee engagement & satisfaction	Positive trend	Positive	☑ Achieved
Training & capacity development (hours/employee)	Annual target	Fully delivered	☑ Achieved
ECONOMIC & MARKET CONDUCT			
Responsible product compliance	100%	100%	☑ Achieved
Supplier & vendor evaluations	Periodic reviews	100% completed	☑ Achieved
Community engagement initiatives	≥5 programs	5 major initiatives	☑ Achieved
SME participation in procurement	Encouraged	Supported	☑ Achieved
ENVIRONMENTAL & CLIMATE			
Operational carbon footprint reduction	Active initiatives	Implemented	☑ On Track
Energy-efficient lighting consumption	≥50% reduction	~55%	☑ Achieved
Solar capacity installed (Abuja/Lagos)	Expansion targets	36KVA / 15KVA	☑ Achieved
Low-emission generator capacity	Modernize infrastructure	300 KVA installed	☑ Achieved
Environmental regulatory fines/ penalties	0	0	☑ Achieved

The Company maintains a robust framework for monitoring, evaluating, and reporting its sustainability, ESG, and operational performance, ensuring transparency, accountability, and alignment with strategic objectives. The metrics presented reflect the Company's performance across governance, social, environmental, and economic dimensions during the reporting period.

These results highlight Veritas Kapital Assurance Plc's commitment to ethical governance, workforce wellbeing, operational excellence, and community impact. Across all key ESG dimensions, the Company achieved full compliance, zero incidents in critical risk areas, and significant advancements in environmental initiatives, reinforcing its position as a responsible, resilient, and forward-looking insurance provider in Nigeria.

TARGETS AND FORWARD OUTLOOK (2026-2028)

Veritas Kapital Assurance Plc is dedicated to advancing ESG maturity and IFRS-aligned sustainability disclosures. Planned initiatives for 2026-2028 include:

▪ Development of formal ESG KPIs with baseline measurements	▪ Expanded renewable energy capacity across major offices
▪ Enhanced carbon footprint tracking and climate -related risk monitoring	▪ Broader digital adoption and process automation across branches
▪ Structured sustainability reporting dashboards for real -time insights	▪ Continuous strengthening of governance and risk integration

The Company remains committed to responsible growth, ethical governance, workforce wellbeing, and operational resilience, embedding sustainability into its long-term strategy to protect capital, enhance stakeholder trust, and drive financial performance in an evolving business environment.

FORWARD OUTLOOK

Looking ahead, Veritas Kapital Assurance Plc will continue to embed ESG into strategic decision-making, focusing on:

▪ Expanded sustainability data tracking and KPI formalization	▪ Enhanced climate and energy risk measurement
▪ Broader renewable energy adoption and energy efficiency initiatives	▪ Deeper integration of ESG metrics into business planning
▪ Continuous digital transformation and operational modernization	▪ Alignment with evolving IFRS Sustainability Disclosure standards

Through disciplined governance, responsible operations, and continuous improvement, Veritas Kapital Assurance Plc is positioning itself as a resilient, forward-looking, and sustainability-conscious insurance leader, committed to creating long-term value for stakeholders.

Sustainability in Action, Resilience in Results
#VeritasESG #SustainabilityLeadership #ResponsibleGrowth
#GovernanceExcellence #ClimateAction #DigitalTransformation
#LongTermValue #InsuranceInnovation #ESGExcellence



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INTRODUCTION

At Veritas Kapital Assurance Plc, delivering exceptional customer experience remains a strategic priority. In 2025, we strengthened our commitment to responsiveness, transparency, and continuous improvement by leveraging customer feedback as a key driver of service excellence.

We recognize that every complaint presents an opportunity to enhance our processes, reinforce trust, and deepen customer relationships. Our approach remains focused on not just resolving issues but improving the overall customer journey.

COMPLAINTS CHANNELS

At VKA, we remain committed to delivering timely, efficient, and effective responses to all customer inquiries, requests, and concerns. Our approach is designed to ensure seamless interactions while strengthening trust and long-term relationships with our valued clients.

In 2025, we further enhanced our customer-centric framework by optimizing our communication channels to improve accessibility, responsiveness, and overall engagement. These channels are structured to provide customers with convenient, reliable, and real-time support across multiple touchpoints.

Our objective is to sustain a service environment built on professionalism, transparency, and trust—one that not only meets customer expectations but consistently elevates their experience and reinforces loyalty.

These channels include:

1.	VKA CIC (Customer Interaction Center): cic@veritaskapital.com 0700100050 0, 234-702 500 6273 +234 9 461 9999  07066301305
2.	www.veritaskapital.com LiveChat and tell us
3.	Correspondence from customers
4.	VKA Social media handles (X, Instagram, Facebook, and LinkedIn) https://x.com/veritaskapital https://www.instagram.com/veritaskapital https://facebook.com/veritaskapital https://www.linkedin.com/company/veritas-kapital-assurance-plc https://www.tiktok.com/@veritaskapital?is_from_webapp=1&sender_device=pc https://youtube.com/channel/UC1nzu69A1a2uSY4XVHIMGlq

Our organization maintains a strong nationwide presence across all six geopolitical zones, ensuring that clients and the general public continue to enjoy convenient access to personalized, in-person services. This extensive footprint reinforces our commitment to proximity, responsiveness, and relationship-driven service delivery. For ease of access, detailed information on all branch locations is available on our website at www.veritaskapital.com.

OUR RESOLUTION ROADMAP



Customer Product Perspectives

To continuously strengthen and refine our product and service offerings, we remained intentional in engaging customers through various feedback and experience-driven initiatives in 2025. These initiatives enabled us to better understand customer expectations, identify improvement opportunities, and enhance overall service delivery.

Our key engagement initiatives include:

- **Customer Forums** - Providing interactive platforms for meaningful feedback, engagement, and customer dialogue.
- **Customer Journey Mapping** - Assessing customer touchpoints and experiences to identify service improvement opportunities.
- **Top Customer Visitations** - Deepening relationships with key clients while gaining valuable insight into their evolving needs and expectations.
- **Product Satisfaction Surveys** - Gathering customer feedback to support continuous product enhancement and service optimization.

- **Claims Experience Feedback** - Evaluating customer experiences during claims processing to improve efficiency and satisfaction.
- **Product & Safety Awareness Initiatives** - Educating customers on risk management practices and optimal policy utilization.

Insights derived from these initiatives continue to guide strategic improvements across our operations, enabling us to deliver more responsive solutions and a consistently enhanced customer experience.

Comprehensive reports on customer complaints are regularly shared with relevant departments for review and necessary action. This process helps identify areas for improvement, strengthen best practices, enhance operational efficiency, and ensure continuous customer satisfaction.

FEEDBACK ON CUSTOMERS' COMPLAINTS



Number of Complaints Received and Resolved

In 2025, a total of 42 customer complaints were received, and all 42 were promptly investigated and successfully resolved, reflecting our strong commitment to professionalism, accountability, and customer satisfaction. Insights derived from these complaints also supported improvements in internal processes, enhanced service delivery, and preventive measures aimed at reducing recurrence.



The graph above illustrates the percentage of complaints received and successfully resolved over the course of the year.

Looking ahead to 2026, our focus remains on elevating the customer experience through strategic initiatives that drive faster resolution, enhanced service delivery, and stronger customer relationships, ultimately reinforcing customer satisfaction and loyalty.

STATEMENT OF DIRECTOR'S RESPONSIBILITIES IN RELATION TO THE PREPARATION OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

The Directors of Veritas Kapital Plc. accept responsibility for the preparation of the consolidated and separate financial statements that give a true and fair view of the financial position of the Group and Company as at 31 December 2025, and the results of its operations, cash flows and changes in equity for the year then ended, in compliance with IFRS Accounting Standards as issued by the International Accounting Standards Board and in the manner required by the Companies and Allied Matters Act of Nigeria, Nigerian Insurance Industry Reform Act (NIIRA) 2005, circulars and guidelines issued by the National Insurance Commission (NAICOM) and the Financial Reporting Council of Nigeria (Amendment Act), 2023.

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

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

Going Concern:

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

The financial statements of the Group and Company for the year ended 31 December 2025 were approved by the directors on 16 March 2026.



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



Mr. Babatunde Ayokunle Irukera
Chairman
FRC/2022/PRO/NBA/002/843576

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Authorized and Regulated by the National Insurance Commission. RIC-022.

STATEMENT OF CORPORATE RESPONSIBILITY FOR CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

In compliance with section 405 of Companies and Allied Matters Act (CAMA) 2020, we have reviewed the audited Consolidated and Separate financial statements of the Group/Company for the year ended 31 December 2025 and based on our knowledge confirm as follows:

1. The audited Consolidated and Separate financial statements do not contain any untrue statement of material fact or omit to state a material fact, which would make the statements misleading;
2. The audited Consolidated and Separate financial statements and all other financial information included in the statements fairly present, in all material respects, the financial condition and results of operation of the Company as of and for the year ended 31 December 2025;
3. The Group's internal controls have been designed to ensure that all material information relating to the Company and its subsidiaries is received and provided to the Auditors in the course of the audit;
4. The Group's internal controls were evaluated within 90 days of the financial reporting date and are effective as of 31 December 2025;
5. That we have disclosed to the Auditors and the Audit committee the following information:
 - a. There are no significant deficiencies in the design or operation of the Company's internal controls which could
 - b. There is no fraud involving management or other employees which could have any significant role in the Group's
6. There are no significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of this audit, including any corrective actions with regard to any observed deficiencies and material weaknesses.



Adaobi Nwaku
Managing Director /CEO
FRC/2021/003/00000023865



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

Annual Report and Financial Statements for the year ended 31 December 2025
Certification of Management's Assessment on Internal Control Over Financial Reporting

To comply with the provisions of Section 1.1 of SEC Guidance on Implementation of Sections 88-91 of the Investments and Securities Act 2025, I hereby make the following statements regarding the Internal Controls of **VERITAS KAPITAL ASSURANCE PLC** for the year ended 31 December 2025.

I Adaobi Nwakuche certify that:

a) I have reviewed this management assessment on internal control over the financial reporting of **VERITAS KAPITAL ASSURANCE PLC**.

b) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, considering the circumstances under which such statements were made, not misleading with respect to the period covered by this report.

c) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations, and cash flows of the entity as of, and for, the periods presented in this report.

d) The entity's other certifying officer and I:

1. Are responsible for establishing and maintaining internal controls.
2. Have designed such internal controls and procedures or caused such internal controls and procedures to be designed under our supervision, to ensure that material information relating to the entity is also made known to us by others within the entity, particularly during the period in which this report is being prepared.
3. Have designed such an internal control system or caused such an internal control system to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.
4. Have evaluated the effectiveness of the entity's internal controls and procedures as of a date within 90 days prior to the report and presented in this report our conclusions about the effectiveness of the internal controls and procedures, as of the end of the period covered by this report, based on such evaluation.

e) The entity's other certifying officer and I have disclosed, based on our most recent evaluation of the internal control system, to the entity's auditors and the audit committee of the entity's board of directors (or persons performing the equivalent functions):

1. All significant deficiencies and material weaknesses in the design or operation of the internal control system which are reasonably likely to adversely affect the entity's ability to record, process, summarise, and report financial information; and
 2. Any fraud, whether or not material, that involves management or other employees who have a significant role in the entity's internal control system.
- f) The entity's other certifying officer(s) and I have identified in the report whether or not there were significant changes in internal controls or other facts that could significantly affect internal controls subsequent to the date of their evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.



Dr. Adaobi Nwakuche
Managing Director
FRC/2021/003/00000023865
26 March 2026

Annual Report and Financial Statements for the year ended 31 December 2025 Certification of Management Assessment on Internal Control Over Financial Reporting

To comply with the provisions of Section 1.1 of the SEC Guidance on Implementation of Sections 88-91 of the Investments and Securities Act 2025, I hereby make the following statements regarding the Internal Controls of **VERITAS KAPITAL ASSURANCE PLC** for the year ended 31 December 2025.

I Mojeed Somorin certify that:

a) I have reviewed this Management assessment on Internal Control Over Financial Reporting of **VERITAS KAPITAL ASSURANCE PLC**.

b) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, considering the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

c) Based on my knowledge the financial statements, and other financial institutions included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the entity as of, and for, the periods presented in this report;

d) The entity's certifying officer and I:

1. Are responsible for establishing and maintaining internal controls;
2. Have designed such internal controls and procedures, or caused such internal controls and procedures to be designed under our supervision, to ensure that material information relating to the entity is also made known to us by others within the entity, particularly during period in which this report is being prepared;
3. Have designed such internal control system to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
4. Have evaluated the effectiveness of the internal controls and procedures as of a date within 90 days prior to the report our conclusions about the effectiveness of the internal controls and procedures, as of the end of the period covered by this report based on such evaluation.
5. The entity's other certifying officer and i have disclosed, based on our most recent

e) Evaluation of internal control system, to the entity's auditors and the audit committee of the entity's board of directors (or persons performing the equivalent functions):

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

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

f) The entity's other certifying officer(s) and I have identified, in the report, whether or not there were significant changes in internal controls or other facts that could significantly affect internal controls subsequent to the date of their evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.



Mr. Mojeed Somorin

Chief Financial Officer

FRC/2017/PRO/ICAN/001/00000016849

26 March 2026

INDEPENDENT AUDITOR'S ATTESTATION REPORT ON MANAGEMENT'S ASSESSMENT OF INTERNAL CONTROL OVER FINANCIAL REPORTING

TO THE MEMBERS OF VERITAS KAPITAL ASSURANCE PLC

Scope

We have been engaged by Veritas Kapital Assurance Plc ('the Company') to perform a 'limited assurance engagement', based on International Standards on Assurance Engagements Other Than Audits or Reviews of Historical Financial Information ('ISAE 3000 (Revised)') and FRC Guidance on Assurance Engagement Report on Internal Control over Financial Reporting, herein referred to as the engagement, to report on Veritas Kapital Assurance Plc Internal Control over Financial Reporting (ICFR) (the "Subject Matter") contained in the company's Management's Assessment on Internal Control over Financial Reporting as of 31 December 2025 (the "Report").

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

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company.
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

Criteria applied by Veritas Kapital Assurance Plc

In designing, establishing and operating the Internal Control over Financial Reporting (ICFR) and preparing the Management's assessment of the Internal Control over Financial Reporting (ICFR), Veritas Kapital Assurance Plc applied the requirements of Internal Control-Integrated Framework (2013) of the Committee of Sponsoring Organizations of the Treadway Commission (COSO) Framework and SEC Guidance on Management Report on Internal Control Over Financial Reporting (Criteria). Such Criteria were specifically designed to enable organizations effectively and efficiently develop systems of internal control that adapt to changing business and operating environments, mitigate risks to acceptable levels, and support sound decision making and governance of the organization; As a result, the subject matter information may not be suitable for another purpose.

INDEPENDENT AUDITOR'S ATTESTATION REPORT ON MANAGEMENT'S ASSESSMENT OF INTERNAL CONTROL OVER FINANCIAL REPORTING

TO THE MEMBERS OF VERITAS KAPITAL ASSURANCE PLC-Continued

Veritas Kapital Assurance Plc's responsibilities

Veritas Kapital Assurance Plc's Management is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Veritas Kapital Assurance Plc's *Management's assessment of the Internal Control over Financial reporting as of 31 December 2025* in accordance with the criteria.

Our responsibilities

Our responsibility is to express a conclusion on the design and operating effectiveness of the Internal Control over Financial Reporting based on our Assurance engagement.

We conducted our engagement in accordance with the *International Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* ('ISAE 3000 (Revised)') and FRC Guidance on Assurance Engagement Report on Internal Control over Financial Reporting, those standards require that we plan and perform our engagement to obtain limited assurance on the entity's internal control over financial reporting based on our assurance engagement.

Our independence and quality management

We have maintained our independence and confirm that we have met the requirements of the International Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (including International Independence Standards) (IESBA Code) and have the required competencies and experience to conduct this assurance engagement.

We also apply International Standard on Quality Management 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services engagements*, which requires that we design, implement, and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Description of procedures performed.

The procedures we performed included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk.

Our engagement also included performing such other procedures as we considered necessary in the circumstances. We believe the procedures performed provides a basis for our report on the internal control put in place by Management over financial reporting.

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

INDEPENDENT AUDITOR'S ATTESTATION REPORT ON MANAGEMENT'S ASSESSMENT OF INTERNAL CONTROL OVER FINANCIAL REPORTING

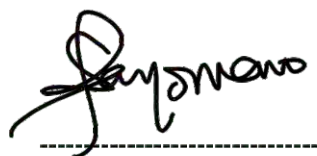
TO THE MEMBERS OF VERITAS KAPITAL ASSURANCE PLC-Continued

Conclusion

In conclusion, nothing has come to our attention to indicate that the internal control over financial reporting put in place by Management is not adequate as of 31 December 2025, based on the requirements of Committee of Sponsoring Organizations of the Treadway Commission (COSO) Framework and SEC Guidance on Management Report on Internal Control Over Financial Reporting.

Other Matter

We also have audited, in accordance with the International Standards on Auditing, the financial statements for the year ended 31 December 2025 of Veritas Kapital Assurance Plc and we expressed an unmodified opinion in our Auditor's report dated 3 July 2026. Our conclusion is not modified in respect of this matter.



Oluwasayo Elumaro

FRC/2012/PRO/ICAN/004/00000000139

For: Ernst & Young

Lagos, Nigeria.

3 July 2026



**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF VERITAS KAPITAL ASSURANCE PLC
Report on the Audit of the Consolidated and Separate Financial Statements**

Opinion

We have audited the consolidated and separate financial statements of Veritas Kapital Assurance Plc ("the Company") and its subsidiaries (together "the Group"), which comprise the consolidated and separate statements of financial position as at 31 December 2025, and the consolidated and separate statements of profit or loss and other comprehensive income, the consolidated and separate statements of changes in equity and the consolidated and separate statements of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated and separate financial statements give a true and fair view of the consolidated and separate financial position of the Group and the Company as at 31 December 2025, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, the provisions of the Companies and Allied Matters Act, 2020, the Nigeria Insurance Industry Reform Act (NIIRA) 2025, the Pension Reforms Act, 2014, the relevant guidelines and circulars issued by the National Insurance Commission (NAICOM) and in compliance with the Financial Reporting Council of Nigeria (Amendment) Act, 2023.

Basis for Opinion

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

Key Audit Matters

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

We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated and separate financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated and separate financial statements.

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF VERITAS KAPITAL ASSURANCE PLC-Continued**

The Key Audit Matters apply equally to the audit of the consolidated and separate financial statements.

Key Audit Matter	How the matter was addressed in the audit
Valuation of Insurance Contract Liabilities The valuation of insurance contract liabilities is a significant area of judgment for entity. As at 31 December 2025, insurance contract liabilities amounted to ₦9.71 billion as at 31 December 2025 (2024: ₦16.3billion), and this amount represents a significant portion of its total liabilities for the respective period. The Company currently adopts only the Premium Allocation Approach in measuring a group of contracts which is the total of: a) the premiums received at initial recognition b) minus any insurance acquisition cashflows at that date c) plus or minus arising from the derecognition of any asset for insurance acquisition cashflows and any other asset or liability previously recognized for cashflows related to the group of contracts. When projecting future cashflows for these insurance contract liabilities, the Company primarily uses deterministic projections using best estimate assumptions. Key assumptions are subjective including the evenly occurrence of risk, sustained future claims payment pattern, large loss increase rate, directly attributable expenses, taxes etc. Auditing the valuation of insurance contract liabilities was complex and required the application of significant audit judgement due to the complexity of the cashflow models, the selection and use of assumptions and the interrelationship of these variables in measuring insurance contract liabilities. The audit also required specialized skills and knowledge in evaluating the audit evidence obtained. Refer to the note 17 ("Summary of Insurance Contract Issued and Re-insurance contract held") to the consolidated and separate financial statements.	Our audit procedures were amongst included but were not limited to the following. We: Obtained an understanding of the insurance contract liabilities valuation process. For this process, we focussed on understanding the Company's IFRS 17 implementation process including the approach for classification of insurance contracts for the purpose of measuring insurance contract liabilities. Also, we focussed on management's consistent application of the accounting policies and an inquiry into the actuarial models as well as management's process to ensure integrity of data used. - Involved our actuarial specialists in assessing the methodology and assumptions used in valuation of the insurance contract liabilities in respect to compliance with the Company's policies and IFRS. - Tested underlying support documentation for the inputs into the valuation of insurance contract liabilities, including reviewing a sample of experience studies supporting specific assumptions, evaluating the nature, timing and completeness of changes recorded, and assessing whether individual changes were errors or refinements of estimates. Assessed the adequacy of the disclosures related to the valuation of the insurance contract liabilities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VERITAS KAPITAL ASSURANCE PLC-Continued

Other Information

The Directors are responsible for the other information. The other information comprises the information included in the document titled "Veritas Kapital Assurance Plc Annual Report and Consolidated and Separate Financial Statements for the year ended 31 December 2025", which includes the Report of the Directors, Audit Committee's Report, Statement of Corporate Responsibility for the Consolidated and Separate Financial Statements, Statement of Directors' Responsibilities in Relation to the preparation of the Consolidated and Separate Financial Statements, Management's Report on the Effectiveness of Internal Control over Financial Reporting, Certification of Management's Assessment of Internal Control over Financial Reporting, and Other National Disclosures. The other information does not include the consolidated and separate financial statements and our auditor's report thereon.

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

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

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

Responsibilities of the Directors for the Consolidated and Separate Financial Statements

The Directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, the provisions of the Companies and Allied Matters Act, 2020, the Nigeria Insurance Industry Reform Act, 2025, the Pension Reforms Act, 2014, the relevant guidelines and circulars issued by the National Insurance Commission (NAICOM) and in compliance with the Financial Reporting Council of Nigeria (Amendment) Act, 2023, and for such internal control as the Directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VERITAS KAPITAL ASSURANCE PLC-Continued

guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

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

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VERITAS KAPITAL ASSURANCE PLC-Continued

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

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

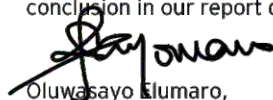
Report on Other Legal and Regulatory Requirements

In accordance with the requirement of the Fifth Schedule of the Companies and Allied Matters Act, 2020, we confirm that:

- We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit;
- In our opinion, proper books of account have been kept by the Group and Company, in so far as it appears from our examination of those books;
- The consolidated and separate statements of financial position and the consolidated and separate statements of profit or loss and other comprehensive income are in agreement with the books of account; and
- In our opinion, the consolidated and separate financial statements have been prepared in accordance with the provisions of the Companies and Allied Matters Act, 2020 so as to give a true and fair view of the state of affairs and financial performance of the Company and its subsidiaries.
- The company incurred a penalty in respect of contravention of violation of NAICOM circular on foreign re-insurance participation without prior approval. The details of the contravention and penalty are disclosed in Note 40 of the financial statements.

In accordance with the requirements of the Financial Reporting Council of Nigeria (FRC) Guidance on Assurance Engagement Report on Internal Control over Financial Reporting:

We performed a limited assurance engagement and reported on Management's assessment of the Company's internal control over financial reporting as of 31 December, 2025. The work performed was done in accordance with the International Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information ('ISAE 3000 (Revised)') and FRC Guidance on Assurance Engagement Report on Internal Control over Financial Reporting, and we have issued an unmodified conclusion in our report dated 3 July 2026.



Oluwasayo Olumaro,
FRC/2012/PRO/ICAN/004/00000000139
For Ernst & Young
Lagos, Nigeria
Date: 3 July 2026



CONSOLIDATED AND SEPARATE STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2025

		2025	2024	2025	2024
	Notes	Group N'000	Group N'000	Company N'000	Company N'000
Assets					
Cash and cash equivalents	3	7,975,130	11,196,743	7,179,475	9,830,861
Investment securities:					
<i>Fair value through profit or loss</i>	4a	173,376	138,264	173,376	138,264
<i>Amortised cost</i>	4b	12,451,756	10,197,218	6,148,171	5,084,068
<i>Fair value through OCI</i>	4c	607,208	492,056	607,208	492,056
Premium receivables	5	2,321,542	1,545,616	2,321,542	1,545,616
Reinsurance contract assets	6	3,279,213	5,841,670	3,279,213	5,841,670
Other receivables and prepayments	7	1,217,355	884,867	237,277	174,054
Investment in subsidiaries	8	-	-	4,026,300	4,026,300
Property and equipment	10	6,288,073	6,020,334	5,149,831	5,033,899
Goodwill	11	316,884	316,884	-	-
Intangible assets	12	411,196	551,789	400,006	539,166
Statutory deposits	13	355,000	355,000	355,000	355,000
Total assets		<u>35,396,733</u>	<u>37,540,441</u>	<u>29,877,399</u>	<u>33,060,954</u>
Liabilities:					
Insurance contract liabilities	18	9,706,533	16,303,627	9,706,533	16,303,627
Other contract liabilities	27	6,389	8,899	-	-
Other technical liabilities	14	2,505,585	2,785,404	2,505,585	2,785,404
Employees retirement benefit obligations	15	28,401	27,710	-	-
Provision and other payables	16	3,277,614	2,351,637	2,081,705	1,690,510
Income tax liabilities	17.1	275,050	404,691	130,294	173,210
Deferred tax liabilities	17.2	481,729	372,737	292,095	190,671
Total liabilities		<u>16,281,301</u>	<u>22,254,704</u>	<u>14,716,212</u>	<u>21,143,422</u>
Share capital & reserves:					
Share capital	20	6,933,333	6,933,333	6,933,333	6,933,333
Share premium	21	663,600	663,600	663,600	663,600
Statutory contingency reserves	22	3,323,290	2,611,284	3,323,290	2,611,284
Retained earnings/(accumulated losses)	23	1,560,560	(1,189,506)	29,018	(2,305,749)
Other components of equity:					
Asset revaluation reserve	24	4,095,433	3,974,282	3,856,647	3,735,496
Fair value reserve	25	351,610	275,880	355,299	279,569
Equity attributable to equity holders of the parent		<u>16,927,826</u>	<u>13,268,874</u>	<u>15,161,187</u>	<u>11,917,532</u>
Non controlling interest (NCI)	39	2,187,606	2,016,863	-	-
Total equity		<u>19,115,432</u>	<u>15,285,737</u>	<u>15,161,187</u>	<u>11,917,532</u>
Total equity & liabilities		<u>35,396,733</u>	<u>37,540,441</u>	<u>29,877,399</u>	<u>33,060,954</u>

These financial statements were approved by the Board on 16 March 2026 and signed on its behalf by:



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



Mr. Babatunde Ayokunle Irukera
Chairman
FRC/2022/PRO/NBA/002/843576



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

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

CONSOLIDATED AND SEPARATE STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2025

		2025	2024	2025	2024
		Group	Group	Company	Company
	Notes	N'000	N'000	N'000	N'000
Insurance revenue	28	22,579,472	23,310,885	22,602,820	23,330,242
Insurance service expenses	29	(3,441,947)	(18,590,142)	(3,441,947)	(18,590,142)
Insurance service result before reinsurance contracts held		19,137,525	4,720,743	19,160,873	4,740,100
Net expenses from reinsurance contracts held	30	(11,174,832)	(8,923,025)	(11,174,832)	(8,923,025)
Insurance service result		7,962,693	(4,202,282)	7,986,041	(4,182,925)
Interest income calculated using the effective interest method	33a	1,009,382	1,243,847	436,659	450,343
Net fair value gains on financial assets at fair value through profit or loss	33c	30,171	25,754	30,171	25,754
Net foreign exchange (loss)/gain	34	(597,426)	5,087,119	(596,493)	5,087,119
Credit loss reversal/(expense) on financial assets	36	27,873	(28,824)	39,983	(57,730)
Other investment income	33b	2,997,604	2,801,394	942,684	899,447
Net investment income		3,467,604	9,129,290	853,004	6,404,933
Finance expenses from insurance contracts issued	31	(2,853,243)	(956,336)	(2,853,243)	(956,336)
Finance income from reinsurance contracts held	32	914,565	250,922	914,565	250,922
Net insurance finance expense		(1,938,678)	(705,414)	(1,938,678)	(705,414)
Net insurance and investment result		9,491,619	4,221,594	6,900,367	1,516,594
Other operating income	35	1,347,962	368,002	43,452	47,441
Other operating expenses	37	(6,658,654)	(5,217,145)	(3,787,004)	(3,049,539)
Profit/(loss) before income tax		4,180,927	(627,549)	3,156,815	(1,485,504)
Income tax expense	38	(144,939)	(465,319)	(110,042)	(149,092)
Profit/(loss) for the year		4,035,988	(1,092,868)	3,046,773	(1,634,596)
Other comprehensive income:					
<i>Items that will not be reclassified subsequently to profit or loss(net of tax):</i>					
Net actuarial gain/ (loss) on retirement benefit obligation	52a	1,118	(15,114)	-	-
Gain on revaluation of property and equipment (net of tax)	52b	121,151	339,311	121,151	339,311
Fair value gain on financial asset at FVOCI(net of tax)	52c	75,730	39,896	75,730	39,896
Other comprehensive income, net of tax		197,999	364,093	196,881	379,207
Total comprehensive Income/(loss) for the year		4,233,987	(728,775)	3,243,654	(1,255,390)
Profit/(loss) for the period, attributable to:					
* Non-controlling interests		290,951	131,530	-	-
* Owners' of the Parent		3,745,037	(1,224,398)	-	-
		4,035,988	(1,092,868)	-	-
Total comprehensive income/(loss), attributable to:					
* Non-controlling interests		291,024	130,547	-	-
* Owners' of the Parent		3,942,963	(859,324)	-	-
		4,233,987	(728,775)	-	-
Basic earnings/(loss) per Share	26	0.54	(0.18)		

