Sterling Assurance
Nigeria Limited

RC 155682

2024

Annual Report & Accounts

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OUR VISION

To be the preferred insurer for individuals and businesses, providing peace of mind in an ever-changing world.

OUR MISSION

To be a world-class provider of insurance and other financial services through innovative ideas using highly motivated workforce and modern technology to deliver superior returns to stakeholders.

OUR CORE VALUES

- TEAMWORK
- RELIABILITY
- INTEGRITY
- RESPONSIVENESS

OUR PHILOSOPHY

... ENDURING STERLING QUALITIES

CORPORATE INFORMATION

Directors	Dr. F. K. Lawal (With effect from 1st January, 2024)	Chairman
	Mr T. A. Olorunmakomi (With effect from 28 June, 2024)	Managing Director/CEO
	Ms. Iyaji Yiaadey	Executive Director (Ag)
	Mr. S.A. Olabanji (With effect from 28 June, 2024)	Executive Director (Ag)
	DR. S. A. Alao	Independent Director
	Mr. Antonio O. Emanuel (With effect from 28th October 2024)	Non-Executive Director (Ag)
	Mr. Olusegun Odubogun (With effect from 11th November 2024)	Non-Executive Director (Independent) (Ag)

Secretaries: Nigeria Nominees Limited
8/9, Muson Centre, Onikan, Lagos, Nigeria
FRC/2019/COY/00000012948

Register Office: 284, Ikorodu Road, Anthony Lagos, Nigeria.

Branches:
(a) Premium House (2nd Floor), Magazine Road, Jericho Ibadan
(b) 22, Kofodirua Street, behind UBA Plc, Wuze 2, Abuja
(c) 2, Ikwere Road, Port-Harcourt, Rivers State.
(d) Ken Plaza, 229, Jakpa Road, Effunrun, Warri, Delta.
(e) 37, Niger Street, Union Bank Building, (1st Floor), Kano.
(f) Unity Bank Regional Office Building, 1, Intercity Road, Mogadagashi Layout, Off Ahmadu Bello Way, Kaduna.
(g) 11, MTN Building, beside Capital Cook, Iyin Road, Ado Ekiti, Ekiti State.
(h) 9, Ahmadu Bello Way, Adama Bola Sa'ad House, GRA Ilorin, Kwara State.
(i) 3rd Floor, Investment House (Beside UAC) Marina, Lagos.

Principal Bankers Access Bank Plc
First City Monument Bank Plc

Auditors T. A. Balogun & Co.
Chartered Accountants
221, Ikorodu Road Lagos, Nigeria.
FRC/2025/COY/130361

Actuaries O & A Hedge Actuarial Consulting
Suite 28, Motorways Centre, Alausa Ikeja, Lagos.
FRC/2019/00000012909

Estate Valuer Ndubuisi Mordi & Associates
94a, Cemetery Street, Ebutte-Metta, Lagos.
FRC/2019/000000013011

Result at a Glance

Profit or Loss and Other Comprehensive Income For the year ended 31 December	2024 ₦'000	2023 ₦'000	Changes ₦'000	% Changes
Insurance revenue	8,877,630	5,041,051	3,836,579	76.11
Insurance service expenses	(12,883,207)	(3,437,918)	(9,445,289)	274.74
Net income/(expenses) from reinsurance contracts	2,872,659	(962,747)	3,835,406	(398.38)
Insurance service result	(1,132,918)	640,386	(1,773,304)	(276.91)
Interest income calculated using the effective interest method	355,171	248,103	107,068	43.15
Other investment income	128,532	-	128,532	100.00
Net foreign exchange income/(expense)	2,139,054	1,305,797	833,257	63.81
Net credit impairment losses	(188,270)	(192,459)	4,189	(2.18)
Net insurance finance result	13,624	(15,879)	29,503	(185.80)
Net insurance and investment result	1,315,193	1,985,948	(670,755)	(33.78)
Other finance costs	(19,422)	(24,959)	5,538	(22.19)
Other operating expenses	(1,149,435)	(1,192,492)	43,057	(3.61)
Other income	23,873	25,808	(1,935)	(7.50)
Profit/(Loss) before Tax	170,210	794,305	(624,095)	(78.57)
Income Tax Expense	(145,824)	(213,238)	67,414	(31.61)
Profit/(Loss) for the year	24,386	581,067	(556,681)	(95.80)
Other comprehensive income/(loss)	599,728	202,978	396,749	195.46
Total comprehensive (loss)/income for the year	**624,114**	**784,046**		
Per share data (kobo)				
Earnings	0.30	7.15	(6.85)	(95.80)

