



FBS Re

F B S Reinsurance Limited
For better services



2025 Annual Report



ANNUAL REPORT

And Financial Statements

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FINANCIAL HIGHLIGHTS

Critical Ratios	2025	2024
Retrocession Ratio	14%	12%
Claims Incurred Ratio	20%	79%
Management (Attributable) Expense Ratio	7%	7%
Acquisition Expense Ratio	31%	27%
Underwriting Expense Ratio	38%	34%
Combined Ratio	58%	114%

	2025	2024	% increase/ (decrease)
	₦'000	₦'000	
Insurance Revenue	57,177,204	50,902,364	12%
Insurance Service Result	20,348,348	-6,062,068	436%
Investment & Other Income	5,699,069	4,739,655	20%
Net Profit before tax	16,713,001	10,066,818	66%
Operating Profit Transferred to General Reserve	14,667,058	9,349,860	57%

Per Share Data	2025	2024
Earnings Per Share (kobo)	73.3	93.4
Net Asset Per Share	258	187

	2025	2024	% increase/ (decrease)
	₦'000	₦'000	
Total Asset	79,388,085	76,468,506	4%
Share Capital	20,000,000	20,000,000	0%
Retained Earnings	22,508,832	11,344,596	98%
Property Revaluation Reserve	250,915	206,820	21%
Total Liability	27,802,965	38,994,540	-29%
Shareholders Fund	51,585,120	37,473,967	38%

CORPORATE INFORMATION

BOARD OF DIRECTORS

Bala Zakariyau	<i>Chairman</i>
Fola Daniel	<i>Director</i>
Stephen Kyerematen	<i>Director</i>
Yusuf Hamisu Abubakar	<i>Director</i>
Wole Oshin	<i>Director</i>
Ahmed Olaniyi Salawudeen	<i>Director</i>
Ebele Okeke	<i>Director (Independent)</i>
Ganiyu Musa	<i>MD/CEO</i>
Shola Ajibade	<i>Executive Director</i>



Registered Number

RC 1350905



Registered Office

22, Dunukofia Street,
Area 11, Garki Abuja,
FCT, Nigeria



Lagos Office

39, Alfred Rewane Rd,
Ikoyi, Lagos, Nigeria



Company Secretary

Taiwo A. Otuneye



Bankers

Guaranty Trust Bank Limited
Access Bank Plc
First City Monument Bank Plc
Zenith Bank Plc
Parallex Bank Limited
SunTrust Bank Limited
Taj Bank Limited
Providus Bank Limited
United Bank for Africa Plc
Keystone Bank Limited



Auditors

Baker Tilly Nigeria
(Chartered Accountants)
Krestal Laurel Complex
(4th Floor), 376, Ikorudu
Road, Maryland,
Lagos, Nigeria.

VISION, MISSION, & CORE VALUES

OUR VISION

To be a Reinsurance Services Company of choice in Africa through customer centric practices, and the use of advanced technology tools.

OUR MISSION

Establishing FBS Re as a Reinsurance Services Platform of integrity and creativity, upon which all our stakeholders shall derive sustainable value.

OUR CORE VALUES



NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the fifth Annual General Meeting of **FBS REINSURANCE LIMITED** will be held online (MS Teams Meet) and in Person at **FBS RE HQ 22, DUNUKOFIA STREET, AREA 11, GARKI, ABUJA** on **Wednesday, 17th June 2026** at 12.00noon to transact the following business:

AGENDA

(A). ORDINARY BUSINESS:

1. To receive the Report of the Directors, the Audited Financial Statements for the year ended 31 December 2025 and the report of the Auditors.
2. To declare a Dividend.
3. To re-elect the following Directors who, in accordance with Section 285 (2) of the Companies and Allied Matters Act 2020, retire by rotation and are eligible, offer themselves for re-election:
 - i. Fola Daniel
 - ii. Steve Kyerematen
 - iii. Ebele Okeke
4. To authorize the Directors to fix the remuneration of the Auditors.

(B). SPECIAL BUSINESS:

DIRECTORS EMOLUMENTS.

5. That the Directors' fees for the financial year ending 31 December 2026, and for succeeding years until reviewed by the Company in its Annual General Meeting, be and is hereby fixed at ₦208,000,000 (Two Hundred and Eight Million Naira) only.
6. To consider and pass the following as ordinary resolutions:

CAPITAL RAISING.

- (i). 'That the Company be and is hereby authorised to raise additional capital through any or all of the following: Convertible loans, Debts, Equity, Bonds and Debentures either locally or internationally'.
- ii. 'That the Directors be and are hereby authorised to enter into the above transaction upon such terms and conditions as they may deem fit in the interest of the Company for the purpose of enhancing the Company's financial capital, subject to the approval of the relevant Authorities'.
- (iii). 'That the Directors be and are hereby authorised to enter into any agreement and or execute any other document necessary for and or incidental to effecting resolution (i and ii) above'.
- (iv). 'That the Directors be and are hereby authorised to appoint such professional parties and perform all such other acts and do all such other things as may be necessary for or incidental to effecting the above resolutions, including without limitation, complying with directives of any regulatory Authority.'

Dated this 27th day of April 2026.

BY ORDER OF THE BOARD



TAIWO A. OTUNEYE. Esq.

Company Secretary/Legal Adviser.

FRC/2014/NBA/00000008576.

NOTES:

PROXY.

A member of the Company entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy instead of him/her. A proxy need not be a member of the Company. A blank proxy form is contained in the Annual Reports and Accounts, and if it is to be valid for the purpose of the meeting, it must be duly completed and deposited at the office of the Company Secretary, FBS REINSURANCE LIMITED 22, Dunukofia Street, Area 11, Garki,

Abuja, not less than 48 hours before the time for holding the meeting. Additionally, Shareholders may nominate any of the Directors as a proxy.

DIVIDEND PAYMENT.

If the dividend recommended by the Directors is approved, it will be paid via e-mandate on June 17th, 2026, to shareholders whose names are registered in the Register of Members at the close of business on June 5th, 2026.

CLOSURE OF REGISTER AND TRANSFER BOOKS.

NOTICE is hereby given that the Register of Members and Transfer Books of the Company **will be closed from Monday, 8th June 2026, to Friday, 12th June 2026** (both dates inclusive) for the purpose of payment of Dividend.

LIVE STREAMING OF THE AGM

The Annual General Meeting will be streamed live. This will enable Shareholders and other Stakeholders who cannot attend the meeting in person to participate in the proceedings. The link for the live stream will be made available to shareholders in their respective emails in due course.

PROFILE OF DIRECTORS.

The profile of all Directors is contained in the Annual Report, also available for viewing on the Company's website, www.fbsre.ng.



CHAIRMAN'S STATEMENT

...Your Company once again recorded significant improvements in financial performance despite the strong economic headwinds experienced in the immediate operating environment during 2025.

Bala Zakariyau,
Chairman, Board of Directors.

Distinguished Shareholders, fellow Directors, Ladies and Gentlemen. I am pleased to welcome you all to the 5th Annual General Meeting of our Company, FBS Reinsurance Limited (FBS Re), and to present the Annual Report and Financial Statements for the year ended 31 December 2025.

The year 2025 was characterised by lingering geopolitical upheavals, price inflationary pressures, and low economic growth across major economies, leading to volatility in global financial markets. Despite these identified challenges, the major global reinsurance institutions continued to demonstrate financial resilience, built on operational discipline and innovative enterprise risk management. It is against this backdrop that your Company decided in the year to strengthen its underwriting discipline, enhance creativity across all operational areas, and reaffirm a set of marketplace strategies aimed at exploiting the vast opportunities in the Nigerian and African reinsurance spaces.

As a result, your company delivered another stellar financial performance across all performance indicators in 2025.

World Economic Review.

Global economic growth in 2025 was neither remarkable nor particularly stable. Growth was at 3.2%, reflecting a complex

and uncertain landscape shaped mainly by geopolitical realities, climate-related disruptions, and persistent supply chain vulnerabilities. Additionally, war in Eastern Europe and the U.S./Israel–Iran conflict will certainly heighten uncertainty across global energy and financial markets, constraining any prospect of economic expansion in 2026.

The United States economy remained dominant, albeit with a 2025 Gross Domestic Product (GDP) growth of only 2.2%. The economy continues to depend on consumer spending, resilient labour market conditions, continued government investments, and a capital market boom driven by foreign capital inflows. Economic growth across the Eurozone was also subdued in 2025, with GDP growth estimated at around 1.4%, largely driven by weak industrial output, elevated energy costs, and softer export demand. Germany, Europe's largest economy, continued to experience weak manufacturing and industrial activities during the year.

Emerging and developing Asia grew by 5.4%, led by India's 7.3% expansion and China's 5%. The 2025 momentum was driven largely by government stimulus measures, infrastructure investments, and direct government industrial policy interventions. The Middle East and Central Asian economies also grew in 2025 compared to the Euro Area

and the United States, supported by domestic demand, infrastructure investments, commodity exports, and a recovery in global trade during the period under review. Overall, GDP growth across the region was estimated at 3.7%, although performance varied significantly due to differing macroeconomic conditions, geopolitical exposures, and the effectiveness of policy implementation. Despite ongoing global uncertainties, emerging market economies benefited from rising foreign investment, stronger commodity prices, expanding regional trade integration, and increased digital transformation initiatives.

However, all regions face existential risks to their economies due to trade disputes, ongoing wars and conflicts, external debt vulnerabilities, exchange rate pressures, climate-related catastrophes, and slower global demand. Unfortunately, the recent conflict in the Middle East, already rated as the single most consequential energy crisis facing the global economy, may create significant additional headwinds.

African Economic Review.

Growth indices across the continent are uneven. Typically, Africa benefits from strong commodity prices, increased infrastructure investments, and expanding digital transformation initiatives. Regional trade integration under the African Continental Free Trade Area (AfCFTA) is also marked as a possible transformational initiative when fully implemented across the continent.

Africa's GDP growth in 2025 was within the range of 3.8%–4.2%, representing a gradual improvement from prior years despite elevated inflationary pressures, exchange rate volatility, and concerns about debt sustainability. East and West Africa are the continent's strongest-performing sub-regions, while some Southern and Central African economies continue to experience structural and fiscal constraints.

Inflationary pressures are major issues across several African economies, driven by food and energy prices, excessive import dependency, and supply chain disruptions stemming from global geopolitical conflicts. Average inflation across the continent ranged from 8% to 15%, though some economies experienced significantly higher inflation due to weaker

currencies and fiscal pressures. Consequently, many African central banks maintained relatively tight monetary policies, resulting in elevated interest rates aimed at stabilising exchange rates and containing inflation.

Public debt sustainability also remained a major concern during the year. Rising global interest rates and weaker local currencies increased external debt servicing obligations, thereby limiting fiscal flexibility in some countries. Average public debt across many African economies remained above 60% of GDP, with some countries continuing to face sovereign refinancing pressures and fiscal consolidation challenges.

Despite these headwinds, commodity-exporting countries benefited from relatively favourable prices for crude oil, minerals, and agricultural commodities in some periods of the year. Oil-producing economies such as Nigeria, Angola, and Algeria saw some improvement in government revenues and foreign-exchange inflows, though production constraints and exchange-rate volatility continued to affect macroeconomic stability.

Regional trade integration under the AfCFTA continued to provide long-term optimism for economic diversification, cross-border investments, and industrial development. Increasing collaboration among African economies is expected to improve intra-African trade, logistics infrastructure, and investment flows over the medium to long term.

From a regional perspective, East Africa remained one of the continent's strongest-performing regions, supported by infrastructure investments, agriculture, tourism recovery, and relatively diversified economies. Countries such as Kenya, Tanzania, Rwanda, and Uganda continued to attract investments across the energy, logistics, and financial services sectors.

West Africa experienced moderate growth, largely driven by commodity exports, financial services, telecommunications, and infrastructure. However, inflationary pressures, exchange rate volatility, and fiscal reforms continued to affect consumer purchasing power and business operating costs across several countries within the region.

Southern Africa, particularly South Africa, continued to face structural challenges, including electricity supply shortages, logistics constraints, and weaker industrial growth, although mining and financial services sectors remained relatively resilient during the year.

North Africa benefited from tourism recovery, energy exports, and infrastructure spending, although geopolitical risks and inflationary pressures remained key concerns across the region.

Digital transformation continued to accelerate across the continent, with increasing adoption of fintech solutions, mobile banking, e-commerce platforms, and digital payment systems. These developments contributed positively to financial inclusion, economic participation, and innovation within the broader African economy.

Climate-related risks also remained a major concern during the year, particularly for agriculture-dependent economies vulnerable to flooding, droughts, and food insecurity. Consequently, sustainability, climate finance, and Environment, Social & Governance considerations continued to gain prominence among governments, financial institutions, development agencies, and investors across the continent.

Overall, the African economy in 2025 continued to demonstrate resilience and long-term growth potential despite prevailing macroeconomic and structural challenges. The continent remains strategically positioned as an important frontier for investment, trade expansion, infrastructure development, and long-term growth in financial services.

Nigeria Economics Review.

The Nigerian economy in 2025 manifested macroeconomic stability in response to the ongoing structural economic reforms. The reform centres on improving foreign exchange market stability, moderating inflationary trends, and rebuilding investor confidence. Although structural and fiscal challenges persisted, the economy demonstrated increased resilience and better monetary and fiscal policies coordination. Improved oil industry activities, expanding digital economy, and other sectoral reforms have all helped to stabilise the economic environment.

Nigeria's real GDP growth in 2025 was estimated at about 4.2%, driven largely by the services sector, telecommunications, financial services, trade, agriculture, and modest recovery within the oil and gas sector. The non-oil sector remained the primary contributor to economic growth, reflecting the continued gradual diversification of the economy away from overdependence on crude oil revenues.

Inflation remained relatively elevated during the year but showed signs of gradual moderation compared to prior periods. Headline inflation averaged approximately 28%–34%, driven primarily by earlier exchange rate adjustments, high transportation and energy costs, food supply constraints, and broader global commodity price pressures. However, the pace of inflationary growth moderated during the latter part of the year as monetary tightening measures, improved foreign exchange (FX) liquidity, and fiscal adjustments began to yield positive results.

The Central Bank of Nigeria (CBN) maintained a relatively tight monetary policy stance throughout the year in order to consolidate macroeconomic stability and anchor inflation expectations. Consequently, the Monetary Policy Rate (MPR) remained elevated within the range of 24%–27%, resulting in relatively high borrowing costs across the economy.

The foreign exchange market demonstrated improved stability during the year following ongoing reforms aimed at enhancing transparency, liquidity, and market confidence. Although exchange rates remained sensitive to external market conditions and global capital flows, the Naira appreciated against the US dollar by year's end. Improved FX market efficiency, increased investor participation, and stronger policy coordination contributed to a positive overall market sentiment.

In addition, Nigeria recorded positive sovereign rating actions from major international rating agencies during the year, reflecting growing investor confidence in the country's ongoing economic reforms, improving fiscal position, and enhanced foreign exchange market management framework. Fitch Ratings upgraded Nigeria's sovereign credit rating from 'B-' to 'B' with Stable Outlook in April 2025, while Moody's

upgraded Nigeria's rating from 'Caa1' to 'B3' with Stable Outlook in May 2025. These rating actions further reinforced improving market sentiment toward the Nigerian economy and supported renewed optimism regarding medium-term macroeconomic stability.

Fiscal pressures remained an important consideration during the year as government expenditures continued to exceed revenues across several areas. Nonetheless, ongoing fiscal reforms aimed at improving revenue generation, strengthening tax administration, and enhancing expenditure efficiency continued to support broader macroeconomic stability objectives.

The Nigerian banking and financial services sector remained relatively resilient despite prevailing macroeconomic pressures. Higher interest rates, expanding digital banking adoption, and increased financial inclusion initiatives continued to support sector performance.

The Nigerian insurance industry also continued to navigate a challenging operating environment characterized by claims inflation, rising retrocession costs, and evolving regulatory requirements. Nonetheless, the industry continued to benefit from increasing regulatory reforms, ongoing recapitalization initiatives, growing awareness of insurance products, infrastructure development opportunities, and increasing demand for specialized risk solutions.

The technology and telecommunications sectors remained among the fastest-growing segments of the economy, driven by increasing internet penetration, fintech expansion, mobile banking adoption, and digital innovation. Nigeria continued to strengthen its position as one of Africa's leading technology and startup ecosystems.

From an ESG and sustainability perspective, there was increasing focus on climate risk management, renewable energy investments, financial inclusion, sustainable finance initiatives, and corporate governance reforms. Regulators and financial institutions also continued to strengthen sustainability-related frameworks and disclosures in line with evolving global standards.

Looking ahead, the medium-term outlook for the Nigerian economy remains cautiously optimistic, supported by ongoing economic reforms, improving macroeconomic stability, expanding digital economy activities, infrastructure investments, and Nigeria's strategic importance within Africa. While challenges relating to inflation, fiscal pressures, and structural constraints remain, the economy appears better positioned for sustainable long-term growth.

FBS Reinsurance Limited Review in 2025.

Your Company once again recorded significant improvements in financial performance despite the strong economic headwinds experienced in the immediate operating environment during 2025.

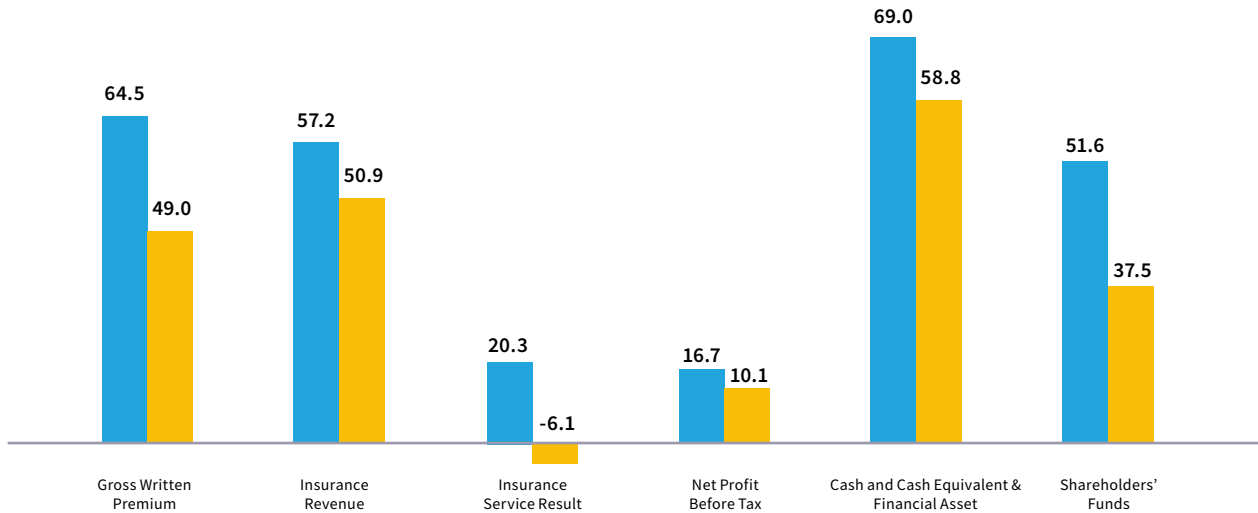
Gross Written Premium grew by 32%, from ₦48.9 billion in 2024 to ₦64.5 billion in 2025. Insurance revenue also improved strongly, rising by approximately 12% from ₦50.9 billion in 2024 to ₦57.2 billion in 2025. In addition, the Company recorded a significant turnaround in insurance service result, posting a profit of ₦20.3 billion in 2025 compared to a loss of ₦6.6 billion recorded in 2024. Overall profit before tax stood at ₦16.7 billion compared to ₦10.1 billion in 2024. This performance reflects improved underwriting discipline, stronger portfolio management, and enhanced operational efficiency during the year.

Cash and Cash Equivalents, together with Financial Assets, grew by 17%, increasing from ₦58.8 billion in 2024 to ₦69 billion in 2025. This growth reflects enhanced liquidity management, stronger investment performance, and the Company's continued focus on maintaining a resilient financial position amidst prevailing market uncertainties.

Shareholders' Funds also recorded strong growth of 38%, increasing from ₦37 billion in 2024 to ₦51 billion in 2025. This underscores the Company's strong capital position, improved profitability, and continued commitment to building long-term financial resilience and sustainable value for shareholders.

	2025	2024	Growth
	₦'000	₦'000	
Gross Written Premium	64,468,946	48,965,604	32%
Insurance Revenue	57,177,204	50,902,366	12%
Insurance Service Result	20,348,348	(6,062,068)	436%
Investment Income	5,659,069	4,739,655	19%
Net Profit Before Tax	16,713,001	10,066,818	66%
Cash and Cash Equivalent & Financial Asset	69,034,789	58,847,766	17%
Shareholders' Funds	51,585,120	37,473,967	38%

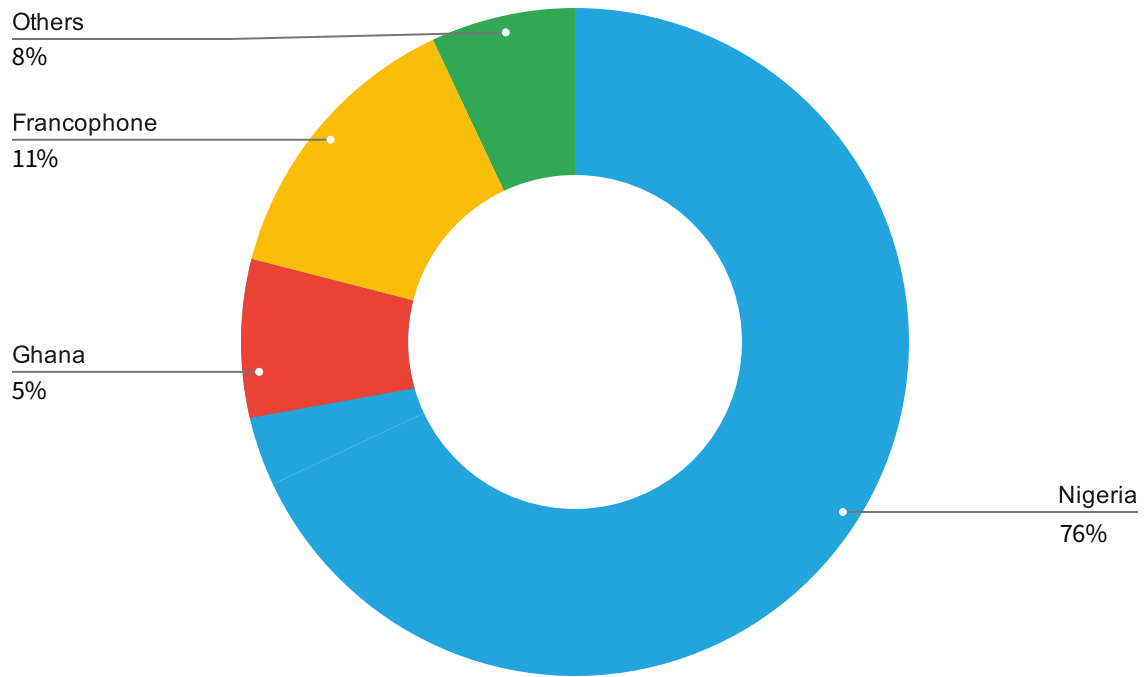
PERFORMANCE HIGHLIGHTS



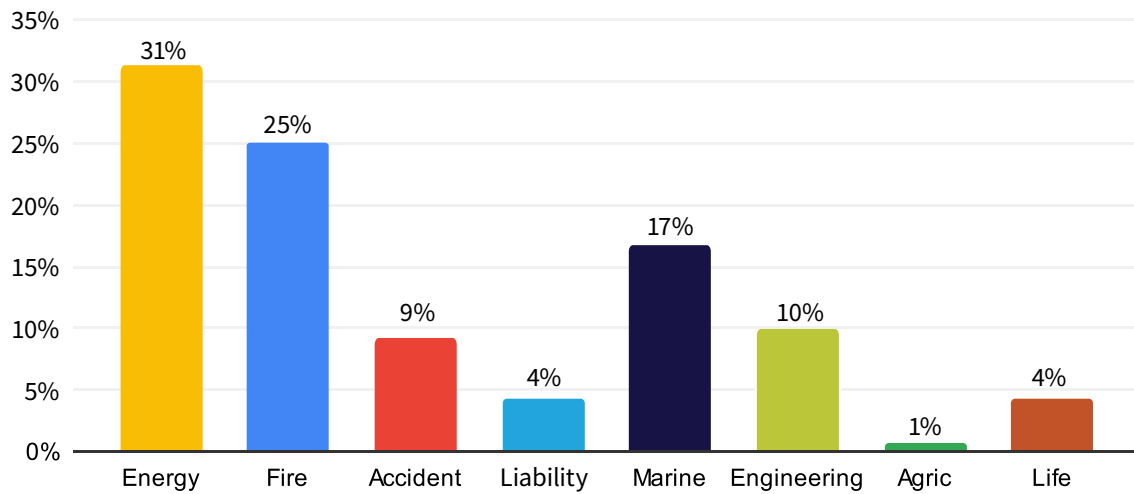
GROSS WRITTEN PREMIUM BY TERRITORY

Territory	2025	2024	Growth in %
	₦'000	₦'000	
Nigeria	48,947,147	33,170,306	48%
Ghana	3,476,369	5,181,101	-33%
Francophone	7,031,196	6,978,009	1%
Others	5,014,233	3,636,181	38%
Total	64,468,945	48,965,605	32%

DISTRIBUTION BY TERRITORY 2025



CONTRIBUTION BY CLASS 2025



Governance, Policies and the Board of FBS Re

As a strategic imperative, your company continued to deepen its commitment to good corporate governance by adopting local and internationally recognised best-practice governance standards. These efforts have enabled the company to improve its financial results and substantially improve stakeholder value. Additionally, these choices have accelerated the maturity of the Company's internal control systems and strong governance culture, and we have modernised all our reinsurance service processes.

During the year, the Company reviewed and updated several existing company policies, and introduced new frameworks covering key areas of operations such as enterprise risk management, investment management, procurement, reward and compensation, and new technologies.

Throughout the year, the Board members demonstrated governance discipline through full attendance at Board and Committee meetings and active participation at other extraordinary company engagements. The Board and its Committees were also fully committed to their oversight responsibilities, directing strategic choices and long-term initiatives aimed at sustainable growth aspirations.

Future Outlook.

The global economic outlook for 2026 is uncertain, caused mainly by the energy crisis precipitated by the West Asia war. However Global GDP growth is still projected to remain within the range of 3.0%–3.3% by major financial institutions assessments. Inflation across most advanced economies is expected to continue moderating toward central bank targets, although interest rates are likely to remain relatively elevated in the short to medium term as policymakers remain cautious against renewed inflationary pressures. Within the global insurance and reinsurance industry, market conditions are expected to closely follow events in the key flashpoints of Europe and Middle East but generally shall remain disciplined, particularly pricing risks of catastrophe, political violence, cyber, marine, and specialty risk classes. Reinsurers are expected to continue prioritizing underwriting discipline, capital preservation, portfolio optimization, ESG integration, and enterprise risk management.

Higher interest rates are also expected to continue supporting investment yields across the industry, although claims inflation and retrocession costs may remain relatively elevated.

Africa's economic outlook for 2026 remains subdued but positive, supported by expanding regional trade under the AfCFTA, infrastructure investments, population growth and urbanisation, technology and fintech expansion, increasing commodity demand, and improving financial sector penetration. The continent's GDP growth is projected to remain within the range of 4.0%–4.5%, with East and West Africa expected to continue outperforming several other regions due to relatively diversified economies and increasing investment activities.

The African insurance and reinsurance industry is expected to continue benefiting from regulatory reforms, increasing insurance awareness, infrastructure and energy investments, financial inclusion initiatives, growing demand for specialized risk solutions, and increasing local content requirements. Regional reinsurers are also expected to play a more strategic role in supporting domestic risk retention and strengthening local insurance capacity across the continent.

The Nigerian economy is expected to continue its gradual recovery trajectory in 2026, supported by ongoing economic reforms, infrastructure investments, improving oil revenues, and continued expansion within the digital and financial services sectors. GDP growth is projected to remain within the 3.0%–3.8% range, largely driven by non-oil sectors, including telecommunications, financial services, agriculture, trade, and technology.

Inflationary pressures are expected to continue moderating gradually, supported by improving exchange rate stability, tighter monetary policies, and easing supply-side constraints. Interest rates, however, are expected to remain relatively elevated as the Central Bank of Nigeria continues to prioritise inflation control, macroeconomic stability, and investor confidence.

The Nigerian insurance industry is expected to continue benefiting from strong leadership by regulators, especially in the implementation of ongoing reforms under the Nigerian

CHAIRMAN'S STATEMENT contd.

Insurance Industry Reform Act 2025, increased awareness of insurance products, and growing demand for risk management solutions. The new recapitalization exercise is also expected to strengthen the industry's capital base, underwriting capacity, solvency position, and overall resilience, while also enhancing stakeholder confidence and supporting larger risk retention within the domestic market. Nevertheless, claims inflation, competitive pricing pressures, and evolving regulatory requirements may have moderating effect on profitability across the industry.

FBS Reinsurance Limited remains optimistic about its outlook for 2026 despite the prevailing difficult external conditions. As part of its long-term growth strategy, the Company will accelerate regional expansion across the Eastern and Northern African markets and to deepen market penetration in both Anglophone and Francophone west Africa.

I am pleased to announce that your Company has been assigned International and National Scale Financial Strength Ratings of B- and AA(NG), respectively, both with Stable Outlook, by Global Credit Rating (GCR). These ratings reflect the Company's robust risk-adjusted capitalization, strong cross-cycle earnings performance, and adequate liquidity position.

Dividend.

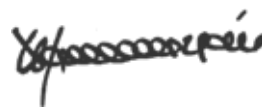
Distinguished Shareholders, the Board of Directors recommends, for your approval, a dividend of ₦700,000,000 (Seven Hundred Million Naira Only) or 3.5 Kobo per share to shareholders who hold shares in the company on the 8th of June 2026, subject to the deduction of appropriate withholding taxes.

Appreciation.

As always, I extend my sincere gratitude to our esteemed shareholders for their unwavering support, as well as to our valued Cedants, also to our local and international Brokers, and Retrocessionaires.

My colleagues on the Board have been exemplary and always acted with professionalism and independence, our dedicated Management, and Staff supported the company's vision . The collective commitments, diligence, and teamwork demonstrated by everyone in these groups have been instrumental in achieving the strong overall performance recorded in 2025 for that I express my sincere appreciation to you all.

Together, we shall continue to build FBS Reinsurance Limited a truly proud Nigerian reinsurance company with global aspirations.



Bala Zakariyau,

Chairman, Board of Directors.

BOARD OF DIRECTORS



Bala Zakariyau, Chairman

Zakariyau has over forty years of experience in the insurance sector in Nigeria and has served on Boards of more than 20 national and multinational institutions. He is a Fellow of the Chartered Insurance Institute of Nigeria, Fellow of Nigeria Institute of Management, Fellow of the Institute of Marketing and Fellow of the Institute of Directors. He is the current President of Lagos Business School (AMP4) and a member of the Governing Council of the Alumni Association (LBSAA). He was a Past President of, Chartered Insurance Institute of Nigeria. He is a chartered insurer, holds an Associateship of the Chartered Insurance Institute of the UK and holds a Masters in Business Administration.

He has held various Senior and Management positions in the insurance sector before joining Niger Insurance Plc as a General Manager (Technical) in 1993. Due to the recognition

of his professionalism and hard work, he quickly rose to the Executive Director Position that same year. In 1997, he was appointed Managing Director of the company. After nine years of successfully heading the company's affairs, he was appointed as Chairman of the company's Board in 2006. He retired in December 2015 after 22 years of meritorious service to Niger Insurance.

He held key positions on various Federal Government committees. He was a member of the Insurance law Review Committee in 1996 and Sub Committee Vision 2020 in 2009. He was also the Insurance Recapitalization and Reform Committee Chairman in 2006 and Insurance Sector Reform Committee FSS 2020. BALA ZAKARIYAU brings to the Board skills in Governance and risk management.



Ganiyu Musa, MD/CEO

Ganiyu is a highly experienced management professional with nearly 40 years of diversified experience in insurance, reinsurance, audit, consulting, business advisory and financial management. His professional journey started with Pannell Kerr Forster and later Arthur Andersen & Co where he trained and qualified as a Chartered Accountant and gained top quality experience in audit and financial consulting.

He subsequently worked at African Reinsurance Corporation (Africa Re), for 19 years, holding key positions, including Director of Finance & Accounts/Chief Financial Officer and Deputy Managing Director. He played a lead role in the creation and initial supervision of the risk management function at Africa Re and supervised the design of the Corporation's investment guidelines and asset allocation. He was also instrumental in the preparatory work and the eventual setting up of the Retakaful subsidiary in Cairo, Egypt and reinsurance subsidiary in South Africa,

where he served on the Board and Audit Committee for several years.

He left Africa Re in 2011 to join African Capital Alliance (ACA), a leading pan-African private equity firm as Insurance Sector Specialist and a Director on the Board of Cornerstone Insurance Plc. He moved to Cornerstone Insurance Plc in 2012 as the Group Managing Director/CEO and led the team that transformed the company into one of the leading insurance institutions in Nigeria. He was at various times Chairman of the Nigerian Insurers Association, Chairman Council of Bureaux of the Ecowas Brown Card scheme, Deputy President of West African Insurance Companies Association (WAICA), Chairman, Nigerian National Bureau of the Ecowas Brown card scheme, amongst others. Ganiyu currently serves on the Boards of an independent Oil & Gas producing company, a Pension Fund Administration company, an electronic payment solutions company and a microfinance company, amongst others.



Shola Ajibade, Executive Director

Mr. Shola Ajibade is an accomplished reinsurance underwriter with over thirty (30) years' experiences in insurance and reinsurance. He has garnered his experience through serving in leading institutions in different capacities. Mr. Ajibade joined FBS Reinsurance Limited from January 2021 as Director of Operations. Before joining FBS Reinsurance Limited, he was the General Manager (Operations) in Continental Re Plc in charge of Anglophone West Africa.

He previously worked with Aon Benfield of South Africa where he held the position of Executive (Treaty) for Sub Sahara Africa. He was also a Senior broker for West Africa and Portuguese markets.

Prior to joining Aon Benfield, he worked at Swiss Re South Africa and Swiss Re Ivory Coast. He also worked in senior executive positions at United African Insurance Brokers (UAIB) Nigeria, The Lion of Africa Insurance Company, Nigeria and Africa Re, Nigeria from where he started his career as an underwriting assistant. He is a fellow of the Chartered Insurance Institute, London, Fellow, Insurance Institute of South Africa and an MBA holder from the University of South Africa. He holds a Higher National Diploma in Insurance from the Lagos State College of Science and Technology. In addition to English, Mr Ajibade has some working proficiency in the French and Portuguese languages.



Fola Daniel., Director

Mr. Fola Daniel is a veteran insurance practitioner and administrator per excellence. He has experience spanning over 40 years at the Managerial, Senior and Executive Management Level including 13 years as Managing Director of two frontline insurance institutions and 8 years as the Commissioner for Insurance/Chief Executive of the apex Nigerian insurance regulatory authority (NAICOM).

The Former Commissioner for Insurance studied in Nigeria and the United Kingdom. He is a Fellow of the Chartered Insurance Institute, London, Fellow of the Chartered Insurance Institute of Nigeria as well as Fellow of the British Institute of Management. He started his insurance career in Great Nigeria Insurance Co. Ltd in 1978, rising to the position of Northern Area Manager, Kano. In 1989, he joined Globe Reinsurance Plc as Underwriting Manager and rose

to the position of Assistant General Manager (Technical) from where he was appointed by the Federal Government as Executive Director (Operations) of Nigerian Agricultural Insurance Corporation, June 1994, and later appointed the Managing Director/CEO of the Corporation in November, 1994, and held the position for 10 years.

He returned to Globe Reinsurance Plc as Managing Director/ CEO in August, 2004, a position he occupied till 2007 when he was appointed by the Federal Government of Nigeria as Commissioner for Insurance/Chief Executive. He left office end of July, 2015 after successfully completing the maximum statutory two terms of eight years. In 2016, he worked with other Promoters to establish FBS Reinsurance Limited and became the pioneer CEO upon it's licensing by NAICOM in November, 2020



Steve Kyerematen, Director

Mr. Steve Kyerematen has over 40 years of experience having served in various roles and capacities in the African insurance and reinsurance sectors. Between 1997 and 2007, he served as Regional Manager for Munich Reinsurance Group based in Accra, Ghana. Between his careers, with Munich Re Group and Activa Group, he had the opportunity to serve his country Ghana for a brief period as Ghana's high commissioner to Malaysia with concurrent accreditation to five South-East Asian countries including Thailand and the Philippines.

He currently holds the following positions: Chairman of Board of Directors, MiLife Insurance Company, Ghana, Chairman of the Board of Activa International Insurance Company of Liberia, Chairman of the Board of Directors of Activa International Insurance Company of Sierra Leone, Vice Chairman, Board of Directors of Activa International Insurance Company, Ghana, Member of the Board of Directors of Activa Finances, Mauritius, Member of Board of Directors, UGAR Activa, Guinea and Member of Board of Directors, Activa Vie Assurance, Guinea. Stephen has been a Member of the Board of Directors of ACTIVA GROUP FOUNDATION from inception.



Yusuf Hamisu Abubakar, OON, Director

He is a trained lawyer and administrator with vast experience at senior executive level in the Private and Public sector. He served as a member of the Kaduna State Executive Council as Honourable Commissioner of Health and Social Development, Director General of the Bureau for Lands and Survey and Honourable Commissioner of Finance and Economic Planning between 1994 – 1999 after which he returns to private legal practice at his firm until 2000 when he was appointed the Executive Secretary of Petroleum Technology Development Fund (PTDF).

He has championed so many organizations as board member amongst which are; Nigerian Communication Commission (NCC) and Kano Electricity Distribution

Company Plc. and Chairman of Kaduna Electricity Distribution Company Plc. and Niger Insurance Plc. He is currently a Member of the Board of Director of FBS Reinsurance Company Limited, Chairman of Sahelian Energy and Integrated Services Limited. He graduated from Bayero University Kano in 1987 with an LLB degree and thereafter proceeded to the Nigerian Law School and acquired a Bachelor of Laws in 1988. He further obtained an MBA (Financial Management) programme with the University of Exeter, UK in 2008. He is a member of various professional organizations such as: the Nigeria Bar Association; International Law Societies, London and the International Bar Association, International Association for Energy Economist, amongst others.


Wole Oshin, Director

He is an industry leader with over 30 years of experience and has at various times been a member of the Presidential Committee on Pension Reforms, Chairman of the Nigerian Insurers Association, Executive Council Member - African Insurance Organization (Cameroun), and Council Member of the West African Insurance Companies Association (Ghana). A graduate of Actuarial Science from the University of Lagos and a Chartered Insurer by Profession, he holds the Doctor

of Finance (Honoris Causa) from Igbinedion University and is a Fellow of both the Chartered Insurance Institute of Nigeria and the Association of Investment Advisers and Portfolio Managers. He is the Founder and Group Managing Director of the Custodian Group - a leading insurance group in Sub Sahara Africa with interests in Life Insurance, General Insurance, Pensions and Trusteeship business.


Prof. Ahmed Olaniyi Salawudeen, Director

Prof. Salawudeen, the President and Chief Executive of Standard Insurance Consultants Limited is a successful Chartered Insurance Practitioner and Real Estate Investment Adviser with track record spanning over 4 decades experience in the Global Insurance Market Place and a Frontline leader in Placement and Management of Various Insurance Risks including but not limited to Oil & Gas, Aviation & Space, Special Risks (Kidnapping & Ransom), Marine Hull Cargo, Protection and Indemnity, Construction/Operational, etc. He piloted Standard Insurance Consultants Limited from its inception to become a top Insurance/

Reinsurance Brokerage firm for over 40 years counting using his broad Industry experience in Insurance, Reinsurance, Loss Adjusting and Claims Management. Dr. Salawudeen, a Melvin Jones Fellow, is a Full Member of the Global Club of Leaders and Honourable Member, European Business Assembly (EBA) under the auspices of The Socrates Committee in Oxford, United Kingdom. He was honoured by the World Confederation of Businesses (WORLD COB) with the "World Leader Businessperson" award in 2017, 2018, 2019 and 2020 among other beneficiaries from all over the world.