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

CONSOLIDATED AND SEPARATE STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2025

Group

	Share Capital N'000	Share Premium N'000	Asset revaluation reserve N'000	Fair value reserve N'000	Statutory contingency reserve N'000	Retained Earnings N'000	attributable to equity holders of Parent N'000	Non-Controlling Interest N'000	Total Equity N'000
At 1 January 2025	6,933,333	663,600	3,974,282	275,880	2,611,284	(1,189,506)	13,268,874	2,016,863	15,285,736
Profit for the year	-	-	-	-	-	3,745,037	3,745,037	290,951	4,035,988
Other Comprehensive Income:									
Gain on revaluation of property and equipment (Note 52b)	-	-	121,151	-	-	-	121,151	-	121,151
Fair value gain on financial asset at FVOCI (Note 52c)	-	-	-	75,730	-	-	75,730	-	75,730
Actuarial gain on retirement benefit obligation (Note 52a)	-	-	-	-	-	1,045	1,045	73	1,118
Total comprehensive income	-	-	121,151	75,730	-	3,746,082	3,942,963	291,024	4,233,987
Transfer to Contingency Reserve (Note 22)	-	-	-	-	712,006	(712,006)	-	-	-
Transactions with owners of equity	-	-	-	-	-	(284,010)	(284,010)	(120,281)	(404,291)
Dividends to equity holders (Note 23 and 39) At 31 December 2025	6,933,333	663,600	4,095,433	351,610	3,323,290	1,560,560	16,927,826	2,187,606	19,115,432

	Share Capital N'000	Share Premium N'000	Asset revaluation reserve N'000	Fair value reserve N'000	Statutory contingency reserve N'000	Accumulated losses N'000	attributable to equity holders of Parent N'000	Non-Controlling Interest N'000	Total Equity N'000
At 1 January 2024	6,933,333	663,600	3,634,971	235,984	1,900,457	1,008,862	14,377,206	1,991,597	16,368,802
(Loss) for the year	-	-	-	-	-	(1,224,398)	(1,224,398)	131,530	(1,092,866)
Other Comprehensive Income:									
Gain on revaluation of property and equipment (Note 52b)	-	-	339,311	-	-	-	339,311	-	339,311
Fair value gain on financial asset at FVOCI (Note 52c)	-	-	-	39,896	-	-	39,896	-	39,896
Actuarial gain on retirement benefit obligation (Note 52a)	-	-	-	-	-	(14,131)	(14,131)	(982)	(15,114)
Total Comprehensive loss	-	-	339,311	39,896	-	(1,238,529)	(859,323)	130,547	(728,775)
Transfer to Contingency Reserve (Note 22)	-	-	-	-	710,828	(710,828)	-	-	-
Transactions with owners of equity:	-	-	-	-	-	(249,010)	(249,010)	(105,280)	(354,290)
Dividends to equity holders (Note 23 and 39) At 31 December 2024	6,933,333	663,600	3,974,282	275,880	2,611,284	(1,189,506)	13,268,874	2,016,863	15,285,737

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

**CONSOLIDATED AND SEPARATE STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2025**

Company	Statutory contingency						
	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	(2,305,749)	11,917,532
Profit for the year	-	-	-	-	-	3,046,773	3,046,773
Other Comprehensive Income:							
Gain on revaluation of properties and equipment (Note 52b)	-	-	121,151	-	-	-	121,151
Fair value gain on financial asset at FVOCI (Note 52c)	-	-	-	75,730	-	-	75,730
Total comprehensive income	-	-	121,151	75,730	-	3,046,773	3,243,654
Transfer to contingency reserve (Note 22)	-	-	-	-	712,006	(712,006)	-
At 31 December 2025	6,933,333	663,600	3,856,647	355,299	3,323,290	29,018	15,161,187
At 1 January 2024	6,933,333	663,600	3,396,185	239,673	1,900,456	39,675	13,172,922
Loss for the year	-	-	-	-	-	(1,634,596)	(1,634,596)
Other Comprehensive Income:							
Gain on revaluation of properties and equipment (Note 52b)	-	-	339,311	-	-	-	339,311
Fair value gain on financial asset at FVOCI (Note 52c)	-	-	-	39,896	-	-	39,896
Total Comprehensive loss	-	-	339,311	39,896	-	(1,634,596)	(1,255,390)
Transfer to contingency reserve (Note 22)	-	-	-	-	710,828	(710,828)	-
At 31 December 2024	6,933,333	663,600	3,735,496	279,569	2,611,284	(2,305,749)	11,917,532

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

**CONSOLIDATED AND SEPARATE STATEMENTS OF CASHFLOWS
FOR THE YEAR ENDED 31 DECEMBER 2025**

		2025 Group N'000	2024 Group N'000	2025 Company N'000	2024 Company N'000
Cash flows from operating activities:	Notes				
Premium received	5d	22,934,220	23,178,430	22,957,609	23,178,430
Amount received in respect of claims	19	8,730,592	824,834	8,730,592	824,834
Other operating income	35	1,336,358	350,797	34,169	31,565
Cash paid to and on behalf of employees	37(i)	(1,815,382)	(2,264,134)	(1,675,504)	(1,069,303)
Premiums paid	19b	(16,428,402)	(14,192,596)	(16,428,402)	(14,192,596)
Insurance benefits and claims paid	19a	(10,929,498)	(2,322,812)	(10,723,245)	(2,162,686)
Acquisition costs paid	19a	(3,114,727)	(3,220,986)	(3,114,727)	(3,220,986)
Other acquisition (Maintenance expense) paid during the year	19a	(84,836)	(86,616)	(84,836)	(86,616)
Other directly attributable expenses paid	19a	(293,838)	(788,750)	(293,838)	(788,750)
Cash paid to intermediaries and other suppliers	37(i)	(2,018,654)	(1,335,696)	(1,977,866)	(1,060,703)
Company income tax paid	17.1	(267,588)	(105,119)	(152,958)	(31,242)
Net cash flows (used in)/from operating activities		(1,951,754)	37,352	(2,729,005)	1,421,947
Cash flow from investing activities:					
Purchase of property and equipment	10	(392,290)	(462,806)	(93,800)	(387,443)
Purchase of intangible assets	12	(6,960)	(233,692)	-	(231,594)
Proceed from sale of property and equipment	51a	27,100	17,533	11,789	30,963
Dividend income from equity investment at FVTPL	33b	28,901	23,825	312,911	272,835
Interest received	33a&33b	1,438,774	4,599,632	787,833	2,811,208
Purchase of financial assets at FVPL	4a	(5,350)	-	(5,350)	-
Purchase of amortised cost investment	4b	(3,321,393)	(4,002,563)	(1,730,337)	(3,143,438)
Redemption/repayment on amortised cost investments	4b	1,262,267	1,912,715	688,127	1,250,176
Net cash flows (used in)/ from investing activities		(968,951)	1,854,643	(28,827)	602,706
Cash flow from financing activities:					
Dividend paid	23&39	(404,291)	(354,290)	-	-
Net cash flows used in financing activities		(404,291)	(354,290)	-	-
Net (decrease)/increase in cash and cash equivalents		(3,324,996)	1,537,705	(2,757,832)	2,024,653
Cash and cash equivalents at the 1 January		11,258,477	6,537,083	9,890,315	4,681,973
Effects of exchange rate changes on cash and cash equivalents		51,432	3,183,689	51,432	3,183,689
Cash and cash equivalents at the 31 December	3	7,984,913	11,258,477	7,183,915	9,890,315

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

**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025**

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 with 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

The Company has 93.5% equity interest in Veritas Health Care Limited and 70% interest in Veritas Glanvills Pensions Limited and 51.53% in Goldlink Insurance Plc. The group comprises 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 Consolidated and separate 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 recognised in the statement of profit or loss to arrive at the profit for the year.

Other comprehensive income is recognised in the other comprehensive segment of the statement of other comprehensive income and comprises items of income and expenses that are not recognised 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 recognised in other comprehensive income in the current or previous periods. Transactions with the owners of the group in their capacity as owners are recognised in the statement of changes in equity.

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 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, Company and Allied Matters Act (CAMA), Nigerian Insurance Industry Reform Act (NIIRA), 2025 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.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - CONTINUED

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 need 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.

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 recognised in the financial statements include:

· 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 and equipment

Property and equipment represent one of the most significant proportion of the asset base of the group, accounting for about 17% 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.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - CONTINUED

1.8 Significant judgements and key sources of estimation uncertainty - continued

The useful lives and residual values of the property 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

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 policyholders assets and indemnification of other parties that have suffered damage as a result of a policyholders 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 CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - CONTINUED

- 2 Summary of material accounting policies
- 2.2 Insurance contracts

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.

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

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - CONTINUED

E. Level of aggregation (Unit of account) - continued

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.

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.

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.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - CONTINUED

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.

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.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - CONTINUED

Premium Allocation Approach (PAA)

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 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).

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 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 groups 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 groups 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 groups 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).

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - CONTINUED

Insurance acquisition cash flows - continued

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 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 inceptioned in May 2022 and cedes to the Marine Hull Surplus reinsurance treaty (which inceptioned 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 results in the recognition for the loss recovery component of the asset for the remaining coverage of a group of reinsurance contracts held.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - CONTINUED

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
 - 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.
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 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:
 - o Amounts allocated to the loss component.
 - o Repayments of investment components, if any.
 - o Amounts that relate to transaction-based taxes collected on behalf of third parties.
 - o Insurance acquisition expenses.
 - o Amounts relating to risk adjustment for non-financial risk.
- ▶ The change in the risk adjustment for non-financial risk, excluding:
 - o Changes that relate to future service that adjust the CSM.
 - o 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.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - CONTINUED

1 Insurance Revenue - continued

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 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.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS -

2 Summary of material accounting policies - continued

2.2 Insurance contracts - continued

3 Income or expenses from reinsurance contracts held - continued

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

- 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.

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 recognised 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 recognised 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 CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - CONTINUED

2 Summary of material accounting policies - continued 2.3 Financial instruments

a. Initial recognition and measurement

Financial instruments are recognised 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 recognised 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 or 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 groups' 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 recognises 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 recognised 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.

c. Derecognition of financial instruments

Previously recognised financial assets are derecognised 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 recognised amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - CONTINUED

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 amortised cost. The classification is based on the results of the groups 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 amortised 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.

Financial instruments included in this category are recognised 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 recognised in 'Net gains from financial assets held for trading'.

ii) Amortised 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 amortised 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 amortised 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 recognised. 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 CONSOLIDATED AND SEPARATE 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 amortised 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 groups 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.

i) Assets carried at amortised cost

The amount of the loss is measured as the difference between the assets carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial assets 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 recognised 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 collateralised 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 groups 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.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - CONTINUED

2 Summary of material accounting policies - continued

2.3 Financial instruments - continued

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

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 recognised 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 recognised 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 recognised 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 derecognised or reclassified.

When the financial asset is derecognised, the cumulative gain or loss previously recognised 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 recognised in profit or loss are the same as the amounts that would have been recognised in profit or loss if the financial asset had been measured at amortised 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."

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - CONTINUED

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 amortised cost. These financial liabilities are initially recognised at fair value and subsequently measured at amortised cost. Any difference between the proceeds net of transaction costs and the redemption value is recognised in Profit or loss over the period of the borrowing using the effective interest rate method.

Fees paid on the establishment of the liabilities are recognised 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 amortised over the period of the facility to which it relates. The classification of the Group's financial instruments has been summarised in the table below:

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 balances
				Placements
		Loans and advances		
		Investment securities	Listed debt	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 amortised cost	Insurance contract liabilities		
		Other technical liabilities		Commission payable
				Co-insurance premium payable
		Other liabilities		
				Accruals
				Payables

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - CONTINUED

2 Summary of material accounting policies - continued

2.3 Financial instruments continued

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.

Amortised cost measurement

The amortised 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 amortisation using the effective interest method of any difference between the initial amount recognised 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 arms 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 CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - 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 other 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 reinsurers policies and are in accordance with the related reinsurance contract.

2.6.2 Reinsurance Liabilities

Reinsurance liabilities are primarily premiums payable for reinsurance contracts and are recognised 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 Group on rent, staff benefits, vehicle repairs etc. Expenses paid in advance are amortized on a straight line basis to the profit or 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 recognised directly in equity and attributed to the company.

Inter-company transactions, balances and unrealised gains on transactions between companies within the company are eliminated on consolidation. Unrealised losses are also eliminated in the same manner as unrealised 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 recognised 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 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.

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 recognised 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 recognised 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 recognised at the date of acquisition is recognised 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 recognised 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 recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised 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 recognised in the company's consolidated financial statements only to the extent of interests in the associate that are not related to the company.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - CONTINUED

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 recognised 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 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 recognised in the profit or loss.

2.10 Intangible Assets

Computer software that is not an integral part of the related hardware are initially recognised 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 recognised 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 recognised in profit or loss when the asset is derecognized.

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

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 recognised directly in profit or loss in the consolidated (statement of comprehensive income/profit or loss). An impairment loss recognised 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.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - CONTINUED

2.12'

Property and Equipment

a. Recognition and measurement

All categories of property 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 and equipment are stated at cost to date and are not yet componentised as the asset has not been put into use.

b. Subsequent cost

Subsequent cost is included in the asset's carrying amount or recognised 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.

c. Depreciation

Depreciation is calculated using the straight line 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 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 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 asset revaluation reserve, except to the extent that it reverses a revaluation decrease of the same property previously recognised 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 recognised as an expense in profit or loss.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - CONTINUED

d. Revaluation of land and building - continued

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 and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Gains and losses on disposal of property 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 the Nigerian Insurance Industry Reform Act (NIIRA) 2005.

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 CONSOLIDATED AND SEPARATE 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 recognised 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 these classification requirements are classified as financial assets. Insurance contracts entered into by the company under which the contract holder is another insurer (inwards reinsurance) are included with insurance contracts.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - CONTINUED

2 Summary of material accounting policies - continued

2.14.2 Recognition and measurement of non-life insurance contracts continued

f. Technical Reserves

These are computed in accordance with the provisions of the Nigerian Insurance Industry Reform Act (NIIRA) 2005

- * Reserve for unearned premium: In compliance with the Nigerian Insurance Industry Reform Act (NIIRA) 2005, 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 to 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 Nigerian Insurance Industry Reform Act (NIIRA) 2005 require an actuarial valuation for insurance reserves.

2.15 Other Technical Liabilities

Other technical liabilities are recognised 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 reporting 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 recognised 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 recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in profit or loss 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 recognised as a

2.19 Income tax

Income tax expense comprises current and deferred tax. It is recognised 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 Development Levy

The development levy introduced by the Nigeria Tax Act (NTA) 2025 is a single consolidated levy imposed on companies, charged at 4% of assessable profits. The purpose is to simplify the tax system by merging multiple overlapping levies, reduce compliance burden and improve efficiency in tax administration to fund national development priorities such as education, infrastructure and security.

The development levy replaces several existing taxes, including Tertiary Education Tax (TET), NITDA (Information Technology) Levy and Police Trust Fund Levy.

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.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - CONTINUED

2 Summary of material accounting policies - continued

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the temporary 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 recognised 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 recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised 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

2.2 Share Capital and Share Premium

Ordinary shares are recognized at par value and classified as 'share capital' in equity. 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 the Nigerian Insurance Industry Reform Act (NIIRA) 2005 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.

2.22 Retained Earnings/ (Accumulated losses)

The retained earnings/ (accumulated losses) 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 Group'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.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - CONTINUED

2 Summary of material accounting policies - continued

2.24.2 Investment Income

Interest income is recognised 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 recognised as an adjustment to the effective interest rate of the instrument.

Investment income also includes dividend income which is recognised 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.

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 recognised when the related gross insurance claim is recognised according to the terms of the relevant contract.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - CONTINUED

2 Summary of material accounting policies - continued

2.26 Interest Income

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised 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 recognised by applying the effective interest rate to the amortised 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 recognised by applying the effective interest rate to the gross carrying

For purchased or originated credit-impaired financial assets, interest income is recognized by applying the credit-adjusted effective interest rate to the amortised 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 recognised in profit or loss and is included in the "investment income - interest income" line item.

2.27 Expenses

Expenses are recognised 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 recognised 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 and equipment in such cases the expense is referred to as a deprecation or amortization. These allocation procedures are intended to recognise expenses in the accounting periods in which the economic benefits associated with these items are consumed or expire. an expense is recognised 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 recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. an asset's recoverable amount is the higher of an asset's or cash generating unit's fair value less costs to sell and its

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, the 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 CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - CONTINUED

2 Summary of material accounting policies - continued

Impairment losses of continuing operations are recognised 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 recognised 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 recognised 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 recognised. 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 recognised for the asset in prior years. Such reversal is recognised in the profit or loss unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase.

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 recognised as a liability in the year in which they are approved by the company's shareholders. Proposed dividends are not recognised 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, comparatives 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 recognised 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 recognised 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 CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - CONTINUED

2.34 a) New and amended standards and interpretations

The Group applied for the first time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2025 (unless otherwise stated). The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Lack of exchangeability Amendments to IAS 21

For annual reporting periods beginning on or after 1 January 2025, Lack of Exchangeability Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates specifies 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 other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

The amendments did not have a material impact on the Groups financial statements.

b) 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. Details of these new standards and interpretations are set out below:

(i) Amendments to the Classification and Measurement of Financial Instruments Amendments to IFRS 9 and IFRS 7

In 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 derecognised on the settlement date and the introduction of an accounting policy choice (if specific conditions are met) to derecognise 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 with early adoption permitted for classification of financial assets and related disclosures only.

The Group is currently assessing the amendments to determine any impact they will have on the Groups financial statements.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - CONTINUED

2.35 Standards issued but not yet effective

(ii) *Annual Improvements to IFRS Accounting Standards - Volume 11*

In July 2024, the IASB issued nine narrow scope amendments as part of its periodic maintenance of IFRS accounting standards. The amendments include clarifications, simplifications, corrections or changes to improve consistency in IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 7 Financial Instruments: Disclosure and its accompanying Guidance on implementing IFRS 7, IFRS 9 Financial Instruments, IFRS 10 Consolidated Financial Statements and IAS 7 Statements of Cash Flows.

The amendments will be effective for reporting periods beginning on or after 1 January 2026. Earlier application is permitted and must be disclosed.

The amendments are not expected to have a material impact on the Groups financial statements.

(iii) *Contracts Referencing Nature-dependent Electricity Amendments to IFRS 9 and IFRS 7 Statements*

In December 2024, the IASB issued Amendments to IFRS 9 and IFRS 7 - Contracts Referencing Nature dependent Electricity. The amendments apply only to contracts that reference nature-dependent electricity; the amendments:

Clarify the application of the own-use requirements for in-scope contracts

Amend the designation requirements for a hedged item in a cash flow hedging relationship for in-scope contracts

Add new disclosure requirements to enable investors to understand the effect of these contracts on a company's financial performance and cash flows.

The amendments will take effect for annual reporting periods starting on or after 1 January 2026. Early adoption is allowed, but it must be disclosed. The amendments concerning the own-use exception are to be applied retrospectively, while the hedge accounting amendments should be applied prospectively to new hedging relationships designated from the initial application date. Additionally, the IFRS 7 disclosure amendments must be implemented alongside the IFRS 9 amendments. If an entity does not restate comparative information, it cannot present comparative disclosures.

The Group does not expect that the amendments will have a material impact on its financial statements.

(iv) *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. There are specific presentation requirements and options for entities,

It also requires disclosure of newly defined management-defined performance measures, which are 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 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 Group has performed a preliminary assessment of the potential impact of IFRS 18 on its financial statements and operational systems. Based on this initial evaluation, management expects that revenue from the Groups core business activities will be presented under operating activities. The Company is continuing its assessment of IFRS 18 and is evaluating the broader implications, including potential changes to the presentation and disclosure requirements in the financial statements.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - CONTINUED

2 Summary of material accounting policies - continued

2.35 Standards issued but not yet effective - continued

(v) 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.

The amendments are not expected to have a material impact on the Groups financial statements

(vi) Translation to Hyperinflationary Presentation Currency - Amendments to IAS 21

In November 2025, the Board issued Translation to a Hyperinflationary Presentation Currency Amendments to IAS 21. The amendments require translation from a non-hyperinflationary functional currency into a hyperinflationary presentation currency at the closing rate. If an entity's functional currency is the currency of a non hyperinflationary economy, but its presentation currency is the currency of a hyperinflationary economy, its result and financial position are translated into the presentation currency but translating all amounts (i.e. assets, liabilities, equity items, income and expenses) and all comparatives at the closing rate at the date of the most recent statement of financial position.

An entity whose functional currency and presentation currency are the currency of a hyperinflationary economy restates the comparative amounts of a foreign operation whose functional currency is that of a non-hyperinflationary economy, by applying the general price index in accordance with paragraph 34 of IAS 29 to the foreign operation's comparative figure. The Amendments apply for annual reporting periods beginning on or after 1 January 2027 and earlier application is permitted.

The amendments are not expected to have a material impact on the Groups financial statements

(vii) Sale or Contribution of Assets between an Investor and its Associate or Joint Venture Amendments to IFRS 10 and IAS 2

In December 2015, the IASB decided to defer the effective date of the amendments until such time as it has finalised any amendments that result from its research project on the equity method. Early application of the amendments is still permitted.

The amendments address the conflict between IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture.

The amendments clarify that a full gain or loss is recognised when a transfer to an associate or joint venture involves a business as defined in IFRS 3 Business combinations. Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognised only to the extent of unrelated investors' interests in the associate or joint venture.

The amendments must be applied prospectively. Early application is permitted and must be disclosed.

The Group is currently working to identify all impacts the amendments will have on the consolidated and separate financial statements and notes to the financial statements.

(viii) Disclosures about Uncertainties in the financial statements

On 28 November 2025, the IASB issued amendments to illustrative examples on IFRS 7, IFRS 18, IAS 1, IAS 8, IAS 36 and IAS 37 - Disclosures about Uncertainties in the financial statements ("the Examples") which added illustrative examples to several IFRS accounting standards. The examples are intended to improve the reporting of climate-related and other uncertainties in the financial statements particularly to address stakeholder's concerns about consistency of information within general purpose financial reports and sufficiency of information on climate-related risks and other uncertainties in the financial statements.

The examples do not have an effective date of transition requirements. The impact assessment of the improvement is still ongoing.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

3	Cash and cash equivalents	Group 2025 N'000	Group 2024 N'000	Company 2025 N'000	Company 2024 N'000
	This comprises:				
	Cash on hand	5,037	790	862	551
	Cash at Banks	1,562,547	2,602,183	1,445,514	2,423,531
	Short term deposit (Staff gratuity fund assets)	3,823	3,823	3,823	3,823
	Short term deposit (note 3.2)	6,413,506	8,651,681	5,733,716	7,462,410
		<u>7,984,913</u>	<u>11,258,477</u>	<u>7,183,915</u>	<u>9,890,315</u>
	ECL on short term deposits and bank balance (note 3.1)	(9,783)	(61,734)	(4,440)	(59,454)
	Total	<u>7,975,130</u>	<u>11,196,743</u>	<u>7,179,475</u>	<u>9,830,861</u>

*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 ECL (Note 3.3)	Group 2025 N'000	Group 2024 N'000	Company 2025 N'000	Company 2024 N'000
	At 1 January	61,734	12,304	59,454	3,115
	Charge/(Write back)	(51,951)	49,430	(55,014)	56,339
	At 31 December	<u>9,783</u>	<u>61,734</u>	<u>4,440</u>	<u>59,454</u>

3.2	Short term deposit	Group 2025 N'000	Group 2024 N'000	Company 2025 N'000	Company 2024 N'000
	Insurance fund	5,733,716	7,462,410	5,733,716	7,462,410
	Other funds	679,790	1,189,271	-	-
		<u>6,413,506</u>	<u>8,651,681</u>	<u>5,733,716</u>	<u>7,462,410</u>

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

Group	STAGE 1	
	Gross carrying amount N'000	ECL N'000
At 1 January 2025	11,257,687	61,734
New assets originated or purchased	7,928,444	7,826
Assets derecognized	(11,257,687)	(61,734)
Foreign exchange adjustments	51,432	1,957
At 31 December 2025	<u>7,979,876</u>	<u>9,783</u>
At 1 January 2024	6,576,114	12,304
New assets originated or purchased	11,003,320	49,387
Assets derecognized	(6,576,114)	(12,304)
Foreign exchange adjustments	254,367	12,347
At 31 December 2024	<u>11,257,687</u>	<u>61,734</u>

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

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

Company	STAGE 1	
	Gross carrying amount N'000	ECL N'000
At 1 January 2025	9,889,764	59,454
New assets originated or purchased	7,131,621	3,552
Assets derecognized	(9,889,764)	(59,454)
Foreign exchange adjustments	51,432	888
At 31 December 2025	<u>7,183,053</u>	<u>4,440</u>
At 1 January 2024	4,721,208	3,115
New assets originated or purchased	9,635,397	47,563
Assets derecognized	(4,721,208)	(3,115)
Foreign exchange adjustments	254,367	11,891
At 31 December 2024	<u>9,889,764</u>	<u>59,454</u>

	Group 2025 N'000	Group 2024 N'000	Company 2025 N'000	Company 2024 N'000
4 Investment securities				
Equity instruments at fair value through profit or loss (Note 4a)	173,376	138,264	173,376	138,264
Debt instruments at amortised cost (Note 4b)	12,451,756	10,197,218	6,148,171	5,084,068
Fair value through OCI - equity (Note 4c)	607,208	492,056	607,208	492,056
	<u>13,232,340</u>	<u>10,827,538</u>	<u>6,928,755</u>	<u>5,714,388</u>
Current	142,513	681,221	141,255	141,879
Non-current	<u>13,089,827</u>	<u>10,146,317</u>	<u>6,787,500</u>	<u>5,572,509</u>
	<u>13,232,340</u>	<u>10,827,538</u>	<u>6,928,755</u>	<u>5,714,388</u>

- 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:

	Group 2025 N'000	Group 2024 N'000	Company 2025 N'000	Company 2024 N'000
Movement in FVTPL during the period				
Fair value at 1 January	138,264	113,615	138,264	113,615
Addition	5,350	-	5,350	-
Disposal	-	(1,105)	-	(1,105)
Fair value gain	30,171	25,754	30,171	25,754
Fair value at 31 December	<u>173,376</u>	<u>138,264</u>	<u>173,376</u>	<u>138,264</u>

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	21,098	(14,014)	21,098	(14,014)
Fair value at 31 December	<u>173,376</u>	<u>138,264</u>	<u>173,376</u>	<u>138,264</u>

