VERITAS KAPITAL ASSURANCE PLC

ANNUAL REPORT AND

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

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CORPORATE INFORMATION

DIRECTORS

Mr. Nahim Abe Ibraheem	Non-Executive Director	Chairman
Dr. Oluwafunsho A. Obasanjo	Non-Executive Director	
Mr. Aminu Babangida	Non-Executive Director	
Hajia Yabawa Lawan Wabi (MNI)	Non-Executive Director	
Mrs Priya Heal (British)	Non-Executive Director	
Mr. Emmanuel Etuh	Non-Executive Director	
Sen. Maj. Gen. M. Magoro (OFR)	Non-Executive Director (tenure expired 22 May 2024)	
Mr. Paul Oki	Independent Non-Executive Director	
Mr. Sunkanmi Adekeye	Executive Director, Operations	
Dr. Adaobi Nwakuche	Managing Director/CEO	

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

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

www.veritaskapital.com
RC NO: 11785

FRC REGISTRATION NO:
FRC/2013/0000000000717

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

PROPERTY VALUERS
Jide Taiwo & Co
No 70 Abidjan Street Wuse Zone 3, Abuja
Abuja-FCT

RE-INSURERS
African Reinsurance Corporation
Continental Reinsurance Corporation
WAICA Reinsurance Corporation
Nigerian Reinsurance Corporation
Alwen Hough Johnson (AHJ) Limited
CK Reinsurance Limited
Meridian Risk Solutions Ltd, London
Score Re.
CICA Re.

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

REGISTRARS
Unity Registrars Limited
25 Ogunlana Drive
Surulere Lagos.

AUDITOR
Ernst & Young Nigeria
10th & 13th Floor, UBA House,
57 Marina, Lagos, Nigeria

TAX CONSULTANTS
Pedabo Professional Services
Lagos

REGULATORY AUTHORITY
National Insurance Commission

Tax Identification Number **01129230-0001**

FINANCIAL RESULT AT A GLANCE

RESULT AT A GLANCE (GROUP)				
Figure in thousands of naira	**2024**	**2023**	**Changes**	
Gross premium	23,694,266	7,563,210	16,131,056	213%
Insurance revenue	23,310,885	7,103,516	16,207,369	228%
Insurance service expense	(18,757,127)	(5,488,154)	(13,268,973)	242%
Insurance service result before reinsurance contracts held	4,553,758	1,615,362	2,938,396	182%
Net expenses from reinsurance contracts held	(8,923,025)	(1,833,101)	(7,089,924)	387%
(Loss)/profit before income tax	(623,716)	2,982,272	(3,605,988)	(121%)
Income Tax	(161,687)	(231,985)	70,298	(30%)
(Loss)/profit after income tax	**(785,403)**	**2,750,288**	(3,535,691)	(129%)

RESULT AT A GLANCE (COMPANY)				
Figure in thousands of naira	**2024**	**2023**	**Changes**	
Gross premium	23,694,266	7,298,401	16,395,865	225%
Insurance revenue	23,330,242	7,103,516	16,226,726	228%
Insurance service expense	(18,590,142)	(5,488,154)	(13,101,988)	239%
Insurance service result before reinsurance contracts held	4,740,100	1,615,362	3,124,738	193%
Net expenses from reinsurance contracts held	(8,923,025)	(1,833,101)	(7,089,924)	387%
(Loss)/profit before income tax	(1,485,504)	2,417,104	(3,902,608)	(161%)
Income Tax	(149,092)	(87,788)	(61,304)	70%
(Loss)/profit after income tax	**(1,634,596)**	**2,329,316**	(3,963,912)	(170%)

VISION MISSION AND VALUES

MISSION
To help our Stakeholders have peace of mind

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

PRINCIPLES

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

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

Responsibilty

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

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

OUR COMMITMENTS

Customers

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

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

Business Partners

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

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

Employees

Motivated and skilled employees are critical to our success.

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

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

OUR COMMITMENTS - CONTINUED

Regulators

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

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

Community & Environment

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

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

Shareholders

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

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

ENTERPRISE RISK MANAGEMENT FRAMEWORK

Veritas Kapital Assurance Plc has a robust enterprise risk management framework designed along the requirements of NAICOM and the Committee of Sponsoring Organization of the Treadway Commission (COSO). Priority is placed on proper risk management of the business activities of the company. The framework upholds a risk management culture where everyone is involved from the levels of the Board and Executive committees down to risk owners and respective risk units.

The Company's Enterprise Risk Management framework establishes the context, identifies, analyses, evaluates, treats, monitors, communicates, and reviews the key risks it assumes in carrying on its business. These risks include legal, compliance, underwriting, reinsurance, claims, operational, market, credit, liquidity, business, reserve, reputational and pandemic risks. Enterprise risk management risk includes management's approach to managing inherent risks in the business and its appetite for these risk exposures. Under this approach, the Company constantly assesses its key risks and monitors the risk profile against the acceptable limits. The main strategies for managing and mitigating risks include the implementation of policies, and procedures and the utilisation of tools that target specific and broad risk categories.

Enterprise Risk Management Principles

The Company's risk management principles optimize value creation and returns on investments. They assist the company in achieving its vision and delivery of business objectives. As part of the risk strategy to manage all the foreseeable key risk exposures, our guiding principles are:

a. Support compliance with regulatory requirements
b. Uphold the Company's integrity and value system
c. Aid the understanding of the potential upside and downside of key risks
d. Increase the probability of success and reduce the uncertainty of achieving the organization’s overall objectives
e. Add sustainable value to all the activities of the organization
f. Assure business growth with financial stability
g. Support the culture that “managing risk is everybody's responsibility”

Our risk management context is incorporated in our mission statement of becoming one of the top insurance companies of choice in Africa through wealth protection by a team of risk and investment managers that provide our customers and other stakeholders with effective, creative solutions, assuring their financial security with our superior strength and capacity in the Nigerian insurance market space.

The Risk Culture

a. The responsibility for risk management in the Company is fully vested in the Board which in turn delegates such to senior management.
b. The Board and Senior Management consciously promote a proactive approach to risk management, ensuring that the sustainability and reputation of the Company are not adversely impacted while expanding its market share.
c. The Company’s management creates awareness of risk and risk management across the board.
d. The Company continually subjects its products, distribution channels, locations and customers to effective risk assessment. It will not engage in any business until it has objectively assessed and determined how to manage the associated risks.
e. The Company pays adequate attention to both quantifiable and unquantifiable risks as well as internal and external risk exposures.

Risk Management Framework

Our risk management framework was structured and imbedded in our culture and processes. There are clear levels of responsibilities (from the Board of Directors to the Unit Staff) assigned for adequate management of our business risks.

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

ENTERPRISE RISK MANAGEMENT FRAMEWORK - Continued

1st line of defence (Risk Ownership):
The Board of Directors and the Board Risk Committee are charged with the responsibility for oversight of the Enterprise Risk Management process, proposing and approving the Risk Appetite level for the business, and ensuring that appropriate controls are established and maintained. It also comprises senior management, front-line management and staff (process or the risk owners) who execute the controls to enhance the likelihood that the organization's objectives will be achieved.

2nd line of defence: Risk Control:
This comprises the Risk Management Department of the Company. The department is responsible for designing the risk framework methodologies and tools which support the evaluation and management of the gross risks within the business while ensuring that they are appropriately included in the Risk Profile. The Chief Risk Officer ensures an understanding of the risk management process throughout the organization by embedding, improving continuously a risk awareness culture, and working with process owners to review and update the risk and control register.

The Chief Risk Officer (CRO) is also responsible for implementing the policies and procedures contained in the risk framework. The role of the Chief Risk officer includes consulting and advising the Board, Management and staff on the identification, control and mitigation of risks.

3rd line of defence: Risk Assurance:
It encompasses the internal audit which provides independent, objective assurance that the efforts of the first and second lines are consistent with expectations as well as the effectiveness, adequacy of risk management, control and governance processes.

Risk Appetite
The company drives its business initiatives cautiously to mitigate loss of value or exposures to inherent risks. To improve the value of shareholders' wealth and remain profitable, the company designed its appetite with adequate consideration of risk exposures in any given situation. The risk appetite represents the amount of risk exposure or potential adverse impact from an event that the company is willing to accept or retain. The risk appetite of the Company is set by the Board of Directors annually, and it is aimed at minimizing erosion of earnings or capital due to avoidable losses in investment and underwriting records, or from frauds and operational inefficiencies. The company's risk appetite objectives include:

a. Consistently striving to minimize the overall cost of risk exposure and its management through effective risk mitigation practices.
b. Optimization of capital employed through enhanced returns on equity.
c. Low appetite for operational risk. These risks are mitigated and controlled where the cost of control is less than or equal to the cost or impact of the risk.
d. Zero appetite for internal fraud activities.

Risk Management Policies and Procedures
The Enterprise Risk Management policies and procedures which have been strategically instituted aim at managing potential, inherent and residual risk categories in our operations.

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

ENTERPRISE RISK MANAGEMENT FRAMEWORK - Continued

Risk Classification

The Company can be exposed to many types of risks while carrying on its business. Some of these include:

Market Risk/Investment Risk This is the risk to a Company's financial condition resulting from adverse movements in the level or volatility of market prices. The Company has a structured process and basis for measuring and calculating the probability of loss and possible impact on the Company's capital resources caused by adverse changes in the price of stocks/ shares, property, exchange rates and other relevant market conditions. The Company has established investment limits in its operational guidelines and policy of asset diversification in line with NAICOM regulations to prevent over-concentration and overexposure to any particular market. The controls on exchange rate risk are also conspicuous in the risk register. **Management of crystallised Market Risk/Investment Risk:** The Head of the (Finance and Investment) department has the responsibility of liaising with all relevant departments/ stakeholders to report the exact type of risk, the magnitude of the loss, the cause of loss, remedial action to Management for necessary recovery actions and future preventive controls. Depending on the magnitude of the impact, management can escalate it to the Board before or after recovery actions.	**Credit Risk** This is the risk that the counterparty will default on payment or fail to perform any obligation to the Company. The Company has a system for conducting due diligence on the creditworthiness of any party to which it has credit exposure. The Company does not ordinarily grant credit facilities to third parties in the course of its business but could have low credit risk associated with redeeming credit notes by Insurance Brokers following "No Premium No Cover" by NAICOM. Our placements in banks are also determined by the rating (strength) of the bank and consider NAICOM guideline on the (single obligor) limit of exposure to a single bank. **Management of crystallised Credit Risk:** The Team Lead, Credit Control has the responsibility of reporting materialised risk to the Head of the (Finance and Investment) department who will further liaise with all relevant departments/ stakeholders to report the exact type of risk, the magnitude of loss, the cause of loss, remedial action to Management for necessary recovery actions and future preventive controls. Depending on the magnitude of the impact, management can escalate it to the Board before or after recovery actions.	**Operational Risk** This is the risk of loss from inadequate or failed internal processes, people and systems or from external events which arise from the potential that inadequate information systems, operational problems, breaches in internal controls, fraud, or unforeseen disasters will result in unexpected losses. The company has policies that cover the risk that may arise from people, systems and internal process failures. The policies include staff recruitment, training, retention plans, succession plans, remuneration and welfare benefits, designing standard operating procedures and policies, driving compliance culture, process automation, Information Technology (IT) support systems, data integrity, IT systems access controls, cloud storage of data etc. **Management of crystallised Operational Risk:** The Head of the department where the operational risk (which could arise from system, process or people) materialised has the responsibility of liaising with all relevant departments/ stakeholders to report the exact type of risk, the magnitude of loss, the cause of loss, remedial action to Management for necessary recovery actions and future preventive controls. Depending on the magnitude of the impact, management can escalate it to the Board before or after recovery actions.
Liquidity Risk Liquidity risk exists when there is insufficient cash flow to meet the Company's operational and financial	**Reinsurance Risk** This is the risk of inadequate reinsurance cover to mitigate underwriting risk. It usually	**Underwriting Risk** Underwriting is the process by which an insurer determines the conditions necessary and suitable to accept

obligations and is usually associated with the inability to liquidate assets or obtain funding from external sources to pay claims and other liabilities when due. The company manages its liquidity risk through appropriate assets and liability management strategies through the Investment Committee. Monthly reports and reviews of liquidity gaps are conducted to assess the level of liquidity risk. **Management of crystallised Liquidity Risk:** The Head of the (Finance and Investment) department has the responsibility of liaising with all relevant departments/ stakeholders to report the exact type of risk, the magnitude of loss, the cause of loss, remedial action to Management for necessary recovery actions and future preventive controls. Depending on the magnitude of the impact, management can escalate it to the Board before or after recovery actions.	occurs when there is the insolvency of a reinsurer, discovery of exposures without current reinsurance coverage, or exhaustion of reinsurance covers through multiple losses. The company has documented reinsurance policies for adequate reinsurance arrangements and treaties for all categories of insurance business transacted. The policies include the process for Reinsurer selection, monitoring, claims recovery, etc. **Management of crystallised Reinsurance Risk:** The Team Lead, Reinsurance has the responsibility of reporting materialised risk to the Head of the (Reinsurance) department who will further liaise with all relevant departments/ stakeholders to report the exact type of risk, the magnitude of loss, the cause of loss, remedial action to Management for necessary recovery actions and future preventive controls. Depending on the magnitude of the impact, management can escalate it to the Board before or after recovery actions.	insurance risk. The risk crystallizes when there are severe and frequent claims against the Company's projected capacity. The company has embedded internal control processes to guide its insurance business against the risk of unexpected losses and capital erosion. There is a well-documented underwriting policy and procedures which are enforced throughout the organisation. **Management of crystallised Underwriting Risk:** The Head of the (Technical) department has the responsibility of liaising with all relevant departments/ stakeholders to report the exact type of risk, the magnitude of the loss, the cause of loss, remedial action to Management for necessary recovery actions and future preventive controls. Depending on the magnitude of the impact, management can escalate it to the Board before or after recovery actions.

Reputational Risk This is the risk of events that could cause public distrust and damage to the company's integrity, brand and goodwill especially in the eyes of the customers, regulators, competitors, and the general public. We manage reputational risk through a structured approach for defining and implementing core values and acceptable standards of behaviour which the staff are expected to follow while conducting the day-to-day business of the company. The company's risk assessment and monitoring process has embedded controls for testing reputational risk and the outcome of such exercise is communicated to the Board Risk Committee quarterly. **Management of crystallised Reputational Risk:** The Head of the department where the risk materialised has the responsibility of liaising with all relevant departments/ stakeholders to report the exact type of risk, the magnitude of the loss, the cause of loss, remedial action to Management for necessary recovery actions	**Business Risk** The company's business risk is associated with losing market shares and becoming unprofitable. This risk is considered through a documented process for product development and launch, business segment profitability analysis, stakeholder engagement as well as being rooted in our brand. **Management of crystallised Business Risk:** The Head of the (Business Development) department has the responsibility of liaising with all relevant departments/ stakeholders to report the exact type of risk, the magnitude of the loss, the cause of loss, remedial action to Management for necessary recovery actions and future preventive controls.

and future preventive controls. Depending on the magnitude of the impact, management can escalate it to the Board before or after recovery actions.	Depending on the magnitude of the impact, management can escalate it to the Board before or after recovery actions.
Legal/Compliance Risk Management The company has procedures to ensure that all statutory regulations are completely adhered to by the business unit at all times. These regulations include those set by NAICOM and other relevant agencies of government. There are internal control processes and policies that identify potential infractions to the regulations and are promptly mitigated. Some of the controls include: • Know-your-customer (KYC) procedure. • Anti-money laundering/combating the financing of terrorism/ combating proliferation financing (AML/CFT/CPF) policy • Anti-bribery and corruption measures • Guidelines for adherence to Corporate Governance principles. • Gift policies • Whistleblowing policies • Data Protection and Privacy Policy **Management of crystallised Legal/Compliance Risk:** The Head of the Legal department and Compliance unit has the responsibility of liaising with all relevant departments/ stakeholders to report the exact type of risk, the magnitude of loss, the cause of loss, remedial action to Management for necessary recovery actions and preventive future controls. Depending on the magnitude of the impact, management can escalate it to the Board before or after recovery actions.	**Pandemic Risk:** This emanates from the outbreak of Coronavirus disease, Ebola Virus disease etc which can disrupt or adversely affect the operations of the company. Some of the control measures are: • Ensuring compliance by staff and customers with the Nigeria Centre for Disease Control (NCDC) Protocol during access into our business premises to stay safe and stem infections. • Rotation of staff on duty to ensure social distancing. • Application of work-from-home policy by staff that can operate online in accordance with the departmental roster. • Staff vaccination with the National Primary Health Care Development Agency (NPHCDA) **Management of crystallised Pandemic Risk:** The Head of the department where the pandemic risk occurred has the responsibility of liaising with all relevant departments/ stakeholders to report the exact type of risk, the magnitude of the loss, the cause of loss, remedial action to Management for necessary recovery actions and future preventive controls. Depending on the magnitude of the impact, management can escalate it to the Board before or after recovery actions.

Claims Risk Management

This is the risk that the insurer may be unable to manage the settlement process by which insurers fulfil their contractual obligation to policyholders.

It can be triggered by the delay in settlement of Claims, incomplete documentation, delay in loss adjuster's reports, repudiation of claims etc. We manage claims settlement risk using full documentation claim management Policy, well-structured, well-trained and dedicated staff in the Unit, competent and trustworthy claim examiners/loss adjusters, by settlement of claims within 48 hours after execution of discharge voucher and Executive Management's approval before repudiating a claim.

Management of crystallised Claims Risk: The Team Lead, Reinsurance has the responsibility of reporting materialised risk to the Head of the (Reinsurance) department who will further liaise with all relevant departments/ stakeholders to report the exact type of risk, the magnitude of loss, the cause of loss, remedial action to Management for necessary recovery actions and future preventive controls. Depending on the magnitude of the impact, management can escalate it to the Board before or after recovery actions.

Anti-Money Laundering /Combating the Financing of Terrorism/ Combating Proliferation Financing (AML/CFT/CPF) risk

It arises from being involved in the process of concealing sources of money obtained by corruption, drugs, illegally or the proceeds of a crime; the products being utilized as a channel for terrorism or proliferation financing.

Some of the control measures are:

a. Use of Insurance Proposal Form to capture customer's data
b. Checking customers against internal information and the internet on known money launderers.
c. Checking customers against external information from UN sanctions lists on known or suspected money launderers and terrorists.
d. Establishment of the source of wealth and source of funds.
e. Checking customers against internal databases and the internet on Politically Exposed Persons (PEPs).
f. KYC documentation including valid means of identification.
g. First payment by non-face-to- face customers to be carried out through an account in the customer's name with a bank subject to similar CDD standards while return premium should be in favour of the insured/policyholder and reported to NAICOM.
h. Third-party introduction, e.g. by an intermediary such as a broker.
i. Verification of the correctness and completeness of information in addition to the references provided by the employee during recruitment to avoid internal collaboration with money launderers.
j. Cash Transaction Report (CTR) and Suspicious Transaction Report (STR) to Nigeria Financial Intelligence Unit (NFIU).
k. Independent contact with the customer by the insurer as part of due diligence.
l. Ongoing monitoring of the business relationship trend.
m. Risk assessment of any new product or new business practice and implementation of adequate measures to mitigate Money Laundering, Financing of Terrorism and Proliferation Financing.

Risk Report

Risk assessments are collated and presented in a report called the Risk Report. The risk report draws senior management's attention to the key risks as well as the adequacy of existing controls to mitigate the risks. The risk report provides a summary of the ratings of the significant risks and the probability of occurrence within a specific period. This helps to estimate and prevent potential operational and financial losses.

Risk Control and Self-Assessment (RCSA)

The company has a structure for risk assessment periodically and this is known as Risk Control and Self-Assessment (RCSA). It involves the identification of procedures or assessments that need to be performed periodically to ensure that key controls are in place and are working effectively as designed. The controls are proactively assessed through risk analysis of our processes and review of policy requirements, loss events, and audit findings. Consequently, the company updates the controls required to accomplish policy requirements, and test the processes and controls for the adequacy of capability in risk mitigation. Risk Champions are engaged in each business or risk unit to facilitate the process of risk control self-assessment in the company.

Health Safety and Environment (HSE) Management

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

Business Continuity Plan (BCP)

The company's data have been duplicated in cloud storage. The Business Continuity Plan (BCP) has been designed to ensure sustainability against operational threats and promote the continuity of critical operations in the event of a

ENTERPRISE RISK MANAGEMENT FRAMEWORK - Continued

disaster or disruption to our operations. The BCP outlines contingency procedures to follow in the event of emergencies including work from home and remote locations.
A penetration test is also periodically conducted to check for exploitable vulnerabilities. We aim to improve on gaps identified during any testing period.

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.

Mr. Nahim Abe Ibraheem
CHAIRMAN
FRC/2020/003/00000020878

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

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 for the purpose of ensuring compliance with NAICOM guidelines;

b The Board is satisfied with the efficacy of the processes and systems surrounding the production of financial information of the company;

c The company has in place a Risk Management Strategy, developed in accordance with 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. Nahim Abe Ibraheem
Chairman
FRC/2020/003/00000020878

THE AUDIT COMMITTEE REPORT

TO THE MEMBERS OF VERITAS KAPITAL ASSURANCE PLC

By the provision of Section 404 (7) of the Companies and Allied Matters Act (CAMA) 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 2024 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 Committee

Mr. Emmanuel Etuh	Non-Executive Director	Chairman	FRC/2022/PRO/NBA/002/571378
Hajia Yabawa Lawan Wabi (MNI)	Non-Executive Director	Member	
Mal. Muhammad B. Alhassan	Shareholders' Representative	Member	
Alh. Usman Abaji	Shareholders' Representative	Member	
Mr. Olusegun J. Akintunde	Shareholders' Representative	Member	

SUSTAINABILITY REPORT

At Veritas Kapital Assurance Plc ("the Company"), sustainability is deeply embedded in our corporate strategy, reflecting our commitment to responsible resource management and long-term value creation. We recognize that true business success extends beyond financial performance—it requires a balanced approach that integrates environmental stewardship, social responsibility, and strong governance (ESG principles). Our sustainability efforts are driven by a vision to preserve natural resources, promote inclusive growth, and contribute to the well-being of future generations.

Our decision-making framework incorporates both financial and non-financial considerations, ensuring that our operations align with global best practices in sustainability. We actively assess the potential impact of our business activities on sustainability goals, fostering an approach that enhances resilience, strengthens stakeholder trust, and drives positive change.

This report provides insights into our **sustainability strategy, achievements, and ongoing initiatives**, covering key focus areas such as:

- **Social Responsibility** – Employee engagement, training and development, workplace health, safety, and well-being.
- **Customer Relations** – Enhancing customer experience through ethical service delivery and responsible business practices.
- **Economic Impact** – Contributing to economic development through sustainable business practices and innovation.
- **Governance & Ethics** – Upholding high standards of corporate governance, transparency, and ethical conduct.
- **Environmental Considerations** – Minimizing our ecological footprint through resource efficiency and climate-conscious policies.

At Veritas Kapital Assurance Plc, we remain dedicated to sustainable business practices, ensuring that our operations contribute positively to the communities we serve while fostering long-term corporate growth and resilience.

1.0 SOCIAL RESPONSIBILITY

At Veritas Kapital Assurance Plc, we recognize that our people are at the heart of our success. Our commitment to fostering a safe, inclusive, and empowering work environment remains unwavering. We adhere to the highest standards of occupational health and safety, human rights, fair labour practices, and workplace diversity, ensuring that our employees and stakeholders thrive in a respectful, equitable, and conducive environment.

a) **Occupational Health and Safety (OHS)**

The health, safety, and well-being of our workforce remain a top priority, as we continue to comply with all applicable regulations and best practices. Our premises are designed and maintained to ensure a secure and hazard-free working environment, fostering a culture of workplace safety and employee wellness.

Key Occupational Health & Safety Initiatives:

- **First Aid & Emergency Response:** First aid stations and emergency response mechanisms are available in all office locations, ensuring immediate medical attention when required.
- **Health Management Organization (HMO) Support:** Our partnership with a reliable Health Management Organization (HMO) ensures that employees and their families receive free medical services, counselling, and wellness programs to enhance their well-being.
- **Fitness & Wellness Programs:** Employees have access to gymnasium facilities, promoting physical fitness and healthy living.
- **Health Awareness Campaigns:** Periodic health education programs and medical screenings are organized to raise awareness about preventative healthcare and lifestyle management.
- **Compliance with HSE Policies:** The degree of adherence to our Health, Safety, and Environment (HSE) Policy remains high, ensuring a zero-fatality and injury-free record in 2024.

SUSTAINABILITY REPORT – Continued

By prioritizing employee safety and well-being, we reinforce our commitment to maintaining a resilient and thriving workforce while ensuring compliance with industry safety regulations.

b) **Human Rights Protection**

At Veritas Kapital Assurance Plc, we operate in strict alignment with global human rights principles, ensuring that every individual is treated with fairness, dignity, and respect. Our policies emphasize non-discrimination, ethical labour practices, and employee rights, reinforcing our corporate culture of integrity and accountability.

Key Human Rights Initiatives:

- **Fair and Ethical Business Practices:** Our operations are guided by international human rights frameworks, ensuring that all stakeholders—including employees, suppliers, contractors, and customers—are treated equitably.
- **Whistleblowing & Grievance Mechanisms:** We provide confidential and accessible channels for employees and stakeholders to report concerns about unethical behavior, discrimination, or rights violations. Reports are thoroughly investigated, and necessary corrective measures are implemented.
- **Zero-tolerance policy on Workplace Harassment:** We maintain a zero-tolerance stance on harassment, intimidation, or discrimination, fostering a work environment that is free from prejudice or undue influence.
- **Human Rights Due Diligence:** We conduct periodic **human rights risk assessments** to ensure compliance with international labour standards and ethical governance frameworks.

Performance Review: In 2024, **no reported cases of human rights violations** were recorded across our business operations, a testament to the effectiveness of our policies and employee awareness programs.

c) **Fair Labor Practices & Employee Engagement**

As a responsible employer, Veritas Kapital Assurance Plc is dedicated to fostering a fair, equitable, and growth-oriented workplace. We provide competitive remuneration, skills development programs, and career advancement opportunities to empower our employees.

Key Labor Practices & Employee Initiatives:

- **Equal Opportunity & Fair Remuneration:** We ensure that employees are compensated **fairly and equitably**, with salaries and benefits aligned to industry benchmarks and regulatory requirements.
- **Talent Development & Career Growth:** Employees are encouraged to participate in upskilling programs, leadership training, and mentorship initiatives to enhance their professional competencies.
- **Staff Incentive & Recognition Programs:** Our performance-driven incentive schemes include:
    i. Salary reviews & bonuses based on performance evaluations.
    ii. Promotion and career progression opportunities for high-performing employees.
    iii. Staff retirement benefit plans, ensuring long-term financial security for our workforce.
- **Employee Satisfaction & Feedback Mechanisms:** We conduct **regular job satisfaction surveys** and **leadership assessments**, ensuring that employees' perspectives and concerns are integrated into management decisions.

Performance Review:

- In 2024, the company maintained a healthy employee retention rate, with staff turnover remaining within acceptable limits.

SUSTAINABILITY REPORT - Continued

- 42.40% of our workforce comprises women, reinforcing our commitment to workplace diversity and gender balance.

By prioritizing employee welfare, engagement, and professional growth, we continue to strengthen our reputation as a top employer in the Nigerian insurance industry.

d) **Workplace Diversity & Inclusion**
Diversity and inclusion are core pillars of our corporate culture. We are committed to fostering a workplace where employees of all backgrounds feel valued, respected, and empowered to contribute meaningfully.

Key Diversity & Inclusion Policies:

- **Non-Discrimination & Equal Opportunity:** Our employment policies strictly prohibit discrimination based on: Gender, Age, Religion, Ethnicity, Physical ability, Economic background and Political affiliation
- **Workforce Representation & Inclusion:** We actively promote gender diversity, inclusion of persons with disabilities, and representation of diverse ethnic groups within our workforce.
- **Cultural Sensitivity & Awareness Programs:** Training sessions are periodically held to promote awareness and appreciation of workplace diversity, ensuring that all employees feel included and respected.
- **Flexible Work Arrangements:** We recognize the varied needs of employees and provide flexible work options, particularly for parents and employees with special circumstances.

Conclusion
At Veritas Kapital Assurance Plc, we believe that sustainability is only possible when businesses prioritize people—their employees, customers, and communities. Our Occupational Health & Safety, Human Rights, Labor Practices, and Diversity & Inclusion policies reflect our unwavering commitment to social responsibility.
We will continue to enhance our workplace culture by:

- ✓ Strengthening health and safety initiatives to maintain a zero-fatality and injury-free record.
- ✓ Expanding employee training and development programs to nurture future leaders.
- ✓ Reinforcing whistleblowing and grievance mechanisms to uphold ethical conduct.
- ✓ Advancing gender and diversity targets to create a more inclusive workplace.

By investing in our people, we reaffirm our dedication to sustainable business practices that create long-term value for all stakeholders.

2.0 ECONOMIC RESPONSIBILITY

At Veritas Kapital Assurance Plc, our commitment to sustainable economic growth is reflected in the way we design and deliver quality products, manage relationships with stakeholders, and contribute to social development. In 2024, we continued to integrate economic, social, and ethical considerations into our business operations to drive positive outcomes for our customers, partners, and communities.

a) **Quality Products and Services: Excellence in Underwriting**
As a leading underwriting firm, we remained committed to customer-centric innovation, ensuring that our products and services met local regulatory requirements, international best practices, and evolving market demands. Our approach emphasized:

SUSTAINABILITY REPORT – Continued

- ✓ **Compliance & Risk Management:** Strengthening adherence to industry standards, reducing underwriting risks, and ensuring product sustainability.
- ✓ **Customer Satisfaction & Experience:** Regular feedback mechanisms were implemented to enhance service delivery and improve policyholder engagement.
- ✓ **Sustainability Considerations:** We evaluated the economic and environmental impact of our services to ensure responsible risk assessment and sustainable product offerings.

Through these efforts, we reinforced our reputation as a reliable, customer-focused insurance provider, enhancing consumer confidence in the Nigerian insurance industry.

b) **Supplier Relationship Management & Ethical Procurement**
We maintained a transparent, ethical, and inclusive supply chain management system, ensuring that our business relationships upheld fairness, integrity, and sustainability.