Engr. Ebele Okeke, CFR, Independent Director

Engr. Ebele Okeke, the First female Civil Engineer in Nigeria and the First female Head of the Civil Service of the Federation, graduated from the University of Southampton, England with BSc. Hons. in Civil Engineering.

She holds an MBA from the University of Nigeria Nsukka and an Honorary Doctorate degree in Technology Management by the Abubakar Tafawa Balewa University, Bauchi, Nigeria. She began her career as a Public Health Engineer with Sanford Fawcett Wilton and Bell, Consulting Engineers, London. In Nigeria she worked as Highways and

Transportation Engineer with Obiukwu Okeke Associates and Gifford and Tolefe Consulting Engineers, before joining the Federal Civil Service of Nigeria. She became Deputy Director Water Supply in Federal Ministry of Water Resources, Director Rural Development in Federal Ministry of Agriculture and Rural Development, Permanent Secretary Federal Ministry of Water Resources and Head of the Civil Service of the Federation. On retirement was appointed the Water and Sanitation (WASH) Ambassador, by the Water and Sanitation Collaborative Council (WSSCC), Geneva, 2010.

KEY MANAGEMENT STAFF



Ganiyu Musa
MD/CEO



Shola Ajibade
Executive Director



Musa Kolo
Chief Finance Officer



Taiwo Otuneye
Company Secretary



Gbolahan A. Toru
Head, Business Development



Adewale Foster-Aileru
*Head, Enterprise Risk
Management & Strategy*



Shuaibu M. Zakari
Head, Information Technology



Samuel Koffi
Head, Francophone



activity of company and subsidiaries
Data and progress of activity

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31
DECEMBER 2025**

RESULTS AT A GLANCE

	2025	2024	% increase/ (decrease)
	₦'000	₦'000	
Operating result			
Insurance revenue	57,177,204	50,902,366	12
Insurance service result	20,348,348	(6,062,068)	436
Investment and other income	5,659,069	4,739,655	19
Foreign exchange (loss)/gain	(2,533,441)	15,225,832	(117)
Net profit before tax	16,713,001	10,066,818	66
Operating profit transferred to general reserve	14,667,058	9,349,861	57
Transfer to Contingency reserve	2,902,822	1,842,552	57
Statement of financial position			
Share capital	20,000,000	20,000,000	-
Shareholders fund	51,585,120	37,473,967	38
Insurance Contract liability	22,646,885	34,893,505	(35)
Total assets	79,388,085	76,468,508	4
Per share data:			
Basic earnings per share (Kobo)	73.3	93.4	
Diluted earnings per share (kobo)	73.3	47	
Basic net assets per share (Kobo)	258	187	
Diluted net asset per share (kobo)	258	187	

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

The directors accept responsibility for the preparation of the annual financial statements that give a true and fair view of the statement of financial position of the Company at the end of the year and of its comprehensive income in the manner required by the Companies and Allied Matters Act of Nigeria 2020 and the Insurance Act of Nigeria, 2003. The responsibilities include ensuring that the Company:

- i. keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the Company and comply with the requirements of the Companies and Allied Matters Act 2020 and the Insurance Act 2003.
- ii. establishes adequate internal controls to safeguard its assets and to prevent and detect fraud and other irregularities; and
- iii. prepares its financial statements using suitable accounting policies supported by reasonable and prudent judgements and estimates, that are consistently applied.

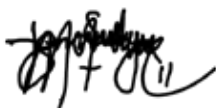
The directors accept responsibility for the financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in compliance with:

- International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).
- relevant guidelines and circulars issued by the National Insurance Commission (NAICOM) and the requirements of the Companies and Allied Matters Act.

The directors are of the opinion that the financial statements give a true and fair view of the financial position of the Company and of the profit for the year. The directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

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

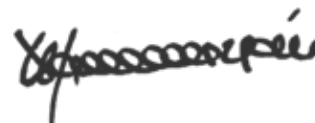
Signed on behalf of the Board of Directors by:



Ganiyu Musa

FRC/2013/ICAN/00000003110

20 April 2026



Bala Zakariyau

FRC/2014/CIIN/00000003437

20 April 2026

REPORT OF THE DIRECTORS

1. Accounts

The directors are pleased to submit their report together with the company's audited financial statements for the year ended 31 December 2025.

Result for the year	N'000
Net operating profit before tax	16,713,001
Income tax expense	(2,045,943)
Other comprehensive income	44,095
Total comprehensive profit for the year after tax	14,711,153

2. Legal form

FBS Reinsurance Limited (FBS Re) was incorporated as a Private Limited Liability Company under the Nigerian Corporate Law on 1st August 2016 with an Authorised Share Capital of N20,000,000 made up of 20,000,000,000 Ordinary Shares of N1.00 each.

The Company was licensed on the 25th of November 2020 and commenced operations on 1st January 2021. It is authorised and regulated by the National Insurance Commission (NAICOM).

The Company has its registered office situated at Central Business District in Abuja and operational office in Lagos, the commercial hub of Nigeria.

3. Principal activities

The principal activities of the company are to carry out reinsurance activities in general and life reinsurance.

4. The Directors

The current composition of the Board of Directors is as set out on page 2 of these financial statements.

5. Directors' shareholding and Ownership Structure

The interests of the directors in the issued share capital of the company are as follows:

	Number of shares held as at	
	31/12/2025	31/12/2024
Bala Zakariyau	440,000,000	440,000,000
Fola Daniel	1,064,000,000	1,064,000,000
Stephen Kyerematen	402,000,000	402,000,000
Yusuf Hamisu Abubakar	360,000,000	360,000,000
Ganiyu Musa	736,000,000	200,000,000
Shola Ajibade	100,000,000	100,000,000
Wole Oshin	Nil	Nil
Ahmed Olaniyi Salawudeen	Nil	Nil
Ebele Okeke	Nil	Nil

Ownership Structure

	As at December 31, 2025		
	Number of Holders	Number of Shares	%
Foreign	1	402,000,000	2.01
Nigeria	27	19,598,000,000	97.99

BOARD COMPOSITION

The board is composed of nine members and during the year under review the board met five times to deliberate and provide strategic guidance to the company, within a framework of prudent and effective controls which enable risks to be effectively assessed and managed. Members of the board and records of attendance during the year are as follows:

Board

	No. of meetings attended	Date of meetings
1. Bala Zakariyau	5	29/04/2025
2. Fola Daniel	5	30/07/2025
3. Stephen Kyerematen	5	25/09/2025
4. Yusuf Hamisu Abubakar	5	29/10/2025
5. Wole Oshin	5	11/12/2025
6. Ahmed Olaniyi Salawudeen	5	
7. Ebele Okeke	5	
8. Ganiyu Musa	5	
9. Shola Ajibade	5	
Taiwo A. Otuneye - Secretary	5	

The following are the various committees of the board, given delegated authority to undertake a focused review of specified board matters and their composition:

Finance, Governance and Nominations

	No. of meetings attended	Date of meetings
1. Yusuf Hamisu Abubakar – Chairman	3	15th April 2025
2. Fola Daniel - Member	3	8th July 2025
3. Stephen Kyerematen - Member	3	7th October 2025
4. Wole Oshin - Member	3	
Taiwo A. Otuneye - Secretary	3	

Technical and Market Development

	No. of meetings attended	Date of meetings
1. Ahmed Olaniyi Salawudeen - Chairman	3	17th April 2025
2. Fola Daniel - Member	3	9th July 2025
3. Stephen Kyerematen - Member	3	8th October 2025
4. Wole Oshin - Member	3	
Taiwo A. Otuneye - Secretary	3	

Risk Management, Strategy and Technology

	No. of meetings attended	Date of meetings
1. Wole Oshin - Chairman	3	15th April 2025
2. Fola Daniel - Member	3	8th July 2025
3. Yusuf Hamisu Abubakar - Member	3	7th October 2025
Taiwo A. Otuneye - Secretary	3	

Audit, Compliance and Control

	No. of meetings attended	Date of meetings
1. Ebele Okeke - Chairman	3	3rd April 2025
2. Stephen Kyerematen - Member	3	9th July 2025
3. Ahmed Olaniyi Salawudeen – Member	3	10th October 2025
Taiwo A. Otuneye - Secretary	3	

6. Dividend

The directors recommend the payment of 3.5 kobo per share as dividend amounting to ₦700,000,000 subject to approval by the shareholders at the Annual General Meeting (AGM).

7. Property, plant & equipment

Movements in property, plant and equipment during the year are shown in Note 9 to the financial statements. In the opinion of the directors, the market value of the company's properties is not less than the value shown in the financial statements.

8. Personnel

(a) Employment of physically challenged persons:

The company continues its general policy of extending employment opportunities to physically challenged persons as and when there are openings for such employees.

(b) Health, safety, and welfare:

In addition to medical retainership in private clinics and hospitals, all essential safety regulations are being observed to guaranty maximum protection of personnel and also protect the company's assets.

(c) Employees' involvement and training:

Employees are kept fully informed of the company's performance and the company continues with its open-door policy whereby views of employees are sought and given due consideration on matters which particularly affect them.

The company attaches importance to the training of its staff through regular in-house, on- the-job training sessions and outside courses which have broadened employees' opportunities for career development within the company.

9. Enterprise Risk Management (ERM)

Overview

The Company's Enterprise Risk Management (ERM) framework is grounded in internationally recognised risk management standards, with ISO 31000 – Risk Management: Principles and Guidelines serving as the primary reference point. The Company's definition of risk, as articulated in the ERM Framework, underpins its overall risk management philosophy and approach.

The ERM framework is further supported by:

- The COSO Enterprise Risk Management – Integrated Framework; and
- The Three Lines of Defence Model, comprising Risk Owners (First Line), ERM/Internal Control Functions (Second Line), and Internal Audit (Third Line).

While traditional insurance and reinsurance risks—such as underwriting and claims risks— remain core focus areas, the Board of Directors and Management recognise the evolving and dynamic nature of the Company's risk landscape. Accordingly, risk management structures have been established to address emerging and material risks, including compliance and regulatory risk, health and safety risk, strategic risk, reputational risk, operational risk, and financial risk.

The Board of Directors retains ultimate responsibility for overseeing the Company's risk management and internal control systems.

Risk Governance and Control Framework

The Company's control functions are designed to strategically manage and mitigate risks associated with the achievement of corporate objectives rather than eliminate risk entirely. A strong risk-aware culture is promoted through clearly defined policies, structured communication, and regular training.

Management is responsible for identifying, assessing, and managing material risks, as well as designing and implementing appropriate internal controls. Standard Operating Procedures (SOPs) and inherent controls are

subject to periodic review by the ERM function, Executive Management, and relevant Board Committees.

Key financial and non-financial risks and uncertainties faced by the Company are assessed on an ongoing basis, and the strategies for managing these risks are outlined below.

The FBS Re Enterprise Risk Management Programme

The Company's ERM Programme comprises a set of integrated structures and processes designed to manage uncertainties and threats while identifying opportunities to enhance performance and value creation.

ERM at FBS Re adopts a cross-functional and multi-dimensional approach, ensuring that risk considerations are embedded across all business functions.

A dedicated ERM Department is responsible for identifying, evaluating, monitoring, and reporting risks and opportunities that may impact the achievement of corporate objectives, in line with ISO 31000 principles. Risks are assessed using the Red Amber Green (RAG) rating methodology.

The Company's risk context defines the scope and parameters of the risk management process and establishes benchmarks against which risks are assessed, consistent with the Company's strategic objective of being a reinsurer of choice. Recognising the inherent uncertainties in reinsurance underwriting and ancillary operations, FBS Re embeds its ethics, philosophy, and risk culture within an integrated risk management and control framework.

Risk Governance Structure

Enterprise Risk Management (ERM)

A structured system of risk governance is achieved through clearly defined standards covering:

- Organisational structure and accountability;
- Risk strategy and appetite;
- Written policies and procedures;
- Risk limits and escalation mechanisms;
- Documentation and reporting protocols.

These structures ensure timely risk-related information flow and support informed decision-making.

Enterprise Risk Management (ERM) Committee

The Enterprise Risk Management (ERM) Committee is a Management-level committee responsible for supporting the Board in the effective oversight of the Company's risk management framework. The Committee provides a structured forum for identifying, assessing, monitoring, and managing material risks across the enterprise in line with the Company's risk appetite and strategic objectives.

The ERM Committee promotes a strong risk-aware culture, reviews key risk exposures and emerging risks, ensures the adequacy of risk mitigation measures, and monitors compliance with applicable regulatory requirements. It also facilitates timely escalation of significant risk issues to Executive Management and the relevant Board Committees, thereby supporting sound decision-making and the long-term sustainability of the Company.

Governance, Risk and Compliance (GRC) Committee

The GRC Committee operates as a Management-level committee responsible for governance, risk management, and compliance oversight. Its responsibilities include:

- Promoting a strong and mature risk management culture across the Company;
- Advising Executive Management on governance, risk, compliance, and control matters;
- Ensuring compliance with applicable regulatory and statutory requirements.

The Committee operates under an approved Charter.

Risk Management Philosophy

The Company's risk management philosophy is founded on the following principles:

- Sound risk management is essential to long-term financial sustainability;
- Risk management shall be holistic, integrated, and enterprise-wide;

- Risk officers shall operate independently and professionally without undue influence;
- Risk policies shall be clearly defined and effectively communicated;
- Risk management is a shared responsibility across the organisation.

Risk Culture

The Board and Senior Management set the tone at the top by promoting responsible and accountable risk-taking, ensuring that long-term value and reputation are not compromised in pursuit of short-term objectives.

Key elements of the Company's risk culture include:

- Board-level ownership of risk governance;
- Enterprise-wide risk awareness and accountability;
- Encouragement of incident reporting and whistleblowing;
- Strong commitment to ethical conduct and integrity in decision-making.

ERM and Internal Control Integrated Framework

The Company's ERM and Internal Control practices are aligned with the COSO Enterprise Risk Management – Integrated Framework, which emphasises collaboration among the Board, Management, and staff.

The framework is structured around the following five components:

- Control Environment
- Risk Assessment
- Control Activities
- Information and Communication
- Monitoring

Control Environment

The control environment reflects the standards, structures, and values that underpin effective risk management and internal control. The Board and Senior Management establish a strong tone at the top, supported by the Company's core

values: customer centricity, integrity, innovation and creativity, efficiency, and professionalism.

Risk Assessment

Risk assessment is an ongoing process involving the identification and evaluation of risks that may affect the achievement of corporate objectives. Designated risk champions and risk officers support risk identification, while the ERM Department evaluates risks and develops mitigation action plans. Risk assessment reports are presented quarterly to the Board Risk Management, Strategy and Technology Committee.

Control Activities

Control activities consist of policies, procedures, and practices implemented to mitigate risk exposures and support the achievement of strategic objectives. These controls are embedded across business processes and technology environments.

Information and Communication

The Company utilises relevant internal and external information to support effective risk management and decision-making. Clear communication channels ensure that risk information is disseminated appropriately across the organisation.

Monitoring

Monitoring mechanisms ensure continuous evaluation of the effectiveness of risk management and internal control systems. Identified weaknesses are escalated promptly to Senior Management and the Board for corrective action.

Specific Risk Categories

Insurance Risk

The Company reinsures both General and Life insurance risks. Key exposures relate to claim frequency and severity uncertainty. Mitigation measures include a comprehensive underwriting manual, defined authority limits, accumulation controls, robust reinsurance treaties, and continuous staff training.

The Company reinsures both General and Life insurance businesses. The nature of risks involved are the likelihood that the insured event may occur and the uncertainty of the magnitude of the resulting claim.

To mitigate against these risks, the Company has produced and issued a company-wide underwriting manual, covering acceptance criteria, pricing, accumulation control and levels of authority. The manual serves as a guide to the underwriters in accepting risks on the basis of prudence, professionalism, objectivity and risk discrimination. Besides, adequate Reinsurance Treaty have been put in place and is reviewed annually to take account of changing retention profile.

The company regularly trains and re-trains its underwriting staff to acquaint them with recent developments in the risk bearing industry.

Besides, the company constantly reviews and controls risk quality and prudently applies policy limits when the need arises.

Financial Risk

The Company is an active player in the economy. In the course of its operations, the company uses various financial instruments including cash and its equivalents, bonds, equities and receivables. FBS Re is exposed to likely losses arising from market risks. Such risks comprise fluctuations in interest rates, equity prices and rate of exchange of foreign currencies and default in collection of receivables.

The Company has developed a comprehensive financial management policy taking into account the relevant regulatory investment guidelines. Appropriate manuals are provided detailing administrative and accounting procedures. These manuals set out the framework for the investing function and specify the conditions and benchmarks for the acceptable levels of exposure to credit, currency and interest rate risks, etc.

Liquidity and Credit Risk

Liquidity or cash flow risk relate to the possibility that the company may encounter some difficulty to mobilize funds

to discharge its obligation to clients as and when the need arises. FBS Re investment guidelines are formulated such that minimum levels of financial assets are held in cash and cash equivalents with short maturity periods and easily convertible to cash at short notice.

Credit risk refers to the likelihood that one party to a financial transaction may fail to fulfill its obligation as and when due thereby causing the other party to a transaction to suffer financial loss. The company is exposed to credit risks through its investment in financial assets such as short-term deposits, fixed interest securities and receivables. The Company's approach is to ensure that short-term deposits are placed with financial institutions with high credit rating. Moreover, deposits are spread amongst high quality institutions to avoid undue concentration on any one organization.

Credit risks associated with receivables are managed through a deliberate assessment of present and potential clients to ensure their ratings meet with our set criteria for granting credit and making necessary provision for doubtful and irrecoverable debts

Regulatory Risk

Regulatory risk refers to the risk of non-compliance with applicable laws, regulations, guidelines, and supervisory directives issued by regulatory authorities, including the National Insurance Commission (NAICOM) and other relevant government or statutory bodies. Such non-compliance may result in sanctions, fines, operational restrictions, reputational damage, or other regulatory enforcement actions.

This risk arises from changes in regulatory requirements, inadequate understanding or implementation of applicable rules, delays in regulatory reporting, or weaknesses in compliance controls affecting the Company's operations.

Strategic/Business Risk

Strategic risk is the risk of an adverse impact on the Company's earnings, capital, or long-term viability arising from ineffective business strategies, poor execution of approved strategies, or an inability to adapt to changes in the external environment.

This risk may result from shifts in the competitive landscape, regulatory or macroeconomic developments, misaligned product or market positioning, or failure to respond effectively to underperformance, leading to lower-than-expected revenues not adequately offset by cost reductions.

Reputational Risk

The Company maintains a zero-tolerance stance toward unethical conduct. Its values and policies promote responsible behaviour aimed at safeguarding the Company's reputation and brand.

Operational Risk

Operational risk arises from inadequate or failed processes, people, systems, or external events. The Company manages operational risks through proactive identification, assessment, and mitigation across all lines of defence.

Insurance risk

FBS Reinsurance Limited reinsures both General and Life insurance businesses. The nature of risks involved are the likelihood that the insured event may occur and the uncertainty of the magnitude of the resulting claim.

To mitigate against these risks, FBS Reinsurance Limited has produced and issued a company-wide underwriting manual, covering acceptance criteria, pricing, accumulation control and levels of authority. The manual serves as a guide to the underwriters in accepting risks on the basis of prudence, professionalism, objectivity and risk discrimination. Besides, adequate Reinsurance Treaty have been put in place and is reviewed annually to take account of changing retention profile.

The company regularly trains and re-trains its underwriting staff to acquaint them with recent developments in the risk bearing industry.

Besides, the company constantly reviews and controls risk quality and prudently applies policy limits when the need arises. In addition, our Internal Control Unit monitors adherence to existing guidelines via regular examination of the activities of various strategic business units.

Financial risks

FBS Reinsurance Limited is an active player in the economy. In the course of its operations, the company uses various financial instruments including cash and its equivalents, bonds, equities and receivables. FBS Reinsurance Limited is exposed to likely losses arising from market risk. Such risks comprise fluctuations in interest rates, equity prices and rate of exchange of foreign currencies and default in collection of receivables.

FBS Reinsurance Limited has developed a comprehensive financial management policy taking into account the relevant regulatory investment guidelines. Appropriate manuals are provided detailing administrative and accounting procedures. These manuals set out the framework for the investing function and specify the conditions and benchmarks for the acceptable levels of exposure to credit, currency and interest rate risks, etc.

Liquidity and credit risks

Liquidity or cash flow risk relate to the possibility that the company may encounter some difficulty to mobilize funds to discharge its obligation to clients as and when the need arises.

FBS Reinsurance Limited's investment guidelines are formulated such that minimum levels of financial assets are held in cash and cash equivalents with short maturity periods and easily convertible to cash at short notice. Credit risk refers to the likelihood that one party to a financial transaction may fail to fulfill its obligation as and when due thereby causing the other party to a transaction to suffer financial loss. Our company is exposed to credit risks through its investment in financial assets such as short-term deposits, fixed interest securities and receivables.

FBS Reinsurance Limited's approach is to ensure that short-term deposits are placed with financial institutions with high credit rating. Moreover, deposits are spread amongst high quality institutions to avoid undue concentration on any one organization.

Credit risks associated with receivables are managed through a deliberate assessment of present and potential clients to ensure their ratings meet with our set criteria for granting credit and making necessary provision for doubtful and irrecoverable debts.

10. Independent Auditors

Messrs. Baker Tilly Nigeria (Chartered Accountants) have indicated their willingness to continue as auditors in accordance with Section 401(2) of the Companies and Allied Matters Act 2020.

A resolution will be proposed to authorise the directors to fix their remuneration.

By Order of the Board



Taiwo A. Otuneye

FRC/2014/NBA/00000008576

Company Secretary

Lagos, Nigeria

20 April 2026

CORPORATE GOVERNANCE REPORT

FBS Reinsurance Limited has consistently developed corporate policies and standards to encourage a good and transparent corporate governance framework to avoid potential conflicts of interest between all stakeholders whilst promoting ethical business practices. This is the foundation of our existence, values, and culture as a Company for building and sustaining an enduring institution that guarantees profitability and professionalism whilst enhancing shareholders' value.

As a private limited company, the Company strives to carry out its business operations on the principles of integrity and professionalism whilst enhancing shareholders' value through transparent conduct at all times with the adoption and application of local regulatory standards as well as international best practices in corporate governance, and service delivery.

To ensure consistency in its practice of good corporate governance, the Company continuously reviews its practice to align with the various applicable Codes of Corporate Governance such as the FRC Code and the NAICOM Code with particular reference to compliance, disclosures, and structure. Furthermore, an annual board appraisal has been instituted to be conducted by an Independent Consultant appointed by the Company whose report will be submitted to NAICOM and presented to shareholders at the Annual General Meeting of the Company in compliance with the recommendation of the NAICOM Code of Corporate Governance.

GOVERNANCE STRUCTURE

The Board

The governance of the Company resides with the Board of Directors who is accountable to shareholders for creating and delivering sustainable value through the effective management of the Company. The Board of Directors of the company is the highest policy-making body and a fiduciary of and accountable to the company's stakeholders for the proper and effective administration of the company.

The Board exercises responsibility, leadership, enterprise, integrity, and judgment in directing affairs of the company to achieve continuing prosperity of the company and act in its best interest, in a manner based on transparency,

accountability and equity. The Board of Directors is responsible for the efficient operation of the Company and to ensure the Company fully discharges its legal, financial and regulatory responsibilities.

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. These oversight functions of the Board of Directors are exercised through its various Committees. The Board has five (5) Committees to ensure the proper management and direction of the Company via interactive dialogue.

The Board membership comprises nine (9) members, including the Chairman, who is a Non-Executive Director, five (5) other Non-Executive Directors, one (1) Chief Executive Officer, one (1) Executive Director (Technical and Business Development), and one (1) Independent Non- Executive Director appointed based on the criteria laid down by NAICOM and the Nigerian Code of Corporate Governance for the appointment of Independent Non-Executive Director(s). The Independent Non-Executive Director has no significant shareholding interest or any special business relationship with the Company. The effectiveness of the Board derives from the appropriate balance and mix of skills and experience of Directors, both Executive and Non-Executive. The Company's Board is made up of seasoned professionals, who have excelled in their various professions and possess the requisite integrity, skills and experience to bring to bear independent judgment on the deliberations of the Board.

Responsibilities of the Board

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

The powers reserved for the Board include the following:

- a) determination of Board structure, size and composition, including appointment and removal of Directors,

succession planning for the Board and senior management and Board Committee membership.

- b) approval of mergers and acquisitions, branch expansion and 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 resolutions and corresponding documentation for shareholders in general meeting(s), shareholders circulars, prospectus and principal regulatory filings with the regulators.
- e) approval of major changes to the Company’s corporate structure (excluding internal reorganizations) and changes relating to the Company capital structure or its status as a public limited 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) the determination and approval of the strategic objectives and policies of the Company to deliver long-term value.
- h) approval of the Company’s strategy, medium- and short-term plans and its annual operating and capital expenditure budget.

ROLES OF KEY MEMBERS OF THE BOARD

The positions of the Chairman of the Board and the Chief Executive Officer are separate and held by different persons. The Chairman and the Chief Executive Officer are not members of the same extended family.

The Chairman

The Chairman has the responsibility to lead and manage the Board to ensure that it operates effectively and fully discharges all its statutory responsibilities, whilst promoting effective relations and open communication within the boardroom.

The Chairman discharges his duties with prudence, integrity and professional skills at all times.

The Chief Executive Officer

The Chief Executive Officer is charged with supervisory role over the technical operations of the Company, which involves investment management, risk management, formulation of policies, and the implementation of operational decisions. The CEO is the first line of reference for issues to be discussed at the Board and is charged with ensuring compliance with regulations and policies of both the Board and regulatory authorities.

The Independent Non-Executive Director

In line with the Nigerian Code of Corporate Governance 2018 and 2021 and the approved NAICOM Guidelines on Corporate Governance, the Board has an Independent Non-Executive Director who is responsible for the protection of shareholders’ rights and interests in the Company. The Independent Director does not represent any shareholding interest, nor hold any business interest in the Company, to ensure objective contributions to the Company’s development.

Company Secretary

The Company Secretary is a point of reference and support for all directors. It is the Company Secretary’s responsibility to provide the directors with all the necessary information promptly and regularly. The Board may, through the Company Secretary, obtain information from external sources, such as consultants and other advisers, if there is a need for outside expertise, via the Company Secretary or directly.

The Company Secretary is responsible for assisting the Chairman and Chief Executive Officer in the formulation of an annual board plan, organization of board meetings, and ensuring that the minutes of board meetings clearly and properly capture the board’s discussions and decisions.

DIRECTOR NOMINATION PROCESS

The Board agrees upon the criteria for the desired experience and competencies of new directors. The Board has power under the Articles of Association to appoint a director to fill a casual vacancy or as an additional director. The criteria for the

desired experience and competencies of new Non-Executive Directors are agreed upon by the Board.

The balance and mix of appropriate skills and experience of Non-Executive Directors is taken into account when considering a proposed appointment. In reviewing the Board composition, the Board ensures a mix with representatives from different industry sectors.

The shareholding of an individual 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 NAICOM.

The following are considered critical in nominating a new director:

- (i) Sterling reputation, and demonstrable adherence to the highest personal moral and ethical standards
- (ii) Professionalism
- (iii) Independence, objectivity and dedication
- (iv) Impeccable corporate governance record
- (iv) Ability to add value to the Organization

INDUCTION AND CONTINUOUS TRAINING OF BOARD MEMBERS

On appointment to the Board, all directors receive a formal induction tailored to meet their individual requirements. The new directors are given orientation about the Company and its operations through the Company Secretary via the provision of the Company's Articles of Association, relevant statutory books and regulations and adequate information on the operations.

The directors are also given a mandate and terms of reference to aid in the performance of their functions. Management

further strives to acquaint the new directors with the operations of the Company via trainings/seminars to the extent desired by the new directors to enable them to function in their position.

The training and education of directors on issues pertaining to their oversight functions is a continuous process, in order to update their knowledge and skills and keep them informed of new developments in the insurance industry and operating environment.

CHANGES TO THE BOARD

There were no changes in the board composition during the year under review.

NON-EXECUTIVE DIRECTORS (NED) REMUNERATION

The company's policy on remuneration of Non-Executive directors is guided by the provisions of the NAICOM Code which stipulate that the remuneration for Non- Executive Directors' should be limited to Directors' fees and reimbursable travel and hotel expenses. Director's fees and sitting allowance was paid to only Non-Executive Directors as recommended by the Board Finance, Governance, & Nominations Committee.

Board Meetings

The Board of Directors' meetings are held every quarter, or as the need arises, to consider the Company's financial statements for the period or to review management accounts for the quarter. At the meetings, the directors also consider the reports and minutes of Board committees, and any other reports pertaining to issues within the scope of the Board's responsibilities.

The directors met five (5) times during the year ended December 31 2025.

Name of Director	Composition	Meetings attended	29-April-25	30-July-25	25-Sep-25	29-Oct-25	11-Dec-25
BALA ZAKARIYAU	Chairman	5	X	X	X	X	X
FOLA DANIEL	Director	5	X	X	X	X	X
STEVE KYEREMATEN	Director	5	X	X	X	X	X
YUSUF HAMISU ABUBAKAR	Director	5	X	X	X	X	X
WOLE OSHIN	Director	5	X	X	X	X	X
AHMED OLANIYI SALAWUDEEN	Director	5	X	X	X	X	X
EBELE OKEKE	Director	5	X	X	X	X	X
GANIYU MUSA	Director	5	X	X	X	X	X
SHOLA AJIBADE	Director	5	X	X	X	X	X

BOARD COMMITTEES

The Board carries out its responsibilities through its committees, which have clearly defined terms of reference, setting out their roles, responsibilities, functions and scope of authority. The Board has five (5) Committees, namely:

- Audit, Compliance & Control.
- Finance, Governance & Nominations.
- Risk Management, Strategy & Technology.
- Technical & Market Development.
- Executive Committee.

Through these Committees, the Board is able to more effectively deal with complex and specialized issues and to fully utilize its expertise to formulate strategies for the Company. The Committees make recommendations to the Board, who retains responsibility for final decision making.

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

The Committee is made up of the following members:

1.	EBELE OKEKE	Independent Non-Executive Director	Chairman
2.	AHMED OLANIYI SALAWUDEEN	Non-Executive Director	Member
3.	STEVE KYEREMATEN	Non-Executive Director	Member

A summary of the roles, responsibilities, composition and frequency of meetings of each of the Committees are as stated hereunder.

(a) Audit, Compliance & Control Committee

Auditing is vital to ensuring that accounting norms for reinsurance businesses are effectively applied and maintained and to monitor the quality of internal control procedures; ensure compliance with all regulatory directives. The Committee is responsible for the review of the integrity of the data and information provided in the Audit and/or Financial Reports.

The Committee shall provide oversight functions with regard to both the company's financial statements and its internal control and risk management functions. The Committee shall ensure compliance with legal and other regulatory requirements, assessment of qualifications and independence of external auditor; and performance of the company's internal audit function as well as that of the external auditors. The Committee Chairman shall report formally to the Board on its proceedings after each meeting on all matters within its functions and responsibilities. The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.

The Committee met three (3) times during the year under review:

Name	Composition	Meetings attended	3-March-25	9-Jul-25	10-Oct-25
EBELE OKEKE	Chairman	3	X	X	X
AHMED SALAWUDEEN	Non-Executive Director	3	X	X	X
STEVE KYEREMATEN	Non-Executive Director	3	X	X	X

(b) Finance, Governance & Nominations Committee

The Committee has supervisory functions over investment and other finance-related issues such as capital and funding requirements.

The responsibilities of the Committee include the consideration and approval of all investments above management limit, the review and approval of the investment manual on a periodic basis and, in particular the financial implications of new and major investment strategies/initiatives.

The Committee is made up of the following members:

1.	YUSUF HAMISU ABUBAKAR	Non-Executive Director	Chairman
2.	FOLA DANIEL	Non-Executive Director	Member
3.	STEVE KYEREMATEN	Non-Executive Director	Member
4.	WOLE OSHIN	Non-Executive Director	Member

The Committee met three (3) times during the year under review:

Name	Composition	Meetings attended	15th April 2025	8th July 2025	7th Oct 2025
YUSUF HAMISU ABUBAKAR	Chairman	3	X	X	X
FOLA DANIEL	Member	3	X	X	X
STEVE KYEREMATEN	Member	3	X	X	X
WOLE OSHIN	Member	3	X	X	X

(c) Risk Management, Strategy & Technology Committee

The Board Risk Management and Technical Committee has supervisory functions over risk management, the risk profile, the enterprise- wide risk management framework, underwriting functions of the Company and the risk-reward strategy as determined by the Board.

The Committee is responsible for overseeing management's process for the identification of significant risks across the Company, and the adequacy of prevention, detection and reporting mechanisms. The Committee is also charged with the review of large underwritten risks in order to verify the adequacy of the reinsurance cover.

The Committee is made up of the following members:

1.	WOLE OSHIN	Non-Executive Director	Chairman
2.	FOLA DANIEL	Non-Executive Director	Member
3.	YUSUF HAMISU ABUBAKAR	Non-Executive Director	Member

The Committee met three (3) times during the period under review:

SN	Name	Composition	Meetings attended	15-April-25	08-July-25	07-Oct-25
1.	WOLE OSHIN	Chairman	3	X	X	X
2.	FOLA DANIEL	Member	3	X	X	X
3.	STEVE KYEREMATEN	Member	3	X	X	NA
4.	YUSUF HAMISU ABUBAKAR	Member	3	X	X	X

(d) Technical & Market Development, Committee

- | | |
|--|---|
| <p>a. The Committee is responsible for ensuring the effectiveness of the retrocession programme, Reinsurance services impact on cedants, profitability of operations, competitive positioning in the market.</p> <p>b. Study target markets and develop effective strategies to communicate with all prospective clients.</p> <p>c. Formulate in conjunction with the management, strategic vision to identify opportunity areas, and recommend to the board multi-channels winning initiatives.</p> | <p>d. Recommend strategies to recover quickly in the event of an unexpected breach and assure business continuity with minimal work disruption.</p> <p>e. Undertake to develop guidelines and policies on underwriting & risk placements ratings and claims management while reporting to the Board.</p> <p>f. Reviewing the quality of policies underwritten and the company's claims settlement practice.</p> |
|--|---|

The Committee is made up of the following members:

1.	AHMED OLANIYI SALAWUDEEN	Non-Executive Director	Chairman
2.	FOLA DANIEL	Non-Executive Director	Member
3.	STEVE KYEREMATEN	Non-Executive Director	Member
4.	WOLE OSHIN	Non-Executive Director	Member

The Committee met three (3) times during the period under review:

Name	Composition	Meetings attended	17-April-25	7-July-25	08-Oct-25
AHMED OLANIYI SALAWUDEEN	Chairman	3	X	X	X
FOLA DANIEL	Member	3	X	X	X
STEVE KYEREMATEN	Member	3	X	X	X
WOLE OSHIN	Member	3	X	X	X

(e) The Executive Committee

The Executive management committee work with and assist the Board of Directors of the company to:

- | | |
|---|---|
| <p>a. Develop and recommend applicable departmental and unit-level policies capable of integrating the company and ensure that the company has an efficient, effective,</p> | <p>and responsibly managed Operations and Business Development outcomes.</p> <p>b. Develop and implement strategy, operational plans, policies, procedures and budgets.</p> <p>c. Drive and monitor operating and financial performance.</p> <p>d. Assess and control risk.</p> |
|---|---|

- e. Prioritize and allocate resources.
- f. Ensure that the company has a well co-coordinated, efficient, effective, and properly resourced IT strategy and to monitor issues pertaining to group-wide information technology both strategic and operational.
- g. Review and approve company-wide projects.
- h. Ensure unity of purpose among all entities.
- i. Define guidelines for commercial relationships between departments in the company.
- j. Work with the appropriate brokers, agents, insurers, reinsurers, and strategic partners to approve brand strategies in line with the overall branding architecture/ focus of the company.

The Committee is made up of the following members:

1.	GANIYU MUSA	Managing Director/CEO	Chairman
2.	SHOLA AJIBADE	Executive Director	Member

The committee met 12(twelve) times during the year ended 31 December 2025.

Name of Director	Composition	Meetings attended
GANIYU MUSA	Chairman	12
SHOLA AJIBADE	Member	12

ANNUAL BOARD APPRAISAL

The Code of Corporate Governance for insurance institutions 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 appraisal would be conducted at the end of the financial year, as well as the Company's compliance status with the provisions of NAICOM.

SHAREHOLDERS

The Company recognizes the rights of its shareholders and other stakeholders, and is driven to deliver desired value to these shareholders and stakeholders. The shareholders are provided with detailed information on the Company's activities and financial results via the annual accounts. They are also provided with the opportunity to make enquiries, obtain information, share ideas, and express their concerns and opinions on all issues. These are communicated to Management and the Board and, on a broader scale, at the Annual General Meeting of the Company.

PROTECTION OF SHAREHOLDERS' RIGHTS

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

COMMUNICATION POLICY

It is the responsibility of the executive management under the direction of the Board, to ensure that the Board receives adequate information on a timely basis, about the Company's businesses and operations at appropriate intervals and in an appropriate manner, to enable the Board to carry out its responsibilities.

Furthermore, the Board and management of the Company ensures that communication and dissemination of information regarding the operations and management of the company to shareholders, stakeholders and the general 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, www.fbsre.ng.

The website also has an Investors Relations portal where the company's annual reports and other relevant information about the company is published and made accessible to its shareholders, stakeholders and the general public.

In order to reach its overall goal on information dissemination, the Company is guided by the following Principles, legislation and codes of corporate governance of the jurisdictions within which it operates. These include the Insurance Act, the NAICOM Operational Guidelines, the Companies and Allied Matters Act (CAMA) and the codes of Corporate Governance issued by NAICOM.

The principles that guide the Company's information dissemination include the following;

- **Efficiency:** The Company uses modern communication technologies in a timely manner to convey its messages to its target groups. The Company responds without unnecessary delay to information requests by the media and the public.
- **Transparency:** The Company strives in its communication to be as transparent and open as possible while taking into account the concept of confidentiality between the Company and its customers, and company secretary. This contributes to maintaining a high level of accountability.
- **Clarity:** The Company aims at clarity, i.e. to send uniform and clear messages on key issues.
- **Cultural awareness:** The Company operates in a multicultural environment and accordingly recognizes the need to be sensitive to the cultural peculiarities of its operating environment.
- **Feedback:** The Company actively and regularly seeks feedback on its image and communication activities both from the media as well as from its key target groups. This feedback is used in future activities.

INDEPENDENT ADVICE

The Board of Directors are at their own discretion and at the Company's expense required to seek Independent professional advice when required to enable a Member of the Board effectively perform certain responsibilities.

MONITORING COMPLIANCE WITH CORPORATE GOVERNANCE

a. Chief Compliance Officer

The Chief Compliance Officer monitors compliance with money laundering requirements and the implementation of the Corporate Governance Code of the Company. The Chief Compliance Officer together with the Chief Executive Officer certifies each year to NAICOM that they are not aware of any other violation of the Corporate Governance Code, other than as disclosed during the course of the year.

b. Whistle blowing procedures

In line with the Company's commitment to instill the best corporate governance practices, a whistle blowing procedure was established that ensures anonymity and the protection of the whistle blower on any reported incidence(s).

CODE OF PROFESSIONAL CONDUCT FOR EMPLOYEES

The Company has an internal Code of Professional Conduct, which all members of staff are expected to subscribe to upon assumption of duties. All members of staff are expected to strive to maintain the highest standards of ethical conduct and integrity in all aspects of their professional life as contained in the Code of Professional Conduct which prescribes the common ethical standards, culture and policies of the Company relating to employee values.