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
b Amortised Cost				
FGN treasury bills see note (i) below	142,513	681,221	141,255	141,879
State/FGN government bonds see note (ii) below	12,078,605	9,261,240	6,006,916	4,942,189
Corporate bond see note (iii) below	230,638	254,757	-	-
	<u>12,451,756</u>	<u>10,197,218</u>	<u>6,148,171</u>	<u>5,084,068</u>
Balance at 1 January	10,226,801	7,524,320	5,113,348	3,189,284
Additions	3,321,393	4,002,563	1,730,337	3,143,438
Disposal	-	(50,000)	-	(50,000)
Redemption/repayment during the year	(1,262,267)	(1,862,715)	(688,127)	(1,200,176)
Accrued interest	388,221	612,632	192,869	30,801
Balance at 31 December	<u>12,505,417</u>	<u>10,226,801</u>	<u>6,348,427</u>	<u>5,113,348</u>
Expected credit loss	<u>(53,661)</u>	<u>(29,583)</u>	<u>(44,311)</u>	<u>(29,280)</u>
	<u>12,451,756</u>	<u>10,197,218</u>	<u>6,148,171</u>	<u>5,084,068</u>
i FGN Treasury Bills				
Balance at 1 January	681,948	94,609	142,606	-
Additions	-	570,843	-	121,934
Redemption/repayment during the year	(567,110)	(4,176)	(29,027)	-
Accrued interest	27,798	20,672	27,798	20,672
Balance at 31 December	<u>142,636</u>	<u>681,948</u>	<u>141,377</u>	<u>142,606</u>
ECL	<u>(122)</u>	<u>(727)</u>	<u>(122)</u>	<u>(727)</u>
	<u>142,513</u>	<u>681,221</u>	<u>141,255</u>	<u>141,879</u>
ii FGN Bonds and State Bonds				
Balance at 1 January	9,289,793	5,475,662	4,970,742	1,500,333
Additions	3,321,393	3,431,504	1,730,337	3,021,504
Disposal	-	(50,000)	-	(50,000)
Redemption/repayment during the year	(659,100)	(1,832,080)	(659,100)	(1,200,176)
Accrued interest	334,850	575,756	165,071	10,129
Exchange (loss)/gain	(155,945)	1,688,951	(155,945)	1,688,951
Balance at 31 December	<u>12,130,991</u>	<u>9,289,793</u>	<u>6,051,105</u>	<u>4,970,742</u>
ECL	<u>(52,386)</u>	<u>(28,553)</u>	<u>(44,189)</u>	<u>(28,553)</u>
	<u>12,078,605</u>	<u>9,261,240</u>	<u>6,006,916</u>	<u>4,942,189</u>
iii Corporate Bonds				
Balance at 1 January	255,060	265,099	-	-
Additions	-	216	-	-
Redemption/repayment during the year	(36,055)	(26,459)	-	-
Accrued interest	12,786	16,204	-	-
Balance at 31 December	<u>231,791</u>	<u>255,060</u>	<u>-</u>	<u>-</u>
ECL	<u>(1,153)</u>	<u>(303)</u>	<u>-</u>	<u>-</u>
	<u>230,638</u>	<u>254,757</u>	<u>-</u>	<u>-</u>
iv Movement in expected credit losses (ECL) during the year (See reconciliation in "v" below)				
Balance at 1 January	29,583	52,270	29,280	28,058
Reversal (Charge) during the year	24,078	(22,687)	15,031	1,222
Balance at 31 December	<u>53,661</u>	<u>29,583</u>	<u>44,311</u>	<u>29,280</u>

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 N'000	ECL N'000
At 1 January 2025	10,226,801	29,583
New assets originated or purchased	3,152,662	26,373
Assets derecognized	(1,262,267)	(2,295)
Accrued interest	388,221	-
At 31 December 2025	<u>12,505,417</u>	<u>53,661</u>
At 1 January 2024	7,524,321	52,270
New assets originated or purchased	4,002,563	21,783
Assets derecognized	(1,912,715)	(44,470)
Accrued interest	612,632	-
At 31 December 2024	<u>10,226,801</u>	<u>29,583</u>
Company		
At 1 January 2025	5,113,348	29,280
New assets originated or purchased	1,574,392	16,384
Assets derecognized	(688,127)	(1,353)
Accrued interest	192,869	-
At 31 December 2025	<u>6,192,482</u>	<u>44,311</u>
At 1 January 2024	3,189,284	28,058
New assets originated or purchased	3,143,438	1,332
Assets derecognized	(1,250,176)	(110)
Accrued interest	30,801	-
At 31 December 2024	<u>5,113,348</u>	<u>29,280</u>

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	-	1,104
Fair value gain	114,743	57,467	114,743	57,467
Balance at 31 December	<u>607,208</u>	<u>492,056</u>	<u>607,208</u>	<u>492,056</u>

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 2025 N'000	Group 2024 N'000	Company 2025 N'000	Company 2024 N'000
5 Premium Receivables				
a This comprises:				
Due from insurance brokers	2,801,158	2,036,242	2,801,158	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	169,941	158,931	169,941	158,931
	<u>3,059,527</u>	<u>2,283,601</u>	<u>3,059,527</u>	<u>2,283,601</u>
Impairment of premium receivables	<u>(737,985)</u>	<u>(737,985)</u>	<u>(737,985)</u>	<u>(737,985)</u>
	<u>2,321,542</u>	<u>1,545,616</u>	<u>2,321,542</u>	<u>1,545,616</u>
b. Movement in impairment is as follow:				
At 1 January	737,985	737,985	737,985	737,985
Charge	-	-	-	-
At 31 December	<u>737,985</u>	<u>737,985</u>	<u>737,985</u>	<u>737,985</u>
b Age analysis of gross premium receivables are as follows:				
Within 14 days	-	-	-	-
Within 15 - 30 days	2,321,542	1,545,616	2,321,542	1,545,616
Within 31 - 90 days	-	-	-	-
Within 91 - 180 days	-	-	-	-
Above 180 days	737,985	737,985	737,985	737,985
	<u>3,059,527</u>	<u>2,283,601</u>	<u>3,059,527</u>	<u>2,283,601</u>
c Analysis of movement in impairment				
	Balance at 1 January N'000	(Charge)/ addition N'000	Provision no longer required N'000	Balance at 31 December N'000
2025				
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	-	-	158,931
	<u>737,985</u>	<u>-</u>	<u>-</u>	<u>737,985</u>
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
	<u>737,985</u>	<u>-</u>	<u>-</u>	<u>737,985</u>
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	-	-	158,931
	<u>737,985</u>	<u>-</u>	<u>-</u>	<u>737,985</u>
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
	<u>737,985</u>	<u>-</u>	<u>-</u>	<u>737,985</u>

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

d	Movement in premium receivables	Group	Group	Company	Company
		2025	2024	2025	2024
		N'000	N'000	N'000	N'000
	Opening balance	2,283,601	1,767,765	2,283,601	1,767,765
	Gross written premium during the year	23,710,146	23,694,266	23,733,535	23,694,266
	Premium received during the year	(22,934,220)	(23,178,430)	(22,957,609)	(23,178,430)
		3,059,527	2,283,601	3,059,527	2,283,601
	Impairment during the year	(737,985)	(737,985)	(737,985)	(737,985)
	Balance as at 31 Dec (IFRS 17)	2,321,542	1,545,616	2,321,542	1,545,616

6	Reinsurance contract assets (Note 19b)	Group	Group	Company	Company
		2025	2024	2025	2024
		N'000	N'000	N'000	N'000
	Asset for remaining coverage:				
	<i>Excluding loss components</i>	1,990,042	605,685	1,990,042	605,685
	<i>Loss components</i>	11,020	236,488	11,020	236,488
		2,001,062	842,173	2,001,062	842,173
	Asset for incurred claims:				
	<i>Estimate of present value of future cashflows</i>	1,186,112	4,875,529	1,186,112	4,875,529
	<i>Risk adjustment</i>	92,039	123,968	92,039	123,968
		1,278,152	4,999,497	1,278,152	4,999,497
		3,279,213	5,841,670	3,279,213	5,841,670

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
7 Other receivables and prepayments				
Receivables from staff (Note 7a)	206	8,330	206	8,332
Deposit for investment (Note 7b)	28,347	34,112	28,347	34,112
Commercial papers (Note 7c)	217,459	217,459	217,459	217,459
Receivables from Related parties (Note 7i)	62,033	62,033	62,033	62,033
Fees receivables and other receivables (Note 7d)	943,893	793,652	127,178	107,697
Prepayment**	213,057	33,325	49,694	33,325
Inventory*	296	369	296	369
Prepaid recapitalisation expenses (Note 7e)	83,050	83,050	83,050	83,050
Withholding tax receivable (Note 7f)	71,866	55,389	71,866	30,529
	<u>1,620,207</u>	<u>1,287,719</u>	<u>640,129</u>	<u>576,906</u>
Impairment of other receivables (Note 7g)				
	(402,852)	(402,852)	(402,852)	(402,852)
	<u>1,217,355</u>	<u>884,867</u>	<u>237,277</u>	<u>174,054</u>
(i) Current	1,217,355	877,995	237,277	174,054
Non-current	-	6,872	-	-
	<u>1,217,355</u>	<u>884,867</u>	<u>237,277</u>	<u>174,054</u>
(ii) Financial	849,086	712,734	32,371	26,781
Non-financial	368,269	172,133	204,906	147,273
	<u>1,217,355</u>	<u>884,867</u>	<u>237,277</u>	<u>174,054</u>

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

	Group 2025 N'000	Group 2024 N'000	Company 2025 N'000	Company 2024 N'000
Balance at 1 January	8,330	48,047	8,332	30,082
Addition	206	414	206	414
Utilised during the year	(8,330)	(40,131)	(8,332)	(22,164)
	<u>206</u>	<u>8,330</u>	<u>206</u>	<u>8,332</u>

b Included in deposit for investment is the amount with Planet Capital Limited for purchase of quoted equities on the Nigerian Exchange Group and investment in other financial instruments.

c Commercial papers represents receivables from the following entities

	Group 2025 N'000	Group 2024 N'000	Company 2025 N'000	Company 2024 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
	<u>217,459</u>	<u>217,459</u>	<u>217,459</u>	<u>217,459</u>

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.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

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.

* Inventory relates to stationery stocks

** Prepayment relates to prepaid rent, prepaid insurance and software application (anti-virus).

	Group 2025 N'000	Group 2024 N'000	Company 2025 N'000	Company 2024 N'000
f Withholding tax receivables				
At 1 January	55,389	24,856	30,529	24,856
Additions	16,477	56,049	41,337	31,189
Utilised during the period(see note 17)	-	(25,516)	-	(25,516)
Balance at 31 December	71,866	55,389	71,866	30,529

	Group 2025 N'000	Group 2024 N'000	Company 2025 N'000	Company 2024 N'000
g The movement in impairment charge is as follows:				
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 31 December	402,852	402,852	402,852	402,852

	Balance at 1 Jan 2025	Addition	Provision no longer required	Adjustment	Balance at 31 December 2025
Group					
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

	Balance at 1 Jan 2024	Addition	Provision no longer required	Adjustment	Balance at 31 December 2024
Group					
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 31 December 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

8 Investment in Subsidiaries

Veritas Kapital has 2 subsidiaries as at 31 December 2025. The details of the subsidiaries and principal activities are detailed below:

	Group 2025 N'000	Group 2024 N'000	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 assessed investment in subsidiaries for impairment and concluded that there was no indication of impairment. Summarized financial information in respect of each of the Groups 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	3,318,913	2,853,088	618,225	425,517
Profit after tax	953,711	431,650	74,433	31,301
Other comprehensive (loss)/income	-	-	1,118	(15,114)
Total comprehensive income	953,711	431,650	76,669	16,187
Total assets	8,322,650	7,473,800	908,150	707,678
Total liabilities	1,198,696	714,838	213,565	57,871
Shareholders fund	7,123,954	6,758,962	694,585	649,806

- c Movement in Investment in Subsidiaries

	Group		Company	
	2025 N'000	2024 N'000	2025 N'000	2024 N'000
Veritas Glanvills Pensions Ltd				
Balance at 1 January	-	-	3,610,000	3,610,000
Balance at 31 December	-	-	3,610,000	3,610,000
Investment in Veritas Healthcare Ltd				
Balance at 1 January	-	-	416,300	416,300
Balance at 31 December	-	-	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
9 Investment in Associates	1,010,650	1,010,650	1,010,650	1,010,650
Share of associate loss (prior period)	(1,010,650)	(1,010,650)	(1,010,650)	(1,010,650)
	-	-	-	-

GOLDLINK Insurance Plc

Veritas Kapital holds 1,268,064,351 (2024:1,268,314,351) ordinary shares representing 51.53% (2024:51.53%) holdings in Goldlink Insurance Plc as at 31 December 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 investors 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.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

10 Property and equipment Group

Cost/valuation	Leasehold land N'000	Building N'000	Office computer 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	-	21,556	142,755	50,350	20,040	157,589	392,290
Revaluation adjustments	42,400	141,162	-	-	-	-	183,562
Transfer/ reclassification	-	(98,787)	103,737	-	-	(4,950)	-
Disposals	-	-	(3,203)	(57,227)	(3,451)	-	(63,881)
At 31 December	2,070,500	3,704,877	1,015,213	998,017	266,357	157,589	8,212,552
Accumulated depreciation							
At 1 January	-	202,942	590,144	690,765	196,397	-	1,680,247
Depreciation	-	79,086	73,957	118,010	21,564	-	292,617
Transfer/ Reclassification	-	(2,737)	2,737	-	-	-	-
Disposals	-	-	(2,345)	(42,589)	(3,451)	-	(48,385)
At 31 December	-	279,291	664,493	766,186	214,510	-	1,924,479
Carrying amount at 31 December 2025	2,070,500	3,425,586	350,720	231,831	51,847	157,589	6,288,073
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
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	590,144	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

There were no capitalised borrowing costs related to the acquisition of property and equipment during the year (2024: Nil).

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

10 Property and equipment - Continued
Company

	Office					
	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
Cost/valuation						Total N'000
At 1 January	2,028,100	2,861,816	371,504	395,645	157,394	4,950
Additions	-	21,178	70,508	-	2,114	-
Revaluation adjustments	42,400	141,162	-	-	-	-
Transfer/ Reclassification	-	(98,787)	103,737	-	-	(4,950)
Disposals	-	-	(2,258)	(6,018)	(3,451)	-
At 31 December	2,070,500	2,925,369	543,491	389,627	156,057	-
						6,085,045
Accumulated depreciation						
At 1 January	-	136,417	287,011	237,009	125,073	-
Depreciation expenses	-	63,590	37,102	47,291	10,941	-
Transfer/ Reclassification	-	(2,737)	2,737	-	-	-
Disposals	-	-	(2,258)	(3,511)	(3,451)	-
At 31 December	-	197,270	324,592	280,789	132,563	-
						935,214
Carrying amount at 31 December 2025	2,070,500	2,728,099	218,899	108,838	23,494	-
						5,149,831
	Office					
	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
Cost/valuation						Total N'000
At 1 January	1,306,849	3,067,587	326,496	251,909	144,247	-
Additions	-	138,468	47,832	181,230	14,963	4,950
Revaluation adjustments	721,251	(344,239)	-	-	-	-
Disposals	-	-	(2,824)	(37,494)	(1,816)	-
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	-
Depreciation expenses	-	41,435	29,598	44,189	8,228	-
Disposals	-	-	(2,664)	(22,567)	(1,816)	-
At 31 December	-	136,417	287,011	237,009	125,073	-
						785,510
Carrying amount at 31 December, 2024	2,028,100	2,725,399	84,493	158,636	32,321	4,950
						5,033,899

There were no capitalised borrowing costs related to the acquisition of property and equipment during the year (2024: Nil).

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

10 Property and equipment - Continued

- a** Land and Building were independently valued by Jide Taiwo & Co, Real Estate surveyors (FRC/2012/00000000254) and signed by Apeh Jeremiah (FRC/2019/NIESV/00000019829), in 2025 to ascertain the open market value of land and building. The open market value of land and building as at 31 December 2025 was N5,496; company N4,798 million (2024: N5,466; Company N4,754 million)

b Valuation technique and significant unobservable 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 -Accessibility 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		
Group	Leasehold Land N'000	Building N'000	Total N'000	Leasehold Land N'000	Building N'000	Total N'000
Plot 1698 C and D Oyin Jolayemi St. V.I. Lagos	-	697,486	697,486	-	712,604	712,604
Plot 497 Abogo Largema Street. Off Const. Ave. CBD	1,854,700	2,494,600	4,349,300	1,816,900	2,492,400	4,309,300
Plot 173 Oshodi-Gbagada express way, opp. UPS, Gbagada, Lagos.	215,800	233,500	449,300	211,200	233,000	444,200
	<u>2,070,500</u>	<u>3,425,586</u>	<u>5,496,086</u>	<u>2,028,100</u>	<u>3,438,004</u>	<u>5,466,104</u>
Company						
Plot 497 Abogo Largema Street. Off Const. Ave. CBD	1,854,700	2,494,600	4,349,300	1,816,900	2,492,400	4,309,300
Plot 173 Oshodi-Gbagada express way, opp. UPS, Gbagada, Lagos.	215,800	233,499	449,299	211,200	232,999	444,199
	<u>2,070,500</u>	<u>2,728,099</u>	<u>4,798,599</u>	<u>2,028,100</u>	<u>2,725,399</u>	<u>4,753,499</u>

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

10 Property and equipment - Continued

d Movement in leasehold land and building is as follows:

Group	01-Jan-25 N'000	Addition N'000	Disposals N'000	Transfer N'000	Depreciation N'000	Revaluation adjustment N'000	31-Dec-25 N'000
Property Location/Description							
Plot 1698 C and D Oyin Jolayemi St. V.I. Lagos	712,606	378	-	-	(15,453)	(44)	697,487
Plot 497 Abogo Largema Street. Off Const. Ave.	4,309,300	15,637	-	(83,208)	(58,077)	165,647	4,349,299
CBD							
Plot 173 Oshodi-Gbagada express way, opp. UPS, Gbagada, Lagos.	444,199	5,541	-	(12,842)	(5,556)	17,960	449,301
	5,466,104	21,556	-	(96,050)	(79,086)	183,563	5,496,087
Property Location/Description							
Plot 1698 C and D Oyin Jolayemi St. V.I. Lagos	728,231	-	-	-	(15,625)	-	712,606
Plot 497 Abogo Largema Street. Off Const. Ave.	3,831,860	61,723	-	-	(36,100)	451,817	4,309,300
CBD							
Plot 173 Oshodi-Gbagada express way, opp. UPS, Gbagada, Lagos.	447,594	76,745	-	-	(5,335)	(74,805)	444,199
Plot 116 Hadejia Road, Yankaba, Kano.	-	-	-	-	-	-	-
	5,007,684	138,468	-	-	(57,060)	377,012	5,466,104

In line with IAS 16, the historical cost of the assets are: land N1,000,000,000; building 2,536,053,055.18.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

10 Property and equipment - Continued

d Movement in leasehold land and building is as follows:

Company	01-Jan-25	Addition	Disposals	Transfer/Adj	Depreciation	Revaluation	31-Dec-25
Property Location/Description	N'000	N'000	N'000	ustment	N'000	adjustment	N'000
Plot 497 Abogo Largema Street. Off Const. Ave.							
CBD	4,309,302	15,637	-	(83,208)	(58,034)	165,604	4,349,302
Plot 173 Oshodi-Gbagada Express way, opp. UPS, Gbagada, Lagos.	444,197	5,541	-	(12,842)	(5,556)	17,958	449,298
	4,753,499	21,178	-	(96,050)	(63,590)	183,562	4,798,599

Property Location/Description	01-Jan-24	Addition	Disposals	Transfer	Depreciation	Revaluation	01-Jan-24
	N'000	N'000	N'000	N'000	N'000	adjustment	N'000
Plot 497 Abogo Largema Street. Off Const. Ave.							
CBD	3,831,860	61,723	-	-	(36,100)	451,819	4,309,302
Plot 173 Oshodi-Gbagada Express way, opp. UPS, Gbagada, Lagos.	447,594	76,744	-	-	(5,335)	(74,806)	444,197
Plot 116 Hadejia Road, Yankaba, Kano.	-	-	-	-	-	-	-
	4,279,454	138,468	-	-	(41,435)	377,013	4,753,499

In line with IAS 16, the historical cost the assets are: land N1,000,000,000; building N2,036,053,055.18.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

	Group 2025 N'000	Group 2024 N'000
11 Goodwill		
Balance, at 1 January	386,444	386,444
Additions	-	-
Balance at 31 December	<u>386,444</u>	<u>386,444</u>
Accumulated impairment		
Balance, at 1 January	69,560	69,560
Impairment	-	-
Balance at 31 December	<u>69,560</u>	<u>69,560</u>
Carrying amount 31 December	<u>316,884</u>	<u>316,884</u>
a Analysis of movement		
Balance at 1 January	316,884	316,884
Balance at 31 December	<u>316,884</u>	<u>316,884</u>

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

The calculation of value-in-use was based on the following key assumptions

- The cashflows were projected based on the companys approved budget. The cashflows were based on past experiences and were adjusted to reflect expected future performances of the company .

Based on the assessment performed, the recoverable amount of the goodwill was determined using the fair value less costs of disposal approach, derived from a price-to-book multiple valuation.

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

12 Intangible assets

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

	Group 2025 N'000	Group 2024 N'000	Company 2025 N'000	Company 2024 N'000
Computer software				
Cost				
Balance, at 1 January	1,148,707	915,015	999,590	767,996
Additions	6,960	233,692	-	231,594
Balance at 31 December	<u>1,155,667</u>	<u>1,148,707</u>	<u>999,590</u>	<u>999,590</u>
Accumulated amortisation				
Balance, at 1 January	596,918	492,262	460,424	366,455
Amortisation	147,553	104,655	139,160	93,969
Balance at 31 December	<u>744,471</u>	<u>596,918</u>	<u>599,584</u>	<u>460,424</u>
Carrying amount 31 December	<u>411,196</u>	<u>551,789</u>	<u>400,006</u>	<u>539,166</u>

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
13 Statutory deposit	<u>355,000</u>	<u>355,000</u>	<u>355,000</u>	<u>355,000</u>
This represent amount deposited with the Central Bank of Nigeria (CBN) as at 31 December, 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 33)				
14 Other technical liabilities				
Other technical liabilities 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.				
	Group 2025 N'000	Group 2024 N'000	Company 2025 N'000	Company 2024 N'000
This is analysed as follows:				
Commission payable	-	417,489	-	417,489
Co-insurance premium payable	2,505,585	2,367,915	2,505,585	2,367,915
	<u>2,505,585</u>	<u>2,785,404</u>	<u>2,505,585</u>	<u>2,785,404</u>
Movement on commission (Acquisition cost) payable				
Balance at 1 January	-	182,465	-	182,465
Acquisition cost during the year	-	3,542,626	-	3,542,626
Acquisirion cost paid during the year	-	(3,307,602)	-	(3,307,602)
Balance as at 31 December	<u>-</u>	<u>417,489</u>	<u>-</u>	<u>417,489</u>
b Movement in co-insurance premium payable				
Balance at 1 January	2,367,916	1,923,508	2,367,915	1,923,507
Addition during the year	2,505,585	2,367,915	2,505,585	2,367,915
Co-insurance premium owing paid	2,367,916	(1,923,507)	(2,367,915)	(1,923,507)
Balance as at 31 December	<u>2,505,585</u>	<u>2,367,916</u>	<u>2,505,585</u>	<u>2,367,915</u>
	Group 2025 N'000	Group 2024 N'000	Company 2025 N'000	Company 2024 N'000
15 Retirement benefit obligation				
Gratuity scheme	28,401	27,710	-	-
Balance at 1 january	<u>27,710</u>	<u>23,933</u>	<u>-</u>	<u>-</u>
Contributions in the period	10,932	12,226	-	-
Payments during the year	(10,309)	(8,449)	-	-
Balance at 31 December	<u>28,401</u>	<u>27,710</u>	<u>-</u>	<u>-</u>

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 2025 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	9	13
Total annual emoluments	N97.8mn	N108.8mn
Average Liability duration over future service	17	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 reporting date on high quality corporate bonds. The following are the significant assumptions adopted in the computations.

Valuation interest rate	16.6%
Salary increase rate	16.0%
Discount rate	16.6%

Benefit Liability	Group 2025 N 000	Group 2024 N 000
(Deficit) of Funded Plans	(28,401)	(27,710)
Liability Recognized	<u>(28,401)</u>	<u>(27,710)</u>

Sensitivity analysis

The most important aspect of the financial assumptions is the relationship between the assumptions. The key relationship is the difference between the valuation interest rate and the salary increase rate.

In order to see the effect that a deviation in experience from that assumed will have on the Employers liability, we have examined the following scenarios:

Scenario A:	Increasing the real rate of return by 1.0% per annum.
Scenario B:	Reducing the real rate of return by 1.0% per annum.

The real rate of return is the difference between the discount rate assumption and the salary inflation assumption.

The results on the above scenarios are summarised below (in ₦000) as at 31 December 2025:

	Valuation interest rate		
	Valuation interest rate 1%	Valuation interest rate used	Valuation interest rate -1%
Accrued liabilities (N₦000):			
In-service members	31,241	28,401	25,561
Continuation members	-	-	-
Total accrued liability	31,241	28,401	25,561
Change	11%		-10%
Projections for 2026 (N₦000):			
Current service cost	2,400	2,188	2,001
Interest cost	2,967	2,847	2,730

As can be seen from the above, the liabilities in respect of the Gratuity subsidies are sensitive to changes in the financial assumptions.

Furthermore, the accrued liability is sensitive to actual mortality experience. Although the mortality table applied is expected to represent a reasonable estimate for the average life expectancy of a group of people, the actual experience in respect of such a small number of individuals could differ substantially from this average.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

15 Retirement benefit obligation - Continued

(i) Reconciliation of Defined Benefit Obligation

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

	Group Dec-25 N 000	Group Dec-24 N 000
At 1 January	27,710	23,933
Current service cost*	7,707	2,473
Interest Cost	4,987	1,316
Benefit paid	(10,309)	(16,805)
Actuarial (gain)/ loss due to change in financial assumptions	(1,694)	16,793
Balance at 31 December	<u>28,401</u>	<u>27,710</u>

*Current service cost was included as part of staff cost in note 37.

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.