Statement of Financial Position As at 31 December.	2024	2023	Changes	% Changes
ASSETS	₦'000	₦'000	₦'000	
Cash and Cash Equivalents	2,979,948	1,507,989	1,471,959	97.61
Financial asset at amotised cost (AC)	206,174	235,136	(28,962) -	12.32
Financial Asset measured at fair value through OCI	3,358,574	2,452,004	906,571	36.97
Trade Receivables	168,913	176,915	(8,002)	(4.52)
Reinsurance Contract Assets	5,774,058	1,120,394	4,653,664	415.36
Other Receivables and Prepayments	385,798	760,726	(374,928)	(49.29)
Investment Properties	1,430,000	1,430,000	-	-
Property, Plant and Equipment	1,462,567	938,797	523,770	55.79
Statutory Deposit	300,150	300,150	-	-
Total Assets	**16,066,183**	**8,922,111**		
LIABILITIES				
Insurance Contract Liabilities	8,441,595	2,176,599	6,264,996	287.83
Provisions and Other Payables	338,871	95,976	242,895	253.08
Retirement Benefit Obligations	237,043	254,892	(17,849)	(7.00)
Current Income Tax Liabilities	234,739	234,825	(85)	(0.04)
Deferred Tax Liabilities	140,000	110,000	30,000	27.27
Total Liabilities	**9,392,249**	**2,872,291**		
EQUITY				
Paid-up Share Capital	4,064,789	4,064,789	-	-
Share Premium	70,393	70,393	-	-
Retained Earnings/(Accumulated Losses)	(570,871)	(288,475)	(282,397)	97.89
Other Reserves	(126,016)	(94,547)	(31,469)	33.28
Fair- value Reserves	522,941	209,691	313,249	149.39
Revaluation Reserves	629,366	311,419	317,947	102.10
Statutory Contigency Reserve	2,083,331	1,776,549	306,783	17.27
Total Equity	**6,673,934**	**6,049,820**		
Total Liabilities and Equity	**16,066,183**	**8,922,111**		

STERLING ASSURANCE NIGERIA LIMITED
NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 26th Annual General Meeting of **Sterling Assurance Nigeria Limited** will be held at **Bode Emanuel Centre, 225, Ikorodu Road ,Ilupeju, Lagos on Wednesday, 27th August, 2025 at 2:30pm** to transact the following business:-

ORDINARY BUSINESS

1. Lay before the meeting the Audited Financial Statements for the year ended 31st December, 2024 with the report of the Directors and Auditors thereon.

2. Authorise the Directors to fix the remuneration of the auditors

3. Disclose the remuneration of managers of the Company.

SPECIAL BUSINESS

4. Approve the Directors' emoluments

BY ORDER OF THE BOARD

NIGERIAN NOMINEES LIMITED
SECRETARIES

Dated: 6th August, 2025
Lagos, Nigeria.

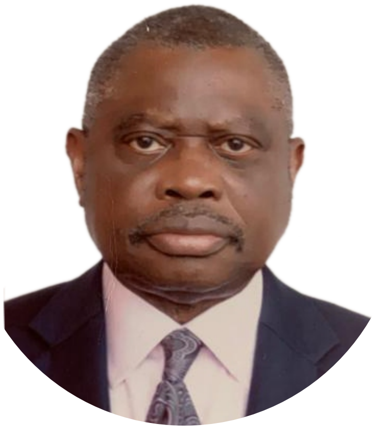
NOTES
A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of him. A proxy need not be a member of the Company.

To be valid for the purpose of the meeting, the enclosed Proxy Form must be completed, duly executed and deposited at the office of the Company Secretaries, Nigerian Nominees Limited, 221, Ikorodu Road, Ilupeju, or G. P.O. Box 1443, Marina, Lagos not less than 48hours prior to the time of the meeting

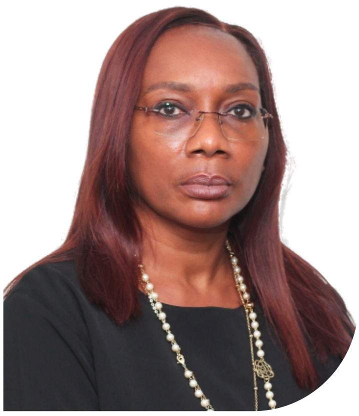
DR. F.K. LAWAL
CHAIRMAN

DR. S.A. ALAO
INDEPENDENT DIRECTOR

MR. A.O. EMANUEL
NON EXECUTIVE DIRECTOR



MR. O. ODUBOGUN
INDEPENDENT DIRECTOR



MS. IYAJI YIAADEY
Executive Director
Finance & Admin.