INTERNAL MANAGEMENT STRUCTURE

The Company operates an internal management structure where all officers are accountable for duties and responsibilities attached to their respective offices and there are clearly defined and acceptable lines of authority and responsibility.

MANAGEMENT REPORT ON ASSESSMENT OF INTERNAL CONTROL OVER FINANCIAL REPORTING

AS OF 31 DECEMBER 2025

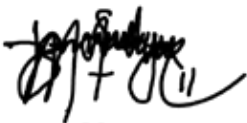
The management of FBS Reinsurance Limited (the Company) is responsible for establishing and maintaining adequate internal control over financial reporting as required by section 405 of Company and Allied Matters Act 2020, Nigeria Institute of Corporate Governance (NICG) 2008 and in accordance with the Financial Reporting Council of Nigeria guideline on Management report on internal control over financial report.

The management of FBS Reinsurance Limited assessed the effectiveness of the internal control over financial reporting of the Company as of 31 December 2025 using the criteria set forth in Internal Control—Integrated Framework (2013 issued by the Committee of Sponsoring Organizations of the Treadway Commission (the COSO Framework). As of 31 December 2025, the management of FBS Reinsurance Limited did not identify any material weakness in its assessment of internal control over financial reporting. As a result, management has concluded that, as of December 31, 2025, the Company’s internal control over financial reporting was effective.

The Company’s independent auditor, Baker Tilly Nigeria, who audited the financial statements included in this Annual Report, issued an unmodified conclusion on the effectiveness of the Company’s internal control over financial reporting as of 31 December 2025 based on the limited assurance engagement performed by them. Baker Tilly Nigeria assurance report is also included in the Annual Report.

Changes in Internal Control Over Financial Reporting.

There were no changes in our internal control over financial reporting that occurred subsequent to the date of our evaluation of the effectiveness of internal control over financial reporting that significantly affected, or are reasonably likely to significantly affect, the Company’s internal control over financial reporting.



Ganiyu Musa

FRC/2013/ICAN/00000003110

MD/CEO

20 April 2026



Musa Kolo

FRC/2012/00000000473

CFO

20 April 2026

INDEPENDENT AUDITOR'S LIMITED ASSURANCE REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

Independent Auditor's Limited Assurance Report

To: The Members of FBS Reinsurance Limited

Report on Limited Assurance Engagement Performed on Management's Assessment of Internal Control Over Financial Reporting

Conclusion

We have performed a limited assurance engagement on whether internal control over financial reporting of FBS Reinsurance Limited ("the company") as of 31 December, 2025 is effective in accordance with FRC Guidance on Management Report on Internal Control over Financial Reporting we hereby make the following statements regarding the Internal controls of FBS Reinsurance Limited for the year ended 31 December, 2025.

Based on the procedures performed and evidence obtained, nothing has come to our attention to cause us to believe that the Company's internal control over financial reporting as of 31 December 2025 is not effective, in all material respects, in accordance with the COSO Framework and FRC Guidance on Management Report on Internal Control over Financial Reporting.

Basis for conclusion

We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE)3000 (Revised), Assurance Engagements Other Than Audits or Reviews of Historical Financial Information issued by the International Auditing and Assurance Standards Board (IAASB) and the Financial Reporting Council of Nigeria Guidance on Assurance Engagement Report on Internal Control over Financial Reporting. Our responsibilities are further described in the "Our responsibilities" section of our report.

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA).

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

Other matter

We have audited the financial statements of FBS Reinsurance Limited in accordance with the International Standards on Auditing, and our report dated 20 April, 2026 expressed an unmodified opinion of those financial statements. Our conclusion is not modified in respect of this matter.

Responsibilities for Internal Control over Financial reporting

The Board of Directors of FBS Reinsurance Limited 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 management's report. Our responsibility is to express a conclusion on the Company's internal control over financial reporting based on our assurance engagement.

Our responsibilities

The Financial Reporting Council of Nigeria Guidance on Assurance Engagement Report on Internal Control over Financial Reporting requires that we plan and perform the limited assurance engagement and provide a limited assurance report on the Company's internal control over financial reporting based on our assurance engagement.

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.

Definition and Limitations of Internal Control Over Financial reporting

The 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 International Financial Reporting Standard. The Company's internal control over financial reporting includes those policies and procedures that:

- (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the company; and
- (iii) provide reasonable assurance regarding prevention or timely detection of unauthorised 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. Furthermore, 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.



Oluwole .O. Ogundeji

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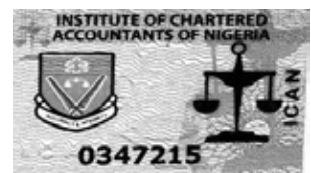
For: Baker Tilly Nigeria

(Chartered Accountants)

FRC/2024/COY/096262

Lagos, Nigeria

20 April 2026



REPORT OF THE INDEPENDENT AUDITORS

TO THE MEMBERS OF FBS REINSURANCE LIMITED

Report on the financial statements

We have audited the financial statements of FBS Reinsurance Limited (the company) set out on pages 28 to 112, which comprise the statement of financial position as at 31 December 2025, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of FBS Reinsurance Limited as at 31 December 2025, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, the requirements of the Companies and Allied Matters Act 2020, the Insurance Act 2003, and relevant National Insurance Commission (NAICOM) guidelines and circulars.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the financial statements section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (Parts 1 and 3) (IESBA Code) and other independence requirements applicable to performing audits of financial statements in Nigeria. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and in accordance with other ethical requirements applicable to performing audits in Nigeria. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The directors are responsible for the other information. The other information comprises the information included in the document titled "FBS Reinsurance Limited financial statements for the year ended 31 December 2025", which includes the Directors' Report as required by the Companies and Allied Matters Act 2020, which we obtained prior to the date of this report. The other information does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during 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 Reports and Financial Statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, the requirements of the Companies and Allied Matters Act of Nigeria 2020, the Insurance Act 2003, and relevant National Insurance Commission (NAICOM) guidelines and circulars and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the Reports and Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole is 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 International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- i) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ii) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- iii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- iv) Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, decide whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- v) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with 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.

Report on other legal and regulatory requirements

In accordance with the Companies and Allied Matters Act, 2020 we expressly state that:

- i) 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.
- ii) in our opinion, accounting records have been kept by the Company; and
- iii) the Company's statement of financial position and profit or loss and other comprehensive income are in agreement with the accounting records.



Oluwole .O. Ogundeji

FRC/2013/PRO/ICAN/004/00000002825

For: Baker Tilly Nigeria
(Chartered Accountants)

FRC/2024/COY/096262

Lagos, Nigeria

20 April 2026



COMPANY INFORMATION AND ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 DECEMBER 2025

1. General information

(a) Reporting Entity

FBS Reinsurance Limited ('the Company') underwrites life and non-life re-insurance risks such as those associated with death, energy, gas, property and liability. The company was incorporated in 2016. The address of its registered office is No. 22, Dunukofia Street, Area 11, Garki Abuja FCT, Nigeria. The company is regulated by the National Insurance Commission of Nigeria (NAICOM).

Nature of entity's operation and its principal activities

The principal activities of the company are the underwriting of life and non-life reinsurance businesses, payment of claims and investments as described below: -

- **Underwriting**

The company underwrites both life and general reinsurance businesses. Under the life business, it underwrites both company life and individual life businesses whilst its general business includes motor vehicles, marine and aviation, fire, accident and sundry policies generally classified under miscellaneous insurance policies.

- **Claims**

The company pays claims incurred as part of its reinsurance business and which consist of the claims and claim handling expenses.

- **Investments**

FBS Reinsurance Limited engages in investments of its funds in properties as well as in listed and unlisted stocks, bonds, treasury bills and other money market instruments in line with the provisions of the Insurance Act 2003.

2. Going concern

These financial statements have been prepared on the going concern basis. The Company has no intention or need to reduce substantially its business operations. The Management believes that a going concern assumption is appropriate for the Company due to sufficient capital adequacy ratio and

projected liquidity, 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 Company is carried out by the Company to ensure that there are no going concern threats to the operations of the Company.

3. Basis of preparation

a) Statement of Compliance

The Company's financial statements have been prepared in compliance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and with the interpretations issued by the International Financial Reporting Interpretation Committee (IFRIC) as adopted by the Federal Republic of Nigeria, through the Financial Reporting Council Act No. 6 of 2011 (Amended).

The Company's functional and presentation currency is the Nigerian naira.

b) Use of estimates and judgements

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and the future periods if the revision affects both current and future periods.

Estimation of Expenses

Accruals for incurred expenses not yet invoiced at year end is developed based on current contract and expense levels, adjusted for expected expense inflation, if appropriate.

c) Basis of measurement

The company prepares its financial statements under the historical cost convention as modified by the fair value and revaluation of its investments and buildings.

4. Insurance and reinsurance contracts

The definition of an insurance contract refers to ‘insurance risk’ which is defined as ‘risk, other than financial risk, transferred from the holder of a contract to the issuer.

The Company issues insurance contracts in the normal course of business, under which it accepts significant insurance risk from its policyholders. As a general guideline, the Company determines whether it has significant insurance risk, by comparing benefits payable after an insured event with benefits payable if the insured event did not occur. Insurance contracts can also transfer financial risk. Non-life insurance products offered include Motor insurance, Bonds, group personal accident, plant all risk, contractor all risk, professional indemnity, goods in transit, public liability, Oil, and gas, marine, motor, fire and special risk. These products offer protection of policyholder’s assets and indemnification of other parties that have suffered damage due to policyholder’s accident.

FBS Re does not issue any contracts with direct participating features.

Reinsurance contracts are those when the company transfers all or part of a risk to another insurer to provide protection against the risk of the first insurance.

The Company uses facultative and treaty reinsurance to mitigate some of its risk’s exposures. Reinsurance contracts held are accounted under IFRS 17 when they meet the definition of an insurance contract, which includes the condition that the contract must transfer significant insurance risk.

4.1 Insurance and reinsurance contracts accounting treatment

Separating components from insurance and reinsurance contracts

Some insurance contracts may contain one or more components that would be within the scope of another IFRS if they were separate contracts. Such components may be embedded derivatives, an investment component, or a component for services other than insurance contract

services. When separated, those components must be accounted for under the relevant IFRS instead of under IFRS 17. This makes these components more comparable to similar contracts that are issued by the Company and other entities as separate contracts and allows users of financial statements to better compare the risks undertaken by entities in different businesses or industries.

Therefore, the Company:

- Applies IFRS 9 to determine whether there is an embedded derivative to be bifurcated (i.e. separated) and, if there is, account for that separate derivative.
- Separates from a host insurance contract an investment component if, and only if, that investment component is distinct and apply IFRS 9 to account for the separated component unless it is an investment contract with discretionary participation features and then;
- Separates from the host insurance contract any promise to transfer to a policyholder distinct goods or services other than insurance contract services by applying IFRS 15.

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

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

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

- The investment component and the insurance components are highly interrelated

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

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

4.1.1 Level of aggregation

IFRS 17 defines the level of aggregation to be used for measuring insurance contracts and their related profitability. This is a key issue in identifying onerous contracts and in determining the recognition of profit or loss and presentation in the financial statements.

The starting point for aggregating contracts is to identify portfolios of insurance contracts. A portfolio comprises contracts that are subject to similar risks and managed together.

IFRS 17 requires the company to determine the level of aggregation for applying its requirements. The level of aggregation for the Company is determined firstly by dividing the business written into portfolios using the current lines of business framework with consideration for the reserving segmentation and product types within each line of business to support the definition of similar risk.

These lines of business are Accident, Agriculture, Energy, Fire, Liability, Engineering, Life and Marine. Portfolios are further divided based on expected profitability at inception into three categories: onerous contracts, contracts with no

significant risk of becoming onerous, and the remainder. This means that, for determining the level of aggregation, the Company identifies a contract as the smallest 'unit', i.e., the lowest common denominator. However, the Company makes an evaluation of whether a series of contracts need to be treated together as one unit based on reasonable and supportable information, or whether a single contract contains components that need to be separated and treated as if they were stand-alone contracts. As such, what is treated as a contract for accounting purposes may differ from what is considered as a contract for other purposes (i.e., legal or management).

For example, the company issues "Packaged insurance policy" which comprise different kind of policy that are separately priced but issued as a single contract, this contract would be split into different component and individual component separately allocated to groups of underlying insurance contracts. IFRS 17 also requires that no group for level of aggregation purposes may contain contracts issued more than one year apart. The Company has elected to group together those contracts that would fall into different groups only because law or regulation specifically constrains its practical ability to set a different price or level of benefits for policy holders with different characteristics. Currently, there is no law or regulation that constrained the Company's practical ability to set a different price or level of benefits for policy holder with different characteristics.

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

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

The profitability of groups of contracts is assessed by actuarial valuation models that take into consideration existing

and new business. For contracts that are not onerous, the Company assesses, at initial recognition, that there is no significant possibility of becoming onerous because the company writes all its business premium at a profit unless the board has approved the sale of loss-making contracts through an official process, and subsequently by assessing the likelihood of changes in applicable facts and circumstances. The Company considers facts and circumstances to identify whether a group of contracts are onerous based on:

- Historical loss ratio
- Combined ratio of over 100%
- Results of similar contracts it has recognized.
- Environmental factors, e.g., a change in market experience or regulations

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

4.1.2 Contract boundary

A contract is an arrangement that binds one or both of the parties involved. If both parties are bound equally, the boundary of the contract is generally clear. Similarly, if neither party is bound, it is clear that no genuine contract exists. Thus:

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

The measurement of a group of insurance contracts includes all the cash flows expected to result from the contracts in the group, reflecting estimates of policyholder behaviour. Thus, to

identify the future cash flows that will arise as the Company fulfils its obligations, it is necessary to determine the contract boundary that distinguishes whether future premiums, and the resulting benefits and claims, arise from:

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

Or

Future insurance contracts. If so, those future premiums, and the resulting benefits and claims, are not included in the measurement of the group of existing insurance contracts. As such, the company does not recognize a liability or asset relating to expected premiums or expected claims outside the boundary as such amounts relates to future insurance contracts.

However, the company recognizes an asset for acquisition cash flows paid before the related group of insurance contracts is recognized.

The Company includes in the measurement of a group of insurance contracts all the future cash flows within the boundary of each contract in the group. Cash flows are within the boundary of an insurance contract if they arise from substantive rights and obligations that exist during the reporting period in which the Company can compel the policyholder to pay the premiums, or in which the Company has a substantive obligation to provide the policyholder with insurance contract services. A substantive obligation to provide insurance contract services ends when:

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

Or

Both of the following criteria are satisfied:

- The Company has the practical ability to reassess the risks of the portfolio of insurance contracts that contain

the contract and, as a result, can set a price or level of benefits that fully reflects the risk of that portfolio.

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

A liability or asset relating to expected premiums or claims outside the boundary of the insurance contract is not recognized. Such amounts relate to future insurance contracts. The company have set contract boundaries for its portfolio of insurance contracts based on the duration of coverage as stated in the policy document for each class of business which is one (1) year except for construction

contract under special risk which could have coverage period exceeding one (1) year.

4.1.3 Recognition

Initial recognition of insurance contracts

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

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

Initial recognition of reinsurance contracts held

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

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

And

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

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

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

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

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

Initial recognition of insurance acquisition cash flows

Insurance acquisition cash flows are cash flows arising from the costs of selling, underwriting, and starting a group of

insurance contracts that are directly attributable to the portfolio of insurance contracts to which the group belongs. Such cash flows include cash flows that are not directly attributable to individual contracts or groups of insurance contracts within the portfolio.

The company has aggregated its directly attributable expenses into the following classes including policy administrative and maintenance expense, claims and benefits expense, management expense and other operating cost. The company allocates acquisition cost to policies based on applicable rate per policy, claims expenses are allocated based on number of claims on the policies and, a portion of maintenance cost is allocated based on the proportion of premium written.

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

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

- Insurance acquisition cash flows that are directly attributable to a group of insurance contracts:
- To that group; and
- To groups that will include insurance contracts that are expected to arise from renewals of the

insurance contracts in that group

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

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

The asset for insurance acquisition cash flow is derecognized from the statement of financial position when the insurance acquisition cash flows are included in the initial measurement of the related group of insurance contracts. After any re-allocation, the Company assesses the recoverability of the asset for insurance acquisition cash flows, if facts and circumstances indicate the asset may be impaired. When assessing the recover ability, the Company applies:

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

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

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

Measurement – Premium Allocation Approach

Insurance contract – Initial measurement

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

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

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

FBS Re applies the premium allocation approach (PAA) to all the insurance contracts that it issues and reinsurance contracts that it holds, as:

The coverage period of each contract in the group is one year or less, including insurance contract services arising from all premiums within the contract boundary.

Or

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

All the company's product is measured using the PAA approach because the coverage period of each contract it issues is for a period of One (1) year where coverage exceed one year, the earnings pattern is not expected to be different from passage of time and there is no expectation that the LFRC under the GMM approach would materially differ than that measured under PAA. In addition to the above in such scenarios the additional coverage while above one year is less than 2 years.

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

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

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

For a group of contracts that is not onerous at initial recognition, the Company measures the liability for remaining coverage as:

- The premiums, if any, received at initial recognition
- Minus any insurance acquisition cash flows at that date, with the exception of contracts which are one year or less where this is expensed,
- Plus or minus any amount arising from the derecognition at that date of the asset recognized for insurance acquisition cash flows and
- Any other asset or liability previously recognized for cash flows related to the group of contracts that the Company pays or receives before the group of insurance contracts is recognized.

For all business lines, there is no allowance for time value of money as the premiums are received within one year of the coverage period.

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

The company interpret that all contracts measured using the premium allocation approach (PAA) are profitable unless there has been approval through an official process to implement commercial actions such as promotional discounts on premium rate, selling loss leaders to gain market shares or no claims discount on renewal of policies that would results in a group of contracts being onerous. Where facts and circumstances indicate that contracts are onerous at initial recognition, the Company performs additional analysis to determine if a net outflow is expected from the contract. Such onerous contracts are separately grouped from other contracts and the Company recognizes a loss in profit or loss for the net outflow, resulting in the carrying amount of the liability for the group being equal to the fulfilment cash flows. A loss component is established by the Company for the liability for remaining coverage for such onerous group depicting the losses recognized.

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

Reinsurance contracts held – initial measurement

The Company measures its reinsurance assets for a group of reinsurance contracts that it holds on the same basis as insurance contracts that it issues. However, they are adapted

to reflect the features of reinsurance contracts held that differ from insurance contracts issued, for example the generation of expenses or reduction in expenses rather than revenue.

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

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

Insurance contracts – subsequent measurement

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

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

The Company estimates the liability for incurred claims as the fulfilment cash flows related to incurred claims. The fulfilment cash flows incorporate, in an unbiased way, all reasonable and supportable information available without undue cost or effort about the amount, timing and uncertainty of those future cash flows, they reflect current estimates from the perspective of the Company and include an explicit adjustment for non-financial risk (the risk adjustment). The Company does not

adjust the future cash flows for the time value of money and the effect of financial risk for the measurement of liability for incurred claims that are expected to be paid within one year of being incurred.

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

Subsequent measurement – liability for incurred claims

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

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

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

Reinsurance contracts held – subsequent measurement

The subsequent measurement of reinsurance contracts held follows the same principles as those for insurance contracts issued and has been adapted to reflect the specific features of reinsurance held. Where the Company has established a loss-recovery component, the Company subsequently reduces the loss-recovery component to zero in line with reductions in the onerous group of underlying insurance contracts in order to reflect that the loss-recovery component shall not exceed the portion of the carrying amount of the loss component of the onerous group of underlying insurance contracts that the Company expects to recover from the group of reinsurance contracts held.

Insurance contracts – modification and derecognition

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

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

- The Company applied the premium allocation approach to the original contract, but the modifications mean that the contract no longer meets the eligibility criteria for that approach.

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

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

The Company derecognizes insurance contracts when:

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

Or

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

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

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

Derecognition resulting from extinguishment

The Company derecognizes an insurance contract from within a group of insurance contracts by applying the following requirements:

- The fulfilment cash flows allocated to the group for both the liability for remaining coverage and the liability for incurred claims are adjusted to eliminate the present

value of the future cash flows and risk adjustment for non-financial risk relating to the rights and obligations that have been derecognized from the group

- The contractual service margin of the group is adjusted for the change in fulfilment cash flows described above, to the extent required by the general model
- The number of coverage units for expected remaining insurance contract services is adjusted to reflect the coverage units derecognized from the group, and the amount of the contractual service margin recognized in profit or loss in the period is based on that adjusted number to reflect services provided in the period.

Derecognition resulting from transfer

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

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

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

Derecognition resulting from modification

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

- Adjusts the fulfilment cash flows allocated to the group relating to the rights and obligations that have been derecognized, as discussed above.
- Adjusts the contractual service margin of the group, from which the contract has been derecognized for the difference between the change in the contractual cash

flows resulting from derecognition and the hypothetical premium the Company would have charged, had it entered into a contract with terms equivalent to the new contract at the date of the contract modification, less any additional premium charged for the modification (unless the decrease in fulfilment cash flows is allocated to the loss component of the liability for remaining coverage.

And

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

4.1.4 Presentation

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

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

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

The Company does not disaggregate the change in risk adjustment for non-financial risk between a financial and non-financial portion and includes the entire change as part of the insurance service result. The Company separately presents income or expenses from reinsurance contracts held from the expenses or income from insurance contracts issued.

Insurance revenue

The insurance revenue for the period is the amount of expected premium receipts (excluding any investment

component) allocated to the period. The Company allocates the expected premium receipts to each period of insurance contract services on the basis of the passage of time. But if the expected pattern of release of risk during the coverage period differs significantly from the passage of time, then the allocation is made on the basis of the expected timing of incurred insurance service expenses.

The Company changes the basis of allocation between the two methods above as necessary, if facts and circumstances change. The change is accounted for prospectively as a change in accounting estimate.

Loss components

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

Loss-recovery components

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

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

Insurance finance income and expense

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

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

Net income or expense from reinsurance contracts held

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

Insurance and reinsurance contracts

The Company applies the premium allocation approach (PAA) to simplify the measurement of insurance contracts. When measuring liabilities for remaining coverage, the PAA is broadly similar to the Company's previous accounting treatment under IFRS 4. However, when measuring liabilities for incurred claims, the Company now discounts cash flows that are expected to occur more than one year after the date on which the claims are incurred and includes an explicit risk adjustment for non-financial risk. For cashflows that are not expected to be settled more than one year after the claims is incurred, the company has elected not to discount such cashflows.

Liability for remaining coverage

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

1. Pro rata temporis (passage of time)
2. Risk based curve.

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

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

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

5.1 Claims payment pattern of liability for incurred claims

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

1. An assumption regarding the future timing of claim settlement is required as the IFRS 17 requires the determination of probability weighted future cash flows. Weighted future cash flows will include expected claim payment, expected cost of settling the claims, unallocated claim expenses that are integral to the claim cost but due to system limitations they cannot be allocated to individual claims (e.g. cost of pool of contract cars), legal costs incurred or expected to be incurred for litigated claims, motor recoveries from third party insurers, salvage and subrogation and directly attributable maintenance expenses. For reinsurers' LIC,

same cashflows shall apply as described above but the cashflows are apportioned according to reinsurance arrangement.

Run off triangles are used to project future claims payment generated by direct insurance contracts and claim recovered from reinsurance contracts. Actual claims paid and outstanding claim reserves are grouped by accident year cohorts.

Methodology used for claims reserving is defined by the Company's Reserving Policy and Reserving Guidance, and it relies on the Basic Chain Ladder as well as the Bornhuetter-Ferguson method. Same methodology is applied to claims generated by direct contracts and claim recovered from reinsurance contracts.

The best estimate for claims development or payment to ultimate is determined by the link ratio estimator for each period of development. This is achieved by selecting the weighted averages or simple averages of link ratios for each period of claims development until the ultimate period when the claims development is deemed to be fully run off. For each reserving class that best estimate claim payment pattern is derived separately on a gross basis Insurance contracts and reinsurers' share (claim recovered from reinsurance contracts). The process of selecting link ratios often involves identifying outliers and excluding them. Analysis of Actual versus Expected claim reserves is carried out to assess adequacy of best estimate payment pattern estimated in prior year/period. Where significant deviations are noted, further investigations are carried out to ascertain whether this is indicative of a new trend in the underlying claim development process or whether this is caused by the occurrence of abnormally large claims that tend to distort the latest link ratios or whether it was caused by certain specific events impacting the claims process that are not expected to recur in the future (e.g. restructuring of claims department, or installing a new admin system or claim backlog). If the cause of the deviation is driven by changes in the claims development process which is expected to be recurring or be permanent in the future (e.g., application of new case reserving practice), then judgement is applied in choosing the link ratio for the most recent accident year cohort.

Consideration is also given on the need to allow for a tail factor for projecting claims payment beyond the available data horizon.

For non-liability claims, the ultimate period is often within 7 - 10 year unless- tail factor is not required.

1. Claim payment pattern will be derived for each reserving class or portfolio (portfolio if there is only one reserving class).
2. Basically, the payment pattern provides probabilities to project the settlement of claims in future time periods.
3. For a given portfolio or reserving class, same payment pattern will be applied to project the payment of OCR (outstanding claim reserve), IBNR reserve and Risk Adjustment estimates over future time periods.
4. Existing reserving models (primarily the Basic Chain Ladder) will be used to derive the payment probabilities from the link ratios obtained from paid triangles.
5. Pattern will be derived once a year, that is, at the year-end valuation. It is expected that same payment pattern will be used in the LIC cashflow modelling for interim valuation periods and roll forward.

However, for reserving class or portfolios which exhibit significant volatility, payment pattern might be reviewed and revised more frequently and also pattern used in LIC model will need to be updated. A change in payment pattern will lead to a change in fulfilment cashflows arising from non-financial assumption change. This change or delta in fulfilment cashflow will be accounted for as an insurance service expense.

6. Changes of payment pattern during a financial year will only be considered if justified by facts and circumstances. Examples of facts and circumstances could be as follows:
 - i. major changes in claim reporting and settlement processes that would invalidate existing payment pattern (e.g. non-life claims backlog can be quite common arising from dispute in settlement amount or change in policy administration system).

- ii. occurrence of major external systemic events such as a pandemic related lockdown will impact the development factors- hence invalidate existing payment pattern.
7. It is to be noted that, for consistency, the same payment pattern as used for claim projection will be applied in the projection of Risk Adjustment estimates. The same approach would be used to derive the payment pattern for modelling the LIC cashflows for a portfolio of reinsurance contracts.
8. Moreover, it is required to allocate the projected OCR, IBNR and RA to issue year cohorts /Underwriting year cohorts. This will necessitate the application of an allocation driver. Projected IBNR, OCR and RA cashflows will be allocated to underwriting year by making use of weights. Weights, as a proxy for coverage, for each underwriting year will be derived from earned premium / revenue (as computed for the LRC). For internal reporting needs, further allocation of IBNR, OCR and RA (risk adjustment) down to more granular levels (issue year cohorts/distribution channels/ cover-section/ client types) will be required. Earned premium weights, as described above, will also be used for a more granular allocation of projected OCR, IBNR and RA.

Insurance acquisition cash flows

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

The effect of electing to recognize insurance acquisition cash flows as an expense when incurred for a group of insurance contracts is to increase the liability for remaining coverage

and reduce the likelihood of any subsequent onerous contract loss. There would be an increased charge to profit or loss on incurring the expense, offset by an increase in profit released over the coverage period.

Onerous groups

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

Time value of money on liability for remaining coverage

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

5.1.2 Discount rates

Insurance contract liabilities are calculated by discounting expected future cash flows at a risk-free rate, plus an illiquidity premium where applicable. Risk free rates are based on the published yield curve by the Nigerian Actuarial Society (NAS). An illiquidity has not been applied due to the duration of the liabilities being discounted.

5.1.3 Risk adjustment for non-financial risk

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

The Company has estimated the risk adjustment using an average of industry ratios due to scarcity of data for applying the documented approach (VaR). The confidence level applicable to the adopted ratios is the 75th percentile. The RA has been applied on the Gross basis with the impact on reinsurance already considered in the selected RA ratio.

Appendix A: IFRS 17 –	Definition of terms
Contractual Service Margin (CSM)	A component of the carrying amount of the asset or liability for a group of insurance contracts representing the unearned profit the entity will recognize as it provides insurance contract services under the insurance contracts in the group.
Coverage period	The period during which the entity provides insurance contract services. This period includes the insurance contract services that relate to all premiums within the boundary of the insurance contract.
Experience adjustment	A difference between: <ul style="list-style-type: none"> (a) For premium receipts (and any related cash flows such as insurance acquisition cash flows and insurance premium taxes) <ul style="list-style-type: none"> — the estimate at the beginning of the period of the amounts expected in the period and the actual cash flows in the period; or (b) For insurance, service expenses (excluding insurance acquisition expenses) <ul style="list-style-type: none"> — the estimate at the beginning of the period of the amounts expected to be incurred in the period and the actual amounts incurred in the period.
Financial risk	The risk of a possible future change in one or more of a specified interest rate, financial instrument price, commodity price, currency exchange rate, index of prices or rates, credit rating or credit index or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract.
Fulfilment cash flows	An explicit, unbiased and probability-weighted estimate (i.e., expected value) of the present value of the future cash outflows minus the present value of the future cash inflows that will arise as the entity fulfils insurance contracts, including a risk adjustment for non-financial risk.
Group of insurance contracts	A set of insurance contracts resulting from the division of a portfolio of insurance contracts into, at a minimum, contracts issued within a period of no longer than one year and that, at initial recognition: <ul style="list-style-type: none"> (a) Are onerous, if any (b) Have no significant possibility of becoming onerous subsequently, if any; or (c) Do not fall into either (a) or (b), if any
Insurance acquisition cash flows	Cash flows arising from the costs of selling, underwriting and starting a group of insurance contracts (issued or expected to be issued) that are directly attributable to the portfolio of insurance contracts to which the group belongs. Such cash flows include cash flows that are not directly attributable to individual contracts or groups of insurance contracts within the portfolio.
Insurance Contract	A contract under which one party (the issuer) accepts significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder if a specified uncertain future event (the insured event) adversely affects the policyholder.

Appendix A: IFRS 17 –	Definition of terms
Insurance contract services	The following services that an entity provides to a policyholder of an insurance contract: <ul style="list-style-type: none"> (a) Coverage for an insured event (insurance coverage) (b) For insurance contracts without direct participation features, the generation of an investment return for the policyholder, if applicable (investment-return service) (c) For insurance contracts with direct participation features, the management of underlying items on behalf of the policyholder (investment-related service)
Insurance contract with direct participation features.	An insurance contract for which, at inception: <ul style="list-style-type: none"> (a) Contractual terms specify that the policyholder participates in a share of a clearly identified pool of underlying items. (b) The entity expects to pay the policyholder an amount equal to a substantial share of the fair value returns on the underlying items. (c) The entity expects a substantial proportion of any change in the amounts paid to the policyholder to vary with the change in the fair value of the underlying items.
Insurance contract without direct participation features.	An insurance contract that is not an insurance contract with direct participation features.
Insurance risk	Risk, other than financial risk, transferred from the holder of a contract to the issuer.
Insured event	An uncertain future event covered by an insurance contract that creates insurance risk.
Investment component	The amounts that an insurance contract requires the entity to repay to a policyholder in all circumstances, regardless of whether an insured event occurs.
Investment contract with discretionary participation features	A financial instrument that provides a particular investor with the contractual right to receive, as a supplement to an amount not subject to the discretion of the issuer, additional amounts: <ul style="list-style-type: none"> (a) That are expected to be a significant portion of the total contractual benefits (b) The timing or amount of which are contractually at the discretion of the issuer (c) That are contractually based on: <ul style="list-style-type: none"> (i) The returns on a specified pool of contracts or a specified type of contract (ii) Realized and/or unrealized investment returns on a specified pool of assets held by the issuer <p><i>Or</i></p> <ul style="list-style-type: none"> (iii) The profit or loss of the entity or fund that issues the contract.

Appendix A: IFRS 17 –	Definition of terms
Liability for Incurred Claims	<p>An entity’s obligation to:</p> <ul style="list-style-type: none"> (a) Investigate and pay valid claims for insured events that have already occurred, including events that have occurred but for which claims have not been reported, and other incurred insurance expenses (b) Pay amounts that are not included in (a) and that relate to: <ul style="list-style-type: none"> (i) insurance contract services that have already been provided or (ii) Any investment components or other amounts that are not related to the provision of insurance Contract services and that are not in the liability for remaining coverage.
Liability for Remaining Coverage	<p>An entity’s obligation to:</p> <ul style="list-style-type: none"> (a) Investigate and pay valid claims under existing insurance contracts for insured events that have not yet occurred (i.e., the obligation that relates to the unexpired portion of the insurance coverage) (b) Pay amounts under existing insurance contracts that are not included in (a) and that relate to: <ul style="list-style-type: none"> (i) Insurance contract services not yet provided (i.e., the obligations that relate to future provision of insurance contract services) <p><i>Or</i></p> <p>Any investment components or other amounts that are not related to the provision of insurance contract services and that have not been transferred to the liability for incurred claims.</p>
Risk Adjustment for Non-financial Risk	<p>The compensation an entity requires for bearing the uncertainty about the amount and timing of the cash flows that arises from non-financial risk as the entity fulfils insurance contracts.</p>

6.1 Cash and cash equivalents

Cash and cash equivalents include cash in hand and at bank, unrestricted balances held with Central Bank, call deposits and short term highly liquid financial assets (including money market funds) with original maturities of less than three months, which are subject to insignificant risk of changes in their fair value and are used by the company in the management of its short-term commitments.

6.2 Financial Instruments

A) Financial assets

i. Recognition and Initial Measurement

The Company initially recognizes trade and other receivables on the date that they are originated. All other financial assets and financial liabilities are initially recognized on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

ii. Classification and Subsequent Measurement

On initial recognition, a financial asset is classified and measured at:

- Amortized cost; fair value through other comprehensive income (FVOCI)
- Debt investment; FVOCI
- Equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at fair value through profit or loss (FVTPL):

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and,
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL.

Business Model Assessment:

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed, and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for de-recognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

Assessments whether contractual cash flows are solely payments of principal and interest:

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition.

‘Interest’ is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows.
- terms that may adjust the contractual coupon rate, including variable-rate features; - prepayment and extension features; and
- terms that limit the Company’s claim to cash flows from specialized assets (e.g. non—recourse features).

A prepayment feature is consistent with the sole payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Subsequent measurement of gains and losses:

A prepayment feature is consistent with the “sole payments of principal and interest criterion” if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early

termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Subsequent measurement of gains and losses:

Financial assets at FVTPL: These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial assets at amortised cost: These assets are subsequently measured at amortised cost using the cost-effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on de-recognition is recognised in profit or loss.

Debt investments at FVOCI: These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On de-recognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments at FVOCI: These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

**B) Financial Liabilities
Classification, subsequent measurement and gains and losses**

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it

is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on de-recognition is also recognized in profit or loss.

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on de-recognition is also recognized in profit or loss.

iii. De-recognition

Financial Assets

The Company de-recognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company de-recognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Financial Liabilities

The Company de-recognizes a financial liability when its contractual obligations are discharged or cancelled or expire. The Company also de-recognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value. On de-recognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

iv. Offsetting

Financial assets and financial liabilities are offset, and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously. Financial instruments held by the company are classified in accordance with the provisions of IFRS 9 Financial Instruments.

v. Impairment of Financial Assets

In line with IFRS 9, the company assesses the under listed financial instruments for impairment using Expected Credit Loss (ECL) approach:

- Amortized cost financial assets.
- Debt securities classified as at FVOCI.

Equity instruments and financial assets measured at FVTL are not subjected to impairment under the standard.

Expected Credit Loss Impairment Model

The Company's allowance for credit losses calculations are outputs of models with several underlying assumptions regarding the choice of variable inputs and their interdependencies. The expected credit loss impairment model reflects the present value of all cash shortfalls related to default events either over the following twelve months or over the expected life of a financial instrument depending on

credit deterioration from inception. The allowance for credit losses reflects an unbiased, probability-weighted outcome which considers multiple scenarios based on reasonable and supportable forecasts. The Company adopts a three-stage approach for impairment assessment.

Stage 1 – Where there has not been a significant increase in credit risk (SICR) since initial recognition of a financial instrument, an amount equal to 12 months expected credit loss is recorded. The expected credit loss is computed using a probability of default occurring over the next 12 months.

Stage 2 – When a financial instrument experiences a SICR subsequent to origination but is not considered to be in default, it is included in Stage 2. This requires the computation of expected credit loss based on the probability of default over the remaining estimated life of the financial instrument.

Stage 3 – Financial instruments that are considered to be in default are included in this stage. Like Stage 2, the allowance for credit losses captures the lifetime expected credit losses.

Measurement of Expected Credit Losses

The probability of default (PD), exposure at default (EAD), and loss given default (LGD) inputs used to estimate expected credit losses are modelled based on macroeconomic variables that are most closely related with credit losses in the relevant portfolio. Details of these statistical parameters/inputs are as follows:

Probability of Default – The probability of default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the remaining estimated life if the facility has not been previously derecognized and is still in the portfolio.

12-month PDs – This is the estimated probability of default occurring within the next 12 months (or over the remaining life of the financial instrument if that is less than 12 months). This is used to calculate 12-month ECLs. The company obtains the constant and relevant coefficients for the various independent variables and computes the outcome by incorporating forward looking macroeconomic variables and computing the forward probability of default.

Lifetime PDs – This is the estimated probability of default occurring over the remaining life of the financial instrument. This is used to calculate lifetime ECLs for ‘stage 2’ and ‘stage 3’ exposures. PDs are limited to the maximum period of exposure required by IFRS 9. Variables and adopts exponentiation method to compute cumulative PD for future time periods for each obligor.

Exposure at Default – The exposure at default is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date.

Loss Given Default – The loss given default is an estimate of the loss arising in the case where a default occurs at a given time.

Forward-looking information

IFRS 9 specifies that ECLs should include a forward-looking element which translates into an allowance for changes in macro-economic conditions and forecasts when estimating lifetime ECLs. It is important to understand the effect of forecasted changes in the macro-economic environment on ECLs, so that an appropriate level of provisions can be raised. The most acceptable way of allowing for macro-economic conditions is to build a regression model that aims to explain and predict the impact of macro-economic indicators on default rates. Such regression models are usually built on a history of default rates and macro-economic variables covering at least one economic cycle, but preferable more. Information gathering is based on historical Nigerian macro-economic indicators from a host of reliable sources, including the International Monetary Fund. The following steps were followed in quantifying the impact of macro-economic scenarios on ECLs.

Step 1

Using the statistical methodology of multiple Regression, estimate the relationship between collected historical non-performing loans and on a list of macro-economic indicators.

Step 2

Identify variables that are statistically significant (that is variables that have the most significant predictive power).

Step 3

Forecast macroeconomic forward-looking information for periods over which lifetime PD will be determined.

Step 4

Using the equation derived in step one as, significant coefficient obtained in step 2 as well as forecast macroeconomic forward-looking information in step 3, predict the default probability for relevant periods.

Step 5

Determine Scalars for relevant period. In order to remove the impact of any historical trends included in the data, the scalar denominator is adjusted based on the estimation period used to derive the PDs.

Step 6

Apply the scalars calculated in Step 5 to the lifetime PDs as derived. A scalar factor of one means that the probability of default for the forecast year is expected to be in line with historical average probability of default. A scalar factor less than one means that the probability of default for the forecast year is expected to be less than the historical average probability of default. A scalar factor greater than one means that the probability of default for the forecast year is expected to be greater than the historical average probability of default.