Key principles guiding our supplier engagement included:

- ✓ **Transparent Procurement Practices:** Strict adherence to policies that promote fair competition and eliminate corruption risks.
- ✓ **Supplier Code of Conduct:** Upholding standards of confidentiality, ethical business conduct, and anti-corruption measures.
- ✓ **Conflict of Interest Management:** Ensuring arm's length transactions and minimizing risks associated with insider dealings.
- ✓ **Support for Small and Medium Enterprises (SMEs):** Encouraging local sourcing and vendor development to promote economic empowerment and strengthen Nigeria's business ecosystem.
- ✓ **Annual Vendor Reviews:** Conduct regular performance evaluations of service providers to ensure compliance with **service-level agreements** and industry benchmarks.

By upholding ethical procurement standards, we fostered long-term partnerships, built trust with stakeholders, and contributed to a more resilient, transparent, and competitive business environment.

c) Corporate Social Responsibility (CSR): Investing in Communities
Our Corporate Social Responsibility (CSR) initiatives remained a key pillar of our sustainability strategy, focusing on education, healthcare, public safety, and economic empowerment. The CSR initiatives are geared towards fostering social development, education, healthcare, and economic empowerment in the communities where we operate. In 2024, our CSR contributions included:

- ✓ **Healthcare Support:** We actively supported **blood donation drives**, encouraging employees to contribute towards increasing Nigeria's **safe blood supply**. Our partnerships with:
  - i. National Blood Service Centre (NBSC), Abuja
  - ii. Blood Transfusion Service (BTS), Lagos ensured that life-saving resources were available for medical emergencies.

- ✓ **Education & Financial Literacy:** To promote industry awareness and capacity-building, we provided financial and logistical support to the Actuarial Science and Insurance Students' Association (ASISA) LASU during:
  - i. "Insurance Awareness Day 2024" – A platform for students and industry leaders to discuss trends, career pathways, and risk management strategies.
  - ii. "Insurance Summit 3.0" – A knowledge-sharing event aimed at equipping students with practical industry insights and fostering future insurance professionals.

SUSTAINABILITY REPORT - Continued

- ✓ **Public Safety & Community Engagement:**
  - i. **Periodic Road Traffic Control:** Selected staff members **volunteered** to assist in managing road safety initiatives, reinforcing our commitment to community service.
  - ii. **Media Awareness Campaigns:** We leveraged digital and traditional media platforms to educate the public on the importance of insurance, improving financial literacy and industry participation.

Conclusion: Driving Sustainable Economic Impact
In 2024, Veritas Kapital Assurance Plc remained steadfast in its mission to drive economic growth and create lasting value through:

a. Delivering quality and sustainable insurance products.
b. Upholding ethical business and procurement practices.
c. Investing in CSR initiatives that promote education, healthcare, and public safety.

As we move forward, we will continue integrating sustainability principles into our operations, strengthening partnerships, and expanding our positive impact on society and the economy.

3.0 GOVERNANCE RESPONSIBILITY

Strong governance is fundamental to our sustainability strategy. Our governance framework ensures accountability, integrity, and regulatory compliance.

a) **Anti-Corruption and Ethical Governance**

At Veritas Kapital Assurance Plc, we uphold the highest standards of corporate governance, integrity, and ethical conduct in all our operations. Our zero-tolerance policy towards corruption, bribery, money laundering, and abuse of office ensures that we foster a transparent and accountable business environment.

To strengthen our anti-corruption framework, we have implemented robust policies and mechanisms and also Key Anti-Corruption Measures, including:

- ✓ **Whistleblowing Policy & Reporting Mechanism:** A secure, confidential, and independent whistleblowing platform was in place to enable employees, stakeholders, and external parties to report unethical activities without fear of retaliation.
- ✓ **Anti-Corruption Policies & Compliance Framework:** The Company's anti-bribery, anti-money laundering (AML), and fraud prevention policies were made easily accessible to all employees through our intranet portal, ensuring continuous awareness and adherence.
- ✓ **Regular Training & Sensitization:** Employees across all levels received anti-corruption and ethical compliance training, reinforcing a culture of integrity and responsible corporate behaviour.
- ✓ **Strict Enforcement & Monitoring:** The Company actively monitored transactions, procurement processes, and engagements with third parties to identify and prevent potential misconduct.

Performance & Compliance in 2024:

📌	No reported incidents of bribery, corruption, or financial misconduct between January 1 and December 31, 2024.
📌	No fines, penalties, or legal exposures related to anti-corruption violations.
📌	Strengthened collaboration with regulatory bodies, auditors, and compliance agencies to ensure strict adherence to ethical and governance standards.

b) **Corporate Governance Structure**

SUSTAINABILITY REPORT – Continued

Our governance structure is aligned with the Nigerian Code of Corporate Governance (NCCG) 2018 and includes:

- ✓ A diverse and experienced Board of Directors overseeing corporate strategy.
- ✓ Independent Non-Executive Directors ensuring impartial oversight.
- ✓ A robust risk management framework to identify and mitigate operational risks.

c) **Ethical Business Practices**

- ✓ Zero-tolerance policy on corruption and unethical behaviour.
- ✓ Regular anti-money laundering (AML) and anti-corruption (CFT) training for employees.
- ✓ Strict compliance with regulatory requirements, including NAICOM, SEC, and the Nigerian Financial Intelligence Unit (NFIU).

d) **Data Protection & Cybersecurity**

Given the increasing risk of cyber threats, we have implemented strong data governance policies, ensuring:

- ✓ Compliance with the Nigeria Data Protection Act, 2023.
- ✓ Secure customer data management and encryption protocols.
- ✓ Regular cybersecurity audits and employee awareness training.

Commitment to Strong Governance

As a responsible corporate entity, Veritas Kapital Assurance Plc remains dedicated to:

- ✅ Upholding integrity, fairness, and transparency in all business dealings.
- ✅ Enforcing robust internal controls and risk management systems to prevent unethical conduct.
- ✅ Engaging employees, partners, and stakeholders in fostering a culture of compliance and ethical leadership.

Moving forward, we will continue refining our governance practices, implementing advanced compliance mechanisms, and reinforcing stakeholder trust through ethical business leadership.

4.0 ENVIRONMENTAL RESPONSIBILITY

At Veritas Kapital Assurance Plc, we are dedicated to fostering environmental sustainability by implementing responsible business practices that minimize our ecological footprint. As a financial services provider, we recognize our role in climate risk management, resource efficiency, and sustainable business operations. Our environmental strategy integrates eco-conscious product and service delivery, responsible waste management, energy efficiency, and emissions reduction to contribute to a greener and more sustainable future.

We acknowledge that sustainability is not just a corporate responsibility but a fundamental part of our long-term business strategy, ensuring resilience in the face of climate change and environmental challenges. Our commitment is aligned with global best practices, regulatory requirements, and industry standards, positioning us as a responsible corporate citizen.

Through proactive environmental stewardship, we aim to:

- ✅ Mitigate environmental risks associated with our operations and investments.
- ✅ Promote sustainable resource utilization across all business activities.
- ✅ Enhance operational efficiencies through green innovations.
- ✅ Encourage eco-friendly behaviours among employees, clients, and stakeholders.

Key strategic initiatives by Veritas Kapital Assurance Plc were as follows:

a) **Product & Service Responsibility**

SUSTAINABILITY REPORT – Continued

We ensure that our insurance products and services have minimal adverse environmental impact throughout their development and distribution. Our policies are designed to support businesses in managing environmental risks while adhering to the principles of indemnity and sustainability.

- ✓ **Eco-Conscious Product Innovation:** We continuously assess our product portfolio to integrate sustainability elements where possible.
- ✓ **Sustainable Underwriting Practices:** The Company ensures that underwriting processes align with best environmental practices to mitigate risks associated with pollution, climate change, and resource depletion.
- ✓ **Environmental Risk Advisory**: We educate our clients, particularly in industries with potential environmental impacts, on sustainable risk management strategies.

b) **Waste Management & Paper Reduction**
As part of our green initiative, we actively promote waste reduction, digital transformation, and eco-friendly operations to lower our carbon footprint.

📌 **Digitalization & Paperless Processes:**

- ✓ Over 80% of customer policy renewal notices were delivered electronically, reducing reliance on printed materials.
- ✓ Internal communications, leave approvals, performance appraisals, training materials, and regulatory reports were transitioned to paperless digital systems.
- ✓ Automated workflows and cloud-based document storage were implemented to eliminate paper dependency.

📌 **Adoption of the '3R' Principle – Reduce, Reuse, Recycle:**

- ✓ Employees were sensitized to eco-friendly work practices, including responsible printing and reusing office supplies.
- ✓ Waste recycling measures were strengthened to manage non-biodegradable materials effectively.
- ✓ Review of additional operational areas for automation to further reduce paper consumption.

c) **Energy Efficiency & Greenhouse Gas Emissions Reduction**
To combat climate change and improve energy sustainability, we have invested in clean energy solutions, energy-efficient appliances, and infrastructure upgrades.

📌 **Key Initiatives & Impact:**

- ✓ **Solar Power Expansion:**
  - i. **Head Office (Abuja):** Hybrid solar system has been upgraded from 15KVA to 36KVA for enhanced renewable energy utilization.
  - ii. **Annex Office (Lagos):** Solar capacity was increased from 5KVA to 15KVA, reducing grid dependency and emissions.

- ✓ **Energy-Efficient Systems:**
  - i. Replaced old, high-energy-consuming air conditioners with low-energy, eco-friendly models at our Abuja and Lagos branches.
  - ii. Installed modern energy-efficient LED lighting systems, reducing energy consumption by 58%, with longer-lasting performance than traditional incandescent lights.

- ✓ **Reduced Carbon Footprint from Power Generation:**
  - i. Installed a modern 300 KVA low-emission generator at the Head Office to enhance energy

SUSTAINABILITY REPORT – Continued

ii. efficiency.

iii. Improved building insulation and promoted responsible energy consumption behaviours among staff.

📌 **Green Spaces & Air Quality Improvement:**

✓ Maintained green landscapes and floral installations at the Head Office, acting as natural air filters, absorbing carbon dioxide and particulate matter, thereby enhancing air quality and contributing to a healthier work environment.

Commitment to a Sustainable Future

At Veritas Kapital Assurance Plc, we remain dedicated to sustainable business practices, continuously exploring innovative environmental solutions that align with global sustainability goals. Moving forward, we will:

✅	Further, expand renewable energy investments across our operations.
✅	Strengthen digital transformation efforts to achieve near-complete paperless operations.
✅	Enhance collaborations with green organizations to support environmental initiatives.
✅	Continuously evaluate and improve our sustainability impact, ensuring a balance between business growth and environmental responsibility.

Through these strategic initiatives, we reaffirm our commitment to protecting the planet, reducing environmental risks, and building a resilient and eco-friendly business ecosystem.

Conclusion

At Veritas Kapital Assurance Plc, we remain steadfast in our commitment to sustainable excellence and responsible growth. Our business strategy prioritizes the well-being of employees, customers, stakeholders, and the communities we serve, ensuring that our operations create lasting social, economic, and environmental value.

Beyond mere compliance, we strive to be a positive force for change, actively engaging in initiatives that support social development, promote financial inclusion, drive environmental sustainability, and strengthen corporate governance. By continuously innovating and aligning with global best practices, we are committed to protecting the environment, empowering communities, and fostering long-term business resilience.

As we move forward, we will remain dedicated to embedding sustainability into every aspect of our business, ensuring that Veritas Kapital Assurance Plc is not only a leader in the insurance industry but also a responsible corporate citizen contributing to a better, more sustainable world.

Thank you.

DIRECTORS' REPORT

The Directors have the pleasure of presenting the report on the affairs of Veritas Kapital Assurance Plc together with the audited consolidated and separate financial statements and auditors' report for the year ended 31 December 2024.

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 2024, are as follows:

Names	Direct Shareholding	Indirect Shareholding	%	Interest Represented
Mr. Nahim Abe Ibraheem		7,321,989,662	52.80	Veritas Capital Limited
Mr. Emmanuel Etuh		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:

DIRECTORS' REPORT - Continued

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 change was made on the Board:

Sen. Maj. Gen. M. Magoro (OFR)	Non-Executive Director	Maj. Gen. M. Magoro retired from the Board of Veritas Kapital Assurance Plc on May 22, 2024, after completing his maximum tenure of three terms as a Non-Executive Director.

6. **Directors**
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. Nahim Abe Ibraheem	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 Nwakuche	Managing Director/CEO
9.	Mr. Sunkanmi Adekeye	Executive Director, Operations
10.	Sen. Maj. Gen. M. Magoro (OFR)	Non-Executive Director (Retired from the Board on the 22nd of May, 2024 following his 3 Terms of 3-Years service to the Board in compliance with the NAICOM Guideline.

DIRECTORS' REPORT - Continued

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, 2024.

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

RECTORS REPORT - Continued

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, 31st December, 2024.

11. **Corporate Social Responsibility (CSR) Report – 2024**
At Veritas Kapital Assurance Plc, we recognize that corporate success extends beyond financial performance—it is also measured by the positive impact we create in the communities where we operate. As part of our commitment to Corporate Social Responsibility (CSR), we undertook several strategic initiatives in 2024 aimed at improving public health, supporting education, fostering industry awareness, and strengthening community engagement.

Our CSR programs were carefully designed to align with our corporate values, national development goals, and global best practices, reinforcing our role as responsible corporate citizens. Throughout the year, we actively engaged in initiatives that addressed critical societal needs while promoting sustainable social and economic development.

The following key initiatives reflect our dedication to empowering communities, enhancing knowledge, and driving impactful change:

A. **Blood Donation Drive: Strengthening Healthcare Support**
📅 **Date**: 11th June 2024
🤝 **Partners:** Abuja and Lagos State Blood Transfusion Service (LSBTS) and National Blood Service Commission (NBSC)

Objective:
The availability of safe blood supply is crucial to saving lives, particularly in emergency medical situations, maternal health, and accident-related treatments. In response to the urgent need for voluntary blood donations in Nigeria, the Company organized a blood donation drive.

DIRECTORS' REPORT - Continued

Key Highlights:
- ✓ Employees participated actively in the donation exercise, demonstrating their commitment to social impact.
- ✓ The initiative contributed to boosting Nigeria's blood bank reserves, ensuring life-saving resources for hospitals.
- ✓ Participants received health awareness education on the importance of voluntary blood donation.

B. Insurance Awareness Day: Promoting Industry Education

📅 **Date:** 30th June 2024
🎓 **Beneficiary:** Actuarial Science and Insurance Students' Association, Lagos State University (ASISA, LASU)

Objective:
Financial literacy and risk management play a pivotal role in economic stability and growth. To bridge the knowledge gap in the insurance sector, we supported the Insurance Awareness Day organized by ASISA LASU.

Key Outcomes:
- ✓ Students were educated on the fundamentals of insurance, risk management, and financial security.
- ✓ Industry professionals engaged in mentorship sessions, providing insights into career opportunities in insurance.
- ✓ Panel discussions explored emerging industry trends, regulatory frameworks, and innovation in underwriting practices.

C. Sponsorship of Insurance Summit 3.0: Industry Advancement & Professional Development

📅 **Date:** 6th August 2024
🎓 **Beneficiary:** Actuarial Science and Insurance Students' Association, Lagos State University (ASISA, LASU)

Objective:
To deepen industry knowledge and promote professional development, we sponsored the Insurance Summit 3.0, a flagship event bringing together students, educators, policymakers, and key industry stakeholders.

Summit Highlights:
- ✓ Keynote Addresses & Expert Panels: Thought leaders shared insights on insurance innovation, regulatory policies, and investment strategies.
- ✓ Workshops & Training: Students were equipped with practical skills to enhance their professional readiness.
- ✓ Networking Opportunities: The event facilitated interactions between young professionals and established industry experts.

D. Education Support: Contribution to School Infrastructure Development

📅 **Date:** 20th October 2024
🏫 **Project:** The Assumption Hostel at Augustine University, Lagos

Objective:
Quality education is a powerful tool for social mobility, economic growth, and national development. Recognizing the critical need for improved educational infrastructure, we supported the construction of The Assumption Hostel at Augustine University, Lagos.

Key Contributions:
- ✓ Our funding helped provide modern, safe, and conducive accommodation for students, fostering an optimal learning environment.
- ✓ The project directly benefited hundreds of students, ensuring access to quality housing and enhanced campus experiences.

DIRECTORS' REPORT - Continued

- ✓ This initiative aligns with our mission to support youth development and invest in Nigeria's future leaders.

CONCLUSION: Our ongoing commitment to social responsibility
At Veritas Kapital Assurance Plc, we believe that corporate success is deeply rooted in social impact, ethical governance, and sustainable business practices. Our 2024 CSR initiatives were designed to drive positive change in healthcare, education, and financial literacy, reinforcing our role as a socially responsible corporate entity.
Looking ahead, our CSR priorities for 2025 and beyond include:

- ✓ Expanding our community health initiatives, including broader access to healthcare services.
- ✓ Deepening our investment in education, through scholarships, digital learning support, and mentorship programs.
- ✓ Strengthening partnerships with industry regulators and academic institutions to promote insurance awareness and professional development.
- ✓ Enhancing our environmental sustainability commitments, aligning with global best practices in responsible business operations.

Through these initiatives, we remain dedicated to empowering communities, supporting economic development, and fostering innovation in the insurance industry.

We look forward to scaling our impact and continuing to serve as a force for good in the years ahead.

🚀 **Committed to Progress, Dedicated to Impact!** 🚀

12. **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

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

DIRECTORS' REPORT - Continued

14. **Human Resources**
Staff Gender Analysis
The number of males and females employed as of December 31, 2024, vis-a-vis total workforce is as follows:

EMPLOYEEZ	MALE	Percentage	FEMALE	Percentage	Total	Percentage
	46 (Forty-six)	54%	39 (Thirty-nine)	46%	85 (Eighty-Five)	100%

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 are duly implemented.

Employee Involvement, Training and Development
In the year under review, we had a staff strength of 85 (46 Males and 39 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.

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.

Employment of Physically Challenged Persons
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.

Health, Safety and Welfare of Employees
Veritas Kapital Assurance Plc maintains business premises designed to guarantee the safety and healthy living conditions of its employees and customers alike. Employees are adequately insured against occupational and other hazards. Also, the Company provides medical facilities to its employees and their immediate families at its expense.

The Company has in place several training programs, workshops, and enlightenment programs/publications designed to equip staff members with basic health management tips, First Aid, fire prevention and other occupational safety skills. Fire prevention and fire-fighting equipment are installed in strategic locations within the Company's premises.

The Company also operates a Group Life and Group Personal Accident (formerly known as Workmen's Compensation) Insurance covers and Employee Compensation Act contributions for the benefit of its employees. It also operates a contributory pension plan in line with the Pension Reform Act 2004 (amended in 2014) as well as a terminal gratuity scheme for its employees

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.

15. **Share Capital Information**

The analysis of the distribution of the shares of the Company as of December 31, 2024, is as follows:

Share Range Analysis	Holdings	Units	%	=N=
1-500000	472	26,925,903	0.19	13,462,952
500001-1000000	51	32,412,215	0.23	16,206,108
1000001-5000000	236	1,695,097,208	12.22	847,548,604
50000001-10000000	15	1,083,097,208	7.82	541,984,337
100000001-500000000	14	2,229,532,677	16.08	1,114,766,339
500000001-1000000000	1	535,758,596	3.86	267,879,298
1000000001-50000000000	2	8,262,971,394	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, 2024, 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 (₦)	Increase
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

DIRECTORS' REPORT - Continued

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 December 31, 2024, was **₦9,418,573 (Nine Million, Four Hundred and Eighteen Thousand, Five Hundred and Seventy-Three Naira 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. Emmauel Etuh	Non-Executive Director	Chairman
Hajia Yabawa Lawan Wabi *mni*	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/Legal Adviser

CORPORATE GOVERNANCE REPORT

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, 2024, 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, 2024, by the independent consultants to the Board revealed that the Company was in substantial compliance with the provisions of the FRC Code.

During the 2024 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.

CORPORATE GOVERNANCE REPORT - Continued

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, 2024

S/N	NAMES OF DIRECTORS	DESIGNATION	STATUS
	NON-EXECUTIVE DIRECTORS		
1.	Mr. Nahim Abe Ibraheem	Chairman	Existing Director
2.	Hajia Yabawa Lawan Wabi *mni*	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, 2024, is as follows:

BOARD	MALE	Percentage	Female	Percentage	Total	Percentage
	5 (Five)	56%	4 (Four)	44%	9 (Nine)	100%

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.

CORPORATE GOVERNANCE REPORT - Continued

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

CORPORATE GOVERNANCE REPORT - Continued

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.

CORPORATE GOVERNANCE REPORT - Continued

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, 2024

PRESENT	
ABSENT WITH APOLOGIES	
LEFT THE COMMITTEE/BOARD	
NOT YET A MEMBER	NYM
STILL A MEMBER OF THE BOARD BUT LEFT THE COMMITTEE	

BOARD OF DIRECTORS MEETING

S/N	NAME OF MEMBERS	POSITION	01-02-24	03-05-24	02-08-24	07-11-24
1	Mr. Nahim Abe Ibraheem	CHAIRMAN/NON-EXECUTIVE DIRECTOR				
2	Dr. Adaobi Nwakuche	MANAGING DIRECTOR/CEO				
3	Sen. Maj. Gen. M. Magoro OFR	NON-EXECUTIVE DIRECTOR				

CORPORATE GOVERNANCE REPORT - Continued

BOARD OF DIRECTORS MEETING- Continued

S/N	NAME OF MEMBERS	POSITION	01-02-24	03-05-24	02-08-24	07-11-24
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	INDEPENDENT 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	29-01-24	30-04-24	30-07-24	04-11-24
1	Mr. Emmanuel Etuh	NON-EXECUTIVE DIRECTOR/CHAIRMAN	NYM	NYM		
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				
6	Mr. Paul Oki	INDEPENDENT NON-EXECUTIVE DIRECTOR				

ENTERPRISE RISK MANAGEMENT COMMITTEE MEETING

S/N	NAME OF MEMBERS	POSITION	29-01-24	01-05-24	31-07-24	04-11-24
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. Kenneth Egbaran	MANAGING DIRECTOR/CEO				
6	Mr. Paul Oki	INDEPENDENT NON-EXECUTIVE DIRECTOR				
7	Sen. Maj. Gen. M. Magoro OFR	NON-EXECUTIVE DIRECTOR				
8	Mr. Sunkanmi Adekeye	EXECUTIVE DIRECTOR				

FINANCE, INVESTMENT AND GENERAL-PURPOSE COMMITTEE MEETING

S/N	NAME OF MEMBERS	POSITION	30-01-24	01-05-24	30-07-24	05-11-24
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	Dr. Adaobi Nwakuche	MANAGING DIRECTOR/CEO				
5	Mr. Emmanuel Etuh	NON-EXECUTIVE DIRECTOR				
6	Mr. Sunkanmi Adekeye	EXECUTIVE DIRECTOR				

CORPORATE GOVERNANCE REPORT - Continued

ESTABLISHMENT AND GOVERNANCE COMMITTEE MEETING

S/N	NAME OF MEMBERS	POSITION	30-01-24	30-04-24	31-07-24	05-11-24
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	INDEPENDENT NON-EXECUTIVE DIRECTOR				
5	Hajia Yabawa L. Wabi mni	NON-EXECUTIVE DIRECTOR				
6	Mr. Emmanuel Etuh	NON-EXECUTIVE DIRECTOR				
7	Sen. Maj. Gen. M. Magoro OFR	NON-EXECUTIVE DIRECTOR				

NOTES:	
1.	Sen. Maj. Gen. M. Magoro left the Board after his 3 Terms of 3-Years service to the Board in compliance with the NAICOM Guideline. Consequently, Mr. Aminu Babangida was appointed Chairman of the Establishment and Governance Committee.
2.	Mr. Emmanuel Etuh was appointed Chairman of the Audit and Compliance Committee. As a result, Mr. Paul Oki stepped down from the Committee to comply with NAICOM Guidelines, which permit only two Non-Executive Directors as members.

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, 2024, 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 Stock Exchange, the Corporate Affairs Commission as well as representatives of Shareholders' Associations.

CORPORATE GOVERNANCE REPORT - Continued

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

CORPORATE GOVERNANCE REPORT - Continued

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 2024, 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/Legal Adviser
FRC/2019/NBA/00000019159

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RELATION TO THE PREPARATION OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

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 2024, 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, Insurance Act 2003, 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 2024 were approved by the directors on 21 March 2025.

………………………………………	………………………………………
Mr. Nahim Abe Ibraheem	Dr. Adaobi Nwakuche
Chairman	Managing Director
FRC/2020/003/00000020878	FRC/2021/003/00000023865

STATEMENT OF CORPORATE RESPONSIBILITY FOR THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

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 2024 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 2024;

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 2024;

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.

Signed:

….......................................
Dr Adaobi Nwakuche
Managing Director
FRC/2021/003/00000023865
21 March 2025

….......................................
Mojeed Somorin
Chief Financial Officer
FRC/2017/PRO/ICAN/001/00000016849
21 March 2025

RC1178

Annual Report and Financial Statements for the year ended 31 December 2024
Management's Annual Assessment of, and Report on, VERITAS KAPITAL ASSURANCE PLC Internal Control over Financial Reporting

To comply with the provisions of Section 1.3 of SEC Guidance on Implementation of Sections 60-63 of the Investments and Securities Act 2007, we hereby make the following statements regarding the Internal Controls of VERITAS KAPITAL ASSURANCE PLC for the year ended 31 December 2024:

i. VERITAS KAPITAL ASSURANCE PLC management is responsible for establishing and maintaining a system of internal control over financial reporting ("ICFR") that provides reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with International Financial Reporting Standards.

ii. VERITAS KAPITAL ASSURANCE PLC management used the Committee of Sponsoring Organization of the Treadway Commission (COSO) Internal Control-Integrated Framework to conduct the required evaluation of the effectiveness of the entity's ICFR;

iii. VERITAS KAPITAL ASSURANCE PLC management has assessed that the entity's ICFR as of the end of 31 December 2024 is effective.

iv. VERITAS KAPITAL ASSURANCE PLC external auditor Ernst & Young, which audited the financial statements included in the annual report, has issued an attestation report on management's assessment of the entity's internal control over financial reporting. The attestation report of Ernst & Young that audited its financial statements will be filed as part of the VERITAS KAPITAL ASSURANCE PLC annual report.

Name: Adaobi Nwakuche	Name:Nahim Abe Ibraheem
Managing Director	Chairman
FRC/2021/003/00000023865	FRC/2020/003/00000020878

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 60-63 of the Investments and Securities Act 2007, I hereby make the following statements regarding the Internal Controls of VERITAS KAPITAL ASSURANCE PLC for the year ended 31 December 2024.

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 period in which this report is being prepared.
3. Have designed such internal control system or caused such internal control system to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with 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, summarize 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.

Name: Adaobi Nwakuche
FRC No: FRC/2021/003/00000023865

Designation: Managing Director
Signature:

Date

Annual Report Financial Statements for the year ended 31 December 2024

Certification of Management assessment on Internal Control Over Financial Reporting,

To comply with the provisions of Section 1.1 of SEC Guidance on Implementation of Sections 60-63 of Investments and Securities Act 2007, I hereby make the following statements regarding the Internal Controls of **VERITAS KAPITAL ASSURANCE PLC** for the year ended 31 December 2024.

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, summarize 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.

Name: **Mojeed Somorin**
Designation: **CFO**
FRC No: **FRC/2017/PRO/ICAN/001/00000016849**
Signature:
Date: 28-03-2025

Ernst & Young
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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 2024 (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 2024 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 (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

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 2024, 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 annual report for the year ended 31 December 2024 of Veritas Kapital Assurance Plc and we expressed an unmodified opinion in our Auditor's report dated 27 March 2025. Our conclusion is not modified is respect of this matter.

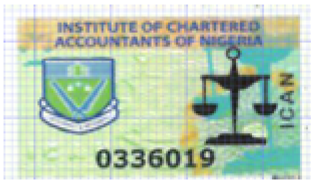
Oluwasayo Elumaro

FRC/2012/PRO/ICAN/004/00000000139

For: Ernst & Young

Lagos, Nigeria.

27 March 2025



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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 2024, 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 2024, 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 Insurance Act, 2003, 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) 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.

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 2024, insurance contract liabilities amounted to ₦ 16.3 billion as at 31 December 2024 (2023: ₦4.54billion), 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.

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 2024", 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, 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.

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 Insurance Act, 2003, 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 a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these 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 Group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the 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.

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.

INDEPENDENTAUDITOR'S REPORT

TO THE MEMBERS OF VERITAS KAPITAL ASSURANCE PLC-Continued

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.

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,2024. 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 27 March 2025. The report is included on page 40-42 of the financial statements

Oluwasayo Elumaro
FRC/2012/PRO/ICAN/004/00000000139

For Ernst & Young
Lagos, Nigeria
Date: 27 March 2025

The opinion expressed in these financial statements is to enable the Company to comply with the regulatory requirements for the submission of its financial statements to the National Insurance Commission (NAICOM). Consequently, these financial statements should not be distributed or made available to any third party in whole or in part pending the final approval by NAICOM and subsequent auditor's opinion thereon.