MR. T.A. OLORUNMAKOMI
Managing Director/CEO

MR S.A. OLABANJI
Executive Director Operations

Distinguished shareholders, fellow Board members, esteemed colleagues, and guests, It is with great honour and a deep sense of responsibility that I welcome you all to the 26th Annual General Meeting of Sterling Assurance Nigeria Limited. I am pleased to present to you the Company's performance for the financial year ended 31 December 2024, a year marked by resilience, strategic transformation, and cautious optimism in a challenging macroeconomic and regulatory environment.

Before I proceed, I would like to state that this is the first time in nearly 20 years that we are holding this meeting without the presence of our esteemed former Chairman and major shareholder, Mr. Justin Olabode Emanuel who gave so much to sustain this company over the years. I would like to seek your indulgence for a minute of silence in honour of this great man, who not only promoted businesses but nurtured men and women to greatness. May his gentle soul rest in everlasting peace.

OPERATING ENVIRONMENT

The operating landscape in 2024 remained dynamic, shaped by persistent inflationary pressures, currency volatility, and heightened regulatory scrutiny. Despite these headwinds, the Nigerian insurance sector continued to demonstrate resilience, underpinned by a growing awareness of risk management and digital adaptation. The Nigerian economy in 2024 experienced a mix of challenges and cautious optimism as policymakers grappled with macroeconomic reforms, exchange rate instability, and inflationary pressures. These dynamics significantly shaped the operating environment for insurers, affecting their financial performance, investment outcomes, and strategic positioning. The Nigeria Government continued to implement economic reforms aimed at stabilising the macroeconomic environment. The removal of fuel subsidies and exchange rate unification, though necessary, contributed to rising inflation averaging over 28% and increased cost of living and currency depreciation. The naira fluctuated against major currencies, impacting import- dependent sectors and eroding consumer purchasing power. The GDP growth was moderate, hovering around 3.1%, with oil production still below pre- pandemic levels. While the non-oil sector showed resilience-particularly in telecommunications, financial services,agriculture, high unemployment and poverty levels continued to weigh heavily on consumer demand and business confidence. The security challenge (kidnapping, banditry, cattle rustling, to mention just a few) which prevailed more in the north, and the low insurance penetration among others had negative impact on insurance industry performance.

FINANCIAL PERFORMANCE

In 2024, Sterling Assurance delivered commendable progress in its core business, recording an **insurance revenue of ₦8.88 billion**, representing a **76% growth** compared to ₦5.04 billion in 2023. This remarkable increase is indicative of our intensified market engagement, improved underwriting strategies, and strengthened client relationships.

However, the **Company's insurance service expenses grew significantly** to ₦12.88 billion (2023: ₦3.44 billion), largely due to actuarial adjustments as stipulated in IFRS 17, increased claims, and reserve strengthening. Consequently, the Company reported an **insurance service loss of ₦1.13**

billion, compared to a positive result of ₦640 million in the previous year. Nevertheless, strong investment performance and exchange gains provided a buffer. **Net investment income rose by 78.8%**, with foreign exchange income contributing ₦2.14 billion. As a result, the Company achieved a **profit before tax of ₦170.2 million**, albeit lower than the ₦794.3 million recorded in 2023. After tax, **net profit stood at ₦24.4 million**, and **total comprehensive income closed at ₦624.1 million**, supported by fair value and property revaluation reserves.

BALANCE SHEET STRENGTH

Sterling Assurance remains financially strong with **total assets doubling to ₦16.07 billion** (2023: ₦8.92 billion), reflecting growth in reinsurance assets, financial investments, and cash reserves. Total equity increased by **10.3% to ₦6.67 billion**, driven by positive valuation movements and capital preservation initiatives.

Notably, the Company continues to meet solvency requirements, maintains adequate technical reserves and a conservative investment portfolio, aligned with regulatory expectations and best practices.