Presentation of allowance for ECL in the statement of financial position

Allowances for ECL are presented in the statement of financial position as follows:

- Financial assets measured at amortized cost: as a deduction from the gross carrying amount of the assets.
- Loan commitments as a provision; and
- Debt instruments measured at FVOCI: no loss allowance is recognized in the statement of financial position because the carrying amount of these assets is their fair value. However, the loss allowance is disclosed and is recognized in the fair value reserve.

vi. Write-off

The company writes off an impaired financial asset (and the related impairment allowance), either partially or in full, where there is no reasonable expectation of recovery as set out in IFRS 9, paragraph 5.4.4. After a full evaluation of a non-performing exposure, in the event that either one or all of the following conditions apply, such exposure shall be recommended for write-off (either partially or in full):

- continued contact with the customer is impossible;
- recovery cost is expected to be higher than the outstanding debt;
- Where all possible avenues for recoveries have been explored and it is evident that the financial capacity of the borrower makes it impossible to recover part or the whole amount of indebtedness.

All impaired financial asset write-offs shall require endorsement at the appropriate level, as stated in the company Policy. write-off approval shall be documented in writing and properly initialled by the approving authority. A write-off constitutes a de-recognition event.

6.3 Other receivables and prepayment

Other receivables and prepayment are recognised when due and at amortised cost less provision for impairment. These include receivables from suppliers, rent receivables and prepayment and other receivable other than those classified as trade receivable and loans and receivables.

If there is objective evidence that the receivable is impaired, the company reduces the carrying amount of the other receivable and prepayment accordingly and recognises that impairment loss in the income statement. The company gathers the objective evidence that an item of other receivable and prepayment is impaired using the same methodology adopted for financial assets held at amortised cost. The impairment loss is calculated under the same method used for these financial assets.

6.4 Investment properties

Property held for long-term rental yields and (or) capital appreciation that is not occupied by the company is classified as investment property.

Investment property comprises freehold land and buildings. It is carried at fair values, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. If this information is not available, the Company uses alternative valuation methods such as discounted cash flow projections or recent prices in less active markets. Gains/losses in the fair value of investment properties are recognised in the income statement.

These valuations are reviewed annually by an independent valuation expert. Investment property under construction that is being developed for continuing use as investment property are measured at cost.

Property located on land that is held under an operating lease is classified as investment property as long as it is held for long-term rental yields and is not occupied by the company. The initial cost of the property shall be the fair value (where available), when not available the initial cost shall be used. The property is carried at fair value after initial recognition.

If an investment property becomes owner-occupied, it is reclassified as property, plant and equipment, and its fair value at the date of reclassification becomes its cost for subsequent accounting purposes.

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

Properties could have dual purposes whereby part of the property is used for own use activities. The portion of a dual use property is classified as an investment property only if it could be sold or leased out separately under a finance lease or if the portion occupied by the owner is immaterial to the total lettable space. The company considers 10% or below of the let-table space occupied by the owner as insignificant.

6.5 Deferred tax asset

Deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

6.6 Intangible assets

Intangible assets are carried at cost less any accumulated amortization and any impairment losses. An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows. Amortization is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortization is provided on a straight-line basis over their useful life. The amortization period and the amortization method for intangible assets are reviewed every period-end.

The amortization rate used in the current and comparative year for intangible assets on pro rata basis are as follows:

License: 10 years.

Software: 5 years.

6.7 Property, Plant and Equipment

(i) Recognition and measurement

Items of property, plant and equipment comprise mainly outlets and offices occupied by the Company. They are carried at cost less accumulated depreciation and impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset.

Properties are measured at fair value less accumulated depreciation on leasehold land and building and impairment losses recognised after the date of the revaluation. Valuation is performed on periodic basis to ensure that the fair value of the assets does not differ materially from its carrying amount. Any revaluation surplus is recorded in other comprehensive income and subsequently asset revaluation reserve in equity except to the extent that it reverses a revaluation deficit earlier recognised on the same property in the income statement, in which case, the increase is recognised in the income statement.

A revaluation deficit is recognised in the income statement, except to the extent that it reverses an existing surplus on the same property in which case it is recognised in the other comprehensive income and subsequently in the asset revaluation reserve in equity.

(ii) Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

(iii) Depreciation

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant, and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives. Depreciation begins when an asset is available for use and ceases at the earlier of the date that the asset is derecognised or classified as held for sale in accordance with IFRS 5, Non-current Assets Held for Sale and Discontinued Operations.

Land is not depreciated, depreciation on the building and other items of property, plant and equipment is calculated using the straight-line method to allocate their cost or re-valued amounts over their estimated useful lives.

The depreciation rates used for the current and comparative period are as follows:

Land & building	2%
Office partition	10%
Office equipment	20% of cost/valuation
Office Furniture and fittings	20% on cost
Motor vehicles	25% on cost
Computer equipment	33.33 % on cost

The assets' residual values and useful lives are reviewed at the end of each reporting period and adjusted, if appropriate. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

(iv) De-recognition

An item of property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

6.8.1 Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets other than deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset component that generates cash flows that are largely independent from other assets. Impairment losses are recognised in the income statement. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any intangible asset allocated to the units and then to reduce the carrying amount of the other assets in the unit (component of units) on a pro rata basis.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Reversals of impairment losses are recognised in profit or loss.

6.9 Statutory deposit

Statutory deposit represents 10% of the paid-up capital of the company deposited with the Central bank of Nigeria (CBN) pursuant to Section 10(3) of the Insurance Act, 2003.

6.10 Trade payables

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

6.11 Provisions and other payables

i. Provisions

A provision is recognized only if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. The provision is measured at the best estimate of the expenditure required to settle the obligation at the reporting date.

Provisions are normally made for restructuring costs and legal claims.

ii. Onerous Contracts

A provision for onerous contracts is recognised when the expected benefits to be derived by the company from a contract are lower than unavoidable costs of meeting obligations under the contract. The provision is measured at the present value of the lower of expected costs of terminating the contract and the expected costs of continuing the contract. Before a provision is established, the company recognises any impairment loss on the assets associated with that contract.

v) 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.

6.12 Income tax expense

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity or in other comprehensive income.

Current income tax is the estimated income tax payable on taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax assets and liabilities are recognised where the carrying amount of an asset or liability differs from its tax base. Deferred taxes are recognised using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes (tax bases of the assets or liability). The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities using tax rates enacted or substantively enacted at the reporting date.

Additional income taxes that arise from the distribution of dividends are recognised at the same time as the liability to pay the related dividend is recognised.

6.13 Share capital

Shares are classified as equity when there is no obligation to transfer cash or other assets.

6.14 Share premium reserve

Share premium reserve represents surplus on the par value price of shares issued. Incremental costs directly attributable to the issue of new shares are shown in equity (share premium reserve) as a deduction.

6.15 Contingency reserve

a) *General business*

In compliance with Section 21(2) of Insurance Act 2003, the contingency reserve is credited with the greater of 3% of total premiums, or 20% of the net profits. This shall accumulate until it reaches the amount of greater of minimum paid-up capital or 50 percent of net premium.

b) *Life business*

In compliance with Section 22(1) (b) of Insurance Act 2003, the contingency reserve is credited with the higher of 1% of gross premiums or 10% of net profit.

6.16 Other Income

Other Income are incomes other than premium earned by the company. These incomes are stated below.

a) *Fees and commission*

Insurance and investment contract policyholders are charged for policy administration services, investment management services, surrenders and other contract fees. These fees are recognised as revenue over the period in which the related services are performed. If the fees are for services provided in future periods, then they are deferred and recognised over those future periods.

b) *Investment income*

Interest income is recognised in the income statement 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.

c) *Foreign currency transaction*

• *Transactions and balances*

Foreign currency transactions are translated into the functional currency spot rate of exchange prevailing at the dates of the transactions. The functional currency is the currency of the primary economic environment in which the Entity operates, which is the Nigerian Naira (N).

Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange prevailing at the reporting date. Foreign exchange gains and losses resulting from the retranslation and settlement of these items are recognised in profit and loss.

Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

d) *Dividend income*

Dividend income is recognised when the right to receive income is established. Dividends are reflected as a component of net trading income, net income on other financial instruments at fair value or other operating income depending on the underlying classification of the equity instrument.

e) *Interest*

Interest income and expense for all interest-bearing financial instruments, except for those classified at fair value through profit or loss, are recognised within 'interest income' and 'interest expense' in the income statement using the effective interest method. The effective interest rate is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial asset or liability (or, where appropriate, a shorter period) to the net carrying amount of the financial asset or liability. The effective

interest rate is calculated on initial recognition of the financial asset and liability and is not revised subsequently.

The effective interest rate includes all fees paid or received, transaction costs, and discounts or premiums that are an integral part of the effective interest rate. Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or liability. Interest income and expense on all trading assets and liabilities are considered to be incidental to the company's trading operations and are presented together with all other changes in the fair value of trading assets and liabilities in net trading income. Interest income and expense presented in the income statement include interest on financial assets and liabilities at amortised cost on an effective interest rate basis.

Fair value changes on other financial assets and liabilities carried at fair value through profit or loss, are presented in net income from other financial instruments and carried at fair value in the income statement.

f) Net trading income

Net trading income comprises gains less losses related to trading assets and liabilities, and includes all realised and unrealised fair value changes, interests, dividends and foreign exchange differences.

g) Net income from other financial instruments at fair value

Net income from other financial instruments at fair value relates to non-qualifying financial assets and liabilities designated as 'at fair value through profit or loss' and includes all realised and unrealised fair value changes, interest, dividends and foreign exchange differences.

h) Other operating revenues

This comprises revenue earned by the company during the year that is directly from insurance operation and not accounted for under any other separate heads on the financial statements.

6.17 Investment income and expenses

Investment income and expenses for all interest-bearing financial instruments including financial instrument measured at fair value through profit or loss, are recognised within investment income and finance cost in the income statement using the effective interest rate method. When a receivable is impaired, the Company reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument and continues unwinding the discount as interest income.

6.18 Deficits and surpluses on actuarial valuation

Actuarial valuation of the reinsurance/reassurance contract liabilities is conducted every year to determine the net liabilities on the existing policies and the adequacy of the assets representing the insurance fund as at the date of valuation. All deficits arising therefrom are charged to the income statement while the surplus is appropriated to the shareholders and credited to the income statement.

6.19 Expense Allocation

For contracts measured using the PAA, we elect to recognize insurance acquisition cashflows as expenses when they are incurred since the coverage period of each contract at initial recognition is not more than one year. For overheads attributable to insurance contracts, an expense allocation model was developed and allocates expenses between those attributable to insurance contracts and other operating expenses. The model also allocates cost amongst the various portfolios. These costs include human resources, accounting, information technology, rent, maintenance and utilities among others.

6.20 Other expenses

Other expenses are management and administrative expenses other than claims, employee benefits, expenses for marketing and administration and underwriting expenses that are attributable to insurance contracts. They include wages, professional fee, depreciation expenses and other non-operating expenses. Other Operating expenses are accounted

for on accrual basis and recognised in the income statement upon utilization of the service or at the date of their origin.

6.21 Employees Benefit

Pension obligations:

The Company operates a defined contribution plan. A defined contribution plan is a pension plan under which the company pays fixed contributions to a separate entity. The company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. For defined contribution plans, the company makes contributions on behalf of qualifying employees to a mandatory scheme under the provisions of the Pension Reforms Act of 2004. The company has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

6.22 Dividend on ordinary shares

Dividends on the Company's ordinary shares are recognised in equity in the period in which they are paid or, if earlier, approved by the Company's shareholders.

Dividends for the year that are declared after the date of the statement of financial position are dealt with in the subsequent events note.

6.23 Earnings per share

The Company presents basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary 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.

6.24 Foreign Currency Translation

i. Transactions and balances:

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

Translation differences on non-monetary items, such as equities held at fair value through profit or loss, are reported as part of the fair value gain or loss. Translation differences on non-monetary items, such as equities classified as available-for-sale financial assets, are included in the fair value reserve in equity.

6.25 Leases

i. Where the company is the lessee

Leases, in respect of which the company assumes substantially all the risks and rewards of ownership are classified as finance leases. At the beginning of the lease term, the leased asset is measured at an amount equal to the fair value of the leased asset less the present value of unguaranteed or partially guaranteed residual value which would accrue to the lessor at the end of the term of the lease. Subsequent to initial recognition, the asset is accounted for in accordance with the policy applicable to that asset.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

Other leases are classified as operating leases and are not recognised in the company's balance sheet. Payments made under operating leases are recognised in the income statement on a straight-line basis over the term of the lease.

ii. When the company is the lessor

The Company does not lease out its fixed assets and as such are not lessors.

Standard/Amendments that became effective in the year 2025.

(a) Standards and interpretations issued and became effective during the year.

The standards listed below have been issued or amended by the IASB and became effective for annual periods beginning on or after 1 January 2025. The Company has adopted and applied the following new or amended standards in preparing these financial statements. Insights on these new standards/amendments are provided below.

Standard	Effective Date	Key Requirements
Amendments to IAS 21 – Lack of Exchangeability –The Effects of Changes in Foreign Exchange Rates	1 January 2025	Highlights. Assessing exchangeability: When to estimate a spot rate Estimating a spot rate: Meeting the estimation objective New disclosure requirements

(b) Standards and interpretations issued/but not yet effective

The following standards have been issued or amended by the IASB but are yet to become effective for annual periods beginning on or after 31 December 2025. The Company has not early adopted any of these standards.

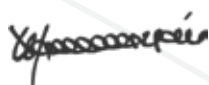
Standard	Effective Date	Key Requirements
IFRS 18 – Presentation and disclosure in financial statements	1 January 2027.	Highlights: * IFRS 18 to replace IAS 1 for presenting financial statements. * It aims to improve how companies report their financial performance. * It's intended to help investors better analyze a company's and make invest decisions.

STATEMENT OF FINANCIAL POSITION

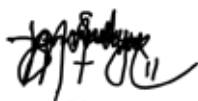
AS AT 31 DECEMBER 2025

	Note	2025	2024
		₦'000	₦'000
Assets			
Cash and cash equivalents	1	51,967,577	43,879,910
Financial assets at fair value through profit and loss	2	5,819,795	7,341,488
Financial assets at fair value through other comprehensive income	3	289,855	309,836
Financial assets at amortised cost	4	10,957,562	7,316,532
Reinsurance contract assets	5	5,639,095	9,307,154
Insurance contract assets	6	112,256	3,863,901
Prepayment and other Receivables	7	881,113	764,702
Investment Properties	8	1,178,000	925,000
Property, plant and equipment	9	1,179,493	1,286,651
Intangible assets	10	363,339	473,334
Statutory deposit	11	1,000,000	1,000,000
Total assets		79,388,085	76,468,508
Liabilities			
Reinsurance contract liabilities	5	272,978	1,381,361
Insurance contract liabilities	6	22,646,885	34,893,505
Other Technical liabilities	13	75,059	30,238
Provision and other payables	14	481,118	905,557
Retirement benefit obligations	15	1,555,415	1,058,313
Current Income tax payable	16.2	2,264,336	345,953
Deferred tax liabilities	16.3	507,174	379,614
Total liabilities		27,802,965	38,994,541
Equity			
Share capital	17	20,000,000	20,000,000
Contingency reserve	18	8,825,373	5,922,551
Retained earnings	19	22,508,832	11,344,596
Property Revaluation reserve	20	250,915	206,820
Shareholders fund		51,585,120	37,473,967
Total liabilities and equity		79,388,085	76,468,508

The financial statements were approved by the Board of Directors on 29 April 2025 and signed on its behalf by;



Bala Zakariyau
FRC/2014/CIIN/00000003437
Chairman



Ganiyu Musa
FRC/2013/ICAN/00000003110
Managing Director



Musa M. Kolo
FRC/2012/ICAN/00000000473
Chief Finance Officer

The accounting policies on pages 43 to 71 and the notes on pages 81 to 153 form part of these financial statements.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2025

		2025	2024
	Note	₦'000	₦'000
Insurance revenue	21	57,177,204	50,902,366
Reinsurance service expense	22	(28,020,313)	(54,708,881)
Result from insurance contracts issued		29,156,891	(3,806,515)
Net (expense)/recoverable from reinsurance contracts held	23	(8,808,543)	(2,255,553)
Insurance service result		20,348,348	(6,062,068)
Interest revenue calculated using the effective interest	24	4,804,297	4,048,169
Net fair value gains on financial assets at fair value through profit or loss	25	401,026	515,299
Impairment charge on financial assets	26	(106,946)	(68,220)
Foreign exchange (loss)/gain	27	(2,533,441)	15,225,832
Fair value gain on investment property	28	253,000	206,590
Total investment income		2,817,936	19,927,670
Finance(expense)/ income from insurance contracts issued	29	(6,429,797)	1,282,345
Finance income/(expense) from reinsurance contracts held	30	1,606,678	(201,378)
Net insurance finance result		(4,823,119)	1,080,967
Net Insurance and investment result		18,343,165	14,946,569
Other income	31	347,692	37,817
Other operating expenses	32	(1,631,079)	(1,367,139)
Impairment Loss on Receivables	33	(346,777)	(3,550,429)
Net operating profit before tax		16,713,001	10,066,818
Police trust development levy	14.1	-	(503)
IT levy	14.1	-	(100,668)
Income tax expense	14.1	(2,045,943)	(615,786)
Retained profit after tax transferred to reserve		14,667,058	9,349,861
Other comprehensive income			
Items that may not be reclassified subsequently to profit or loss			
Revaluation gain on property, plant and equipment	9	44,095	160,380
Total other comprehensive income net of tax		44,095	160,380
Total comprehensive income for the year		14,711,153	9,510,241
Earnings per share			
Basic (Kobo)		73.3	93.4
Adjusted (Kobo)		73.3	46.7

The accounting policies on pages 43 to 71 and the notes on pages 81 to 153 form part of these financial statements.

STATEMENT OF CHANGE IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2025

	Ordinary Share Capital	Statutory contingency reserve	Retained earnings	Revaluation reserve	Total
	₦'000	₦'000	₦'000	₦'000	₦'000
As at 1 January, 2025	20,000,000	5,922,551	11,344,596	206,820	37,473,967
Dividend paid	-	-	(600,000)	-	(600,000)
Profit for the year	-	-	14,667,058	-	14,667,058
Other comprehensive income	-	-	-	44,095	44,095
Transfer to contingency reserve	-	2,902,822	(2,902,822)	-	-
As at 31 December, 2025	20,000,000	8,825,373	22,508,832	250,915	51,585,120
As at 1 January, 2024	10,000,000	4,079,999	14,437,287	46,440	28,563,726
Dividend paid	-	-	(600,000)	-	(600,000)
Additional share Issue - bonus	10,000,000	-	(10,000,000)	-	-
Profit for the year	-	-	9,349,861	-	9,349,861
Other comprehensive income	-	-	-	160,380	160,380
Transfer to contingency reserve	-	1,842,552	(1,842,552)	-	-
As at 31 December, 2024	20,000,000	5,922,551	11,344,596	206,820	37,473,967

The accounting policies on pages 43 to 71 and the notes on pages 81 to 153 form part of these financial statements.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2025

		2025	2024
	Note	₦'000	₦'000
Premium received	33.2	58,249,263	45,752,282
Reinsurance premium paid	5.4	(11,297,197)	(2,799,136)
Claims and other insurance service expenses paid	6.3	(29,254,854)	(20,639,445)
Claims recovered from retrocession	5.4	6,565,676	2,231,572
Acquisition expenses paid for insurance contract issues	6.3	(14,762,289)	(11,607,494)
Acquisition income received from insurance contract held	5.4	89,332	170,900
Other Technical liabilities (Premium received in advance)	13	44,821	30,328
Other operating income received		(1,456,010)	9,240,393
Other operating expenses paid	6.3	(2,055,518)	(2,998,884)
Net cash outflow from operating activities		6,123,224	19,380,516
Tax Paid		-	(343,113)
		6,123,224	19,037,403
Investing activities			
Investment income		4,894,892	3,919,061
Property, Plant & Equipment	9	(62,199)	(548,462)
Intangible assets	10	-	(25,800)
Acquisition of financial assets	4.1	(9,939,364)	(4,856,394)
Proceeds from disposals of financial assets	4.1	7,671,114	6,431,723
Net cash outflow from investing activities		2,564,443	4,920,128
Finance activities			
Dividend paid		(600,000)	(600,000)
Net cash used in servicing of finance		(600,000)	(600,000)
Net cash used in servicing of finance		8,087,667	23,357,531
Cash and cash equivalent at the beginning		43,879,910	20,522,379
Cash and cash equivalent at the end	1	51,967,577	43,879,910

The accounting policies on pages 43 to 71 and the notes on pages 81 to 153 form part of these financial statements.

RISK AND CAPITAL MANAGEMENT FRAMEWORK

a. Governance framework

The main objective of the company's risk management structure is to protect the company's shareholders from the adverse effects of events that hinder the sustainable achievement of financial performance objective, including failing to exploit opportunities. Management recognises the critical importance of having efficient and effective risk management systems in place.

The company has established a risk management function with clear terms of reference from the board of directors, its committee and the associated executive management committees.

This is supplemented with a clear organisational structure with documented delegated authorities and responsibilities from the board of directors to executive management committees and senior managers. Lastly, a company policy framework which sets out the risk profiles for the company, risk management, control and business conduct standards for the company's operations has been put in place. Each policy has a member of senior management charged with overseeing compliance with the policy through the company.

The board of directors approves the company risk management policies and meets regularly to approve any commercial, regulatory and organisational requirements of such policies. These policies define the company's identification of risk and its interpretation, limit structure to ensure the appropriate quality and diversification of assets, align underwriting and reinsurance strategy to the corporate goals and specify reporting requirements.

b. 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.

- to maintain the required level of stability of the company thereby providing a degree of security to stockholders
- to maintain the required level of stability of the company thereby providing a degree of security to stockholders
- 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.
- to retain financial flexibility by maintaining strong liquidity and access to a range of capital markets.
- to align the profile of assets and liabilities taking account of risks inherent in the business.
- to maintain financial strength to support new business growth and to satisfy the requirements of the stock holders, regulators and stakeholders.
- 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. 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.

Agreement to capital management

The company seeks to optimise the structure and source of capital to ensure that it consistently maximises returns to the shareholders and stockholders.

The company's approach to managing capital involves managing assets, liabilities and risks in a coordinated way, assessing shortfall between reported and required capital levels on a regular basis and taking appropriate action to influence the capital position of the company in the light of changes in economic conditions and risk characteristics. The primary source of capital used by the company is equity (shareholders' funds)

RISK AND CAPITAL MANAGEMENT FRAMEWORK contd.

	2025	2024
	₦'000	₦'000
Available capital resources at 31 December		
Share capital	20,000,000	20,000,000
Contingency reserve	8,825,373	5,922,551
Retained earnings	22,508,832	11,344,596
Revaluation reserve	250,915	206,820
Excess of Admissible assets over liabilities	51,585,120	37,473,967
Less amount of own shares held (Treasury shares)	-	-
	51,585,120	37,473,967
Subordinated liabilities subject to approval by commission	-	-
Any other financial instrument as prescribed by commission	-	-
Capital Requirement	51,585,120	37,473,967

NAICOM measures the financial strength of reinsurers using a solvency margin model. It generally expects reinsurers to comply with this capital adequacy requirement.

Section 24 of the Insurance Act 2003 defines solvency margin of an insurer as the difference between the admissible assets and liabilities and this shall not be less than 15% of the net

premium income (Gross Premium Income Less Reinsurance Premium Paid) or the minimum capital base (₦10 billion) whichever is higher:

This test compares insurers' capital against the risk profile. The regulator indicated that insurers should produce a minimum solvency margin of 100%.

Solvency Margin

The company's solvency margin of ₦47,983,175,000 is above the stipulated minimum solvency required by ₦37,983,175,000 or 379.83% as at 31 December, 2025.

	As per Audited	Inadmissible	Admissible
	₦'000	₦'000	₦'000
Cash and cash equivalents	4,235,301	-	4,235,301
Placement with financial Institutions(90 days)	47,732,276	-	47,732,276
Treasury Bills	2,940,829	-	2,940,829
Placement with Financial Institutions(above 90 days)	5,374,326	-	5,374,326
Government Bonds	2,442,407	-	2,442,407
Corporate Bonds & Debentures- Quoted	200,000	-	200,000
Unquoted Shares	289,855	-	289,855
Mutual Fund	5,819,795	-	5,819,795
Reinsurance contract Assets	5,639,095	-	5,639,095
Insurance contract Assets	112,256	-	112,256
Prepayments and other Receivables	881,113	881,113	-
Investment properties	1,178,000	1,178,000	-
Property, plant and equipment	1,179,493	1,179,493	-
Intangible assets	363,339	363,339	-
Statutory deposit	1,000,000	-	1,000,000
Total assets	79,388,085	3,601,945	75,786,140

RISK AND CAPITAL MANAGEMENT FRAMEWORK contd.

	As per Audited	Inadmissible	Admissible
	N'000	N'000	N'000
Liabilities			
Insurance contract liabilities	22,646,885	-	22,646,885
Reinsurance contract liabilities	272,978	-	272,978
Other technical liabilities	75,059	-	5,059
Provision and other payables	481,118	-	481,118
Retirement benefit obligations	1,555,415	-	1,555,415
Income tax liabilities	2,264,336	-	2,264,336
Deferred taxation	507,174	-	507,174
Total liabilities	27,802,965	-	27,802,965

Available Solvency margin

(Total Admissible Assets minus Admissible Liabilities)

N'000
47,983,175
Required Solvency Margin

Computation of minimum solvency margin per insurance Act stipulation

The higher of:

A. Minimum capital base
10,000,000

Or

B. 15% of Net Premium

Gross Premium 64,468,946

Retrocession cost (9,197,875)

Net Premium 55,271,071

 (15% of 44,233,901,398) **8,290,661**
Minimum capital base
10,000,000
Level of Solvency margin (Available solvency / Required solvency *100)

479.83%

Company and minimum solvency margin compared:

47,983,175

Company's solvency margin

(10,000,000)

Minimum solvency margin

37,983,175
Amount over and above solvency margin
379.83%

Regulatory framework

Regulators are mainly interested in protecting the rights of policyholders and monitor them closely to ensure that the company is satisfactorily managing affairs for their benefit. At the same time, regulators are also interested in ensuring that the company maintains an appropriate solvency position to meet unforeseen liabilities arising from economic shocks or natural disasters.

The operation of the company is subject to regulatory requirements within the jurisdictions in which it operates. Such regulations not only prescribe approval and monitoring of activities, but also impose certain restrictive provisions (e.g. capital adequacy) to minimise the risk of default and insolvency on the part of reinsurance companies to meet unforeseen liabilities as they arise.

The company's minimum regulatory capital requirement is N10 billion.

Insurance and financial risk

Insurance risk

The principal risk the company faces under insurance contracts is that the actual claims and benefit payments or the timing thereof, differ from expectations. This is influenced by the frequency of claims, severity of claims, actual benefits paid and subsequent development of long-term claims. Therefore, the objective of the company is to ensure that sufficient reserves are available to cover these liabilities.

The risk exposure is mitigated by diversification across a large portfolio of insurance contracts and geographical areas.

The variability of risks is also improved by careful selection and implementation of underwriting strategy guidelines, as well as the use of reinsurance arrangements.

The company enters into retrocession arrangements with reputable retrocessionaires to diversify its risks and reduce the risk of catastrophic loss on reinsurance assumed. The retrocession does not relieve the Company of its obligations to the ceding companies. As part of its annual renewals, the financial condition of retrocessionaires is reviewed. As a result,

retrocession is placed with a select group of financially secure and experienced companies in the industry.

Financial risks

In the normal course of business, the Company uses primary financial instruments such as cash and cash equivalents, bonds, equities and receivables and as a result is exposed to potential losses due to various market risks including changes in interest rates, equity prices and foreign currency exchange rates. The Company's financial management activities are guided by the financial regulations as well as the investment policy document. Detailed guidelines are provided in the accounting and administrative procedures manuals. They provide the framework for the investing activities and set specific limits and benchmarks for the acceptable levels of counter party exposure, concentration, credit risk, currency risk, liquidity risk and interest rate risk, among others.

a) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company is exposed to credit risk through its financial assets, which include short-term bank deposits, fixed income securities and receivables.

Short-term bank deposits are placed with financial institutions of very high credit rating and are spread over a number of them to avoid undue concentration. The Company's financial regulations prescribe minimum acceptable credit rating and maximum allowable exposure to any single counter-party.

The Company's fixed income portfolio is managed through use of prudent standards of diversification and rating quality of issues and issuers. Specific provisions limit the allowable holdings of a single issue and issuer and industry or sector. This is to minimise significant concentration risk associated with the fixed income portfolio.

Credit risk relating to receivables is mitigated by the large number of cedants and their dispersion across the continent. A significant number of the companies from whom receivables are due are equally shareholders of the Group. In addition, the liability for outstanding claims is in respect of insurance

contracts with the same counter parties. Receivables are presented at present value net of impairment provision. A periodic evaluation of cedants and retrocessionaires is

carried out to minimise exposure to significant losses from insolvencies. Transaction terms are also strictly monitored to keep balances as current as possible.

	2025	2024
	N'000	N'000
Cash and cash equivalent	51,967,577	43,879,910
Financial assets	17,067,212	14,967,856
Reinsurance contract assets	5,639,095	9,307,154
Insurance contract assets	112,256	3,863,901
Prepayments	360,851	209,773
Total assets bearing credit risk	75,146,991	72,228,594

b) Liquidity risk

Liquidity risk is the risk that the company will encounter difficulty in raising funds to meet commitments associated with reinsurance contracts and other obligations as and when due. The company's investment guidelines prescribe minimum levels of financial assets to be held in cash and cash instruments. Cash instruments include bank deposits with maturities of less than 90 days. In addition, the actively managed portfolios are traded on highly liquid markets and as such can easily supplement the Company's liquidity requirement in the event of any shortfall.

c) Market risk

Interest rate risk

The Company's exposure to interest rate changes is primarily concentrated in the actively managed fixed income portfolio, which is reported at fair value. Changes in interest rate will have an immediate impact on the Company's reported net income and consequently the shareholders' funds. The main

objective of the fixed income portfolio is current income and price appreciation and therefore to mitigate the effect of price volatility, the portfolio has been positioned with an average duration of less than 5 years. Note 4 discloses the weighted average interest rate on principal interest-bearing investments

Currency risk

The Company maintains assets in foreign currencies and thus is exposed to the risk of exchange rate movements associated with assets and liabilities matching. The Company does not apply hedging techniques to mitigate its currency risk but ensures the net exposure to this risk is within acceptable levels by constantly reviewing the level of mismatch. The Company has offices in other locations whose currencies differ from the reporting currency of this financial statement. The Company transacts business with counterparties in a number of countries and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the euro, dollars, cedi and pounds sterling.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

1. Cash and cash equivalent

	2025	2024
	N'000	N'000
Cash in hand	151	196
Balances with banks:		
Current account	27,958	21,933
Domiciliary account	3,058,450	893,947
Foreign banks	1,148,742	2,104,601
Placements with banks and other financial institutions	47,859,274	40,946,179
	52,094,575	43,966,856
Impairment (ECL) –(Note 1.1)	(126,998)	(86,946)
	51,967,577	43,879,910

1.1 Movement in expected credit loss (ECL) on cash and cash equivalents

	2025	2024
	N'000	N'000
As at 1 January	86,946	15,754
Impairment charge for the year	40,052	71,192
31 December	126,998	86,946

2. Financial asset designated as fair value through profit or loss

	2025	2024
	N'000	N'000
Placements with banks and other institutions (above 90 days)	-	-
Mutual Fund	5,819,795	7,341,488
	5,819,795	7,341,488
Impairment (ECL) –(Note 2.1)	-	-
	5,819,795	7,341,488

* Placement above 90 days was reclassified from FVTPL to financial asset measured at amortised cost.

2.1 Movement in expected credit loss (ECL) on Financial asset designated as FVTPL

	2025	2024
	N'000	N'000
As at 1 January	-	2,596
Impairment/(reversal) charge for the year	-	(2,596)
31 December	-	-

3. Financial asset designated as fair value through other comprehensive income

	2025	2024
	₦'000	₦'000
Nigeria Insurance pool	289,855	309,836

Nigeria Insurance pool represents unquoted equities investment which is carried at its cost as there is no active market or reliable date for its fair valuation.

4. Financial asset measured at amortised cost

	2025	2024
	₦'000	₦'000
Corporate bond	-	1,494,334
Fed.Govt Sovereign Bond	2,509,301	1,622,941
Sukuk Bond	200,000	200,000
Treasury bills	2,944,456	1,169,611
Placements with banks and other institutions (above 90 days)	5,374,326	2,833,273
	11,028,083	7,320,159
Impairment (ECL)-(note 4.1)	(70,521)	(3,627)
	10,957,562	7,316,532

4.1 Movement in expected credit loss (ECL) on Financial asset measured at amortised cost

	2025	2024
	₦'000	₦'000
As at 1 January	3,627	3,990
Impairment/reversal charge for the year	66,894	(363)
31 December	70,521	3,627

4.2 Movement in financial assets (note 2 to 4) during the year is shown below:

	FV through amortised cost	FV through P&L	FV through OCI	Total 2025	Total 2024
As at 1 January	7,320,159	7,341,488	309,836	14,971,483	11,263,964
Additions during the year	9,939,364	-	-	9,939,364	4,856,394
Accrued interest	138,781	-	-	138,781	166,925
Fair value gain	-	401,026	-	401,026	515,299
Foreign exchange adjustment	(237,569)	(384,257)	(19,981)	(641,807)	4,600,624
Maturities and redemptions	(6,132,652)	(1,538,462)	-	(7,671,114)	(6,431,723)
	11,028,083	5,819,795	289,855	17,137,733	14,971,483
Impairment provision(ECL)	(70,521)	-	-	(70,521)	(3,627)
	10,957,562	5,819,795	289,855	17,067,212	14,967,856
Note	4	2	3		

NOTES TO THE FINANCIAL STATEMENTS contd.

5 Reinsurance Contract Assets and Reinsurance Contract Liabilities.

5.1 Aggregation of portfolios giving rise to reinsurance contract assets and reinsurance

	Reinsurance contract Assets		Reinsurance contract Liabilities	
	2025	2024	2025	2024
	₦'000	₦'000	₦'000	₦'000
Assets for remaining coverage-ARC;				
Excluding loss component	(664,891)	(1,221,675)	458,407	1,911,612
Loss component	-	-	-	-
		(1,221,675)	458,407	1,911,612
Assets for incurred claims-AIC;				
Present value of future cash flows	6,303,986	10,528,829	(185,429)	(530,251)
Risk adjustment	-	-	-	-
	6,303,986	10,528,829	(185,429)	(530,251)
Total reinsurance Contract Assets	5,639,095	9,307,154	272,978	1,381,361

5.2 Reinsurance contract Assets

	2025	2024
	₦'000	₦'000
Assets for remaining coverage-ARC;		
Reinsurance share of Unearned premium Reserve	-	987
Assets under AURR	-	(296)
Deferred commission income	(1,123,297)	(3,133,978)
Payable	(1,123,297)	(3,133,287)
Excluding loss component	-	-
Assets for remaining coverage-ARC	(1,123,297)	(3,133,287)

	2025	2024
	₦'000	₦'000
Assets for incurred claims-AIC;		
Reinsurance share of Unearned premium Reserve	2,461,728	3,764,974
Reinsurance share of Outstanding Reported Claims	4,719,546	9,063,152
Default Risk	(65,550)	(111,708)
Discounting	(626,312)	(1,657,338)
Present value of future cash flows	6,489,414	11,059,080
Risk Adjustment	-	-
Assets for incurred claims-AIC;	6,489,414	11,059,080
Total Reinsurance Contract Assets	5,366,117	7,925,793

Breakdown of Reinsurance Contract Assets from Gross to Net carrying amount

Reinsurance contract assets (excluding reinsurance deferred acquisition income and other pre-recognition cash flows and reinsurance payable)	6,489,413	11,060,067
Deferred commission income	-	(296)
Payable	(1,123,297)	(3,133,978)
Reinsurance Contract Assets	5,366,116	7,925,793

5.3 Analysis of Reinsurance contracts portfolios resulting to assets and liabilities 31-Dec-2025

Analysis of Reinsurance contracts Held	Energy	Fire	Accident	Liability	Marine	Engineering	Agriculture	Life	Total
	₹'000	₹'000	₹'000	₹'000	₹'000	₹'000	₹'000	₹'000	₹'000
Assets for remaining coverage-ARC;									
Excluding loss component	(143,682)	(436,100)	(69,515)	(52,570)	(406,927)	(51,440)	26,091	10,885	(1,123,298)
Loss component	-	-	-	-	-	-	-	-	-
	(143,682)	(436,100)	(69,515)	(52,570)	(406,967)	(51,440)	26,091	10,885	(1,123,298)
Assets for incurred claims-AIC;									
Present value of future cash flows	224,595	5,499,045	300,662	75,558	164,202	21,227	47,623	156,502	6,489,414
Risk adjustment	-	-	-	-	-	-	-	-	-
	224,595	5,499,045	300,662	75,558	164,202	21,227	47,623	156,502	6,489,414
Total Reinsurance Contract asset	80,913	5,062,945	231,147	22,988	(242,765)	(30,213)	73,714	167,387	5,366,117

31-Dec-2024

Analysis of Reinsurance contracts Held	Energy	Fire	Accident	Liability	Marine	Engineering	Agriculture	Life	Total
	₹'000	₹'000	₹'000	₹'000	₹'000	₹'000	₹'000	₹'000	₹'000
Excluding loss component	(1,243,657)	(1,066,569)	(82,472)	(100,200)	(553,065)	(227,091)	(64,886)	204,655	(3,133,285)
Loss component	-	-	-	-	-	-	-	-	-
	(1,243,657)	(1,066,569)	(82,472)	(100,200)	(553,065)	(227,091)	(64,886)	204,655	(3,133,285)
Assets for incurred claims-AIC;									
Present value of future cash flows	6,149,607	86,534	304,868	3,667,572	299,061	130,843	13,812	406,781	(11,059,078)
Risk adjustment	-	-	-	-	-	-	-	-	-
	6,149,607	86,534	304,868	3,667,572	299,061	130,843	13,812	406,781	(11,059,078)
Total Reinsurance Contract asset	4,905,950	(980,035)	222,396	3,567,372	(254,004)	(96,248)	(51,074)	611,436	7,925,793

NOTES TO THE FINANCIAL STATEMENTS contd.

5.4.1 Reinsurance contract assets.

Reconciliation from opening to closing of reinsurance contract assets as at 31st December 2025 and 2024

The table below shows the reconciliation from the opening to the closing balances of the net assets for the remaining coverage and net assets for incurred claims at the entity level, i.e. aggregate of all reinsurance contracts portfolio.