CONSOLIDATED AND SEPARATE STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024

	Notes	2024 Group N'000	2023 Group N'000	2024 Company N'000	2023 Company N'000
Assets					
Cash and cash equivalents	3	11,196,743	6,564,667	9,830,861	4,718,745
Investment securities:					
Fair value through profit or loss	4	138,264	113,615	138,264	113,615
Amortised cost	4	10,197,218	7,472,050	5,084,068	3,161,226
Fair value through OCI	4	492,056	433,485	492,056	433,485
Premium receivables	5	1,545,616	1,029,780	1,545,616	1,029,780
Reinsurance contract assets	17	5,841,670	1,647,856	5,841,670	1,647,856
Other receivables and prepayments	6	884,869	826,508	174,053	352,853
Investment in subsidiaries	7	-	-	4,026,300	4,026,300
Property and equipment	9	6,018,546	5,436,390	5,033,899	4,391,555
Goodwill	10	316,884	316,884	-	-
Intangible assets	11	552,526	422,753	539,166	401,541
Statutory deposits	12	355,000	355,000	355,000	355,000
Deferred tax asset	16.1	-	60,854	-	21,745
Total assets		37,539,392	24,679,842	33,060,953	20,653,701
Liabilities:					
Insurance contract liabilities	17	16,303,627	4,539,202	16,303,627	4,539,202
Other contract liabilities	25	8,899	15,539	-	-
Other technical liabilities	13	2,785,404	2,105,972	2,785,404	2,105,972
Employees retirement benefit obligations	14	27,712	23,933	-	-
Provision and other payables	15	2,346,751	1,254,607	1,690,510	597,587
Income tax liabilities	16	191,446	187,033	173,210	80,876
Deferred tax liabilities	16.2	282,351	184,753	190,671	157,143
Total liabilities		21,946,190	8,311,039	21,143,422	7,480,780
Share capital & reserves:					
Share capital	18	6,933,333	6,933,333	6,933,333	6,933,333
Share premium	19	663,600	663,600	663,600	663,600
Statutory contingency reserves	20	2,611,284	1,900,456	2,611,284	1,900,456
(Accumulated losses)/retained earnings	21	(974,713)	1,008,862	(2,305,750)	39,674
Other components of equity:					
Asset revaluation reserve	22	3,974,282	3,634,971	3,735,496	3,396,185
Fair value reserve	23	275,880	235,984	279,569	239,673
Equity attributable to equity holders of the parent		**13,483,666**	**14,377,205**	**11,917,531**	**13,172,921**
Non Controlling interest (NCI)	37	2,109,536	1,991,597	-	-
Total equity		**15,593,202**	**16,368,802**	**11,917,531**	**13,172,921**
Total equity & liabilities		**37,539,392**	**24,679,842**	**33,060,953**	**20,653,701**

These financial statements were approved by the Board on 21 March 2025 and signed on its behalf by:

Mojeed Somorin	Mr Nahim Abe Ibraheem	Dr. Adaobi Nwakuche
Chief Financial Officer	Chairman	Managing Director
FRC/2017/PRO/ICAN/001/00000016849	FRC/2020/003/00000020878	FRC/2021/003/00000023865

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

CONSOLIDATED AND SEPARATE STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	2024 Group N'000	2023 Group N'000	2024 Company N'000	2023 Company N'000
Insurance revenue	26	23,310,885	7,103,516	23,330,242	7,103,516
Insurance service expenses	27	(18,757,127)	(5,488,154)	(18,590,142)	(5,488,154)
Insurance service result before reinsurance contracts held		4,553,758	1,615,362	4,740,100	1,615,362
Net expenses from reinsurance contracts held	28	(8,923,025)	(1,833,101)	(8,923,025)	(1,833,101)
Insurance service result		**(4,369,267)**	**(217,739)**	**(4,182,925)**	**(217,739)**
Interest income calculated using the effective interest method	31a	1,243,847	704,698	450,343	216,068
Net fair value gains on financial assets at fair value through profit or loss	31c	25,754	45,525	25,754	45,525
Net foreign exchange gain	32	5,087,119	3,501,928	5,087,119	3,501,928
Credit impairment losses	34	(28,824)	(23,834)	(57,730)	(5,686)
Other investment income	31b	2,802,723	1,876,790	899,447	455,292
Net investment income		**9,130,619**	**6,105,107**	**6,404,933**	**4,213,127**
Finance expenses from insurance contracts issued	29	(956,336)	(239,390)	(956,336)	(239,390)
Finance income from reinsurance contracts held	30	250,922	83,531	250,922	83,531
Net insurance finance Expense		**(705,414)**	**(155,859)**	**(705,414)**	**(155,859)**
Net insurance and investment result		**4,055,938**	**5,731,509**	**1,516,594**	**3,839,529**
Other operating income	33	366,673	838,082	47,441	115,782
Other operating expenses	35	(5,046,327)	(3,587,319)	(3,049,539)	(1,538,207)
(Loss)/profit before income tax		**(623,716)**	**2,982,272**	**(1,485,504)**	**2,417,104**
Income tax expense	36	(161,687)	(231,985)	(149,092)	(87,788)
(Loss)/profit for the year		**(785,403)**	**2,750,288**	**(1,634,596)**	**2,329,316**
Other comprehensive income:					
Items that will not be reclassified subsequently to profit or loss(net of tax):					
Net acturial (loss)/gains on retirement benefit obligation	50a	(15,114)	1,364	-	-
Gain on revaluation of property, plant and equipment (net of tax)	50b	339,311	1,127,346	339,311	1,127,346
Fair value gain on financial asset at FVOCI(net of tax)	50c	39,896	286,937	39,896	286,937
Other comprehensive income, Net of tax		**364,093**	**1,415,648**	**379,206**	**1,414,283**
Total comprehensive (loss)/income for the year		**(421,310)**	**4,165,935**	**(1,255,390)**	**3,743,599**
(Loss)/profit for the period, attributable to:					
* Non-controlling interests		223,769	174,916	-	-
* Owners' of the Parent		(1,009,172)	2,575,372	-	-
		(785,403)	**2,750,288**	-	-
Total Comprehensive (loss)/ Income, attributable to:					
* Non-controlling interests		222,677	1,520,566	-	-
* Owners' of the Parent		(643,987)	2,645,369	-	-
		(421,310)	**4,165,935**	-	-
Basic (loss)/earnings per Share	24	(0.11)	0.40	(0.24)	0.34

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

CONSOLIDATED AND SEPARATE STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2024

Group

	Share Capital N'000	Share Premium N'000	Asset revaluation reserve N'000	Fair value reserve N'000	Contingency Reserve N'000	(Accumulated losses)/retained Earnings N'000	Total 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	1,900,456	1,008,862	14,377,206	1,991,597	16,368,802
(Loss)/Profit for the year	-	-	-	-	-	(1,009,172)	(1,009,172)	223,769	(785,403)
Other Comprehensive Income:									
Gain on revaluation of properties, plant and equipment	-	-	339,311	-	-	-	339,311	-	339,311
Fair value gain on financial asset at FVOCI	-	-	-	39,896	-	-	39,896	-	39,896
Transfer of revaluation gain on disposal of PPE	-	-	-	-	-	-	-	-	-
Acturial gain on retirement benefit obligation	-	-	-	-	-	(14,565)	(14,565)	(548)	(15,114)
Total Comprehensive Loss	**-**	**-**	**339,311**	**39,896**	**-**	**(1,023,737)**	**(644,531)**	**223,220**	**(421,310)**
Transfer to Contingency Reserve (Note 20)	-	-	-	-	710,828	(710,828)	-	-	-
Transactions with owners of equity									
Dividends to equity holders (Note 21)	-	-	-	-	-	(249,010)	(249,010)	(105,280)	(354,290)
At 31 December 2024	**6,933,333**	**663,600**	**3,974,282**	**275,880**	**2,611,284**	**(974,713)**	**13,483,665**	**2,109,536**	**15,593,202**

	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 attributable to equity holders of Parent N'000	Non-Controlling Interest N'000	Total Equity N'000
At 1 January 2023	6,933,333	663,600	2,572,253	(50,953)	1,434,593	(985,525)	10,567,302	1,892,000	12,459,302
Profit for the year	-	-	-	-	-	2,575,372	2,575,372	174,916	2,750,288
Other Comprehensive Income:							-		-
Gain on revaluation of properties, plant and equipment	-	-	1,127,346	-	-		1,127,346	-	1,127,346
Fair value gain on financial asset at FVOCI	-	-	-	286,937		-	286,937	-	286,937
Transfer of revaluation gain on disposal of PPE	-	-	(64,629)	-	-	64,629	-	-	-
Acturial gain on retirement benefit obligation			-			1,266	1,266	99	1,364
Total Comprehensive Income	**-**	**-**	**1,062,718**	**286,937**	**-**	**2,641,267**	**3,990,921**	**175,015**	**4,165,935**
Transfer to Contingency Reserve	-	-	-	-	465,863	(465,863)	-	-	-
Transactions with owners of equity:									
Dividends to equity holders	-	-	-	-	-	(181,017)	(181,017)	(75,418)	(256,435)
At 31 December 2023	**6,933,333**	**663,600**	**3,634,971**	**235,984**	**1,900,456**	**1,008,862**	**14,377,206**	**1,991,597**	**16,368,802**

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

CONSOLIDATED AND SEPARATE STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2024

Company

	Share Capital N'000	Share Premium N'000	Asset revaluation reserve N'000	Fair value reserve N'000	Contingency Reserve N'000	(Accumulated losses)/retained N'000	Total N'000
At 1 January 2024	6,933,333	663,600	3,396,185	239,673	1,900,456	39,674	13,172,921
Loss for the year	-	-	-	-	-	(1,634,596)	(1,634,596)
Other Comprehensive Income:							
Gain on revaluation of properties, plant and equipment	-	-	339,311	-	-	-	339,311
Fair value gain on financial asset at FVOCI	-	-	-	39,896	-	-	39,896
Transfer of revaluation gain on disposal of PPE	-	-	-	-	-	-	-
Total Comprehensive Loss	**-**	**-**	**339,311**	**39,896**	**-**	**(1,634,596)**	**(1,255,390)**
Transfer to Contingency Reserve	-	-	-	-	710,828	(710,828)	-
At 31 December 2024	**6,933,333**	**663,600**	**3,735,496**	**279,569**	**2,611,284**	**(2,305,750)**	**11,917,531**

	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 2023	6,933,333	663,600	2,333,468	(47,264)	1,434,593	(1,888,408)	9,429,322
Profit for the year	-	-	-	-	-	2,329,316	2,329,316
Other Comprehensive Income:							
Gain on revaluation of properties, plant and equipment	-	-	1,127,346	-	-	-	1,127,346
Fair value gain on financial asset at FVOCI	-	-	-	286,937	-	-	286,937
Transfer of revaluation gain on disposal of PPE	-	-	(64,629)	-	-	64,629	-
Total Comprehensive income	**-**	**-**	**1,062,717**	**286,937**	**-**	**2,393,945**	**3,743,599**
Transfer to Contingency Reserve					465,863	(465,863)	-
At 31 December 2023	**6,933,333**	**663,600**	**3,396,185**	**239,673**	**1,900,456**	**39,674**	**13,172,921**

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

CONSOLIDATED AND SEPARATE STATEMENTS OF CASHFLOWS
FOR THE YEAR ENDED 31 DECEMBER 2024

		2024	2023	2024	2023
		Group	Group	Company	Company
Cash flows from operating activities:	**Notes**	**N'000**	**N'000**	**N'000**	**N'000**
Premium received		23,472,609	7,563,210	23,178,430	7,298,401
Commission received		824,815	655,246	824,815	655,246
Reinsurance receipts in respect of claims		5,353,206	295,303	5,353,206	295,303
Other operating income	33	366,673	838,082	47,441	115,782
Cash paid to and on behalf of employees	35	(2,259,134)	(1,358,585)	(1,069,303)	(415,544)
Reinsurance premium paid		(14,192,596)	(1,339,558)	(14,192,596)	(1,339,558)
Insurance benefits and claims paid		(2,322,812)	(2,210,543)	(2,162,686)	(1,776,210)
Commission paid		(3,220,986)	(89,107)	(3,220,986)	(89,107)
Maintenance expenses		(875,366)	(168,081)	(875,366)	(168,081)
Exchange gain	32	5,087,119	2,056,383	5,087,119	2,056,383
Cash paid to intermediaries and other suppliers		(3,219,537)	(1,191,346)	(3,235,964)	(1,106,991)
Company income tax paid	16	(131,758)	(145,854)	(31,242)	(33,558)
Net cashflow from operating activites		8,882,232	4,905,150	9,702,868	5,492,066
Cash flow from investing activities:					
Purchase of property, Plant and equipment	9	(462,806)	(157,266)	(387,443)	(61,248)
Purchase of intangible assets	11	(234,522)	(424,613)	(231,594)	(413,357)
Proceed from sale of property and equipment	49a	17,035	424,313	30,963	411,102
Proceed from disposal of investment property	9	-	45,000	-	45,000
Dividend income	31	23,825	13,210	272,835	194,225
Interest received		4,599,632	1,967,187	2,811,208	455,782
Purchase of amortised cost investment	4v	(6,423,734)	(2,710,086)	(3,143,438)	(1,688,718)
purchase of financial assets at FVOCI					
Redemption/repayment on amortised cost investments	4v	3,721,254	412,404	1,200,176	-
Net cashflows used in investing activites		1,240,683	(429,851)	552,706	(1,057,214)
Cash flow from financing activities:					
Dividend paid	21&37	(354,290)	(256,435)	-	-
Net cashflows used in financing activites		(354,290)	(256,435)	-	-
Net increase in cash and cash equivalents		9,768,625	4,218,864	10,255,574	4,434,852
Cash and cash equivalents at the 1 January		6,576,972	4,414,490	4,721,860	2,343,391
Effects of exchange rate changes on cash and cash equivalents		(5,087,119)	(2,056,383)	(5,087,119)	(2,056,383)
Cash and cash equivalents at the 31 December	3	11,258,477	6,576,972	9,890,315	4,721,860

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

NOTES TO THE FINANCIAL STATEMENTS

1.1 Reporting Entity

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

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

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

1.2 Principal Activities

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

The subsidiaries activities are:

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

1.3 Components of Financial Statements

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

Income and expenses (excluding the components of other comprehensive income) are recognised in the profit or loss segment 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.

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 statement of comprehensive income 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

The Consolidated and separate financial statements are prepared in compliance with IFRS Accounting Standards and the requirements of the Companies and Allied Matters Act 2020,

1.4 Basis of preparation and measurement – continued

Insurance Act, 2003 and regulatory guidelines as pronounced from time to time by National Insurance Commission (NAICOM) , and in compliance with the Financial Reporting Council. Historical cost basis was used in preparation of the consolidated and separate financial statements as modified by the certain items of:

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

1.5 Compliance with IFRS

These Consolidated and separate financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) and IFRS Interpretations Committee (IFRIC) Interpretations applicable to companies reporting under IFRS as issued by the International Accounting Standards Board (IASB). Additional information required by national regulations have been included where appropriate.

1.6 Going Concern status

The consolidated and separate financial statements have been prepared on the going concern basis. The group has no intention or 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 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, the Directors make certain judgements and estimates that may affect the carrying values of assets and liabilities in the next financial period. Such judgements and estimates are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the current circumstances. the directors evaluate these at each financial reporting date to ensure that they are still reasonable under the prevailing circumstances based on the information available.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

1.8 Significant judgements and key sources of estimation uncertainty - continued

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

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

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

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

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

  The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. Increasing an asset's expected life or its residual value would result in the reduced depreciation charge in the statement of comprehensive income.

  The useful lives and residual values of the property, plant and equipment are determined by management based on historical experience as well as anticipation of future events and circumstances which may impact their useful lives.

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

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

1.7 Significant judgements and key sources of estimation uncertainty - continued

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

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

- Deferred Tax Assets

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

1.8 Functional and presentation currency

The consolidated 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 significant accounting policies

2.1 Introduction to summary of accounting policies

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

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

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

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

2 Summary of significant accounting policies - continued

2.2 Insurance contracts - continued

B. Definition and Classification

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

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

C. Combining a set or series of contracts

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

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

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

D. Separating components from insurance and reinsurance contracts

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

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

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

2 Summary of significant accounting policies - continued

2.2 Insurance contracts - continued

E. Level of aggregation (Unit of account)

IFRS 17 requires an entity to determine the level of aggregation for applying its requirements. The company identifies portfolios by aggregating insurance contracts that are subject to similar risks and managed together. In grouping insurance contracts into portfolios, the company considers the similarity of risks rather than the specific labelling of product lines. The company has determined that all contracts within each product line, as defined for management purposes, have similar risks. Therefore, when contracts are managed together, they represent a portfolio of contracts. Each portfolio is subdivided into groups of contracts to which the recognition and measurement requirements of IFRS 17 are applied. At initial recognition, the company segregates contracts based on when they were issued. A cohort contains all contracts that were issued within a 12-month period. Each cohort is then further disaggregated into three groups of contracts:

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

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

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

-Changes to the organization or processes

-Changes in underwriting and pricing strategies

-Trends in experience and expected variability in cashflows

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

All short-term contracts have currently been assessed as having no possibility of becoming onerous. In subsequent periods, non-onerous contracts are re-assessed based on the likelihood of prevailing facts and circumstances leading to significant possibility of becoming onerous.

2 Summary of significant accounting policies - continued

2.2 Insurance contracts - continued

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:

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

- 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.

2 Summary of significant accounting policies - continued

2.2 Insurance contracts - continued

- The pricing of the premiums up to the date when the risks are reassessed does not take into account the risks that relate to periods after the reassessment date.

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

H. Measurement of insurance contracts issued.

Discount Rate

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

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

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

Risk adjustment for non-financial risk

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

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

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

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

Premium Allocation Approach (PAA)

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

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

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

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

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

Insurance acquisition cash flows

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

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

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).

2 Summary of significant accounting policies - continued

2.2 Insurance contracts - continued

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

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

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

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

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

Onerous contracts

The Company considers an insurance contract to be onerous if the expected fulfilment cash flows allocated to the contract, any previously recognized acquisition cash flows and any cash flows arising from the contract at the date of initial recognition in total result in a net cash outflow.

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

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

2 Summary of significant accounting policies - continued

2.2 Insurance contracts - continued

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

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

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

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

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

2 Summary of significant accounting policies - continued

2.2 Insurance contracts – continued

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

2. Reinsurance contracts held measured under the PAA.

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

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

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

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

J. Modification and Derecognition

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

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

  - Is outside of the scope of IFRS 17
  - Results in a different insurance contract due to separating components from the host contract
  - Results in a substantially different contract
  - Would be included in a different group of contracts.

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

2 Summary of significant accounting policies - continued

2.2 Insurance contracts – continued

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

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

K. Presentation

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

The Company disaggregates the amounts recognized in the consolidated 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 'net 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:
    - Amounts allocated to the loss component.
    - Repayments of investment components, if any.
    - Amounts that relate to transaction-based taxes collected on behalf of third parties.

    - Insurance acquisition expenses.
    - Amounts relating to risk adjustment for non-financial risk.
- The change in the risk adjustment for non-financial risk, excluding:
    - Changes that relate to future service that adjust the CSM.
    - Amounts allocated to the loss component.
- Other amounts, such as experience adjustments for premium receipts that relate to current or past service, if any Insurance revenue also includes the portion of premiums that relate to recovering those insurance acquisition cash flows included in the insurance service expenses in each period.

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

2 Summary of significant accounting policies - continued

2.2 Insurance contracts – continued

3. Income or expenses from reinsurance contracts held.

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

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

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

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

- Changes in the fulfilment cash flows of the underlying insurance contracts that relate to future service and do not adjust the CSM of the respective groups to which the underlying insurance contracts belong to.
- Reversals of loss recovery component to the extent those reversals are not changes in the fulfilment cash flows of the group of reinsurance contracts held.
- Allocations of the loss recovery component against the amounts recovered from reinsurers reported in line with the associated reinsured incurred claims or expenses.

4. Insurance finance income and expenses

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

The use of OCI presentation for insurance finance income and expenses

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

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

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

2 Summary of significant accounting policies - continued

2.2 Insurance contracts - continued

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

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

2 Summary of significant accounting policies - continued

2.3 Foreign currencies

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

Monetary assets and liabilities at the statement of financial position date denominated in foreign currencies are translated into the functional currency using the exchange rate prevailing as at that date. The resulting foreign exchange gains and losses from the settlement of such transactions and from year-end translation are 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.

2.4 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.

2.3 Cash and cash equivalents

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

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

2 Summary of significant 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 and loss. These transaction costs are expensed in profit or loss.

b. Measurement and recognition of expected credit losses

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

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

The group 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.

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

2 Summary of significant accounting policies - continued

2.3 Financial instruments - continued

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.

Collateral (shares and bonds) furnished by the group under standard repurchase agreements and securities lending and borrowing transactions is not derecognised because the group retains substantially all the risks and rewards on the basis of the predetermined repurchase price, and the criteria for derecognition are therefore not met.

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 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.

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 group's business model test and the contractual cashflow characteristics of the financial assets. The category relevant to the group as at 31 December 2019 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.

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

2 Summary of significant accounting policies - continued

2.3 Financial instruments - continued

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 gains/(losses) on financial assets classified as held for trading'. Interest income and expense and dividend income on financial assets held for trading are included in 'Discount and similar income' or 'Other operating 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 FINANCIAL STATEMENTS – CONTINUED

2 Summary of significant 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:
Financial assets that are debt instruments, Lease receivables, Loan and receivables, financial guarantee contracts issued; and Loan commitments issued. The group measures expected credit losses and recognizes interest income on risk assets based on the following stages:"

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

"The group's process to assess changes in credit risk is multi-factor and has three main elements;

I. Quantitative element, a quantitative comparison of PD at the reporting date and PD at initial recognition
II. Qualitative elements
III. Backstop indicators

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

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

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

2 Summary of significant accounting policies - continued

2.3 Financial instruments – continued

i) Assets carried at amortised cost
The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is 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 group's grading process that considers asset type, industry, geographical location, collateral type, past-due status and other relevant factors). Those characteristics are relevant to the estimation of future cash flows for groups of such assets by being indicative of the debtors' ability to pay all amounts due according to the contractual terms of the assets being evaluated.

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

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

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

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's 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.

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

2 Summary of significant accounting policies - continued

2.3 Financial instruments – continued

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

Reclassification of amounts 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."

Financial liabilities

Classification and subsequent measurement
The Company's holding in financial liabilities represents mainly Insurance Contract Liabilities, 'trade payables' 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

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

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 Company'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
				Placements
		Loans and advances		FGN Treasury Bills
				Staff loans
		Investment securities		Corporate bonds
		Other assets		Fees receivable
				Intercompany
				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		Accruals
				Payables
		Trade payables		Other creditors
				Outstanding claims
				Unearned premiums
		Other liabilities		

Measurement

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

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

2 Summary of significant accounting policies - continued

2.3 Financial instruments – continued

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 arm's length basis. If the above criteria are not met, the market is regarded as being inactive. Indications that a market is inactive are when there is a wide bid-offer spread or significant increase in the bid-offer spread or there are few recent transactions.

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

Forward-Looking Information

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

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

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

2 Summary of significant accounting policies - continued

2.5 Trade receivables

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

2.6 Reinsurance

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

2.6.1 Reinsurance assets

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

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 Deferred Policy Acquisition Costs (DAC)

Acquisition cost comprise all direct and indirect costs arising from the writing of non-life insurance contracts. Deferred acquisition costs represent a proportion of commission which are incurred 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 acquisition expenses that ratio of unearned premium to written premium. With IFRS 17 adoption, this is no longer a line item on the face of the SOFP.

2.8 Prepayment

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

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

2 Summary of significant accounting policies - continued

2.9 Consolidation

2.9.1 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.

2.9.2 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.

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

2 Summary of significant accounting policies - continued

2.9.2 Investment in Associates – continued

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 recgnised 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.

2.10 Investment Properties

Investment property is property held on earn rentals or for capital appreciation or both. Investment property, including interest in leasehold land, 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.

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

2 Summary of significant accounting policies - continued

2.10 Investment Properties– continued

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.

2.11 Intangible Assets

Software license costs and 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 license or 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 orloss when the asset it derecognized.
Intangibles recognised as assets are amortized over their useful lives, which does not exceed five years.

2.12 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.

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

2 Summary of significant accounting policies - continued

2.12 Goodwill – continued

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.

2.13 Property, Plant and Equipment

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

Work in progress owner-occupied property that are included in property, plant and equipment are stated at cost to date and are not yet 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.

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

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:"

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

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

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

2 Summary of significant accounting policies - continued

2.13 Property, Plant and Equipment – continued

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

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

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

When land and building are revalued, any increase in it carrying amount (as a result of revaluation) is transferred to a revaluation reserve, except to the extent that it reverses a revaluation decrease of the same property previously 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.

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

e. Derecognition
An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Gains and losses on disposal of property, plant and equipment are determined by reference to their carrying amounts and are taken into account in determining operating profit."

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

2.14 Statutory Deposits

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

Statutory deposit is measured at cost.

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

2 Summary of significant accounting policies - continued

2.15 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.

2.15.1 Types of Insurance Contracts

Insurance contract may be non-life or life. The company issues only ono-life insurance contracts. Non-life insurance contracts are accident, casualty and property insurance 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.

2.15.2 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.

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

2 Summary of significant accounting policies - continued

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

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.

f. Technical Reserves
These are computed in accordance with the provisions of section 22 of the insurance Act 2003 as follows:
* Reserve for unearned premium: In compliance with Section 20() (a) of Insurance Act 2003, the reserve for unearned premium is calculated on a time apportionment basis in respect of the risks accepted during the year.
* Reserve for outstanding claims: The reserve for outstanding claims is maintained ta the total amount of outstanding claims incurred and reported plus claims incurred but not reported ("IBNR") as at the reporting date. The IBNR is based on the liability adequacy test.

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

2 Summary of significant accounting policies - continued

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

g. Liability Adequacy Test

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

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

2.16 Trade and other Payables

Trade and other payables 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.

2.17 Retirement Benefit Obligations

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.

2.18 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 less net of any reimbursement. if the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

2 Summary of significant accounting policies - continued

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 Income Tax Act. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted as at the reporting date.

2.19.2 NITDA Levy

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

2.19.3 Deferred Tax

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

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

Deferred income tax assets are 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.

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

2 Summary of significant accounting policies - continued

2.19.3 Deferred Tax – continued

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

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

2.20 Share Capital and Share Premium

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

2.21 Statutory Contingency Reserve

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

2.22 Retained Earnings

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

2.23 Assets Revaluation Reserve

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

2.24 Other Income Items Recognition

2.24.1 Commission income

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

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

2 Summary of significant 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.

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

2 Summary of significant accounting policies - continued

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.

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 amount of the financial asset.

For purchased or originated credit-impaired financial assets, interest income is recognized by applying the credit-adjusted effective interest rate to the 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, plant 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 ae 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.

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

2 Summary of significant accounting policies - continued

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 value in use.

The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. In assessing value in use, he estimated future cash flows are discounted to their present value using a pre- discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. in determining fair value less costs to sell, an appropriate valuation model is used.

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 t unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase.

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

2. Summary of significant accounting policies - continued

2.29 Earnings Per Share

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

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

2.30 Dividends

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

2.32 Contingent liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company or the company has a present obligation as a result of past events which is not 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 FINANCIAL STATEMENTS – CONTINUED

2.34 Changes in accounting policies and disclosures

New and amended standards and interpretations

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

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

The amendments in IFRS 16 specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognize any amount of the gain or loss that relates to the right of use it retains.

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

b) Amendments to IAS 1 - Classification of Liabilities as Current or Non-current

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

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

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

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

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

The amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

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

2.35 Standards issued but not yet effective

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

a. Lack of exchangeability – Amendments to IAS 21

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

2 Summary of significant accounting policies - continued

other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.
The amendments will be effective for annual reporting periods beginning on or after 1 January 2025. Early adoption is permitted, but will need to be disclosed. When applying the amendments, an entity cannot restate comparative information.
The amendments are not expected to have a material impact on the Company's financial statements.