CHANGE IN BOARD COMPOSITION

Since our last Annual General Meeting, Mr. Olusegun Adedeji Odubogun and Mr. Antonio Olayiwola Emanuel were appointed Directors of the company. Their appointments as Independent Director and Non Executive Director were sent to our regulator (NAICOM) and I am glad to inform shareholders that approvals have been granted for their appointments. Our renewed executive team ably led by Mr. T. A. Olorunmakomi has continued to provide fresh perspectives and reinforced our strategic direction.

We maintained robust internal control systems, as affirmed by both the internal control assessments, and the external audit conducted by Messrs T. A. Balogun & Co. Our internal control over financial reporting was deemed effective as of 31 December 2024.

STRATEGIC OUTLOOK

While 2024 presented a tough operating climate, the insurance industry demonstrated adaptability. The long-term outlook remains cautiously optimistic, contingent on sustained economic reforms, improved regulatory stability, and strategic innovation across the sector. Looking ahead, our focus will be on sustainable growth, leveraging technology to enhance customer experience, and expanding our market footprint. We will intensify efforts to achieve underwriting profitability, deepen reinsurance partnerships, and reinforce risk-based pricing frameworks.

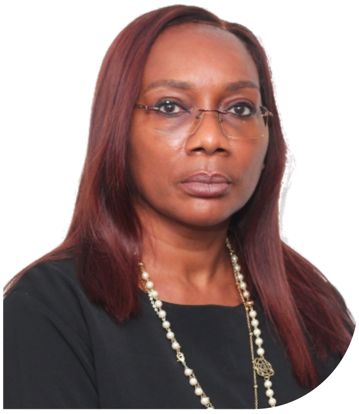
APPRECIATION

On behalf of the Board,I extend heartfelt appreciation to our shareholders for their unwavering trust and to the management and staff for their dedication, and our esteemed clients and partners for their continued patronage. I also thank our regulators, particularly the National Insurance Commission (NAICOM), for their guidance and support. As we enter a new chapter, we remain committed to creating long-term value for all stakeholders and to playing a pivotal role in the growth and development of the Nigerian insurance industry.

Thank you and God bless you all.

Dr. F. K. Lawal
Chairman

MR. T.A. OLORUNMAKOMI
Managing Director/CEO



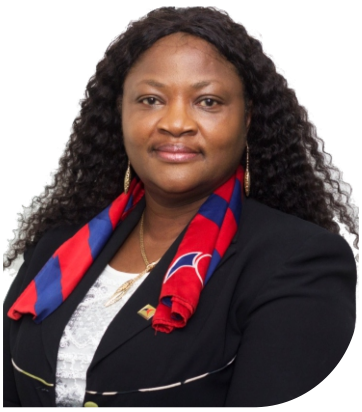
MS. IYAJI YIAADEY
Executive Director
Finance & Admin.

MR S.A. OLABANJI
Executive Director Operations

MR S.O. AGBOOLA
DGM-Finance & Admin.

MRS I.O. ADEYEMI
AGM- Internal Audit

MR O.F. PIRISOLA
AGM- Compliance



MRS O.O. ADEWAKUN
AGM- Special Risk

MR J.K. ADEWUNMI
AGM- Technical

1. REPORT

The Directors forward to the members herewith the audited accounts for the year ended 31 December, 2024.

2. RESULT

	2024	2023
	₦'000	₦'000
Insurance service result	(1,132,918)	640,386
Net insurance and investment result	1,315,193	1,985,948
Profit/(Loss) before Tax	170,210	794,305
Profit/(Loss) for the year	24,386	581,067
Total comprehensive (loss)/income for the year	624,114	784,046

3. PRINCIPAL ACTIVITY

The Company's principal activity is the provision of Non-Life Insurance Bussiness.

4. DIRECTORS

The Directors during the year and their respective Shareholdings are:-

	2024	2023
	Units (000)	Units (000)
Dr. F. K. Lawal-Chairman (Appointed on 01/01/2024)	74,191	54,191
Mr T. A. Olorunmakomi (With effect from 28 June, 2024)	-	-
Ms. Iyaji Yiaadey	-	-
Mr. S. Olabanji	-	-
Dr. S. A. Alao-Independent Director	-	-

	2024		2023	
Major Shareholding	**No of shares**	**% holding**	**No of shares**	**% holding**
Substantial shareholdings (5% and above) in the Company's Shares	Units (000)		Units (000)	
Thorburn Investments Limited	3,126,072	38.45	3,126,072	38.45
Hogg Robinson Nigeria Limited	700,000	8.61	700,000	8.61
Core Trust Investment Ltd	487,250	5.99	487,250	5.99
NLPC	450,000	5.54	450,000	5.54

5. STAFF

The number of staff presently in empolyment is:	2024	2023
Executive directors	3	3
Management staff	4	8
Non-management staff	93	83

6. DONATIONS

No donation was made to any political party during the year.