	Reinsurance contract assets (Aggregate 2025) IFRS				
	31 December 2025				
	Assets for remaining coverage		Amounts recoverable on incurred claims		
	Excluding loss-recovery Component	Loss-recovery Component	Estimates of present value of future cashflows	Risk Adjustment	Total
₦'000	₦'000	₦'000	₦'000	₦'000	
Opening assets	204,655	-	10,629,176	-	10,833,831
Opening liabilities	(2,557,786)	-	-	-	(2,557,786)
Net opening balance (A)	(2,353,131)	-	10,629,176	-	8,276,045
Changes in the statement of profit or loss and OCI					
Reinsurance expenses	(7,354,930)	-	-	-	(7,354,930)
Amounts recovered from reinsurers	-	-	-	-	-
Recoveries on incurred claims and other incurred reinsurance service expense	-	-	696,216	-	696,216
Onerous contract and Changes in the loss recovery component	-	-	-	-	-
Acquisition income earned/recognised	-	-	-	-	-
Net income or expense from reinsurance contracts held	(7,354,930)	-	696,216	-	(6,658,714)
Finance income or expenses from reinsurance contracts recognised in profit or loss	-	-	1,544,270	-	1,544,270
Effect of movements in exchange rates	-	-	-	-	-
Total changes in the statement of comprehensive income (B)	(7,354,930)	-	2,240,486	-	(5,114,444)
Investment components excluded from reinsurance service expenses	-	-	-	-	-
Cash flows					
Reinsurance Premiums paid	9,132,502	-	-	-	9,132,502
Acquisition income received	(89,332)	-	-	-	(89,332)
Incurred claims recovered from reinsurers	-	-	(6,565,676)	-	(6,565,676)
Total cash flows	9,043,170	-	(6,565,676)	-	2,477,494
Non cash flow items					
Reinsurance premiums payable	-	-	-	-	-
Acquisition income receivable	-	-	-	-	-
Total cash flows(E)	9,043,170	-	(6,565,676)	-	2,477,494
Net closing balance (D)	(664,891)	-	6,303,986	-	5,639,095
Closing reinsurance contract Assets	36,976	-	6,303,986	-	6,340,962
Closing reinsurance Contract Liabilities	(701,867)	-	-	-	(701,867)
Net closing balance	(664,891)	-	6,303,986	-	5,639,095

Reinsurance contract assets (Aggregate 2024) IFRS					
31 December 2024					
Assets for remaining coverage			Amounts recoverable on incurred claims		
Excluding loss-recovery Component	Loss-recovery Component	Estimates of present value of future cashflows	Risk Adjustment	Total	
₦'000	₦'000	₦'000	₦'000	₦'000	
Opening assets	164,941	9,013	3,089,028	-	3,262,982
Opening liabilities	(127,175)	-	-	-	(127,175)
Net opening balance (A)	37,766	9,013	3,089,028	-	3,135,807
Changes in the statement of profit or loss and OCI					
Reinsurance expenses	(631,668)	-	-	-	(631,668)
Amounts recovered from reinsurers	-	-	-	-	-
Recoveries on incurred claims and other incurred reinsurance service expense	-	-	8,182,677	-	8,182,677
Onerous contract and Changes in the loss recovery component	-	(9,013)	-	-	(9,013)
Acquisition income earned/recognised	-	-	-	-	-
Net income or expense from reinsurance contracts held	(631,668)	(9,013)	8,182,677	-	7,541,996
Finance income or expenses from reinsurance contracts recognised in profit or loss	-	-	(560,950)	-	(560,950)
Effect of movements in exchange rates	-	-	-	-	-
Total changes in the statement of comprehensive income (B)	(631,668)	(9,013)	7,621,727	-	6,981,046
Investment components excluded from reinsurance service expenses	-	-	-	-	-
Cash flows					
Reinsurance Premiums paid	(524,218)	-	-	-	(524,218)
Acquisition income received	(103,555)	-	-	-	(103,555)
Incurred claims recovered from reinsurers	-	-	(181,926)	-	(181,926)
Total cash flows	(627,773)	-	(181,926)	-	(809,699)
Non cash flow items					
Reinsurance premiums payable	-	-	-	-	-
Acquisition income receivable	-	-	-	-	-
Total cash flows(E)	(627,773)	-	(181,926)	-	(809,699)
Net closing balance (D)	(1,221,675)	-	10,528,829	-	9,307,154
Closing reinsurance contract Assets	204,655	-	10,528,829	-	10,733,484
Closing reinsurance Contract Liabilities	(1,426,330)	-	-	-	(1,426,330)
Net closing balance	(1,221,675)	-	10,528,829	-	9,307,154

5.4.2 Reinsurance contract Liabilities.

Reconciliation from opening to closing of reinsurance contract liability as at 31st December 2025, and 2024

The table below shows the reconciliation from the opening to the closing balances of the net assets for the remaining coverage and net assets for incurred claims at the entity level, i.e. aggregate of all reinsurance contracts portfolio.

	Reinsurance contract Liability (Aggregate 2025) IFRS				
	31 December 2025				
	Assets for remaining coverage		Amounts recoverable on incurred claims		
	Excluding loss-recovery Component	Loss-recovery Component	Estimates of present value of future cashflows	Risk Adjustment	Total
	₺'000	₺'000	₺'000	₺'000	₺'000
Opening assets	-	-	429,904	-	429,904
Opening liabilities	(780,155)	-	-	-	(780,156)
Net opening balance (A)	(780,155)	-	429,904	-	(350,251)
Changes in the statement of profit or loss and OCI					
Reinsurance expenses	(1,842,946)	-	-	-	(1,842,946)
Amounts recovered from reinsurers	-	-	-	-	-
Recoveries on incurred claims and other incurred reinsurance service expense	-	-	(306,883)	-	(306,883)
Onerous contract and Changes in the loss recovery component	-	-	-	-	-
Acquisition income earned/recognised	-	-	-	-	-
Net income or expense from reinsurance contracts held	(1,842,946)	-	(306,883)	-	(2,149,829)
Finance income or expenses from reinsurance contracts recognised in profit or loss	-	-	62,408	-	62,408
Effect of movements in exchange rates	-	-	-	-	-
Total changes in the statement of comprehensive income (B)	(1,842,946)	-	(244,475)	-	(2,087,421)
Investment components excluded from reinsurance service expenses	-	-	-	-	-
Cash flows					
Reinsurance Premiums paid	2,164,694	-	-	-	2,164,694
Acquisition income received	-	-	-	-	-
Incurred claims recovered from reinsurers	-	-	-	-	-
Total cash flows	2,164,694	-	-	-	2,164,694
Non cash flow items					
Reinsurance premiums payable	-	-	-	-	-
Acquisition income receivable	-	-	-	-	-
Total cash flows(E)	2,164,694	-	-	-	2,164,694
Net closing balance (D)	(458,407)	-	185,429	-	(272,978)
Closing reinsurance contract Assets	-	-	185,429	-	185,429
Closing reinsurance Contract Liabilities	(458,407)	-	-	-	(458,407)
Net closing balance	(458,407)	-	185,429	-	(272,978)

Reinsurance contract Liability (Aggregate 2024) IFRS					
31 December 2024					
Assets for remaining coverage			Amounts recoverable on incurred claims		
Excluding loss-recovery Component	Loss-recovery Component	Estimates of present value of future cashflows	Risk Adjustment	Total	
₺'000	₺'000	₺'000	₺'000	₺'000	
Opening assets	353,510	-	6,553,590	-	6,907,100
Opening liabilities	(56,847)	-	-	-	(56,847)
Net opening balance (A)	296,663	-	6,553,590	-	6,850,253
Changes in the statement of profit or loss and OCI					
Reinsurance expenses	(5,464,284)	-	-	-	(5,464,284)
Amounts recovered from reinsurers	-	-	-	-	-
Recoveries on incurred claims and other incurred reinsurance service expense	-	-	(4,333,265)	-	(4,333,265)
Onerous contract and Changes in the loss recovery component	-	-	-	-	-
Acquisition income earned/recognised	-	-	-	-	-
Net income or expense from reinsurance contracts held	(5,464,284)	-	(4,333,265)	-	(9,797,549)
Finance income or expenses from reinsurance contracts recognised in profit or loss	-	-	359,572	-	359,572
Effect of movements in exchange rates	-	-	-	-	-
Total changes in the statement of comprehensive income (B)	(5,464,284)	-	(3,973,693)	-	(9,437,977)
Investment components excluded from reinsurance service expenses	-	-	-	-	-
Cash flows					
Reinsurance Premiums paid	3,323,354	-	-	-	3,323,354
Acquisition income received	(67,345)	-	-	-	(67,345)
Incurring claims recovered from reinsurers	-	-	(2,049,646)	-	(2,049,646)
Total cash flows	3,256,009	-	(2,049,646)	-	1,206,363
Non cash flow items					
Reinsurance premiums payable	-	-	-	-	-
Acquisition income receivable	-	-	-	-	-
Total cash flows(E)	3,256,009	-	(2,049,646)	-	1,206,363
Net closing balance (D)	(1,911,612)	-	530,251	-	(1,381,361)
Closing reinsurance contract Assets	-	-	530,251	-	530,251
Closing reinsurance Contract Liabilities	(1,911,612)	-	-	-	(1,911,612)
Net closing balance	(1,911,612)	-	530,251	-	(1,381,361)

5.4.3 Reinsurance contract assets and liability(Aggregate).

Reconciliation from opening to closing of reinsurance contract assets as at 31st December 2025 and 2024

The table below shows the reconciliation from the opening to the closing balances of the net assets for the remaining coverage and net assets for incurred claims at the entity level, i.e. aggregate of all reinsurance contracts portfolio.

	Reinsurance contract assets (Aggregate 2025) IFRS				
	31 December 2025				
	Assets for remaining coverage		Amounts recoverable on incurred claims		
	Excluding loss-recovery Component	Loss-recovery Component	Estimates of present value of future cashflows	Risk Adjustment	Total
	₺'000	₺'000	₺'000	₺'000	₺'000
Opening assets	(1,221,675)	-	10,528,829	-	9,307,154
Opening liabilities	(1,911,612)	-	530,251	-	(1,381,361)
Net opening balance (A)	(3,133,287)	-	11,059,080	-	7,925,793
Changes in the statement of profit or loss and OCI					
Reinsurance expenses	(9,197,875)	-	-	-	(9,197,875)
Amounts recovered from reinsurers	-	-	-	-	-
Recoveries on incurred claims and other incurred reinsurance service expense	-	-	389,332	-	389,332
Onerous contract and Changes in the loss recovery component	-	-	-	-	-
Acquisition income earned/recognised	-	-	-	-	-
Net income or expense from reinsurance contracts held	(9,197,875)	-	389,332	-	(8,808,543)
Finance income or expenses from reinsurance contracts recognised in profit or loss	-	-	1,606,678	-	1,606,678
Effect of movements in exchange rates	-	-	-	-	-
Total changes in the statement of comprehensive income (B)	(9,197,875)	-	1,996,010	-	(7,201,865)
Investment components excluded from reinsurance service expenses	-	-	-	-	-
Cash flows					
Reinsurance Premiums paid	11,297,197	-	-	-	11,297,197
Acquisition income received	(89,332)	-	-	-	(89,332)
Incurred claims recovered from reinsurers	-	-	(6,565,676)	-	(6,565,676)
Total cash flows	11,207,865	-	(6,565,675)	-	4,642,189
Non cash flow items					
Reinsurance premiums payable	-	-	-	-	-
Acquisition income receivable	-	-	-	-	-
Total cash flows(E)	11,207,865	-	(6,565,676)	-	4,642,189
Net closing balance (D)	(1,123,297)	-	6,489,414	-	5,366,117
Closing reinsurance contract Assets	(664,891)	-	6,303,986	-	5,639,095
Closing reinsurance Contract Liabilities	(458,406)	-	185,429	-	(272,978)
Net closing balance	(1,123,297)	-	6,489,415	-	5,366,117

Reinsurance contract assets (Aggregate 2024) IFRS					
31 December 2024					
Assets for remaining coverage			Amounts recoverable on incurred claims		
Excluding loss-recovery Component	Loss-recovery Component	Estimates of present value of future cashflows	Risk Adjustment	Total	
₺'000	₺'000	₺'000	₺'000	₺'000	
Opening assets	334,429	9,013	9,642,618	-	9,986,060
Opening liabilities	-	-	-	-	-
Net opening balance (A)	334,429	9,013	9,642,618	-	9,986,060
Changes in the statement of profit or loss and OCI					
Reinsurance expenses	(6,095,952)	-	-	-	(6,095,952)
Amounts recovered from reinsurers	-	-	-	-	-
Recoveries on incurred claims and other incurred reinsurance service expense	-	-	3,849,412	-	3,849,412
Onerous contract and Changes in the loss recovery component	-	(9,013)	-	-	(9,013)
Acquisition income earned/recognised	-	-	-	-	-
Net income or expense from reinsurance contracts held	(6,095,952)	(9,013)	3,849,412	-	(2,255,553)
Finance income or expenses from reinsurance contracts recognised in profit or loss	-	-	(201,378)	-	(201,378)
Effect of movements in exchange rates	-	-	-	-	-
Total changes in the statement of comprehensive income (B)	(6,095,952)	(9,013)	3,648,034	-	(2,456,931)
Investment components excluded from reinsurance service expenses	-	-	-	-	-
Cash flows					
Reinsurance Premiums paid	2,799,136	-	-	-	2,799,136
Acquisition income received	(170,900)	-	-	-	(170,900)
Incurring claims recovered from reinsurers	-	-	(2,231,572)	-	(2,231,572)
Total cash flows	2,628,336	-	(2,231,572)	-	396,664
Non cash flow items					
Reinsurance premiums payable	-	-	-	-	-
Acquisition income receivable	-	-	-	-	-
Total cash flows(E)	2,628,336	-	(2,231,572)	-	396,664
Net closing balance (D)	(3,133,287)	-	11,059,080	-	7,925,793
Closing reinsurance contract Assets	(1,221,675)	-	10,528,829	-	9,307,154
Closing reinsurance Contract Liabilities	(1,911,612)	-	530,251	-	(1,381,361)
Net closing balance	(3,133,287)	-	11,059,080	-	7,925,793

NOTES TO THE FINANCIAL STATEMENTS contd.

5 Roll Forward on insurance (Assets for remaining coverage and assets recoverable on incurred claims (ARC/ARIC).

5.5.1 Energy reinsurance

The roll-forward of the asset for remaining coverage and amounts recoverable on incurred claims for energy reinsurance product line, is disclosed in the tables below:(for 2025 and 2024)

	Reinsurance contract assets (Energy 2025) IFRS				
	31 December 2025				
	Assets for remaining coverage		Amounts recoverable on incurred claims		
	Excluding loss-recovery Component	Loss-recovery Component	Estimates of present value of future cashflows	Risk Adjustment	Total
₦'000	₦'000	₦'000	₦'000	₦'000	
Opening assets	-	-	6,149,607	-	6,149,607
Opening liabilities	(1,243,657)	-	-	-	(1,243,657)
Net opening balance	(1,243,657)	-	6,149,607	-	4,905,950
Changes in the statement of profit or loss and OCI					
Reinsurance expenses	(3,905,299)	-	-	-	(3,905,299)
Amounts recovered from reinsurers	-	-	-	-	-
Recoveries on incurred claims and other incurred reinsurance service expense	-	-	(568,721)	-	(568,721)
Onerous contract and Changes in the loss recovery component	-	-	-	-	-
Acquisition income earned/recognised	-	-	-	-	-
Net income or expense from reinsurance contracts held	(3,905,299)	-	(568,721)	-	(4,474,020)
Finance income or expenses from reinsurance contracts recognised in profit or loss	-	-	890,950	-	890,950
Effect of movements in exchange rates	-	-	-	-	-
Total changes in the statement of comprehensive income	(3,905,299)	-	322,229	-	(3,583,070)
Investment components excluded from reinsurance service expenses	-	-	-	-	-
Cash flows					
Reinsurance Premiums paid	5,005,275	-	-	-	5,005,275
Acquisition income received	-	-	-	-	-
Incurrd claims recovered from reinsurers	-	-	(6,247,241)	-	(6,247,241)
Total cash flows	5,005,275	-	(6,247,241)	-	(1,241,966)
Non cash flow items					
Reinsurance premiums payable	-	-	-	-	-
Acquisition income receivable	-	-	-	-	-
Total cash flows	-	-	-	-	-
Net closing balance	(143,682)	-	224,595	-	80,913
Closing reinsurance contract Assets	-	-	224,595	-	224,595
Closing reinsurance Contract Liabilities	(143,682)	-	-	-	(143,682)
Net closing balance	(143,682)	-	224,595	-	80,913

Reinsurance contract assets (Energy 2024) IFRS				
31 December 2024				
Assets for remaining coverage		Amounts recoverable on incurred claims		
Excluding loss-recovery Component	Loss-recovery Component	Estimates of present value of future cashflows	Risk Adjustment	Total
₦'000	₦'000	₦'000	₦'000	₦'000
Opening assets	-	1,877,798	-	1,877,798
Opening liabilities	(103,357)	-	-	(103,357)
Net opening balance	(103,357)	1,877,798	-	1,774,441
Changes in the statement of profit or loss and OCI				
Reinsurance expenses	(177,422)	-	-	(177,422)
Amounts recovered from reinsurers	-	-	-	-
Recoveries on incurred claims and other incurred reinsurance service expense	-	4,594,985	-	4,594,985
Onerous contract and Changes in the loss recovery component	-	-	-	-
Acquisition income earned/recognised	-	-	-	-
Net income or expense from reinsurance contracts held	(177,422)	4,594,985	-	4,417,563
Finance income or expenses from reinsurance contracts recognised in profit or loss	-	(323,176)	-	(323,176)
Effect of movements in exchange rates	-	-	-	-
Total changes in the statement of comprehensive income	(177,422)	4,271,809	-	4,094,387
Investment components excluded from reinsurance service expenses	-	-	-	-
Cash flows				
Reinsurance Premiums paid	(962,878)	-	-	(962,878)
Acquisition income received	-	-	-	-
Incurring claims recovered from reinsurers	-	-	-	-
Total cash flows	(962,878)	-	-	(962,878)
Non cash flow items				
Reinsurance premiums payable	-	-	-	-
Acquisition income receivable	-	-	-	-
Total cash flows	-	-	-	-
Net closing balance	(1,243,657)	6,149,607	-	4,905,950
Closing reinsurance contract Assets	-	6,149,607	-	6,149,607
Closing reinsurance Contract Liabilities	(1,243,657)	-	-	(1,243,657)
Net closing balance	(1,243,657)	6,149,607	-	4,905,950

NOTES TO THE FINANCIAL STATEMENTS contd.

5.5.2 Fire reinsurance

The roll-forward of the asset for remaining coverage and amounts recoverable on incurred claims for fire reinsurance product line, is disclosed in the tables below:(for 2025 and 2024)

	Reinsurance contract assets (Fire 2025) IFRS				
	31 December 2025				
	Assets for remaining coverage		Amounts recoverable on incurred claims		
	Excluding loss-recovery Component	Loss-recovery Component	Estimates of present value of future cashflows	Risk Adjustment	Total
₺'000	₺'000	₺'000	₺'000	₺'000	
Opening assets	-	-	86,534	-	86,534
Opening liabilities	(1,066,569)	-	-	-	(1,066,569)
Net opening balance	(1,066,570)	-	86,534	-	(980,035)
Changes in the statement of profit or loss and OCI					
Reinsurance expenses	(2,459,301)	-	-	-	(2,459,301)
Amounts recovered from reinsurers	-	-	-	-	-
Recoveries on incurred claims and other incurred reinsurance service expense	-	-	5,623,642	-	5,623,642
Onerous contract and Changes in the loss recovery component	-	-	-	-	-
Acquisition income earned/recognised	-	-	-	-	-
Net income or expense from reinsurance contracts held	-	-	-	-	-
Finance income or expenses from reinsurance contracts recognised in profit or loss	(2,459,301)	-	5,623,642	-	3,164,341
Effect of movements in exchange rates	-	-	16,554	-	16,554
Total changes in the statement of comprehensive income	-	-	-	-	-
Investment components excluded from reinsurance service expenses	(2,459,301)	-	5,640,196	-	3,180,895
Cash flows					
Reinsurance Premiums paid	3,099,279	-	-	-	3,099,279
Acquisition income received	-	-	-	-	-
Incurred claims recovered from reinsurers	(9,508)	-	(227,685)	-	(237,193)
Total cash flows	3,089,771	-	(227,685)	-	2,862,086
Non cash flow items					
Reinsurance premiums payable	-	-	-	-	-
Acquisition income receivable	-	-	-	-	-
Total cash flows	-	-	-	-	-
Net closing balance	(436,100)	-	5,499,045	-	5,062,945
Closing reinsurance contract Assets	-	-	5,499,045	-	5,499,045
Closing reinsurance Contract Liabilities	(436,100)	-	-	-	(436,100)
Net closing balance	(436,100)	-	5,499,045	-	5,062,945

Reinsurance contract assets (Fire 2024) IFRS					
31 December 2024					
Assets for remaining coverage			Amounts recoverable on incurred claims		
Excluding loss-recovery Component	Loss-recovery Component	Estimates of present value of future cashflows	Risk Adjustment	Total	
₺'000	₺'000	₺'000	₺'000	₺'000	
Opening assets	136,053	-	5,523,425	-	5,523,425
Opening liabilities	-	-	-	-	5,659,478
Net opening balance	136,053	-	5,523,425	-	5,659,478
Changes in the statement of profit or loss and OCI					
Reinsurance expenses	(2,859,394)	-	-	-	(2,859,394)
Amounts recovered from reinsurers	-	-	-	-	-
Recoveries on incurred claims and other incurred reinsurance service expense	-	-	(3,729,425)	-	(3,729,425)
Onerous contract and Changes in the loss recovery component	-	-	-	-	-
Acquisition income earned/recognised	-	-	-	-	-
Net income or expense from reinsurance contracts held	-	-	-	-	-
Finance income or expenses from reinsurance contracts recognised in profit or loss	(2,859,394)	-	(3,729,425)	-	(6,588,819)
Effect of movements in exchange rates	-	-	328,659	-	328,659
Total changes in the statement of comprehensive income	-	-	-	-	-
Investment components excluded from reinsurance service expenses	(2,859,394)	-	(3,400,766)	-	(6,260,160)
	-	-	-	-	-
Cash flows					
Reinsurance Premiums paid	1,690,332	-	-	-	1,690,332
Acquisition income received	-	-	-	-	-
Incurring claims recovered from reinsurers	(33,560)	-	(2,036,125)	-	(2,069,685)
Total cash flows	1,656,772	-	(2,036,125)	-	(379,353)
Non cash flow items					
Reinsurance premiums payable	-	-	-	-	-
Acquisition income receivable	-	-	-	-	-
Total cash flows	-	-	-	-	-
Net closing balance	(1,066,569)	-	86,534	-	(980,035)
Closing reinsurance contract Assets	-	-	86,534	-	86,534
Closing reinsurance Contract Liabilities	(1,066,569)	-	-	-	(1,066,569)
Net closing balance	(1,066,569)	-	86,534	-	(980,035)

NOTES TO THE FINANCIAL STATEMENTS contd.

5.5.3 Accident reinsurance

The roll-forward of the asset for remaining coverage and amounts recoverable on incurred claims for accident reinsurance product line, is disclosed in the tables below:(for 2025 and 2024).

	Reinsurance contract assets (Accident 2025) IFRS				
	31 December 2025				
	Assets for remaining coverage		Amounts recoverable on incurred claims		
	Excluding loss-recovery Component	Loss-recovery Component	Estimates of present value of future cashflows	Risk Adjustment	Total
₺'000	₺'000	₺'000	₺'000	₺'000	
Opening assets	-	-	304,868	-	304,868
Opening liabilities	(82,472)	-	-	-	(82,472)
Net opening balance	(82,472)	-	304,868	-	222,396
Changes in the statement of profit or loss and OCI					
Reinsurance expenses	(192,285)	-	-	-	(192,285)
Amounts recovered from reinsurers	-	-	-	-	-
Recoveries on incurred claims and other incurred reinsurance service expense	-	-	(48,587)	-	(48,587)
Onerous contract and Changes in the loss recovery component	-	-	-	-	-
Acquisition income earned/recognised	-	-	-	-	-
Net income or expense from reinsurance contracts held	-	-	-	-	-
Finance income or expenses from reinsurance contracts recognised in profit or loss	(192,285)	-	(48,587)	-	(240,872)
Effect of movements in exchange rates	-	-	44,381	-	44,381
Total changes in the statement of comprehensive income	-	-	-	-	-
Investment components excluded from reinsurance service expenses	(192,285)	-	(4,206)	-	(196,491)
	-	-	-	-	-
Cash flows					
Reinsurance Premiums paid	205,242	-	-	-	205,242
Acquisition income received	-	-	-	-	-
Incurred claims recovered from reinsurers	-	-	-	-	-
Total cash flows	205,242	-	-	-	205,242
Non cash flow items					
Reinsurance premiums payable	-	-	-	-	-
Acquisition income receivable	-	-	-	-	-
Total cash flows	-	-	-	-	-
Net closing balance	(69,515)	-	300,662	-	231,550
Closing reinsurance contract Assets	-	-	300,662	-	300,662
Closing reinsurance Contract Liabilities	(69,515)	-	-	-	(69,515)
Net closing balance	(69,515)	-	300,662	-	231,147

Reinsurance contract assets (Accident 2024) IFRS					
31 December 2024					
Assets for remaining coverage			Amounts recoverable on incurred claims		
Excluding loss-recovery Component	Loss-recovery Component	Estimates of present value of future cashflows	Risk Adjustment	Total	
₺'000	₺'000	₺'000	₺'000	₺'000	
Opening assets	93,446	-	368,166	-	461,612
Opening liabilities	-	-	-	-	-
Net opening balance	93,446	-	368,166	-	461,612
Changes in the statement of profit or loss and OCI					
Reinsurance expenses	(392,070)	-	-	-	(392,070)
Amounts recovered from reinsurers	-	-	-	-	-
Recoveries on incurred claims and other incurred reinsurance service expense	-	-	(63,950)	-	(63,950)
Onerous contract and Changes in the loss recovery component	-	-	-	-	-
Acquisition income earned/recognised	-	-	-	-	-
Net income or expense from reinsurance contracts held	-	-	-	-	-
Finance income or expenses from reinsurance contracts recognised in profit or loss	(392,070)	-	(63,950)	-	(456,020)
Effect of movements in exchange rates	-	-	652	-	652
Total changes in the statement of comprehensive income	-	-	-	-	-
Investment components excluded from reinsurance service expenses	(392,070)	-	(63,298)	-	(455,368)
	-	-	-	-	-
Cash flows					
Reinsurance Premiums paid	216,152	-	-	-	216,152
Acquisition income received	-	-	-	-	-
Incurred claims recovered from reinsurers	-	-	-	-	-
Total cash flows	216,152	-	-	-	216,152
Non cash flow items					
Reinsurance premiums payable	-	-	-	-	-
Acquisition income receivable	-	-	-	-	-
Total cash flows	-	-	-	-	-
Net closing balance	(82,472)	-	304,868	-	(222,396)
Closing reinsurance contract Assets	-	-	304,868	-	304,868
Closing reinsurance Contract Liabilities	(82,472)	-	-	-	(82,472)
Net closing balance	(82,472)	-	304,868	-	222,396

NOTES TO THE FINANCIAL STATEMENTS contd.

5.5.4 Liability reinsurance

The roll-forward of the asset for remaining coverage and amounts recoverable on incurred claims for Liability reinsurance product line, is disclosed in the tables below:(for 2025 and 2024).

	Reinsurance contract assets (Liability 2025) IFRS				
	31 December 2025				
	Assets for remaining coverage		Amounts recoverable on incurred claims		
	Excluding loss-recovery Component	Loss-recovery Component	Estimates of present value of future cashflows	Risk Adjustment	Total
₺'000	₺'000	₺'000	₺'000	₺'000	
Opening assets	-	-	3,667,522	-	3,667,572
Opening liabilities	(100,200)	-	-	-	(100,200)
Net opening balance	(100,200)	-	3,667,572	-	3,567,372
Changes in the statement of profit or loss and OCI					
Reinsurance expenses	(99,032)	-	-	-	(99,032)
Amounts recovered from reinsurers	-	-	-	-	-
Recoveries on incurred claims and other incurred reinsurance service expense	-	-	(4,123,326)	-	(4,123,326)
Onerous contract and Changes in the loss recovery component	-	-	-	-	-
Acquisition income earned/recognised	-	-	-	-	-
Net income or expense from reinsurance contracts held	-	-	-	-	-
Finance income or expenses from reinsurance contracts recognised in profit or loss	(99,032)	-	(4,123,326)	-	(4,222,358)
Effect of movements in exchange rates	-	-	531,312	-	531,312
Total changes in the statement of comprehensive income	-	-	-	-	-
Investment components excluded from reinsurance service expenses	(99,032)	-	(3,592,014)	-	(3,691,046)
Cash flows					
Reinsurance Premiums paid	146,663	-	-	-	146,663
Acquisition income received	-	-	-	-	-
Incurred claims recovered from reinsurers	-	-	-	-	-
Total cash flows	146,663	-	-	-	146,663
Non cash flow items					
Reinsurance premiums payable	-	-	-	-	-
Acquisition income receivable	-	-	-	-	-
Total cash flows	-	-	-	-	-
Net closing balance	(52,569)	-	75,558	-	22,989
Closing reinsurance contract Assets	-	-	75,558	-	75,558
Closing reinsurance Contract Liabilities	(52,569)	-	-	-	(52,569)
Net closing balance	(52,569)	-	75,558	-	22,989

Reinsurance contract assets (Liability 2024) IFRS					
31 December 2024					
Assets for remaining coverage		Amounts recoverable on incurred claims			
Excluding loss-recovery Component	Loss-recovery Component	Estimates of present value of future cashflows	Risk Adjustment	Total	
₺'000	₺'000	₺'000	₺'000	₺'000	
Opening assets	71,494	-	540,582	-	612,076
Opening liabilities	-	-	-	-	-
Net opening balance	71,494	-	540,582	-	612,076
Changes in the statement of profit or loss and OCI					
Reinsurance expenses	(144,928)	-	-	-	(144,928)
Amounts recovered from reinsurers	-	-	-	-	-
Recoveries on incurred claims and other incurred reinsurance service expense	-	-	3,354,845	-	3,354,845
Onerous contract and Changes in the loss recovery component	-	-	-	-	-
Acquisition income earned/recognised	-	-	-	-	-
Net income or expense from reinsurance contracts held	-	-	-	-	-
Finance income or expenses from reinsurance contracts recognised in profit or loss	(144,928)	-	3,354,845	-	(3,209,917)
Effect of movements in exchange rates	-	-	(227,855)	-	(227,855)
Total changes in the statement of comprehensive income	-	-	-	-	-
Investment components excluded from reinsurance service expenses	(144,928)	-	3,126,990	-	2,982,062
	-	-	-	-	-
Cash flows					
Reinsurance Premiums paid	(26,766)	-	-	-	(26,766)
Acquisition income received	-	-	-	-	-
Incurred claims recovered from reinsurers	-	-	-	-	-
Total cash flows	(26,766)	-	-	-	(26,766)
Non cash flow items					
Reinsurance premiums payable	-	-	-	-	-
Acquisition income receivable	-	-	-	-	-
Total cash flows	-	-	-	-	-
Net closing balance	(100,200)	-	3,667,572	-	3,567,372
Closing reinsurance contract Assets	-	-	3,667,572	-	3,667,572
Closing reinsurance Contract Liabilities	(100,200)	-	-	-	(100,200)
Net closing balance	(100,200)	-	3,667,572	-	3,567,372

NOTES TO THE FINANCIAL STATEMENTS contd.

5.5.5. Marine reinsurance

The roll-forward of the asset for remaining coverage and amounts recoverable on incurred claims for Marine reinsurance product line, is disclosed in the tables below:(for 2025 and 2024).

	Reinsurance contract assets (Marine 2025) IFRS				
	31 December 2025				
	Assets for remaining coverage		Amounts recoverable on incurred claims		
	Excluding loss-recovery Component	Loss- recovery Component	Estimates of present value of future cashflows	Risk Adjustment	Total
₺'000	₺'000	₺'000	₺'000	₺'000	
Opening assets	-	-	299,061	-	299,061
Opening liabilities	(553,065)	-	-	-	(553,065)
Net opening balance	(553,065)	-	299,061	-	(254,004)
Changes in the statement of profit or loss and OCI					
Reinsurance expenses	(689,596)	-	-	-	(689,596)
Amounts recovered from reinsurers	-	-	-	-	-
Recoveries on incurred claims and other incurred reinsurance service expense	-	-	(178,299)	-	(178,299)
Onerous contract and Changes in the loss recovery component	-	-	-	-	-
Acquisition income earned/recognised	-	-	-	-	-
Net income or expense from reinsurance contracts held	-	-	-	-	-
Finance income or expenses from reinsurance contracts recognised in profit or loss	(689,596)	-	(178,299)	-	(867,895)
Effect of movements in exchange rates	-	-	43,440	-	43,440
Total changes in the statement of comprehensive income	-	-	-	-	-
Investment components excluded from reinsurance service expenses	(689,596)	-	(134,859)	-	(824,455)
Cash flows					
Reinsurance Premiums paid	835,633	-	-	-	835,693
Acquisition income received	-	-	-	-	-
Incurred claims recovered from reinsurers	-	-	-	-	-
Total cash flows	835,693	-	-	-	835,693
Non cash flow items					
Reinsurance premiums payable	-	-	-	-	-
Acquisition income receivable	-	-	-	-	-
Total cash flows	-	-	-	-	-
Net closing balance	(406,967)	-	164,202	-	(242,765)
Closing reinsurance contract Assets	-	-	164,202	-	164,202
Closing reinsurance Contract Liabilities	(406,967)	-	-	-	(406,967)
Net closing balance	(406,967)	-	164,202	-	(242,765)

Reinsurance contract assets (Marine 2024) IFRS					
31 December 2024					
Assets for remaining coverage		Amounts recoverable on incurred claims			
Excluding loss-recovery Component	Loss- recovery Component	Estimates of present value of future cashflows	Risk Adjustment	Total	
N'000	N'000	N'000	N'000	N'000	
Opening assets	-	-	706,075	-	706,075
Opening liabilities	(47,882)	-	-	-	(47,882)
Net opening balance	(47,882)	-	706,075	-	658,193
Changes in the statement of profit or loss and OCI					
Reinsurance expenses	(2,175,402)	-	-	-	(2,175,402)
Amounts recovered from reinsurers	-	-	-	-	-
Recoveries on incurred claims and other incurred reinsurance service expense	-	-	(428,562)	-	(428,562)
Onerous contract and Changes in the loss recovery component	-	-	-	-	-
Acquisition income earned/recognised	-	-	-	-	-
Net income or expense from reinsurance contracts held	-	-	-	-	-
Finance income or expenses from reinsurance contracts recognised in profit or loss	(2,175,402)	-	(428,562)	-	(2,603,964)
Effect of movements in exchange rates	-	-	21,548	-	21,548
Total changes in the statement of comprehensive income	-	-	-	-	-
Investment components excluded from reinsurance service expenses	(2,175,402)	-	(407,014)	-	(2,582,416)
	-	-	-	-	-
Cash flows					
Reinsurance Premiums paid	1,670,219	-	-	-	1,670,219
Acquisition income received	-	-	-	-	-
Incurred claims recovered from reinsurers	-	-	-	-	-
Total cash flows	1,670,219	-	-	-	1,670,219
Non cash flow items					
Reinsurance premiums payable	-	-	-	-	-
Acquisition income receivable	-	-	-	-	-
Total cash flows	-	-	-	-	-
Net closing balance	(553,065)	-	299,061	-	(254,004)
Closing reinsurance contract Assets	-	-	299,061	-	299,061
Closing reinsurance Contract Liabilities	(553,065)	-	-	-	(553,065)
Net closing balance	(553,065)	-	299,061	-	(254,004)

NOTES TO THE FINANCIAL STATEMENTS contd.

5.5.6. Engineering reinsurance

The roll-forward of the asset for remaining coverage and amounts recoverable on incurred claims for engineering reinsurance product line, is disclosed in the tables below:(for 2025 and 2024).

	Reinsurance contract assets (Engineering 2025) IFRS				
	31 December 2025				
	Assets for remaining coverage		Amounts recoverable on incurred claims		
	Excluding loss-recovery Component	Loss-recovery Component	Estimates of present value of future cashflows	Risk Adjustment	Total
₺'000	₺'000	₺'000	₺'000	₺'000	
Opening assets	-	-	130,843	-	130,843
Opening liabilities	(227,091)	-	-	-	(227,091)
Net opening balance	(227,091)	-	130,843	-	(96,248)
Changes in the statement of profit or loss and OCI					
Reinsurance expenses	(1,153,350)	-	-	-	(1,153,350)
Amounts recovered from reinsurers	-	-	-	-	-
Recoveries on incurred claims and other incurred reinsurance service expense	-	-	(128,584)	-	(128,584)
Onerous contract and Changes in the loss recovery component	-	-	-	-	-
Acquisition income earned/recognised	-	-	-	-	-
Net income or expense from reinsurance contracts held	-	-	-	-	-
Finance income or expenses from reinsurance contracts recognised in profit or loss	(1,153,350)	-	(128,584)	-	(1,281,934)
Effect of movements in exchange rates	-	-	18,968	-	18,968
Total changes in the statement of comprehensive income	-	-	-	-	-
Investment components excluded from reinsurance service expenses	(1,153,350)	-	(109,616)	-	(1,262,966)
Cash flows					
Reinsurance Premiums paid	(1,329,001)	-	-	-	(1,329,001)
Acquisition income received	-	-	-	-	-
Incurred claims recovered from reinsurers	-	-	-	-	-
Total cash flows	(1,329,001)	-	-	-	(1,329,001)
Non cash flow items					
Reinsurance premiums payable	-	-	-	-	-
Acquisition income receivable	-	-	-	-	-
Total cash flows	-	-	-	-	-
Net closing balance	(51,440)	-	21,227	-	(30,213)
Closing reinsurance contract Assets	-	-	21,227	-	21,227
Closing reinsurance Contract Liabilities	(51,440)	-	-	-	(51,440)
Net closing balance	(51,440)	-	21,227	-	(30,213)

Reinsurance contract assets (Engineering 2024) IFRS					
31 December 2024					
Assets for remaining coverage			Amounts recoverable on incurred claims		
Excluding loss-recovery Component	Loss-recovery Component	Estimates of present value of future cashflows	Risk Adjustment	Total	
₦'000	₦'000	₦'000	₦'000	₦'000	
Opening assets	217,458	-	284,240	-	501,698
Opening liabilities	-	-	-	-	-
Net opening balance	217,458	-	284,240	-	501,698
Changes in the statement of profit or loss and OCI					
Reinsurance expenses	(345,840)	-	-	-	(345,840)
Amounts recovered from reinsurers	-	-	-	-	-
Recoveries on incurred claims and other incurred reinsurance service expense	-	-	(161,328)	-	(161,328)
Onerous contract and Changes in the loss recovery component	-	-	-	-	-
Acquisition income earned/recognised	-	-	-	-	-
Net income or expense from reinsurance contracts held	-	-	-	-	-
Finance income or expenses from reinsurance contracts recognised in profit or loss	(345,840)	-	(161,328)	-	(507,168)
Effect of movements in exchange rates	-	-	7,932	-	7,932
Total changes in the statement of comprehensive income	-	-	-	-	-
Investment components excluded from reinsurance service expenses	(345,840)	-	(153,396)	-	(499,236)
	-	-	-	-	-
Cash flows					
Reinsurance Premiums paid	(98,709)	-	-	-	(98,709)
Acquisition income received	-	-	-	-	-
Incurred claims recovered from reinsurers	-	-	-	-	-
Total cash flows	(98,709)	-	-	-	(98,709)
Non cash flow items					
Reinsurance premiums payable	-	-	-	-	-
Acquisition income receivable	-	-	-	-	-
Total cash flows	-	-	-	-	-
Net closing balance	(227,091)	-	130,843	-	(96,248)
Closing reinsurance contract Assets	-	-	130,843	-	130,843
Closing reinsurance Contract Liabilities	(227,091)	-	-	-	(227,091)
Net closing balance	(227,091)	-	130,843	-	(96,248)

NOTES TO THE FINANCIAL STATEMENTS contd.

5.5.7 Agriculture reinsurance

The roll-forward of the asset for remaining coverage and amounts recoverable on incurred claims for agriculture reinsurance product line, is disclosed in the tables below:(for 2025 and 2024).