	Group 2025 N'000	Group 2024 N'000	Company 2025 N'000	Company 2024 N'000
16 Provisions and other payables				
Financial liabilities:				
Life insurance fund (Note 16a)	131,417	131,417	131,417	131,417
Pension protection fund(Note 16d)	588,618	409,707	-	-
Unclaimed dividends	6,468	13,606	6,468	13,606
Supplies & Services Bills Payables (Note 16e)	210,391	182,523	210,268	167,576
Due to employees	4,051	4,564	4,052	3,868
Commission payable (Note 16f)	223,843	-	223,843	-
	<u>1,164,788</u>	<u>741,817</u>	<u>576,048</u>	<u>316,467</u>
Non financial liabilities:				
PAYE tax, VAT, NHF and other remitable deductions	638,589	327,255	427,303	290,678
Staff accounts (Note 16b)	541,242	152,598	314,661	15,261
Accrued professional fees (Note 16c)	144,530	111,968	143,530	110,968
Accrued NAICOM levy	242,336	237,934	242,336	237,934
Other accruals and payables (Note 16g)	546,129	780,065	377,827	719,202
	<u>2,112,826</u>	<u>1,609,820</u>	<u>1,505,657</u>	<u>1,374,043</u>
Total provision and other payables	<u>3,277,614</u>	<u>2,351,637</u>	<u>2,081,705</u>	<u>1,690,510</u>

- 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 2025 and deductions from staff salary to be remitted to their co-operative scheme administrator. As at January 2026, 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.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

f Movement on commission (Acquisition cost) payable

Balance at 1 January	417,489	-	417,489	-
Acquisition cost during the year	3,005,917	-	3,005,917	-
Acquisition cost paid during the year	(3,114,727)	-	(3,114,727)	-
Other acquisition cost paid during the year	(84,836)	-	(84,836)	-
Balance as at 31 December	<u>223,843</u>	<u>-</u>	<u>223,843</u>	<u>-</u>

g 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	338,924	672,147	338,924	672,147
Retention fee to contractors	1,984	17,467	1,984	17,467
Unpresented cheques	-	29,588	-	29,588
Accruals	220,844	60,863	36,919	-
	<u>546,129</u>	<u>780,065</u>	<u>377,827</u>	<u>719,202</u>

16

	Group 2025 N'000	Group 2024 N'000	Company 2025 N'000	Company 2024 N'000
Current	2,327,268	1,796,905	1,719,977	1,545,487
Non-Current	950,346	554,730	361,728	145,023
	<u>3,277,614</u>	<u>2,351,637</u>	<u>2,081,705</u>	<u>1,690,510</u>

17

	Group 2025 N'000	Group 2024 N'000	Company 2025 N'000	Company 2024 N'000
Income tax				
Company income tax	27,905	316,304	-	149,092
Development levy	110,042		110,042	
Education tax	-	24,550	-	-
Information technology levy	-	7,402	-	-
Police Trust Fund	-	37	-	-
Total income tax expense	<u>137,947</u>	<u>348,293</u>	<u>110,042</u>	<u>149,092</u>
Net deferred tax expense	<u>6,992</u>	<u>117,026</u>	<u>-</u>	<u>-</u>
Per profit or loss	<u>144,939</u>	<u>465,319</u>	<u>110,042</u>	<u>149,092</u>

17.1 Income tax liabilities

Balance at beginning of the year	404,691	187,033	173,210	80,876
Charge for the year	137,947	348,293	110,042	149,092
Withholding tax utilised (Note 7f)	-	(25,516)	-	(25,516)
Payments	(267,588)	(105,119)	(152,958)	(31,242)
Per statement of financial position	<u>275,050</u>	<u>404,691</u>	<u>130,294</u>	<u>173,210</u>

17.2 Deferred taxation

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

	Group 2025 N'000	Group 2024 N'000	Company 2025 N'000	Company 2024 N'000
(a) Deferred tax asset	21,745	21,745	21,745	21,745
Deferred tax liabilities	(503,474)	(394,482)	(313,840)	(212,416)
	<u>(481,729)</u>	<u>(372,737)</u>	<u>(292,095)</u>	<u>(190,671)</u>
(b) Net deferred tax liabilities are attributable to the following items:				
Property and equipment	21,745	21,745	21,745	21,745
Net actuarial gains on retirement benefit obligation	952	1,528	-	-
Revaluation gains on PPE	(415,959)	(346,555)	(225,374)	(162,963)
Fair value gains on equity instruments at FVOCI	(88,467)	(49,454)	(88,466)	(49,453)
	<u>(481,729)</u>	<u>(372,737)</u>	<u>(292,095)</u>	<u>(190,671)</u>
17.3 Movements in deferred tax during the year:				
Recognised in other comprehensive income during the year:				
Net actuarial gain/ (loss) on retirement benefit obligation	576	(1,679)	-	-
Gain on revaluation of property and equipment	62,411	37,701	62,411	37,701
Fair value gain on financial asset at FVOCI	39,012	17,571	39,012	17,571
	<u>102,000</u>	<u>53,593</u>	<u>101,424</u>	<u>55,273</u>
Recognised in profit or loss during the year:				
Property and equipment	6,992	153,035	-	-
Intangible assets	-	3,101	-	-
Property and equipment	-	(39,109)	-	-
	<u>6,992</u>	<u>117,026</u>	<u>-</u>	<u>-</u>

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
18 Insurance contract liabilities (Note 19a)				
Liability for remaining coverage:				
<i>Excluding loss components</i>	4,088,033	2,751,066	3,881,780	2,751,066
<i>Loss components</i>	-	-	-	-
	<u>4,088,033</u>	<u>2,751,066</u>	<u>3,881,780</u>	<u>2,751,066</u>
Liability for incurred claims:				
<i>Estimate of present value of future cashflows</i>	5,223,083	12,992,734	5,429,336	12,992,734
<i>Risk adjustment</i>	395,417	559,827	395,417	559,827
	<u>5,618,500</u>	<u>13,552,561</u>	<u>5,824,753</u>	<u>13,552,561</u>
	<u>9,706,533</u>	<u>16,303,627</u>	<u>9,706,533</u>	<u>16,303,627</u>

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

19 Reconciliation of 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 is set out in the tables below

	Group	Group	Company	Company
	2025	2024	2025	2024
	N'000	N'000	N'000	N'000
Carrying amount of insurance contract issued net of deferred acquisition cash flow				
Insurance contract liabilities				
Insurance contract liabilities (excluding insurance acquisition cash flows assets and other pre-recognition cash flows)	10,405,779	16,834,500	10,405,779	16,834,500
Insurance acquisition cash flows	(699,246)	(530,873)	(699,246)	(530,873)
Other pre-recognition cash flows	-	-	-	-
Insurance contract liabilities	9,706,533	16,303,627	9,706,533	16,303,627

Movement in Deferred Acquisition Cost (DAC) for the period is as follows

Balance as at 1st January	530,873	412,363	530,873	412,363
Insurance acquisition cash flow (commission) cost during the year	3,089,454	3,339,496	3,089,454	3,339,496
Insurance acquisition cash flow (commission) amortized during the year	(2,921,081)	(3,220,986)	(2,921,081)	(3,220,986)
Balance as at 31 December	699,246	530,873	699,246	530,873
Transferred to/netted off insurance contract liabilities	(699,246)	(530,873)	(699,246)	(530,873)
Carrying amount in the SOFP as at 31 December	-	-	-	-

Carrying amount of reinsurance contract asset held net of deferred acquisition income cash flow

Reinsurance contract assets

Reinsurance contract assets (excluding reinsurance deferred acquisition income cash flows, other pre-recognition cash flows and reinsurance payables)	3,660,724	5,969,559	3,660,724	5,969,559
Reinsurance deferred acquisition income cash flows	(381,511)	(127,889)	(381,511)	(127,889)
Other pre-recognition cash flows	-	-	-	-
Reinsurance payables	-	-	-	-
Reinsurance contract assets	3,279,213	5,841,670	3,279,213	5,841,670

Carrying amount of insurance contract issued

	Group	Group	Company	Company
	2025	2024	2025	2024
	N'000	N'000	N'000	N'000
Liabilities for remaining coverage (LRC)				
Excluding loss component	3,881,780	2,751,064	3,881,780	2,751,064
Loss component	-	-	-	-
	3,881,780	2,751,064	3,881,780	2,751,064

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

Liabilities for incurred claims (LIC)

Estimate of present value of future cash flows	5,429,336	12,992,734	5,429,336	12,992,734
Risk adjustment for non-financial risk	395,417	559,829	395,417	559,829
	<u>5,824,753</u>	<u>13,552,563</u>	<u>5,824,753</u>	<u>13,552,563</u>
	<u>9,706,533</u>	<u>16,303,627</u>	<u>9,706,533</u>	<u>16,303,627</u>

Reinsurance contract assets

	Group 2025 N'000	Group 2024 N'000	Company 2025 N'000	Company 2024 N'000
Assets for remaining coverage (ARC)				
Excluding loss component	2,001,062	605,685	2,001,062	605,685
Loss component	-	236,490	-	236,490
	<u>2,001,062</u>	<u>842,175</u>	<u>2,001,062</u>	<u>842,175</u>

Assets for incurred claims (AIC)

Estimate of present value of future cash flows	1,186,112	4,875,526	1,186,112	4,875,526
Risk adjustment for non-financial risk	92,039	123,969	92,039	123,969
	<u>1,278,151</u>	<u>4,999,495</u>	<u>1,278,151</u>	<u>4,999,495</u>
	<u>3,279,213</u>	<u>5,841,670</u>	<u>3,279,213</u>	<u>5,841,670</u>

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

19 Reconciliation of 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

Reconciliation of	2025			2024		
	Asset ₹ 000	Liabilities ₹ 000	Net ₹ 000	Asset ₹ 000	Liabilities ₹ 000	Net ₹ 000
Insurance contract issued						
General Accident	-	462,454	462,454	-	441,413	441,413
Agriculture	-	327,607	327,607	-	293,141	293,141
Aviation	-	2,185,450	2,185,450	-	1,284,040	1,284,040
Bond	-	18,563	18,563	-	16,714	16,714
Engineering	-	544,875	544,875	-	1,502,858	1,502,858
Fire	-	1,025,614	1,025,614	-	903,412	903,412
Marine	-	528,631	528,631	-	193,071	193,071
Motor	-	603,767	603,767	-	629,243	629,243
Oil & Gas	-	4,009,572	4,009,572	-	11,039,734	11,039,734
	-	9,706,533	9,706,533	-	16,303,627	16,303,627
Reinsurance contracts held						
General Accident	(83,654)	-	(83,654)	(112,823)	-	(112,823)
Agriculture	(196,288)	-	(196,288)	(8,075)	-	(8,075)
Aviation	(1,496,677)	-	(1,496,677)	(3,406)	-	(3,406)
Bond	(3,254)	-	(3,254)	(1,598)	-	(1,598)
Engineering	(157,398)	-	(157,398)	(394,660)	-	(394,660)
Fire	(354,574)	-	(354,574)	(347,912)	-	(347,912)
Marine	(186,182)	-	(186,182)	(50,779)	-	(50,779)
Motor	(97,912)	-	(97,912)	(120,148)	-	(120,148)
Oil & Gas	(703,274)	-	(703,274)	(4,802,269)	-	(4,802,269)
	(3,279,213)	-	(3,279,213)	(5,841,670)	-	(5,841,670)

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

- 19 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

Reconciliation of

	2025			2024		
	Asset	Liabilities	Net	Asset	Liabilities	Net
	₦ 000	₦ 000	₦ 000	₦ 000	₦ 000	₦ 000
Insurance contract issued						
General Accident	-	462,454	462,454	-	441,413	441,413
Agriculture	-	327,607	327,607	-	293,141	293,141
Aviation	-	2,185,450	2,185,450	-	1,284,040	1,284,040
Bond	-	18,563	18,563	-	16,714	16,714
Engineering	-	544,875	544,875	-	1,502,858	1,502,858
Fire	-	1,025,614	1,025,614	-	903,412	903,412
Marine	-	528,631	528,631	-	193,071	193,071
Motor	-	603,767	603,767	-	629,243	629,243
Oil & Gas	-	4,009,572	4,009,572	-	11,039,734	11,039,734
	-	9,706,533	9,706,533	-	16,303,627	16,303,627
Reinsurance contracts held						
General Accident	(83,654)	-	(83,654)	(112,823)	-	(112,823)
Agriculture	(196,288)	-	(196,288)	(8,075)	-	(8,075)
Aviation	(1,496,677)	-	(1,496,677)	(3,406)	-	(3,406)
Bond	(3,254)	-	(3,254)	(1,598)	-	(1,598)
Engineering	(157,397)	-	(157,397)	(394,661)	-	(394,661)
Fire	(354,574)	-	(354,574)	(347,912)	-	(347,912)
Marine	(186,182)	-	(186,182)	(50,779)	-	(50,779)
Motor	(97,912)	-	(97,912)	(120,148)	-	(120,148)
Oil & Gas	(703,274)	-	(703,274)	(4,802,269)	-	(4,802,269)
	(3,279,213)	-	(3,279,213)	(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.

	Group	Group	Company	Company
	2025	2024	2025	2024
	N'000	N'000	N'000	N'000
Amount reported in profit or loss account based on reconciliation of insurance contracts issued				
Insurance revenue	(22,579,472)	(23,310,885)	(22,602,820)	(23,330,242)
Total insurance service expense	3,441,947	18,590,142	3,441,947	18,590,139
Insurance finance expense	2,853,243	956,336	2,853,243	956,336

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

19a 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.

Group

Reconciliation of 2025					
	Aggregated				
	Liabilities for remaining coverage		Liability for Incurred Claims		
	Excluding loss component	Loss component	Estimate of present value of future cashflows	Risk Adjustment	Total
	₦'000	₦'000	₦'000	₦'000	₦'000
Opening insurance contract liabilities	2,751,065	-	12,992,734	559,828	16,303,627
Opening insurance contract assets	-	-	-	-	-
Net Insurance contract liabilities	2,751,065	-	12,992,734	559,828	16,303,627
Insurance revenue	(22,579,472)	-	-	-	(22,579,472)
Insurance service expense	-	-	-	-	-
Incurred claims	-	-	6,373,972	24,757	6,398,730
Other directly attributable expenses	-	-	293,838	-	293,838
Amortisation of insurance acquisition cash	2,921,081	-	-	-	2,921,081
Other acquisition (Maintenance expense)	84,836	-	-	-	84,836
expensed during the year					
Changes related to past service i.e changes in fulfilment cash flows relating to incurred claims	-	-	(6,067,369)	(189,169)	(6,256,538)
Total Insurance service expenses	3,005,917	-	600,441	(164,412)	3,441,947
Investment components	-	-	-	-	-
Insurance service result	(19,573,555)	-	600,441	(164,412)	(19,137,525)
Insurance finance expenses	-	-	2,853,243	-	2,853,243
Total change in comprehensive income	(19,573,555)	-	3,453,684	(164,412)	(16,284,282)
Cashflows	22,934,220	-	-	-	22,934,220
Premiums received					
Insurance benefits and claims paid	-	-	(10,929,498)	-	(10,929,498)
Other directly attributable expenses paid	-	-	(293,838)	-	(293,838)
Acquisition costs paid on policies initially	(3,114,727)	-	-	-	(3,114,727)
Other acquisition (Maintenance expense)	(84,836)	-	-	-	(84,836)
Total cashflows	19,734,657	-	(11,223,336)	-	8,511,321
Items reported in SOFP (Non-cashflows items)					
Impact of commission payable on policies initially recognized	399,940	-	-	-	399,940
Impact of trade receivables on policies	775,926	-	-	-	775,926
Total cashflows	1,175,866	-	-	-	1,175,866
Closing insurance contract liabilities	4,088,033	-	5,223,083	395,418	9,706,533
Closing insurance contract assets	-	-	-	-	-
Net closing balance	4,088,033	-	5,223,083	395,418	9,706,533

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

19b 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:

Reconciliation of 2025					
	Aggregated				
	Asset for remaining coverage		Amount recoverable on Incurred Claims		
	Excluding loss component	Loss component	Estimate of present value of future cashflows	Risk Adjustment	Total
	₦'000	₦'000	₦'000	₦'000	₦'000
Opening re-insurance contract assets	605,685	236,490	4,875,529	123,969	5,841,671
Opening re-insurance contract liabilities	-	-	-	-	-
Net re-insurance contract assets	605,685	236,490	4,875,529	123,969	5,841,671
An allocation of reinsurance premiums	(15,044,041)	(225,470)	-	-	(15,269,511)
Amounts recoverable from reinsurers for incurred claims	-	-	6,283,269	31,732	6,315,001
Amounts recoverable for other directly attributable expenses	-	-	-	-	-
Changes to amounts recoverable for incurred claims	-	-	(2,156,660)	(63,662)	(2,220,322)
Reinsurance Investment components	-	-	-	-	-
Net income or expense from reinsurance contracts held	(15,044,041)	(225,470)	4,126,609	(31,930)	(11,174,832)
Reinsurance finance income	-	-	914,565	-	914,565
Total change in comprehensive income	(15,044,041)	(225,470)	5,041,174	(31,930)	(10,260,267)
Cashflows					
Premiums paid	16,428,402	-	-	-	16,428,402
Amounts received in respect of claims	-	-	(8,730,592)	-	(8,730,592)
	16,428,402	-	(8,730,592)	-	7,697,809
Closing re-insurance contract assets	1,990,046	11,020	1,186,110	92,039	3,279,213
Closing re-insurance contract liabilities	-	-	-	-	-
Net closing balance	1,990,046	11,020	1,186,110	92,039	3,279,213

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

19a

Reconciliation of 2024

	Aggregated				
	Liabilities for remaining coverage		Liability for Incurred Claims		
	Excluding loss component	Loss component	value of future cashflows	Risk Adjustment	Total
	₦'000	₦'000	₦'000	₦'000	₦'000
Opening insurance contract liabilities	1,816,575	-	2,337,459	385,168	4,539,202
Opening insurance contract assets	-	-	-	-	-
Net Insurance contract liabilities	1,816,575	-	2,337,459	385,168	4,539,202
Insurance revenue	(23,310,885)	-	-	-	(23,310,885)
Insurance service expense	-	-	-	-	-
Incurred claims	-	-	13,619,932	(569,126)	13,050,806
Other directly attributable expenses	-	-	910,621	-	910,621
Amortisation of insurance acquisition cash	3,765,816	-	-	-	3,765,816
Other acquisition (Maintenance expense) expensed during the year	86,616	-	-	-	86,616
Changes related to past service ie changes in fulfilment cash flows relating to incurred	-	-	32,493	743,787	776,280
Total Insurance service expenses	3,852,432	-	14,563,046	174,661	18,590,139
Investment components	-	-	-	-	-
Insurance service result	(19,458,453)	-	14,563,046	174,661	(4,720,746)
Insurance finance expenses	-	-	(956,336)	-	(956,336)
Total change in comprehensive income	(19,458,453)	-	13,606,710	174,661	(5,677,082)
Cashflows					
Premiums received	23,178,431	-	-	-	23,178,431
Claims and expenses paid	-	-	(2,322,812)	-	(2,322,812)
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 acquisition (Maintenance expense) paid during the year	(86,616)	-	-	-	(86,616)
Total cashflows	19,870,829	-	(3,111,562)	-	16,759,267
Items reported in SOFP (Non-cashflows items)					
Impact of commission payable on policies initially recognized	166,388	-	-	-	166,388
Impact of trade receivables on policies initially recognized	515,854	-	-	-	515,854
Total cashflows	682,242	-	-	-	682,242
Closing insurance contract liabilities	2,911,193	-	12,832,607	559,829	16,303,627
Closing insurance contract assets	-	-	-	-	-
Net closing balance	2,911,193	-	12,832,607	559,829	16,303,627

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

19b 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 2024

	Aggregated				
	Asset for remaining coverage		Amount recoverable on Incurred		
	Excluding loss comonent	Loss component	Estimate of present		Total
			value of future cashflows	Risk Adjustment	
	₦'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	-	-	5,485,308	(196,577)	5,288,731
Amounts recoverable for other directly	500,261	(5,281)	(494,980)	-	-
Changes to amounts recoverable for incurred claims	-	-	(150,479)	214,955	64,476
Reinsurance Investment components	-	-	-	-	-
Net income or expense from reinsurance contracts held	(14,012,444)	231,193	4,839,848	18,378	(8,923,024)
Reinsurance finance income	-	-	(250,922)	-	(250,922)
Total change in comprehensive income	(14,012,444)	231,193	4,588,926	18,378	(9,173,947)
Cashflows					
Premiums paid	14,192,596	-	-	-	14,192,596
Amounts received in respect of claims	-	-	(824,834)	-	(824,834)
	14,192,596	-	(824,834)	-	13,367,762
Closing re-insurance contract assets	605,685	236,490	4,875,529	123,969	5,841,670
Closing re-insurance contract liabilities	-	-	-	-	-
Net closing balance	605,685	236,490	4,875,529	123,969	5,841,670

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

Company

19a

Reconciliation of 2025

	Aggregated				
	Liabilities for remaining coverage		Liability for Incurred Claims		
	Excluding loss component	Loss component	Estimate of present value of future cashflows	Risk Adjustment	Total
	₦'000	₦'000	₦'000	₦'000	₦'000
Opening insurance contract liabilities	2,751,065	-	12,992,734	559,828	16,303,627
Opening insurance contract assets	-	-	-	-	-
Net Insurance contract liabilities	2,751,065	-	12,992,734	559,828	16,303,627
Insurance revenue	(22,602,820)				(22,602,820)
Insurance service expense	-	-	-	-	-
Incurred claims	-	-	6,373,972	24,757	6,398,730
Other directly attributable expenses			293,838		293,838
Amortisation of insurance acquisition cash flows	2,921,081		-	-	2,921,081
Other acquisition (Maintenance expense) expensed during the year	84,836				84,836
Changes related to past service ie changes in fulfilment cash flows relating to incurred claims	-	-	(6,067,369)	(189,169)	(6,256,538)
Total Insurance service expenses	3,005,917	-	600,441	(164,412)	3,441,947
Investment components	-	-	-	-	-
Insurance service result	(19,596,903)	-	600,441	(164,412)	(19,160,873)
Insurance finance expenses			2,853,243	-	2,853,243
Total change in comprehensive income	(19,596,903)	-	3,453,684	(164,412)	(16,307,630)
Cashflows					
Premiums received	22,957,609	-	-	-	22,957,609
Insurance benefits and claims paid	-	-	(10,723,245)	-	(10,723,245)
Other directly attributable expenses paid	-		(293,838)		(293,838)
Acquisition costs paid on policies initially recognized during the year	(3,114,727)	-	-	-	(3,114,727)
Other acquisition (Maintenance expense) paid during the year	(84,836)		-		(84,836)
Total cashflows	19,758,046	-	(11,017,083)	-	8,740,963
Items reported in SOFP (Non-cashflows items)					
Impact of commission payable on policies initially recognized	193,646	-	-	-	193,646
Impact of trade receivables on policies initially recognized	775,926	-	-		775,926
Total cashflows	969,572	-	-	-	969,572
Closing insurance contract liabilities	3,881,780	-	5,429,336	395,416	9,706,532
Closing insurance contract assets	-	-	-	-	-
Net closing balance	3,881,780	-	5,429,336	395,416	9,706,533

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

19b 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				
	Aggregated				
	Asset for remaining coverage		Amount recoverable on Incurred Claims		
	Excluding loss component	Loss component	Estimate of present value of future cashflows	Risk Adjustment	Total
	₦'000	₦'000	₦'000	₦'000	₦'000
Opening re-insurance contract assets	605,685	236,490	4,875,529	123,969	5,841,671
Opening re-insurance contract liabilities	-	-	-	-	-
Net re-insurance contract assets	605,685	236,490	4,875,529	123,969	5,841,671
An allocation of reinsurance premiums	(15,044,041)	(225,470)	-	-	(15,269,511)
Amounts recoverable from reinsurers for incurred claims	-	-	6,283,269	31,732	6,315,001
Amounts recoverable for other directly attributable expenses	-	-	-	-	-
Changes to amounts recoverable for incurred claims	-	-	(2,156,660)	(63,662)	(2,220,322)
Reinsurance Investment components	-	-	-	-	-
Net income or expense from reinsurance contracts held	(15,044,041)	(225,470)	4,126,609	(31,930)	(11,174,832)
Reinsurance finance income	-	-	914,565	-	914,565
Total change in comprehensive income	(15,044,041)	(225,470)	5,041,174	(31,930)	(10,260,267)
Cashflows					
Premiums paid	16,428,402	-	-	-	16,428,402
Amounts received in respect of claims	-	-	(8,730,592)	-	(8,730,592)
	16,428,402	-	(8,730,592)	-	7,697,809
Closing re-insurance contract assets	1,990,046	11,020	1,186,110	92,039	3,279,213
Closing re-insurance contract liabilities	-	-	-	-	-
Net closing balance	1,990,042	11,020	1,186,112	92,039	3,279,213

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

19a

Reconciliation of 2024

	Aggregated				
	Liabilities for remaining coverage		Liability for Incurred Claims		
	Excluding loss component	Loss component	Estimate of present value of future cashflows	Risk Adjustment	Total
	₦'000	₦'000	₦'000	₦'000	₦'000
Opening insurance contract liabilities	1,816,575	-	2,337,459	385,168	4,539,202
Opening insurance contract assets	-	-	-	-	-
Net Insurance contract liabilities	1,816,575	-	2,337,459	385,168	4,539,202
Insurance revenue	(23,330,242)	-	-	-	(23,330,242)
Insurance service expense	-	-	-	-	-
Incurred claims	-	-	13,619,932	(569,126)	13,050,806
Other directly attributable expenses	-	-	910,621	-	910,621
Amortisation of insurance acquisition cash	3,765,816	-	-	-	3,765,816
Other acquisition (Maintenance expense)	86,616	-	-	-	86,616
Changes related to past service ie changes	-	-	32,493	743,787	776,280
Total Insurance service expenses	3,852,432	-	14,563,046	174,661	18,590,139
Investment components	-	-	-	-	-
Insurance service result	(19,477,810)	-	14,563,046	174,661	(4,740,103)
Insurance finance expenses	-	-	(956,336)	-	(956,336)
Total change in comprehensive income	(19,477,810)	-	13,606,710	174,661	(5,696,439)
Cashflows					
Premiums received	23,178,431	-	-	-	23,178,431
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	(3,220,986)	-	-	-	(3,220,986)
Other acquisition (Maintenance expense) paid during the year	(86,616)	-	-	-	(86,616)
Total cashflows	19,870,829	-	(2,951,436)	-	16,919,393
Items reported in SOFP (Non-cashflows items)					
Impact of commission payable on policies	25,619	-	-	-	25,619
Impact of trade receivables on policies	515,854	-	-	-	515,854
Total cashflows	541,473	-	-	-	541,473
Closing insurance contract liabilities	2,751,064	-	12,992,734	559,829	16,303,627
Closing insurance contract assets	-	-	-	-	-
Net closing balance	2,751,064	-	12,992,734	559,829	16,303,627

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

19b 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 2024

	Aggregated				
	Asset for remaining coverage		Amount recoverable on Incurred		
			Estimate of present		
	Excluding loss comonent	Loss component	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	-	-	5,485,308	(196,577)	5,288,731
Amounts recoverable for other directly	500,261	(5,281)	(494,980)	-	-
Changes to amounts recoverable for	-	-	(150,479)	214,955	64,476
Reinsurance Investment components	-	-	-	-	-
Net income or expense from reinsurance	(14,012,444)	231,193	4,839,848	18,378	(8,923,025)
Reinsurance finance income	-	-	(250,922)	-	(250,922)
Total change in comprehensive income	(14,012,444)	231,193	4,588,926	18,378	(9,173,948)
Cashflows					
Premiums paid	14,192,596	-	-	-	14,192,596
Amounts received in respect of claims	-	-	(824,834)	-	(824,834)
	14,192,596	-	(824,834)	-	13,367,762
Closing re-insurance contract assets	605,685	236,490	4,875,529	123,969	5,841,670
Closing re-insurance contract liabilities	-	-	-	-	-
Net closing balance	605,685	236,490	4,875,529	123,969	5,841,670

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

19a 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.

Group and Company

2025

19a(1) Reconciliation of LFRC and LIC - Motor

	Liabilities for remaining coverage		Liability for Incurred Claims		
	Excluding loss component	Loss component	Estimate of present value of future cashflows	Risk Adjustment	Total
	₦'000	₦'000	₦'000	₦'000	₦'000
Opening insurance contract liabilities	490,772	-	121,939	16,533	629,244
Opening insurance contract assets	-	-	-	-	-
Net Insurance contract liabilities	490,772	-	121,939	16,533	861,507
Insurance revenue	(1,929,787)				(1,929,787)
Insurance service expense					
Incurred claims			228,847	5,413	234,260
Other directly attributable expenses			-		-
Amortisation of insurance acquisition cash flows	255,459		-	-	255,459
Other acquisition (Maintenance expense) expensed during the year	6,876				6,876
Changes related to past service ie changes in fulfilment cash flows relating to incurred claims		-	(40,027)	(9,003)	(49,030)
Total Insurance service expenses	262,335	-	188,820	(3,590)	447,564
Investment components	-	-	-	-	-
Insurance service result	(1,667,452)	-	188,820	(3,590)	(1,482,223)
Insurance finance expenses			34,683	-	34,683
Total change in comprehensive income	(1,667,452)	-	223,502	(3,590)	(1,447,540)
Cashflows					
Premiums received	1,923,509				1,923,509
Claims and expenses paid	-		(239,111)		(239,111)
Acquisition costs paid	(262,335)				(262,335)
	1,661,175	-	(239,111)	-	1,422,063
Closing insurance contract liabilities	484,495	-	106,330	12,943	603,767
Closing insurance contract assets	-	-	-	-	-
Net closing balance	484,495	-	106,330	12,943	603,767

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

19a

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

Group and Company

2024

19a(1) Reconciliation of LFRC and LIC - Motor

	Liabilities for remaining coverage		Liability for Incurred Claims		
	Excluding loss component	Loss component	Estimate of present value of future cashflows	Risk Adjustment	Total
	₦'000	₦'000	₦'000	₦'000	₦'000
Opening insurance contract liabilities	332,085	-	455,026	74,397	861,507
Opening insurance contract assets	-	-	-	-	-
Net Insurance contract liabilities	336,257	(4,173)	455,026	74,397	861,507
Insurance revenue	(1,270,361)				(1,270,361)
Insurance service expense					
Incurred claims and other expenses			309,659	(45,693)	263,966
Other directly attributable expenses			25,948		25,948
Amortisation of insurance acquisition cash flows			-		
	232,318			-	232,318
Changes related to future service					-
Changes related to past service		-	(9,839)	(12,171)	(22,011)
Total Insurance service expenses	232,318	-	325,768	(57,864)	500,221
Investment components	-	-	-	-	-
Insurance service result	(1,038,043)	-	325,768	(57,864)	(770,139)
Insurance finance expenses			(45,337)	-	(45,337)
Total change in comprehensive income	(1,038,043)	-	280,431	(57,864)	(815,476)
Cashflows					
Premiums received	1,429,048				1,429,048
Claims and expenses paid			(613,517)		(613,517)
Acquisition costs paid	(232,318)				(232,318)
	1,196,730	-	(613,517)	-	583,213
Closing insurance contract liabilities	490,772	-	121,939	16,533	629,243
Closing insurance contract assets	-	-	-	-	-
Net closing balance	490,772	-	121,939	16,533	629,243

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

19a 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.