7. EMPLOYMENT AND EMPLOYEES

The Company's employment policy gives equal opportunities to everyone, regardless of gender and any form of disability.

8. HEALTH, SAFETY AND WELFARE OF EMPLOYEES AT WORK

Health and safety regulations are in force within the premises of the Company. The Company provides or subsidises transportation, lunch and medical facilities to all levels of employees. Employees also benefit from the Company through its gratuity scheme.

9. RELATIONSHIP WITH SHAREHOLDERS

The Annual General Meeting is the highest decision making of the Company and it is conducted in a transparent and fair manner.

The Board places a high premium on effective communication with the Shareholders. This is achieved through the medium of annual report and meetings. The Board also welcomes participation of all Shareholders at the Annual General Meeting during which Shareholders are able to ask questions that need clarifications from the Directors.

10. AUDITORS

In accordance with Section 401(2) of the Companies and Allied Matters Act 2020, Messrs T. A. Balogun & Co. Chartered Accountants, having indicated their willingness, will continue in office as Auditors. A resolution will be proposed at the next Annual General Meeting authorising the Board to fix their remuneration.

11. COMPLIANCE WITH THE NIGERIAN CODE OF CORPORATE GOVERNANCE

The Directors confirm that they have reviewed the structure and activities of the Company in view of the Nigerian Code of Corporate Governance for the Insurance Industry in Nigeria published in March 17, 2021. The directors confirm that the Company has substantially complied with the provisions of the Nigerian Code of Corporate Governance with regards to matters stated therein concerning the Board of Directors, the Shareholders and the Audit Committee.

LAGOS, NIGERIA

12TH MAY, 2025.

BY ORDER OF THE BOARD

NIGERIAN NOMINEES LIMITED
SECRETARIES
FRC/2018/PRO/DIR/003/00000018994

Sterling Assurance Nigeria Limited ensures that it carries out its business and operations strictly under the Prudential Guidelines of the Code of Corporate Governance of the Insurance industry in Nigeria as stipulated by the National Insurance Commission, NAICOM. It emphasizes excellent, prompt, and efficient underwriting and claims services

delivery and has gained the confidence of major intermediaries and corporate insurance buyers because of these virtues. Below is a summary of our Code of Corporate Governance as operated for the year ending 31st December 2024:

- The Board of Sterling Assurance Nigeria Limited has formulated policies and procedural guidelines that guide the Company's discharge of its responsibilities and set in place monitoring measures that ensure that these policies and procedural guidelines are followed and adhered to. The Board also constantly reviews the control put in place for effective delivery and ensures that an account of how the Company's resources are put to use is rendered to the shareholders.

- The Board of the company comprises seven members three of which are Executive Directors and Chairman, 2 Non–Executive Directors, and an Independent Non-Executive Directors.

- The Chairman is not the Managing Director of the Company, and the roles are clearly separated. The Chairman ensures that the Board's activities are well managed to bring meaningful contributions and development to the Company.

- The Managing Director monitors the day-to-day activities of the Company by providing strategic directions to the Company's operation with the support and approval of the Board. He ensures that all operations of the Company are carried out within the Legal framework while deploying the Company's resources toward ensuring profitability. He also ensures that all material matters affecting the Company are brought to the Board's attention.

- The Board appointed an Independent Non–Executive Director who has remained independent since his appointment. - According to the NAICOM Approved Guidelines on Corporate Governance, "There shall be annual Board performance evaluation to be carried out by an Independent Consultant to be appointed at the AGM". Sterling Assurance Nigeria Limited engaged the services of Samuelson B.V. Professional Services for the Board performance evaluation for the year ending 31st December 2024.

- The Board, as required under the NAICOM guidelines convenes to critically look into issues brought to its notice by the Managing Director and carry out other responsibilities that are required and provided in the Company's Article of Association. Adequate notices are given, and meetings are well attended by members of the Board.