	Reinsurance contract assets (Agriculture 2025) IFRS				
	31 December 2025				
	Assets for remaining coverage		Amounts recoverable on incurred claims		
	Excluding loss-recovery Component	Loss- recovery Component	Estimates of present value of future cashflows	Risk Adjustment	Total
₺'000	₺'000	₺'000	₺'000	₺'000	
Opening assets	-	-	13,812	-	13,812
Opening liabilities	(64,886)	-	-	-	(64,886)
Net opening balance	(64,886)	-	13,812	-	(51,074)
Changes in the statement of profit or loss and OCI					
Reinsurance expenses	35	-	-	-	35
Amounts recovered from reinsurers	-	-	-	-	-
Recoveries on incurred claims and other incurred reinsurance service expense	-	-	31,776	-	31,776
Onerous contract and Changes in the loss recovery component	-	-	-	-	-
Acquisition income earned/recognised	-	-	-	-	-
Net income or expense from reinsurance contracts held	-	-	-	-	-
Finance income or expenses from reinsurance contracts recognised in profit or loss	35	-	31,776	-	31,811
Effect of movements in exchange rates	-	-	2,035	-	2,035
Total changes in the statement of comprehensive income	-	-	-	-	-
Investment components excluded from reinsurance service expenses	35	-	33,811	-	33,846
	-	-	-	-	-
Cash flows					
Reinsurance Premiums paid	90,942	-	-	-	90,942
Acquisition income received	-	-	-	-	-
Incurred claims recovered from reinsurers	-	-	-	-	-
Total cash flows	90,942	-	-	-	90,942
Non cash flow items					
Reinsurance premiums payable	-	-	-	-	-
Acquisition income receivable	-	-	-	-	-
Total cash flows	-	-	-	-	-
Net closing balance	26,091	-	47,623	-	73,714
Closing reinsurance contract Assets	26,091	-	47,623	-	73,714
Closing reinsurance Contract Liabilities	-	-	-	-	-
Net closing balance	26,091	-	47,623	-	73,714

Reinsurance contract assets (Agriculture 2024) IFRS					
31 December 2024					
Assets for remaining coverage		Amounts recoverable on incurred claims			
Excluding loss-recovery Component	Loss-recovery Component	Estimates of present value of future cashflows	Risk Adjustment	Total	
₦'000	₦'000	₦'000	₦'000	₦'000	
Opening assets	-	-	39,849	-	39,849
Opening liabilities	(8,965)	-	-	-	(8,965)
Net opening balance	(8,965)	-	39,849	-	30,884
Changes in the statement of profit or loss and OCI					
Reinsurance expenses	(83,648)	-	-	-	(83,648)
Amounts recovered from reinsurers	-	-	-	-	-
Recoveries on incurred claims and other incurred reinsurance service expense	-	-	(13,950)	-	(13,950)
Onerous contract and Changes in the loss recovery component	-	-	-	-	-
Acquisition income earned/recognised	-	-	-	-	-
Net income or expense from reinsurance contracts held	-	-	-	-	-
Finance income or expenses from reinsurance contracts recognised in profit or loss	(83,648)	-	(13,950)	-	(97,598)
Effect of movements in exchange rates	-	-	1,434	-	1,434
Total changes in the statement of comprehensive income	-	-	-	-	-
Investment components excluded from reinsurance service expenses	(83,648)	-	(12,516)	-	(96,164)
	-	-	-	-	-
Cash flows					
Reinsurance Premiums paid	61,512	-	-	-	61,512
Acquisition income received	-	-	-	-	-
Incurring claims recovered from reinsurers	(33,785)	-	(13,521)	-	(47,306)
Total cash flows	27,727	-	(13,521)	-	14,206
Non cash flow items					
Reinsurance premiums payable	-	-	-	-	-
Acquisition income receivable	-	-	-	-	-
Total cash flows	-	-	-	-	-
Net closing balance	(64,886)	-	13,812	-	(51,074)
Closing reinsurance contract Assets	-	-	13,812	-	13,812
Closing reinsurance Contract Liabilities	(64,886)	-	-	-	(64,886)
Net closing balance	(64,886)	-	13,812	-	(51,074)

NOTES TO THE FINANCIAL STATEMENTS contd.

5.5.8 Life reinsurance

The roll-forward of the asset for remaining coverage and amounts recoverable on incurred claims for life reinsurance product line, is disclosed in the tables below:(for 2025 and 2024).

	Reinsurance contract assets (Life 2025) IFRS				
	31 December 2025				
	Assets for remaining coverage		Amounts recoverable on incurred claims		
	Excluding loss-recovery Component	Loss-recovery Component	Estimates of present value of future cashflows	Risk Adjustment	Total
₺'000	₺'000	₺'000	₺'000	₺'000	
Opening assets	204,655	-	406,789	-	611,436
Opening liabilities	-	-	-	-	-
Net opening balance	204,655	-	406,789	-	611,436
Changes in the statement of profit or loss and OCI					
Reinsurance expenses	(699,048)	-	-	-	(699,048)
Amounts recovered from reinsurers	-	-	-	-	-
Recoveries on incurred claims and other incurred reinsurance service expense	-	-	(218,568)	-	(218,568)
Onerous contract and Changes in the loss recovery component	-	-	-	-	-
Acquisition income earned/recognised	-	-	-	-	-
Net income or expense from reinsurance contracts held	-	-	-	-	-
Finance income or expenses from reinsurance contracts recognised in profit or loss	(699,048)	-	(218,568)	-	(917,616)
Effect of movements in exchange rates	-	-	59,037	-	59,037
Total changes in the statement of comprehensive income	-	-	-	-	-
Investment components excluded from reinsurance service expenses	(699,048)	-	(159,531)	-	(858,579)
Cash flows					
Reinsurance Premiums paid	585,103	-	-	-	585,103
Acquisition income received	-	-	-	-	-
Incurred claims recovered from reinsurers	(79,825)	-	(90,749)	-	(170,574)
Total cash flows	505,278	-	(90,749)	-	414,529
Non cash flow items					
Reinsurance premiums payable	-	-	-	-	-
Acquisition income receivable	-	-	-	-	-
Total cash flows	-	-	-	-	-
Net closing balance	10,885	-	156,501	-	167,386
Closing reinsurance contract Assets	10,885	-	156,501	-	167,386
Closing reinsurance Contract Liabilities	-	-	-	-	-
Net closing balance	10,885	-	156,501	-	167,386

Reinsurance contract assets (Life 2024) IFRS				
31 December 2024				
Assets for remaining coverage		Amounts recoverable on incurred claims		
Excluding loss-recovery Component	Loss-recovery Component	Estimates of present value of future cashflows	Risk Adjustment	Total
₺'000	₺'000	₺'000	₺'000	₺'000
Opening assets	-	-	-	-
Opening liabilities	(23,818)	9,013	302,483	-
Net opening balance	(23,818)	9,013	302,483	-
Changes in the statement of profit or loss and OCI				
Reinsurance expenses	82,753	-	-	-
Amounts recovered from reinsurers	-	-	-	-
Recoveries on incurred claims and other incurred reinsurance service expense	-	-	296,796	-
Onerous contract and Changes in the loss recovery component	-	(9,013)	-	-
Acquisition income earned/recognised	-	-	-	-
Net income or expense from reinsurance contracts held	-	-	-	-
Finance income or expenses from reinsurance contracts recognised in profit or loss	82,753	(9,013)	296,796	-
Effect of movements in exchange rates	-	-	(10,571)	-
Total changes in the statement of comprehensive income	-	-	-	-
Investment components excluded from reinsurance service expenses	82,753	(9,013)	286,225	-
	-	-	-	-
Cash flows				
Reinsurance Premiums paid	-	-	-	-
Acquisition income received	-	-	-	-
Incurring claims recovered from reinsurers	(103,555)	-	(181,926)	-
Total cash flows	145,720	-	(181,926)	-
Non cash flow items				
Reinsurance premiums payable	-	-	-	-
Acquisition income receivable	-	-	-	-
Total cash flows	-	-	-	-
Net closing balance	204,655	-	406,781	-
Closing reinsurance contract Assets	204,655	-	406,781	-
Closing reinsurance Contract Liabilities	-	-	-	-
Net closing balance	204,655	-	406,781	-

6. Insurance Contract Liabilities and Insurance Contract Assets.

Aggregation of portfolios giving rise to Insurance contract liabilities and insurance contract assets.

	Insurance contract Liabilities		Insurance contract Assets	
	2025	2024	2025	2024
	N'000	N'000	N'000	N'000
Liability for remaining coverage-LRC;				
Excluding loss component	(7,957,106)	(3,105,946)	696,441	6,743,685
Loss component	45,783	413,082	-	(519,613)
	(7,911,323)	(2,692,564)	696,441	6,224,072
Liability for incurred claims-LIC;				
Present value of future cash flows	27,081,751	33,310,351	(517,725)	(2,091,666)
Risk adjustment	3,476,457	4,276,018	(66,460)	(268,505)
	30,558,208	37,586,369	(584,185)	(2,360,171)
Total Insurance Contract Liability	22,646,885	34,893,505	112,256	3,863,901

6.1 Insurance contract Liabilities

	2025	2024
	N'000	N'000
Liability for remaining coverage-LRC;		
Unearned premium Reserve	6,178,421	5,694,040
Deferred Acquisition costs	(862,262)	(986,286)
Premium debtors	(13,969,705)	(14,557,384)
Excluding loss component	(8,653,546)	(9,849,630)
Loss component	45,783	932,695
Liability for remaining coverage-LRC;	(8,607,763)	(8,916,935)
Liability for incurred claims-LIC;		
Gross IBNR Claims Reserve	5,830,815	10,256,520
Gross Outstanding Reported claims	24,405,722	30,397,860
Discounting	(2,637,061)	(5,252,364)
Present value of future cash flows	27,599,476	35,402,016
Risk Adjustment	3,542,918	4,544,523
Liability for incurred claims-LIC	31,142,394	39,946,539
Total Gross Liabilities	22,534,631	31,029,604

Breakdown of Insurance contract liabilities from Gross to Net carrying amount.

Insurance contract Liabilities (excluding insurance cashflow assets and other pre-recognition cashflows)	37,366,598	46,573,274
Deferred Acquisition costs	(862,262)	(986,286)
Premium debtors	(13,969,705)	(14,557,384)
Insurance Contract Liabilities	22,534,631	31,029,604

6.2 Analysis of insurance contracts portfolios resulting to assets and liabilities.

31-Dec-2025

Analysis of Insurance contracts Issued	Energy	Fire	Accident	Liability	Marine	Engineering	Agriculture	Life	Total
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Liability for remaining coverage-LRC									
Excluding loss component	(456,368)	(3,411,433)	(686,084)	(754,078)	(2,497,146)	(696,441)	17,288	(169,283)	(8,653,545)
Loss component	-	45,783	-	-	-	-	-	-	45,783
	(456,368)	(3,365,650)	(686,084)	(754,078)	(2,497,146)	(696,441)	17,288	(169,283)	(8,607,762)
Liability for incurred claims-LIC									
Present value of future cash flows	1,106,745	18,381,276	2,087,856	2,099,090	2,895,027	517,725	178,161	333,594	27,599,474
Risk adjustment	142,071	2,359,587	268,017	269,458	371,632	66,460	22,871	42,823	3,542,919
	1,248,816	20,740,863	2,355,873	2,368,548	3,266,659	584,185	201,032	376,417	31,142,393
Total Insurance Contract Liability	792,448	17,375,213	1,669,789	1,614,470	769,513	(112,256)	218,320	207,134	22,534,631

31-Dec-2024

Analysis of Insurance contracts Issued	Energy	Fire	Accident	Liability	Marine	Engineering	Agriculture	Life	Total
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Liability for remaining coverage-LRC									
Excluding loss component	(821,705)	(5,051,808)	(507,487)	(595,704)	(1,691,877)	(914,469)	(45,221)	(221,360)	(9,849,631)
Loss component	413,077	519,613	-	-	-	-	5	-	932,695
	(408,628)	(4,532,195)	(507,487)	(595,704)	(1,691,877)	(914,469)	(45,216)	(221,360)	(8,916,936)
Liability for incurred claims-LIC									
Present value of future cash flows	14,116,607	713,926	1,110,944	15,705,351	1,377,740	1,487,225	51,672	838,552	35,402,017
Risk adjustment	1,812,134	91,646	142,612	2,016,081	176,859	190,913	6,634	107,644	4,544,523
	15,928,741	805,572	1,253,556	17,721,432	1,554,599	1,678,138	58,306	946,196	39,946,540
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Total Insurance Contract Liability	15,520,113	(3,726,623)	746,069	17,125,728	(137,278)	763,669	13,090	724,836	31,029,604

NOTES TO THE FINANCIAL STATEMENTS contd.

6.3.1 Insurance contract liabilities

Reconciliation from opening to closing of Insurance contract liabilities as at 31st December 2025 and 2024

The table below shows the reconciliation from the opening to the closing balances of the net liability for the remaining coverage and net liability for incurred claims at the entity level, i.e. aggregate of all insurance contracts portfolio.

	Insurance contract liabilities (Entity 2025) IFRS				
	31 December 2025				
	Assets for remaining coverage		Amounts recoverable on incurred claims		
	Excluding loss Component	Loss Component	Estimates of present value of future cashflows	Risk Adjustment	Total
₦'000	₦'000	₦'000	₦'000	₦'000	
Opening assets	(8,935,162)	-	-	-	(8,935,162)
Opening liabilities	-	932,695	33,914,792	4,353,610	39,201,097
Net opening balance	(8,935,162)	932,695	33,914,792	4,353,610	30,265,935
Changes in the Statement of profit or loss & OC					
Insurance revenue					
Contracts under the modified retrospective approach	-	-	-	-	-
Other contracts	(51,821,116)	-	-	-	(51,821,116)
	(51,821,116)	-	-	-	((51,821,116))
Insurance service expenses					
Incurring claims	-	-	13,156,261	(2,104,869)	11,051,392
Other expenses	-	-	3,041,482	-	3,041,482
Losses on onerous contracts and reversal of those losses	-	(886,913)	-	-	(886,913)
Amortisation of insurance acquisition cashflows	13,332,825	-	-	-	13,332,825
Insurance service expenses	13,332,825	(886,913)	16,197,743	(2,104,869)	26,538,786
Insurance service result	(38,488,991)	(886,913)	16,197,743	(2,104,869)	(25,283,030)
Insurance finance income or expenses	-	-	4,932,435	1,227,718	6,160,153
Insurance finance income or expenses from insurance contracts recognised in profit or loss	-	-	-	-	-
Effect of movements in exchange rates	-	-	-	-	-
Total changes in the statement of profit or loss and OCI	(38,488,991)	(886,913)	21,130,178	(877,151)	(19,122,877)
Investment components excluded from insurance contracts recognised in profit or loss	-	-	-	-	-
Cash flows	52,657,846	-	-	-	52,657,846
Premiums received- new contracts (1)	(13,190,800)	-	-	-	(13,190,800)
Insurance acquisition cash flows- new contracts (1)	-	-	(24,921,737)	-	(24,921,737)
Claims Paid	-	-	(3,041,482)	-	(3,041,482)
Other directly attributable expenses	39,467,046	-	(27,963,219)	-	11,503,827
Total cash flows					
Non-Cashflow items	-	-	-	-	-
Increase in premium receivable during the year	-	-	-	-	-
Acquisition cost and other attributable cost payable – New contract (2)	-	-	-	-	-
Total cashflow					
Net closing balance	(7,957,107)	45,782	27,081,751	3,476,459	22,646,885
Closing Insurance contract Assets	(7,974,393)	-	-	-	(7,974,393)
Closing Insurance Contract Liabilities	17,286	45,782	27,081,751	3,476,459	30,621,278
Net closing balance	(7,957,107)	45,782	27,081,751	3,476,459	22,646,885

Insurance contract liabilities (Entity 2024) IFRS					
31 December 2024					
Assets for remaining coverage		Amounts recoverable on incurred claims			
Excluding loss Component	Loss Component	Estimates of present value of future cashflows	Risk Adjustment	Total	
₦'000	₦'000	₦'000	₦'000	₦'000	
Opening assets	(1,602,590)	-	-	-	(1,602,590)
Opening liabilities	6,408	786,188	6,264,607	804,182	7,861,385
Net opening balance	(1,596,182)	786,188	6,264,607	804,182	6,258,795
Changes in the Statement of profit or loss & OC					
Insurance revenue					
Contracts under the modified retrospective approach	-	-	-	-	-
Other contracts	(22,242,277)	-	-	-	(22,242,277)
	(22,242,277)	-	-	-	(22,242,277)
Insurance service expenses					
Incurred claims	-	-	34,010,282	3,369,873	37,380,155
Other expenses	-	-	1,344,518	-	1,344,518
Losses on onerous contracts and reversal of those losses	-	(373,106)	-	-	(373,106)
Amortisation of insurance acquisition cashflows	4,850,214	-	-	-	4,850,214
Insurance service expenses	4,850,214	(373,106)	35,354,800	3,369,873	43,201,781
Insurance service result	(17,392,063)	(373,106)	35,354,800	3,369,873	20,959,504
Insurance finance income or expenses	-	-	(1,963,677)	101,963	(1,861,714)
Insurance finance income or expenses from insurance contracts recognised in profit or loss	-	-	-	-	-
Effect of movements in exchange rates	-	-	-	-	-
Total changes in the statement of profit or loss and OCI	(17,392,063)	(373,106)	33,391,123	3,471,836	19,097,790
Investment components excluded from insurance contracts recognised in profit or loss	-	-	-	-	-
Cash flows	20,380,770	-	-	-	20,380,770
Premiums received- new contracts (1)	(4,498,471)	-	-	-	(4,498,471)
Insurance acquisition cash flows- new contracts (1)	-	-	(5,000,862)	-	(5,000,862)
Claims Paid	-	-	(1,344,517)	-	(1,344,517)
Other directly attributable expenses	15,882,299	-	(6,345,379)	-	9,536,920
Total cash flows	20,380,770	-	-	-	20,380,770
Non-Cashflow items					
Increase in premium receivable during the year	-	-	-	-	-
Acquisition cost and other attributable cost payable – New contract (2)	-	-	-	-	-
Total cashflow	20,380,770	-	-	-	20,380,770
Net closing balance	(3,105,946)	413,082	33,310,351	4,276,018	34,893,505
Closing Insurance contract Assets	(3,105,946)	-	-	-	(3,105,946)
Closing Insurance Contract Liabilities	-	413,082	33,310,351	4,276,018	37,999,451
Net closing balance	(3,105,946)	413,082	33,310,351	4,276,018	34,893,505

NOTES TO THE FINANCIAL STATEMENTS contd.

6.3.2 Insurance contract assets

Reconciliation from opening to closing of Insurance contract liabilities as at 31st December 2025 and 2024

The table below shows the reconciliation from the opening to the closing balances of the net liability for the remaining coverage and net liability for incurred claims at the entity level, i.e. aggregate of all insurance contracts portfolio.

	Insurance contract asset(Entity 2025) IFRS				
	31 December 2025				
	Assets for remaining coverage		Amounts recoverable on incurred claims		
	Excluding loss Component	Loss Component	Estimates of present value of future cashflows	Risk Adjustment	Total
₦'000	₦'000	₦'000	₦'000	₦'000	
Opening assets	(914,469)	-	-	-	(914,469)
Opening liabilities	-	-	1,487,225	190,113	1,678,138
Net opening balance	(914,469)	-	1,487,225	190,113	763,669
Changes in the Statement of profit or loss & OC					
Insurance revenue					
Contracts under the modified retrospective approach	-	-	-	-	-
Other contracts	(5,355,388)	-	-	-	(5,355,388)
	(5,355,388)	-	-	-	(5,355,388)
Insurance service expenses					
Incurred claims	-	-	(199,968)	(178,291)	(378,259)
Other expenses	-	-	306,297	-	306,297
Losses on onerous contracts and reversal of those losses	-	-	-	-	-
Amortisation of insurance acquisition cashflows	1,553,489	-	-	-	1,553,489
Insurance service expenses	1,553,489	-	106,329	(178,291)	1,481,527
Insurance service result	(3,801,899)	-	106,329	(178,291)	(3,873,861)
Insurance finance income or expenses	-	-	215,806	53,838	269,644
Insurance finance income or expenses from insurance contracts recognised in profit or loss	-	-	-	-	-
Effect of movements in exchange rates	-	-	-	-	-
Total changes in the statement of profit or loss and OCI	(3,801,899)	-	322,135	(124,453)	(3,604,217)
Investment components excluded from insurance contracts recognised in profit or loss	-	-	-	-	-
Cash flows					
Premiums received- new contracts (1)	5,591,416	-	-	-	5,591,416
Insurance acquisition cash flows- new contracts (1)	(1,571,489)	-	-	-	(1,571,489)
Claims Paid	-	-	(985,338)	-	(985,338)
Other directly attributable expenses	-	-	(306,297)	-	(306,297)
Total cash flows	4,019,927	-	(1,291,635)	-	2,728,292
Non-Cashflow items					
Increase in premium receivable during the year	-	-	-	-	-
Acquisition cost and other attributable cost payable – New contract (2)	-	-	-	-	-
Total cashflow	-	-	-	-	-
Net closing balance	(696,441)	-	517,725	66,460	(112,256)
Closing Insurance contract Assets	(696,441)	-	-	-	(696,441)
Closing Insurance Contract Liabilities	-	-	517,725	66,460	584,185
Net closing balance	(696,441)	-	517,725	66,460	(112,256)

Insurance contract asset(Entity 2024) IFRS					
31 December 2024					
Assets for remaining coverage			Amounts recoverable on incurred claims		
Excluding loss Component	Loss Component	Estimates of present value of future cashflows	Risk Adjustment	Total	
₦'000	₦'000	₦'000	₦'000	₦'000	
Opening assets	(3,812,377)	-	-	-	(3,812,377)
Opening liabilities	-	1,892,213	9,448,558	1,212,902	12,553,673
Net opening balance	(3,812,377)	1,892,213	9,448,558	1,212,902	8,741,296
Changes in the Statement of profit or loss & OC					
Insurance revenue					
Contracts under the modified retrospective approach	-	-	-	-	-
Other contracts	(28,660,089)	-	-	-	(28,660,089)
	(28,660,089)	-	-	-	(28,660,089)
Insurance service expenses					
Incurring claims	-	-	4,804,182	(1,098,182)	3,706,000
Other expenses	-	-	1,707,410	-	1,707,410
Losses on onerous contracts and reversal of those losses	-	(1,372,600)	-	-	(1,372,600)
Amortisation of insurance acquisition cashflows	7,466,290	-	-	-	7,466,290
Insurance service expenses	7,466,290	(1,372,600)	6,511,592	(1,098,182)	11,507,100
Insurance service result	(21,193,799)	(1,372,600)	6,511,592	(1,098,182)	(17,152,989)
Insurance finance income or expenses	-	-	425,583	153,785	579,368
Insurance finance income or expenses from insurance contracts recognised in profit or loss	-	-	-	-	-
Effect of movements in exchange rates	-	-	-	-	-
Total changes in the statement of profit or loss and OCI	(21,193,799)	(1,372,600)	6,937,175	(944,397)	(16,573,621)
Investment components excluded from insurance contracts recognised in profit or loss	-	-	-	-	-
Cash flows					
Premiums received- new contracts (1)	25,371,513	-	-	-	25,371,513
Insurance acquisition cash flows- new contracts (1)	(7,109,022)	-	-	-	(7,109,022)
Claims Paid	-	-	(12,586,657)	-	(12,586,657)
Other directly attributable expenses	-	-	(1,707,410)	-	(1,707,410)
Total cash flows	18,262,491	-	(14,294,067)	-	3,968,424
Non-Cashflow items					
Increase in premium receivable during the year	-	-	-	-	-
Acquisition cost and other attributable cost payable – New contract (2)	-	-	-	-	-
Total cashflow	-	-	-	-	-
Net closing balance	(6,743,685)	519,613	2,091,666	268,505	(3,863,901)
Closing Insurance contract Assets	(6,743,685)	-	-	-	(6,743,685)
Closing Insurance Contract Liabilities	-	519,613	2,091,666	268,505	2,879,784
Net closing balance	(6,743,685)	519,613	2,091,666	268,505	(3,863,901)

NOTES TO THE FINANCIAL STATEMENTS contd.

6.3.3 Insurance contract liabilities and assets (Aggregate)

Reconciliation from opening to closing of Insurance contract liabilities as at 31st December 2025 and 2024

The table below shows the reconciliation from the opening to the closing balances of the net liability for the remaining coverage and net liability for incurred claims at the entity level, i.e. aggregate of all insurance contracts portfolio.

	Insurance contract liabilities (Aggregate 2025) IFRS				
	31 December 2025				
	Assets for remaining coverage		Amounts recoverable on incurred claims		
	Excluding loss Component	Loss Component	Estimates of present value of future cashflows	Risk Adjustment	Total
₦'000	₦'000	₦'000	₦'000	₦'000	
Opening assets	(6,743,685)	519,613	2,091,666	268,505	(3,863,901)
Opening liabilities	(3,105,946)	413,082	33,310,351	4,276,018	34,893,505
Net opening balance	(9,849,631)	932,695	35,402,017	4,544,523	31,029,604
Changes in the Statement of profit or loss & OC					
Insurance revenue					
Contracts under the modified retrospective approach	-	-	-	-	-
Other contracts	(57,177,204)	-	-	-	(57,177,204)
	(57,177,204)	-	-	-	(57,177,204)
Insurance service expenses					
Incurred claims	-	-	12,956,293	(2,283,160)	10,673,132
Other expenses	-	-	3,347,779	-	3,347,779
Losses on onerous contracts and reversal of those losses	-	(886,912)	-	-	(886,912)
Amortisation of insurance acquisition cashflows	14,886,314	-	-	-	14,886,314
Insurance service expenses	14,886,314	(886,912)	16,304,072	(2,283,160)	28,020,313
Insurance service result	(42,290,890)	(886,912)	16,304,072	(2,283,160)	(29,156,891)
Insurance finance income or expenses	-	-	-	-	-
Insurance finance income or expenses from insurance contracts recognised in profit or loss	-	-	5,148,241	1,281,556	6,429,797
Effect of movements in exchange rates	-	-	-	-	-
Total changes in the statement of profit or loss and OCI	(42,290,890)	(886,912)	21,452,313	(1,001,604)	(22,727,094)
Investment components excluded from insurance contracts recognised in profit or loss	-	-	-	-	-
Cash flows					
Premiums received- new contracts (1)	58,249,263	-	-	-	58,249,263
Insurance acquisition cash flows- new contracts (1)	(14,762,289)	-	-	-	(14,762,289)
Claims Paid	-	-	(25,907,075)	-	(25,907,075)
Other directly attributable expenses	-	-	(3,347,779)	-	(3,347,779)
Total cash flows	43,486,974	-	(29,254,854)	-	14,232,120
Non-Cashflow items					
Increase in premium receivable during the year	-	-	-	-	-
Acquisition cost and other attributable cost payable – New contract (2)	-	-	-	-	-
Total cashflow	-	-	-	-	-
Net closing balance	(8,653,547)	45,783	27,559,476	3,542,918	22,534,631
Closing Insurance contract Assets	(696,441)	-	517,725	66,460	(112,256)
Closing Insurance Contract Liabilities	(7,957,106)	45,783	27,081,751	3,476,459	22,646,887
Net closing balance	(8,653,547)	45,783	27,559,476	3,542,919	22,534,631

Insurance contract liabilities (Aggregate 2024) IFRS					
31 December 2024					
Assets for remaining coverage			Amounts recoverable on incurred claims		
Excluding loss Component	Loss Component	Estimates of present value of future cashflows	Risk Adjustment	Total	
₦'000	₦'000	₦'000	₦'000	₦'000	
Opening assets	(5,408,560)	-	-	-	(5,408,560)
Opening liabilities	-	2,678,402	15,713,165	2,017,084	20,408,651
Net opening balance	(5,408,560)	2,678,402	15,713,165	2,017,084	15,000,091
Changes in the Statement of profit or loss & OC					
Insurance revenue					
Contracts under the modified retrospective approach	-	-	-	-	-
Other contracts	(50,902,366)	-	-	-	(50,902,366)
	(50,902,366)	-	-	-	(50,902,366)
Insurance service expenses					
Incurred claims	-	-	38,814,464	2,271,691	41,086,155
Other expenses	-	-	3,051,927	-	3,051,927
Losses on onerous contracts and reversal of those losses	-	(1,745,707)	-	-	(1,745,707)
Amortisation of insurance acquisition cashflows	12,316,507	-	-	-	12,316,507
Insurance service expenses	12,316,507	(1,745,707)	41,866,391	2,271,691	54,708,882
Insurance service result	(38,585,859)	(1,745,707)	41,866,391	2,271,691	3,806,516
Insurance finance income or expenses	-	-	-	-	-
Insurance finance income or expenses from insurance contracts recognised in profit or loss	-	-	(1,538,091)	255,748	(1,282,346)
Effect of movements in exchange rates	-	-	-	-	-
Total changes in the statement of profit or loss and OCI	(38,585,859)	(1,745,707)	40,328,297	2,527,439	2,524,170
Investment components excluded from insurance contracts recognised in profit or loss	-	-	-	-	-
Cash flows					
Premiums received- new contracts (1)	45,752,282	-	-	-	45,752,282
Insurance acquisition cash flows- new contracts (1)	(11,607,494)	-	-	-	(11,607,494)
Claims Paid	-	-	(17,587,518)	-	(17,587,518)
Other directly attributable expenses	-	-	(3,051,927)	-	(3,051,927)
Total cash flows	34,144,788	-	(20,639,445)	-	13,505,343
Non-Cashflow items					
Increase in premium receivable during the year	-	-	-	-	-
Acquisition cost and other attributable cost payable – New contract (2)	-	-	-	-	-
Total cashflow	-	-	-	-	-
Net closing balance	(9,849,631)	932,695	35,402,017	4,544,523	31,029,604
Closing Insurance contract Assets	(6,743,685)	519,613	2,091,666	268,505	(3,863,901)
Closing Insurance Contract Liabilities	(3,105,946)	413,082	33,310,351	4,276,018	34,893,505
Net closing balance	(9,849,631)	932,695	35,402,017	4,544,523	31,029,604

NOTES TO THE FINANCIAL STATEMENTS contd.

6.4 Roll Forward on insurance (Liabilities for remaining coverage and liabilities for incurred claims (LFRC/LFIC))

6.4.1 Energy reinsurance

The roll-forward of the liabilities for remaining coverage and liabilities for incurred claims for energy reinsurance product line, is disclosed in the tables below:(for 2025 and 2024).

Reinsurance contract liabilities (Energy 2025) IFRS					
31 December 2025					
Assets for remaining coverage		Amounts recoverable on incurred claims			
Excluding loss Component	Loss Component	Estimates of present value of future cashflows	Risk Adjustment	Total	
₦'000	₦'000	₦'000	₦'000	₦'000	
Opening assets	(821,705)	-	-	-	(821,705)
Opening liabilities	-	413,077	14,116,607	1,812,134	16,341,818
Net opening balance	(821,705)	413,077	14,116,607	1,812,134	15,520,113
Changes in the Statement of profit or loss & OC					
Insurance revenue					
Contracts under the modified retrospective approach	-	-	-	-	-
Other contracts	(16,357,014)	-	-	-	(16,357,014)
	(16,357,014)	-	-	-	(16,357,014)
Insurance service expenses					
Incurring claims	-	-	(2,666,080)	(2,181,085)	(4,847,165)
Other expenses	-	-	1,006,195	-	1,006,195
Losses on onerous contracts and reversal of those losses	-	(413,077)	-	-	(413,077)
Amortisation of insurance acquisition cashflows	2,760,968	-	-	-	2,760,968
Insurance service expenses	2,760,968	(413,077)	(1,659,885)	(2,181,085)	(1,493,079)
Insurance service result	(13,596,046)	(413,077)	(1,659,885)	(2,181,085)	(17,850,093)
Insurance finance income or expenses	-	-	2,045,633	511,022	2,556,655
Insurance finance income or expenses from insurance contracts recognised in profit or loss	-	-	-	-	-
Effect of movements in exchange rates	-	-	-	-	-
Total changes in the statement of profit or loss and OCI	(13,596,046)	(413,077)	385,748	(1,670,063)	(15,293,438)
Investment components excluded from insurance contracts recognised in profit or loss	-	-	-	-	-
Cash flows					
Premiums received- new contracts (1)	16,640,778	-	-	-	16,640,778
Insurance acquisition cash flows- new contracts (1)	(2,679,394)	-	-	-	(2,679,394)
Claims Paid	-	-	(12,389,416)	-	(12,389,416)
Other directly attributable expenses	-	-	(1,006,195)	-	(1,006,195)
Total cash flows	13,961,384	-	(13,395,611)	-	565,773
Non-Cashflow items					
Increase in premium receivable during the year	-	-	-	-	-
Acquisition cost and other attributable cost payable – New contract (2)	-	-	-	-	-
Total cashflow	-	-	-	-	-
Net closing balance	(456,368)	-	1,106,745	142,071	792,448
Closing Insurance contract Assets	(456,368)	-	-	-	(456,368)
Closing Insurance Contract Liabilities	-	-	1,106,745	142,071	1,248,816
Net closing balance	(456,368)	-	1,106,745	142,071	792,448

Reinsurance contract liabilities (Energy 2024) IFRS					
31 December 2024					
Assets for remaining coverage			Amounts recoverable on incurred claims		
Excluding loss Component	Loss Component	Estimates of present value of future cashflows	Risk Adjustment	Total	
₦'000	₦'000	₦'000	₦'000	₦'000	
Opening assets	(975,144)	-	-	-	(975,144)
Opening liabilities	-	524,517	3,601,367	462,303	4,588,187
Net opening balance	(975,144)	524,517	3,601,367	462,303	3,613,043
Changes in the Statement of profit or loss & OC					
Insurance revenue					
Contracts under the modified retrospective approach	-	-	-	-	-
Other contracts	(10,881,290)	-	-	-	(10,881,290)
	(10,881,290)	-	-	-	(10,881,290)
Insurance service expenses					
Incurring claims	-	-	14,623,035	1,291,215	15,914,250
Other expenses	-	-	712,647	-	712,647
Losses on onerous contracts and reversal of those losses	-	(111,440)	-	-	(111,440)
Amortisation of insurance acquisition cashflows	1,899,873	-	-	-	1,899,873
Insurance service expenses	1,899,873	(111,440)	15,335,682	1,291,215	18,415,330
Insurance service result	(8,981,417)	(111,440)	15,335,682	1,291,215	7,534,040
Insurance finance income or expenses	-	-	(774,815)	58,616	(716,199)
Insurance finance income or expenses from insurance contracts recognised in profit or loss	-	-	-	-	-
Effect of movements in exchange rates	-	-	-	-	-
Total changes in the statement of profit or loss and OCI	(8,981,417)	(111,440)	14,560,867	1,349,831	6,817,841
Investment components excluded from insurance contracts recognised in profit or loss	-	-	-	-	-
Cash flows					
Premiums received- new contracts (1)	10,931,552	-	-	-	10,931,552
Insurance acquisition cash flows- new contracts (1)	(1,796,696)	-	-	-	(1,796,696)
Claims Paid	-	-	(3,332,981)	-	(3,332,981)
Other directly attributable expenses	-	-	(712,646)	-	(712,646)
Total cash flows	9,134,856	-	(4,045,627)	-	5,089,229
Non-Cashflow items					
Increase in premium receivable during the year	-	-	-	-	-
Acquisition cost and other attributable cost payable – New contract (2)	-	-	-	-	-
Total cashflow	-	-	-	-	-
Net closing balance	(821,705)	413,077	14,116,607	1,812,134	15,520,113
Closing Insurance contract Assets	(821,705)	-	-	-	(821,705)
Closing Insurance Contract Liabilities	-	413,077	14,116,607	1,812,134	16,341,818
Net closing balance	(821,705)	413,077	14,116,607	1,812,134	15,520,113

NOTES TO THE FINANCIAL STATEMENTS contd.

6.4.2 Fire reinsurance

The roll-forward of the liabilities for remaining coverage and liabilities for incurred claims for fire reinsurance product line, is disclosed in the tables below:(for 2025 and 2024).

Reinsurance contract liabilities (Fire 2025) IFRS					
31 December 2025					
Assets for remaining coverage		Amounts recoverable on incurred claims			
Excluding loss Component	Loss Component	Estimates of present value of future cashflows	Risk Adjustment	Total	
₺'000	₺'000	₺'000	₺'000	₺'000	
Opening assets	(5,051,808)	-	-	-	(5,051,808)
Opening liabilities	-	519,613	713,926	91,646	1,325,185
Net opening balance	(5,051,808)	519,613	713,926	91,646	(3,726,623)
Changes in the Statement of profit or loss & OC					
Insurance revenue					
Contracts under the modified retrospective approach	-	-	-	-	-
Other contracts	(18,157,246)	-	-	-	(18,157,246)
	(18,157,246)	-	-	-	(18,157,246)
Insurance service expenses					
Incurred claims	-	-	23,502,517	2,242,097	25,744,614
Other expenses	-	-	1,072,923	-	1,072,923
Losses on onerous contracts and reversal of those losses	-	(473,830)	-	-	(473,830)
Amortisation of insurance acquisition cashflows	5,507,216	-	-	-	5,507,216
Insurance service expenses	5,507,216	(473,830)	24,575,440	2,242,097	31,850,923
Insurance service result	(12,650,030)	(473,830)	24,575,440	2,242,097	13,693,677
Insurance finance income or expenses	-	-	116,850	25,844	142,694
Insurance finance income or expenses from insurance contracts recognised in profit or loss	-	-	-	-	-
Effect of movements in exchange rates	-	-	-	-	-
Total changes in the statement of profit or loss and OCI	(12,650,030)	(473,830)	24,692,290	2,267,941	13,836,371
Investment components excluded from insurance contracts recognised in profit or loss	-	-	-	-	-
Cash flows					
Premiums received- new contracts (1)	19,797,388	-	-	-	19,797,388
Insurance acquisition cash flows- new contracts (1)	(5,506,983)	-	-	-	(5,506,983)
Claims Paid	-	-	(5,952,017)	-	(5,952,017)
Other directly attributable expenses	-	-	(1,072,923)	-	(1,072,923)
Total cash flows	14,290,405	-	(7,024,940)	-	7,265,465
Non-Cashflow items					
Increase in premium receivable during the year	-	-	-	-	-
Acquisition cost and other attributable cost payable – New contract (2)	-	-	-	-	-
Total cashflow	-	-	-	-	-
Net closing balance	(3,411,433)	45,783	18,381,276	2,359,857	17,375,213
Closing Insurance contract Assets	(3,411,433)	-	-	-	(3,411,433)
Closing Insurance Contract Liabilities	-	45,783	18,381,276	2,359,857	20,786,646
Net closing balance	(3,411,433)	45,783	18,381,276	2,359,857	17,375,213

Reinsurance contract liabilities (Fire 2024) IFRS					
31 December 2024					
Assets for remaining coverage			Amounts recoverable on incurred claims		
Excluding loss Component	Loss Component	Estimates of present value of future cashflows	Risk Adjustment	Total	
N'000	N'000	N'000	N'000	N'000	N'000
Opening assets	(2,926,508)	-	-	-	(2,926,508)
Opening liabilities	-	1,888,315	7,920,447	1,016,740	10,825,502
Net opening balance	(2,926,508)	1,888,315	7,920,447	1,016,740	7,898,994
Changes in the Statement of profit or loss & OC					
Insurance revenue					
Contracts under the modified retrospective approach	-	-	-	-	-
Other contracts	(22,184,527)	-	-	-	(22,184,527)
	(22,184,527)	-	-	-	(22,184,527)
Insurance service expenses					
Incurring claims	-	-	4,165,842	(1,054,008)	3,111,834
Other expenses	-	-	1,296,646	-	1,296,646
Losses on onerous contracts and reversal of those losses	-	(1,368,702)	-	-	(1,368,702)
Amortisation of insurance acquisition cashflows	6,130,859	-	-	-	6,130,859
Insurance service expenses	6,130,859	(1,368,702)	5,462,488	(1,054,008)	9,170,637
Insurance service result	(16,053,668)	(1,368,702)	5,462,488	(1,054,008)	(13,013,890)
Insurance finance income or expenses	-	-	429,881	128,914	558,795
Insurance finance income or expenses from insurance contracts recognised in profit or loss	-	-	-	-	-
Effect of movements in exchange rates	-	-	-	-	-
Total changes in the statement of profit or loss and OCI	(16,053,668)	(1,368,702)	5,892,369	(925,094)	(12,455,095)
Investment components excluded from insurance contracts recognised in profit or loss	-	-	-	-	-
Cash flows					
Premiums received- new contracts (1)	19,760,349	-	-	-	19,760,349
Insurance acquisition cash flows- new contracts (1)	(5,831,981)	-	-	-	(5,831,981)
Claims Paid	-	-	(11,802,444)	-	(11,802,444)
Other directly attributable expenses	-	-	(1,296,646)	-	(1,296,646)
Total cash flows	13,928,368	-	(13,098,890)	-	829,478
Non-Cashflow items					
Increase in premium receivable during the year	-	-	-	-	-
Acquisition cost and other attributable cost payable – New contract (2)	-	-	-	-	-
Total cashflow	-	-	-	-	-
Net closing balance	(5,051,808)	519,613	713,926	91,646	(3,726,623)
Closing Insurance contract Assets	(5,051,808)	-	-	-	(5,051,808)
Closing Insurance Contract Liabilities	-	519,613	713,926	91,646	1,325,185
Net closing balance	(5,051,808)	519,613	713,926	91,646	(3,726,623)

NOTES TO THE FINANCIAL STATEMENTS contd.