2.35 Standards issued but not yet effective - continued

b. IFRS 18 Presentation and Disclosure in Financial Statements

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

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

c. IFRS 19 Subsidiaries without Public Accountability: Disclosures

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

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

3 Cash and cash equivalents

	Group 2024 N'000	Group 2023 N'000	Company 2024 N'000	Company 2023 N'000
This comprises of :				
Cash on hand	790	857	551	652
Cash at Banks	2,602,183	661,539	2,423,531	567,738
Short term deposit (Staff gratuity fund assets)	3,823	8,044	3,823	8,044
Short term deposit (note 3.2)	8,651,681	5,906,531	7,462,410	4,145,426
	11,258,477	6,576,971	9,890,315	4,721,860
Adjustment for ECL on fixed deposit and bank balances (note 3.1)	(61,734)	(12,304)	(59,454)	(3,115)
Total	11,196,743	6,564,667	9,830,861	4,718,745

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

3.1 Movement in Adjustment ECL

	Group 2024 N'000	Group 2023 N'000	Company 2024 N'000	Company 2023 N'000
At 1 January	12,304	5,696	3,115	5,458
Charge/(Write back) (Note 34)	49,430	6,608	56,339	(2,343)
At 31 December	61,734	12,304	59,454	3,115

3.2 Financed by:

	Group 2024 N'000	Group 2023 N'000	Company 2024 N'000	Company 2023 N'000
Financed by Insurance fund	7,462,410	4,145,426	7,462,410	4,145,426
Financed by other funds	1,189,271	1,761,105	-	-
	8,651,681	5,906,531	7,462,410	4,145,426

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

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

	STAGE 1	
Group	**Gross carrying amount N'000**	**ECL N'000**
At 1 January 2024	5,914,575	12,304
New assets originated or purchased	8,655,504	61,734
Assets derecognized	(5,914,575)	(12,304)
At 31 December 2024	8,655,504	61,734
At 1 January 2023	3,984,471	5,696
New assets originated or purchased	5,914,575	12,304
Assets derecognized	(3,984,471)	(5,696)
At 31 December 2023	5,914,575	12,304

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 2024	4,153,470	3,115
New assets originated or purchased	7,466,233	59,454
Assets derecognized	(4,153,470)	(3,115)
At 31 December 2024	7,466,233	59,454
At 1 January 2023	2,064,983	5,458
New assets originated or purchased	4,153,470	3,115
Assets derecognized	(2,064,983)	(5,458)
At 31 December 2023	4,153,470	3,115

4 Investment securities	Group 2024 N'000	Group 2023 N'000	Company 2024 N'000	Company 2023 N'000
Equity instruments at fair value through profit or loss (Note 4a)	138,264	113,615	138,264	113,615
Debt instuments at armotised cost (Note 4b)	10,197,218	7,472,050	5,084,068	3,161,226
Fair value through OCI - equity (Note 4c)	492,056	433,485	492,056	433,485
	10,827,538	8,019,150	5,714,388	3,708,326
Current	681,221	94,609	141,879	-
Non-current	10,146,317	7,924,542	5,714,388	3,708,326
	10,827,538	8,019,150	5,714,388	3,708,326

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

Movement in FVTPL during the period	Group 2024 N'000	Group 2023 N'000	Company 2024 N'000	Company 2023 N'000
Fair value at 1 January	113,615	68,090	113,615	68,090
Addition	-	-	-	-
Reclassification	(1,105)	-	(1,105)	-
Fair value gain	25,754	45,525	25,754	45,525
Fair value at 31 December	138,264	113,615	138,264	113,615

a(i) **Historical movement in FVTPL**

Cost at initial recognition	152,278	152,278	152,278	152,278
Accumulated fair value losses to date	(14,014)	(38,663)	(14,014)	(38,663)
Fair value at 31 December	138,264	113,615	138,264	113,615

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

		Group 2024 N'000	Group 2023 N'000	Company 2024 N'000	Company 2023 N'000
b	**Amortised Cost**				
	FGN treasury bills see note (i) below	681,221	94,609	141,879	-
	State/FGN government bonds see note (ii) below	9,261,240	7,126,605	4,942,189	3,161,226
	Corporate bond see note (iii) below	254,757	250,837	-	-
		10,197,218	7,472,050	5,084,068	3,161,226
	Balance at 1 January	7,524,321	5,192,134	3,189,284	1,481,074
	Additions	4,002,563	1,490,236	3,143,438	1,049,097
	Disposal	(50,000)	-	(50,000)	-
	Redemption/repayment during the year	(1,862,715)	(103,954)	(1,200,176)	-
	Accrued interest	612,632	945,905	30,801	659,113
	Balance at 31 December	10,226,801	7,524,321	5,113,348	3,189,284
	Expected credit loss	(29,583)	(52,270)	(29,280)	(28,058)
		10,197,218	7,472,050	5,084,068	3,161,226
i	**FGN Treasury Bills**				
	Balance at 1 January	94,609	43,878	-	-
	Additions	570,843	46,153	121,934	-
	Redemption/repayment during the year	(4,176)	-	-	-
	Accrued interest	20,672	4,578	20,672	-
	Balance at 31 December	681,948	94,609	142,606	-
	ECL	(727)	-	(727)	
		681,221	94,609	141,879	-
ii	**FGN Bonds and State Bonds**				
	Balance at 1 January	7,164,613	4,844,847	3,189,284	1,481,074
	Additions	3,431,504	1,626,132	3,021,504	1,049,097
	Disposal	(50,000)	-	(50,000)	-
	Redemption/repayment during the year	(1,832,080)	(237,517)	(1,200,176)	-
	Accrued interest	575,756	931,151	10,129	659,113
	Balance at 31 December	9,289,793	7,164,613	4,970,742	3,189,284
	ECL	(28,553)	(38,008)	(28,553)	(28,058)
		9,261,240	7,126,605	4,942,189	3,161,226
iii	**Corporate Bonds**				
	Balance at 1 January	265,099	303,409	-	-
	Additions	216	17,870	-	-
	Redemption/repayment during the year	(26,459)	(70,934)	-	-
	Accrued interest	16,204	14,754	-	-
	Balance at 31 December	255,060	265,099	-	-
	ECL	(303)	(14,263)	-	-
		254,757	250,837	-	-
iv	**Movement in expected credit losses (ECL) during the year**				
	Balance at 1 January	52,270	34,506	28,058	19,491
	Reversal (Charge) during the year	(22,687)	17,764	1,222	8,567
	Balance at 31 December	**29,583**	**52,270**	**29,280**	**28,058**

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 2024	7,524,321	52,270
New assets originated or purchased	6,423,734	21,783
Assets derecognized	(3,721,254)	(44,470)
At 31 December 2024	**10,226,801**	**29,583**
At 1 January 2023	5,226,639	34,506
New assets originated or purchased	2,710,086	21,783
Assets derecognized	(412,404)	(4,019)
At 31 December 2023	**7,524,321**	**52,270**
Company		
At 1 January 2024	3,189,284	28,058
New assets originated or purchased	1,924,064	1,222
Assets derecognized		
At 31 December 2024	**5,113,348**	**29,280**
At 1 January 2023	1,500,566	19,491
New assets originated or purchased	1,688,718	8,567
Assets derecognized		
At 31 December 2023	**3,189,284**	**28,058**

c **Fair value through other comprehensive income**

	Group 2024 N'000	**Group 2023 N'000**	**Company 2024 N'000**	**Company 2023 N'000**
Fair value at 1 January	433,485	92,575	433,485	92,575
Additions	1,104	22,091	1,104	22,091
Fair value gain	57,467	318,819	57,467	318,819
Balance at 31 December	492,056	433,485	492,056	433,485

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 2024 N'000	Group 2023 N'000	Company 2024 N'000	Company 2023 N'000
5	Premium Receivables				
a	This comprises of:				
	Due from insurance brokers	2,036,242	1,520,406	2,036,242	1,520,406
	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	158,931	158,931	158,931	158,931
		2,283,601	1,767,765	2,283,601	1,767,765
	Impairment of trade receivables	(737,985)	(737,985)	(737,985)	(737,985)
		1,545,616	1,029,780	1,545,616	1,029,780
	b. Movement in impairment is as follow:				
	At 1 January	737,985	737,985	737,985	737,985
	Charge	-	-	-	-
	At 31 December	737,985	737,985	737,985	737,985
b	Age analysis of gross premium receivables are as follows:				
	Above 30 days	1,545,616	1,029,780	1,545,616	1,029,780
		1,545,616	1,029,780	1,545,616	1,029,780

c Analysis of movement in impairment

2024	Balance at 1 January	Adjustment	Provision no longer required	Balance at 31 December
Group	N'000	N'000	N'000	N'000
Premium receivable from insurance brokers	490,626	-	-	490,626
Premium receivable from insurance agents	55,270	-	-	55,270
Premium receivable from policy holders	33,158	-	-	33,158
Premium receivable from insurance companies	158,911	-	-	158,911
	737,965	-	-	737,965
Company				
Premium receivable from insurance brokers	490,626	-	-	490,626
Premium receivable from insurance agents	55,270	-	-	55,270
Premium receivable from policy holders	33,158	-	-	33,158
Premium receivable from insurance companies	158,931		-	158,931
	737,985	-	-	737,985
2023				
Group				
Premium receivable from insurance brokers	490,626	-	-	490,626
Premium receivable from insurance agents	55,270	-	-	55,270
Premium receivable from policy holders	33,158	-	-	33,158
Premium receivable from insurance companies	158,931	-	-	158,911
	737,985	**-**	**-**	**737,985**
Company				
Premium receivable from insurance brokers	490,626	-	-	490,626
Premium receivable from insurance agents	55,270	-	-	55,270
Premium receivable from policy holders	33,158	-	-	33,158
Premium receivable from insurance companies	158,931		-	158,931
	737,985	**-**	**-**	**737,985**

d	**Movement in premium receivables**	Group 2024 N'000	Group 2023 N'000	Company 2024 N'000	Company 2023 N'000
	Opening balance	1,767,765	1,774,959	1,767,765	1,774,959
	Gross written premium during the year	23,694,268	7,291,207	23,694,266	7,291,207
	Premium received during the year	(23,178,430)	(7,298,401)	(23,178,430)	(7,298,401)
		2,283,603	1,767,765	2,283,601	1,767,765
	Impairment during the year	(737,985)	(737,985)	(737,985)	(737,985)
	Balance as at 31st Dec (IFRS 17)	**1,545,618**	**1,029,780**	**1,545,616**	**1,029,780**

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

		Group 2024 N'000	Group 2023 N'000	Company 2024 N'000	Company 2023 N'000
6	**Other receivables and prepayments**				
	Receivables from staff (Note 6a)	8,332	48,047	8,331	30,082
	Deposit for investment (Note 6b)	34,112	28,346	34,112	28,346
	Commercial papers (Note 6c)	217,459	217,459	217,459	217,459
	Prepayment	33,325	52,057	33,325	8,596
	Inventory	369	4,113	369	2,339
	Receivables from Related parties (Note 6i)	62,033	62,033	62,033	62,033
	Fees receivables and other receivables (Note 6d)	793,652	734,973	107,697	324,519
	Prepaid recapitalisation expenses (Note 6e)	83,050	48,050	83,050	48,050
	Witholding tax receivable(Note 6f)	55,389	24,856	30,529	24,856
		1,287,721	1,219,935	576,905	746,280
	Impairment of other receivables and prepayment (Note	(402,852)	(393,427)	(402,852)	(393,427)
		884,869	826,508	174,053	352,853
	Current	877,995	710,371	174,054	241,312
	Non-current	6,874	110,081	(1)	92,116
		884,869	826,508	174,053	352,853

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

	Group 2024 N'000	Group 2023 N'000	Company 2024 N'000	Company 2023 N'000
Balance at 1 January	48,047	65,117	30,082	53,638
Addition	414	39,284	414	32,798
Utilised during the year	(40,129)	(56,354)	(22,165)	(56,354)
	8,332	**48,047**	**8,331**	**30,082**

b Included in deposit for investment is the amount with Chapel Hill and 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 2024 N'000	Group 2023 N'000	Company 2024 N'000	Company 2023 N'000
a) TKM Mestro Nigeria Ltd	131,649	131,649	131,649	131,649
b) Off-shore Intergrated Concession Ltd	39,711	39,711	39,711	39,711
c) Kruger Brent Global Services Ltd	46,099	46,099	46,099	46,099
	217,459	217,459	217,459	217,459

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

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

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

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

	Group 2024	Group 2023	Company 2024	Company 2023
f Witholding tax receivables	**N'000**	**N'000**	**N'000**	**N'000**
At 1 January	24,856	27,926	24,856	27,926
Additions	56,049	5,091	31,189	5,091
Utilised during the period(see note 16)	(25,516)	(8,161)	(25,516)	(8,161)
Balance at 31 December	55,389	24,856	30,529	24,856

	Group 2024	Group 2023	Company 2024	Company 2023
g The movement in impairment charge is as follows:	**N'000**	**N'000**	**N'000**	**N'000**
Balance at 1 January	393,427	393,965	393,427	393,965
Impairment charge/(write-back) during the year	9,425	(538)	9,425	(538)
Balance at 31 December	402,852	393,427	402,852	393,427

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

Group	**Balance at 1 Jan 2023**	**Addition**	**Provision no longer required**	**Adjustment**	**Balance at 31 December 2023**
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	113,104	-	-	(538)	112,566
	393,965	**-**	**-**	**(538)**	**393,427**
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	113,104	-	-	(538)	112,566
	393,965	**-**	**-**	**(538)**	**393,427**

i This relates to amount recoverable from :1.Associates- Goldlink Insurance Plc. As at 31 December 2024, the amount relates to various expenses incurred on their behalf amounting to N62.033 million (2023, N62.033 milion).

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

7 Investment in Subsidiaries

Veritas Kapital has 2 subsidiaries as at 31 December 2024. The details of the subsidiaries and principal activities are detailed below:

	Group 2024 N'000	Group 2023 N'000	Company 2024 N'000	Company 2023 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 Group's subsidiaries is set out below. The summarized financial information below represents amounts before intragroup eliminations.

	Veritas Glanvill Pension		Veritas Healthcare Limited	
	2024 N'000	2023 N'000	2024 N'000	2023 N'000
Total revenue	2,853,088	2,425,910	425,517	264,809
Profit before tax	739,114	714,293	39,873	31,888
Total assets	7,473,800	6,975,358	707,678	743,648
Total liabilities	714,838	641,897	57,871	129,421
Shareholders fund	6,758,962	6,333,461	649,806	614,227

c Movement in Investment in Subsidiaries

	Group		Company	
	2024	2023	2024	2023
Veritas Glanvills Pensions Ltd	N'000	N'000	N'000	N'000
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	N'000	N'000	N'000	N'000
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 2024 N'000	Group 2023 N'000	Company 2024 N'000	Company 2023 N'000
8 **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 (2023:1,268,314,351) ordinary shares representing 51.53% (2023:51.53%) holdings in Goldlink Insurance Plc as at 31 December 2024.

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

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

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

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

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

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

9 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	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)	(42,002)	(1,816)	-	(46,642)
At 31 December	2,028,100	3,640,946	771,924	1,004,063	249,768	4,950	7,699,750
Accumulated depreciation							
At 1 January	-	145,882	545,529	608,525	170,249	-	1,470,184
Depreciation	-	57,060	47,186	124,293	27,964	-	256,503
Disposals	-	-	(2,664)	(55,930)	(1,816)	-	(60,411)
At 31 December	-	202,942	590,050	676,887	196,397	-	1,666,276
Carrying amount at 31 December 2024	**2,028,100**	**3,438,004**	**181,873**	**327,175**	**53,371**	**4,950**	**6,033,473**

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	1,265,000	2,964,129	449,889	854,195	171,352	191,383	5,895,947
Additions	-	250	55,298	48,496	53,221	-	157,266
Revaluation adjustments	181,849	1,070,758	-	-	-	-	1,252,607
Transfer/ reclassification	-	5,874	185,509	-	-	(191,383)	-
Disposals	(140,000)	(194,295)	(9,743)	(55,210)		-	(399,247)
At 31 December 2023	1,306,849	3,846,717	680,954	847,481	224,574	-	6,906,574
Accumulated depreciation							
At 1 January	-	96,551	356,524	585,702	147,614	152,708	1,339,099
Depreciation expenses	-	65,197	191,898	78,032	22,636	(152,708)	205,055
Disposals	-	(15,867)	(2,893)	(55,210)	-	-	(73,970)
At 31 December 2023	-	145,882	545,529	608,525	170,249	-	1,470,184
Carrying amount as at 31 December 2023	**1,306,849**	**3,700,835**	**135,425**	**238,956**	**54,324**	**-**	**5,436,390**

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

9 Property and equipment - Continued
Company

Cost/valuation	**Leasehold land N'000**	**Building N'000**	**Office computer equipment N'000**	**Motor vehicles N'000**	**Office furniture and fittings N'000**	**Work in progress N'000**	**Total N'000**
At 1 January	1,306,849	3,067,587	326,496	251,909	144,247	-	5,097,088
Additions	-	138,468	47,832	181,230	14,963	4,950	387,443
Revaluation adjustments	721,251	(344,239)	-	-	-	-	377,012
Disposals	-	-	(2,824)	(37,494)	(1,816)	-	(42,134)
At 31 December	2,028,100	2,861,816	371,504	395,645	157,394	4,950	5,819,409
Accumulated depreciation							
At 1 January	-	94,982	260,077	231,812	118,662	-	705,533
Depreciation expenses	-	41,435	29,598	44,189	8,228	-	123,450
Disposals	-	-	(2,664)	(37,494)	(1,816)	-	(41,975)
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**

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	1,265,000	2,185,000	283,981	300,320	135,455	5,874	4,175,630
Additions	-	250	45,406	6,799	8,792	-	61,248
Revaluation adjustments	181,849	1,070,758	-	-	-	-	1,252,607
Transfer/ Reclassification	-	5,874	-	-	-	(5,874)	-
Disposals	(140,000)	(194,295)	(2,892)	(55,210)	-	-	(392,397)
At 31 December	1,306,849	3,067,587	326,496	251,909	144,247	-	5,097,088
Accumulated depreciation							
At 1 January	-	60,371	240,112	267,576	112,083	-	680,141
Depreciation expenses	-	43,692	22,794	19,446	6,579	-	92,511
Disposals	-	(9,081)	(2,829)	(55,210)	-	-	(67,120)
At 31 December	-	94,982	260,077	231,812	118,662	-	705,533
Carrying amount at 31 December, 2023	**1,306,849**	**2,972,605**	**66,419**	**20,097**	**25,585**	**-**	**4,391,555**

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

9 Property and equipment - Continued

a Land and Building were independently valued by Jide Taiwo & Co, Real Estate survayors (FRC/2012/00000000254) and signed by Apeh Jeremiah (FRC/2019/NIESV/00000019829), in 2024 to ascertain the open market value of land and building .The open market value of land and building as at 31 December 2024 was N4,754 million (2023: N4,279 million)

b **Valuation technique and significant unobservation inputs**

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

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

c **Leasehold land and building Comprises:**

	2024			2023		
	Leasehold Land N'000	Building N'000	Total N'000	Leasehold Land N'000	Building N'000	Total N'000
Group						
Plot 1698 C and D Oyin Jolayemi St. V.I. Lagos	-	709,052	709,052	-	727,317	727,317
Plot 497 Abogo Largema Street. Off Const. Ave. CBD	1,816,900	2,492,400	4,309,300	1,135,551	2,710,009	3,845,560
Plot 173 Oshodi-Gbagada express way, opp. UPS, Gbagada, Lagos.	211,200	233,000	444,200	171,298	263,509	434,807
	2,028,100	3,434,452	5,462,552	1,306,849	3,700,835	5,007,684
Company						
Plot 497 Abogo Largema Street. Off Const. Ave. CBD	1,816,900	2,492,400	4,309,300	1,135,551	2,710,009	3,845,560
Plot 173 Oshodi-Gbagada express way, opp. UPS, Gbagada, Lagos.	211,200	233,000	444,200	171,298	262,596	433,894
	2,028,100	2,725,400	4,753,500	1,306,849	2,972,605	4,279,454

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

9 Property and equipment - Continued

d Movement in leasehold land and building is as follows:

Group **Property Location/Description**	**01-Jan-24** **N'000**	**Addition** **N'000**	**Disposals** **N'000**	**Transfer** **N'000**	**Depreciation** **N'000**	**Revaluation adjustment** **N'000**	**31-Dec-24** **N'000**
Plot 1698 C and D Oyin Jolayemi St. V.I. Lagos	727,317	-	(2,500)	-	(16,667)	911	709,061
Plot 497 Abogo Largema Street. Off Const. Ave. CBD	3,845,560	138,218	-	-	(36,891)	362,413	4,309,300
Plot 173 Oshodi-Gbagada express way, opp. UPS, Gbagada, Lagos.	433,894	250	-	-	(4,544)	14,600	444,200
	5,006,771	138,468	(2,500)	-	(58,102)	377,924	5,462,561

Property Location/Description	**01-Jan-23** **N'000**	**Addition** **N'000**	**Disposals** **N'000**	**Transfer** **N'000**	**Depreciation** **N'000**	**Revaluation adjustment** **N'000**	**31-Dec-23** **N'000**
Plot 1698 C and D Oyin Jolayemi St. V.I. Lagos	742,949	-	-	-	(15,631)	-	727,317
Plot 497 Abogo Largema Street. Off Const. Ave. CBD	2,800,000	250	-	(48,663)	(39,148)	1,070,758	3,783,197
Plot 173 Oshodi-Gbagada express way, opp. UPS, Gbagada, Lagos.	325,000	-	-	(5,136)	(4,543)	181,849	497,170
Plot 116 Hadejia Road, Yankaba, Kano.	264,629	-	(264,629)	-	-	-	-
	4,132,578	250	(264,629)	(53,799)	(59,322)	1,252,607	5,007,684

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

9 Property and equipment - Continued

d Movement in leasehold land and building is as follows:

Company **Property Location/Description**	**01-Jan-24** **N'000**	**Addition** **N'000**	**Disposals** **N'000**	**Transfer/Adjustment** **N'000**	**Depreciation** **N'000**	**Revaluation adjustment** **N'000**	**31-Dec-24** **N'000**
Plot 497 Abogo Largema Street. Off Const. Ave. CBD	3,845,560	138,218	-	-	(36,891)	362,413	4,309,300
Plot 173 Oshodi-Gbagada Express way, opp. UPS, Gbagada, Lagos.	433,894	250	-	-	(4,544)	14,600	444,200
	4,279,454	138,468	-	-	(41,435)	377,013	4,753,500

Property Location/Description	**01-Jan-23** **N'000**	**Addition** **N'000**	**Disposals** **N'000**	**Transfer** **N'000**	**Depreciation** **N'000**	**Revaluation adjustment** **N'000**	**31-Dec-23** **N'000**
Plot 497 Abogo Largema Street. Off Const. Ave. CBD	2,800,000	250	-	(49,575)	(39,148)	1,070,758	3,845,560
Plot 173 Oshodi-Gbagada Express way, opp. UPS, Gbagada, Lagos.	325,000	-	-	(5,136)	(4,544)	181,849	433,894
Plot 116 Hadejia Road, Yankaba, Kano.	264,629	-	(264,629)	-	-		-
	3,389,629	250	(264,629)	(54,711)	(43,692)	1,252,607	4,279,454

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

		Company 2024 N'000	Company 2023 N'000
10	Goodwill		
	Balance at 1 January	316,884	316,884
	Adjustment	-	-
	Balance at 31 December	316,884	316,884
	The goodwill is arising on acquisitions in the following subsidiaries:		
	VG Pension	316,884	316,884
	Veritas Health Care Limited	-	-
		316,884	316,884
a	Analysis of movement		
	Balance at 1 January	316,884	316,884
	Balance at 31 December	316,884	316,884

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

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

11 Intangible assets

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

Computer software	Group 2024 N'000	Group 2023 N'000	Company 2024 N'000	Company 2023 N'000
Cost				
Balance, at 1 January	915,015	490,401	767,996	354,639
Additions	234,522	424,613	231,594	413,357
Balance at 31 December	1,149,537	915,015	999,590	767,996
Accumulated amortisation				
Balance, at 1 January	492,262	422,287	366,455	306,478
Amortisation	104,749	69,975	93,969	59,977
Balance at 31 December	597,011	492,262	460,424	366,455
Carrying amount 31 December	552,526	422,753	539,166	401,541

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

		Group 2024 N'000	Group 2023 N'000	Company 2024 N'000	Company 2023 N'000
12	Statutory deposit	355,000	355,000	355,000	355,000

This represent amount deposited with the Central Bank of Nigeria (CBN) as at 31 December, 2024 in pursuant to section 9(1) and section 10(3) of insurance Act 2003. Interest income earned on this deposit is included in investment income. (See note 34)

13 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 2024	Group 2023	Company 2024	Company 2023
	This is analysed as follows:	N'000	N'000	N'000	N'000
	Commission payable	417,489	182,465	417,489	182,465
	Co-insurance premium payable	2,367,915	1,923,507	2,367,915	1,923,507
		2,785,404	2,105,972	2,785,404	2,105,972
a	Movement on commission (Acquisition cost) payable				
	Balance at 1 January	182,465	209,178	182,465	209,178
	Acquisition cost during the year	3,542,626	1,334,390	3,542,626	1,334,390
	Acqusirion cost paid during the year	(3,307,602)	(1,361,103)	(3,307,602)	(1,361,103)
	Balance as at 31 December	417,489	182,465	417,489	182,465
b	Movement in co-insurance premium payable				
	Balance at 1 January	1,923,507	339,554	1,923,507	339,554
	Addition during the year	2,367,915	1,923,507	2,367,915	1,923,507
	Co-insurance premium owing paid	(1,923,507)	(339,554)	(1,923,507)	(339,554)
	Balance as at 31 December	2,367,915	1,923,507	2,367,915	1,923,507

		Group 2024	Group 2023	Company 2024	Company 2023
14	Retirement benefit obligation	N'000	N'000	N'000	N'000
	Gratuity scheme	23,933	23,933	-	-
	Balance at 1 january	22,187	17,024	-	-
	Contributions in the period	-	5,163	-	-
	Payments during the year	5,525	-	-	-
	Balance at 31 December	27,712	22,187	-	-

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

a Defined Benefit Scheme

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

Summary of membership data	2024	2023
Active Members	13	14
Total annual emoluments	N108.8mn	N108.8mn
Average Liability duration over future service	18	17

Underlying assumptions

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

Valuation interest rate	22.0%
Salary increase rate	25.0%

Benefit Liability	Group 2024 N'000	Group 2023 N'000
Deficit of Funded Plans	(29,391)	(23,933)
Liability Recognized	(29,391)	(23,933)

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

14 Retirement benefit obligation - Continued

(i) Reconciliation of Defined Benefit Obligation

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

	Group Dec-24 N'000	Group Dec-23 N'000
At 1 January	23,933	22,187
Current service cost*	2,475	2,475
Interest Cost	-	2,995
Benefit paid	(5,454)	(2,208)
Actuarial (gains)/loss due to change in financial assumptions	8,437	(1,516)
Actuarial losses due to change in demographic assumptions	-	-
Balance at 31 December	29,391	23,933

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

Pension scheme

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

15 **Provisions and other payables**	Group 2024 N'000	Group 2023 N'000	Company 2024 N'000	Company 2023 N'000
Life insurance fund (Note 16a)	131,417	131,417	131,417	131,417
PAYE tax, VAT, NHF and other remitable deductions	326,200	57,021	290,678	28,478
Staff accounts (Note 16b)	152,598	115,357	15,261	15,388
Accrued professional fees (Note 16c)	111,968	94,257	110,968	94,257
Accrued NAICOM levy	237,934	78,258	237,934	78,258
Supplies & Services Bills Payables (Note 16e)	182,522	294,824	167,576	185,580
Other accruals and payables (Note 16f)	776,236	181,925	719,202	41,402
Unclaimed dividends	13,606	14,806	13,606	14,806
Due to employees	4,563	8,001	3,868	8,001
Pension protection fund(Note 16d)	409,707	278,741	-	-
	2,346,751	1,254,607	1,690,510	597,587

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

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

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

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

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

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

f Other accruals and payables are made up of the following

	Group 2024 N'000	Company 2024 N'000
Unmatched inflows	672,147	672,147
Retention fee to contractors	17,467	17,467
Unpresented cheques	29,588	29,588
Accruals	57,034	-
	776,236	719,202

		Group 2024 N'000	Group 2023 N'000	Company 2024 N'000	Company 2023 N'000
15	**Provisions and other payables - Continued**				
	Current	1,792,021	664,601	1,545,487	420,588
	Non-Current	554,730	590,007	145,023	177,002
		2,346,751	1,254,607	1,690,510	597,587

		Group 2024 N'000	Group 2023 N'000	Company 2024 N'000	Company 2023 N'000
16	**Income tax**				
	Company income tax	199,347	181,841	149,092	38,889
	Education tax	1,449	49,987	-	48,779
	Police Trust Fund	-	121	-	121
	Per profit or loss	161,687	231,985	149,092	87,788
	Balance at beginning of the year	187,033	109,064	80,876	34,807
	Witholding tax utilsed (Note 6f)	(25,516)	(8,161)	(25,516)	(8,161)
	Payments	(131,758)	(145,854)	(31,242)	(33,558)
	Per statement of financial position	191,446	187,033	173,210	80,876
16.1	**Deferred tax asset**				
	At 1 January	60,854	60,854	21,745	21,745
	Write back to profit or loss	(39,109)	-	-	-
	Balance at 31 December	21,745	60,854	21,745	21,745
16.2	**Deferred tax liability**				
	At 1 January	184,753	27,459	157,143	(21,745)
	Charges for the year	-	-	-	-
	Other comprehensive income	119,343	157,294	55,273	178,888
	Balance at 31 December	304,096	184,753	212,416	157,143
	Movements in deferred tax liabilities during the year:				
	Recognised in other comprehensive income during the year:				
	Net acturial gains on retirement benefit obligation	(1,679)	152	-	-
	Gain on revaluation of property, plant and equipment	37,701	125,261	37,701	125,261
	Fair value gain on financial asset at FVOCI	17,571	31,882	17,571	31,882
		304,096	**157,294**	**212,416**	**157,143**
	Deferred tax liabilities are attributable to the following items:				
	Net acturial gains on retirement benefit obligation	(1,679)	152	-	-
	Fair value gains on investment properties	37,701	125,261	37,701	125,261
	Fair value gains on equity instruments at FVOCI	17,571	31,882	17,571	31,882
		304,096	**157,294**	**55,273**	**157,143**

16.3 Net deferred tax liability

Deferred tax liability	304,096	184,753	212,416	157,143
Deferred tax asset	21,745	60,854	21,745	21,745
Net deferred tax liability	**282,351**	**123,899**	**190,671**	**135,398**

17 Insurance and reinsurance contracts

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

Insurance contract liabilities	**Group 2024 N'000**	**Group 2023 N'000**	**Company 2024 N'000**	**Company 2023 N'000**
Insurance contract liabilities (excluding insurance acquisition cash flows assets and other pre-recognition cash flows)	16,834,500	4,951,565	16,834,500	4,951,565
Insurance acquisition cash flows	(530,873)	(412,363)	(530,873)	(412,363)
Other pre-recognition cash flows	-	-	-	-
Insurance contract liabilities	**16,303,627**	**4,539,202**	**16,303,627**	**4,539,202**
Reinsurance contract assets				
Insurance contract assets (excluding reinsurance deferred acquisition income cash flows, other pre-recognition cash flows and reinsurance payables)	5,969,559	1,834,583	5,969,559	1,834,583
Reinsurance deferred acquisition income cash flows	(127,889)	(186,727)	(127,889)	(186,727)
Other pre-recognition cash flows	-	-	-	-
Reinsurance payables	-	-	-	-
Insurance contract liabilities	**5,841,670**	**1,647,856**	**5,841,670**	**1,647,856**

Insurance contract liabilities **Liabilities for remaining coverage (LRC)**	**Group 2024 N'000**	**Group 2023 N'000**	**Company 2024 N'000**	**Company 2023 N'000**
Excluding loss component	2,205,403	1,816,536	2,205,403	1,816,536
Loss component	545,663	38	545,663	38
	2,751,066	1,816,574	2,751,066	1,816,574
Liabilities for remaining coverage (LRC)				
Estimate of present value of future cash flows	12,992,733	2,337,459	12,992,733	2,337,459
Risk adjustment for non-financial risk	559,828	385,168	559,828	385,168
	13,552,561	2,722,627	13,552,561	2,722,627
Insurance contract liabilities	**16,303,627**	**4,539,201**	**16,303,627**	**4,539,201**

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

17 Insurance and reinsurance contracts

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

Group

Reconciliation of	2024			2023		
	Asset	Liabilities	Net	Asset	Liabilities	Net
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Insurance contact issued						
General Accident	-	441,413	441,413	-	308,390	308,390
Agriculture	-	293,141	293,141	-	531,066	531,066
Aviation	-	1,284,040	1,284,040	-	262,482	262,482
Bond	-	16,714	16,714	-	60,959	60,959
Engineering	-	1,502,858	1,502,858	-	607,859	607,859
Fire	-	903,412	903,412	-	792,862	792,862
Marine	-	193,071	193,071	-	329,468	329,468
Motor	-	629,243	629,243	-	861,507	861,507
Oil & Gas	-	11,039,734	11,039,734	-	786,772	786,772
	-	**16,303,627**	**16,303,627**	**-**	**4,541,366**	**4,541,366**
Reinsurance contracts held						
General Accident	(112,823)	-	(112,823)	(106,776)	-	(106,776)
Agriculture	(8,074)	-	(8,074)	(299,384)	-	(299,384)
Aviation	(3,406)	-	(3,406)	(140,595)	-	(140,595)
Bond	(1,597)	-	(1,597)	(44,400)	-	(44,400)
Engineering	(394,661)	-	(394,661)	(297,161)	-	(297,161)
Fire	(347,913)	-	(347,913)	(217,806)	-	(217,806)
Marine	(50,780)	-	(50,780)	(203,516)	-	(203,516)
Motor	(120,148)	-	(120,148)	(266,341)	-	(266,341)
Oil & Gas	(4,802,269)	-	(4,802,269)	(71,879)	-	(71,879)
	(5,841,670)	**-**	**(5,841,670)**	**(1,647,856)**	**-**	**(1,647,856)**