Group and Company

2025

19a(2) Reconciliation of LFRC and LIC - General Accident

	Liabilities for remaining coverage		Liability for Incurred Claims		
	Excluding loss component	Loss component	Estimate of present value of future cashflows		Total
			Risk Adjustment		
	₦'000	₦'000	₦'000	₦'000	₦'000
Opening insurance contract liabilities	169,200	-	253,024	19,189	441,413
Opening insurance contract assets	-	-	-	-	-
Net Insurance contract liabilities	169,200	-	253,024	19,189	441,413
Insurance revenue	(1,032,613)				(1,032,613)
Insurance service expense					
Incurred claims			(133,735)	31,344	(102,391)
Other directly attributable expenses			55,371		55,371
Amortisation of insurance acquisition cash flows	227,363				227,363
Other acquisition (Maintenance expense) expensed during the year	3,755				3,755
Changes related to past service ie changes in fulfilment cash flows relating to incurred claims		-	114,169	(19,542)	94,627
Total Insurance service expenses	231,118	-	35,805	11,802	278,725
Investment components	-	-	-	-	-
Insurance service result	(801,495)	-	35,805	11,802	(753,888)
Insurance finance expenses			83,031	-	83,031
Total change in comprehensive income	(801,495)	-	118,837	11,802	(670,856)
Cashflows					
Premiums received	1,050,469				1,050,469
Claims and expenses paid	-		(127,454)		(127,454)
Acquisition costs paid	(231,118)				(231,118)
	819,352	-	(127,454)	-	691,897
Closing insurance contract liabilities	187,056	-	244,406	30,991	462,454
Closing insurance contract assets		-	-	-	-
Net closing balance	187,056	-	244,406	30,991	462,454

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

19a

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

Group and Company

2024

9a(2) Reconciliation of LFRC and LIC - General Accident

	Liabilities for remaining coverage		Liability for Incurred Claims		
	Excluding loss component	Loss component	Estimate of present value of future cashflows	Risk Adjustment	Total
	₦'000	₦'000	₦'000	₦'000	₦'000
Opening insurance contract liabilities	119,435	-	160,835	28,121	308,391
Opening insurance contract assets	-	-	-		-
Net Insurance contract liabilities	119,435	-	160,835	28,121	308,391
Insurance revenue	(561,829)				(561,829)
Insurance service expense					
Incurred claims and other expenses			245,900	(8,892)	237,008
Other directly attributable expenses			(65,390)		(65,390)
Amortisation of insurance acquisition cash flows	97,713				97,713
Changes related to future service					-
Changes related to past service		-	8,532	(40)	8,492
Total Insurance service expenses	97,713	-	189,042	(8,932)	277,822
Investment components	-	-	-	-	-
Insurance service result	(464,117)	-	189,042	(8,932)	(284,007)
Insurance finance expenses			(56,713)	-	(56,713)
Total change in comprehensive income	(464,117)	-	132,330	(8,932)	(340,720)
Cashflows					
Premiums received	611,596				611,596
Claims and expenses paid			(40,141)		(40,141)
Acquisition costs paid	(97,714)				(97,714)
	513,882	-	(40,141)	-	473,741
Closing insurance contract liabilities	169,200	-	253,024	19,189	441,413
Closing insurance contract assets	-	-	-	-	-
Net closing balance	169,200	-	253,024	19,189	441,413

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

19a 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.

Group and Company

2025

19a(3) Reconciliation of LFRC and LIC - Fire

	Liabilities for remaining coverage		Liability for Incurred Claims		
	Excluding loss component	Loss component	Estimate of present value of future cashflows		Total
				Risk Adjustment	
	₦'000	₦'000	₦'000	₦'000	₦'000
Opening insurance contract liabilities	445,818	-	396,999	60,594	903,412
Opening insurance contract assets	-	-	-	-	-
Net Insurance contract liabilities	445,818	-	396,999	60,594	903,412
Insurance revenue	(2,065,715)				(2,065,715)
Insurance service expense					
Incurred claims			116,525	47,605	164,130
Other directly attributable expenses			47,019		47,019
Amortisation of insurance acquisition cash flows	442,229				442,229
Other acquisition (Maintenance expense) expensed during the year	7,432				7,432
Changes related to past service ie changes in fulfilment cash flows relating to incurred claims	-		162,933	(42,082)	120,851
Total Insurance service expenses	449,661	-	326,477	5,523	781,661
Investment components	-	-	-	-	-
Insurance service result	(1,616,054)	-	326,477	5,523	(1,284,054)
Insurance finance expenses	-	-	149,076	-	149,076
Total change in comprehensive income	(1,616,054)	-	475,553	5,523	(1,134,978)
Cashflows					
Premiums received	2,079,110				2,079,110
Claims and expenses paid	-		(372,269)		(372,269)
Acquisition costs paid	(449,661)				(449,661)
	1,629,449	-	(372,269)	-	1,257,180
Closing insurance contract liabilities	459,213	-	500,284	66,117	1,025,614
Closing insurance contract assets	-	-	-	-	-
Net closing balance	459,213	-	500,284	66,117	1,025,614

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

19a Roll-forward of net asset or liability for insurance contracts issued showing the liability for remaining coverage and the liability for incurred claims

Group and Company

2024

19a(3) Reconciliation of LFRC and LIC - Fire

	Liabilities for remaining coverage		Liability for Incurred Claims		
	Excluding loss component	Loss component	Estimate of present value of future cashflows	Risk Adjustment	Total
	₦'000	₦'000	₦'000	₦'000	₦'000
Opening insurance contract liabilities	308,349	-	413,789	70,725	792,862
Opening insurance contract assets	-	-	-	-	-
Net Insurance contract liabilities	308,349	-	413,789	70,725	792,862
Other directly attributable expenses					
Insurance revenue	(1,221,380)				(1,221,380)
Insurance service expense					
Incurred claims and other expenses			332,976	21,354	354,330
Other directly attributable expenses			31,372		31,372
Amortisation of insurance acquisition cash flows	230,334				230,334
Changes related to future service	-	-			-
Changes related to past service	-		90,275	(31,485)	58,790
Total Insurance service expenses	230,334	-	454,624	(10,131)	674,827
Investment components	-	-	-	-	-
Insurance service result	(991,046)	-	454,624	(10,131)	(546,553)
Insurance finance expenses	-	-	(85,948)	-	(85,948)
Total change in comprehensive income	(991,046)	-	368,675	(10,131)	(632,502)
Cashflows					
Premiums received	1,358,849				1,358,849
Claims and expenses paid			(385,464)		(385,464)
Acquisition costs paid	(230,334)				(230,334)
	1,128,515	-	(385,464)	-	743,051
Closing insurance contract liabilities	445,818	-	396,999	60,594	903,412
Closing insurance contract assets	-	-	-	-	-
Net closing balance	445,818	-	396,999	60,594	903,412

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

19a 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.

Group and Company

2025

19a(4) Reconciliation of LFRC and LIC - Engineering

	Liabilities for remaining coverage		Liability for Incurred Claims		
	Excluding loss component	Loss component	Estimate of present value of future cashflows		Total
			Risk Adjustment		
	N'000	N'000	N'000	N'000	N'000
Opening insurance contract liabilities	203,773	-	1,181,926	117,158	1,502,858
Opening insurance contract assets	-	-	-	-	-
Net Insurance contract liabilities	203,773	-	1,181,926	117,158	1,502,858
Insurance revenue	(992,348)				(992,348)
Insurance service expense					
Incurred claims			(47,932)	(101,809)	(149,741)
Other directly attributable expenses			124,692		124,692
Amortisation of insurance acquisition cash flows	240,633				240,633
Other acquisition (Maintenance expense) expensed during the year	3,998				3,998
Changes related to past service ie changes in fulfilment cash flows relating to incurred claims	-		(1,164,325)	1,048	(1,163,277)
Total Insurance service expenses	244,631	-	(1,087,565)	(100,761)	(943,694)
Investment components	-	-	-	-	-
Insurance service result	(747,717)	-	(1,087,565)	(100,761)	(1,936,042)
Insurance finance expenses			322,248	-	322,248
Total change in comprehensive income	(747,717)	-	(765,316)	(100,761)	(1,613,794)
Cashflows					
Premiums received	1,118,441				1,118,441
Claims and expenses paid			(217,999)		(217,999)
Acquisition costs paid	(244,631)				(244,631)
	873,811	-	(217,999)	-	655,812
Closing insurance contract liabilities	329,867	-	198,611	16,397	544,875
Closing insurance contract assets	-	-	-	-	-
Net closing balance	329,867	-	198,611	16,397	544,875

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

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

Group and Company

2024

19a(4) Reconciliation of LFRC and LIC - Engineering

	Liabilities for remaining coverage		Liability for Incurred Claims		
	Excluding loss component	Loss component	Estimate of present value of future cashflows	Risk Adjustment	Total
	₦'000	₦'000	₦'000	₦'000	₦'000
Opening insurance contract liabilities	252,674	-	311,473	43,711	607,859
Opening insurance contract assets	-	-	-	-	-
Net Insurance contract liabilities	252,674	-	311,473	43,711	607,859
Other directly attributable expenses					
Insurance revenue	(255,904)				(255,904)
Insurance service expense					
Incurred claims and other expenses			556,075	75,297	631,372
			707,240		707,240
Amortisation of insurance acquisition cash flows	95,827				95,827
Changes related to future service					-
Changes related to past service	-		57,343	(1,850)	55,492
Total Insurance service expenses	95,827	-	1,320,657	73,447	1,489,931
Investment components	-	-	-	-	-
Insurance service result	(160,077)	-	1,320,657	73,447	1,234,027
Insurance finance expenses			(137,193)	-	(137,193)
Total change in comprehensive income	(160,077)	-	1,183,465	73,447	1,096,835
Cashflows					
Premiums received	170,650				170,650
Claims and expenses paid			(313,012)		(313,012)
Acquisition costs paid	(59,474)				(59,474)
	111,176	-	(313,012)	-	(201,836)
Closing insurance contract liabilities	203,773		1,181,926	117,158	1,502,858
Closing insurance contract assets	-	-	-	-	-
Net closing balance	203,773	-	1,181,926	117,158	1,502,858

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

19a 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.

Group and Company

	2025				
19a(5) Reconciliation of LFRC and LIC - Marine					
	Liabilities for remaining coverage		Liability for Incurred Claims		
	Excluding loss component	Loss component	Estimate of present value of future cashflows	Risk Adjustment	Total
	₦'000	₦'000	₦'000	₦'000	₦'000
Opening insurance contract liabilities	166,287	-	24,343	2,441	193,071
Opening insurance contract assets	-	-	-	-	-
Net Insurance contract liabilities	166,287	-	24,343	2,441	193,071
Insurance revenue	(665,181)				(665,181)
Insurance service expense					
Incurred claims			285,468	(764)	284,704
Other directly attributable expenses					-
Amortisation of insurance acquisition cash flows	128,855				128,855
Other acquisition (Maintenance expense) expensed during the year	2,335				2,335
Changes related to past service ie changes in fulfilment cash flows relating to incurred claims			14,394	6,181	20,575
Total Insurance service expenses	131,189	-	299,863	5,416	436,468
Investment components	-	-	-	-	-
Insurance service result	(533,992)	-	299,863	5,416	(228,713)
Insurance finance expenses			48,510	-	48,510
Total change in comprehensive income	(533,992)	-	348,372	5,416	(180,203)
Cashflows					
Premiums received	653,160				653,160
Claims and expenses paid			(6,209)		(6,209)
Acquisition costs paid	(131,189)				(131,189)
	521,971	-	(6,209)	-	515,762
Closing insurance contract liabilities	154,266	-	366,507	7,857	528,631
Closing insurance contract assets	-	-	-	-	-
Net closing balance	154,266	-	366,507	7,857	528,631

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

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

Group and Company

2024

19a(5) Reconciliation of LFRC and LIC - Marine

	Liabilities for remaining coverage		Liability for Incurred Claims		
	Excluding loss component ₦'000	Loss component ₦'000	Estimate of present value of future cashflows		Total ₦'000
			₦'000	Risk Adjustment ₦'000	
Opening insurance contract liabilities	141,636	-	165,563	22,269	329,468
Opening insurance contract assets	-	-	-	-	-
Net Insurance contract liabilities	141,636	-	165,563	22,269	329,468
Other directly attributable expenses					
Insurance revenue	(433,879)				(433,879)
Insurance service expense					
Incurred claims and other expenses			36,987	(19,266)	17,721
			91,012		91,012
Amortisation of insurance acquisition cash flows	82,278				82,278
Changes related to future service					-
Changes related to past service			6,825	(563)	6,262
Total Insurance service expenses	82,278	-	134,824	(19,829)	197,273
Investment components	-	-	-	-	-
Insurance service result	(351,601)	-	134,824	(19,829)	(236,605)
Insurance finance expenses			(2,690)	-	(2,690)
Total change in comprehensive income	(351,601)	-	132,134	(19,829)	(239,295)
Cashflows					
Premiums received	458,530				458,530
Claims and expenses paid			(273,354)		(273,354)
Acquisition costs paid	(82,278)				(82,278)
	376,252	-	(273,354)	-	102,899
Closing insurance contract liabilities	166,287	-	24,343	2,441	193,071
Closing insurance contract assets	-	-	-	-	-
Net closing balance	166,287	-	24,343	2,441	193,071

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

19a 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.

Group and Company

2025

19a(6) Reconciliation of LFRC and LIC - Oil & Gas

	Liabilities for remaining coverage		Liability for Incurred Claims		
	Excluding loss component	Loss component	Estimate of present value of future cashflows	Risk Adjustment	Total
	₦'000	₦'000	₦'000	₦'000	₦'000
Opening insurance contract liabilities	1,184,753	-	9,721,079	133,902	11,039,734
Opening insurance contract assets	-	-	-	-	-
Net Insurance contract liabilities	1,184,753	-	9,721,079	133,902	11,039,734
Insurance revenue	(3,683,449)				(3,683,449)
Insurance service expense					
Incurred claims			715,212	221,171	936,383
Other directly attributable expenses			-	-	-
Amortisation of insurance acquisition cash flows	642,670				642,670
Other acquisition (Maintenance expense) expensed during the year	10,941				10,941
Changes related to past service ie changes in fulfilment cash flows relating to incurred claims	-		(4,638,815)	(135,747)	(4,774,562)
Total Insurance service expenses	653,611	-	(3,923,603)	85,424	(3,184,568)
Investment components	-	-	-	-	-
Insurance service result	(3,029,838)	-	(3,923,603)	85,424	(6,868,017)
Insurance finance expenses			1,882,026	-	1,882,026
Total change in comprehensive income	(3,029,838)	-	(2,041,577)	85,424	(4,985,992)
Cashflows					
Premiums received	3,060,713				3,060,713
Claims and expenses paid			(4,451,272)		(4,451,272)
Acquisition costs paid	(653,611)				(653,611)
	2,407,102	-	(4,451,272)	-	(2,044,170)
Closing insurance contract liabilities	562,017	-	3,228,229	219,326	4,009,572
Closing insurance contract assets	-	-	-	-	-
Net closing balance	562,017	-	3,228,229	219,326	4,009,572

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

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

Group and Company

2024

19a(6) Reconciliation of LFRC and LIC - Oil & Gas

	Liabilities for remaining coverage		Liability for Incurred Claims		
	Excluding loss component	Loss component	Estimate of present value of future cashflows	Risk Adjustment	Total
	₦'000	₦'000	₦'000	₦'000	₦'000
Opening insurance contract liabilities	300,144	-	411,052	73,411	784,607
Opening insurance contract assets	-	-	-	-	-
Net Insurance contract liabilities	300,144	-	411,052	73,411	784,607
Insurance revenue	(3,523,501)				(3,523,501)
Insurance service expense					
Incurred claims and other expenses			10,814,578	(742,416)	10,072,162
Other directly attributable expenses			(1,720,092)		(1,720,092)
Amortisation of insurance acquisition cash flows	1,063,336				1,063,336
Changes related to future service					-
Changes related to past service	-		(132,492)	802,906	670,414
Total Insurance service expenses	1,063,336	-	8,961,994	60,491	10,085,820
Investment components	-	-	-	-	-
Insurance service result	(2,460,165)	-	8,961,994	60,491	6,562,320
Insurance finance expenses			(403,255)	-	(403,255)
Total change in comprehensive income	(2,460,165)	-	8,558,739	60,491	6,159,065
Cashflows					
Premiums received	3,898,833				3,898,833
Claims and expenses paid			751,288		751,288
Acquisition costs paid	(554,059)				(554,059)
	3,344,774	-	751,288	-	4,096,062
Closing insurance contract liabilities	1,184,753	-	9,721,079	133,902	11,039,734
Closing insurance contract assets	-	-	-	-	-
Net closing balance	1,184,753	-	9,721,079	133,902	11,039,734

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

19a 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.

Group and Company

2025

19a(7) Reconciliation of LFRC and LIC - Bond

	Liabilities for remaining coverage		Liability for Incurred Claims		
	Excluding loss component	Loss component	Estimate of present value of future cashflows	Risk Adjustment	Total
	₦'000	₦'000	₦'000	₦'000	₦'000
Opening insurance contract liabilities	15,379	-	1,279	56	16,714
Opening insurance contract assets	-	-	-		-
Net Insurance contract liabilities	15,379	-	1,279	56	16,714
Insurance revenue	(30,219)				(30,219)
Insurance service expense					
Incurred claims			(8,938)	197	(8,741)
Other directly attributable expenses			-		-
Amortisation of insurance acquisition cash flows	4,025				4,025
Other acquisition (Maintenance expense) expensed during the year	110				110
Changes related to past service ie changes in fulfilment cash flows relating to incurred claims			9,657	(252)	9,405
Total Insurance service expenses	4,135	-	718	(55)	4,798
Investment components	-	-	-	-	-
Insurance service result	(26,084)	-	718	(55)	(25,421)
Insurance finance expenses			556	-	556
Total change in comprehensive income	(26,084)	-	1,275	(55)	(24,864)
Cashflows					
Premiums received	30,848				30,848
Claims and expenses paid			-		-
Acquisition costs paid	(4,135)				(4,135)
	26,713	-	-	-	26,713
Closing insurance contract liabilities	16,008	-	2,553	2	18,563
Closing insurance contract assets	-	-	-	-	-
Net closing balance	16,008	-	2,553	2	18,563

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

19a Roll-forward of net asset or liability for insurance contracts issued showing the liability for remaining coverage and the liability for incurred claims

Group and Company

2024

19a(7) Reconciliation of LFRC and LIC - Bond

	Liabilities for remaining coverage		Liability for Incurred Claims		
	Excluding loss component	Loss component	Estimate of present value of future cashflows	Risk Adjustment	Total
	₦'000	₦'000	₦'000	₦'000	₦'000
Opening insurance contract liabilities	28,336	-	29,126	3,497	60,959
Opening insurance contract assets	-	-	-		-
Net Insurance contract liabilities	28,336	-	29,126	3,497	60,959
Insurance revenue	(34,780)				(34,780)
Insurance service expense					
Incurred claims			1,279	(3,314)	(2,035)
Other directly attributable expenses			3,592		3,592
Amortisation of insurance acquisition cash flows	6,612				6,612
Changes related to future service					-
Changes related to past service			7,257	(127)	7,130
Total Insurance service expenses	6,612	-	12,128	(3,441)	15,300
Investment components	-	-	-	-	-
Insurance service result	(28,168)	-	12,128	(3,441)	(19,480)
Insurance finance expenses			(259)	-	(259)
Total change in comprehensive income	(28,168)	-	11,869	(3,441)	(19,739)
Cashflows					
Premiums received	21,822				21,822
Claims and expenses paid			(39,716)		(39,716)
Acquisition costs paid	(6,612)				(6,612)
	15,210	-	(39,716)	-	(24,506)
Closing insurance contract liabilities	15,379	-	1,279	56	16,714
Closing insurance contract assets	-	-	-	-	-
Net closing balance	15,379	-	1,279	56	16,714

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

19a 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.

Group and Company

2025

19a(8) Reconciliation of LFRC and LIC - Aviation

	Liabilities for remaining coverage		Liability for Incurred Claims		
	Excluding loss component	Loss component	Estimate of present value of future cashflows	Risk Adjustment	Total
	₦'000	₦'000	₦'000	₦'000	₦'000
Opening insurance contract liabilities	64,695	-	1,059,514	159,832	1,284,040
Opening insurance contract assets	-	-	-	-	-
Net Insurance contract liabilities	64,695	-	1,059,514	159,832	1,284,040
Insurance revenue	(12,141,634)				(12,141,634)
Insurance service expense					
Incurred claims			5,026,305	(130,746)	4,895,558
Other directly attributable expenses			66,755	-	66,755
Amortisation of insurance acquisition cash flows	963,738				963,738
Other acquisition (Maintenance expense) expensed during the year	49,135				49,135
Changes related to past service ie changes in fulfilment cash flows relating to incurred claims	-		(300,684)	(10,398)	(311,082)
Total Insurance service expenses	1,012,873	-	4,792,376	(141,144)	5,664,104
Investment components	-	-	-	-	-
Insurance service result	(11,128,761)	-	4,792,376	(141,144)	(6,477,530)
Insurance finance expenses			248,476	-	248,476
Total change in comprehensive income	(11,128,761)	-	5,040,851	(141,144)	(6,229,054)
Cashflows					
Premiums received	13,746,013				13,746,013
Claims and expenses paid			(5,602,676)		(5,602,676)
Acquisition costs paid	(1,012,873)				(1,012,873)
	12,733,139	-	(5,602,676)	-	7,130,463
Closing insurance contract liabilities	1,669,074	-	497,689	18,687	2,185,450
Closing insurance contract assets	-	-	-	-	-
Net closing balance	1,669,074	-	497,689	18,687	2,185,450

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

19a Roll-forward of net asset or liability for insurance contracts issued showing the liability for remaining coverage and the liability for incurred claims

Group and Company

2024					
19a(8) Reconciliation of LFRC and LIC - Aviation					
	Excluding loss component N'000	Loss component N'000	Estimate of present value of future cashflows N'000	Risk Adjustment N'000	Total N'000
Opening insurance contract liabilities	129,793	-	114,016	18,673	262,482
Opening insurance contract assets	-	-	-	-	-
Net Insurance contract liabilities	129,793	-	114,016	18,673	262,482
Insurance revenue	(16,011,877)				(16,011,877)
Insurance service expense					
Incurred claims and other expenses			1,305,153	144,648	1,449,801
Other directly attributable expenses			1,787,500		1,787,500
Amortisation of insurance acquisition cash flows	2,040,450				2,040,450
Changes related to future service		-			-
Changes related to past service	-		4,593	(3,489)	1,104
Total Insurance service expenses	2,040,450	-	3,097,246	141,159	5,278,855
Investment components	-	-	-	-	-
Insurance service result	(13,971,427)	-	3,097,246	141,159	(10,733,023)
Insurance finance expenses			(137,192)	-	(137,192)
Total change in comprehensive income	(13,971,427)	-	2,960,054	141,159	(10,870,214)
Cashflows					
Premiums received	15,946,779				15,946,779
Claims and expenses paid			(2,014,556)		(2,014,556)
Acquisition costs paid	(2,040,450)				(2,040,450)
	13,906,329	-	(2,014,556)	-	11,891,773
Closing insurance contract liabilities	64,695	-	1,059,514	159,832	1,284,040
Closing insurance contract assets	-	-	-	-	-
Net closing balance	64,695	-	1,059,514	159,832	1,284,040

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

19a 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.

Group and Company

2025

19a(9) Reconciliation of LFRC and LIC - Agriculture

	Excluding loss component N'000	Loss component N'000	Estimate of present value of future cashflows N'000	Risk Adjustment N'000	Total N'000
Opening insurance contract liabilities	10,388	-	232,629	50,125	293,141
Opening insurance contract assets	-	-	-	-	-
Net Insurance contract liabilities	10,388	-	232,629	50,125	293,141
Insurance revenue	(61,873)				(61,873)
Insurance service expense					
Incurred claims			192,221	(47,653)	144,568
Other directly attributable expenses			-		-
Amortisation of insurance acquisition cash flows	16,110				16,110
Other acquisition (Maintenance expense) expensed during the year	255				255
Changes related to past service ie changes in fulfilment cash flows relating to incurred claims			(224,670)	20,625	(204,045)
Total Insurance service expenses	16,364	-	(32,450)	(27,027)	(43,113)
Investment components	-	-	-	-	-
Insurance service result	(45,509)	-	(32,450)	(27,027)	(104,986)
Insurance finance expenses			84,637	-	84,637
Total change in comprehensive income	(45,509)	-	52,188	(27,027)	(20,348)
Cashflows					
Premiums received	71,271				71,271
Claims and expenses paid			(92)		(92)
Acquisition costs paid	(16,364)				(16,364)
	54,906	-	(92)	-	54,814
Closing insurance contract liabilities	19,786	-	284,724	23,098	327,607
Closing insurance contract assets	-	-	-	-	-
Net closing balance	19,786	-	284,724	23,098	327,607

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

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

Group and Company

2024

19a(9) Reconciliation of LFRC and LIC - Agriculture

	Excluding loss component N'000	Loss component N'000	Estimate of present value of future cashflows N'000	Risk Adjustment N'000	Total N'000
Opening insurance contract liabilities	204,124	-	276,580	50,363	531,066
Opening insurance contract assets	-	-	-	-	-
Net Insurance contract liabilities	204,124	-	276,580	50,363	531,066
Insurance revenue	(16,732)				(16,732)
Insurance service expense					
Incurred claims and other expenses			17,325	9,157	26,482
Amortisation of insurance acquisition cash flows			49,440		
	3,566				#REF!
Changes related to future service					3,566
Changes related to past service					-
Total Insurance service expenses				(9,395)	(9,395)
Investment components	3,566	-	66,765	(238)	#REF!
Insurance service result	(13,166)	-	66,765	(238)	53,361
Insurance finance expenses			(87,750)	-	(87,750)
Total change in comprehensive income	(13,166)	-	(20,985)	(238)	(34,389)
Cashflows					
Premiums received	(177,004)				(177,004)
Claims and expenses paid			(22,966)		(22,966)
Acquisition costs paid	(3,566)				(3,566)
	(180,570)	-	(22,966)	-	(203,536)
Closing insurance contract liabilities	10,388	-	232,629	50,125	293,141
Closing insurance contract assets	-	-	-	-	-
Net closing balance	10,388	-	232,629	50,125	293,141

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

19b

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:

Group and Company

2025					
19b(1)	Reconciliation of AFRC and ARC-Motor				
	Asset for remaining coverage		Amount recoverable on Incurred Claims		
	Excluding loss component	Loss component	Estimate of present value of future cashflows	Risk Adjustment	Total
	₹'000	₹'000	₹'000	₹'000	₹'000
Opening re-insurance contract assets	69,147	-	44,911	6,089	120,147
Opening re-insurance contract liabilities	-	-	-	-	-
Net re-insurance contract asset	69,147	-	44,911	6,089	120,147
An allocation of reinsurance premiums	(391,700)	-	-	-	(391,700)
Amounts recoverable from reinsurers for incurred claims	-	-	30,374	854	31,228
Amounts recoverable for other directly attributable expenses	-	-	-	-	-
Changes to amounts recoverable for incurred claims	-	-	(10,629)	(4,035)	(14,664)
Reinsurance Investment components	-	-	-	-	-
Net income or expense from reinsurance contracts	(391,700)	-	19,745	(3,181)	(375,136)
Reinsurance finance income	-	-	10,055	-	10,055
Total change in comprehensive income	(391,700)	-	29,800	(3,181)	(365,082)
Cashflows					
Premiums paid	393,668	-	-	-	393,668
Amounts received	-	-	(50,821)	-	(50,821)
	393,668	-	(50,821)	-	342,847
Closing re-insurance contract assets	71,115	-	23,890	2,908	97,912
Closing re-insurance contract liabilities	-	-	-	-	-
Net closing balance	71,115	-	23,890	2,908	97,912

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

19b 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:

Group and Company

2024					
19b(1) Reconciliation of AFRC and ARC-Motor					
	Asset for remaining coverage		Amount recoverable on Incurred Claims		
	Excluding loss component	Loss component	Estimate of present value of future cashflows	Risk Adjustment	Total
	₦'000	₦'000	₦'000	₦'000	₦'000
Opening re-insurance contract assets	101,602	267	158,733	5,739	266,341
Opening re-insurance contract liabilities	-	-	-	-	-
Net re-insurance contract asset	101,602	267	158,733	5,739	266,341
An allocation of reinsurance premiums	(289,289)	1,260	-	-	(288,028)
Amounts recoverable from reinsurers for incurred claims	-	-	14,713	7,632	22,344
Amounts recoverable for other directly attributable expenses	144,682	(1,527)	(143,155)	-	-
Changes to amounts recoverable for incurred claims	-	-	(4,767)	(7,282)	(12,048)
Reinsurance Investment components	-	-	-	-	-
Net income or expense from reinsurance contracts	(144,607)	(267)	(133,209)	350	(277,732)
Reinsurance finance income	-	-	2,082	-	2,082
Total change in comprehensive income	(144,607)	(267)	(131,127)	350	(275,650)
Cashflows					
Premiums paid	112,152	-	-	-	112,152
Amounts received	-	-	17,305	-	17,305
Acquisition costs paid	-	-	-	-	-
	112,152	-	17,305	-	129,458
Closing re-insurance contract assets	69,147	-	44,911	6,089	120,148
Closing re-insurance contract liabilities	-	-	-	-	-
Net closing balance	69,147	-	44,911	6,089	120,148

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

19b

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:

Group and Company

	2025				
19b(2)	Reconciliation of AFRC and ARC-General Accident				
	Asset for remaining coverage		Amount recoverable on Incurred Claims		
	Excluding loss component	Loss component	Estimate of present value of future cashflows	Risk Adjustment	Total
	₦'000	₦'000	₦'000	₦'000	₦'000
Opening re-insurance contract assets	77,374	-	32,950	2,498	112,822
Opening re-insurance contract liabilities	-	-	-	-	-
Net re-insurance contract asset	77,374	-	32,950	2,498	112,822
An allocation of reinsurance premiums	(230,114)	-	-	-	(230,114)
Amounts recoverable from reinsurers for incurred claims	-	-	21,177	4,068	25,246
Amounts recoverable for other directly attributable expenses	-	-	-	-	-
Changes to amounts recoverable for incurred claims	-	-	14,493	(2,531)	11,962
Reinsurance Investment components	-	-	-	-	-
Net income or expense from reinsurance contracts held	(230,114)	-	35,670	1,537	(192,906)
Reinsurance finance income	-	-	10,813	-	10,813
Total change in comprehensive income	(230,114)	-	46,483	1,537	(182,093)
Cashflows					
Premiums paid	200,530	-	-	-	200,530
Amounts received	-	-	(47,605)	-	(47,605)
	200,530	-	(47,605)	-	152,925
Closing re-insurance contract assets	47,790	-	31,828	4,035	83,654
Closing re-insurance contract liabilities	-	-	-	-	-
Net closing balance	47,790	-	31,828	4,035	83,654

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

19b

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:

Group and Company

	2024				
19b(2)	Reconciliation of AFRC and ARC-General Accident				
	Asset for remaining coverage		Amount recoverable on Incurred Claims		
	Excluding loss component	Loss component	Estimate of present value of future cashflows	Risk Adjustment	Total
	₦'000	₦'000	₦'000	₦'000	₦'000
Opening re-insurance contract assets	12,870	203	83,040	10,662	106,775
Opening re-insurance contract liabilities	-	-	-	-	-
Net re-insurance contract asset	12,870	203	83,040	10,662	106,775
An allocation of reinsurance premiums	(132,073)	(124)			(132,197)
Amounts recoverable from reinsurers for incurred claims			30,115	(6,103)	24,012
Amounts recoverable for other directly attributable expenses	7,490	(79)	(7,411)		-
Changes to amounts recoverable for incurred claims			1,945	(2,061)	(116)
Net income or expense from reinsurance contracts held	(124,583)	(203)	24,649	(8,164)	(108,300)
Reinsurance finance income	-	-	(390)		(390)
Total change in comprehensive income	(124,583)	(203)	24,259	(8,164)	(108,690)
Cashflows					
Premiums paid	189,087	-	-	-	189,087
Amounts received	-	-	(74,350)	-	(74,350)
	189,087	-	(74,350)	-	114,738
Closing re-insurance contract assets	77,374	(0)	32,950	2,498	112,823
Closing re-insurance contract liabilities	-	-	-	-	-
Net closing balance	77,374	(0)	32,950	2,498	112,823

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

19b

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:

Group and Company

2025					
19b(3)	Reconciliation of AFRC and ARC-Fire				
	Asset for remaining coverage		Amount recoverable on Incurred Claims		
	Excluding loss component	Loss component	Estimate of present value of future cashflows	Risk Adjustment	Total
	₦'000	₦'000	₦'000	₦'000	₦'000
Opening re-insurance contract assets	194,106	-	133,439	20,366	347,911
Opening re-insurance contract liabilities	-	-	-	-	-
Net re-insurance contract asset	194,106	-	133,439	20,366	347,911
An allocation of reinsurance premiums	(447,646)	-	-	-	(447,646)
Amounts recoverable from reinsurers for incurred claims	-	-	9,520	15,908	25,428
Amounts recoverable for other directly attributable expenses	-	-	-	-	-
Changes to amounts recoverable for incurred claims	-	-	58,175	(14,051)	44,124
Reinsurance Investment components	-	-	-	-	-
Net income or expense from reinsurance contracts held	(447,646)	-	67,695	1,856	(378,094)
Reinsurance finance income	-	-	50,113	-	50,113
Total change in comprehensive income	(447,646)	-	117,808	1,856	(327,981)
Cashflows					
Premiums paid	417,739	-	-	-	417,739
Amounts received	-	-	(83,093)	-	(83,093)
	417,739	-	(83,093)	-	334,646
Closing re-insurance contract assets	164,199	-	168,154	22,223	354,575
Closing re-insurance contract liabilities	-	-	-	-	-
Net closing balance	164,199	-	168,154	22,223	354,575

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

19b

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:

Group and Company

	2024				
19b(3)	Reconciliation of AFRC and ARC-Fire				
	Asset for remaining coverage		Amount recoverable on Incurred Claims		
	Excluding loss component	Loss component	Estimate of present value of future cashflows	Risk Adjustment	Total
	N'000	N'000	N'000	N'000	N'000
Opening re-insurance contract assets	34,782	2,799	157,924	22,300	217,805
Opening re-insurance contract liabilities	-	-	-	-	-
Net re-insurance contract asset	34,782	2,799	157,924	22,300	217,805
An allocation of reinsurance premiums	(446,088)	(2,436)	-	-	(448,524)
Amounts recoverable from reinsurers for incurred claims	-	-	26,944	12,435	39,379
Amounts recoverable for incurred claims and other expenses	34,396	(363)	(34,033)	-	-
Changes to amounts recoverable for incurred claims	-	-	38,928	(14,369)	24,560
Reinsurance Investment components	-	-	-	-	-
Net income or expense from reinsurance contracts held	(411,692)	(2,799)	31,839	(1,933)	(384,585)
Reinsurance finance income	-	-	(1,608)	-	(1,608)
Total change in comprehensive income	(411,692)	(2,799)	30,232	(1,933)	(386,192)
Cashflows					
Premiums paid	571,016	-	-	-	571,016
Amounts received	-	-	(54,717)	-	(54,717)
	571,016	-	(54,717)	-	516,299
Closing re-insurance contract assets	194,106	0	133,439	20,366	347,912
Closing re-insurance contract liabilities	-	-	-	-	-
Net closing balance	194,106	0	133,439	20,366	347,912

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

19b

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:

Group and Company

	2025				
19b(4)	Reconciliation of AFRC and ARC-Engineering				
	Asset for remaining coverage		Amount recoverable on Incurred Claims		
	Excluding loss component	Loss component	Estimate of present value of future cashflows	Risk Adjustment	Total
	₦'000	₦'000	₦'000	₦'000	₦'000
Opening re-insurance contract assets	909	-	358,242	35,511	394,662
Opening re-insurance contract liabilities	-	-	-	-	-
Net re-insurance contract asset	909	-	358,242	35,511	394,662
An allocation of reinsurance premiums	(307,278)	-	-	-	(307,278)
Amounts recoverable from reinsurers for incurred claims	-	-	1,872	(28,237)	(26,365)
Amounts recoverable for other directly attributable expenses	-	-	-	-	-
Changes to amounts recoverable for incurred claims	-	-	(326,552)	(1,320)	(327,872)
Reinsurance Investment components	-	-	-	-	-
Net income or expense from reinsurance contracts held	(307,278)	-	(324,680)	(29,557)	(661,515)
Reinsurance finance income	-	-	99,156	-	99,156
Total change in comprehensive income	(307,278)	-	(225,524)	(29,557)	(562,358)
Cashflows					
Premiums paid	385,693	-	-	-	385,693
Amounts received	-	-	(60,600)	-	(60,600)
	385,693	-	(60,600)	-	325,093
Closing re-insurance contract assets	79,324	-	72,118	5,954	157,397
Closing re-insurance contract liabilities	-	-	-	-	-
Net closing balance	79,324	-	72,118	5,954	157,397

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

19b

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:

Group and Company

2024					
19b(4) Reconciliation of AFRC and ARC-Engineering					
	Asset for remaining coverage		Amount recoverable on Incurred Claims		
	Excluding loss component	Loss component	Estimate of present value of future cashflows	Risk Adjustment	Total
	₦'000	₦'000	₦'000	₦'000	₦'000
Opening re-insurance contract assets	103,532	162	187,457	6,010	297,161
Opening re-insurance contract liabilities	-	-	-	-	-
Net re-insurance contract asset	103,532	162	187,457	6,010	297,161
An allocation of reinsurance premiums	16,830	1,242	-	-	18,072
Amounts recoverable from reinsurers for incurred claims	-	-	348,390	27,533	375,923
Amounts recoverable for incurred claims and other expenses	132,964	(1,404)	(131,560)	-	-
Changes to amounts recoverable for incurred claims	-	-	14,297	1,969	16,265
Net income or expense from reinsurance contracts held	149,794	(162)	231,127	29,502	410,261
Reinsurance finance income	-	-	(32,004)	-	(32,004)
Total change in comprehensive income	149,794	(162)	199,123	29,502	378,257
Cashflows					
Premiums paid	(252,418)	-	-	-	(252,418)
Amounts received	-	-	(28,339)	-	(28,339)
	(252,418)	-	(28,339)	-	(280,756)
Closing re-insurance contract assets	909	-	358,242	35,511	394,662
Closing re-insurance contract liabilities	-	-	-	-	-
Net closing balance	909	-	358,242	35,511	394,662

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

19b

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:

Group and Company

2025					
19b(5)	Reconciliation of AFRC and ARC-Marine				
	Asset for remaining coverage		Amount recoverable on Incurred Claims		
	Excluding loss component	Loss component	Estimate of present value of future cashflows	Risk Adjustment	Total
	₦'000	₦'000	₦'000	₦'000	₦'000
Opening re-insurance contract assets	48,346	-	2,212	222	50,780
Opening re-insurance contract liabilities	-	-	-	-	-
Net re-insurance contract asset	48,346	-	2,212	222	50,780
An allocation of reinsurance premiums	(150,451)	-	-	-	(150,451)
Amounts recoverable from reinsurers for incurred claims	-	-	101,286	95	101,381
Amounts recoverable for other directly attributable expenses	-	-	-	-	-
Changes to amounts recoverable for incurred claims	-	-	1,282	2,204	3,486
Reinsurance Investment components	-	-	-	-	-
Net income or expense from reinsurance contracts held	(150,451)	-	102,568	2,299	(45,584)
Reinsurance finance income	-	-	14,378	-	14,378
Total change in comprehensive income	(150,451)	-	116,946	2,299	(31,206)
Cashflows					
Premiums paid	168,180	-	-	-	168,180
Amounts received	-	-	(1,572)	-	(1,572)
	168,180	-	(1,572)	-	166,608
Closing re-insurance contract assets	66,074	-	117,586	2,521	186,182
Closing re-insurance contract liabilities	-	-	-	-	-
Net closing balance	66,074	-	117,586	2,521	186,182

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

19b

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:

Group and Company

	2024				
19b(5)	Reconciliation of AFRC and ARC-Marine				
	Asset for remaining coverage		Amount recoverable on Incurred Claims		
	Excluding loss component	Loss component	Estimate of present value of future cashflows	Risk Adjustment	Total
	₦'000	₦'000	₦'000	₦'000	₦'000
Opening re-insurance contract assets	91,912	65	110,226	1,313	203,516
Opening re-insurance contract liabilities	-	-	-	-	-
Net re-insurance contract asset	91,912	65	110,226	1,313	203,516
An allocation of reinsurance premiums	(77,740)	867			(76,873)
Amounts recoverable from reinsurers for incurred claims			23,034	(933)	22,101
Amounts recoverable for incurred claims and other expenses	88,255	(932)	(87,323)		-
Changes to amounts recoverable for incurred claims	-	-	1,015	(158)	857
Net income or expense from reinsurance contracts held	10,515	(65)	(63,274)	(1,091)	(53,915)
Reinsurance finance income	-	-	(79)		(79)
Total change in comprehensive income	10,515	(65)	(63,353)	(1,091)	(53,995)
Cashflows					
Premiums paid	(54,081)		-		(54,081)
Amounts received	-		(44,661)	-	(44,661)
	(54,081)	-	(44,661)	-	(98,742)
Closing re-insurance contract assets	48,346	(0)	2,212	222	50,779
Closing re-insurance contract liabilities	-				-
Net closing balance	48,346	(0)	2,212	222	50,779

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

19b

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:

Group and Company

		2025				
19b(6) Reconciliation of AFRC and ARC-Oil & Gas						
		Asset for remaining coverage		Amount recoverable on Incurred Claims		
		Excluding loss component	Loss component	Estimate of present value of future cashflows	Risk Adjustment	Total
		₦'000	₦'000	₦'000	₦'000	₦'000
Opening re-insurance contract assets		213,742	225,470	4,303,776	59,282	4,802,269
Opening re-insurance contract liabilities		-	-	-	-	-
Net re-insurance contract asset		213,742	225,470	4,303,776	59,282	4,802,269
An allocation of reinsurance premiums		(3,252,380)	(225,470)	-	-	(3,477,850)
Amounts recoverable from reinsurers for incurred claims		-	-	1,319,033	16,899	1,335,932
Amounts recoverable for other directly attributable expenses		-	-	-	-	-
Changes to amounts recoverable for incurred claims		-	-	(1,908,299)	(36,036)	(1,944,335)
Reinsurance Investment components		-	-	-	-	-
Net income or expense from reinsurance contracts held		(3,252,380)	(225,470)	(589,266)	(19,137)	(4,086,252)
Reinsurance finance income		-	-	701,327	-	701,327
Total change in comprehensive income		(3,252,380)	(225,470)	112,061	(19,137)	(3,384,925)
Cashflows						
Premiums paid		3,110,874	-	-	-	3,110,874
Amounts received		-	-	(3,824,944)	-	(3,824,944)
		3,110,874	-	(3,824,944)	-	(714,070)
Closing re-insurance contract assets		72,236	(0)	590,893	40,145	703,274
Closing re-insurance contract liabilities		-	-	-	-	-
Net closing balance		72,236	(0)	590,893	40,145	703,274

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

19b

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:

Group and Company

	2024				
19b(6)	Reconciliation of AFRC and ARC- Oil & Gas				
	Asset for remaining coverage		Amount recoverable on Incurred Claims		
	Excluding loss component	Loss component	Estimate of present value of future cashflows	Risk Adjustment	Total
	₦'000	₦'000	₦'000	₦'000	₦'000
Opening re-insurance contract assets	13,699	548	37,561	20,072	71,879
Opening re-insurance contract liabilities	-	-	-	-	-
Net re-insurance contract asset	13,699	548	37,561	20,072	71,879
An allocation of reinsurance premiums	(675,034)	224,931	-	-	(450,103)
Amounts recoverable from reinsurers for incurred claims	-	-	4,772,651	(215,106)	4,557,544
Amounts recoverable for incurred claims and other expenses	(4,814)	(9)	4,823	-	-
Changes to amounts recoverable for incurred claims	-	-	(201,226)	254,317	53,090
Net income or expense from reinsurance contracts held	(679,848)	224,922	4,576,247	39,210	4,160,532
Reinsurance finance income	-	-	(220,887)	-	(220,887)
Total change in comprehensive income	(679,848)	224,922	4,355,360	39,210	3,939,645
Cashflows					
Premiums paid	879,891	-	-	-	879,891
Amounts received	-	-	(89,145)	-	(89,145)
	879,891	-	(89,145)	-	790,746
Closing re-insurance contract assets	213,742	225,470	4,303,776	59,282	4,802,269
Closing re-insurance contract liabilities	-	-	-	-	-
Net closing balance	213,742	225,470	4,303,776	59,282	4,802,269

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

19b

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:

Group and Company

	2025				
19b(7)	Reconciliation of AFRC and ARC-Bond				
	Asset for remaining coverage		Amount recoverable on Incurred Claims		
	Excluding loss component	Loss component	Estimate of present value of future cashflows	Risk Adjustment	Total
	₦'000	₦'000	₦'000	₦'000	₦'000
Opening re-insurance contract assets	1,598	-	-	-	1,598
Opening re-insurance contract liabilities	-	-	-	-	-
Net re-insurance contract asset	1,598	-	-	-	1,598
An allocation of reinsurance premiums	(2,907)	-	-	-	(2,907)
Amounts recoverable from reinsurers for incurred claims	-	-	(2,069)	0	(2,068)
Amounts recoverable for other directly attributable expenses	-	-	-	-	-
Changes to amounts recoverable for incurred claims	-	-	2,360	0	2,360
Reinsurance Investment components	-	-	-	-	-
Net income or expense from reinsurance contracts held	(2,907)	-	291	1	(2,615)
Reinsurance finance income	-	-	49	-	49
Total change in comprehensive income	(2,907)	-	340	1	(2,566)
Cashflows					
Premiums paid	4,222	-	-	-	4,222
Amounts received	-	-	-	-	-
	4,222	-	-	-	4,222
Closing re-insurance contract assets	2,913	-	340	1	3,254
Closing re-insurance contract liabilities	-	-	-	-	-
Net closing balance	2,913	-	340	1	3,254

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

19b

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:

Group and Company

	2024				
19b(7)	Reconciliation of AFRC and ARC-Bond				
	Asset for remaining coverage		Amount recoverable on Incurred Claims		
	Excluding loss component	Loss component	Estimate of present value of future cashflows	Risk Adjustment	Total
	₦'000	₦'000	₦'000	₦'000	₦'000
Opening re-insurance contract assets	17,166	743	26,624	(133)	44,401
Opening re-insurance contract liabilities	-	-	-	-	-
Net re-insurance contract asset	17,166	743	26,624	(133)	44,401
An allocation of reinsurance premiums	(3,395)	(495)	-	-	(3,890)
Amounts recoverable from reinsurers for incurred claims	-	-	(772)	208	(564)
Amounts recoverable for incurred claims and other expenses	23,477	(248)	(23,229)	-	-
Changes to amounts recoverable for incurred claims	-	-	2,141	(75)	2,066
Reinsurance Investment components	-	-	-	-	-
Net income or expense from reinsurance contracts held	20,082	(743)	(21,860)	133	(2,388)
Reinsurance finance income	-	-	1	-	1
Total change in comprehensive income	20,082	(743)	(21,859)	133	(2,387)
Cashflows					
Premiums paid	(35,651)	-	-	-	(35,651)
Amounts received	-	-	(4,764)	-	(4,764)
	(35,651)	-	(4,764)	-	(40,415)
Closing re-insurance contract assets	1,598	-	-	-	1,598
Closing re-insurance contract liabilities	-	-	-	-	-
Net closing balance	1,598	-	-	-	1,598

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

19b

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:

Group and Company

	2025				
19b(8)	Reconciliation of AFRC and ARC-Aviation				
	Asset for remaining coverage		Amount recoverable on Incurred Claims		
	Excluding loss component	Loss component	Estimate of present value of future cashflows	Risk Adjustment	Total
	₦'000	₦'000	₦'000	₦'000	₦'000
Opening re-insurance contract assets	3,406	-	-	-	3,406
Opening re-insurance contract liabilities	-	-	-	-	-
Net re-insurance contract asset	3,406	-	-	-	3,406
An allocation of reinsurance premiums	(10,233,470)	-	-	-	(10,233,470)
Amounts recoverable from reinsurers for incurred claims	-	-	4,658,143	463	4,658,607
Amounts recoverable for other directly attributable expenses	-	-	-	-	-
Changes to amounts recoverable for incurred claims	-	-	12,511	(70)	12,440
Reinsurance Investment components	-	-	-	-	-
Net income or expense from reinsurance contracts held	(10,233,470)	-	4,670,654	393	(5,562,423)
Reinsurance finance income	-	-	1,716	-	1,716
Total change in comprehensive income	(10,233,470)	-	4,672,370	393	(5,560,706)
Cashflows					
Premiums paid	11,715,879	-	-	-	11,715,879
Amounts received	-	-	(4,661,902)	-	(4,661,902)
	11,715,879	-	(4,661,902)	-	7,053,977
Closing re-insurance contract assets	1,485,816	-	10,468	393	1,496,677
Closing re-insurance contract liabilities	-	-	-	-	-
Net closing balance	1,485,816	-	10,468	393	1,496,677

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

19b

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:

Group and Company

2024					
19b(8)	Reconciliation of AFRC and ARC-Aviation				
	Asset for remaining coverage		Amount recoverable on Incurred Claims		
	Excluding loss component	Loss component	Estimate of present value of future cashflows	Risk Adjustment	Total
	₦'000	₦'000	₦'000	₦'000	₦'000
Opening re-insurance contract assets	53,090	117	84,530	2,858	140,594
Opening re-insurance contract liabilities	-	-	-	-	-
Net re-insurance contract asset	53,090	117	84,530	2,858	140,594
An allocation of reinsurance premiums	(12,885,971)	663	-	-	(12,885,308)
Amounts recoverable from reinsurers for incurred claims	-	-	425,095	9,355	434,450
Amounts recoverable for incurred claims and other expenses	73,918	(780)	(73,138)	-	-
Changes to amounts recoverable for incurred claims	-	-	(2,566)	(12,213)	(14,778)
Reinsurance Investment components	-	-	-	-	-
Net income or expense from reinsurance contracts held	(12,812,053)	(117)	349,391	(2,858)	(12,465,636)
Reinsurance finance income	-	-	1,890	-	1,890
Total change in comprehensive income	(12,812,053)	(117)	351,281	(2,858)	(12,463,747)
Cashflows					
Premiums paid	12,762,370	-	-	-	12,762,370
Amounts received	-	-	(435,811)	-	(435,811)
	12,762,370	-	(435,811)	-	12,326,558
Closing re-insurance contract assets	3,406	-	-	-	3,406
Closing re-insurance contract liabilities	-	-	-	-	-
Net closing balance	3,406	-	-	-	3,406

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

19b

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:

Group and Company

2025					
19b(9)	Reconciliation of AFRC and ARC-Agriculture				
	Asset for remaining coverage		Amount recoverable on Incurred Claims		
	Excluding loss component	Loss component	Estimate of present value of future cashflows	Risk Adjustment	Total
	₦'000	₦'000	₦'000	₦'000	₦'000
Opening re-insurance contract assets	8,075	-	-	-	8,075
Opening re-insurance contract liabilities	-	-	-	-	-
Net re-insurance contract asset	8,075	-	-	-	8,075
An allocation of reinsurance premiums	(28,096)	-	-	-	(28,096)
Amounts recoverable from reinsurers for incurred claims	-	-	143,931	21,682	165,613
Amounts recoverable for other directly attributable expenses	-	-	-	-	-
Changes to amounts recoverable for incurred claims	-	-	-	(7,823)	(7,823)
Reinsurance Investment components	-	-	-	-	-
Net income or expense from reinsurance contracts held	(28,096)	-	143,931	13,859	129,694
Reinsurance finance income	-	-	26,958	-	26,958
Total change in comprehensive income	(28,096)	-	170,889	13,859	156,652
Cashflows					
Premiums paid	31,616	-	-	-	31,616
Amounts received	-	-	(54)	-	(54)
	31,616	-	(54)	-	31,562
Closing re-insurance contract assets	11,595	-	170,835	13,859	196,288
Closing re-insurance contract liabilities	-	-	-	-	-
Net closing balance	11,595	-	170,835	13,859	196,288

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

19b

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:

Group and Company

2024					
19b(9)	Reconciliation of AFRC and ARC-Agriculture				
	Asset for remaining coverage		Amount recoverable on Incurred Claims		
	Excluding loss component	Loss component	Estimate of present value of future cashflows	Risk Adjustment	Total
	₦'000	₦'000	₦'000	₦'000	₦'000
Opening re-insurance contract assets	(3,120)	393	265,342	36,770	299,386
Opening re-insurance contract liabilities	-	-	-	-	-
Net re-insurance contract asset	(3,120)	393	265,342	36,770	299,386
An allocation of reinsurance premiums	(8,927)	(453)	-	-	(9,380)
Amounts recoverable from reinsurers for incurred claims	-	-	(154,862)	(31,597)	(186,459)
Amounts recoverable for other directly attributable expenses	(5,711)	60	5,651	-	-
Changes to amounts recoverable for incurred claims	-	-	(247)	(5,173)	(5,420)
Reinsurance Investment components	-	-	-	-	-
Net income or expense from reinsurance contracts held	(14,638)	(393)	(149,458)	(36,770)	(201,259)
Reinsurance finance income	-	-	73	-	73
Total change in comprehensive income	(14,638)	(393)	(149,385)	(36,770)	(201,186)
Cashflows					
Premiums paid	25,833	-	-	-	25,833
Amounts received	-	-	(115,957)	-	(115,957)
	25,833	-	(115,957)	-	(90,125)
Closing re-insurance contract assets	8,075	-	-	-	8,075
Closing re-insurance contract liabilities	-	-	-	-	-
Net closing balance	8,075	-	-	-	8,075

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
20 Share capital				
Issued and fully paid				
At 31 December	<u>6,933,333</u>	<u>6,933,333</u>	<u>6,933,333</u>	<u>6,933,333</u>

13,866,666 units (2024 - 13,866,666 units) of shares at 50k each were issued and fully paid as at 31 December 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.

	Group 2025 N'000	Group 2024 N'000	Company 2025 N'000	Company 2024 N'000
21 Share premium				
Balance at 31 December	<u>663,600</u>	<u>663,600</u>	<u>663,600</u>	<u>663,600</u>

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

22 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	1,900,456	2,611,284	1,900,456
Transfer from retained earnings	712,006	710,828	712,006	710,828
Balance at 31 December	<u>3,323,290</u>	<u>2,611,284</u>	<u>3,323,290</u>	<u>2,611,284</u>

23 Retained earnings/(accumulated losses)

The Retained earnings/(accumulated losses) are carried forward recognised income net of expenses plus current period profit/loss 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	(1,189,506)	1,008,862	(2,305,749)	39,674
Profit/(loss) for the year	3,745,037	(1,224,398)	3,046,773	(1,634,596)
Transfer to contingency reserve	(712,006)	(710,828)	(712,006)	(710,827)
Net actuarial gain /(loss) on retirement benefit obligations	1,045	(14,131)	-	-
Dividend paid to equity holders*	(284,010)	(249,010)	-	-
Balance at 31 December	<u>1,560,560</u>	<u>(1,189,506)</u>	<u>29,018</u>	<u>(2,305,749)</u>

* The dividend paid relates to dividend declared by one of the subsidiaries (VGP) at 9k per share (2024: 8k per share).

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

24 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	2,012,895	1,291,644	2,012,896	1,291,645
Revaluation surplus	42,400	721,251	42,400	721,251
Balance at 31 December	<u>2,055,295</u>	<u>2,012,895</u>	<u>2,055,296</u>	<u>2,012,896</u>
Building				
Balance at 1 January	2,188,978	2,533,217	1,950,191	2,294,430
Revaluation surplus/(deficit)	141,162	(344,239)	141,162	(344,239)
Balance at 31 December	<u>2,330,140</u>	<u>2,188,978</u>	<u>2,091,353</u>	<u>1,950,191</u>
Opening balance deferred tax impact	(227,591)	(189,890)	(227,591)	(189,890)
Disposal	-	-	-	-
Deferred tax impact	(62,411)	(37,701)	(62,411)	(37,701)
Carrying amount	<u>4,095,433</u>	<u>3,974,282</u>	<u>3,856,647</u>	<u>3,735,496</u>
	Group 2025 N'000	Group 2024 N'000	Company 2025 N'000	Company 2024 N'000
25 Fair value reserve				
Balance at 1 January	275,880	235,984	279,569	239,673
Fair value gain on FVOCI financial	75,730	39,896	75,730	39,896
	<u>351,610</u>	<u>275,880</u>	<u>355,299</u>	<u>279,569</u>

26 Earnings/(loss) per share

Basic Earnings/(loss) per share (kobo)

The calculation of basic earnings/(loss) per share was based on the profit/(loss) 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
Profit/(loss) after tax attributable to equity holders N'000	<u>3,745,037</u>	<u>(1,224,398)</u>
Weighted average no. of ordinary shares at end of year '000	<u>6,933,333</u>	<u>6,933,333</u>
Basic Earnings/(loss) per share (kobo)	<u>0.54</u>	<u>(0.18)</u>

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

	Group 2025 N'000	Group 2024 N'000	Company 2025 N'000	Company 2024 N'000
27 Other contract liabilities				
Provisions for claims	-	6,861	-	-
Unearned/deferred premium	6,389	2,038	-	-
	<u>6,389</u>	<u>8,899</u>	<u>-</u>	<u>-</u>

Other contract liabilities includes the outstanding claims provision and the provision for unearned premium in Veritas Healthcare Limited. 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.

28 Insurance revenue

	Group 2025 N'000	Group 2024 N'000	Company 2025 N'000	Company 2024 N'000
Accident	1,032,614	561,829	1,032,614	561,829
Agriculture	61,873	16,732	61,873	16,732
Aviation	12,141,634	16,011,877	12,141,634	16,011,877
Bond	30,219	34,780	30,219	34,780
Engineering	992,348	255,904	992,348	255,904
Fire	2,065,715	1,221,380	2,065,715	1,221,380
Marine	665,181	433,879	665,181	433,879
Motor	1,906,439	1,251,004	1,929,787	1,270,361
Oil & Gas	3,683,449	3,523,501	3,683,449	3,523,501
	<u>22,579,472</u>	<u>23,310,885</u>	<u>22,602,820</u>	<u>23,330,242</u>

The insurance revenue are from contracts measured under the PAA.