6.4.3 Accident reinsurance

The roll-forward of the liabilities for remaining coverage and liabilities for incurred claims for accident reinsurance product line, is disclosed in the tables below:(for 2025 and 2024).

Reinsurance contract liabilities (Accident 2025) IFRS					
31 December 2025					
Assets for remaining coverage		Amounts recoverable on incurred claims			
Excluding loss Component	Loss Component	Estimates of present value of future cashflows	Risk Adjustment	Total	
₺'000	₺'000	₺'000	₺'000	₺'000	
Opening assets	(507,487)	-	-	-	(507,487)
Opening liabilities	-	-	1,110,444	142,612	1,253,556
Net opening balance	(507,487)	-	1,110,444	142,612	746,069
Changes in the Statement of profit or loss & OC					
Insurance revenue					
Contracts under the modified retrospective approach	-	-	-	-	-
Other contracts	(4,475,310)	-	-	-	(4,475,310)
	(4,475,310)	-	-	-	(4,475,310)
Insurance service expenses					
Incurred claims	-	-	3,026,540	85,189	3,111,729
Other expenses	-	-	251,265	-	251,265
Losses on onerous contracts and reversal of those losses	-	-	-	-	-
Amortisation of insurance acquisition cashflows	1,522,216	-	-	-	1,522,216
Insurance service expenses	(2,953,094)	-	3,277,805	85,189	4,885,210
Insurance service result	(2,953,094)	-	3,277,805	85,189	409,900
Insurance finance income or expenses	-	-	162,449	40,216	202,665
Insurance finance income or expenses from insurance contracts recognised in profit or loss	-	-	-	-	-
Effect of movements in exchange rates	-	-	-	-	-
Total changes in the statement of profit or loss and OCI	(2,953,094)	-	3,440,254	125,405	612,565
Investment components excluded from insurance contracts recognised in profit or loss	-	-	-	-	-
Cash flows					
Premiums received- new contracts (1)	4,278,292	-	-	-	4,278,292
Insurance acquisition cash flows- new contracts (1)	(1,503,796)	-	-	-	(1,503,796)
Claims Paid	-	-	(2,212,077)	-	(2,212,077)
Other directly attributable expenses	-	-	(251,265)	-	(251,265)
Total cash flows	2,774,496	-	(2,463,342)	-	311,154
Non-Cashflow items					
Increase in premium receivable during the year	-	-	-	-	-
Acquisition cost and other attributable cost payable – New contract (2)	-	-	-	-	-
Total cashflow	-	-	-	-	-
Net closing balance	(686,084)	-	2,087,857	268,017	1,669,790
Closing Insurance contract Assets	(686,084)	-	-	-	(686,084)
Closing Insurance Contract Liabilities	-	-	2,087,857	268,017	2,355,874
Net closing balance	(686,084)	-	2,087,857	268,017	1,669,790

Reinsurance contract liabilities (Accident 2024) IFRS					
31 December 2024					
Assets for remaining coverage		Amounts recoverable on incurred claims			
Excluding loss Component	Loss Component	Estimates of present value of future cashflows	Risk Adjustment	Total	
N'000	N'000	N'000	N'000	N'000	
Opening assets	(150,663)	-	-	-	(150,663)
Opening liabilities	-	-	571,754	73,396	645,150
Net opening balance	(150,663)	-	571,754	73,396	494,487
Changes in the Statement of profit or loss & OC					
Insurance revenue					
Contracts under the modified retrospective approach	-	-	-	-	-
Other contracts	(2,925,852)	-	-	-	(2,925,852)
	(2,925,852)	-	-	-	(2,925,852)
Insurance service expenses					
Incurred claims	-	-	1,027,071	59,910	1,086,981
Other expenses	-	-	160,811	-	160,811
Losses on onerous contracts and reversal of those losses	-	-	-	-	-
Amortisation of insurance acquisition cashflows	864,415	-	-	-	864,415
Insurance service expenses	(864,415)	-	1,187,882	59,910	2,112,207
Insurance service result	(2,061,437)	-	1,187,882	59,910	(813,645)
Insurance finance income or expenses	-	-	(43,499)	9,306	(34,193)
Insurance finance income or expenses from insurance contracts recognised in profit or loss	-	-	-	-	-
Effect of movements in exchange rates	-	-	-	-	-
Total changes in the statement of profit or loss and OCI	(2,061,437)	-	1,144,383	69,216	(847,838)
Investment components excluded from insurance contracts recognised in profit or loss	-	-	-	-	-
Cash flows					
Premiums received- new contracts (1)	2,507,638	-	-	-	2,507,638
Insurance acquisition cash flows- new contracts (1)	(803,025)	-	-	-	(803,025)
Claims Paid	-	-	(444,382)	-	(444,382)
Other directly attributable expenses	-	-	(160,811)	-	(160,811)
Total cash flows	1,704,613	-	(605,193)	-	1,099,420
Non-Cashflow items					
Increase in premium receivable during the year	-	-	-	-	-
Acquisition cost and other attributable cost payable – New contract (2)	-	-	-	-	-
Total cashflow	-	-	-	-	-
Net closing balance	(507,487)	-	1,110,444	142,612	746,069
Closing Insurance contract Assets	(507,487)	-	-	-	(507,487)
Closing Insurance Contract Liabilities	-	-	1,110,444	142,612	1,253,556
Net closing balance	(507,487)	-	1,110,444	142,612	746,069

NOTES TO THE FINANCIAL STATEMENTS contd.

6.4.4 Liability reinsurance

The roll-forward of the liabilities for remaining coverage and liabilities for incurred claims for liability reinsurance product line, is disclosed in the tables below:(for 2025 and 2024).

Reinsurance contract liabilities (Liability 2025) IFRS					
31 December 2025					
Assets for remaining coverage		Amounts recoverable on incurred claims			
Excluding loss Component	Loss Component	Estimates of present value of future cashflows	Risk Adjustment	Total	
₺'000	₺'000	₺'000	₺'000	₺'000	
Opening assets	(595,704)	-	-	-	(595,704)
Opening liabilities	-	-	15,705,351	2,016,081	17,721,432
Net opening balance	(595,704)	-	15,705,351	2,016,081	17,125,728
Changes in the Statement of profit or loss & OC					
Insurance revenue					
Contracts under the modified retrospective approach	-	-	-	-	-
Other contracts	(2,131,152)	-	-	-	(2,131,152)
	(2,131,152)	-	-	-	(2,131,152)
Insurance service expenses					
Incurred claims	-	-	(14,718,589)	(2,315,158)	(17,033,747)
Other expenses	-	-	122,726	-	122,726
Losses on onerous contracts and reversal of those losses	-	-	-	-	-
Amortisation of insurance acquisition cashflows	647,641	-	-	-	647,641
Insurance service expenses	647,641	-	(14,595,863)	(2,315,158)	(16,263,380)
	-	-	-	-	-
Insurance service result	(1,483,511)	-	(14,595,863)	(2,315,158)	(18,394,532)
Insurance finance income or expenses					
Insurance finance income or expenses from insurance contracts recognised in profit or loss	-	-	2,276,492	568,535	2,845,027
Effect of movements in exchange rates	-	-	-	-	-
Total changes in the statement of profit or loss and OCI	(1,483,511)	-	(12,319,371)	(1,746,623)	(15,549,505)
Investment components excluded from insurance contracts recognised in profit or loss	-	-	-	-	-
Cash flows					
Premiums received- new contracts (1)	1,957,602	-	-	-	1,957,602
Insurance acquisition cash flows- new contracts (1)	(632,465)	-	-	-	(632,465)
Claims Paid	-	-	(1,164,164)	-	(1,164,164)
Other directly attributable expenses	-	-	(122,726)	-	(122,726)
Total cash flows	1,325,137	-	(1,286,890)	-	38,247
Non-Cashflow items					
Increase in premium receivable during the year	-	-	-	-	-
Acquisition cost and other attributable cost payable – New contract (2)	-	-	-	-	-
Total cashflow	-	-	-	-	-
Net closing balance	(754,078)	-	2,099,090	269,458	1,614,470
Closing Insurance contract Assets	(754,078)	-	-	-	(754,078)
Closing Insurance Contract Liabilities	-	-	2,099,090	269,458	2,368,548
Net closing balance	(754,078)	-	2,099,090	269,458	1,614,470

Reinsurance contract liabilities (Liability 2024) IFRS					
31 December 2024					
Assets for remaining coverage		Amounts recoverable on incurred claims			
Excluding loss Component	Loss Component	Estimates of present value of future cashflows	Risk Adjustment	Total	
₦'000	₦'000	₦'000	₦'000	₦'000	
Opening assets	(192,081)	-	-	-	(192,081)
Opening liabilities	-	203,282	899,586	115,479	1,218,347
Net opening balance	(192,081)	203,282	899,586	115,479	1,026,266
Changes in the Statement of profit or loss & OC					
Insurance revenue					
Contracts under the modified retrospective approach	-	-	-	-	-
Other contracts	(2,397,605)	-	-	-	(2,397,605)
	(2,397,605)	-	-	-	(2,397,605)
Insurance service expenses					
Incurring claims	-	-	15,973,841	1,885,960	17,859,801
Other expenses	-	-	139,259	-	139,259
Losses on onerous contracts and reversal of those losses	-	(203,282)	-	-	(203,282)
Amortisation of insurance acquisition cashflows	642,349	-	-	-	642,349
Insurance service expenses	642,349	(203,282)	16,113,100	1,885,960	18,438,127
	-	-	-	-	-
Insurance service result	(1,755,256)	(203,282)	16,113,100	1,885,960	16,040,522
Insurance finance income or expenses					
Insurance finance income or expenses from insurance contracts recognised in profit or loss	-	-	(1,050,356)	14,642	(1,035,714)
Effect of movements in exchange rates	-	-	-	-	-
Total changes in the statement of profit or loss and OCI	(1,755,256)	(203,282)	15,062,744	1,900,602	15,004,808
Investment components excluded from insurance contracts recognised in profit or loss	-	-	-	-	-
Cash flows					
Premiums received- new contracts (1)	1,957,032	-	-	-	1,957,032
Insurance acquisition cash flows- new contracts (1)	(605,399)	-	-	-	(605,399)
Claims Paid	-	-	(117,721)	-	(117,721)
Other directly attributable expenses	-	-	(139,258)	-	(139,258)
Total cash flows	1,351,633	-	(256,979)	-	1,094,654
Non-Cashflow items					
Increase in premium receivable during the year	-	-	-	-	-
Acquisition cost and other attributable cost payable – New contract (2)	-	-	-	-	-
Total cashflow	-	-	-	-	-
Net closing balance	(595,704)	-	15,705,351	2,016,081	17,125,728
Closing Insurance contract Assets	(595,704)	-	-	-	(595,704)
Closing Insurance Contract Liabilities	-	-	15,705,351	2,016,081	17,721,432
Net closing balance	(595,704)	-	15,705,351	2,016,081	17,125,728

NOTES TO THE FINANCIAL STATEMENTS contd.

6.4.5 Marine reinsurance

The roll-forward of the liabilities for remaining coverage and liabilities for incurred claims for marine reinsurance product line, is disclosed in the tables below:(for 2025 and 2024).

	Reinsurance contract liabilities (Marine 2025) IFRS				
	31 December 2025				
	Assets for remaining coverage		Amounts recoverable on incurred claims		
	Excluding loss Component	Loss Component	Estimates of present value of future cashflows	Risk Adjustment	Total
	₺'000	₺'000	₺'000	₺'000	₺'000
Opening assets	(1,691,877)	-	-	-	(1,691,877)
Opening liabilities	-	-	1,377,440	176,859	1,554,599
Net opening balance	(1,691,877)	-	1,377,440	176,859	(137,278)
Changes in the Statement of profit or loss & OC					
Insurance revenue					
Contracts under the modified retrospective approach	-	-	-	-	-
Other contracts	(8,623,913)	-	-	-	(8,623,913)
	(8,623,913)	-	-	-	(8,623,913)
Insurance service expenses					
Incurred claims	-	-	3,074,593	144,898	3,219,491
Other expenses	-	-	469,706	-	469,706
Losses on onerous contracts and reversal of those losses	-	-	-	-	-
Amortisation of insurance acquisition cashflows	2,206,838	-	-	-	2,206,838
Insurance service expenses	2,206,838	-	3,544,299	144,898	5,896,035
Insurance service result	(6,417,075)	-	3,544,299	144,898	(2,727,876)
Insurance finance income or expenses					
Insurance finance income or expenses from insurance contracts recognised in profit or loss	-	-	201,685	49,874	251,559
Effect of movements in exchange rates	-	-	-	-	-
Total changes in the statement of profit or loss and OCI	(6,417,075)	-	3,745,984	194,772	(2,476,319)
Investment components excluded from insurance contracts recognised in profit or loss	-	-	-	-	-
Cash flows					
Premiums received- new contracts (1)	7,791,221	-	-	-	7,791,221
Insurance acquisition cash flows- new contracts (1)	(2,179,415)	-	-	-	(2,179,415)
Claims Paid	-	-	(1,758,991)	-	(1,758,991)
Other directly attributable expenses	-	-	(469,706)	-	(469,706)
Total cash flows	5,611,806	-	(2,228,697)	-	3,383,109
Non-Cashflow items					
Increase in premium receivable during the year	-	-	-	-	-
Acquisition cost and other attributable cost payable – New contract (2)	-	-	-	-	-
Total cashflow	-	-	-	-	-
Net closing balance	(2,497,146)	-	2,895,027	371,632	769,513
Closing Insurance contract Assets	(2,497,146)	-	-	-	(2,497,146)
Closing Insurance Contract Liabilities	-	-	2,895,027	371,632	3,266,659
Net closing balance	(2,497,146)	-	2,895,027	371,632	769,513

Reinsurance contract liabilities (Marine 2024) IFRS					
31 December 2024					
Assets for remaining coverage			Amounts recoverable on incurred claims		
Excluding loss Component	Loss Component	Estimates of present value of future cashflows	Risk Adjustment	Total	
₦'000	₦'000	₦'000	₦'000	₦'000	
Opening assets	(885,869)	-	-	-	(885,869)
Opening liabilities	-	3,898	1,528,111	196,162	1,728,171
Net opening balance	(885,869)	3,898	1,528,111	196,162	842,302
Changes in the Statement of profit or loss & OC					
Insurance revenue					
Contracts under the modified retrospective approach	-	-	-	-	-
Other contracts	(6,475,562)	-	-	-	(6,475,562)
	(6,475,562)	-	-	-	(6,475,562)
Insurance service expenses					
Incurred claims	-	-	638,340	(44,175)	594,165
Other expenses	-	-	410,763	-	410,763
Losses on onerous contracts and reversal of those losses	-	(3,898)	-	-	(3,898)
Amortisation of insurance acquisition cashflows	1,335,432	-	-	-	1,335,432
Insurance service expenses	1,335,432	(3,898)	1,049,103	(44,175)	2,336,462
Insurance service result	(5,140,130)	(3,898)	1,049,103	(44,175)	(4,139,100)
Insurance finance income or expenses					
Insurance finance income or expenses from insurance contracts recognised in profit or loss	-	-	(4,297)	24,872	20,575
Effect of movements in exchange rates	-	-	-	-	-
Total changes in the statement of profit or loss and OCI	(5,140,130)	(3,898)	1,044,806	(19,303)	(4,118,525)
Investment components excluded from insurance contracts recognised in profit or loss	-	-	-	-	-
Cash flows					
Premiums received- new contracts (1)	5,611,164	-	-	-	5,611,164
Insurance acquisition cash flows- new contracts (1)	(1,277,042)	-	-	-	(1,277,042)
Claims Paid	-	-	(784,414)	-	(784,414)
Other directly attributable expenses	-	-	(410,763)	-	(410,763)
Total cash flows	4,334,122	-	(1,195,177)	-	3,138,945
Non-Cashflow items					
Increase in premium receivable during the year	-	-	-	-	-
Acquisition cost and other attributable cost payable – New contract (2)	-	-	-	-	-
Total cashflow	-	-	-	-	-
Net closing balance	(1,691,877)	-	1,377,440	176,859	(137,278)
Closing Insurance contract Assets	(1,691,877)	-	-	-	(1,691,877)
Closing Insurance Contract Liabilities	-	-	1,377,440	176,859	1,554,599
Net closing balance	(1,691,877)	-	1,377,440	176,859	(137,278)

NOTES TO THE FINANCIAL STATEMENTS contd.

6.4.6 Engineering reinsurance

The roll-forward of the liabilities for remaining coverage and liabilities for incurred claims for engineering reinsurance product line, is disclosed in the tables below:(for 2025 and 2024).

Reinsurance contract liabilities (Engineering 2025) IFRS					
31 December 2025					
Assets for remaining coverage		Amounts recoverable on incurred claims			
Excluding loss Component	Loss Component	Estimates of present value of future cashflows	Risk Adjustment	Total	
₺'000	₺'000	₺'000	₺'000	₺'000	
Opening assets	(914,469)	-	-	-	(914,469)
Opening liabilities	-	-	1,487,225	190,913	1,678,138
Net opening balance	(914,469)	-	1,487,225	190,913	763,669
Changes in the Statement of profit or loss & OC					
Insurance revenue					
Contracts under the modified retrospective approach	-	-	-	-	-
Other contracts	(5,355,388)	-	-	-	(5,355,388)
	(5,355,388)	-	-	-	(5,355,388)
Insurance service expenses					
Incurred claims	-	-	(199,968)	(178,291)	(378,259)
Other expenses	-	-	306,297	-	306,297
Losses on onerous contracts and reversal of those losses	-	-	-	-	-
Amortisation of insurance acquisition cashflows	1,553,489	-	-	-	1,553,489
Insurance service expenses	1,553,489	-	106,329	(178,291)	1,481,527
Insurance service result	(3,801,899)	-	106,329	(178,291)	(3,873,861)
Insurance finance income or expenses	-	-	215,806	53,838	269,644
Insurance finance income or expenses from insurance contracts recognised in profit or loss	-	-	-	-	-
Effect of movements in exchange rates	-	-	-	-	-
Total changes in the statement of profit or loss and OCI	(3,801,899)	-	322,135	(124,453)	(3,604,217)
Investment components excluded from insurance contracts recognised in profit or loss	-	-	-	-	-
Cash flows					
Premiums received- new contracts (1)	5,591,416	-	-	-	5,591,416
Insurance acquisition cash flows- new contracts (1)	(1,571,489)	-	-	-	(1,571,489)
Claims Paid	-	-	(985,338)	-	(985,338)
Other directly attributable expenses	-	-	(306,297)	-	(306,297)
Total cash flows	4,019,227	-	(1,291,338)	-	2,728,292
Non-Cashflow items					
Increase in premium receivable during the year	-	-	-	-	-
Acquisition cost and other attributable cost payable – New contract (2)	-	-	-	-	-
Total cashflow	-	-	-	-	-
Net closing balance	(696,441)	-	517,725	66,460	(112,256)
Closing Insurance contract Assets	(696,441)	-	-	-	(696,441)
Closing Insurance Contract Liabilities	-	-	517,725	66,460	584,185
Net closing balance	(696,441)	-	517,725	66,460	(112,256)

Reinsurance contract liabilities (Engineering 2024) IFRS					
31 December 2024					
Assets for remaining coverage			Amounts recoverable on incurred claims		
Excluding loss Component	Loss Component	Estimates of present value of future cashflows	Risk Adjustment	Total	
₦'000	₦'000	₦'000	₦'000	₦'000	
Opening assets	6,407	4,190	711,682	1,358	813,637
Opening liabilities	-	-	-	-	-
Net opening balance	6,407	4,190	711,682	91,358	813,637
Changes in the Statement of profit or loss & OC					
Insurance revenue					
Contracts under the modified retrospective approach	-	-	-	-	-
Other contracts	(4,587,049)	-	-	-	(4,587,049)
	(4,587,049)	-	-	-	(4,587,049)
Insurance service expenses					
Incurring claims	-	-	1,411,752	87,972	1,499,724
Other expenses	-	-	246,566	-	246,566
Losses on onerous contracts and reversal of those losses	-	(4,190)	-	-	(4,190)
Amortisation of insurance acquisition cashflows	1,030,058	-	-	-	1,030,058
Insurance service expenses	1,030,058	(4,190)	1,658,318	87,972	2,772,158
Insurance service result	(3,556,991)	(4,190)	1,658,318	87,972	(1,814,891)
Insurance finance income or expenses	-	-	(61,488)	11,583	(49,905)
Insurance finance income or expenses from insurance contracts recognised in profit or loss	-	-	-	-	-
Effect of movements in exchange rates	-	-	-	-	-
Total changes in the statement of profit or loss and OCI	(3,556,991)	(4,190)	1,596,830	99,555	(1,864,796)
Investment components excluded from insurance contracts recognised in profit or loss	-	-	-	-	-
Cash flows					
Premiums received- new contracts (1)	3,543,597	-	-	-	3,543,597
Insurance acquisition cash flows- new contracts (1)	(907,482)	-	-	-	(907,482)
Claims Paid	-	-	(574,721)	-	(574,721)
Other directly attributable expenses	-	-	(246,566)	-	(246,566)
Total cash flows	2,636,115	-	(821,287)	-	1,814,828
Non-Cashflow items					
Increase in premium receivable during the year	-	-	-	-	-
Acquisition cost and other attributable cost payable – New contract (2)	-	-	-	-	-
Total cashflow	-	-	-	-	-
Net closing balance	(914,469)	-	1,487,225	190,913	763,669
Closing Insurance contract Assets	(914,469)	-	-	-	(914,469)
Closing Insurance Contract Liabilities	-	-	1,487,225	190,913	1,678,138
Net closing balance	(914,469)	-	1,487,225	190,913	763,669

NOTES TO THE FINANCIAL STATEMENTS contd.

6.4.7 Agriculture reinsurance

The roll-forward of the liabilities for remaining coverage and liabilities for incurred claims for accident reinsurance product line, is disclosed in the tables below:(for 2025 and 2024).

Reinsurance contract liabilities (Agriculture 2025) IFRS					
31 December 2025					
Assets for remaining coverage		Amounts recoverable on incurred claims			
Excluding loss Component	Loss Component	Estimates of present value of future cashflows	Risk Adjustment	Total	
₺'000	₺'000	₺'000	₺'000	₺'000	
Opening assets	(45,220)	-	-	-	(45,220)
Opening liabilities	-	5	51,672	6,633	58,310
Net opening balance	(45,220)	5	51,672	6,633	13,090
Changes in the Statement of profit or loss & OC					
Insurance revenue					
Contracts under the modified retrospective approach	-	-	-	-	-
Other contracts	(237,372)	-	-	-	(237,372)
	(237,372)	-	-	-	(237,372)
Insurance service expenses					
Incurred claims	-	-	1,138,555	14,367	1,152,222
Other expenses	-	-	13,338	-	13,338
Losses on onerous contracts and reversal of those losses	-	(5)	-	-	(5)
Amortisation of insurance acquisition cashflows	57,380	-	-	-	57,380
Insurance service expenses	57,380	(5)	1,151,893	14,367	1,223,635
Insurance service result	(179,992)	(5)	1,151,893	14,367	986,263
Insurance finance income or expenses	-	-	7,615	1,871	9,486
Insurance finance income or expenses from insurance contracts recognised in profit or loss	-	-	-	-	-
Effect of movements in exchange rates	-	-	-	-	-
Total changes in the statement of profit or loss and OCI	(179,992)	(5)	1,159,508	16,238	995,749
Investment components excluded from insurance contracts recognised in profit or loss					
Cash flows					
Premiums received- new contracts (1)	299,533	-	-	-	299,533
Insurance acquisition cash flows- new contracts (1)	(57,033)	-	-	-	(57,033)
Claims Paid	-	-	(1,019,681)	-	(1,019,681)
Other directly attributable expenses	-	-	(13,338)	-	(13,338)
Total cash flows	242,500	-	(1,033,019)	-	(790,519)
Non-Cashflow items					
Increase in premium receivable during the year	-	-	-	-	-
Acquisition cost and other attributable cost payable – New contract (2)	-	-	-	-	-
Total cashflow	-	-	-	-	-
Net closing balance	17,288	-	178,161	22,871	218,320
Closing Insurance contract Assets	-	-	-	-	-
Closing Insurance Contract Liabilities	17,288	-	178,161	22,871	218,320
Net closing balance	17,288	-	178,161	22,871	218,320

Reinsurance contract liabilities (Agriculture 2024) IFRS					
31 December 2024					
Assets for remaining coverage		Amounts recoverable on incurred claims			
Excluding loss Component	Loss Component	Estimates of present value of future cashflows	Risk Adjustment	Total	
₦'000	₦'000	₦'000	₦'000	₦'000	
Opening assets	(80,033)	-	-	-	(80,033)
Opening liabilities	-	-	79,904	10,257	90,161
Net opening balance	(80,033)	-	79,904	10,257	10,128
Changes in the Statement of profit or loss & OC					
Insurance revenue					
Contracts under the modified retrospective approach	-	-	-	-	-
Other contracts	(240,244)	-	-	-	(240,244)
	(240,244)	-	-	-	(240,244)
Insurance service expenses					
Incurring claims	-	-	184,569	(4,925)	179,644
Other expenses	-	-	14,470	-	14,470
Losses on onerous contracts and reversal of those losses	-	5	-	-	5
Amortisation of insurance acquisition cashflows	59,517	-	-	-	59,517
Insurance service expenses	59,517	5	199,039	(4,925)	253,636
Insurance service result	(180,727)	5	199,039	(4,925)	13,392
Insurance finance income or expenses	-	-	1,208	1,301	2,509
Insurance finance income or expenses from insurance contracts recognised in profit or loss	-	-	-	-	-
Effect of movements in exchange rates	-	-	-	-	-
Total changes in the statement of profit or loss and OCI	(180,727)	5	200,247	(3,624)	15,901
Investment components excluded from insurance contracts recognised in profit or loss					
Cash flows					
Premiums received- new contracts (1)	268,700	-	-	-	268,700
Insurance acquisition cash flows- new contracts (1)	(53,160)	-	-	-	(53,160)
Claims Paid	-	-	(214,009)	-	(214,009)
Other directly attributable expenses	-	-	(14,470)	-	(14,470)
Total cash flows	215,540	-	(228,479)	-	(12,939)
Non-Cashflow items					
Increase in premium receivable during the year	-	-	-	-	-
Acquisition cost and other attributable cost payable – New contract (2)	-	-	-	-	-
Total cashflow	-	-	-	-	-
Net closing balance	(45,220)	5	51,672	6,633	13,090
Closing Insurance contract Assets	(45,220)	-	-	-	(45,220)
Closing Insurance Contract Liabilities	-	5	51,672	6,633	58,310
Net closing balance	(45,220)	5	51,672	6,633	13,090

NOTES TO THE FINANCIAL STATEMENTS contd.

6.4.8 Life reinsurance

The roll-forward of the liabilities for remaining coverage and liabilities for incurred claims for Life reinsurance product line, is disclosed in the tables below:(for 2025 and 2024).

	Reinsurance contract liabilities (Life 2025) IFRS				
	31 December 2025				
	Assets for remaining coverage		Amounts recoverable on incurred claims		
	Excluding loss Component	Loss Component	Estimates of present value of future cashflows	Risk Adjustment	Total
N'000	N'000	N'000	N'000	N'000	
Opening assets	(221,360)	-	-	-	(221,360)
Opening liabilities	-	-	838,552	107,444	946,196
Net opening balance	(221,360)	-	838,552	107,444	724,836
Changes in the Statement of profit or loss & OC					
Insurance revenue					
Contracts under the modified retrospective approach	-	-	-	-	-
Other contracts	(1,839,087)	-	-	-	(1,839,087)
	(1,839,087)	-	-	-	(1,839,087)
Insurance service expenses					
Incurred claims	-	-	(201,276)	(95,177)	(296,453)
Other expenses	-	-	105,329	-	105,329
Losses on onerous contracts and reversal of those losses	-	-	-	-	-
Amortisation of insurance acquisition cashflows	630,566	-	-	-	630,566
Insurance service expenses	630,566	-	(95,947)	(95,177)	439,442
Insurance service result	(1,209,241)	-	(95,947)	(95,177)	(1,400,365)
Insurance finance income or expenses	-	-	121,710	30,356	152,066
Insurance finance income or expenses from insurance contracts recognised in profit or loss	-	-	-	-	-
Effect of movements in exchange rates	-	-	-	-	-
Total changes in the statement of profit or loss and OCI	(1,209,241)	-	25,763	(64,821)	(1,428,299)
Investment components excluded from insurance contracts recognised in profit or loss					
Cash flows					
Premiums received- new contracts (1)	1,893,033	-	-	-	1,893,033
Insurance acquisition cash flows- new contracts (1)	(631,715)	-	-	-	(631,715)
Claims Paid	-	-	(425,391)	-	(425,391)
Other directly attributable expenses	-	-	(105,329)	-	(105,329)
Total cash flows	1,261,318	-	(530,720)	-	730,598
Non-Cashflow items					
Increase in premium receivable during the year	-	-	-	-	-
Acquisition cost and other attributable cost payable – New contract (2)	-	-	-	-	-
Total cashflow	-	-	-	-	-
Net closing balance	(169,283)	-	333,594	42,823	207,134
Closing Insurance contract Assets	(169,283)	-	-	-	(169,283)
Closing Insurance Contract Liabilities	-	-	333,594	42,823	376,417
Net closing balance	(169,283)	-	333,594	42,823	207,134

Reinsurance contract liabilities (Life 2024) IFRS					
31 December 2024					
Assets for remaining coverage		Amounts recoverable on incurred claims			
Excluding loss Component	Loss Component	Estimates of present value of future cashflows	Risk Adjustment	Total	
₦'000	₦'000	₦'000	₦'000	₦'000	
Opening assets	(204,668)	-	-	-	(204,668)
Opening liabilities	-	54,199	400,314	51,388	505,901
Net opening balance	(204,668)	54,199	400,314	51,388	301,233
Changes in the Statement of profit or loss & OC					
Insurance revenue					
Contracts under the modified retrospective approach	-	-	-	-	-
Other contracts	(1,210,237)	-	-	-	(1,210,237)
	(1,210,237)	-	-	-	(1,210,237)
Insurance service expenses					
Incurred claims	-	-	-	-	-
Other expenses	-	-	790,013	49,741	839,754
Losses on onerous contracts and reversal of those losses	-	-	70,765	-	70,765
Amortisation of insurance acquisition cashflows	-	(54,199)	-	-	(54,199)
Insurance service expenses	354,004	-	-	-	354,004
	354,004	(54,199)	860,778	49,741	1,210,324
Insurance service result					
Insurance finance income or expenses	(856,233)	(54,199)	860,778	49,741	87
Insurance finance income or expenses from insurance contracts recognised in profit or loss	-	-	(34,727)	6,515	(28,212)
Effect of movements in exchange rates	-	-	-	-	-
Total changes in the statement of profit or loss and OCI	-	-	-	-	-
Investment components excluded from insurance contracts recognised in profit or loss	(856,233)	(54,199)	826,051	56,256	(28,125)
Cash flows					
Premiums received- new contracts (1)	1,172,251	-	-	-	1,172,251
Insurance acquisition cash flows- new contracts (1)	(332,710)	-	-	-	(332,710)
Claims Paid	-	-	(317,049)	-	(317,049)
Other directly attributable expenses	-	-	(70,764)	-	(70,764)
Total cash flows	839,541	-	(387,813)	-	451,728
Non-Cashflow items					
Increase in premium receivable during the year	-	-	-	-	-
Acquisition cost and other attributable cost payable – New contract (2)	-	-	-	-	-
Total cashflow	-	-	-	-	-
Net closing balance	(221,360)	-	838,552	107,644	724,836
Closing Insurance contract Assets	(221,360)	-	-	-	(221,360)
Closing Insurance Contract Liabilities	-	-	838,552	107,644	946,196
Net closing balance	(221,360)	-	838,552	107,644	724,836

NOTES TO THE FINANCIAL STATEMENTS contd.

6.5 Insurance and reinsurance contracts

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

S/N	In N'000	2025			2024		
		Assets	Liabilities	Net	Assets	Liabilities	Net
		N'000	N'000	N'000	N'000	N'000	N'000
	Insurance contracts issued						
1	Energy reinsurance contracts	80,913	(792,448)	(711,535)	4,905,950	(15,520,113)	(10,614,163)
2	Fire reinsurance contracts	5,062,945	(17,375,213)	(12,312,268)	(980,035)	3,726,623	2,746,588
3	Accident reinsurance contract	231,147	(1,669,789)	(1,438,642)	222,396	(746,069)	(523,673)
4	Liability reinsurance contracts	22,988	(1,614,470)	(1,591,482)	3,567,372	(17,125,728)	(13,558,356)
5	Marine reinsurance contracts	(242,765)	(769,513)	(1,012,278)	(254,004)	137,278	(116,726)
6	Engineering reinsurance contracts	(30,213)	112,256	82,043	(96,248)	(763,669)	(859,917)
7	Agriculture reinsurance contracts	73,714	(218,320)	(144,606)	(51,074)	(13,090)	(64,164)
8	Life reinsurance contracts	167,388	(207,134)	(39,746)	611,436	(724,836)	(113,400)
	Total reinsurance contracts held	5,366,117	(22,534,631)	(17,168,514)	7,925,793	(31,029,604)	(23,103,811)

6.6 Total Insurance Contract Liability

	2025	2024
	N'000	N'000
Liability for remaining coverage	(8,607,763)	(8,916,936)
Liability for incurred Claims	31,142,394	39,946,540
Total Insurance Contract Liability (Note 6.6.1)	22,534,631	31,029,604

6.6.1 Liability for Incurred Claims

	2025	2024
	N'000	N'000
Gross IBNR Claims reserve	5,830,815	10,256,520
Gross outstanding reported claims	24,405,722	30,397,860
Discounting	(2,637,061)	(5,252,363)
Risk adjustment	3,542,918	4,544,523
Reserve for Outstanding Claims	31,142,394	39,946,540

6.7 Age analysis of outstanding claims excluding IBNR claims reserve

Age (Days)	2025		2024	
	Number of claimants	Amount (N'000)	Number of claimants	Amount (N'000)
0-90 Days	438	1,439,269	7	1,862,506
91 – 180 Days	140	2,263,176	40	13,951,300
181 – 270 Days	317	1,903,366	30	2,989,434
271 – 365 Days	196	1,162,072	14	4,697,586
Above 365 Days	320	17,637,839	67	6,897,034
Total	1,411	24,405,722	158	30,397,860

7. Prepayment and other Receivable

	2025	2024
	N'000	N'000
Withholding tax recoverable	426,268	260,036
Miscellaneous Debit Balances (note 7.1)	90,767	285,911
Professional fee prepaid	153,161	153,161
Prepayment (note 7.2)	207,690	56,612
Staff loan	3,227	8,982
	881,113	764,702

7.1 Miscellaneous Debit Balances

This relates majorly to advance payment to directors which will be deducted from their entitled allowance in 2026.

7.2 Prepayment

	2025	2024
	N'000	N'000
Prepaid Rent	29,412	18,306
Upfront Salary	16,720	11,121
Software	52,608	7,853
Other Prepayments	108,950	19,332
	207,690	56,612

8 Investment Properties

	2025	2024
	N'000	N'000
At January	925,000	718,410
Fair Value gain	253,000	206,590
At 31 December	1,178,000	925,000

8.1 Transfer of investment properties to Property, plant and equipment

The investment properties were valued by O. M. Tokun & Associates with FRC number (FRC/2013/NIESV/00000001353) and Chika Egwuatu & Partners (FRC/2013/PRO/NIESV/004/00000000857). Both reports were dated as at 31 December, 2025.

NOTES TO THE FINANCIAL STATEMENTS contd.

8.2 Below is a breakdown of Investment Properties showing movement during the year and carrying amount

S/N	Location	Status of title	Free/pledged	Cost	Fair Value gain	Carrying amount	Name of Valuer
				₦'000	₦'000	₦'000	
1	1 Unit of three-bedroom flat at Admiralty Towers, 8, Gerrard Road, Ikoyi	Deed of assignment	Free	550,000	250,000	800,000	O. M. Tokun and Associates
2.	2 Units of three and 2 Units of four-bedroom flats at Plot D3, Zone A3, Garki Village, Garki, Abuja	Deed of assignment	Free	375,000	3,000	378,000	Chika Egwuata & Partners
Total				925,000	253,000	1,178,000	

9. Property, plant and equipment

	Land & Building (₦'000)	Office Partitioning (₦'000)	Motor vehicles (₦'000)	Furniture & fittings (₦'000)	Office equipment (₦'000)	Computer equipment (₦'000)	Plant & Mach (₦'000)	Total (₦'000)
Cost								
At 1 January 2025	679,320	54,099	771,568	48,097	14,134	35,693	30,952	1,633,863
Additions	-	4,128	32,788	3,275	2,139	19,869	-	62,199
Disposals	-	-	-	(105)	(100)	-	-	(205)
Revaluation	44,095	-	-	-	-	-	-	44,095
At 31 December 2025	723,415	58,227	804,356	51,267	16,173	55,562	30,952	1,739,952
At 1 January 2024	518,940	24,818	302,500	32,581	8,085	29,097	9,000	925,021
Additions	-	29,281	469,068	15,516	6,049	6,596	21,952	548,462
Revaluation	160,380	-	-	-	-	-	-	160,380
At 31 December 2024	679,320	54,099	771,568	48,097	14,134	35,693	30,952	1,633,863
Accumulated depreciation								
As at 1 January 2025	19,829	9,844	259,665	19,139	6,155	26,725	5,855	347,212
Charge for the year	13,586	5,616	167,818	9,620	3,112	7,481	6,190	213,423
Disposals	-	-	-	(101)	(75)	-	-	(176)
At 31 December 2025	33,415	15,460	427,483	28,658	9,192	34,206	12,045	560,459
As at 1 January 2024	9,450	5,423	121,686	11,786	3,686	20,313	3,150	175,494
Charge for the year	10,379	4,421	137,799	7,353	2,469	6,412	2,705	171,718
At 31 December 2024	19,829	9,844	259,665	19,139	6,155	26,725	5,855	347,212
Carrying Amount								
At 31 December 2025	690,000	42,767	376,873	22,609	6,981	21,356	18,907	1,179,493
At 31 December 2024	659,491	42,255	511,903	28,958	7,979	8,968	25,097	1,286,681

9.1 Revaluation of property, plant and equipment

Building was revalued to be N690 million as at year end by Chika Egwuatu & Partners and report was dated as at 31 December, 2025.