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

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

Company

Reconciliation of	2024			2023		
	Asset	Liabilities	Net	Asset	Liabilities	Net
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Insurance contact issued						
General Accident	-	441,413	441,413	-	308,390	308,390
Agriculture	-	293,141	293,141	-	531,066	531,066
Aviation	-	1,284,040	1,284,040	-	262,482	262,482
Bond	-	16,714	16,714	-	60,959	60,959
Engineering	-	1,502,858	1,502,858	-	607,859	607,859
Fire	-	903,412	903,412	-	792,862	792,862
Marine	-	193,071	193,071	-	329,468	329,468
Motor	-	629,243	629,243	-	861,507	861,507
Oil & Gas	-	11,039,734	11,039,734	-	784,607	784,607
	-	**16,303,627**	**16,303,627**	**-**	**4,539,201**	**4,539,201**
Reinsurance contracts held						
General Accident	(112,823)	-	(112,823)	(106,776)	-	(106,776)
Agriculture	(8,074)	-	(8,074)	(299,385)	-	(299,384)
Aviation	(3,406)	-	(3,406)	(140,595)	-	(140,595)
Bond	(1,597)	-	(1,597)	(44,400)	-	(44,400)
Engineering	(394,661)	-	(394,661)	(297,161)	-	(297,161)
Fire	(347,913)	-	(347,913)	(217,806)	-	(217,806)
Marine	(50,780)	-	(50,780)	(203,516)	-	(203,516)
Motor	(120,148)	-	(120,148)	(266,341)	-	(266,341)
Oil & Gas	(4,802,269)	-	(4,802,269)	(71,879)	-	(71,879)
	(5,841,670)	**-**	**(5,841,670)**	**(1,647,857)**	**-**	**(1,647,856)**

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

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

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

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

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

Company

Reconciliation of 2024

	Liabilities for remaining coverage		Liability for Incurred Claims		
	Excluding loss component	Loss component	Estimate of present value of future cashflows	Risk Adjustment	Total
	₦'000	₦'000	₦'000	₦'000	₦'000
Opening insurance contract liabilities	1,816,536	38	2,337,459	385,168	4,539,201
Opening insurance contract assets	-	-	-		-
Net Insurance contract liabilities	1,816,536	38	2,337,459	385,168	4,539,201
Insurance revenue	(23,330,242)				(23,330,242)
Insurance service expense	-	-	-	-	-
Incurred claims and other expenses	-	-	*14,530,554*	*(569,125)*	13,961,429
Amortisation of insurance acquisition cash flows	*3,220,210*	*545,606*	-	-	3,765,816
Other acquisition (Maintenamce expense) expensed during the year	*86,616*				86,616
Changes related to future service	-	-	*98,807*	*(31,525)*	67,282
Changes related to past service	-	-	*(66,314)*	*775,312*	708,998
Total Insurance service expenses	**3,306,826**	**545,606**	**14,563,047**	**174,661**	**18,590,141**
Investment components	-	-	-	-	-
Insurance service result	**(20,023,416)**	**545,606**	**14,563,047**	**174,661**	**(4,740,101)**
Insurance finance expenses			(956,336)	-	(956,336)
Total change in comprehensive income	**(20,023,416)**	**545,606**	**13,606,711**	**174,661**	**(5,696,437)**
Cashflows					
Premiums received	*23,178,430*	-	-	-	23,178,430
Claims and expenses paid	-	-	*(2,162,686)*	-	(2,162,686)
Other directly attributable expenses p	-		*(788,750)*		(788,750)
Acquisition costs paid on policies initi	*(3,220,986)*	-	-	-	(3,220,986)
Other acqusition (Maintenance expen	*(86,616)*		-		(86,616)
Total cashflows	**19,870,828**	**-**	**(2,951,436)**	**-**	**16,919,392**
Items reported in SOFP (Non-cashflows items)					
Impact of commission payable on poli	25,619	-	-	-	25,619
Impact of trade receivables on policie	515,836	19	-	(1)	515,854
Total cashflows	**541,455**	**19**	**-**	**(1)**	**541,473**
Closing insurance contract liabilities	2,205,403	545,663	12,992,734	559,828	16,303,629
Closing insurance contract assets	-	-	-	-	-
Net closing balance	**2,205,403**	**545,663**	**12,992,734**	**559,828**	**16,303,629**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

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

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

2024

	Asset for remaining coverage		Amount recoverable on Incurred Claims		
	Excluding loss comonent	Loss component	Estimate of present value of future cashflows	Risk Adjustment	Total
	₦'000	₦'000	₦'000	₦'000	₦'000
Opening re-insurance contract assets	925,792	16	616,458	105,591	1,647,857
Opening re-insurance contract liabilities	-				
Net re-insurance contract assets	925,792	16	616,458	105,591	1,647,857
An allocation of reinsurance premiums	(14,512,705)	236,474	-	-	(14,276,232)
Amounts recoverable from reinsurers for incurred claims	-	-	5,485,290	(196,577)	5,288,712
Amounts recoverable for incurred claims and other expenses	-	-	-	-	-
Changes to amounts recoverable for incurred claims	-	-	(150,480)	214,956	64,475
Reinsurance Investment components	-	-			-
Net income or expense from	(14,512,705)	236,474	5,334,809	18,378	(8,923,044)
Reinsurance finance income	-	-	(250,922)		(250,922)
Total change in comprehensive income	**(14,512,705)**	**236,474**	**5,083,887**	**18,378**	**(9,173,967)**
Cashflows					
Premiums and similar expense paid	14,192,596	-	-	-	14,192,596
Amounts received	-	-	(824,815)	-	(824,815)
Acquisition costs paid	-	-	-	-	-
	14,192,596	**-**	**(824,815)**	**-**	**13,367,781**
Closing re-insurance contract assets	605,682	236,490	4,875,530	123,969	5,841,671
Closing re-insurance contract liabilities	-	-	-	-	-
Net closing balance	**605,682**	**236,490**	**4,875,530**	**123,969**	**5,841,671**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

17a Roll-forward of net asset or liability for insurance contracts issued showing the liability for remaining coverage and the liability for incurred claims

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

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

Company

Reconciliation of 2024

	Liabilities for remaining coverage		Liability for Incurred Claims		
	Excluding loss component	Loss component	Estimate of present value of future cashflows	Risk Adjustment	Total
	₦'000	₦'000	₦'000	₦'000	₦'000
Opening insurance contract liabilities	1,816,536	38	2,337,459	385,168	4,539,201
Opening insurance contract assets	-	-	-		-
Net Insurance contract liabilities	1,816,536	38	2,337,459	385,168	4,539,201
Insurance revenue	(23,330,242)				(23,330,242)
Insurance service expense	-	-	-	-	
Incurred claims and other expenses	-	-	*14,530,554*	*(569,125)*	13,961,429
Amortisation of insurance acquisition cash flows	*3,306,826*	*545,606*	-	-	3,852,433
Changes related to future service	-	-	*98,807*	*(31,525)*	67,282
Changes related to past service	-	-	*(66,314)*	*775,312*	708,998
Total Insurance service expenses	**3,306,826**	**545,606**	**14,563,047**	**174,661**	**18,590,141**
Investment components	-	-	-	-	-
Insurance service result	(20,023,416)	545,606	14,563,047	174,661	(4,740,101)
Insurance finance expenses			(956,336)	-	(956,336)
Total change in comprehensive income	**(20,023,416)**	**545,606**	**13,606,711**	**174,661**	**(5,696,437)**
Cashflows					
Premiums received	*23,719,104*	-	-	-	23,719,104
Claims and expenses paid	-	-	*(2,951,438)*	-	(2,951,438)
Acquisition costs paid	*(3,306,803)*	-	-	-	(3,306,803)
	20,412,301	**-**	**(2,951,438)**	**-**	**17,460,863**
Closing insurance contract liabilities	2,205,421	545,644	12,992,732	559,829	16,303,627
Closing insurance contract assets	-	-	-	-	-
Net closing balance	**2,205,421**	**545,644**	**12,992,732**	**559,829**	**16,303,627**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

17a

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

Company

	2023				
	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	1,211,187	15,508	1,687,868	300,497	3,215,060
Opening insurance contract assets	-	-	-	-	-
Net Insurance contract liabilities	1,211,187	15,508	1,687,868	300,497	3,215,060
Insurance revenue	(7,103,516)	-	-	-	(7,103,516)
Insurance service expense	-	-	-	-	-
Incurred claims and other expenses	-	-	3,100,295	-	3,100,295
Amortisation of insurance acquisition cash flows	1,778,761	-	-	-	1,778,761
Changes related to future service	-	-	539,897	84,672	624,569
Changes related to past service	-	(15,469)	2,164	-	(13,305)
Total Insurance service expenses	**1,778,761**	**(15,469)**	**3,642,356**	**84,672**	**5,490,320**
Investment components	-	-	-	-	-
Insurance service result	(5,324,755)	(15,469)	3,642,356	84,672	(1,613,196)
Insurance finance expenses			239,390	-	239,390
Total change in comprehensive income	**(5,324,755)**	**(15,469)**	**3,881,746**	**84,672**	**(1,373,806)**
Cashflows					
Premiums received	7,291,207	-	-	-	7,291,207
Claims and expenses paid	-	-	(3,232,155)	-	(3,232,155)
Acquisition costs paid	(1,361,103)	-	-	-	(1,361,103)
	5,930,104	**-**	**(3,232,155)**	**-**	**2,697,949**
Closing insurance contract liabilities	1,816,536	40	2,337,459	385,169	4,539,203
Closing insurance contract assets	-	-	-	-	-
Net closing balance	**1,816,536**	**40**	**2,337,459**	**385,169**	**4,539,203**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

17b

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

	2024				
	Asset for remaining coverage		Amount recoverable on Incurred Claims		
	Excluding loss comonent	Loss component	Estimate of present value of future cashflows	Risk Adjustment	Total
	₦'000	₦'000	₦'000	₦'000	₦'000
Opening re-insurance contract assets	925,792	16	616,458	105,591	1,647,857
Opening re-insurance contract liabilitie:	-				
Net re-insurance contract assets	925,792	16	616,458	105,591	1,647,857
An allocation of reinsurance premiums	(14,276,216)	(15)	-	-	(14,276,231)
Amounts recoverable from reinsurers for incurred claims	-	-	5,485,290	(196,577)	5,288,712
Amounts recoverable for incurred claims and other expenses	-	-	-	-	-
Changes to amounts recoverable for incurred claims	-	-	(150,480)	214,956	64,475
Net income or expense from	(14,276,216)	(15)	5,334,809	18,378	(8,923,044)
Reinsurance finance income	-	-	(250,922)		(250,922)
Total change in comprehensive income	**(14,276,216)**	**(15)**	**5,083,887**	**18,378**	**(9,173,966)**
Cashflows					
Premiums and similar expense paid	14,198,199	-	-	-	14,198,199
Amounts received	-	-	(847,725)	-	(847,725)
Acquisition costs paid	-	-	17,305	-	17,305
	14,198,199	-	(830,420)	-	13,367,779
Closing re-insurance contract assets	847,774	2	4,869,925	123,969	5,841,670
Closing re-insurance contract liabilitie	-	-	-	-	-
Net closing balance	847,774	2	4,869,925	123,969	5,841,670

17b

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:

2023

	Asset for remaining coverage		Amount recoverable on Incurred Claims		
	Excluding loss comonent	Loss component	Estimate of present value of future cashflows	Risk Adjustment	Total
	₦'000	₦'000	₦'000	₦'000	₦'000
Opening re-insurance contract assets	78,612	5,297	612,767	115,386	812,061
Opening re-insurance contract liabilitie:	-				
Net re-insurance contract assets	78,612	5,297	612,767	115,386	812,061
An allocation of reinsurance premiums	(2,296,554)	-	-	-	(2,296,554)
Amounts recoverable from reinsurers for	-	-	269,860	-	269,860
Amounts recoverable for incurred claims and other expenses	500,259	-	-	-	500,259
Changes to amounts recoverable for incurred claims	-	(5,280)	(291,590)	(9,795)	(306,665)
Net income or expense from	(1,796,295)	(5,280)	(21,730)	(9,795)	(1,833,100)
Reinsurance finance income	-	-	83,531	-	83,531
Total change in comprehensive income	**(1,796,295)**	**(5,280)**	**61,801**	**(9,795)**	**(1,749,569)**
Cashflows					
Premiums and similar expense paid	3,298,654	-	(41,304)	-	3,257,350
Amounts received	(655,179)	-	(16,806)	-	(671,985)
Acquisition costs paid	-	-	-	-	-
	2,643,475	**-**	**(58,110)**	**-**	**2,585,365**
Closing re-insurance contract assets	925,792	16	616,458	105,591	**1,647,857**
Closing re-insurance contract liabilitie	-	-	-	-	-
Net closing balance	**925,792**	**16**	**616,458**	**105,591**	**1,647,857**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

17a Roll-forward of net asset or liability for insurance contracts issued showing the liability for remaining coverage and the liability for incurred claims.

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

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

Company

2024

17a(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	336,257	(4,173)	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			335,607	(45,693)	289,914
Amortisation of insurance acquisition cash flows	228,145	4,173	-	-	232,318
Changes related to future service					-
Changes related to past service		-	(9,839)	(12,171)	(22,011)
Total Insurance service expenses	**228,145**	**4,173**	**325,767**	**(57,864)**	**500,221**
Investment components	-	-	-	-	-
Insurance service result	(1,042,215)	4,173	325,767	(57,864)	(770,140)
Insurance finance expenses			(45,337)	-	(45,337)
Total change in comprehensive income	**(1,042,215)**	**4,173**	**280,430**	**(57,864)**	**(815,477)**
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	490,771	-	121,939	16,533	629,243
Closing insurance contract assets	-	-	-	-	-
Net closing balance	**490,771**	**-**	**121,939**	**16,533**	**629,243**

17a

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

Company

2023

17a(1) Reconciliation of LFRC and LIC - Motor

	Liabilities for remaining coverage		Liability for Incurred Claims		
	Excluding loss component ₦'000	Loss component ₦'000	Estimate of present value of future cashflows ₦'000	Risk Adjustment ₦'000	Total ₦'000
Opening insurance contract liabilities	144,071	1,845	201,030	35,744	382,691
Opening insurance contract assets	-	-	-		-
Net Insurance contract liabilities	144,071	1,845	201,030	35,744	382,691
Insurance revenue	(1,345,804)				(1,345,804)
Insurance service expense					
Incurred claims and other expenses			1,205,930		1,205,930
Amortisation of insurance acquisition cash flows	691,889				691,889
Changes related to future service			210,005	38,653	248,658
Changes related to past service		(6,017)	2,164		(3,853)
Total Insurance service expenses	**691,889**	**(6,017)**	**1,418,099**	**-**	**2,142,623**
Investment components	-	-	-	-	-
Insurance service result	(653,915)	(6,017)	1,418,099	38,653	796,819
Insurance finance expenses			93,116	-	93,116
Total change in comprehensive income	**(653,915)**	**(6,017)**	**1,511,215**	**38,653**	**889,935**
Cashflows					
Premiums received	1,375,532	-	-	-	1,375,532
Claims and expenses paid	-	-	(1,257,219)	-	(1,257,219)
Acquisition costs paid	(529,432)	-	-	-	(529,432)
	846,100	**-**	**(1,257,219)**	**-**	**(411,119)**
Closing insurance contract liabilities	336,257	(4,173)	455,026	74,397	861,507
Closing insurance contract assets	-	-	-	-	-
Net closing balance	**336,257**	**(4,173)**	**455,026**	**74,397**	**861,507**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

17a Roll-forward of net asset or liability for insurance contracts issued showing the liability for remaining coverage and the liability for incurred claims

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

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

Company

2024

.7a(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	118,214	1,220	160,835	28,121	308,390
Opening insurance contract assets	-	-	-		-
Net Insurance contract liabilities	118,214	1,220	160,835	28,121	308,390
Insurance revenue	(561,829)				(561,829)
Insurance service expense					
Incurred claims and other expenses			180,510	(8,892)	171,618
Amortisation of insurance acquisition cash flows	98,932	(1,220)			97,712
Changes related to future service			8,532	(40)	8,492
Changes related to past service		-			-
Total Insurance service expenses	**98,932**	**(1,220)**	**189,042**	**(8,932)**	**277,822**
Investment components	-	-	-	-	-
Insurance service result	(462,898)	(1,220)	189,042	(8,932)	(284,008)
Insurance finance expenses			(56,713)	-	(56,713)
Total change in comprehensive income	**(462,898)**	**(1,220)**	**132,329**	**(8,932)**	**(340,720)**
Cashflows					
Premiums received	611,596				611,596
Claims and expenses paid			(40,141)		(40,141)
Acquisition costs paid	(97,712)				(97,712)
	513,884	**-**	**(40,141)**	**-**	**473,743**
Closing insurance contract liabilities	169,201	-	253,024	19,189	441,413
Closing insurance contract assets		-	-	-	-
Net closing balance	**169,201**	**-**	**253,024**	**19,189**	**441,413**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

17a

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

Company

2023

.7a(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	109,714	1,405	153,090	27,220	291,429
Opening insurance contract assets	-	-	-		-
Net Insurance contract liabilities	109,714	1,405	153,090	27,220	291,429
Insurance revenue	(127,720)				(127,720)
Insurance service expense					
Incurred claims and other expenses			37,088		37,088
Amortisation of insurance acquisition cash flows	21,279				21,279
Changes related to future service			6,459	901	7,360
Changes related to past service		(185)			(185)
Total Insurance service expenses	**21,279**	**(185)**	**43,547**	**-**	**65,542**
Investment components	-	-	-	-	-
Insurance service result	(106,441)	(185)	43,547	901	(62,178)
Insurance finance expenses			2,864	-	2,864
Total change in comprehensive income	**(106,441)**	**(185)**	**46,411**	**901**	**(59,314)**
Cashflows					
Premiums received	131,224				131,224
Claims and expenses paid			(38,666)		(38,666)
Acquisition costs paid	(16,283)				(16,283)
	114,941	**-**	**(38,666)**	**-**	**76,276**
Closing insurance contract liabilities	118,214	1,220	160,835	28,121	308,390
Closing insurance contract assets	-	-	-	-	-
Net closing balance	**118,214**	**1,220**	**160,835**	**28,121**	**308,390**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

17a Roll-forward of net asset or liability for insurance contracts issued showing the liability for remaining coverage and the liability for incurred claims

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

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

Company

2024

17a(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	306,084	2,265	413,789	70,725	792,862
Opening insurance contract assets	-	-	-		-
Net Insurance contract liabilities	306,084	2,265	413,789	70,725	792,862
Insurance revenue	(1,221,380)				(1,221,380)
Insurance service expense					
Incurred claims and other expenses			364,348	21,354	385,702
Amortisation of insurance acquisition cash flows	232,599	(2,265)			230,334
Changes related to future service	-	-	90,275	(31,485)	58,790
Changes related to past service	-				-
Total Insurance service expenses	232,599	(2,265)	454,624	(10,131)	**674,827**
Investment components	-	-	-	-	**-**
Insurance service result	(988,781)	(2,265)	454,624	(10,131)	(546,553)
Insurance finance expenses	-	-	(85,948)	-	(85,948)
Total change in comprehensive income	**(988,781)**	**(2,265)**	**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 2024

17a Roll-forward of net asset or liability for insurance contracts issued showing the liability for remaining coverage and the liability for incurred claims

Company

2023

17a(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	263,341	3,372	367,453	65,335	699,501
Opening insurance contract assets	-	-	-		-
Net Insurance contract liabilities	263,341	3,372	367,453	65,335	699,501
Insurance revenue	(468,458)				(468,458)
Insurance service expense					
Incurred claims and other expenses			221,882		221,882
Amortisation of insurance acquisition cash flows	127,302				127,302
Changes related to future service			38,639	5,390	44,029
Changes related to past service		(1,107)			(1,107)
Total Insurance service expenses	**127,302**	**(1,107)**	**260,521**	**-**	**392,106**
Investment components	-	-	-	-	-
Insurance service result	(341,156)	(1,107)	260,521	5,390	(76,352)
Insurance finance expenses			17,133	-	17,133
Total change in comprehensive income	**(341,156)**	**(1,107)**	**277,654**	**5,390**	**(59,219)**
Cashflows					
Premiums received	481,310	-	-	-	481,310
Claims and expenses paid		-	(231,319)	-	(231,319)
Acquisition costs paid	(97,411)	-	-		(97,411)
	383,899	**-**	**(231,319)**	**-**	**152,580**
Closing insurance contract liabilities	306,084	2,265	413,789	70,725	792,862
Closing insurance contract assets	-	-	-	-	-
Net closing balance	**306,084**	**2,265**	**413,789**	**70,725**	**792,862**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

17a Roll-forward of net asset or liability for insurance contracts issued showing the liability for remaining coverage and the liability for incurred claims

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

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

Company

2024

17a(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	256,094	(3,420)	311,473	43,711	607,859
Opening insurance contract assets	-	-	-		-
Net Insurance contract liabilities	256,094	(3,420)	311,473	43,711	607,859
Insurance revenue	(255,904)				(255,904)
Insurance service expense					
Incurred claims and other expenses			1,263,315	75,297	1,338,612
Amortisation of insurance acquisition cash flows	56,054	39,772			95,827
Changes related to future service					-
Changes related to past service	-		57,343	(1,850)	55,492
Total Insurance service expenses	**56,054**	**39,772**	**1,320,657**	**73,447**	**1,489,931**
Investment components	-	-	-	-	-
Insurance service result	(199,849)	39,772	1,320,657	73,447	1,234,027
Insurance finance expenses			(137,193)	-	(137,193)
Total change in comprehensive income	**(199,849)**	**39,772**	**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	167,420	36,353	1,181,926	117,158	1,502,858
Closing insurance contract assets	-	-	-	-	-
Net closing balance	**167,420**	**36,353**	**1,181,926**	**117,158**	**1,502,858**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

17a Roll-forward of net asset or liability for insurance contracts issued showing the liability for remaining coverage and the liability for incurred claims

Company

2023

17a(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	87,178	1,116	121,645	21,629	231,569
Opening insurance contract assets	-	-	-		-
Net Insurance contract liabilities	87,178	1,116	121,645	21,629	231,569
Insurance revenue	(1,693,304)				(1,693,304)
Insurance service expense					
Incurred claims and other expenses			909,021		909,021
Amortisation of insurance acquisition cash flows	521,541				521,541
Changes related to future service			158,300	22,082	180,383
Changes related to past service		(4,536)			(4,536)
Total Insurance service expenses	**521,541**	**(4,536)**	**1,067,322**	**-**	**1,606,409**
Investment components	-	-	-	-	-
Insurance service result	(1,171,763)	(4,536)	1,067,322	22,082	(86,895)
Insurance finance expenses			70,190	-	70,190
Total change in comprehensive income	**(1,171,763)**	**(4,536)**	**1,137,512**	**22,082**	**(16,705)**
Cashflows					
Premiums received	1,739,760				1,739,760
Claims and expenses paid			(947,683)		(947,683)
Acquisition costs paid	(399,082)				(399,082)
	1,340,678	**-**	**(947,683)**	**-**	**392,995**
Closing insurance contract liabilities	256,094	(3,420)	311,473	43,711	607,859
Closing insurance contract assets	-	-	-	-	-
Net closing balance	**256,094**	**(3,420)**	**311,473**	**43,711**	**607,859**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

17a Roll-forward of net asset or liability for insurance contracts issued showing the liability for remaining coverage and the liability for incurred claims

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

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

Company

2024

17a(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	143,973	(2,337)	165,563	22,269	329,468
Opening insurance contract assets	-	-	-		-
Net Insurance contract liabilities	143,973	(2,337)	165,563	22,269	329,468
Insurance revenue	(433,879)				(433,879)
Insurance service expense					
Incurred claims and other expenses			127,999	(19,266)	108,733
Amortisation of insurance acquisition cash flows	79,941	2,337			82,278
Changes related to future service					-
Changes related to past service			6,825	(563)	6,262
Total Insurance service expenses	**79,941**	**2,337**	**134,824**	**(19,829)**	**197,273**
Investment components	-	-	-	-	-
Insurance service result	(353,938)	2,337	134,824	(19,829)	(236,605)
Insurance finance expenses			(2,690)	-	(2,690)
Total change in comprehensive income	**(353,938)**	**2,337**	**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 2024

17a Roll-forward of net asset or liability for insurance contracts issued showing the liability for remaining coverage and the liability for incurred claims

Company

2023

17a(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 ₦'000	Risk Adjustment ₦'000	Total ₦'000
Opening insurance contract liabilities	35,088	449	48,960	8,705	93,203
Opening insurance contract assets	-	-	-		-
Net Insurance contract liabilities	35,088	449	48,960	8,705	93,203
Insurance revenue	(1,227,041)				(1,227,041)
Insurance service expense					
Incurred claims and other expenses			558,368		558,368
Amortisation of insurance acquisition cash flows	320,358				320,358
Changes related to future service			97,236	13,564	110,800
Changes related to past service		(2,786)			(2,786)
Total Insurance service expenses	**320,358**	**(2,786)**	**655,604**	**-**	**986,740**
Investment components	-	-	-	-	-
Insurance service result	(906,683)	(2,786)	655,604	13,564	(240,301)
Insurance finance expenses			43,115	-	43,115
Total change in comprehensive income	**(906,683)**	**(2,786)**	**698,719**	**13,564**	**(197,187)**
Cashflows					
Premiums received	1,260,705				1,260,705
Claims and expenses paid			(582,116)		(582,116)
Acquisition costs paid	(245,137)				(245,137)
	1,015,568	**-**	**(582,116)**	**-**	**433,452**
Closing insurance contract liabilities	143,973	(2,337)	165,563	22,269	329,468
Closing insurance contract assets	-	-	-	-	-
Net closing balance	**143,973**	**(2,337)**	**165,563**	**22,269**	**329,468**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

17a Roll-forward of net asset or liability for insurance contracts issued showing the liability for remaining coverage and the liability for incurred claims

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

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

Company

2024

17a(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	296,385	3,759	411,052	73,411	784,607
Opening insurance contract assets	-	-	-		-
Net Insurance contract liabilities	296,385	3,759	411,052	73,411	784,607
Insurance revenue	(3,523,501)				(3,523,501)
Insurance service expense					
Incurred claims and other expenses			9,094,486	(742,416)	8,352,070
Amortisation of insurance acquisition cash flows	557,818	505,518			1,063,336
Changes related to future service					-
Changes related to past service	-		(132,492)	802,906	670,414
Total Insurance service expenses	**557,818**	**505,518**	**8,961,993**	**60,491**	**10,085,820**
Investment components	-	-	-	-	-
Insurance service result	(2,965,683)	505,518	8,961,993	60,491	6,562,319
Insurance finance expenses			(403,255)	-	(403,255)
Total change in comprehensive income	**(2,965,683)**	**505,518**	**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	675,476	509,277	9,721,079	133,902	11,039,734
Closing insurance contract assets	-	-	-	-	-
Net closing balance	**675,476**	**509,277**	**9,721,079**	**133,902**	**11,039,734**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

17a Roll-forward of net asset or liability for insurance contracts issued showing the liability for remaining coverage and the liability for incurred claims

Company

2023

17a(6) Reconciliation of LFRC and LIC - Oil & Gas

	Liabilities for remaining coverage		Liability for Incurred Claims		
	Excluding loss component ₦'000	Loss component ₦'000	Estimate of present value of future cashflows ₦'000	Risk Adjustment ₦'000	Total ₦'000
Opening insurance contract liabilities	295,430	3,783	410,064	73,297	782,574
Opening insurance contract assets	-	-	-		-
Net Insurance contract liabilities	295,430	3,783	410,064	73,297	782,574
Insurance revenue	(11,573)				(11,573)
Insurance service expense					
Incurred claims and other expenses			4,730		4,730
Amortisation of insurance acquisition cash flows	2,714				2,714
Changes related to future service			824	115	939
Changes related to past service		(24)			(24)
Total Insurance service expenses	**2,714**	**(24)**	**5,554**	**115**	**8,359**
Investment components	-	-	-	-	-
Insurance service result	(8,859)	(24)	5,554	115	(3,214)
Insurance finance expenses			365	-	365
Total change in comprehensive income	**(8,859)**	**(24)**	**5,919**	**115**	**(2,849)**
Cashflows					
Premiums received	11,891				11,891
Claims and expenses paid			(4,931)		(4,931)
Acquisition costs paid	(2,077)				(2,077)
	9,814	**-**	**(4,931)**	**-**	**4,883**
Closing insurance contract liabilities	296,385	3,759	411,052	73,411	784,607
Closing insurance contract assets	-	-	-	-	-
Net closing balance	**296,385**	**3,759**	**411,052**	**73,411**	**784,607**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

17a Roll-forward of net asset or liability for insurance contracts issued showing the liability for remaining coverage and the liability for incurred claims

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

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

Company

2024

17a(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	28,974	(637)	29,126	3,497	60,959
Opening insurance contract assets	-	-	-		-
Net Insurance contract liabilities	28,974	(637)	29,126	3,497	60,959
Insurance revenue	(34,780)				(34,780)
Insurance service expense					
Incurred claims and other expenses			4,871	(3,314)	1,557
Amortisation of insurance acquisition cash flows	5,959	653			6,612
Changes related to future service					-
Changes related to past service			7,257	(127)	7,130
Total Insurance service expenses	**5,959**	**653**	**12,128**	**(3,441)**	**15,300**
Investment components	-	-	-	-	-
Insurance service result	(28,820)	653	12,128	(3,441)	(19,480)
Insurance finance expenses			(259)	-	(259)
Total change in comprehensive income	**(28,820)**	**653**	**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	15,363	15	1,279	56	16,714
Closing insurance contract assets	-	-	-	-	-
Net closing balance	**15,363**	**15**	**1,279**	**56**	**16,714**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