Board composition:

S/N	NAME	POSITION	DATE OF APPOINTMENT
1	Dr. F.K. Lawal	Chairman	1st January 2024
2	Dr. S.A Alao	Non-Executive Director (Independent)	10th March 2016
3	Mr. Antonio O. Emanuel	Non-Executive Director	28th October 2024
4	Mr. Olusegun Odubogun	Non-Executive Director (Independent)	11th November 2024
5	Mr. T.A. Olorumakomi	Managing Director	28th June 2024
6	Mr. S.A. Olabanji	Executive Director (Operations)	28th June 2024
7	Ms. Iyaji Yiaadey	Executive Director (Finance & Admin)	1st December 2023

The Board had 6 meetings in 2024, and all Board members attended all the meetings and participated and contributed actively on the following date: 29 February, May 16, June 28, October 28, November 11, and December 4.

Board Committee membership is structured as required by the guidelines for the Corporate Code of Governance as a gazette and is constituted below with its meeting attendance and dates.

- The basic functions and responsibilities of these Committees as stipulated in S.404 (7) of the Companies and Allied Matters Act, 2020 was used in the year 2024.

MEETING DATES	FINANCE, INVESTMENT & GENERAL PURPOSE MEMBERS	NUMBER OF ATTENDANCE
8 November & 2 December 2024	1. Mr. Antonio O. Emanuel - Chairman	2
	2. Mr. Olusegun Odubogun	1
	3. Mr. T.A. Olorunmakomi	2
	4. Ms. Iyaji Yiaade	2

The Directors of Sterling Assurance Nigeria Limited are responsible for the preparation of the financial statements that give a true and fair view of the financial position of the Company as at 31 December 2024, and the results of its operations, statement of cash flows and changes in equity for the year ended, in compliance with International Financial Reporting Standards (IFRS) and in the manner required by Companies and Allied Matters Act, Laws of the Federation of Nigeria 2020, and the Financial Reporting Council of Nigeria (Amendment) Act, 2023.

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

- Property selecting and applying accounting policies;
- Presenting information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- Providing additional disclosures when compliance with the specific requirements in IFRS are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Company's financial position and financial performance; and
- Making an assessment of the Company's ability to continue as a going concern.

In addition, the Directors are responsible for:

- Designing, implementing and maintaining an effective and sound system of internal controls throughout the Company;
- Maintaining adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time on the financial position of the Company; and which enables them to ensure that the Financial Statements of the Company comply with the IFRS;
- Maintaining statutory accounting records in compliance with the legislation of Nigeria and IFRS;

- Taking such steps as are reasonably available to them to safeguard the assets of the Company; and
- Preventing and detecting fraud and other irregularities.

Going Concern:

The directors have made an 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.

The financial statements of the Company for the year ended 31 December 2024, were approved by the Board of Directors on 12th May 2025.

The Company obtained a waiver on report on internal control over financial reporting from the Financial Reporting Council Nigeria for the year ended 31 December 2024.

Signed on behalf of the Board of Directors By:

Dr. F. K. Lawal	T. A. Olorunmakomi
Chairman	Managing Director/CEO
FRC/2013/PRO/DIR/003/00000003330	FRC/2024/PRO/DIR/003/890359

We have reviewed the financial statements of Sterling Assurance Nigeria Limited for the year ended 31 December 2024. Based on our knowledge, the financial statements do not:

- Contain any untrue statement of a material fact; or
- Omit to state a material fact which would make the statement misleading in light of the circumstances under which such statements were made.

The financial statements and other financial information included in this report fairly present all material respects of the financial condition, results of operations and cash flows of the Company for the years presented in the financial statements.

The Directors are responsible for establishing and maintaining internal controls. We have:

- Designed such internal controls to ensure that material information relating to the Company is made known to us by other officers within the business, particularly during the year in which this report is being prepared.
- Evaluated the effectiveness of the Company's internal controls and reported to the Audit Committee on a quarterly basis and 90 days prior to 31 December 2024.
- Certified that the Company's internal controls are effective.
- Confirmed that there are no deficiencies in the design or operation of internal controls to report to the Company's auditors.

In addition, we have disclosed to the Company’s External Auditor and Audit Committee that:

- There are no deficiencies in the design or operation of internal controls to report.
- There was no fraud, whether material or not, that involved management or other employees who have a significant role in the Company's internal controls.

We confirmed that there were no significant changes in internal controls or factors that could significantly affect internal controls subsequent to the date of our evaluation.

T. A. Olorunmakomi	Iyaji Yiaadey
Managing Director/CEO	Executive Director/CFO
FRC/2024/PRO/DIR/003/890359	FRC/2022/PRO/ICAN/001/436048

To the members of Sterling Assurance Nigeria Limited.