S/N	Location	Status of title	Free/pledged	Cost(after accm dep)	Fair Value gain	Carrying amount	Name of Valuer
1.	6 Units of Three Bedroom apartments at 22, Dunukofia Street,y Area 11, Garki, Abuja	Deed of assignment	Free	645,905	44,095	690,000	Chika Egwuata & Partners
Total				645,905	44,095	690,000	

10. Intangible Assets

License Cost	Software	License	Total
Cost	(N'000)	(N'000)	(N'000)
At 1 January 2025	295,769	468,849	764,618
Additions	-	-	-
At 31 December, 2025	295,769	468,849	764,618
January 2024	269,969	468,849	738,818
Additions	25,800	-	25,800
At 31 December, 2024	295,769	468,849	764,618
Amortisation			
At 1 January 2025	103,744	187,540	291,284
Charge for the year	63,110	46,885	109,995
At 31 December	166,854	234,425	401,279
At 1 January 2024	45,363	140,655	186,018
Charge for the year	58,381	46,885	105,266
At 31 December	103,744	187,540	291,284
Carrying amount			
As at 31 December, 2025	128,915	234,424	363,339
As at 31 December, 2024	192,025	281,309	473,334

11. Statutory deposit

	2025	2024
	N'000	N'000
At 31 December	1,000,000	1,000,000

NOTES TO THE FINANCIAL STATEMENTS contd.

12. Statement of investment representing Insurance Funds

In accordance with Section 3.4.2 of Revised NAICOM Prudential Guidelines for insurance institutions in Nigeria effective 1 October 2022, the company assets represent policyholders fund and shareholder funds as stated below:

	Policy holders' Fund		Share holders	Total
	Non -Life	Life		
Asset	₦'000	₦'000	₦'000	₦'000
Cash in hand	-	-	151	151
Current account	-	-	27,958	27,958
Domiciliary account	3,000,000	-	58,450	3,058,450
Balances held with foreign banks	1,000,000	-	148,742	1,148,742
Local Term deposit	8,434,697	-	1,767,017	10,201,714
US Dollars deposit	10,278,032	-	20,764,942	31,042,974
GHS Deposit	-	-	1,242,202	1,242,202
EUR Deposit	-	-	726,588	726,588
XAF Deposit	-	-	8,241,218	8,241,218
GTB Call	-	-	320,018	320,018
Keystone Call	-	-	661,873	661,873
Commercial papers	-	-	802,921	802,921
Mutual Fund	-	207,134	5,612,661	5,819,795
Foreign unquoted	-	-	289,855	289,855
FGN Euro Bond FX	-	-	2,503,394	2,503,394
Corporate Bond	-	-	200,000	200,000
Treasury bills	-	-	2,944,456	2,944,456
Reinsurance contract Assets	-	-	5,639,095	5,639,095
Insurance contract Assets	-	-	112,256	112,256
Impairment provision on financial assets	-	-	(197,520)	(197,520)
Prepayment and other Receivable	-	-	881,113	881,113
Investment Property	-	-	1,178,000	1,178,000
Property, Plant and Equipment	-	-	1,179,493	1,179,493
Intangible Assets	-	-	363,339	363,339
Statutory Deposit	-	-	1,000,000	1,000,000
Grand Total	22,712,729	207,134	56,468,222	79,388,085

Policy holders' Fund	Non -Life	Life	Share holders	Total
	₦'000	₦'000		
Liabilities				
Reinsurance contract liabilities	272,978	-	-	272,978
Insurance contract liabilities	22,439,751	207,134	-	22,646,885
Other technical liabilities	-	-	75,059	75,059
Provision and other payables	-	-	481,118	481,118
Retirement obligation	-	-	1,555,415	1,555,415
Income tax liabilities	-	-	2,264,336	2,264,336
Deferred taxation	-	-	507,174	507,174
Total Liabilities	22,712,729	207,134	4,883,102	27,802,965
Surplus	-	-	51,585,120	51,585,120

13. Other Technical Liabilities

	2025	2024
	N'000	N'000
Opening balance	30,238	-
Reclassified as premium during the year	(30,238)	-
Premium received in advance	75,059	30,238
	75,059	30,238

14. Provision & other payables

	2025	2024
	N'000	N'000
Rent received advance (note 14.1)	19,044	39,364
Accrued expenses (note 14.2)	176,913	459,142
Statutory deductions (note 14.3)	50,778	2,773
ITF Levy	-	315,564
Police Trust Fund Levy	-	1,450
Staff allowances payable	105,631	83,306
Ordinary shares dividend	128,752	3,958
	481,118	905,557

14.1 Payment received advance

Rent received in advance is from tenants occupying company's property which is amortised as earned over the period of coverage.

14.2 Accrued expenses

This relates to the payables for- professional fees, and payment to vendors which are yet to be settled as at the reporting date.

14.3 Statutory deductions

This relates to withholding tax, pension and PAYE which were accrued for towards the end of the year, yet to be remitted to the relevant statutory body as at the reporting date.

15. Retirement benefit obligation:

	2025	2024
	N'000	N'000
As at 1 January	1,058,313	466,540
Addition during the year(note 15.1)	512,102	782,786
	1,570,415	1,249,326
Payment made during the year	(15,000)	(191,013)
Balance at end of the year	1,555,415	1,058,313

NOTES TO THE FINANCIAL STATEMENTS contd.

The company introduced defined retirement benefit obligation provision for the directors and staffs in 2023. This benefit can only be enjoyed by staffs that have spent minimum of 5 years in the service to the company as at the date of exit and its directors after the expiration of their tenure.

15.1 Addition during the year

Gratuity & Ex-gratia provision is classified into:

	2025	2024
	N'000	N'000
Attributable expenses-staff provision (note 34)	287,103	557,786
Non attributable expenses- Director (note 32)	225,000	225,000
	512,103	782,786

16. Taxation

16.1 Per statement of comprehensive income:

	2025	2024
	N'000	N'000
Income tax based on profit for the year	1,681,733	-
Education tax	-	2,265
Development levy (note 16.4)	224,231	-
Minimum tax @ 0.5% of gross premium (non-life)	-	248,461
Minimum tax @ 0.5% of revenue	-	57,958
Stamp duty (@ 0.075% gross premium (non-life))	42,883	37,269
	1,948,847	345,953
Back duty assessment for 2021-2023	315,489	-
Adjustment for under/(excess) provision in prior year	(345,953)	171,511
Deferred tax charge	127,560	98,322
Tax expense for the year(16.3)	2,045,943	615,786
Other statutory deductions		
Police development levy	-	503
IT Levy	-	100,668
	2,045,943	716,957

16.2 Current taxation per statement of financial position:

	2025	2024
	N'000	N'000
At 1 January	345,953	171,601
Tax charge for the year	1,948,847	345,953
Payments during the year	-	(343,113)
Back duty assessment for 2021-2023	315,489	-
Increase/(Reversal) of under/excess provision in prior year	(345,953)	171,512
At 31 December	2,264,336	345,953

16.3 Deferred taxation

	2025	2024
	N'000	N'000
At 1 January	379,614	281,292
Movement during the year	127,560	98,322
At 31 December	507,174	379,614

16.4 Development Levy

The Nigeria tax Act 2025 effective 1st January 2026 established a single development consolidation levy. The development levy replaces multiple legacy charges (including the tertiary education tax and ITF levy), simplifying the compliance burden for medium and large companies. The Nigeria Act 2025 has been applied in this financial statement in line with Nigeria Revenue Service guidelines on the application of the act.

17. Issued share capital

	2025	2024
	N'000	N'000
As at 1 January	20,000,000	10,000,000
Bonus issued during the year (note 17.1)	-	10,000,000
As at 31 December	20,000,000	20,000,000

The company increased its share capital from #10 billion to #20 billion in 2024 is by way of bonus issue of one new Ordinary share of #1 each for every one Ordinary share held. The issue was approved in the Annual General Meeting (AGM) of the company held on the 30th of July 2024.

18. Contingency reserve

	2025	2024
	N'000	N'000
As at 1 January	5,922,551	4,079,999
Transfer from retained earnings	2,902,822	1,842,552
At 31 December	8,825,373	5,922,551

The annual transfer to contingency reserve is computed as the higher of 3% of gross premium or 20% of profit before tax for nonlife, while for life it is the higher of 1% of gross premium or 10% of profit before tax.

NOTES TO THE FINANCIAL STATEMENTS contd.

19. Retained earnings

	2025	2024
	R'000	R'000
As at 1 January	11,344,596	14,437,287
Dividend paid	(600,000)	(600,000)
Share issue	-	(10,000,000)
Transfer from income statement	14,667,058	9,349,861
Transfer to contingency reserves	(2,902,822)	(1,842,552)
As at 31 December	22,508,832	11,344,596

20. Revaluation reserve

	2025	2024
	R'000	R'000
As at 1 January	206,820	46,440
Revaluation gains on Property (note 9)	44,095	160,380
	250,915	206,820

21. Insurance revenue

	2025	2024
	R'000	R'000
Non-life insurance contracts		
Gross Written Premium – Non-Life	62,477,544	47,838,395
Change in Liability for Remaining Coverage-Non-Life	(7,140,147)	1,853,732
	55,337,397	49,692,127
Life insurance contract		
- Gross Written Premium - Life	1,991,402	1,127,209
- Change in Liability for Remaining Coverage-Life	(151,595)	_83,030
	1,839,807	1,210,239
Reinsurance revenue	57,177,204	50,902,366

31-Dec-2025		Energy	Fire	Accident	Liability	Marine	Engineering	Agriculture	Life	Total
Insurance revenue		₹'000	₹'000	₹'000	₹'000	₹'000	₹'000	₹'000	₹'000	₹'000
Contracts measured under the										
PAA-Allocation of Premiums										
	16,357,014	13,157,246	4,475,310	2,131,152	8,623,914	5,355,388	237,373	1,839,807	57,177,204	
Total Insurance Revenue	16,357,014	13,157,246	4,475,310	2,131,152	8,623,914	5,355,388	237,373	1,839,807	57,177,204	
31-Dec-2024		Energy	Fire	Accident	Liability	Marine	Engineering	Agriculture	Life	Total
Insurance revenue		₹'000	₹'000	₹'000	₹'000	₹'000	₹'000	₹'000	₹'000	₹'000
Contracts measured under the										
PAA-Allocation of Premiums										
	10,881,290	22,184,527	2,925,852	2,397,605	6,475,562	4,587,049	240,244	1,210,237	50,902,366	
Total Insurance Revenue	10,881,290	22,184,527	2,925,852	2,397,605	6,475,562	4,587,049	240,244	1,210,237	50,902,366	
22. Insurance service expenses										
31-Dec-2025		Energy	Fire	Accident	Liability	Marine	Engineering	Agriculture	Life	Total
Insurance Service Expense		₹'000	₹'000	₹'000	₹'000	₹'000	₹'000	₹'000	₹'000	₹'000
Incurred claims										
	(4,847,165)	25,744,613	3,111,729	(17,033,747)	3,219,942	(378,259)	1,151,922	(296,453)	10,672,582	
Other directly attributable expenses										
	1,006,195	1,072,923	251,265	122,726	469,706	306,297	13,338	105,329	3,347,779	
Losses on onerous contracts and reversals of those losses										
	(413,077)	(473,830)	-	-	-	-	(5)	-	(886,912)	
Amortisation of insurance acquisition cashflows										
	2,760,968	5,507,216	1,522,216	647,641	2,206,838	1,553,489	57,380	630,566	14,886,314	
Total insurance service expenses	(1,493,079)	31,850,922	4,885,210	(16,263,380)	5,896,486	1,481,527	1,222,635	439,442	28,020,313	
31-Dec-2024		Energy	Fire	Accident	Liability	Marine	Engineering	Agriculture	Life	Total
Insurance Service Expense		₹'000	₹'000	₹'000	₹'000	₹'000	₹'000	₹'000	₹'000	₹'000
Incurred claims										
	15,914,250	3,111,834	1,086,981	17,859,801	594,166	1,499,724	179,644	839,754	41,086,154	
Other expenses										
	712,647	1,296,646	160,811	139,259	410,763	246,566	14,470	70,765	3,051,927	
Losses on onerous contracts and reversals of those losses										
	(111,440)	(1,368,703)	-	(203,282)	(3,898)	(4,190)	5	(54,199)	(1,745,707)	
Amortisation of insurance acquisition cashflows										
	1,899,873	6,130,859	864,415	642,349	1,335,432	1,030,058	59,517	354,004	12,316,507	
Total insurance service expenses	18,415,330	9,170,636	2,112,207	18,438,127	2,336,463	2,772,158	253,636	1,210,324	54,708,881	

NOTES TO THE FINANCIAL STATEMENTS contd.

23. Net (expense)/recoverable from reinsurance contracts held
31-Dec-2025

	Energy	Fire	Accident	Liability	Marine	Engineering	Agriculture	Life	Total
	₹'000	₹'000	₹'000	₹'000	₹'000	₹'000	₹'000	₹'000	₹'000
Insurance Service Expense									
Contracts measured under the PAA	(3,905,299)	(2,459,300)	(192,285)	(99,032)	(689,596)	(1,153,350)	35	(699,048)	(9,197,875)
Allocation of reinsurance premium ceded	(3,905,299)	(2,459,300)	(192,285)	(99,032)	(689,596)	(1,153,350)	35	(699,048)	(9,197,875)
Incurring claims recovered	(568,721)	5,623,641	(48,587)	(4,123,327)	(178,299)	(128,584)	31,776	(218,567)	389,332
Changes in amount recoverable from past services	-	-	-	-	-	-	-	-	-
Amounts recovered from reinsurers	(568,721)	5,623,641	(48,587)	(4,123,327)	(178,299)	(128,584)	31,776	(218,567)	389,332
Net income/(expense) from reinsurance contract held	(4,474,020)	3,164,341	(240,872)	(4,222,359)	(867,895)	(1,281,934)	31,811	(917,615)	(8,808,543)
31-Dec-2024									
Insurance Service Expense									
Contracts measured under the PAA	(177,422)	(2,859,394)	(392,070)	(144,928)	(2,175,402)	(345,840)	(83,649)	82,754	(6,095,951)
Allocation of reinsurance premium ceded	(177,422)	(2,859,394)	(392,070)	(144,928)	(2,175,402)	(345,840)	(83,649)	82,754	(6,095,951)
Incurring claims recovered	4,594,985	(3,729,425)	(63,950)	3,354,845	(428,562)	(161,328)	(13,950)	296,796	3,849,411
Changes in amount recoverable from past services	-	-	-	-	-	-	-	(9,013)	(9,013)
Amounts recovered from reinsurers	4,594,985	(3,729,425)	(63,950)	3,354,845	(428,562)	(161,328)	(13,950)	287,783	3,840,398
Net income/(expense) from reinsurance contract held	4,417,563	(6,588,819)	(456,020)	3,209,917	(2,603,964)	(507,168)	(97,599)	370,537	(2,255,553)

24. Interest revenue calculated using the effective interest

	2025	2024
	#'000	#'000
Cash and bank balances interest income (note 24.1)	3,994,552	3,305,364
Statutory deposits interest income (note 24.2)	207,530	181,731
Held to maturity interest income (note 24.3)	602,215	561,074
Net Interest income	4,804,297	4,048,169

24.1 Breakdown of interest income on cash and cash equivalent

	Interest received	Accrued	2025 Total #'000	2024 Total #'000
Breakdown of held to maturity interest income				
Current account	17,876	-	17,876	17,383
Placement with financial institution	3,340,645	636,031	3,976,676	3,287,981
Total	3,358,521	636,031	3,994,552	3,305,364

24.2 Breakdown of Statutory deposit interest income

	Interest received	Accrued	2025 Total #'000	2024 Total #'000
For the year	121,566	85,964	207,530	181,731

24.3 Held to maturity interest income analysis

	Interest received	Accrued	2025 Total #'000	2024 Total #'000
Corporate bond/Debenture-FX-Int	106,147	-	106,147	311,888
Fed Dev/Treasury stock-FX-Int	168,760	12,581	181,341	89,325
Fed. Treasury Stock-Local-Int	-	-	-	12,657
Corp. Bonds/Debenture-Loc Int	27,048	-	27,048	27,181
Treasury Bills-Local Int	146,112	81,821	227,933	120,023
Treasury Bills-GHS Int	15,366	44,380	59,746	-
	463,433	138,782	602,215	561,074

25. Net fair value gains on financial assets designated at fair value through profit or loss

	2025	2024
	#'000	#'000
Net fair value gains on financial assets		
Fair value gain on financial assets (note 4.1)	401,026	515,299

26. Impairment charge on financial

	2025	2024
	#'000	#'000
Cash and cash equivalent (Note 1.1)	40,052	71,192
Financial asset on fair value through profit or loss (note 2.1)	-	(2,596)
Financial asset measured at amortised cost (Note 4.1)	66,894	(363)
Prepayment and other receivables (Note 7)	-	(13)
	106,946	68,220

NOTES TO THE FINANCIAL STATEMENTS contd.

27. Foreign exchange gain

	2025	2024
	N'000	N'000
Realised Foreign Exchange Gain	-	1,325,172
Realised foreign exchange loss	(562,863)	(3,632,518)
Unrealize exchange (loss) /gain	(1,970,578)	17,533,178
	(2,533,441)	15,225,832

27.1 Breakdown of exchange (loss)/gain

	Realised	Unrealised	Total
	N'000	N'000	N'000
2025			
Cash and cash equivalent	145,655	(1,506,780)	(1,361,125)
Financial assets	(152,496)	(489,311)	(641,807)
Reinsurance receivables & payable	(556,022)	25,513	(530,509)
Total	(562,863)	(1,970,578)	(2,533,441)

	Realised	Unrealised	Total
	N'000	N'000	N'000
2024			
Cash and cash equivalent	(533,211)	9,819,472	9,286,261
Financial assets	-	4,600,624	4,600,624
Reinsurance receivables & payable	(1,774,135)	3,113,082	1,338,947
Total	(2,307,346)	17,533,178	15,225,832

28. Fair value gain on investment property

	2025	2024
	N'000	N'000
Gains on valuation of investment properties	253,000	206,590

This is the gain on revaluation of investment property (Note 8)

29. Finance income/(expense) from insurance contracts issued

	2025	2024
	N'000	N'000
Non-life insurance contracts	(6,428,855)	1,254,133
Life insurance contracts	(942)	28,212
	(6,429,797)	1,282,345

30. Finance income/(expense) from reinsurance contracts held

	2025	2024
	N'000	N'000
Non-life insurance contracts	1,606,384	(176,687)
Life insurance contracts	294	(24,691)
	1,606,678	(201,378)

Net Insurance Finance Income/(expenses) 2025

Finance Income/(Expenses) from Insurance Contracts issued	Energy	Fire	Accident	Liability	Marine	Engineering	Agriculture	Life	Total
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Interest accreted to insurance contracts using current financial assumptions	(2,556,280)	(142,675)	(202,636)	(2,844,609)	(251,523)	(269,605)	(9,484)	(152,043)	(6,428,855)
Effect of changes in interest rates and other financial assumptions	(375)	(19)	(30)	(418)	(37)	(40)	(1)	(22)	(942)
Total Insurance Finance Income/(Expenses) from Insurance Contracts issued	(2,556,555)	(142,694)	(202,666)	(2,845,027)	(251,560)	(269,645)	(9,485)	(152,065)	(6,429,797)
From Reinsurance Contract Held									
Interest accreted to reinsurance contracts using current financial assumptions	890,786	16,552	44,373	531,214	43,432	18,965	2,035	59,027	1,606,384
Effect of changes in interest rates and other financial assumptions	164	2	8	98	8	3	-	11	294
Total finance income/ expenses from Reinsurance Contract Held	890,950	16,554	44,381	531,312	43,440	18,968	2,035	59,038	1,606,678
Net Insurance Finance Income or expense	(1,665,705)	(126,140)	(158,285)	(2,313,715)	(208,120)	(250,677)	(7,450)	(93,027)	(4,823,119)

Net Insurance Finance Income/(expenses) 2024

Insurance Finance Income/(Expenses) from Insurance Contracts issued	Energy	Fire	Accident	Liability	Marine	Engineering	Agriculture	Life	Total
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Interest accreted to insurance contracts using current financial assumptions	706,977	(579,076)	32,729	1,033,410	(24,487)	48,083	(2,714)	27,187	1,242,109
Effect of changes in interest rates and other financial assumptions	9,222	20,281	1,464	2,304	3,913	1,822	205	1,025	40,236
Total Insurance Finance Income/(Expenses) from Insurance Contracts issued	716,199	(558,795)	34,193	1,035,714	(20,574)	49,905	(2,509)	28,212	1,282,345
From Reinsurance Contract Held									
Interest accreted to reinsurance contracts using current financial assumptions	(318,368)	342,802	1,595	(226,471)	23,356	8,659	1,536	(9,796)	(176,587)
Effect of changes in interest rates and other financial assumptions	(4,808)	(14,144)	(943)	(1,384)	(1,808)	(727)	(102)	(775)	(24,691)
Total finance income/ expenses from Reinsurance Contract Held	(323,176)	328,658	652	(227,855)	21,548	7,932	1,434	(10,571)	(201,378)
Net Insurance Finance Income or expense	393,023	(230,137)	34,845	807,859	974	57,837	(1,075)	17,641	1,080,967

NOTES TO THE FINANCIAL STATEMENTS contd.

31. Other interest and similar income

	2025	2024
	N'000	N'000
Other income	64,831	1,790
Provision no longer required on Police Levy and ITF levy	245,665	-
Dividend income	-	8,633
Loss on disposal of property, plant and equipment	(29)	-
Income on investment property	37,225	27,394
Total	347,692	37,817

32. Other expenses

	2025	2024
	N'000	N'000
Audit fees (note 32.1)	20,000	20,000
Investment expense	23,766	21,179
Other professional fees	183,420	103,725
NAICOM levy	489,657	314,450
Others	3,350	550
Depreciation and Amortization (note 32.2)	323,418	276,986
Director's Gratuity & Ex-gratia provision	225,000	225,000
Director's emoluments (note 35.1)	362,468	405,249
Total	1,631,079	1,367,139

32.1 Auditors remuneration

Audit fee for the year ended 31 December 2025 was #20,000,000 and (2024; #20,000,000)

Non audit service: Nil for 2025, (2024; Nil)

32.2. Depreciation and amortization expenses

	2025	2024
	N'000	N'000
Motor vehicle	167,818	137,979
Office equipment	3,112	2,469
Office furniture	9,620	7,353
Land & Building	13,586	10,379
Computer	7,481	6,412
Office partitioning	5,616	4,421
Plant and machinery	6,190	2,705
Intangible	109,995	105,266
Total	323,418	276,986

	2025	2024
	N'000	N'000
33. Impairment Loss on premium receivables	346,777	3,550,429
Opening balance	3,550,429	-
Impairment loss allowance (charge to P/L)	346,777	3,550,429
Balance as at 31st December	3,897,206	3,550,429

In compliance with IFRS 9 on expected credit loss provision on financial assets, impairment loss was provided on receivable balance as at year end.

33.1 Movement in premium receivables during the year

	2025	2024
	N'000	N'000
Opening balance	14,557,344	11,344,061
Gross written premium during the year	64,468,946	48,965,605
Pipeline	(6,807,362)	-
Premium received during the year	(58,249,263)	(45,752,282)
Impairment loss allowance (ECL)	-	-
Balance as at 31st December	13,969,705	14,557,384

33.2 Analysis of Insurance contract cash flows

	2025	2024
	N'000	N'000
Gross written premium during the year	64,468,946	48,965,605
Impairment loss allowance (ECL)	(3,897,206)	(3,550,429)
Impact of movement in premium receivables on cashflows during the year	(2,322,477)	337,106
Premium received during the year	58,249,263	45,752,282

33.3 Analysis of insurance premium receivables as at 31st December

	2025	2024
	N'000	N'000
Balance as at 31 st December	10,072,499	11,006,955
Impairment loss allowance (ECL)	3,897,206	3,550,429
Gross insurance premium receivables as at 31 December	13,969,705	14,557,384

NOTES TO THE FINANCIAL STATEMENTS contd.

34. Attributable expenses to Insurance service

	2025	2024
	R'000	R'000
Employee benefits (Note 35.2)	1,460,440	1,143,079
Gratuity & Ex-gratia Expense	287,103	557,786
Local transport and travelling	158,790	83,899
Rent	60,677	49,666
Conference and seminars	382,623	380,574
Bank charges	115,073	67,462
Overseas travel	100,655	89,388
Maintenance	237,756	268,540
Entertainment and public relations	100,567	10,512
Fees and charges	137,200	141,218
Advert and publicity	49,168	74,961
Fuel	28,861	24,608
Telephone and posting	9,840	13,800
Printing and stationery	5,110	10,650
Electricity	45,817	32,887
Cleaning	8,752	7,040
Training	27,004	11,946
Insurance	42,260	26,854
Client development service	-	11,425
Subscription	35,709	27,585
NSITF Company	-	7,612
Federal Reporting council fee	40,206	-
Filing and registration	14,168	10,435
Total Expenses	3,347,779	3,051,927

Expense Allocation

For contracts measured using the PAA, we elect to recognize insurance acquisition cashflows as expenses when they are incurred since the coverage period of each contract at initial recognition is not more than one year. For overheads attributable to insurance contracts, an expense allocation model was developed and allocates expenses between those attributable to insurance contracts and other operating expenses. The model also allocates cost amongst the various portfolios. These costs include human resources, accounting, information technology, depreciation, rent, maintenance and utilities among others.

35. Emoluments of Chairman, Directors and Employees

35.1 Chairman and Directors emoluments

	2025	2024
Fees:	₹'000	₹'000
Chairman	41,176	47,778
Others directors	153,897	130,000
	195,073	177,778

	2025	2024
Other Emoluments:	₹'000	₹'000
Chairman	74,471	30,800
Others directors	92,924	196,671
Total emoluments	167,395	227,471
	368,468	405,249

Number of directors (excluding the Chairman) whose emoluments were within certain ranges were:

	2025	2024
	Number	Number
₹5,000,000 - ₹10,000,000	-	-
₹10,000,001 and above	6	6

No director waived his/her right to receive emoluments.

No pension was paid to the existing and past directors

No compensation for loss of office was paid to any of the directors

35.2 Employee benefits

	2025	2024
	₹'000	₹'000
Wages & salaries	1,427,342	1,111,466
Pension fund charge	33,098	31,613
	1,460,440	1,143,079

(i) Employee remunerated at high-rate	Number	Number
1,000,000 - 5,000,000	1	1
5,000,001 - 10,000,000	10	10
10,000,001 - 15,000,000	2	2
15,000,001 - 20,000,000	1	1
Above 20,000,000	5	5
	19	19

NOTES TO THE FINANCIAL STATEMENTS contd.

(ii) Average number of persons employed	Number	Number
Managerial	5	5
Other	14	14
	19	19

36. Cash flow reconciliations

36.1 Reconciliation of Profit Before Tax to Net Cash Generated by Operating Activities

	2025	2024
	N'000	N'000
Net operating profit before tax	16,713,001	10,066,818
Adjustment for item not involving movement of cash:		
Depreciation and amortisation	323,418	276,986
Net credit impairment losses for non-cash items	413,671	3,547,471
Loss on disposal of asset	29	-
IT levy	-	(100,668)
Police trust development levy	-	(503)
Foreign exchange and accrued interest on financial assets	503,026	(4,767,549)
Fair value gain on financial assets FVTPL	(654,026)	(721,889)
	17,299,119	8,300,664
Investment income	(4,894,892)	(3,919,061)
Total	12,404,227	4,381,603
Working capital adjustment:		
(Decrease)/increase in insurance Contract liabilities	(8,841,752)	12,479,084
(Decrease)/increase in provisions and other payables	(424,439)	318,941
Increase in retirement benefit obligation	497,102	591,773
Increase in other technical liabilities	44,821	30,238
Decrease in insurance contract assets	2,559,676	2,060,267
Decrease in other receivables and prepayments	(116,441)	(481,390)
Net cash inflow from operating activities	(6,281,003)	14,998,913
Net cash flow from operating activities	6,123,224	19,380,516

37. Admissible assets

The admissible assets representing contracts liabilities included in the statement of financial position is as follows:

2025	Non - Life	Life
	₦'000	₦'000
Cash and cash equivalents	51,967,577	-
Financial Assets	16,577,357	200,000
Total admissible assets	68,544,934	200,000
Total Insurance contract liabilities	22,712,731	207,134
<i>Less</i>		
Reinsurance contract assets	(5,583,964)	(167,388)
Net insurance liabilities	17,128,767	39,746
Excess of assets over liabilities	51,416,167	160,254
Asset cover	4	5

2024	Non - Life	Life
	₦'000	₦'000
Cash and cash equivalents	43,879,910	-
Financial Assets	12,963,686	1,694,334
Investment Property	925,000	-
Total admissible assets	57,768,596	1,694,334
Total Insurance contract liabilities	35,550,030	724,836
<i>Less</i>		
Reinsurance contract assets	(8,695,718)	(611,436)
Net insurance liabilities	26,854,312	113,400
Excess of assets over liabilities	30,914,284	1,580,934
Asset cover	2	15

38. Segment Information

For management reporting purposes, the Company's business is organised into Life and Non-Life products as well as by regions.

Life reinsurance business can be either Individual or Group and covers the death aspect of the life contract only which is annual.

The Non-Life reinsurance business covers general insurance to individuals and corporate bodies. The general insurance businesses covered include Energy, Fire and Engineering, Accident, Liability, Marine and Agriculture. Also, segment information is presented in respect of the regions covered by the company.

NOTES TO THE FINANCIAL STATEMENTS contd.

38.1 Segment statement of total comprehensive income for the year ended 31 December 2025

	Note	Non-Life	Life	Composite	Composite
		2025	2025	2025	2024
		₦'000	₦'000	₦'000	₦'000
Insurance revenue		55,337,397	1,839,807	57,177,204	50,902,366
Reinsurance service expense		(27,580,871)	(439,442)	(28,020,313)	(54,708,881)
Results from insurance contract issued		27,756,526	1,400,365	29,156,891	(3,806,515)
Net (expense)/income from reinsurance contracts held		(7,890,927)	(917,616)	(8,808,543)	(2,255,553)
Insurance service result		19,865,599	482,749	20,348,348	(6,062,068)
Interest revenue calculated using the effective interest		4,655,895	148,402	4,804,297	4,048,169
Net fair value gains/(losses) on financial assets at fair value through profit or loss		388,638	12,388	401,026	515,299
Net credit impairment losses		(103,642)	(3,304)	(106,946)	(68,220)
Foreign Exchange (Loss)/Gain		(2,455,185)	(78,256)	(2,533,441)	15,225,832
Fair value gain on investment property		245,185	7,815	253,000	206,590
		2,730,891	87,044	2,817,936	19,927,670
Finance income(expense) from insurance contracts issued		(6,231,185)	(198,612)	(6,429,797)	1,282,345
Finance income(expense) from reinsurance contracts held		1,557,049	49,629	1,606,678	(201,378)
Net Insurance financial result		(4,674,136)	(148,983)	(4,823,119)	1,080,967
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Net Insurance and investment result		17,922,354	420,810	18,343,164	14,946,569
Other income		336,952	10,740	347,692	37,817
Other expenses		(1,580,695)	(50,383)	(1,631,078)	(1,367,139)
Impairment loss on receivable		(336,066)	(10,712)	(346,777)	(3,550,429)
Net operating profit before tax		16,342,545	370,456	16,713,001	10,066,818
Police development levy		-	-	-	(503)
IT Levy	14	-	-	-	(100,668)
Income tax expense	14	(1,982,745)	(63,198)	(2,045,943)	(615,786)
Profit after taxation		14,359,800	307,258	14,667,058	9,349,861
Other comprehensive income		42,733	1,362	44,095	160,380
Total comprehensive income		14,402,533	308,620	14,711,153	9,510,241
Segment Assets		76,935,841	2,452,244	79,388,085	76,468,508
Segment Liabilities		26,944,151	858,814	27,802,965	38,994,541

38.2 Segment report in respect of regions covered by the company

The segment information provided to the Company's Board for the reportable segments for the year ended 31 December 2025 is as follows:

	Nigeria	Ghana	Franco- phone	Others	Total 2025	Total 2024
		Note	₦'000	₦'000	₦'000	₦'000
Insurance revenue	43,410,994	3,083,176	6,235,934	4,447,100	57,177,204	50,902,366
Reinsurance service expense	(16,018,111)	(6,152,729)	(2,293,665)	(3,555,808)	(28,020,313)	(54,708,881)
Insurance result from contracts issued	27,392,883	(3,069,553)	3,942,269	891,292	(29,156,891)	(3,806,515)
Allocation of reinsurance premiums	(6,983,358)	(495,979)	(1,003,151)	(715,387)	(9,197,875)	(6,401,068)
Amount recoverable from reinsurers for claims	277,682	—	111,650	—	389,332	4,145,515
Net expense)/recoverable from contract held	(6,705,676)	(495,979)	(891,501)	(715,387)	(8,808,543)	(2,255,553)
Insurance service result	20,687,207	(3,565,532)	3,050,768	175,905	20,348,348	(6,062,068)
Interest revenue using the effective interest	3,647,595	259,063	523,972	373,667	4,804,297	4,048,169
Net fair value gains/(losses) on financial assets at fair value through profit or loss	304,473	21,625	43,737	31,191	401,026	515,299
Net credit impairment losses	(81,198)	(5,767)	(11,664)	(8,317)	(10,694)	(68,220)
Foreign exchange gain	(1,923,480)	(136,611)	(276,305)	(197,045)	(2,533,441)	15,225,832
Fair value gain on investment property	192,087	13,643	27,593	19,677	253,000	206,590
Total investment income	2,139,477	151,953	307,333	219,173	2,817,936	19,927,670
Insurance finance income for contracts held	(3,675,662)	(1,411,861)	(526,325)	(815,949)	(6,429,797)	1,282,345
Insurance finance exp for insurance issued	1,219,488	86,637	175,230	124,963	1,606,678	(201,378)
Net insurance financial result	(2,455,814)	(1,325,224)	(351,095)	(690,986)	(4,823,119)	1,080,967
Net Insurance and investment result	20,370,870	(4,738,803)	3,007,006	(295,908)	18,343,165	14,946,569
Other interest and similar income	263,981	18,749	37,920	27,042	347,692	37,817
Other Expenses	(1,238,373)	(87,953)	(177,891)	(126,862)	(1,631,079)	(1,367,139)
Impairment on receivable	(263,286)	(18,699)	(37,821)	(26,971)	(346,777)	(3,550,429)
Net operating profit before tax	19,133,192	(4,826,706)	2,829,214	(422,699)	16,713,001	10,066,818
Tax expenses	(1,553,353)	(110,324)	(223,137)	(159,129)	(2,045,943)	(716,957)
Profit for the year	17,579,839	(4,937,030)	2,606,077	(581,828)	14,667,058	9,349,861
Other comprehensive income	44,095	—	—	—	44,095	160,380
Total comprehensive income	17,623,934	(4,937,030)	2,606,077	(581,828)	14,711,153	9,510,241
Segment assets	60,274,295	4,280,857	8,658,326	6,174,607	79,388,085	76,468,508
Segment liabilities	15,893,861	6,105,004	2,275,873	3,528,227	27,802,965	38,994,541

NOTES TO THE FINANCIAL STATEMENTS contd.

39. Capital commitments and contingent liabilities

There were no commitments or contingent liabilities as at 31 December 2025.

40. Events after the reporting period

There were no events after the reporting period which could have a relevant impact on the financial statements of the company that had not been adequately provided for or disclosed in the financial statements.

41. Approval of financial statements

The Board of Directors approved these financial statements on 20 April 2026.



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**OTHER
NATIONAL
DISCLOSURES**

STATEMENT OF VALUE ADDED

	2025	%	2024	%
	₹'000		₹'000	
Premium earned	57,177,204		50,902,366	
Recoverable from insurance contract held	(8,808,543)		(2,255,553)	
Investment & other income	3,165,628		19,965,487	
Subtotal	51,534,289		68,612,300	
Insurance service, finance and other expenses	(33,037,430)		(57,125,419)	
Value added	18,496,859	100	11,486,881	100
Applied as follows:				
To pay Employees				
Personnel cost	1,460,440	8	1,143,079	10
To pay Government:				
Income tax & levies	2,045,943	11	616,289	5
Retained for maintenance of Assets				
Depreciation and amortization	323,418	2	276,984	3
Retained for business growth and payment of dividend to shareholders				
Deferred taxation	-	-	100,668	1
Retained profit	14,667,058	79	9,349,861	81
Value added	18,496,859	100	11,486,881	100

The statement represents the distribution of the wealth created through the use of the company's assets, and its employees' efforts.

FIVE-YEAR FINANCIAL SUMMARY

	2025	2024	2023	2022	2021
	N'000	N'000	N'000	N'000	N'000
Assets					
Cash and cash equivalents	51,967,577	43,879,910	20,522,379	9,922,434	6,209,648
Financial assets at fair value through profit and loss	5,819,795	7,341,488	6,478,257	1,393,715	1,007,952
Financial assets at fair value through other comprehensive income	289,855	309,836	176,347	89,286	-
Financial assets at amortised cost	10,957,562	7,316,532	4,602,774	2,549,308	-
Reinsurance contract assets	5,639,095	9,307,154	9,986,060	4,086,456	1,108,774
Insurance contract assets	112,256	3,863,901	-	-	-
Prepayment and other Receivable	881,113	764,702	283,312	72,752	1,370,902
Investment Properties	1,178,000	925,000	718,410	1,178,220	1,060,450
Property, plant & equipment	1,179,493	1,286,651	749,527	140,334	138,689
Intangible assets	363,339	473,334	552,800	414,227	421,964
Statutory deposit	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Total assets	79,388,085	76,468,508	45,069,866	20,846,732	12,318,379
Liabilities					
Reinsurance contract liabilities	272,978	1,381,361	-	-	-
Insurance contract liabilities	22,646,885	34,893,505	15,000,091	7,120,732	1,601,791
Other Technical liabilities	75,059	30,238	-	-	-
Provision and other payables	481,118	905,557	586,616	293,783	340,042
Retirement benefit obligations	1,555,415	1,058,313	466,540	-	-
Income tax liabilities	2,264,336	345,953	171,601	1,227,642	20,263
Deferred taxation	507,174	379,614	281,292	143,104	92,959
Total liabilities	27,802,965	38,994,541	16,506,140	8,785,261	2,055,055
Equity					
Share capital	20,000,000	20,000,000	10,000,000	10,000,000	10,000,000
Contingency reserve	8,825,373	5,922,551	4,079,999	724,746	234,690
Retained earnings	22,508,832	11,344,596	14,437,287	1,336,725	28,634
Property Revaluation reserve	250,915	206,820	46,440	-	-
Shareholders fund	51,585,120	37,473,967	28,563,726	12,061,471	10,263,324
Total liabilities and equity	79,388,085	76,468,508	45,069,866	20,846,732	12,318,379

STATEMENT OF VALUE ADDED contd.

	2025	2024	2023	2022	2021
	₦'000	₦'000	₦'000	₦'000	₦'000
Statement of profit and loss					
Insurance revenue	57,177,204	50,902,366	27,530,971	16,175,700	4,602,330
Reinsurance service expense	(28,020,313)	(54,708,881)	(26,271,879)	(13,625,001)	(4,174,136)
Net operating profit before tax	16,713,001	10,066,818	16,859,297	3,076,059	376,565
Police trust development levy	-	(503)	(947)	(125)	(19)
IT Levy	-	(100,668)	(189,375)	-	-
Income tax expense	(2,045,943)	(615,786)	286,840	(1,277,787)	(113,222)
Retained profit after tax	14,667,058	9,349,861	16,955,815	1,798,147	263,324
Other comprehensive income	44,095	160,380	46,440	-	-
Total comprehensive income For the year	14,711,153	9,510,241	17,002,255	1,798,147	263,324
Per share data (kobo)					
Basic earnings per share (k)	73	94	169	18	3
Diluted earnings per share (k)	73	47	85	9	1
Basic net assets per share (k)	258	187	286	121	103
Diluted net assets per share (k)	258	187	143	60	51
Dividend proposed	3	3	6	5	-
Dividend paid	-	6	5	-	-