17a Roll-forward of net asset or liability for insurance contracts issued showing the liability for remaining coverage and the liability for incurred claims

Company

2023

17a(7) Reconciliation of LFRC and LIC - Bond

	Liabilities for remaining coverage		Liability for Incurred Claims		
	Excluding loss component ₦'000	**Loss component ₦'000**	**Estimate of present value of future cashflows ₦'000**	**Risk Adjustment ₦'000**	**Total ₦'000**
Opening insurance contract liabilities	1,270	16	1,772	315	3,374
Opening insurance contract assets	-	-	-		-
Net Insurance contract liabilities	1,270	16	1,772	315	3,374
Insurance revenue	(366,591)				(366,591)
Insurance service expense					
Incurred claims and other expenses			130,987		130,987
Amortisation of insurance acquisition cash flows	75,152				75,152
Changes related to future service			22,811	3,182	25,993
Changes related to past service		(654)			(654)
Total Insurance service expenses	**75,152**	**(654)**	**153,798**	**-**	**231,479**
Investment components	-	-	-	-	-
Insurance service result	(291,439)	(654)	153,798	3,182	(135,112)
Insurance finance expenses			10,114	-	10,114
Total change in comprehensive income	**(291,439)**	**(654)**	**163,912**	**3,182**	**(124,998)**
Cashflows					
Premiums received	376,648				376,648
Claims and expenses paid			(136,558)		(136,558)
Acquisition costs paid	(57,506)				(57,506)
	319,142	**-**	**(136,558)**	**-**	**182,584**
Closing insurance contract liabilities	28,974	(637)	29,126	3,497	60,959
Closing insurance contract assets	-	-	-	-	-
Net closing balance	**28,974**	**(637)**	**29,126**	**3,497**	**60,959**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

17a Roll-forward of net asset or liability for insurance contracts issued showing the liability for remaining coverage and the liability for incurred claims

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

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

Company

2024

17a(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	129,608	186	114,016	18,673	262,482
Opening insurance contract assets	-	-	-		-
Net Insurance contract liabilities	129,608	186	114,016	18,673	262,482
Insurance revenue	(16,011,877)				(16,011,877)
Insurance service expense					
Incurred claims and other expenses			3,092,653	144,648	3,237,301
Amortisation of insurance acquisition cash flows	2,040,636	(186)			2,040,450
Changes related to future service		-			-
Changes related to past service	-		4,593	(3,489)	1,104
Total Insurance service expenses	**2,040,636**	**(186)**	**3,097,246**	**141,159**	**5,278,855**
Investment components	-	-	-	-	-
Insurance service result	(13,971,241)	(186)	3,097,246	141,159	(10,733,023)
Insurance finance expenses			(137,192)	-	(137,192)
Total change in comprehensive income	**(13,971,241)**	**(186)**	**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	(0)	1,059,514	159,832	1,284,040
Closing insurance contract assets	-	-	-	-	-
Net closing balance	64,695	(0)	1,059,514	159,832	1,284,040

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

17a Roll-forward of net asset or liability for insurance contracts issued showing the liability for remaining coverage and the liability for incurred claims

Company

2023

17a(8) Reconciliation of LFRC and LIC - Aviation

	Excluding loss component ₦'000	Loss component ₦'000	Estimate of present value of future cashflows ₦'000	Risk Adjustment ₦'000	Total ₦'000
Opening insurance contract liabilities	63,061	807	87,993	15,646	167,507
Opening insurance contract assets	-	-	-		-
Net Insurance contract liabilities	63,061	807	87,993	15,646	167,507
Insurance revenue	(1,813,692)				(1,813,692)
Insurance service expense					
Incurred claims and other expenses			124,617		124,617
Amortisation of insurance acquisition cash flows	71,498				71,498
Changes related to future service			21,701	3,027	24,728
Changes related to past service		(622)			(622)
Total Insurance service expenses	**71,498**	**(622)**	**146,318**	**-**	**220,221**
Investment components	-	-	-	-	-
Insurance service result	(1,742,194)	(622)	146,318	3,027	(1,593,471)
Insurance finance expenses			9,622	-	9,622
Total change in comprehensive income	**(1,742,194)**	**(622)**	**155,940**	**3,027**	**(1,583,849)**
Cashflows					
Premiums received	1,863,451				1,863,451
Claims and expenses paid			(129,917)		(129,917)
Acquisition costs paid	(54,710)				(54,710)
	1,808,741	**-**	**(129,917)**	**-**	**1,678,824**
Closing insurance contract liabilities	129,608	186	114,016	18,673	262,482
Closing insurance contract assets	-	-	-	-	-
Net closing balance	**129,608**	**186**	**114,016**	**18,673**	**262,482**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

17a Roll-forward of net asset or liability for insurance contracts issued showing the liability for remaining coverage and the liability for incurred claims

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

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

Company

2024

17a(9) Reconciliation of LFRC and LIC - Agriculture

	Excluding loss component ₦'000	Loss component ₦'000	Estimate of present value of future cashflows ₦'000	Risk Adjustment ₦'000	Total ₦'000
Opening insurance contract liabilities	200,948	3,176	276,580	50,363	531,066
Opening insurance contract assets	-	-	-		-
Net Insurance contract liabilities	200,948	3,176	276,580	50,363	531,066
Insurance revenue	(16,732)				(16,732)
Insurance service expense					
Incurred claims and other expenses			66,765	9,157	75,922
Amortisation of insurance acquisition cash flows	6,742	(3,176)			3,566
Changes related to future service					-
Changes related to past service				(9,395)	(9,395)
Total Insurance service expenses	**6,742**	**(3,176)**	**66,765**	**(238)**	**70,093**
Investment components	-	-	-	-	-
Insurance service result	(9,990)	(3,176)	66,765	(238)	53,361
Insurance finance expenses			(87,750)	-	(87,750)
Total change in comprehensive income	**(9,990)**	**(3,176)**	**(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 2024

17a Roll-forward of net asset or liability for insurance contracts issued showing the liability for remaining coverage and the liability for incurred claims

Company

2023

17a(9) Reconciliation of LFRC and LIC - Agriculture

	Excluding loss component	Loss component	Estimate of present value of future cashflows	Risk Adjustment	Total
	₦'000	₦'000	₦'000	₦'000	₦'000
Opening insurance contract liabilities	212,033	2,715	295,860	52,606	563,213
Opening insurance contract assets	-	-	-		-
Net Insurance contract liabilities	212,033	2,715	295,860	52,606	563,213
Insurance revenue	(49,333)				(49,333)
Insurance service expense					
Incurred claims and other expenses			(92,328)		(92,328)
Amortisation of insurance acquisition cash flows	(52,972)				(52,972)
Changes related to future service			(16,078)	(2,243)	(18,321)
Changes related to past service		461			461
Total Insurance service expenses	**(52,972)**	**461**	**(108,406)**	**-**	**(163,160)**
Investment components	-	-	-	-	-
Insurance service result	(102,305)	461	(108,406)	(2,243)	(212,493)
Insurance finance expenses			(7,129)	-	(7,129)
Total change in comprehensive income	**(102,305)**	**461**	**(115,535)**	**(2,243)**	**(219,622)**
Cashflows					
Premiums received	50,686				50,686
Claims and expenses paid			96,255		96,255
Acquisition costs paid	40,534				40,534
	91,221	**-**	**96,255**	**-**	**187,475**
Closing insurance contract liabilities	200,948	3,176	276,580	50,363	531,066
Closing insurance contract assets	-	-	-	-	-
Net closing balance	**200,948**	**3,176**	**276,580**	**50,363**	**531,066**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

17b 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:

Company

2024

17b(1) Reconciliation of AFRC and ARC-Motor

	Asset for remaining coverage		Amount recoverable on Incurred Claims		
	Excluding loss comonent	Loss component	Estimate of present value of future cashflows	Risk Adjustment	Total
	₦'000	₦'000	₦'000	₦'000	₦'000
Opening re-insurance contract assets	246,284	(1,260)	15,578	5,739	266,341
Opening re-insurance contract liabilitie	-				
Net re-insurance contract asset	246,284	(1,260)	15,578	5,739	266,341
An allocation of reinsurance premium	(289,289)	*1,260*			(288,028)
Amounts recoverable from reinsurers for incurred claims			14,713	7,632	22,344
Amounts recoverable for incurred claims and other expenses					-
Changes to amounts recoverable for incurred claims		-	(4,767)	(7,282)	(12,048)
Reinsurance Investment components	-	-			
Net income or expense from	(289,289)	1,260	9,946	350	(277,732)
Reinsurance finance income	-	-	2,082	-	2,082
Total change in comprehensive incom	**(289,289)**	**1,260**	**12,028**	**350**	**(275,650)**
Cashflows					
Premiums and similar expense paid	112,152				112,152
Amounts received	-		-		-
Acquisition costs paid	-	-	17,305	-	17,305
	112,152	**-**	**17,305**	**-**	**129,458**
Closing re-insurance contract assets	69,147	-	44,911	6,090	120,148
Closing re-insurance contract liabiliti	-	-	-	-	-
Net closing balance	**69,147**	**-**	**44,911**	**6,090**	**120,148**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

17b 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:

Company

2023

17b(1) Reconciliation of AFRC and ARC-Motor

	Asset for remaining coverage		Amount recoverable on Incurred Claims		
	Excluding loss comonent	Loss component	Estimate of present value of future cashflows	Risk Adjustment	Total
	₦'000	₦'000	₦'000	₦'000	₦'000
Opening re-insurance contract assets	1,267	267	14,510	8,572	24,617
Opening re-insurance contract liabilitie	-				
Net re-insurance contract asset	1,267	267	14,510	8,572	24,617
An allocation of reinsurance premium	(664,196)				(664,196)
Amounts recoverable from reinsurers for incurred claims			78,047		78,047
Amounts recoverable for incurred claims and other expenses	144,682				144,682
Changes to amounts recoverable for incurred claims		(1,527)	(84,332)	(2,833)	(88,692)
Reinsurance Investment components	-	0			
Net income or expense from	(519,514)	(1,527)	(6,285)	(2,833)	(530,159)
Reinsurance finance income	-	-	24,158		24,158
Total change in comprehensive incom	**(519,514)**	**(1,527)**	**17,874**	**(2,833)**	**(506,001)**
Cashflows					
Premiums and similar expense paid	954,018				954,018
Amounts received	(189,487)		(16,806)		(206,293)
Acquisition costs paid				-	-
	764,531	**-**	**(16,806)**	**-**	**747,724**
Closing re-insurance contract assets	246,284	(1,260)	15,578	5,739	266,341
Closing re-insurance contract liabiliti	-				
Net closing balance	**246,284**	**(1,260)**	**15,578**	**5,739**	**266,341**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

17b 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:

Company

2024

17b(2) Reconciliation of AFRC and ARC-General Accident

	Asset for remaining coverage		Amount recoverable on Incurred Claims		
	Excluding loss comonent	**Loss component**	**Estimate of present value of future cashflows**	**Risk Adjustment**	**Total**
	₦'000	**₦'000**	**₦'000**	**₦'000**	**₦'000**
Opening re-insurance contract assets	20,360	124	75,630	10,663	106,776
Opening re-insurance contract liabilities	-				
Net re-insurance contract asset	20,360	124	75,630	10,663	106,776
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 incurred claims and other expenses					-
Changes to amounts recoverable for incurred claims			1,945	(2,061)	(116)
Reinsurance Investment components	-	-			
Net income or expense from	(132,073)	(124)	32,060	(8,164)	(108,301)
Reinsurance finance income	-	-	(390)		(390)
Total change in comprehensive income	**(132,073)**	**(124)**	**31,670**	**(8,164)**	**(108,691)**
Cashflows					
Premiums and similar expense paid	189,087				189,087
Amounts received	-		(74,350)		(74,350)
Acquisition costs paid	-	-		-	
	189,087	**-**	**(74,350)**	**-**	**114,738**
Closing re-insurance contract assets	77,374	-	32,950	2,498	112,823
Closing re-insurance contract liabilities	-	-	-	-	-
Net closing balance	**77,374**	**-**	**32,950**	**2,498**	**112,823**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

17b 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:

Company

2023

17b(2) Reconciliation of AFRC and ARC-General Accident

	Asset for remaining coverage		Amount recoverable on Incurred Claims		
	Excluding loss comonent	Loss component	Estimate of present value of future cashflows	Risk Adjustment	Total
	₦'000	₦'000	₦'000	₦'000	₦'000
Opening re-insurance contract assets	7,676	203	75,574	10,809	94,263
Opening re-insurance contract liabilities	-				
Net re-insurance contract asset	7,676	203	75,574	10,809	94,263
An allocation of reinsurance premiums	(34,382)				(34,382)
Amounts recoverable from reinsurers for incurred claims			4,040		4,040
Amounts recoverable for incurred claims and other expenses	7,490				7,490
Changes to amounts recoverable for incurred claims		(79)	(4,365)	(147)	(4,591)
Net income or expense from reinsurance contracts held	(26,893)	(79)	(325)	(147)	(27,444)
Reinsurance finance income	-	-	1,251		1,251
Total change in comprehensive income	**(26,893)**	**(79)**	**925**	**(147)**	**(26,193)**
Cashflows					
Premiums and similar expense paid	49,385		(870)	-	48,515
Amounts received	(9,809)	-		-	(9,809)
Acquisition costs paid	-	-		-	
	39,576	**-**	**(870)**	**-**	**38,706**
Closing re-insurance contract assets	20,360	124	75,630	10,663	106,776
Closing re-insurance contract liabilities	-				
Net closing balance	**20,360**	**124**	**75,630**	**10,663**	**106,776**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

17b 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:

Company

2024

17b(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	69,179	2,436	123,891	22,300	217,806
Opening re-insurance contract liabilities	-				
Net re-insurance contract asset	69,179	2,436	123,891	22,300	217,806
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					-
Changes to amounts recoverable for incurred claims			38,928	(14,369)	24,560
Reinsurance Investment components	-	-			
Net income or expense from	(446,088)	(2,436)	65,872	(1,933)	(384,585)
Reinsurance finance income	-	-	(1,608)		(1,608)
Total change in comprehensive income	**(446,088)**	**(2,436)**	**64,265**	**(1,933)**	**(386,192)**
Cashflows					
Premiums and similar expense paid	571,016				571,016
Amounts received	-		(54,717)		(54,717)
	571,016	**-**	**(54,717)**	**-**	**516,299**
Closing re-insurance contract assets	194,107	-	133,439	20,367	347,913
Closing re-insurance contract liabilities	-	-	-	-	-
Net closing balance	**194,107**	**-**	**133,439**	**20,367**	**347,913**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

17b 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:

Company

2023

17b(3) Reconciliation of AFRC and ARC-Fire

	Asset for remaining coverage		Amount recoverable on Incurred Claims		
	Excluding loss comonent	Loss component	Estimate of present value of future cashflows	Risk Adjustment	Total
	₦'000	₦'000	₦'000	₦'000	₦'000
Opening re-insurance contract assets	10,929	2,799	123,637	22,973	160,339
Opening re-insurance contract liabilities	-				
Net re-insurance contract asset	10,929	2,799	123,637	22,973	160,339
An allocation of reinsurance premiums	(157,906)				(157,906)
Amounts recoverable from reinsurers for incurred claims			18,555		18,555
Amounts recoverable for incurred claims and other expenses	34,397				34,397
Changes to amounts recoverable for incurred claims		(363)	(20,049)	(673)	(21,086)
Reinsurance Investment components	-				
Net income or expense from	(123,509)	(363)	(1,494)	(673)	(126,040)
Reinsurance finance income	-	-	5,743		5,743
Total change in comprehensive income	**(123,509)**	**(363)**	**4,249**	**(673)**	**(120,296)**
Cashflows					
Premiums and similar expense paid	226,808		(3,996)		222,812
Amounts received	(45,049)			-	(45,049)
	181,759	**-**	**(3,996)**	**-**	**177,764**
Closing re-insurance contract assets	69,179	2,436	123,891	22,300	217,806
Closing re-insurance contract liabilities	-				
Net closing balance	**69,179**	**2,436**	**123,891**	**22,300**	**217,806**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

17b 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:

Company

2024

17b(4) Reconciliation of AFRC and ARC-Engineering

	Asset for remaining coverage		Amount recoverable on Incurred Claims		
	Excluding loss comonent	**Loss component**	**Estimate of present value of future cashflows**	**Risk Adjustment**	**Total**
	₦'000	**₦'000**	**₦'000**	**₦'000**	**₦'000**
Opening re-insurance contract assets	236,496	(1,242)	55,897	6,009	297,161
Opening re-insurance contract liabilitie	-				
Net re-insurance contract asset	236,496	(1,242)	55,897	6,009	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			-	-	-
Changes to amounts recoverable for incurred claims			14,297	1,969	16,265
Reinsurance Investment components	-	-			
Net income or expense from	16,830	1,242	362,687	29,502	410,261
Reinsurance finance income	-	-	(32,004)		(32,004)
Total change in comprehensive income	**16,830**	**1,242**	**330,683**	**29,502**	**378,257**
Cashflows					
Premiums and similar expense paid	(252,418)				(252,418)
Amounts received	-		(28,339)		(28,339)
Acquisition costs paid	-	-		-	
	(252,418)	**-**	**(28,339)**	**-**	**(280,756)**
Closing re-insurance contract assets	908	-	358,242	35,511	394,661
Closing re-insurance contract liabilitie	-	-	-	-	-
Net closing balance	**908**	**-**	**358,242**	**35,511**	**394,661**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

17b 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:

Company

2023

17b(4) Reconciliation of AFRC and ARC-Engineering

	Asset for remaining coverage		Amount recoverable on Incurred Claims		
	Excluding loss comonent	Loss component	Estimate of present value of future cashflows	Risk Adjustment	Total
	₦'000	₦'000	₦'000	₦'000	₦'000
Opening re-insurance contract assets	11,324	162	54,916	8,613	75,014
Opening re-insurance contract liabilitie	-				
Net re-insurance contract asset	11,324	162	54,916	8,613	75,014
An allocation of reinsurance premiums	(610,401)				(610,401)
Amounts recoverable from reinsurers for incurred claims			71,726		71,726
Amounts recoverable for incurred claims and other expenses	132,964				132,964
Changes to amounts recoverable for incurred claims		(1,404)	(77,502)	(2,603)	(81,509)
Net income or expense from	(477,437)	(1,404)	(5,776)	(2,603)	(487,220)
Reinsurance finance income	-	-	22,202		22,202
Total change in comprehensive incom	**(477,437)**	**(1,404)**	**16,426**	**(2,603)**	**(465,018)**
Cashflows					
Premiums and similar expense paid	876,750		(15,445)	-	861,305
Amounts received	(174,140)			-	(174,140)
Acquisition costs paid					
	702,610	**-**	**(15,445)**	**-**	**687,164**
Closing re-insurance contract assets	236,496	(1,242)	55,897	6,009	297,161
Closing re-insurance contract liabilitie	-				
Net closing balance	**236,496**	**(1,242)**	**55,897**	**6,009**	**297,161**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

17b 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:

Company

2024

17b(5) Reconciliation of AFRC and ARC-Marine

	Asset for remaining coverage		Amount recoverable on Incurred Claims		
	Excluding loss comonent	**Loss component**	**Estimate of present value of future cashflows**	**Risk Adjustment**	**Total**
	₦'000	**₦'000**	**₦'000**	**₦'000**	**₦'000**
Opening re-insurance contract assets	180,167	(867)	22,902	1,313	203,516
Opening re-insurance contract liabilitie:	-				
Net re-insurance contract asset	180,167	(867)	22,902	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			-		-
Changes to amounts recoverable for incurred claims			1,015	(158)	857
Reinsurance Investment components	-	-			
Net income or expense from	(77,740)	867	24,049	(1,091)	(53,915)
Reinsurance finance income	-	-	(79)		(79)
Total change in comprehensive income	**(77,740)**	**867**	**23,970**	**(1,091)**	**(53,995)**
Cashflows					
Premiums and similar expense paid	(54,081)				(54,081)
Amounts received	-		(44,661)		(44,661)
	(54,081)	**-**	**(44,661)**	**-**	**(98,742)**
Closing re-insurance contract assets	48,346	-	2,211	222	50,780
Closing re-insurance contract liabilitie	-	-	-	-	-
Net closing balance	**48,346**	**-**	**2,211**	**222**	**50,780**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

17b 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:

Company

2023

17b(5) Reconciliation of AFRC and ARC-Marine

	Asset for remaining coverage		Amount recoverable on Incurred Claims		
	Excluding loss comonent	Loss component	Estimate of present value of future cashflows	Risk Adjustment	Total
	₦'000	₦'000	₦'000	₦'000	₦'000
Opening re-insurance contract assets	30,708	65	22,251	3,041	56,066
Opening re-insurance contract liabilities	-				
Net re-insurance contract asset	30,708	65	22,251	3,041	56,066
An allocation of reinsurance premiums	(405,157)				(405,157)
Amounts recoverable from reinsurers for incurred claims			47,609		47,609
Amounts recoverable for incurred claims and other expenses	88,255				88,255
Changes to amounts recoverable for incurred claims		(932)	(51,442)	(1,728)	(54,102)
Net income or expense from	(316,901)	(932)	(3,834)	(1,728)	(323,394)
Reinsurance finance income	-	-	14,736		14,736
Total change in comprehensive income	**(316,901)**	**(932)**	**10,903**	**(1,728)**	**(308,658)**
Cashflows					
Premiums and similar expense paid	581,946		(10,252)		571,695
Amounts received	(115,586)			-	(115,586)
	466,360	**-**	**(10,252)**	**-**	**456,108**
Closing re-insurance contract assets	180,167	(867)	22,902	1,313	203,516
Closing re-insurance contract liabilities	-				
Net closing balance	**180,167**	**(867)**	**22,902**	**1,313**	**203,516**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

17b 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:

Company

2024

17b(6) Reconciliation of AFRC and ARC-Oil & Gas

	Asset for remaining coverage		Amount recoverable on Incurred Claims		
	Excluding loss comonent	**Loss component**	**Estimate of present value of future cashflows**	**Risk Adjustment**	**Total**
	₦'000	**₦'000**	**₦'000**	**₦'000**	**₦'000**
Opening re-insurance contract assets	14,488	539	36,780	20,072	71,879
Opening re-insurance contract liabilitie:	-				
Net re-insurance contract asset	14,488	539	36,780	20,072	71,879
An allocation of reinsurance premiums	(449,563)	*(539)*			(450,103)
Amounts recoverable from reinsurers for incurred claims			4,772,633	(215,106)	4,557,526
Amounts recoverable for incurred claims and other expenses					-
Changes to amounts recoverable for incurred claims			(201,226)	254,317	53,090
Reinsurance Investment components	-	-			
Net income or expense from	(449,563)	(539)	4,571,406	39,210	4,160,514
Reinsurance finance income	-	-	(220,887)		(220,887)
Total change in comprehensive income	**(449,563)**	**(539)**	**4,350,519**	**39,210**	**3,939,627**
Cashflows					
Premiums and similar expense paid	879,891				879,891
Amounts received	-		(89,127)		(89,127)
	879,891	**-**	**(89,127)**	**-**	**790,764**
Closing re-insurance contract assets	444,815	-	4,298,172	59,282	4,802,269
Closing re-insurance contract liabilitie	-	-	-	-	-
Net closing balance	**444,815**	**-**	**4,298,172**	**59,282**	**4,802,269**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

17b 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:

Company

2023

17b(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	13,152	548	36,774	20,087	70,560
Opening re-insurance contract liabilities	-				
Net re-insurance contract asset	13,152	548	36,774	20,087	70,560
An allocation of reinsurance premiums	(3,623)				(3,623)
Amounts recoverable from reinsurers for incurred claims			426		426
Amounts recoverable for incurred claims and other expenses	789				789
Changes to amounts recoverable for incurred claims		(8)	(460)	(15)	(484)
Net income or expense from	(2,834)	(8)	(34)	(15)	(2,892)
Reinsurance finance income	-	-	132		132
Total change in comprehensive income	**(2,834)**	**(8)**	**97**	**(15)**	**(2,760)**
Cashflows					
Premiums and similar expense paid	5,203	-	(92)	-	5,112
Amounts received	(1,033)	-	-	-	(1,033)
	4,170	**-**	**(92)**	**-**	**4,078**
Closing re-insurance contract assets	14,488	539	36,780	20,072	71,879
Closing re-insurance contract liabilities	-				
Net closing balance	**14,488**	**539**	**36,780**	**20,072**	**71,879**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

17b 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:

Company

2024

17b(7) Reconciliation of AFRC and ARC-Bond

	Asset for remaining coverage		Amount recoverable on Incurred Claims		
	Excluding loss comonent	**Loss component**	**Estimate of present value of future cashflows**	**Risk Adjustment**	**Total**
	₦'000	**₦'000**	**₦'000**	**₦'000**	**₦'000**
Opening re-insurance contract assets	40,643	495	3,395	(133)	44,400
Opening re-insurance contract liabilities	-				
Net re-insurance contract asset	40,643	495	3,395	(133)	44,400
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			-	-	-
Changes to amounts recoverable for incurred claims			2,141	(75)	2,066
Reinsurance Investment components	-	-			
Net income or expense from	(3,395)	(495)	1,369	133	(2,388)
Reinsurance finance income	-	-	1		1
Total change in comprehensive income	**(3,395)**	**(495)**	**1,370**	**133**	**(2,387)**
Cashflows					
Premiums and similar expense paid	(35,651)				(35,651)
Amounts received	-		(4,764)		(4,764)
Acquisition costs paid	-	-		-	
	(35,651)	**-**	**(4,764)**	**-**	**(40,415)**
Closing re-insurance contract assets	1,597	-	0	0	1,597
Closing re-insurance contract liabilities	-	-	-	-	-
Net closing balance	**1,597**	**-**	**0**	**0**	**1,597**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

17b 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:

Company

2023

17b(7) Reconciliation of AFRC and ARC-Bond

	Asset for remaining coverage		Amount recoverable on Incurred Claims		
	Excluding loss comonent	Loss component	Estimate of present value of future cashflows	Risk Adjustment	Total
	₦'000	₦'000	₦'000	₦'000	₦'000
Opening re-insurance contract assets	886	743	3,222	327	5,177
Opening re-insurance contract liabilities	-				
Net re-insurance contract asset	886	743	3,222	327	5,177
An allocation of reinsurance premiums	(107,774)				(107,774)
Amounts recoverable from reinsurers for incurred claims			12,664		12,664
Amounts recoverable for incurred claims and other expenses	23,476				23,476
Changes to amounts recoverable for incurred claims		(248)	(13,684)	(460)	(14,391)
Reinsurance Investment components	-				
Net income or expense from reinsurance contracts held	(84,297)	(248)	(1,020)	(460)	(86,025)
Reinsurance finance income	-	-	3,920		3,920
Total change in comprehensive income	**(84,297)**	**(248)**	**2,900**	**(460)**	**(82,105)**
Cashflows					
Premiums and similar expense paid	154,801		(2,727)		152,074
Amounts received	(30,747)	-	-	-	(30,747)
Acquisition costs paid	-	-	-	-	
	124,054	**-**	**(2,727)**	**-**	**121,327**
Closing re-insurance contract assets	40,643	495	3,395	(133)	44,400
Closing re-insurance contract liabilities	-				
Net closing balance	**40,643**	**495**	**3,395**	**(133)**	**44,400**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

17b

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:

Company

2024

17b(8) Reconciliation of AFRC and ARC-Aviation

	Asset for remaining coverage		Amount recoverable on Incurred Claims		
	Excluding loss comonent	**Loss component**	**Estimate of present value of future cashflows**	**Risk Adjustment**	**Total**
	₦'000	**₦'000**	**₦'000**	**₦'000**	**₦'000**
Opening re-insurance contract assets	127,008	(663)	11,393	2,858	140,595
Opening re-insurance contract liabilities	-				
Net re-insurance contract asset	127,008	(663)	11,393	2,858	140,595
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			-	-	-
Changes to amounts recoverable for incurred claims			(2,567)	(12,213)	(14,779)
Reinsurance Investment components	-	-			
Net income or expense from	(12,885,971)	663	422,528	(2,858)	(12,465,637)
Reinsurance finance income	-	-	1,890		1,890
Total change in comprehensive income	**(12,885,971)**	**663**	**424,418**	**(2,858)**	**(12,463,748)**
Cashflows					
Premiums and similar expense paid	12,762,370				12,762,370
Amounts received	-		(435,811)		(435,811)
Acquisition costs paid	-	-		-	
	12,762,370	**-**	**(435,811)**	**-**	**12,326,558**
Closing re-insurance contract assets	3,406	-	(0)	(0)	3,406
Closing re-insurance contract liabilities	-	-	-	-	-
Net closing balance	**3,406**	**-**	**(0)**	**(0)**	**3,406**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

17b

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:

Company

2023

17b(8) Reconciliation of AFRC and ARC-Aviation

	Asset for remaining coverage		Amount recoverable on Incurred Claims		
	Excluding loss comonent	Loss component	Estimate of present value of future cashflows	Risk Adjustment	Total
	₦'000	₦'000	₦'000	₦'000	₦'000
Opening re-insurance contract assets	1,829	117	10,847	4,305	17,099
Opening re-insurance contract liabilities	-				
Net re-insurance contract asset	1,829	117	10,847	4,305	17,099
An allocation of reinsurance premiums	(339,337)				(339,337)
Amounts recoverable from reinsurers for incurred claims			39,874		39,874
Amounts recoverable for incurred claims and other expenses	73,918				73,918
Changes to amounts recoverable for incurred claims		(780)	(43,085)	(1,447)	-45312.7009
Reinsurance Investment components	-	-			
Net income or expense from	(265,419)	(780)	(3,211)	(1,447)	(270,857)
Reinsurance finance income	-	-	12,342		12,342
Total change in comprehensive income	**(265,419)**	**(780)**	**9,132**	**(1,447)**	**(258,515)**
Cashflows					
Premiums and similar expense paid	487,406		(8,586)		478,820
Amounts received	(96,809)	-		-	(96,809)
Acquisition costs paid					
	390,598	**-**	**(8,586)**	**-**	**382,011**
Closing re-insurance contract assets	127,008	(663)	11,393	2,858	140,595
Closing re-insurance contract liabilities	-				
Net closing balance	**127,008**	**(663)**	**11,393**	**2,858**	**140,595**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

17b

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:

Company

2024

17b(8) Reconciliation of AFRC and ARC-Agriculture

	Asset for remaining coverage		Amount recoverable on Incurred Claims		
	Excluding loss comonent	Loss component	Estimate of present value of future cashflows	Risk Adjustment	Total
	₦'000	₦'000	₦'000	₦'000	₦'000
Opening re-insurance contract assets	(8,832)	453	270,993	36,770	299,385
Opening re-insurance contract liabilities	-				
Net re-insurance contract asset	(8,832)	453	270,993	36,770	299,385
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 incurred claims and other expenses					-
Changes to amounts recoverable for incurred claims			(247)	(5,173)	(5,420)
Reinsurance Investment components	-	-			
Net income or expense from	(8,927)	(453)	(155,109)	(36,770)	(201,259)
Reinsurance finance income	-	-	73	-	73
Total change in comprehensive income	**(8,927)**	**(453)**	**(155,036)**	**(36,770)**	**(201,186)**
Cashflows					
Premiums and similar expense paid	25,833				25,833
Amounts received	-		(115,957)		(115,957)
	25,833	**-**	**(115,957)**	**-**	**(90,125)**
Closing re-insurance contract assets	8,074	-	0	0	8,074
Closing re-insurance contract liabilities	-	-	-	-	-
Net closing balance	**8,074**	**-**	**0**	**0**	**8,074**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

17b

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:

Company

2023

17b(8) Reconciliation of AFRC and ARC-Agriculture

	Asset for remaining coverage		Amount recoverable on Incurred Claims		
	Excluding loss comonent	**Loss component**	**Estimate of present value of future cashflows**	**Risk Adjustment**	**Total**
	₦'000	**₦'000**	**₦'000**	**₦'000**	**₦'000**
Opening re-insurance contract assets	841	393	271,036	36,659	308,928
Opening re-insurance contract liabilities	-				
Net re-insurance contract asset	841	393	271,036	36,659	308,928
An allocation of reinsurance premiums	26,221				26,221
Amounts recoverable from reinsurers for incurred claims			(3,081)		(3,081)
Amounts recoverable for incurred claims and other expenses	(5,712)				(5,712)
Changes to amounts recoverable for incurred claims		60	3,329	111.836629	3,501
Reinsurance Investment components	-				
Net income or expense from	20,510	60	248	112	20,930
Reinsurance finance income	-	-	(954)		(954)
Total change in comprehensive income	**20,510**	**60**	**(706)**	**112**	**19,976**
Cashflows					
Premiums and similar expense paid	(37,663)		663		(37,000)
Amounts received	7,481				7,481
	(30,182)	**-**	**663**	**-**	**(29,519)**
Closing re-insurance contract assets	(8,832)	453	270,993	36,770	299,385
Closing re-insurance contract liabilities	-				
Net closing balance	**(8,832)**	**453**	**270,993**	**36,770**	299,385

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

	Group 2024 N'000	Group 2023 N'000	Company 2024 N'000	Company 2023 N'000
18 Share capital				
Issued and fully paid				
At 31 December	6,933,333	6,933,333	6,933,333	6,933,333

13,866,666 units (2023 - 13,866,666 units) of shares at 50k each were issued and fully paid as at 31 December 2024. All shares rank equally with regard to the Company's residual assets.