29 Insurance service expense

	Group 2025 N'000	Group 2024 N'000	Company 2025 N'000	Company 2024 N'000
Incurred claims - Note 19a	6,398,730	13,050,808	6,398,730	13,050,808
Other directly attributable expenses	293,838	910,622	293,838	910,622
Amortization of insurance acquisition cashflows	2,921,081	3,765,816	2,921,081	3,765,816
Other acquisition (Maintenance expense) expense during the year	84,836	86,616	84,836	86,616
Changes related to past service ie changes in fulfilment cash flows relating to incurred claims	(6,256,538)	776,280	(6,256,538)	776,280
	<u>3,441,947</u>	<u>18,590,142</u>	<u>3,441,947</u>	<u>18,590,142</u>

30 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	15,269,511	14,276,231	15,269,511	14,276,231
Amount recovered for claims and other expenses	(6,315,001)	(5,288,731)	(6,315,001)	(5,288,731)
Changes to amounts recoverable for incurred claims	2,220,322	(64,475)	2,220,322	(64,475)
	<u>11,174,832</u>	<u>8,923,025</u>	<u>11,174,832</u>	<u>8,923,025</u>

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
31 Finance expenses from insurance contracts issued				
Finance expense	2,853,243	956,336	2,853,243	956,336
32 Finance income from reinsurance contracts held				
Finance income	914,565	250,922	914,565	250,922
33 Investment income				
Interest income calculated using effective interest rate (Note 33a)	1,009,382	1,243,847	436,659	450,343
Other investment income (Note 33b)	2,997,604	2,801,394	942,684	899,447
Total Investment income	<u>4,006,986</u>	<u>4,045,241</u>	<u>1,379,343</u>	<u>1,349,790</u>
33a Interest income calculated using effective interest rate				
Interest income on bonds	1,009,382	1,243,847	436,659	450,343
	<u>1,009,382</u>	<u>1,243,847</u>	<u>436,659</u>	<u>450,343</u>
33a(i) Interest income received from bonds during the year	661,746	668,091	271,588	440,214
Accrued interest income on bonds as at year end	347,636	575,756	165,071	10,129
	<u>1,009,382</u>	<u>1,243,847</u>	<u>436,659</u>	<u>450,343</u>
33b Other investment income				
Interest income-FGN Treasury bills	27,798	20,672	27,798	20,672
Interest income -Short term deposits	797,054	593,513	528,874	592,703
Dividends from equity investments	28,901	23,825	312,911	272,835
RSA asset based fee	2,070,750	2,150,147	-	-
Interest income on Statutory deposit	73,101	13,237	73,101	13,237
	<u>2,997,604</u>	<u>2,801,394</u>	<u>942,684</u>	<u>899,447</u>
Further analysed as follows:				
Attributable to policy holders fund	192,224	188,106	192,224	188,106
Attributable to shareholders funds.	3,814,762	3,857,135	1,187,119	1,161,684
	<u>4,006,986</u>	<u>4,045,241</u>	<u>1,379,343</u>	<u>1,349,790</u>
Further analysis of interest income - short term deposits as follows:				
Interests received	749,231	540,097	488,447	539,360
Interests accrued	47,823	53,416	40,427	53,343
	<u>797,054</u>	<u>593,513</u>	<u>528,874</u>	<u>592,703</u>
33c Net fair value gains on financial assets at fair value through profit or loss				
Fair value gain on financial assets	30,171	25,754	30,171	25,754
	<u>30,171</u>	<u>25,754</u>	<u>30,171</u>	<u>25,754</u>

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
34 Foreign Exchange gain				
Exchange (loss)/gain	(597,426)	5,087,119	(596,493)	5,087,119
	<u>(597,426)</u>	<u>5,087,119</u>	<u>(596,493)</u>	<u>5,087,119</u>
Exchange (loss)/gain relates to translation of transactions in foreign currency for outstanding claims, bank balances and foreign currency investments as at end of the year to naira.				
The table below shows the breakdown on exchange gain				
Exchange gain	906,336	5,860,448	906,336	5,860,448
Exchange loss	(1,503,762)	(773,329)	(1,361,692)	(773,329)
	<u>(597,426)</u>	<u>5,087,119</u>	<u>(596,493)</u>	<u>5,087,119</u>
Breakdown of realized foreign exchange gain/(loss)				
Cash and cash equivalents	(280,904)	3,183,689	(279,971)	3,183,689
Bond	(180,138)	-	(180,138)	-
Other assets	(31,871)	(39,888)	(31,871)	(39,888)
	<u>(492,913)</u>	<u>3,143,801</u>	<u>(491,980)</u>	<u>3,143,801</u>
Breakdown of unrealized foreign exchange (loss)/gain				
Cash and cash equivalents	51,432	254,367	51,432	254,367
Bond	(155,945)	1,688,951	(155,945)	1,688,951
	<u>(104,513)</u>	<u>1,943,318</u>	<u>(104,513)</u>	<u>1,943,318</u>
	Group 2025 N'000	Group 2024 N'000	Company 2025 N'000	Company 2024 N'000
35 Other operating income				
Rental income	20,657	-	29,941	6,153
Gain on disposal of property and equipment	11,604	17,205	9,283	15,876
Staff mortgage loan-interest	232	901	232	901
RSA administrative fee income	51,321	-	-	-
PHI Premium	601,084	274,822	-	-
Admin charges- formal sector	662,149	64,366	-	-
Sundry income	915	10,708	3,996	24,511
	<u>1,347,962</u>	<u>368,002</u>	<u>43,452</u>	<u>47,441</u>
Sundry income relates to income received from service charge and payments made by staff in lieu of exit				
	Group 2025 N'000	Group 2024 N'000	Company 2025 N'000	Company 2024 N'000
36 Credit loss reversal/ (expense) on financial asset				
Impairment charge on other receivables (note 7g)	-	9,425	-	9,425
Impairment charge/(reversal) on debt instruments (note 4(iv))	24,078	(22,687)	15,031	1,222
Impairment (reversal)/charge on deposit and bank balances (note 3.1)	(51,951)	49,430	(55,014)	56,339
	<u>(27,873)</u>	<u>28,824</u>	<u>(39,983)</u>	<u>57,730</u>

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
37 Other operating expenses				
Staff costs	2,995,213	2,264,134	1,667,468	1,069,303
Directors' allowances and expenses	694,268	682,990	347,100	335,732
Depreciation and amortisation (Note 37.1)	440,170	360,201	298,084	217,419
Professional fees *	173,513	164,778	158,839	142,745
Audit fees	37,479	37,479	32,250	32,250
Marketing and advertisement	638,230	480,981	446,137	421,728
Administrative expenses	316,449	198,038	332,209	259,922
Repairs and maintenance	139,595	93,820	40,233	50,053
Travel costs and allowances	171,762	97,734	33,975	37,444
NAICOM Levy	179,586	280,094	179,586	280,094
Donation	-	50	-	50
Electricity and power	81,983	110,471	75,956	76,539
Penalty charge (Note 42)	22,869	-	22,869	-
Subscription (club, professional bodies and internet)	35,158	13,473	34,495	13,473
Printing and stationeries	26,074	18,080	3,704	3,259
Information technology expenses	219,036	185,007	114,099	109,528
Pension protection fund levy	81,018	62,830	-	-
Private health insurance claims paid	406,251	166,985	-	-
	6,658,654	5,217,145	3,787,004	3,049,539
	Group 2025 N'000	Group 2024 N'000	Company 2025 N'000	Company 2024 N'000
37.1 Breakdown of depreciation and amortisation				
Depreciation (Note 10)	292,617	255,546	158,924	123,450
Amortisation (Note 12)	147,553	104,655	139,160	93,969
	440,170	360,201	298,084	217,419

* Professional fees include the services presented in the table below:

Name of professional	FRC number	Amount (N'000)	Name of firm	Nature of service
Oluwasayo Elumaro	FRC/2012/PRO/ICAN/004/00000000139	5,000	Ernst and Young	Internal Control Over Financial Reporting
Peter nosa	FRN/2023/ICAN/004/902957	14,750	Kreston Pedabo	Unquoted equity Investment Valuation
Layemo Abraham	FRC/2016/NAS/00000015764	25,033	O & A Hedge Actuarial Consulting	Actuary Services
Folorunsho Olaniyi	FRC/2013/ICAN/00000000908	21,975	Kreston Pedabo	Taxation assessment
Dele Ikotun	FRC/2014/CIBN/0000007827	24,503	Unity Registrars	Registrar Services
-	-	67,578	Other professional firms	Other professional services
-	-	158,839	Total	-

37(i) Cash paid to staff, intermediaries and other suppliers	Group 2025 N'000	Group 2024 N'000	Company 2025 N'000	Company 2024 N'000
Cash paid to employees	1,815,382	1,784,281	1,675,504	763,364
Cash paid to intermediaries (brokers and agents)	1,011,100	479,853	991,019	305,938
Cash paid to other suppliers	1,007,554	1,335,696	986,847	1,060,703
	3,834,036	3,599,830	3,653,370	2,130,005

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

38 Tax expense

Company income tax	27,905	167,212	-	-
Development levy	110,042	-	110,042	-
Education tax	-	24,550	-	-
Minimum tax	-	149,092	-	149,092
Police trust fund	-	37	-	-
Information technology levy	-	7,402	-	-
Under provision in prior years	-	-	-	-
Deferred tax expense	6,992	117,026	-	-
	<u>144,939</u>	<u>465,319</u>	<u>110,042</u>	<u>149,092</u>

	Group 2025 N'000	Group 2024 N'000	Company 2025 N'000	Company 2024 N'000
38b Reconciliation of effective tax rate				
Profit/(loss) for the year before tax	<u>4,180,927</u>	<u>(627,549)</u>	<u>3,156,815</u>	<u>(1,485,504)</u>
Tax at Nigerian's statutory income tax rate of 30%	1,254,278	-	947,045	-
Net capital allowance	613,006	-	585,101	-
Effect of tax losses	716,772	841,939	716,772	841,939
Non-deductible expenses	588,576	1,708,659	528,914	1,424,421
Tax exempt income	(3,137,735)	(2,266,360)	(2,777,832)	(2,266,360)
Minimum tax	-	149,092	-	149,092
Education tax	-	24,550	-	-
Police trust fund	-	37	-	-
Information technology levy	-	7,402	-	-
Development levy	110,042	-	110,042	-
	<u>144,939</u>	<u>465,319</u>	<u>110,042</u>	<u>149,092</u>
Profit/(loss) for the year before income tax	4,180,927	(627,549)	3,156,815	(1,485,504)
Effective Tax Rate	3%		3%	

39 Non-controlling interest

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

	Group 2025 N'000	Group 2024 N'000
Balance, beginning of year	2,016,863	1,991,597
Share of profit for the period	290,951	131,530
Dividend Paid	(120,281)	(105,280)
Actuarial gain on retirement benefit obligation	73	(982)
	<u>2,187,606</u>	<u>2,016,863</u>

40 Proposed dividend

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

41 Contingent liabilities

There were claims and litigations against the company as at 31 December 2025, amounting to ₦6,169,352,357.47 (2024: ₦5,183,344,729). 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

42 Contraventions

31 December 2025	Group	Company
Nature of contraventions	N'000	N'000
Violation of NAICOM circular on foreign reinsurance participation without prior approval	22,869	22,869
	<u>22,869</u>	<u>22,869</u>
 31 December 2024	 Group	 Company
Nature of contraventions	N'000	N'000
No contravention was incurred or paid during the year	-	-
	<u>-</u>	<u>-</u>

43 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 length.

	Relationship	Premium written	Claims paid
		N'000	N'000
Veritas Glanvills Pensions Limited	Subsidiary	22,057	3,941
Veritas Health Care Ltd	Subsidiary	1,292	618
Gold links insurance plc	Associates	-	-

- b Included in Note 9 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	Nature of transaction
		N'000	
Goldlink Insurance Plc	Associate	62,033	This relates to the amount receivable on various expenses incurred on behalf of the entity in year 2019. Although this has been fully provisioned in the financial records.

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)	375,086	150,422
Total compensation to key management personnel	<u>375,086</u>	<u>150,422</u>
Directors cost (Non-Executive)	252,000	252,000
Salaries and wages (Executive)	163,842	135,653
Pension cost (Executive)	20,182	14,789
Total Directors cost	<u>436,024</u>	<u>402,442</u>
Remuneration of highest paid Director	<u>42,000</u>	<u>42,000</u>
Remuneration of the MD/CEO	<u>42,000</u>	<u>42,000</u>

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

44 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 Number	2024 Number	2025 Number	2024 Number
Below	-	500,000	-	13	-
500,001	-	1,500,000	1	7	-
1,500,001	-	2,500,000	45	46	-
2,500,001	-	3,500,000	51	52	9
3,500,001	-	4,500,000	21	20	-
4,500,001	-	5,500,000	59	39	17
5,500,001	-	6,500,000	31	23	16
6,500,001	-	7,500,000	13	9	1
7,500,001	-	8,500,000	18	1	13
8,500,001	-	9,500,000	9	19	-
9,500,001	-	10,500,000	7	9	2
10,500,001	-	and above	34	40	25
			289	278	83
					85

45 Hypothecation

The Company is exposed to a range of financial risks through its financial assets, financial liabilities, reinsurance assets and insurance liabilities. 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 31 December 2025 were allocated as follows:

	Shareholders' Funds N'000 2025	Policy Holders N'000 2025	Total N'000 2025
Insurance contract liabilities - liability for incurred claims	-	5,824,753	5,824,753
Insurance contract liabilities - liability for remaining coverage	-	3,881,780	3,881,780
Other technical liabilities	2,505,585	-	2,505,585
Provision and other payables	2,081,705	-	2,081,705
Income tax liabilities	130,294	-	130,294
Deferred tax liabilities	292,095	-	292,095
Gross insurance funds	5,009,679	9,706,533	14,716,212
Less			-
Reinsurance contract assets			-
Assets for incurred claims	-	(1,278,152)	(1,278,152)
Assets for remaining coverage	-	(2,001,062)	(2,001,062)
Net insurance funds	5,009,679	6,427,320	11,436,998
Admissible assets:			
Cash in hand and bank	1,446,376	-	1,446,376
Placement with financial institutions	-	5,733,099	5,733,099
Government bonds	-	6,006,916	6,006,916
Treasury bills	-	141,255	141,255
Quoted shares	173,376	-	173,376
Premium receivables	2,321,542	-	2,321,542
Statutory deposits	355,000	-	355,000
Unquoted shares	607,208	-	607,208
Other receivables and prepayment	237,277	-	237,277
Property and equipments	5,149,831	-	5,149,831
Intangible assets	400,006	-	400,006
Investment in subsidiaries	4,026,300	-	4,026,300
Deferred tax assets	-	-	-
Total admissible assets	14,716,915	11,881,270	26,598,185
Surplus in assets cover	9,707,237	5,453,950	15,161,187

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

Hypothecation

	Shareholders'		
	Funds	Policy Holders	Total
	N'000	N'000	N'000
	2024	2024	2024
Insurance contract liabilities - liability for incurred claims	-	13,552,563	13,552,563
Insurance contract liabilities - liability for remaining coverage	-	2,751,064	2,751,064
Other technical liabilities	2,785,404	-	2,785,404
Provision and other payables	1,690,510	-	1,690,510
Income tax liabilities	173,210	-	173,210
Deferred tax liabilities	190,671	-	190,671
Gross insurance funds	4,839,795	16,303,627	21,143,422
Less			-
Reinsurance contract assets:			-
<i>Assets for incurred claims</i>	-	(4,999,495)	(4,999,495)
<i>Assets for remaining coverage</i>	-	(842,175)	(842,175)
Net insurance funds	4,839,795	10,461,957	15,301,752
Admissible assets:			-
Cash in hand and bank	2,424,082	-	2,424,082
Placement with financial institutions	-	7,406,779	7,406,779
Government bonds	-	4,942,189	4,942,189
Treasury bills	-	141,879	141,879
Quoted shares	138,264	-	138,264
Premium receivables	1,545,616	-	1,545,616
Statutory deposits	355,000	-	355,000
Unquoted shares	492,056	-	492,056
Other receivables and prepayment	174,054	-	174,054
Property and equipments	5,033,899	-	5,033,899
Intangible assets	539,166	-	539,166
Investment in subsidiaries	4,026,300	-	4,026,300
Total admissible assets	14,728,437	12,490,847	27,219,284
Surplus in assets cover	9,888,642	2,028,890	11,917,532

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

46 Capital Management

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 2003, 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) in the case of existing company -

(i) the excess of admissible assets over liabilities, less the amount of own shares held by the company,

(ii) subordinated liabilities subject to approval by the Commission, and

(iii) any other financial instrument as prescribed by the Commission.

For this purpose, Admissible Assets are defined as:

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

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

47 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 Groups 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 includes 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.

Health Care

The revenue earned includes administration and management fees received and receivable on members contributions and the Net Asset value of Funds under Management respectively.

This reportable segment is a National Health Maintenance Organization (NHMO) 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).

	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	7,179,475	9,830,861	1,870,663	581,969	654,275	569,112	-	-	7,975,130	11,196,743
Financial assets	6,928,755	5,714,388	4,639,841	5,327,951	-	-	-	-	13,232,340	10,827,538
Premium receivable	2,321,542	1,545,616	-	-	-	-	-	-	2,321,542	1,545,616
Reinsurance contract assets	3,279,213	5,841,670	-	-	-	-	-	-	3,279,213	5,841,670
Other receivables and prepayment	237,277	174,054	944,214	603,731	144,801	107,084	-	-	1,217,355	864,868
Investment in subsidiaries	4,026,300	4,026,300	-	-	-	-	(4,026,300)	(4,026,300)	-	-
Goodwill	-	-	-	-	-	-	-	-	316,884	316,884
Intangible assets	400,006	539,166	12,295	12,625	-	-	-	-	411,196	551,789
Property and Equipment	5,149,831	5,033,899	962,596	948,577	24,183	37,856	284	-	6,288,073	6,020,334
Statutory deposit	355,000	355,000	-	-	-	-	-	-	355,000	355,000
Deferred tax asset	-	-	-	-	-	-	-	-	-	-
Total Assets	29,877,399	33,060,954	8,429,629	7,474,854	823,259	714,052	(3,709,132)	(3,709,416)	35,396,733	37,540,442
Liabilities:										
Insurance contract liabilities	9,706,533	16,303,627	-	-	-	-	-	-	9,706,533	16,303,627
Other contract liabilities	-	-	-	-	53,558	8,899	-	-	6,389	8,899
Trade payables	2,505,585	2,785,404	-	-	-	-	-	-	2,505,585	2,785,406
Employees retirement benefit obligations	-	-	-	-	12,620	29,391	-	-	28,401	27,710
Provision and other payables	2,081,705	1,690,510	938,313	636,906	11,152	16,831	-	-	3,277,614	2,351,535
Income tax liabilities	130,294	173,210	131,145	231,481	18,040	7,389	37,294	-	275,050	404,691
Deferred tax liabilities	292,095	190,671	140,938	154,967	27,099	27,099	14,029	-	481,729	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	3,323,290	2,611,284	498,944	346,994	-	208,188	(498,944)	(293,038)	3,323,290	2,611,284
(Accumulated losses)/retained earnings	29,018	(2,305,749)	1,393,698	777,913	262,769	(21,766)	5,683	-	1,560,560	(1,189,506)
Other components of equity:										
Asset revaluation reserve	3,856,647	3,735,496	326,592	326,592	-	-	(87,806)	(87,806)	4,095,433	3,974,282
Fair value reserve	355,299	279,569	-	-	-	-	(3,689)	(3,689)	331,610	275,880
Non controlling interest(NCI)	-	-	-	-	-	-	2,262,319	2,110,641	2,187,606	2,016,863
	29,877,400	33,060,954	8,429,629	7,474,854	823,260	714,052	(3,709,132)	(3,711,913)	35,396,733	37,540,442
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
Insurance service result	=N= '000	=N= '000	=N= '000	=N= '000	=N= '000	=N= '000	=N= '000	=N= '000	=N= '000	=N= '000
Profit/(loss) before income tax	7,986,041	(4,182,925)	-	-	189,172	-	(40,489)	-	7,962,693	(4,202,279)
Profit/(loss) after tax	3,156,815	(1,485,504)	656,313	735,284	107,516	43,896	(284,011)	(249,010)	4,180,927	(627,546)
	3,046,773	(1,634,596)	656,313	431,653	80,637	31,301	(284,011)	(249,010)	4,035,988	(1,092,865)

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

48 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 31 December:

	2025 N'000	2024 N'000
Total shareholders' funds	19,115,432	15,285,737
Regulatory required capital	3,000,000	3,000,000
Excess capital reserve	<u>16,115,432</u>	<u>12,285,737</u>

(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

49 Capital requirement

Solvency Margin

The solvency margin for the company as at 31 December is as follows:

	2025	2025	2025	2024	2024	2024
	Carrying			Carrying		
	amount	Inadmissible	Admissible	amount	Inadmissible	Admissible
	N'000	N'000	N'000	N'000	N'000	N'000
Cash in hand and bank	1,446,376	-	1,446,376	2,427,905	-	2,427,905
Treasury bills	141,255	-	141,255	141,879	-	141,879
Placement with financial institut	5,733,099	-	5,733,099	7,402,956	-	7,402,956
Government bonds	6,006,916	-	6,006,916	4,942,189	-	4,942,189
Quoted shares	173,376	-	173,376	138,264	-	138,264
Unquoted shares	607,208	-	607,208	492,056	-	492,056
Trade receivable	2,321,542	-	2,321,542	1,545,616	-	1,545,616
Reinsurance assets*	3,279,213	-	3,279,213	5,841,670	-	5,841,670
Other receivables and prepayme	237,277	237,071	206	174,053	165,722	8,331
Investment in subsidiaries	4,026,300	-	4,026,300	4,026,300	-	4,026,300
Intangible assets - Software	400,006	-	400,006	539,166	-	539,166
Property and equipment-(L&B)	4,798,599	3,798,599	1,000,000	4,753,499	3,753,499	1,000,000
Property and equipment (Other:	351,232	-	351,232	280,400	-	280,400
Statutory deposits	355,000	-	355,000	355,000	-	355,000
Total Assets	29,877,399	4,035,670	25,841,729	33,060,953	3,919,221	29,141,732
Insurance contract liabilities*	9,706,533	-	9,706,533	16,303,627	-	16,303,627
Trade payables	2,505,585	-	2,505,585	2,785,404	-	2,785,404
Provision and other payables	2,081,705	-	2,081,705	1,690,510	-	1,690,510
Income tax liabilities	130,294	-	130,294	173,210	-	173,210
Total liabilities	14,424,117	-	14,424,117	20,952,751	-	20,952,751
Solvency Margin			11,417,612			8,188,981
Excess of admissible asset over liabilities						
Higher of:						
Insurance revenue	22,602,820			23,330,242		
Less: Net expense from						
reinsurance contracts held	(11,174,832)			(8,923,025)		
Insurance result	11,427,988			32,253,267		
SOLVENCY MARGIN						
(ADMISSIBLE ASSETS						
MINUS ADMISSIBLE						
15% Net Premium Income	1,714,198			4,837,990		
Minimum capital required			3,000,000			3,000,000
Surplus solvency margin			8,417,612			5,188,981
Solvency ratio			381%			273%

* The following items have been maintained in line with the signed solvency certificate.

50 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.

31 December 2025	Carrying amount					Fair value			
	Designated at fair value	Amortised cost	Fair value through OCI	Other Financial liabilities	Total	Level 1	Level 2	Level 3	Total
In thousands of naira	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Financial assets not measured at fair value									
Debt instruments at amortised cost		12,451,756			12,451,756	-	12,063,535	-	12,063,535
	-	12,451,756	-	-	12,451,756	-	12,063,535	-	12,063,535

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 because their carrying amounts are a reasonable approximation of fair value.

Financial instruments in level 1: These are financial instruments traded in active markets and their value is based on quoted market prices at the reporting date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arms length basis. The quoted market price used for financial assets held by the company is the current bid price. These instruments comprise primarily equity investments classified as trading securities or available for sale.

Financial instruments in level 2: This category includes instruments valued using quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.

The fair value of premium receivables, statutory deposits, other receivables, trade payables, other technical liabilities, accruals and other payables approximate their carrying value.

Debt instruments

The company has derived the market price of its instruments on Financial Market Dealers Quotation (FMDQ).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

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.

31 December 2024	Carrying amount					Fairvalue			
	Designated at fair value	Amortised cost	Fair value through OCI	Other Financial liabilities	Total	Level 1	Level 2	Level 3	Total
In thousands of naira	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Financial assets not measured at fair value									
Debt instruments at amortised cost	-	10,197,218	-	-	10,197,218	-	9,584,586	-	9,584,586
	-	10,197,218	-	-	10,197,218	-	9,584,586	-	9,584,586

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 * The Company has not disclosed the fair values for financial instruments because their carrying amounts are a reasonable approximation of fair value.

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.

Financial instruments in level 1: These are financial instruments traded in active markets and their value is based on quoted market prices at the reporting date date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arms length basis. The quoted market price used for financial assets held by the company is the current bid price. These instruments comprise primarily equity investments classified as trading securities or available for sale.

Financial instruments in level 2: This category includes instruments valued using quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.

The fair value of premium receivables, statutory deposits, other receivables, trade payables, other technical liabilities, accruals and other payables approximate their carrying value.

Debt instruments

The company has derived the market price of its instruments on Financial Market Dealers Quotation (FMDO).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

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.

31 December 2025	Carrying amount					Fair value			
	Designated at fair value	Amortised cost	Fair value through OCI	Other Financial liabilities	Total	Level 1	Level 2	Level 3	Total
In thousands of naira	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Financial assets not measured at fair value									
Debt instruments at amortised cost		6,148,171	-	-	6,148,171		6,340,977	-	6,340,977
	-	6,148,171	-	-	6,148,171	-	6,340,977	-	6,340,977

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 because their carrying amounts are a reasonable approximation of fair value.

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.

Financial instruments in level 1: These are financial instruments traded in active markets and their value is based on quoted market prices at the reporting date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arms length basis. The quoted market price used for financial assets held by the company is the current bid price. These instruments comprise primarily equity investments classified as trading securities or available for sale.

Financial instruments in level 2: This category includes instruments valued using quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.

The fair value of premium receivables, statutory deposits, other receivables, trade payables, other technical liabilities, accruals and other payables approximate their carrying value.

Debt instruments

The company has derived the market price of its instruments on Financial Market Dealers Quotation (FMDQ).

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.

31 December 2024	Carrying amount					Fairvalue			
	Designated at fair value	Amortised cost	Fair value through OCI	Other Financial liabilities	Total	Level 1	Level 2	Level 3	Total
In thousands of naira	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Financial assets not measured at fair value									
Debt instruments at amortised cost	-	5,084,068	-	-	5,084,068	-	5,114,869	-	5,114,869
	-	5,084,068	-	-	5,084,068	-	5,114,869	-	5,114,869

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 * The Company has not disclosed the fair values for financial instruments because their carrying amounts are a reasonable approximation of fair value.

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.

Financial instruments in level 1: These are financial instruments traded in active markets and their value is based on quoted market prices at the reporting date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arms length basis. The quoted market price used for financial assets held by the company is the current bid price. These instruments comprise primarily equity investments classified as trading securities or available for sale.

Financial instruments in level 2: This category includes instruments valued using quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.

The fair value of premium receivables, statutory deposits, other receivables, trade payables, other technical liabilities, accruals and other payables approximate their carrying value.

Debt instruments

The company has derived the market price of its instruments on Financial Market Dealers Quotation (FMDQ).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

50 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 Group 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 management of other risks inherent in Veritas Kapital Assurance's business

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 FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

(b)(ii) Credit risk - continued

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

	Group		Company	
	2025	2024	2025	2024
	N'000	N'000	N'000	N'000
Reinsurance contract asset (see note 6)	3,279,213	5,841,670	3,279,213	5,841,670
Cash and cash equivalents (see note 3)	7,979,876	11,257,687	7,183,053	9,889,764
Debt Instruments (see note 4b)	12,505,417	10,226,801	6,192,482	5,113,348
Premium receivable (see note 5a)	3,059,527	2,283,601	3,059,527	2,283,601
Statutory deposit (see note 13)	355,000	355,000	355,000	355,000
Other receivables (see note 7ii)	849,086	712,734	32,371	26,781
	28,028,119	30,677,493	20,101,646	23,510,164

Cash and cash equivalents

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

Armortized cost

The Group's Debt instruments are investment in bonds with Government and reputable financial institutions. None of its investment was impaired as at 31 December 2025 (2024: Nil). However, provision for expected credit loss as required by IFRS 9 has been made on the financial assets.