In accordance with the provisions of Section 404(7) of the Companies and Allied Matters Act (CAMA) 2020, the members of the Audit Committee of Sterling Assurance Nigeria Limited hereby report as follows:

1. We have exercised our statutory functions under Section 404(7) of the Companies and Allied Matters Act, 2020 and acknowledge the co-operation of management and staff in the conduct of these responsibilities.

2. We are of the opinion that the accounting and reporting policies of the Company are in accordance with legal requirements and agreed ethical practices.

3. The scope and planning of both the external and internal audits for the year ended 31 December 2024 were satisfactory and reinforce the Company's internal control systems.

4. We have considered the External Auditors management letter for the year and we are satisfied with management's responses to the External Auditor's recommendations and that management has taken appropriate steps to address the issues raised by the External Auditor.

5. The External Auditors confirmed they received necessary cooperation from management in the course of their statutory audit and that the scope of their work was not restricted in any way.

Members of the Audit Committee that served during the year under review are:

Dr. S. A. Alao, Independent Non-Executive Director
Chairman

On behalf of the Audit Committee:

Dr. S. A. Alao
Chairman, Audit Committee
FRC/2019/CIIN/00000019421
12th May, 2025.

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

The Key Audit Matters apply equally to the audit of the financial statements

Key Audit Matter

1. **Valuation of insurance contract liabilities**

The Company has material insurance contract liabilities of ₦8.441 billion (2023: ₦2.176 billion) representing 89.8% (2023: 75.8%) of the Company's total liabilities. Actuarial valuation of these insurance contract liabilities is an area that involves significant judgment over uncertain future outcomes and therefore was an area of significance to our audit.

The Company reviews its unexpired risk at reporting date. Provision for reported claims is based on historical experience; however, the eventual liabilities may differ from the estimated amounts. Furthermore, the estimated liabilities for claims that have occurred but are yet to be reported involve judgment and economic assumptions.

Consistent with the insurance industry practice and regulatory guideline, the Company engaged an independent actuary to test the adequacy of the valuation of insurance contract liabilities as at year- end. The complexity of the valuation models may give rise to errors as a result of inadequate/incomplete data or the design or application of the models.

Economic assumptions such as interest rates and future inflation rates and actuarial assumptions such as customer behaviour and uniform risk occurrence throughout the period are key inputs used to determine these liabilities. Significant judgement is applied in setting these assumptions and small changes in a number of these key assumptions could have a material impact on the calculation of the liabilities.

How the matters were addressed in the audit

1. We performed, amongst others, the following audit procedures with the support from our internal actuarial specialists:

obtained and documented our understanding of the Company's basis of valuation;
agreed schedules to the general ledger and test the completeness and accuracy of the subledgers;
reviewed the accuracy of contract classifications for reporting under IFRS 17 Insurance Contracts;
reviewed data items used as inputs (premium data and claims data) to valuation or valuation models, including those involved in retrospective and prospective liability calculations;
reviewed and confirmed the appropriateness of disclosures made in the financial statements as regards insurance contract;

reviewed the policy and methodology papers;
reviewed consistency and accuracy of administration of claims and any other accounting data;
reviewed the reasonability of the assumptions and methodology used in the in the calculation of the statutory reserves at 31 December 2024 with reference to relevant legislation, professional guidance, and actuarial best practice;
evaluated the appropriateness of discount rates used as part of the liability for incurred claims/reinsurance amount recoverable on incurred claims calculations;
verified that the discount rates have been appropriately applied within the calculation of the liability for incurred claims;
reviewed the accuracy of data items used as inputs (premium data, claims data, assumptions etc.) to valuations or valuation models, including those involved in retrospective and prospective liability calculations;
verified the accuracy of contract classifications for reporting under IFRS 17 Insurance Contracts;
verified claims/reinsurance amount recoverable on incurred claims; and
verified that the risk adjustment factors determined for the liability for incurred claims/reinsurance amount recoverable on incurred claims have been appropriately applied within the calculation of the liability for incurred claims/reinsurance amount recoverable on incurred claims.

2. Valuation of Investment Properties (Note 11)

We focused on this area due to the size of the investment property balance and because the assessment of the value of the property involves judgment about the future cash flows from the property, the growth rate and the discount rate applicable to future cash flows

This matter is considered a key audit matter in the financial statements.

How our audit addressed the key audit matter?

We reviewed the valuation methodology to confirm consistency with previous years.
The discount and growth rates applied within the model were assessed for reasonableness by comparing to available market and economic information.
We assessed the competence, independence and objectivity of management's External Valuation Experts.