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

19 Share premium	Group 2024 N'000	Group 2023 N'000	Company 2024 N'000	Company 2023 N'000
Balance at 31 December	663,600	663,600	663,600	663,600

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

20 Statutory contingency reserve

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

	Group 2024 N'000	Group 2023 N'000	Company 2024 N'000	Company 2023 N'000
Balance at 1 January	1,900,456	1,434,593	1,900,456	1,434,593
Transfer from retained earnings	710,828	465,863	710,828	465,863
Balance at 31 December	2,611,284	1,900,456	2,611,284	1,900,456

21 Retained earnings

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

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

	Group 2024 N'000	Group 2023 N'000	Company 2024 N'000	Company 2023 N'000
Balance at 1 January	1,008,862	(985,525)	39,674	(1,888,408)
Profit for the year	(1,009,729)	2,575,372	(1,634,596)	2,329,316
Transfer of revaluation gain on disposal of PPE	-	64,629	-	-
Transfer to contingency reserve	(710,828)	(465,863)	(710,828)	(465,863)
Net actuarial gain /(loss) on retirement benefit obligations	(14,565)	1,266	-	-
Transfer of revaluation gain on disposal of PPE				64,629
Dividend paid to equity holders	(249,010)	(181,017)	-	-
Balance at 31 December	(975,271)	1,008,862	(2,305,750)	39,674

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

22 Assets revaluation reserve

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

	Group 2024 N'000	Group 2023 N'000	Company 2024 N'000	Company 2023 N'000
Land				
Balance at 1 January	1,291,644	1,109,795	1,291,645	1,109,796
Revaluation surplus	721,251	181,849	721,251	181,849
Balance at 31 December	2,012,895	1,291,644	2,012,896	1,291,645
Building				
Balance at 1 January	2,533,216	1,462,458	2,294,430	1,223,672
Revaluation (deficit)/surplus	(344,239)	1,070,758	(344,239)	1,070,758
Balance at 31 December	2,188,977	2,533,216	1,950,191	2,294,430
Opening balance deferred tax impact	(189,890)	-	(189,890)	-
Disposal	-	(64,629)	-	(64,629)
Deferred tax impact	(37,701)	(125,261)	(37,701)	(125,261)
Carrying amount	3,974,282	3,634,971	3,735,496	3,396,185

23 FVOCI reserve

	Group 2024 N'000	Group 2023 N'000	Company 2024 N'000	Company 2023 N'000
Balance at 1 January	235,984	(50,953)	239,673	(47,264)
Fair value gain on FVOCI financial	39,896	286,937	39,896	286,937
	275,880	235,984	279,569	239,673

24 Loss/earnings per share

Basic (loss)/earnings per share (kobo)

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

	Group 2024 N'000	Group 2023 N'000	Company 2024 N'000	Company 2023 N'000
(Loss)/profit after tax attributable to equity holders N'000	(785,403)	2,750,288	(1,634,596)	2,329,316
Weighed average no. of ordinary shares at end of year '000	6,933,333	6,933,333	6,933,333	6,933,333
Basic (loss)/ earnings per share (kobo)	(0.11)	0.40	(0.24)	0.34

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

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

25 Other contract liabilities

	Group 2024 N'000	Group 2023 N'000	Company 2024 N'000	Company 2023 N'000
Provisions for claims	6,861	7,075	-	-
Unearned/deferred premium	2,038	8,464	-	-
	8,899	**15,539**	-	-

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.

26 Insurance revenue

	Group 2024 N'000	Group 2023 N'000	Company 2024 N'000	Company 2023 N'000
Accident	585,805	127,720	585,805	127,720
Agriculture	16,578	49,333	16,578	49,333
Aviation	14,407,372	1,813,692	14,407,372	1,813,692
Bond	70,375	366,591	70,375	366,591
Engineering	1,418,746	1,693,304	1,418,746	1,693,304
Fire	1,425,398	468,458	1,425,398	468,458
Marine	300,828	1,227,041	300,828	1,227,041
Motor	1,453,765	1,345,804	1,473,122	1,345,804
Oil & Gas	3,632,018	11,573	3,632,018	11,573
	23,310,885	**7,103,516**	**23,330,242**	**7,103,516**

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

27 Insurance service expense

	Group 2024 N'000	Group 2023 N'000	Company 2024 N'000	Company 2023 N'000
Incurred claims - Note 17a	14,128,414	3,100,295	13,961,429	3,100,295
Amortization of insurance aquistion cashflows	3,852,433	1,778,761	3,852,433	1,778,761
Changes that relates to past service	67,282	624,568	67,282	624,568
Changes that relates to future service	708,998	(15,470)	708,998	(15,470)
	18,757,127	**5,488,154**	**18,590,142**	**5,488,154**

28 Net expense from reinsurance contract held

	Group 2024 N'000	Group 2023 N'000	Company 2024 N'000	Company 2023 N'000
Allocation of reinsurance premium	14,276,231	2,348,864	14,276,231	2,348,864
Amount recovered for claims and other expenses	(5,353,206)	(515,763)	(5,353,206)	(515,763)
Net expense from reinsurance contract held	**8,923,025**	**1,833,101**	**8,923,025**	**1,833,101**

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

		Group 2024 N'000	Group 2023 N'000	Company 2024 N'000	Company 2023 N'000
29	**Finance expenses from insurance contracts issued**				
	Finance expense	956,336	239,390	956,336	239,390
30	**Finance income from reinsurance contracts held**				
	Finance income	250,922	83,531	250,922	83,531

		Group 2024 N'000	Group 2023 N'000	Company 2024 N'000	Company 2023 N'000
31	**Investment income**				
	Interest income calculated using effective interest rate (Note 31a)	1,243,847	704,698	450,343	216,068
	Other investment income (Note 31b)	2,802,723	1,876,790	899,447	455,292
	Total Investment income	4,046,570	2,581,488	1,349,790	671,360
31a	**Interest income calculated using effective interest rate**				
	Interest income on bonds	1,243,847	704,698	450,343	216,068
		1,243,847	704,698	450,343	216,068
31a (i)	Interest income received from bonds during the year	668,091	688,848	440,214	211,208
	Accrued interest income on bonds as at year end	575,756	15,850	10,129	4,860
		1,243,847	704,698	450,343	216,068
31b	**Other investment income**				
	Interest income-FGN Treasury bills	20,672	-	20,672	-
	Interest income -Short term deposits	593,513	452,948	592,703	239,714
	Dividends from equity investments	23,825	13,210	272,835	194,225
	Profit on Disposal of PPE	1,329	-	-	-
	RSA asset based fee	2,150,147	1,362,387	-	-
	Interest income on Statutory deposit	13,237	48,245	13,237	21,353
		2,802,723	1,876,790	899,447	455,292
	Further analysed as follows:				
	Attributable to policy holders fund	188,106	93,560	188,106	93,560
	Attributable to shareholders funds.	3,858,464	2,487,928	1,161,684	577,800
		4,046,570	2,581,488	1,349,790	671,360
31c	**Net fair value gains on financial assets at fair value through profit or loss**				
	Fair value gain on financial assets	25,754	45,525	25,754	45,525
		25,754	45,525	25,754	45,525

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

		Group 2024 N'000	Group 2023 N'000	Company 2024 N'000	Company 2023 N'000
32	**Foreign Exchange gain**				
	Exchange gain	5,087,119	3,501,928	5,087,119	3,501,928
		5,087,119	3,501,928	5,087,119	3,501,928

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

The table below shows the breakdown on exchange gain

	Group 2024 N'000	Group 2023 N'000	Company 2024 N'000	Company 2023 N'000
Exchange gain	5,860,448	4,298,929	5,860,448	4,298,929
Exchange loss	(773,329)	(797,001)	(773,329)	(797,001)
	5,087,119	3,501,928	5,087,119	3,501,928
Breakdown of realized foreing exchange gain				
Cash and cash equivalents	**3,183,689**	**2,056,383**	**3,183,689**	**2,056,383**
Realised bond	**1,895,145**	**1,439,841**	**1,895,145**	**1,439,841**
Other assets	**(39,888)**	**(27,458)**	**(39,888)**	**(27,458)**
	5,038,946	3,468,766	5,038,946	3,468,766
Breakdown of unrealized foreing exchange gain				
Cash and cash equivalents	**254,367**	**175,104**	**254,367**	**175,104**
Bond	**(206,194)**	**(141,942)**	**(206,194)**	**(141,942)**
	48,173	**33,162**	**48,173**	**33,162**

		Group 2024 N'000	Group 2023 N'000	Company 2024 N'000	Company 2023 N'000
33	**Other operating income**				
	Rental income	-	390	6,153	12,274
	Profit on sale of PPE	15,876	99,036	15,876	85,825
	Staff mortgage loan-interest	901	1,907	901	1,325
	RSA administrative fee income	-	411,493	-	-
	PHI Premium	274,822	264,809	-	-
	Admin charges- formal sector	64,366	40,693	-	-
	Sundry income	10,708	19,754	24,511	16,358
		366,673	838,082	47,441	115,782

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

		Group 2024 N'000	Group 2023 N'000	Company 2024 N'000	Company 2023 N'000
34	**Credit loss expense on financial asset**				
	Impairment charge/(reversal) on other asset (note 6)	9,425	(538)	9,425	(538)
	Impairment (reversal)/charge on financial asset (note 4(iv))	(22,687)	17,764	1,222	8,567
	Impairment charge/ (reversal) on placement (note 3.1)	49,430	6,608	56,339	(2,343)
		28,824	23,834	57,730	5,686

35	**Other operating expenses**				
	Staff costs	2,259,134	1,361,580	1,069,303	415,544
	Directors' allowances and expenses	682,990	493,283	335,732	278,222
	Depreciation and amortisation (Note 35.1)	361,252	275,030	217,419	152,488
	Professional fees *	164,778	158,687	142,745	143,628
	Audit fees	55,311	35,635	35,375	21,000
	Marketing and advertisement	480,981	224,062	421,728	116,823
	Administrative expenses	146,247	381,175	256,797	161,244
	Amortization-monetized benefit	5,000	-	-	-
	Repairs and maintenance	93,820	43,510	50,053	9,220
	Travel costs and allowances	97,734	85,020	37,444	29,172
	NAICOM Levy	342,924	77,920	280,094	77,920
	Donation	29,125	11,467	50	-
	Electricity and power	110,471	62,621	76,539	43,161
	Penalty charge (Note 42)	-	5,365	-	-
	Subscription	13,473	9,173	13,473	9,173
	Printing and stationeries	18,080	25,010	3,259	7,482
	Information technology expenses	185,007	70,880	109,528	70,880
	Pension protection fund levy	-	51,284	-	-
	Rent and rate	-	43,842	-	-
	PHI claims paid	-	169,525	-	
	loss on disposal of investment property	-	2,250	-	2,250
		5,046,327	**3,587,319**	**3,049,539**	**1,538,207**

* Professional fees include non-audit fees paid for Internal Control over Financial Reporting (ICFR) review amounting to N5m (2023: N5m), signed by Oluwasayo Elumaro with FRC number FRC/2012/PRO/ICAN/004/00000000139

		Group	Group	Company	Company
		2024	2023	2024	2023
35.1	**Breakdown of depreciation and amortisation**	N'000	N'000	N'000	N'000
	Depreciation (Note 9)	256,503	205,055	123,450	92,511
	Amortisation (Note 11)	104,749	69,975	93,969	59,977
		361,252	**275,030**	**217,419**	**152,488**
36	**Income tax expense**				
	Education tax	1,449	49,987	-	48,779
	Minimum tax	199,347	181,841	149,092	38,889
	Police trust fund	-	157	-	121
	Information technology levy	-	-	-	-
	Deferred tax (write-back)/expense	(39,109)	-	-	-
		161,687	231,985	149,092	87,789

36b **Reconciliation of effective tax rate**	**Group 2024 N'000**	**Group 2023 N'000**	**Company 2024 N'000**	**Company 2023 N'000**
(Loss)/profit for the year before tax	(623,716)	2,982,272	(1,485,504)	2,417,104
Tax at Nigerian's statutory income tax rate of 30%	(187,115)	894,682	(445,651)	725,131
Net capital allowance		-		-
Assessable loss for the year	56,626	378,170	56,626	378,170
Non-deductible expenses	2,420,861	575,414	2,420,861	96,266
Tax exempt income	(2,130,134)	(1,848,265)	(1,882,744)	(1,199,568)
Inccome tax	-	181,841	-	38,889
Education tax	1,449	49,987	-	48,779
Police trust fund	0	157	0	121
	161,687	231,985	149,092	87,788
Effective Tax Rate	-26%	8%	-10%	4%

37 **Non-controlling interest**

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

	Group 2024 N'000	**Group 2023 N'000**
Balance, beginning of year	1,991,597	1,892,000
Share of profit for the period	223,769	174,916
Dividend Paid	(105,280)	(75,418)
Acturial gain on retirement benefit obligation	(548)	99
	2,109,536	1,991,597

38 **Proposed dividend**

There was no proposed dividend during the year (2023: Nil)

39 **Contingent liabilities**

There were claims and litigations against the company as at 31 December 2024, amounting to ₦5,183,344,729 (2023: ₦4,633,519,059). No provision is made in respect of this, as our legal team is of the opinion that it is not certain an outflow of economic resources will be required to settle this amount in the future.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

40 Contraventions

31 December 2024	**Group**	**Company**
Nature of contraventions	**N'000**	**N'000**
No contravention was incurred or paid during the year	-	-
	-	-

31 December 2023	**Group**	**Company**
Nature of contraventions	**N'000**	**N'000**
Pencom penalty on KYC and single obligor limit	5,365	-
	5,365	-

41 Related Parties Transactions

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

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

	Relationship	**Premium written**	**Claims paid**
		N'000	**N'000**
Veritas Glanvills Pensions Limted	Subsidiary	18,307	658
Veritas Health Care Ltd	Subsidiary	1,050	299
Gold links insurance plc	Associates	-	-

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

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

	2024	**2023**
Salaries (senior management and executive directors)	150,422	129,862
Total compensation to key management personnel	150,422	129,862
Directors cost (Non-Executive)	252,000	278,222
Salaries and wages (Executive)	135,653	40,024
Pension cost (Executive)	14,789	3,248
Total Directors cost	402,442	321,494
Remuneration of highest paid Director/Chairman	42,000	35,000

42 Information regarding employees

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

			2024	2023	2024	2023
			Number	Number	Number	Number
Below	-	500,000	13	-	-	-
500,001	-	1,500,000	7	55	-	-
1,500,001	-	2,500,000	46	64	-	8
2,500,001	-	3,500,000	52	49	8	23
3,500,001	-	4,500,000	20	24	-	17
4,500,001	-	5,500,000	39	18	20	-
5,500,001	-	6,500,000	23	20	14	16
6,500,001	-	7,500,000	9	7	1	5
7,500,001	-	8,500,000	1	-	1	-
8,500,001	-	9,500,000	19	18	12	12
9,500,001	-	10,500,000	9	9	1	4
10,500,001	-	and above	40	14	28	8
			278	278	85	93

43 Hypothecation

The Company is exposed to a range of financial risks through its financial assets, financial liabilities, reinsurance assets and insurance liabilties. In particular, the key financial risk is that in the long term its investment proceeds will not be sufficient to fund the obligations arising from its insurance and investment contracts. In response to the risk, the Company's assets and liabilities at 31 December 2024 were allocated as follows:

	Policy Holders	Shareholders' Funds	Total
	N'000	N'000	N'000
Cash and cash equivalents	8,916,341	914,520	9,830,861
Financial assets	-	5,714,388	5,714,388
Trade receivables	1,545,616	-	1,545,616
Reinsurance assets	5,841,670	-	5,841,670
Other receivables and prepayments	-	174,053	174,053
investment in subsidiaries	-	4,026,300	4,026,300
Intangible Asset	-	539,166	539,166
Property, Plant and Equipment	-	5,033,899	5,033,899
Statutory Deposits	-	355,000	355,000
Deferred tax Asset	-	-	-
Total assets	16,303,627	16,757,326	33,060,953
Insurance contract liabilities	16,303,627	-	16,303,627
Shareholders and other funds	-	16,757,326	16,757,326
Total funds	16,303,627	16,757,326	33,060,953

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44 Capital Management

Finance Act 2021 – Part IX – Insurance Act

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

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

For this purpose, Admissible Assets are defined as:
Share Capital, Share Premium, Retained Earnings, Contingency Reserves, and any other admissible assets subject to the approval of the Commission;
(a) in the case of a new company -
(i) Government Bonds and Treasury Bills,
(ii) Cash and Bank balances, and
(iii) Cash and cash equivalents.

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

	2024 N'000	2023 N'000
Share capital	6,933,333	6,933,333
Share premium	663,600	663,600
Retained Earnings	2,611,284	1,900,456
Contingency reserve	(2,305,750)	39,674
Excess of admissible assets over liabilities	7,902,467	9,537,062
Less amount of own shares held (Treasury shares)	-	-
Subordinated liabilities approved by NAICOM	-	-
Any other financial instrument approved by NAICOM	-	-
Capital Requirement	**7,902,467**	**9,537,062**

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45 Segment reporting

Identification of reportable segments

The business activities of Veritas Kapital Plc Group are first organized by product and type of service: insurance activities, asset management activities and Health Management activities.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit (or loss) before income taxes, as included in the internal management reports that are reviewed by the Group's CEO.

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

- Non-life business
- Pension Administration
- Health Care

Non-Life Business

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

Pension Administration

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

Health Care

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

Business Segment Information- Consolidated statement of financial position

	Non-life		Pension administrator		Healthcare		Elimination		Group	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
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	9,830,861	4,718,745	796,768	1,260,172	569,112	604,129	-	-	11,196,743	6,564,667
Financial assets	5,714,388	3,708,326	5,113,150	4,319,784	-	-	-	-	10,827,538	8,019,150
Trade receivable	1,545,616	1,029,780	-	-	-	-	-	-	1,545,616	1,029,780
Reinsurance assets	5,841,670	1,647,856	-	-	-	-	-	-	5,841,670	1,647,858
Other receivables and prepayment	174,053	352,853	603,731	396,877	100,209	89,538	-	-	884,869	826,508
Investment in subsidiaries	4,026,300	4,026,300	-	-	-	-	(4,026,300)	(4,026,300)	-	-
Goodwill	-	-	-	-	-	-	316,884	316,884	316,884	316,884
Intangible assets	539,166	401,541	13,360	21,212	-	-	-	-	552,526	422,753
Property, Plant and Equipment	5,033,899	4,391,555	946,790	993,942	37,856	49,981	-	-	6,018,546	5,436,390
Statutory deposit	355,000	355,000	-	-	-	-	-	-	355,000	355,000
Deferred tax asset	21,745	21,745	-	-	-	-	-	-	21,745	60,854
Total Assets	**33,082,698**	**20,653,701**	**7,473,800**	**6,991,987**	**707,177**	**743,648**	**(3,709,416)**	**(3,709,417)**	**37,561,137**	**24,679,843**
Liabilities:										
Insurance contract liabilities	16,303,627	4,539,202	-	-	-	-	-	-	16,303,627	4,539,202
Other contract liabilities	-	-	-	-	2,038	15,539	-	-	8,899	15,539
Trade payables	2,785,404	2,105,972	-	-	-	-	-	-	2,785,404	2,105,972
Employees retirement benefit obligations	-	-	-	-	-	-	-	-	27,712	23,933
Provision and other payables	1,690,510	597,587	632,021	116,836	55,834	56,501	-	-	2,346,751	1,254,609
Income tax liabilities	173,210	80,876	18,236	16,986	-	-	-	-	191,446	187,033
Deferred tax liabilities	212,416	157,143	64,581	27,803	-	-	-	-	304,096	184,753
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	2,611,284	1,900,456	293,038	237,352	-	181,178	(293,038)	(418,530)	2,611,284	1,900,456
(Accumulated losses)/retained earnings	(2,305,750)	39,674	1,354,244	615,130	34,900	(4,973)		810,619	(975,271)	1,008,861
Other components of equity:										
Asset revaluation reserve	3,735,496	3,396,185	326,592	326,592	-	-	(87,806)	(87,807)	3,974,282	3,634,971
Fair value reserve	279,569	239,673	-	-	-	-	(3,689)	(6,322)	275,880	235,984
Non controlling interest(NCI)	-	-	-	-	-	-	2,110,641	1,991,597	2,110,094	1,991,597
	33,082,698	**20,653,701**	**7,688,712**	**6,340,699**	**530,792**	**686,266**	**(3,711,913)**	**(3,148,465)**	**37,561,137**	**24,679,842**

Business Segment Information- Consolidated statement of Comprehensive Income

	Non-life		Pension administrator		Healthcare		Consolidation Adjustments		Group	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	=N= '000	=N= '000	=N= '000	=N= '000	=N= '000	=N= '000	=N= '000	=N= '000	=N= '000	=N= '000
Insurance service result	(4,182,925)	(217,739)	-	-	114,696	-	(19,357)	-	(4,369,267)	(217,739)
(Loss)/profit before income tax	(1,485,504)	2,405,607	875,590	714,293	47,593	31,888	(249,010)	(181,017)	(623,716)	2,982,272
(Loss)/profit after tax	(1,634,596)	2,317,819	739,114	577,817	39,873	24,168	(249,010)	(181,017)	(785,403)	2,750,288

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46 Risk management framework

(a) Capital management objectives, policies and approach

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

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

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

(iii) To retain financial flexibility by maintaining strong liquidity and access to a range of capital markets.

(iv) To align the profile of assets and liabilities taking account of risks inherent in the business.

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

(vi) To maintain strong credit ratings and healthy capital ratios in order to support its business objectives and maximise shareholders value.

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

(b) Approach to capital management

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

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

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

The table below shows the available capital resources as at 31 December:

	2024 N'000	2023 N'000
Total shareholders' funds	15,593,202	16,368,802
Regulatory required capital	3,000,000	3,000,000
Excess capital reserve	12,593,202	13,368,802

(c) Regulatory framework

The insurance industry regulator measures the financial strength of Non-Life Insurers using a Solvency Margin model. NAICOM generally expects non-life insurers to comply with this capital adequacy requirement. Section 24 of the Insurance Act 2003 defines the solvency margin of a non-life insurer as the difference between the admissible assets and liabilities, and this shall not be less than 15% of the net premium income (gross income less reinsurance premium paid), or the minimum capital base (3 billion) whichever is higher.

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47 Solvency Margin

The solvency margin for the company as at 31 December is as follows:

	Total Assets N'000	Inadmisible Assets N'000	2024 Admissible Assets N'000	2023 Admissible Assets N'000
Cash and cash equivalents	9,830,861	-	9,830,861	4,718,745
Financial assets	5,714,388	-	5,714,388	-
Trade receivable	1,545,616	-	1,545,616	1,029,780
Reinsurance assets*	5,841,670	-	5,841,670	1,647,856
Other receivables and prepayments	174,053	165,722	8,331	30,082
Investment in subsidiaries	4,026,300	-	4,026,300	4,026,300
Intangible assets - Software	539,166	-	539,166	401,541
Property, plant and equipment-(L&B)	4,753,499	3,184,844	1,568,655	1,412,220
Property, plant and equipment (Others)	280,400	-	280,400	112,101
Statutory deposits	355,000	-	355,000	355,000
Deferred tax	-	-	-	
Total Admissible Assets	**33,060,953**	**3,350,566**	**29,710,387**	**13,733,625**
Insurance contract liabilities*	16,303,627	-	16,303,627	4,539,202
Trade payables	2,785,404	-	2,785,404	2,105,972
Provision and other payables	1,690,510	-	1,690,510	597,587
Income tax liabilities	173,210	-	173,210	80,876
Total Admissible liabilities	**20,952,751**	-	**20,952,751**	**7,323,637**
Solvency Margin			8,757,636	6,409,988
The higher of 15% Of Net premium or Minimum capital base	3,000,000		3,000,000	3,000,000
Excess			5,757,636	3,409,988
Solvency ratio			292%	214%

* The following items have been maintained in line with the signed solvency certificate.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

48 Financial instruments - Fair values and risk management

Group

(a) Accounting classifications and fair values

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

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

31 December 2024	Carrying amount					Fairvalue			
In thousands of naira	Designated at fair value	Armotised cost	Fair value through OCI	Other Financial liabilities	Total	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Fair value through OCI	-	-	492,056	-	492,056	492,056	-	-	492,056
Fair Value through Profit or Loss	138,264	-	-	-	138,264	138,264	-	-	138,264
	138,264	-	492,056	-	630,320	630,320	-	-	630,320
Financial assets not measured at fair value									
Cash and cash equivalents	-	2,602,973	-	-	2,602,973	-	2,602,973	-	2,602,973
Trade Receivable*	-	1,545,616	-	-	1,545,616	-	1,545,616	-	1,545,616
Placements	-	8,593,770	-	-	8,593,770	-	8,593,770	-	8,593,770
Statutory deposit	-	355,000	-	-	355,000	-	355,000	-	355,000
	-	13,097,359	-	-	13,097,359	-	13,097,359	-	13,097,359
Financial liabilities not measured at fair value									
Other payables*	-	-	-	2,346,751	2,346,751	-	2,346,751	-	2,346,751
Trade payables*	-	-	-	2,785,404	2,785,404	-	2,785,404	-	2,785,404
	-	-	-	**5,132,155**	**5,132,155**	-	**5,132,155**	-	**5,132,155**

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

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

NOTES TO THE 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.