The Group did not have any debt securities that were past due but not impaired as at 31 December 2025 (2024: Nil)

Veritas Kapital Assurance Plc is exposed to risk relating to its investment securities (Fixed deposits and receivables). Its receivables comprise premium receivables from customers, reinsurance contract assets and other receivables.

Collateral held and other credit enhancements, and their financial effect

The Group does not hold collateral or any other enhancements against any of its receivables as at 31 December 2025 (2024: Nil).

Premium receivables

The Group 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 counterpartys 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 Companies 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 premium 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 FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

(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.

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 Group 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 Group 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

Stage 3: The Group 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 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 FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

(b)(ii) Credit risk - continued

The Group does not originate or purchase credit impaired 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 Group 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 Group 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 range of 5-10% based on the Central banks of Nigerias 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 other receivables

All receivables fall within the scope of instruments as financial assets. This covers e.g. Inter-company receivables.

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

Intercompany receivables are considered low credit risk if it meets the required conditions. Estimation and provision for impairment is based on simplified one stage approach. Receivables 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 FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

(b)(ii) Credit risk - continued

Significant increase in credit risk, default and cure

The Group 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

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 debtors 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 Group 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 Group 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 assets subject to impairment assessment

The table below shows the credit quality and the maximum exposure to credit risk per based on the Groups internal/Moody's credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances. Details of the Groups internal grading system are also provided.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

(b)(ii) Credit risk - continued
Group

Internal rating grade	Moody's rating	2025			2024		
		12mECL N'000	LTECL N'000	Total N'000	12mECL N'000	LTECL N'000	Total N'000
Performing							
Cash and cash equivalents							
High grade	AAA-A+	-	-	-	-	-	-
Standard grade	BBB-B+	7,979,876	-	7,979,876	11,257,687	-	11,257,687
Past due but not impaired	C-CCC	-	-	-	-	-	-
Default	D	-	-	-	-	-	-
Total Gross Amount		7,979,876	-	7,979,876	11,257,687	-	11,257,687
ECL		(9,783)	-	(9,783)	(61,734)	-	(61,734)
Total Net Amount		7,970,093	-	7,970,093	11,195,953	-	11,195,953
Investment securities at amortised cost				-		-	
High grade	AAA-A+	-	-	-	-	-	-
Standard grade	BBB-B+	12,505,417	-	12,505,417	10,226,801	-	10,226,801
Past due but not impaired	C-CCC	-	-	-	-	-	-
Default	D	-	-	-	-	-	-
Total Gross Amount		12,505,417	-	12,505,417	10,226,801	-	10,226,801
ECL		(53,661)	-	(53,661)	(29,583)	-	(29,583)
Total Net Amount		12,451,756	-	12,451,756	10,197,218	-	10,197,218
Other receivables							
High grade	AAA-A+	-	-	-	-	-	-
Standard grade	BBB-B+	307,839	-	307,839	313,604	-	313,604
Past due but not impaired	C-CCC	-	-	-	-	-	-
Default	D	-	-	-	-	-	-
Unrated		944,099	-	944,099	801,982	-	801,982
Total Gross Amount		1,251,938	-	1,251,938	1,115,586	-	1,115,586
ECL		(402,852)	-	(402,852)	(402,852)	-	(402,852)
Total Net Amount		849,086	-	849,086	712,734	-	712,734

As at 31 December 2025, the Group had no asset reposited 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

(b)(ii) Credit risk - continued
Company

Internal rating grade	Moody's rating	2025			2024		
		12mECL	LTECL	Total	12mECL	LTECL	Total
		₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Cash and cash equivalents							
High grade	AAA-A+	-	-	-	-	-	-
Standard grade	BBB-B+	7,183,053	-	7,183,053	9,889,764	-	9,889,764
Past due but not impaired	C-CCC	-	-	-	-	-	-
Default	D	-	-	-	-	-	-
Total Gross Amount		7,183,053	-	7,183,053	9,889,764	-	9,889,764
ECL		(4,440)	-	(4,440)	(59,454)	-	(59,454)
Total Net Amount		7,178,613	-	7,178,613	9,830,310	-	9,830,310
Investment securities at amortised cost							
High grade	AAA-A+	-	-	-	-	-	-
Standard grade	BBB-B+	6,192,482	-	6,192,482	5,113,348	-	5,113,348
Past due but not impaired	C-CCC	-	-	-	-	-	-
Default	D	-	-	-	-	-	-
Total Gross Amount		6,192,482	-	6,192,482	5,113,348	-	5,113,348
ECL		(44,311)	-	(44,311)	(29,280)	-	(29,280)
Total Net Amount		6,148,171	-	6,148,171	5,084,068	-	5,084,068
Other receivables							
High grade	AAA-A+	-	-	-	-	-	-
Standard grade	BBB-B+	307,839	-	307,839	313,604	-	313,604
Past due but not impaired	C-CCC	-	-	-	-	-	-
Default	D	-	-	-	-	-	-
Unrated		127,384	-	127,384	116,029	-	116,029
Total Gross Amount		435,223	-	435,223	429,633	-	429,633
ECL		(402,852)	-	(402,852)	(402,852)	-	(402,852)
Total Net Amount		32,371	-	32,371	26,781	-	26,781

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 Group 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 Group'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 Group 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 FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

(b)(ii) Credit risk - continued

Where external credit ratings are not available, the Group 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 Group 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 Group 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 not 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 Group 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 Group 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."

(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 Group uses the PD tables supplied by Moodys 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 of the likely loss if there is a default. The Group estimates LGD parameters based on the history of recovery rates of claims against the defaulted counterparties. The LGD for sovereign fixed income exposures are based on publications by Moody's and the models consider the structure, collateral, seniority of claims and recovery of any collateral that is integral to the financial asset. For loans secured with properties or asset, loan to value ratios are key parameter in determining LGD. LGDs are calculated on discounted cash flow basis using effective interest rate as the discounting factor.

EAD represents the expected exposure in the event of a default. The Group derives the EAD from the current exposure to the counterparty and potential changes to the current amount allowed under the contract, including amortisation, and prepayments. The EAD of a financial asset is its gross carrying amount. As described in the accounting policy, and subject to using a maximum of a 12-month PD for financial assets for which credit risk has not significantly increased, the Company measures ECL considering the risk of default over the maximum contractual period (including any borrowers 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 Group 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 2 Summary of material accounting policies. To ensure completeness and accuracy, the Group obtains the data used from third party sources (Moodys, Standards and Poor, Economist associate etc.) and its investment team verifies the accuracy of inputs to the Company's ECL models including determining the weights attributable to the multiple scenarios.

(c) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The Group'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 unacceptable losses or risking damage to the Company's reputation.

The Group 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 Group 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 Group also monitors the level of expected cash inflows on trade and other receivables together 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.

Group	31-Dec-25							
	Contractual cash flows							
	Note	Carrying amount	3 month or less	3 - 12 months	1-2 years	2-5 years	More than 5 years	
		N'000	N'000	N'000	N'000	N'000	N'000	
Non-derivative financial assets								
Cash and cash equivalents	3	7,975,130	7,984,913	-	-	-	-	
Fair value through profit or loss	4a	173,376	69,350	104,026	-	-	-	
Reinsurance contract assets	6	3,279,213	1,311,685	1,967,528	-	-	-	
Armortised Cost	4b	12,451,756	622,588	1,245,176	1,867,763	2,490,351	6,225,878	
Fair Value through OCI	4c	607,208	-	-	-	607,208	-	
Premium receivables	5	2,321,542	2,321,542	-	-	-	-	
Other receivables	7	849,086	849,086	-	-	-	-	
		27,657,311	13,159,164	3,316,729	1,867,763	3,097,559	6,225,878	
Non-derivative financial liabilities								
Other technical liabilities	14	2,505,585	2,505,585	-	-	-	-	
Insurance contract liabilities	18	9,706,533	3,882,613	5,823,920	-	-	-	
Other payables	16	1,164,788	1,164,788	-	-	-	-	
		3,670,373	3,670,373	-	-	-	-	
Liquidity gap		23,986,938	9,488,791	3,316,729	1,867,763	3,097,559	6,225,878	
Company	31-Dec-25	Contractual cash flows						
	Note	Carrying amount	3 month or less	3 - 12 months	1-2 years	2-5 years	More than 5 years	
		N'000	N'000	N'000	N'000	N'000	N'000	
Non-derivative financial assets								
Cash and cash equivalents	3	7,179,475	7,183,915	-	-	-	-	
Fair value through profit or loss	4a	173,376	-	173,376	-	-	-	
Reinsurance contract assets	6	3,279,213	1,311,685	1,967,528	-	-	-	
Armortised Cost	4b	6,148,171	307,409	614,817	922,226	1,229,634	3,074,086	
Fair Value through OCI	4c	607,208	-	-	-	607,208	-	
Premium receivables	5	2,321,542	2,321,542	-	-	-	-	
Other receivables	7	32,371	32,371	-	-	-	-	
		19,741,356	11,156,922	2,755,721	922,226	1,836,842	3,074,086	
Non-derivative financial liabilities								
Other technical liabilities	14	2,505,585	2,505,585	-	-	-	-	
Insurance contract liabilities	18	9,706,533	3,882,613	5,823,920	-	-	-	
Other payables	16	576,048	576,048	-	-	-	-	
		3,081,633	3,081,633	-	-	-	-	
Liquidity gap		16,659,723	8,075,289	2,755,721	922,226	1,836,842	3,074,086	

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

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
		N'000	N'000	N'000	N'000	N'000	N'000
Non-derivative financial assets							
Cash and cash equivalents	3	11,196,743	11,258,477	-	-	-	-
Fair value through profit or loss	4a	138,264	82,958	55,306	-	-	-
Reinsurance contract assets	6	5,841,671	2,336,668	3,505,002	-	-	-
Armotised Cost	4b	10,197,218	509,861	1,019,722	1,529,583	2,039,444	5,098,609
Fair Value through OCI	4c	492,056	-	-	-	492,056	-
Premium receivables	5	1,545,616	1,545,616	-	-	-	-
Other receivables	7	712,734	712,734	-	-	-	-
		30,124,302	16,446,315	4,580,030	1,529,583	2,531,500	5,098,609
Non-derivative financial liabilities							
Other technical liabilities	14	2,785,406	2,785,405	-	-	-	-
Insurance contract liabilities	18	16,303,627	6,521,451	9,782,176	-	-	-
Other payables	16	741,817	741,817	-	-	-	-
		3,527,223	3,527,222	-	-	-	-
Liquidity gap		26,597,079	12,919,093	4,580,030	1,529,583	2,531,500	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
		N'000	N'000	N'000	N'000	N'000	N'000
Non-derivative financial assets							
Cash and cash equivalents	3	9,830,861	9,890,315	-	-	-	-
Fair value through profit or loss	4a	138,264	-	138,264	-	-	-
Reinsurance contract assets	6	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	-
Premium receivables	5	1,545,616	1,545,616	-	-	-	-
Other receivables	7	26,781	26,781	-	-	-	-
		22,959,317	14,053,584	4,151,673	762,610	1,508,870	2,542,034
Non-derivative financial liabilities							
Other technical liabilities	14	2,785,406	2,785,404	-	-	-	-
Insurance contract liabilities	18	16,303,627	6,521,451	9,782,176	-	-	-
Other payables	16	316,467	316,467	-	-	-	-
		3,101,873	3,101,871	9,782,176	-	-	-
Liquidity gap		19,857,444	10,951,713	(5,630,503)	762,610	1,508,870	2,542,034

Maturity analysis

The table below summarises the expected utilisation or settlement of assets and liabilities as at 31 December:

Group	2025		2024	
	Current	Non-current	Current	Non-current
Assets				
Cash and cash equivalents	7,975,130	-	7,975,130	11,196,743
Investment securities:				
<i>Fair value through profit or loss</i>	173,376	-	173,376	138,264
Amortised cost	1,822,152	10,629,604	12,451,756	8,667,635
<i>Fair value through OCI</i>	-	607,208	607,208	492,056
Premium receivables	2,321,542	-	2,321,542	-
Reinsurance contract assets	3,279,213	-	3,279,213	-
Other receivables and prepayments	1,217,355	-	1,217,355	884,867
Property and equipment	-	6,288,073	6,288,073	6,020,334
Goodwill	-	316,884	316,884	316,884
Intangible assets	-	411,196	411,196	551,789
Statutory deposits	-	355,000	355,000	355,000
Deferred tax assets	-	-	-	-
Total assets	16,788,768	18,607,965	35,396,733	21,136,743
Liabilities:				
Insurance contract liabilities	9,706,533	-	9,706,533	16,303,627
Other contract liabilities	6,389	-	6,389	8,899
Other technical liabilities	2,505,585	-	2,505,585	2,785,404
Employees retirement benefit obligations	-	28,401	28,401	27,710
Provision and other payables	3,277,614	-	3,277,614	2,351,637
Income tax liabilities	275,050	-	275,050	404,691
Deferred tax liabilities	-	481,729	481,729	372,737
Total liabilities	15,771,171	510,130	16,281,301	21,854,258
Net	1,017,597	18,097,835	19,115,432	16,003,252
			(717,514)	15,285,737

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

Maturity analysis

Company

	2025		2024	
	Current	Non-current	Current	Non-current
Assets				
Cash and cash equivalents	7,179,475	-	7,179,475	9,830,861
Investment securities:				
<i>Fair value through profit or loss</i>	-	173,376	173,376	-
<i>Amortised cost</i>	884,561	5,263,610	6,148,171	138,264
<i>Fair value through OCI</i>	-	607,208	607,208	4,346,346
Premium receivables	2,321,542	-	2,321,542	492,056
Reinsurance contract assets	3,279,213	-	3,279,213	1,545,616
Other receivables and prepayments	237,277	-	237,277	5,841,670
Investment in subsidiaries	-	-	174,054	-
Property and equipment	-	4,026,300	4,026,300	4,026,300
Intangible assets	-	5,149,831	5,149,831	5,033,899
Statutory deposits	-	400,006	400,006	539,166
Deferred tax assets	-	355,000	355,000	355,000
Total assets	13,902,068	15,975,331	29,877,399	33,060,954
Liabilities:				
Insurance contract liabilities	9,706,533	-	9,706,533	16,303,627
Other technical liabilities	2,505,585	-	2,505,585	-
Provision and other payables	2,081,705	-	2,081,705	2,785,404
Income tax liabilities	130,294	-	130,294	1,690,510
Deferred tax liabilities	-	-	173,210	-
Total liabilities	14,424,117	292,095	20,952,751	190,671
Net	(522,049)	15,683,237	(2,822,828)	21,143,422
		15,161,188	14,740,360	11,917,533

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

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 Group'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 Group 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 Group. The functional currency of the Group is the Nigerian naira.

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

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

Exposure to currency risk

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

Group	31 December 2025			31 December 2024		
In Thousands of	Carrying value	USD	NGN	Carrying value	USD	NGN
Cash and cash equivalent	7,975,130	7,130,372	844,758	11,196,743	7,292,472	3,904,271
Financial assets	-	-	-	-	-	-
Net statements of financial position exposure	7,975,130	7,130,372	844,758	11,196,743	7,292,472	3,904,271

Company	31 December 2025			31 December 2024		
In Thousands of	Carrying value	USD	NGN	Carrying value	USD	NGN
Cash and cash equivalent	7,179,475	5,695,112	1,484,363	9,830,861	4,988,742	4,842,119
Financial assets	-	-	-	-	-	-
Net statements of financial position exposure	7,179,475	5,695,112	1,484,363	9,830,861	4,988,742	4,842,119

The following significant exchange rates have been applied.

Naira	Period- end spot rate	
	2025	2024
USD 1	1435	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 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.

Effects in thousand of naira	Profit or Loss	
	Strengthening	Weakening
31 December 2025		
USD (5% movement)	356,519	(356,519)
31 December 2024		
USD (10% movement)	729,247	(729,247)

(c) (v) Interest rate risk

The Group 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 Group's interest bearing assets and liabilities.

Exposure to interest rate risk

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

The Group purchases reinsurance as part of its risks mitigation programme. Reinsurance ceded is placed on both a proportional and nonproportional basis. The majority of proportional reinsurance is quota share reinsurance which is taken out to reduce the overall exposure of the Group to certain classes of business. Nonproportional reinsurance is primarily excess of loss reinsurance designed to mitigate the Group's net exposure to catastrophe losses. Retention limits for the excess of loss reinsurance vary by product line and territory.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

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, to the 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 single insurance contract.

The Group principally issues the following types of general insurance contracts: fire, motor, bond, personal accident, aviation, marine and oil and gas. Risks under nonlife 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

Furthermore, strict claim review policies and procedures exist to assess all new and on-going claims, regular detailed review of claims handling procedure and 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, in order to reduce its exposure to unpredictable future developments that can negatively impact the business. Inflation risk is mitigated by taking expected inflation into account when estimating insurance contract liabilities.

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

The purpose of these underwriting and reinsurance strategies is 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 event to approximately 50% of shareholder equity on a gross basis and 10% on a net basis. In the event of such a catastrophe, counterparty exposure to a single reinsurer is estimated not to exceed 2% of shareholder 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 cleansing 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 around such experience) and stochastic (allowing for likely future variation around the average expected experience) 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-at-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 FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

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 underwriters' 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 statistically 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	Group 31-Dec-25	Group 31-Dec-24	Company 31-Dec-25	Company 31-Dec-24
Fixed-rate instruments				
Cash deposit	1,557,801	2,602,973	1,441,936	2,364,628
Short term deposits	6,417,329	8,655,504	5,737,539	7,466,233
Debt instruments at amortised cost	12,451,756	10,197,218	6,148,171	5,084,068
	20,426,886	21,455,695	13,327,646	14,914,929

Cashflow sensitivity analysis for fixed-rate instruments

Group	Profit 100bp increase	loss 100bp decrease	Equity, 100bp increase	net of tax 100bp decrease
Effect in thousands of naira				
31 December 2025				
Financial instruments	2,042,689	(2,042,689)		
	2,042,689	(2,042,689)	-	-
31 December 2024				
Financial instruments	2,145,570	(2,145,570)		
	2,145,570	(2,145,570)	-	-
Company				
Effect in thousands of naira				
31 December 2025				
Financial instruments	1,332,765	(1,332,765)		
	1,332,765	(1,332,765)	-	-
31 December 2024				
Financial instruments	1,491,493	(1,491,493)		
	1,491,493	(1,491,493)	-	-

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

Fair value sensitivity analysis for fixed-rate instruments

The Group 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 Group is exposed to equity price risk, which arises from fair value securities held for partially meeting the claims and benefits obligations.

The management of the Group monitors the proportion of equity securities in its investment portfolio 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 Group's investment strategy is to maximise investment returns, both to partially meet the Group's claims and benefits obligations and to improve its returns in general.

51 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	10	63,881	45,811	11,727	42,134
Accumulated depreciation	10	(48,385)	(45,483)	(9,220)	(27,047)
Net book value		<u>15,496</u>	<u>328</u>	<u>2,506</u>	<u>15,087</u>
Gain on disposal of property and equipment	35	11,604	17,205	9,283	15,876
Sales proceed		<u>27,100</u>	<u>17,533</u>	<u>11,789</u>	<u>30,963</u>

52 Other comprehensive income net of tax

		Group 2025 N'000	Group 2024 N'000	Company 2025 N'000	Company 2024 N'000
a Net actuarial gains/(loss) on retirement benefit obligation	15(i)	1,694	(16,793)	-	-
Income tax effect	17.3	(576)	1,679	-	-
		<u>1,118</u>	<u>(15,114)</u>	<u>-</u>	<u>-</u>
b Gain on revaluation of property and equipment	10	183,562	377,012	183,562	377,012
Income tax effect	17.3	(62,411)	(37,701)	(62,411)	(37,701)
		<u>121,151</u>	<u>339,311</u>	<u>121,151</u>	<u>339,311</u>
c Fair value gain on financial asset at FVOCI	4c	114,743	57,467	114,743	57,467
Income tax effect	17.3	(39,012)	(17,571)	(39,012)	(17,571)
		<u>75,730</u>	<u>39,896</u>	<u>75,730</u>	<u>39,896</u>



Value Added Statement

	Group 2025	%	Group 2024	%	Company 2025	%	Company 2024	%
Gross premium income	23,733,535		23,694,266		23,733,535		23,694,266	
Investment Income	2,997,604		2,801,394		942,684		899,447	
Other income	750,536		5,455,121		(553,041)		5,134,560	
Reinsurance claims, commission and operating expenses	(19,634,269)		(29,727,899)		(19,000,811)		(29,927,055)	
Value added	7,847,406	100	2,222,882	100	5,122,367	100	(198,782)	100
Applied as follows:								
To employees and government	2,995,213	38%	2,259,134	102%	1,667,468	33%	1,069,303	(538%)
Income tax	144,939	2%	465,319	21%	110,042	2%	149,092	(75%)
To provider finance:								
Shareholders as dividend								
Retained in the business:								
Deferred Tax	231,096	3%	231,096	10%	-	-	-	-
Depreciation and amortisation	440,170	6%	360,201	16%	298,084	6%	217,419	(109%)
Profit/(loss) for the year	4,035,988	51%	(1,092,868)	(49%)	3,046,773	59%	(1,634,596)	822%
	7,847,406	100%	2,222,882	100%	5,122,367	100%	(198,782)	100%

FIVE YEAR FINANCIAL SUMMARY

STATEMENT OF FINANCIAL POSITION

	Group 2025 N'000	Group 2024 N'000	Restated Group 2023 N'000	Restated Group 2022 N'000	Group 2021 N'000
ASSETS					
Cash and cash equivalents	7,975,130	11,196,743	6,564,667	4,408,793	5,891,133
Financial assets	-	-	-	-	-
Fair value through profit or loss	173,376	138,264	113,615	68,090	69,913
Amortised cost	12,451,756	10,197,218	7,472,050	5,192,133	3,004,760
Fair value through OCI	607,208	492,056	433,485	92,575	83,416
Trade receivables	2,321,542	1,545,616	1,029,780	738,347	119,564
Reinsurance assets	3,279,213	5,841,671	1,647,856	812,061	1,052,006
Other receivables and prepayments	1,217,355	884,867	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	411,196	551,789	422,753	68,114	102,297
Property and equipment	6,288,073	6,020,334	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	35,396,733	37,540,441	24,679,842	17,250,133	16,214,090
LIABILITIES					
Insurance contract liabilities	9,706,533	16,303,627	4,539,202	3,217,225	4,015,143
Other contract liabilities	6,389	8,899	15,539	15,912	6,144
Trade payables	2,505,585	2,785,405	2,105,972	548,733	488,190
Employees retirement benefit obligations	28,401	27,710	23,933	22,187	17,024
Provision and other payables	3,277,614	2,351,635	1,254,607	850,252	996,709
Income tax liabilities	275,050	404,691	187,033	109,064	86,652
Deferred tax liabilities	481,729	372,737	184,753	27,459	20,741
Total liabilities	16,281,301	22,254,704	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	3,323,290	2,611,284	1,900,456	1,434,593	1,303,505
Retained earnings	1,560,560	(1,189,506)	1,008,862	(985,525)	(1,455,577)
Asset revaluation reserve	4,095,433	3,974,282	3,634,971	2,572,253	2,509,957
Fair value reserve	351,610	275,880	235,984	(50,953)	(60,112)
Non Controlling interest(NCI)	2,187,606	2,016,863	1,991,597	1,892,000	688,780
Shareholders fund	19,115,432	15,285,737	16,368,802	12,459,302	10,583,487
TOTAL LIABILITIES AND EQUITY	35,396,733	37,540,441	24,679,842	17,250,133	16,214,090
Gross premium written	23,733,535	23,694,266	7,563,210	4,670,162	6,318,949
Insurance service result	7,962,693	(4,202,282)	(217,739)	972,734	-
Profit(loss) before taxation	4,180,927	(627,549)	2,982,272	782,672	344,414
Profit/(loss) after taxation	4,035,988	(1,092,868)	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	7,179,475	9,830,861	4,718,745	2,337,933	3,834,178
Financial assets					
Fair value through profit or loss	173,376	138,264	113,615	68,090	69,913
Amortised cost	6,148,171	5,084,068	3,161,226	1,481,075	1,326,510
Fair value through OCI	607,208	492,056	433,485	92,574	83,417
Trade receivables	2,321,542	1,545,616	1,029,780	738,347	119,565
Reinsurance assets	3,279,213	5,841,670	1,647,858	812,061	1,052,006
Other receivables and prepayments	237,277	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	400,006	539,166	401,541	48,162	69,901
Property and equipment	5,149,831	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	29,877,399	33,060,954	20,653,703	13,718,930	14,200,520
LIABILITIES					
Insurance contract liabilities	9,706,533	16,303,627	4,539,202	3,217,225	4,015,143
Trade payables	2,505,585	2,785,404	2,105,972	548,733	488,190
	-	-	-	-	-
Provision and other payables	2,081,705	1,690,510	597,590	488,843	572,865
Income tax liabilities	130,294	173,210	80,876	34,807	23,542
Deferred tax liabilities	292,095	190,671	157,143	-	-
Total liabilities	14,716,212	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	3,323,290	2,611,284	1,900,456	1,434,593	1,303,505
Retained earnings	29,018	(2,305,749)	39,673	(1,888,408)	(1,951,246)
Asset revaluation reserve	3,856,647	3,735,496	3,396,185	2,333,468	2,208,012
Fair value reserve	355,299	279,569	239,673	(47,264)	(56,423)
Shareholders fund	15,161,187	11,917,532	13,172,921	9,429,322	9,100,781
TOTAL LIABILITIES AND EQUITY	29,877,399	33,060,954	20,653,703	13,718,930	14,200,520
Gross premium written	23,733,535	23,694,266	7,298,401	4,369,573	6,055,352
Insurance service result	7,986,041	(4,182,925)	(217,739)	972,734	
Profit/(loss) before taxation	3,156,815	(1,485,504)	2,405,607	221,552	36,314
Profit/(loss) after taxation	3,046,773	(1,634,596)	2,317,819	193,925	294,928

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PROXY FORM

49 th ANNUAL GENERAL MEETING of the Members of VERITAS KAPITAL ASSURANCE PLC to be held on, virtually via Veritas Kapital Assurance PLC - AGM Meeting Page Friday 16th October 2026 at 11.00 am to transact the following business:								
I/We, (Name of Shareholder in block letters), being a member(s) of the above-named Company, Veritas Kapital Assurance Plc, hereby appoint any of the under listed proposed proxies: a. Mr. Emmanuel Etuh b. Mr. Paul Oki as my/our proxy to attend and vote for me/us and on my/our behalf at the 49th Annual General Meeting of the Company to be held on Friday, 16th October 2026 and at any adjournment thereof. Unless otherwise instructed, the Proxy will vote or abstain from voting as he/she thinks fit. Dated this day of, 2026. SIGNATURE OF SHAREHOLDER:	Please indicate an 'X' in the appropriate box how you may wish your votes to be cast on the resolutions set above. Unless otherwise instructed, the proxy will vote or abstain from voting at his discretion.							
	ORDINARY BUSINESS 1. To lay before the members, the Audited Financial Statements of the Company for the year ended December 31, 2025, together with the Reports of the Directors, Auditors, and Audit Committee thereon. 2. To authorize the Directors to fix the remuneration of the External Auditors, Messrs Ernst and Young 3. To elect members of the Statutory Audit Committee 4. To re-elect the following Directors retiring by rotation and who, being eligible, have offered themselves for re-election: - Mr. Babatunde Irukera - Mr. Paul Oki - Mr. Emmanuel Etuh	FOR	AGAINST	ABSTAIN	SPECIAL BUSINESS 6. To approve the remuneration of the Non-Executive Directors of the Company for the year ending December 31, 2026 7. To appoint Planet Governance Advisory Limited as Board Evaluation Consultant.	FOR	AGAINST	ABSTAIN
	5. To disclose the remuneration of Managers of the Company.		1					
NOTES								
1. A Member to attend and vote at the General Meeting is entitled to appoint a proxy in his stead. A proxy need not be a member of the Company. A Proxy Form is attached to this Notice and is valid for the meeting. 2. Shareholders are therefore requested to submit their completed proxy forms in line with the Corporate Affairs Commissions' Guideline to the office of the Company Secretary, Veritas Kapital Assurance PLC, Plot 497 Abogo Largema street, Central Business District, Abuja, FCT or office of the Registrars, Unity Registrars Ltd, 25 Ogunlana Drive, Surulere, Lagos not more than 48 hours before the time of the meeting or through the following email address: info@unityregistrarsng.com. 3. If the shareholder is a company, this form must be under its common seal or under its common seal or he hand and seal of its attorney.								

Website: www.unityregistrarsng.com

UNITY REGISTRARS LIMITED
Email: Info@unityregistrarsng.com

Tel: 08085009235



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