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

31 December 2023	Carrying amount					Fairvalue			
In thousands of naira	**Designated at fair value**	**Armotised cost**	**Fair value through OCI**	**Other Financial liabilities**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets measured at fair value	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Fair value through OCI	-	-	433,485	-	433,485	433,485	-	-	433,485
Fair Value through Profit or Loss	113,615	-	-	-	113,615	113,615	-	-	113,615
	113,615	-	433,485	-	547,100	547,100	-	-	547,100
Financial assets not measured at fair value									
Cash and cash equivalents	-	662,396	-	-	662,396	-	662,396	-	662,396
Trade Receivable*	-	1,029,780	-	-	1,029,780	-	1,029,780	-	1,029,780
Placements	-	5,902,271	-	-	5,902,271	-	5,902,271	-	5,902,271
Statutory deposit	-	355,000	-	-	355,000	-	355,000	-	355,000
	-	7,949,447	-	-	7,949,447	-	7,949,447	-	7,949,447
Financial liabilities not measured at fair value									
Other payables*	-	-	-	1,254,607	1,254,607	-	1,254,607	-	1,254,607
Trade payables*	-	-	-	2,105,972	2,105,972	-	2,105,972	-	2,105,972
	-	-	-	**3,360,579**	**3,360,579**	-	**3,360,579**	-	**3,360,579**

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 such as receivables, payables and reinsurance assets because their carrying amounts are a reasonable approximation of fair

Company

(a) Accounting classifications and fair values

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

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

31 December 2024	Carrying amount					Fairvalue			
In thousands of naira	Designated at fair value	Armotised cost	Fair value through OCI	Other Financial liabilities	Total	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Fair value through OCI	-	-	492,056	-	492,056	492,056	-	-	492,056
Fair Value through Profit or Loss	138,264	-	-	-	138,264	138,264	-	-	138,264
	138,264	-	492,056	-	630,320	630,320	-	-	630,320
Financial assets not measured at fair value									
Cash and cash equivalents	-	2,424,082	-	-	2,424,082	-	2,424,082	-	2,424,082
Trade Receivable*	-	1,545,616	-	-	1,545,616	-	1,545,616	-	1,545,616
Placements	-	7,406,779	-	-	7,406,779	-	7,406,779	-	7,406,779
Statutory deposit	-	355,000	-	-	355,000	-	355,000	-	355,000
	-	11,731,477	-	-	11,731,477	-	11,731,477	-	11,731,477
Financial liabilities not measured at fair value									
Other payables*	-	-	-	1,690,510	1,690,510	-	1,690,510	-	1,690,510
Trade payables*	-	-	-	2,785,404	2,785,404	-	2,785,404	-	2,785,404
	-	-	-	4,475,914	4,475,914	-	4,475,914	-	4,475,914

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

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

Company

(a) Accounting classifications and fair values

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

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

31 December 2023	Carrying amount					Fairvalue			
In thousands of naira	Designated at fair value	Armotised cost	Fair value through OCI	Other Financial liabilities	Total	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Fair value through OCI	-	-	433,485	-	433,485	433,485	-	-	433,485
Fair Value through Profit or Loss	113,615	-	-	-	113,615	113,615	-	-	113,615
	113,615	-	433,485	-	547,100	547,100	-	-	547,100
Financial assets not measured at fair value									
Cash and cash equivalents	-	568,390	-	-	568,390	-	568,390	-	568,390
Trade Receivable*	-	1,029,780	-	-	1,029,780	-	1,029,780	-	1,029,780
Placements	-	4,150,355	-	-	4,150,355	-	4,150,355	-	4,150,355
Statutory deposit	-	355,000	-	-	355,000	-	355,000	-	355,000
	-	6,103,525	-	-	6,103,525	-	6,103,525	-	6,103,525
Financial liabilities not measured at fair value									
Other payables*	-	-	-	597,587	597,587	-	597,587	-	597,587
Trade payables*	-	-	-	2,105,972	2,105,972	-	2,105,972	-	2,105,972
	-	-	-	2,703,559	2,703,559	-	2,703,559	-	2,703,559

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 such as receivables, payables and reinsurance assets because their carrying amounts are a reasonable approximation of fair value.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

Financial risk management

The Company has exposure to the following risks arising from financial instruments

Credit risk

Liquidity risk

Market risk

(b)(i) Risk management framework

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

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

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

(b)(ii) Credit risk

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

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

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

The organization is committed to:

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

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(b)(ii) Credit risk - continued

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

	2024	2023
	N'000	N'000
Reinsurance receivables (see note (a) below)	5,841,670	1,647,856
Cash and cash equivalents (see note (b) below)	11,196,743	6,564,667
Debt Instruments (see note (c) below)	10,197,218	7,472,050
Statutory deposit	355,000	355,000
	27,590,631	16,039,573

Reinsurance receivables

The Company insures its liabilities with reputable reinsurance companies with which it has a right of set-off. None of its receivables from reinsurance companies was impaired as at 31 December 2024 (2023: Nil).

Cash and cash equivalents

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

Armotized cost

The Company's Debt instruments are investment in bonds with Government and reputable financial institutions. None of its investment was impaired as at 31 December 2024 (2023: Nil)

The Company did not have any debt securities that were past due but not impaired as at 31 December 2024 (2023: Nil)

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

Collateral held and other credit enhancements, and their financial effect

The Company does not hold collateral or any other enhancements against any of its receivables as at 31 December 2024.

Trade receivables

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

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

Sources of credit risk:

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

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

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

Management of credit risk due to trade receivables

The Company constantly reviews brokers' contribution to ensure that adequate attention is paid to high premium contributing brokers.

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(b)(ii) Credit risk - continued

- Formulating credit policies with strategic business units, underwriters, brokers, covering brokers grading, reporting, assessment, legal procedures and compliance with regulatory and statutory bodies.
- Identification of credit risk drivers within the Company in order to coordinate and monitor the probability of default that could have an unfortunate impact.
- Developing and monitoring credit limits. The Company is responsible for setting credit limits through grading in order to categorize risk exposures according to the degree of financial loss and the level of priority expected from management.
- Assessment of credit risk. All first-hand assessment and review of credit exposures in excess of credit limits, prior to granting insurance cover are subject to review process and approval given during MC meetings.
- Continuous reviewing of compliance and processes in order to maintain credit risk exposure within acceptable parameters.

Impairment model

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

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

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

The determination of impairment loss and allowance moves from the incurred credit loss model whereby credit losses are recognized when a defined loss event occurs under IAS 39, to expected credit loss model under IFRS 9, where provisions are recognised upon initial recognition of the financial asset based on expectation of potential credit losses at the time of initial recognition. Under IFRS 9, The Company first evaluates individually whether objective evidence of impairment exists for loans that are individually significant and then collectively assess the loan and other receivables that are not significant and those which are significant but for which there is no objective evidence of impairment available under the individual assessment.

Staged Approach to the Determination of Expected Credit Losses

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(b)(ii) Credit risk - continued

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

Impairment Methodology

Calculation of Expected Credit Losses

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

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

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

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

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

Loss Given Default

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

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

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

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

Treatment of loans and other receivables

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

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

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(b)(ii) Credit risk - continued

Significant increase in credit risk, default and cure

The Company continuously monitors all assets subject to ECLs. In order to determine whether an instrument or a portfolio of instruments is subject to 12mECL or LTECL, the Company assesses whether there has been a significant increase in credit risk since initial recognition. The Company considers that there has been a significant increase in credit risk when any contractual payments are more than 30 days past due, In addition, the Company also considers a variety of instances that

- Internal rating of the counterparty indicating default or near-default
- The counterparty having past due liabilities to public creditors or employees
- The counterparty (or any legal entity within the debtor's group) filing for bankruptcy application/protection
- Counterparty's listed debt or equity suspended at the primary exchange because of rumours or facts about financial difficulties.

The Company considers a financial instrument defaulted and, therefore, credit-impaired for ECL calculations in all cases when the counterparty becomes 90 days past due on its contractual payments. The Company may also consider an instrument to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full. In such cases, the Company recognises a lifetime ECL. In rare cases when an instrument identified as defaulted, it is the Company's policy to consider a financial instrument as 'cured' and therefore re-classified out of credit-impaired when none of the default criteria have been present for at least twelve consecutive months.

There has been no significant increase in credit risk or default for financial assets during the year.

Expected credit loss

The Company assesses the possible default events within 12 months for the calculation of the 12mECL. Given the investment policy, the probability of default for new instruments acquired is generally determined to be minimal and the expected loss given default ratio assumed to be 100%. In rare cases where a lifetime ECL is required to be calculated, the probability of default is estimated based on economic scenarios.

Impairment losses on financial investments subject to impairment assessment

Debt instruments measured at amortised cost

The table below shows the credit quality and the maximum exposure to credit risk per based on the Company's internal/Moody's credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances. Details of the Company's internal grading system are also provided.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(b)(ii) Credit risk - continued

		2024			2023		
Internal rating grade	Moody's rating	12mECL	LTECL	Total	12mECL	LTECL	Total
Performing		₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Cash and cash equivalents							
High grade	AAA-A+	-	-	-	-	-	-
Standard grade	BBB-B+	11,258,477	-	11,258,477	6,576,971	-	6,576,971
Past due but not impaired	C-CCC	-	-	-	-	-	-
Default	D	-	-	-	-	-	-
Total Gross Amount		11,258,477	-	11,258,477	6,576,971	-	6,576,971
ECL		(61,734)	-	(61,734)	(12,304)	-	(12,304)
Total Net Amount		11,196,743	-	11,196,743	6,564,667	-	6,564,667
				-			-
Amortised cost				-			-
High grade	AAA-A+	-	-	-	-	-	-
Standard grade	BBB-B+	10,226,801	-	10,226,801	7,524,321	-	7,524,321
Past due but not impaired	C-CCC	-	-	-	-	-	-
Default	D	-	-	-	-	-	-
Total Gross Amount		10,226,801	-	10,226,801	7,524,321	-	7,524,321
ECL		(29,583)	-	(29,583)	(52,270)	-	(52,270)
Total Net Amount		10,197,218	-	10,197,218	7,472,050	-	7,472,050

As at 31 December 2024, the Group had no asset reposed as security against asset. The group policy is to pursue timely realisation of collateral in an orderly manner in the case of default. The company does not generally use the non cash collateral for its own operations.

As at 31 December 2024, the Company has not pledged any of its assets as collateral for any liability or payable balance (2023: nil)

Amounts arising from ECL

Inputs, assumptions and techniques used for estimating impairment.

When determining whether the credit risk (i.e. Risk of default) on a financial instrument has increased significantly since initial recognition, the Company considers reasonable and supportable information that is relevant and available without undue cost of effort, This includes both qualitative and quantitative information analysis based on the Company's experience, expert credit assessment and forward looking information. The Company primarily identifies whether a significant increase in credit risk has occurred for an exposure by comparing the remaining life time probability of default (PD) as at reporting date with the remaining Life time PD for this point in time that was estimated on initial recognition of the exposure.

Whenever available, the Company monitors changes in credit risk by tracking published external credit ratings. To determine whether published ratings remain p to date and to assess whether there has been a significant increase in credit risk at the reporting date that has not been reflected in the published rating, the group also reviews changes in Bond yields together with available press and regulatory information about issuers.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(b)(ii) Credit risk - continued

Where external credit ratings are not available, the Company allocates each exposure to a credit risk grade based on data that is determined to be predictive of the risk of default (including but not limited to the audited financial statement, management accounts and cashflow projections, available regulatory and press information about the borrowers and apply experienced credit judgement. Credit risk grades are defined by using qualitative and quantitative factors that are indicative of the risk of default and are aligned with the external credit rating definition from Moody's and standards and Poor.

The Company has assumed that the credit risk of a financial asset has not increased significantly since the initial recognition if the financial asset has low credit risk at reporting date. The company considers a financial asset to have low credit risk when its credit risk rating is equivalent to the globally understood definition of "investment grade". The Company considers this to be B- or higher based on the Moody rating which is equivalent to an internal risk grade of standard grade or higher.

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

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

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

Definition of default
The Company considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the company in full, without recourse by the company to actions such as realizing security (if any is held); or the financial asset Is more than 90 days past due.

In assessing whether a borrower is in default, the Company considers indicators that are:

-qualitative: e.g. breaches of covenant and the other indicators of financial distress;
-quantitative: e.g. overdue status and non-payment of another obligation of the same issuer to the company; and
-based on data developed internally and obtained from external sources.

Inputs into the assessment of whether a financial instrument is in default and their significance may vary over time to reflect changes in circumstances.

Incorporation of Forward looking information
The Company incorporates forward-looking information into both its assessment of whether the credit risk of an instrument has increased significantly since initial recognition and its measurement of ECL. It formulates a ‘base case’ view of the future direction of relevant economic variables and a representative range of other possible forecast scenarios based on advice from the Company's Investment and risk committee, economic experts and consideration of a variety of external actual and forecast information. This process involves developing three additional economic scenarios and considering the relative probabilities of each outcome. External information includes economic data and forecasts published by governmental bodies and monetary authorities in the Nigeria, supranational organizations such as the Organisation for Economic Cooperation and Development and the International Monetary Fund, and selected private-sector and academic forecasters.

The base case represents a best estimate and is aligned with information used by the Company for other purposes such as strategic planning and budgeting. The other scenarios represent more optimistic and pessimistic outcomes."

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(b)(ii) Credit risk - continued

Measurement of ECL

The calculation of the expected credit loss is based on the key risk parameters of Probability of default (PD), Loss given default (LGD) and Exposure at default (EAD)

To determine the Lifetime and 12-month PDs, the Company uses the PD tables supplied by Moody's based on the default history of sovereign and corporate obligors with the same credit rating. The Company adopts the same approach for unrated investments by mapping its internal risk grades to the equivalent external credit ratings. The PDs are recalibrated and adjusted to reflect forward looking information as described below. Changes in the rating for counterparties and exposure lead to a change in estimate of the associated PD.

Loss Given Default is the magnitude off the likely loss if there is a default. The Company estimates LGD parameters based on the history of recovery rates of claims against the defaulted counterparties. The LGD for sovereign fixed income exposures are based on publications by Moody's and the models consider the structure, collateral, seniority of claims and recovery cot of any collateral that is integral to the financial asset. For loans secured with properties or asset, loan to value ratios are key parameter in determining LGD. LGDs are calculated on discounted cash flow basis using effective interest rate as the discounting factor.

EAD represents the expected exposure in the event of a default. The Company deprives the EAD from the current exposure to the counterparty and potential changes to the current amount allowed under the contract, including amortisation, and prepayments. The EAD of a financial asset is its gross carrying amount. As described in the accounting policy, and subject to using a maximum of a 12-month PD for financial assets for which credit risk has not significantly increased, the Company measures ECL considering the risk of default over the maximum contractual period (including any borrower's extension options over which it is exposed to credit risk, even if, for risk management purposes, the Company considers a longer period. The modelling of parameter is carried out on an individual basis or collective basis where the assets share same risk characteristics like instrument type, credit risk rating and grading, collateral type, date of initial recognition or remaining term to maturity or industry. The groupings are subject to regular review to ensure that exposures within a particular group remain appropriately homogeneous.

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

An overview of the approach to estimating ECLs is set out in Note 3 Summary of material accounting policies. To ensure completeness and accuracy, the Company obtains the data used from third party sources (Moody's, Standards and Poor, Economist associate etc.) and its investment team verifies the accuracy of inputs to the Company's ECL models including determining the weights attributable to the multiple scenarios.

(c) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptables losses or risking damage to the Company's reputation.

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

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

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

Exposure to liquidity risk

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

NOTES TO THE 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**
Non-derivative finacial assets								
Cash and cash equivalents	3	11,196,743		11,196,743	-	-	-	-
Fair value through profit or loss	4a	138,264		-	-	-	138,264	-
Armotised Cost	4b	10,197,218						-
Fair Value through OCI	4c	492,056		-			492,056	-
Trade receivables	5	1,545,616		1,545,616	-	-	-	-
Other receivables	6	884,869		884,869	-	-	-	-
		24,454,766	-	**13,627,228**	-	-	**630,320**	-
Non-derivative financial liabilities								
Trade payables	13	2,785,404		2,785,404		-	-	-
Other payables	15	2,346,751		2,346,751		-	-	-
		5,132,155	-	**5,132,155**	-	-	-	-
Liquidity gap		**19,322,611**	-	**8,495,073**	-	-	**630,320**	-

Company

31-Dec-24				Contractual cash flows				
	Note	**Carrying amount**		**3 month or less**	**3 - 12 months**	**1-2 years**	**2-5 years**	**More than 5 years**
Non-derivative finacial assets								
Cash and cash equivalents	3	9,830,861		9,830,861				
Fair value through profit or loss	4a	138,264					138,264	
Armotised Cost	4b	5,084,068						
Fair Value through OCI	4c	492,056					492,056	
Trade receivables	5	1,545,616		1,545,616				
Other receivables	6	174,053		174,053				
		17,264,918	-	**11,550,530**	-	-	**630,320**	-
Non-derivative financial liabilities								
Trade payables	13	2,785,404		2,785,404		-	-	-
Other payables	15	1,690,510		1,690,510		-	-	-
		4,475,914	-	**4,475,914**	-	-	-	-
Liquidity gap		**12,789,004**	-	**7,074,616**	-	-	**630,320**	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

Group

31-Dec-23				Contractual cash flows				
	Note	**Carrying amount**		**3 month or less**	**3 - 12 months**	**1-2 years**	**2-5 years**	**More than 5 years**
Non-derivative finacial assets								
Cash and cash equivalents	3	6,564,667		6,564,667	-	-	-	-
Fair value through profit or loss	4a	113,615		-	-	-	113,615	-
Armotised Cost	4b	7,472,050						-
Fair Value through OCI	4c	433,485		-			433,485	-
Trade receivables	5	1,029,780		1,029,780	-	-	-	-
Other receivables	6	826,508		826,508	-	-	-	-
		16,440,105	-	**8,420,955**	-	-	**547,100**	-
Non-derivative financial liabilities								
Trade payables	13	2,105,972		2,105,972		-	-	-
Other payables	15	1,254,609		1,254,609		-	-	-
		3,360,581	-	**3,360,581**	-	-	-	-
Liquidity gap		**13,079,524**	-	**5,060,374**	-	-	**547,100**	-

Company

31-Dec-23				Contractual cash flows				
	Note	**Carrying amount**		**3 month or less**	**3 - 12 months**	**1-2 years**	**2-5 years**	**More than 5 years**
Non-derivative finacial assets								
Cash and cash equivalents	3	4,718,745		4,718,745				
Fair value through profit or loss	4a	113,615					113,615	
Armotised Cost	4b	3,161,226						
Fair Value through OCI	4c	433,485					433,485	
Trade receivables	5	1,029,780		1,029,780				
Other receivables	6	352,853		352,853				
		9,809,704	-	**6,101,378**	-	-	**547,100**	-
Non-derivative financial liabilities								
Trade payables	13	2,105,972		2,105,972		-	-	-
Other payables	15	597,587		597,587		-	-	-
		2,703,559	-	**2,703,559**	-	-	-	-
Liquidity gap		**7,106,145**	-	**3,397,819**	-	-	**547,100**	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

Maturity analysis

The table below summarises the expected utilisation or settlement of assets and liabilities as at 31 December:

Group		**2024**			**2023**	
	Current	**Non-current**	**Total**	**Current**	**Non-current**	**Total**
Financial assets	-	-	-	-	-	-
Reinsurance assets	5,841,670	-	5,841,670	1,647,856	-	1,647,856
Trade debtors	1,545,616	-	1,545,616	1,029,780	-	1,029,780
Deferred acquisition cost	-	-	-	-	-	-
Other receivables and prepayments	884,869	-	884,869	826,508	-	826,508
Statutory deposit	-	355,000	355,000	-	355,000	355,000
	8,272,155	**355,000**	**8,627,155**	**3,504,144**	**355,000**	**3,859,144**
Insurance contract liabilities	16,303,627	-	16,303,627	4,539,202	-	4,539,202
Trade payables	2,785,404	-	2,785,404	2,105,972	-	2,105,972
Other payables and accruals	2,346,751	-	2,346,751	1,254,607	-	1,254,607
Current tax payable	191,446	-	191,446	187,033	-	187,033
Deferred Tax	-	304,096	304,096	-	184,753	184,753
Retirement benefit obligation	-	27,712	27,712	-	23,933	23,933
Total liabilities	**21,627,228**	**331,808**	**21,959,036**	**8,086,814**	**208,686**	**8,295,500**

Company		**2024**			**2023**	
	Current	**Non-current**	**Total**	**Current**	**Non-current**	**Total**
Financial assets	-	-	-	-	-	-
Reinsurance assets	5,841,670	-	5,841,670	1,647,856	-	1,647,856
Trade debtors	1,545,616	-	1,545,616	1,029,780	-	1,029,780
Deferred acquisition cost	-	-	-	-	-	-
Other receivables and prepayments	174,053	-	174,053	352,853	-	352,853
Statutory deposit	-	355,000	355,000	-	355,000	355,000
	7,561,339	**355,000**	**7,916,339**	**3,030,489**	**355,000**	**3,385,489**
Insurance contract liabilities	16,303,627	-	16,303,627	4,539,202	-	4,539,202
Trade payables	2,785,404	-	2,785,404	2,105,972	-	2,105,972
Other payables and accruals	1,690,510	-	1,690,510	597,587	-	597,587
Current tax payable	173,210	-	173,210	80,876	-	80,876
Deferred Tax	-	212,416	212,416	-	157,143	157,143
Retirement benefit obligation	-	-	-	-	-	-
Total liabilities	**20,952,751**	**212,416**	**21,165,167**	**7,323,637**	**157,143**	**7,480,780**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

Market risk

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

Currency risk

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

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

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

Exposure to currency risk

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

	31 December 2024			31 December 2023		
In Thousands of	**Carrying value**	**USD**	**NGN**	**Carrying value**	**USD**	**NGN**
Cash and cash equivalent	11,196,743		11,196,743	6,564,667		6,564,667
Financial assets	-		-	-		-
Net statements of financial position exposure	11,196,743	-	11,196,743	6,564,667	-	6,564,667

The following significant exchange rates have been applie

	Period- end spot rate	
	2024	**2023**
Naira		
USD 1	0	907.11

Sensitivity analysis

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

	Profit or Loss		**Equity, net of tax**	
Effects in thousand of naira	**Strengthening**	**Weakening**	**Strengthening**	**Weakening**
31 December 2024				
USD (10% movement)	0	0	0	0
31 December 2023				
USD (10% movement)	0	0	0	0

(c)(v) Interest rate risk

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

Exposure to interest rate risk

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

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

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

The Company principally issues the following types of general insurance contracts: fire, motor, bond, personal accident, aviation, marine and oil and gas. Risks under non–life insurance policies usually cover twelve months duration. For general insurance contracts, the most significant risks arise from climate changes, natural disasters and terrorist activities. For longer tail claims that take some years to settle, there is also inflation risk. The above risk exposure is

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

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

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

Key assumptions

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

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

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

Chain Ladder Method (CL)

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

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

Expected Loss Ratio Method

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

Claims development table

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

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

In Thousands of naira	**31-Dec-24**	**31-Dec-23**
Fixed-rate instruments		
Cash deposit	2,602,973	662,396
Money market placement	8,655,504	5,914,575
Armotized	10,197,218	7,472,050
	21,455,695	14,049,022

Cashflow sensitivity analysis for fixed-rate instruments

	Profit or	**loss**	**Equity,**	**net of tax**
Effect in thousands of naira	**100bp increase**	**100bp decrease**	**100bp increase**	**100bp decrease**
31 December 2024				
Financial instruments	2,145,570	(2,145,570)		
	2,145,570	(2,145,570)	-	-
31 December 2023				
Financial instruments	1,404,902	(1,404,902)		
	1,404,902	(1,404,902)	-	-

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

Fair value sensitivity analysis for fixed-rate instruments

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

Other market price risk

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

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

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

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

49 For the purpose of statement of cashflows

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

		Group 2024 N'000	Group 2023 N'000	Company 2024 N'000	Company 2023 N'000
Cost	9	46,642	399,247	42,134	392,397
Accumulated depreciation	9	(45,483)	(73,970)	(27,047)	(67,120)
Net book value		**1,159**	**325,277**	**15,087**	**325,277**
Profit on sale of PPE	33	15,876	99,036	15,876	85,825
		17,035	**424,313**	**30,963**	**411,102**

50 **Other comprehensive income net of tax**

			Group 2024 N'000	Group 2023 N'000	Company 2024 N'000	Company 2023 N'000
a	Net acturial gains/(loss) on retirement benefit obligation	14(i)	(16,793)	1,516	-	-
	Income tax effect	16.2	1,679	(152)	-	-
			(15,114)	**1,364**	**-**	**-**
b	Gain on revaluation of property, plant and equipment	9	377,012	1,252,607	377,012	1,252,607
	Income tax effect	16.2	(37,701)	(125,261)	(37,701)	(125,261)
			339,311	**1,127,346**	**339,311**	**1,127,346**
c	Fair value gain on financial asset at FVOCI	4c	57,467	318,819	57,467	318,819
	Income tax effect	16.2	(17,571)	(31,882)	(17,571)	(31,882)
			39,896	**286,937**	**39,896**	**286,937**

OTHER NATIONAL DISCLOSURES

Value Added Statement

	Group 2024	%	Group 2023	%	Company 2024	%	Company 2023	%
Gross premium income	23,694,266		7,563,210		23,694,266		7,298,401	
Investment Income	2,802,723		1,876,790		899,447		455,292	
Other income	5,453,792		4,340,010		5,134,560		3,617,710	
Reinsirance claims, commission and operating expenses	(29,723,015)		(8,933,027)		(29,927,055)		(8,386,267)	
Value added	2,227,766	100	4,846,983	100	(198,782)	100	2,985,136	100
Applied to pay								
Staff cost	2,259,134	101%	1,358,585	28%	1,069,303	-538%	415,544	14%
Government as tax	161,687	7%	231,985	5%	149,092	-75%	87,788	3%
To provider finance								
Shareholders as dividend								
Retained in the business								
Deferred Tax	231,096	10%	231,096	5%	-	-	-	-
Depreciation and amortisation	361,252	16%	275,030	6%	217,419	-109%	152,488	5%
(Accumulated losses)/Retained profit for the year	(785,403)	(35%)	2,750,288	57%	(1,634,596)	822%	2,329,316	78%
	2,227,766	100%	4,846,983	100%	(198,782)	100%	2,985,136	100%

FIVE YEAR FINANCIAL SUMMARY

STATEMENT OF FINANCIAL POSITION

			Restated		
	Group	Group	Group	Group	Group
	2024	2023	2022	2021	2020
	N'000	N'000	N'000	N'000	N'000
ASSETS					
Cash and cash equivalents	11,196,743	6,564,667	4,408,793	5,891,133	4,242,485
Financial assets	-	-	-	-	3,620,755
Fair value through profit or loss	138,264	113,615	68,090	69,913	-
Amortised cost	10,197,218	7,472,050	5,192,133	3,004,760	-
Fair value through OCI	492,056	433,485	92,575	83,416	-
Trade receivables	1,545,616	1,029,780	738,347	119,564	83,679
Reinsurance assets	5,841,670	1,647,856	812,061	1,052,006	1,025,756
Deferred acquisition cost	-	-	-		119,379
Other receivables and prepayments	884,869	826,508	535,433	422,450	320,803
Investment properties	-	-	45,000	45,000	289,439
Goodwill	316,884	316,884	316,884	316,884	316,884
Intangible assets- Software	552,526	422,753	68,114	102,297	49,900
Property, plant and equipment	6,018,546	5,436,390	4,556,848	4,729,375	3,790,533
Statutory deposits	355,000	355,000	355,000	355,000	355,000
Deferred tax asset	-	60,854	60,854	22,293	7,316
Total assets	37,539,392	24,679,842	17,250,133	16,214,090	14,221,929
LIABILITIES					
Insurance contract liabilities	16,303,627	4,539,202	3,217,225	4,015,143	2,856,017
Other contract liabilities	8,899	15,539	15,912	6,144	-
Trade payables	2,785,404	2,105,972	548,733	488,190	686,297
Employees retirement benefit obligations	27,712	23,933	22,187	17,024	14,724
Provision and other payables	2,346,751	1,254,607	850,252	996,709	741,696
Income tax liabilities	191,446	187,033	109,064	86,652	94,458
Deferred tax liabilities	282,351	184,753	27,459	20,741	324,764
Total liabilities	21,946,190	8,311,039	4,790,831	5,630,602	4,717,956
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	2,611,284	1,900,456	1,434,593	1,303,505	1,121,845
Retained earnings	(975,271)	1,008,862	(985,525)	(1,455,577)	(1,559,692)
Asset revaluation reserve	3,974,282	3,634,971	2,572,253	2,509,957	1,809,597
Fair value reserve	275,880	235,984	(50,953)	(60,112)	40,924
Non Controlling interest(NCI)	2,110,094	1,991,597	1,892,000	688,780	494,365
Shareholders fund	15,593,202	16,368,802	12,459,302	10,583,487	9,503,972
TOTAL LIABILITIES AND EQUITY	37,539,392	24,679,842	17,250,133	16,214,090	14,221,928
Gross premium written	23,694,266	7,563,210	4,670,162	6,318,949	6,265,636
Insurance service result	(4,369,267)	(217,739)	972,734	-	-
(Loss)/Profit before taxation	(623,716)	2,982,272	782,672	344,414	844,022
(Loss)/Profit after taxation	(785,403)	2,750,288	712,432	225,949	96,623

FIVE YEAR FINANCIAL SUMMARY

STATEMENT OF FINANCIAL POSITION

	Company 2024 N'000	Company 2023 N'000	Restated Company 2022 N'000	Company 2021 N'000	Company 2020 N'000
ASSETS					
Cash and cash equivalents	9,830,861	4,718,745	2,337,933	3,834,178	3,375,996
Financial assets	-	-	-	-	3,003,027
Fair value through profit or loss	138,264	113,615	68,090	69,913	-
Amortised cost	5,084,068	3,161,226	1,481,075	1,326,510	-
Fair value through OCI	492,056	433,485	92,574	83,417	-
Trade receivables	1,545,616	1,029,780	738,347	119,565	83,679
Reinsurance assets	5,841,670	1,647,858	812,061	1,052,006	1,025,756
Deferred acquisition cost	-	-			119,379
Other receivables and prepayments	174,053	352,853	197,154	220,975	213,113
Investment in subsidiaries	4,026,300	4,026,300	4,026,300	3,624,860	1,576,300
Investment properties	-	-	45,000	45,000	289,439
Intangible asset	539,166	401,541	48,162	69,901	25,299
Property, plant and equipment	5,033,899	4,391,555	3,495,489	3,377,451	2,990,799
Statutory deposits	355,000	355,000	355,000	355,000	355,000
Deferred tax asset	-	21,745	21,745	21,745	
Total assets	33,060,953	20,653,703	13,718,930	14,200,520	13,057,786
LIABILITIES					
Insurance contract liabilities	16,303,627	4,539,202	3,217,225	4,015,143	2,849,493
Trade payables	2,785,404	2,105,972	548,733	488,190	686,295
	-	-	-	-	-
Provision and other payables	1,690,510	597,590	488,843	572,865	488,717
Income tax liabilities	173,210	80,876	34,807	23,542	30,969
Deferred tax liabilities	190,671	157,143	-	-	310,094
Total liabilities	21,143,422	7,480,783	4,289,608	5,099,739	4,365,569
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	2,611,284	1,900,456	1,434,593	1,303,505	1,121,845
Retained earnings	(2,305,750)	39,673	(1,888,408)	(1,951,246)	(1,881,304)
Asset revaluation reserve	3,735,496	3,396,185	2,333,468	2,208,012	1,809,597
Fair value reserve	279,569	239,673	(47,264)	(56,423)	45,146
Shareholders fund	11,917,531	13,172,921	9,429,322	9,100,781	8,692,217
TOTAL LIABILITIES AND EQUITY	33,060,953	20,653,703	13,718,930	14,200,520	13,057,786
Gross premium written	23,694,266	7,298,401	4,369,573	6,055,352	6,063,203
Insurance service result	(4,182,925)	(217,739)	972,734		
(Loss)/Profit before taxation	(1,485,504)	2,405,607	221,552	36,314	596,429
(Loss)/Profit after taxation	(1,634,596)	2,317,819	193,925	294,928	144,501