Other Information

The Directors are responsible for the other information. The other information comprises the information included in the document titled "Sterling Assurance Nigeria Limited Annual Report & Accounts for the year ended 31 December 2024", which includes Corporate Information, Results at a Glance – The Company, Results at a Glance – The Company, Shareholding structure and free float status, Directors' Report, Report of the Statutory Audit Committee, Corporate Governance Report, Statement of Directors' Responsibilities in Relation to the Preparation of the Financial Statements, Statement of Corporate Responsibility for the Financial Statements and Other National Disclosures. 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 in the audit, or otherwise appears to be materially misstated.

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

Responsibilities of the Directors for the Financial Statements

The Directors are responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, the provisions of the Companies and Allied Matters Act, 2020, the Insurance Act 2003 and relevant policy guidelines issued by the National Insurance Commission (NAICOM and in compliance with the Financial Reporting Council of Nigeria (Amendment) Act, 2023, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

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

Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the consolidated and separate 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.

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

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

Report on Other Legal and Regulatory Requirements

In accordance with the requirement of the Fifth Schedule of the Companies and Allied Matters Act, 2020, and Section 28(2) of the Insurance Act 2003, we confirm that:

We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit;

In our opinion, proper books of account have been kept by the Company, in so far as it appears from our examination of those books;

The statements of financial position and the statements of profit or loss and other comprehensive income are in agreement with the books of account; and

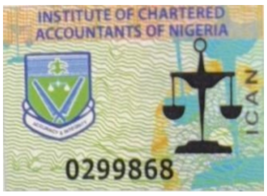
In our opinion, the financial statements have been prepared in accordance with the provisions of the Companies and Allied Matters Act, 2020 so as to give a true and fair view of the state of affairs and financial performance of the Company.

Penalty

The Company incurred no penalty for the year ended 31st December, 2024.

Waiver

The company has applied for a waiver from the Financial Reporting Council of Nigeria (FRC) on the mandatory implementation of Internal Control over Financial Reporting (ICFR) requirements for year ended 31 December 2024 as stipulated in the FRC Act.



Tajudeen Balogun
FRC/2014/PRO/ICAN/004/00000008630
For: T. A. Balogun & Co
Lagos, Nigeria.

15th May 2025

We, T. A. Olorunmakomi (Managing Director) and Iyaji Yiaadey (Executive Director/CFO) of Sterling Assurance Nigeria Limited, certify that:

a) We have reviewed this Management's Report on the Assessment of Internal Control over Financial Reporting of Sterling Assurance Nigeria Limited,

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

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

d) We also certify that we:

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

e) We have disclosed, based on our most recent evaluation of the internal control system, to the company's auditors and the audit committee of the company's board of directors:

- that there were no significant deficiencies and material weaknesses in the design or operation of the internal control system that are reasonably likely to adversely affect the company's ability to record, process, summarise financial information; and
- that there was no fraud, whether material or not, involving management or other employees who have a significant role and report in the company's internal control system.

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

Dated this 12th day of May 2025

T. A. Olorunmakomi	Iyaji Yiaadey
Managing Director/CEO	Executive Director/CFO
FRC/2024/PRO/DIR/003/890359	FRC/2022/PRO/ICAN/001/436048

Management of Sterling Assurance Nigeria Limited ("the Company") is responsible for establishing and maintaining an adequate system of internal control over financial reporting, including safeguarding of assets against unauthorised acquisition, use or disposition. This system is designed to provide reasonable assurance to management and the board of directors regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

Sterling Assurance Nigeria Limited's system of internal control over financial reporting is supported with written policies and procedures, contains self-monitoring mechanisms, and is audited by the internal audit function. Appropriate actions are taken by management to correct deficiencies as they are identified. All internal control systems have inherent limitations, including the possibility of circumventing and overriding of controls, and, therefore, can provide only reasonable assurance as to the reliability of financial statement preparation and such asset safeguarding.

Based on this assessment, management believes that, as of 31 December 2024, the Company's internal control over financial reporting is designed and operating effectively. Additionally, based upon management's assessment, the Company determined that there were no material weaknesses in its internal control over financial reporting as of 31 December 2024.

As of 31 December 2024, the Management of Sterling Assurance Nigeria Limited did not identify any material weakness in its assessment of the internal control over financial reporting. As a result, Management has concluded that as 31 December 2024, the company's internal control over financial reporting was effective.

Dated this 12th day of May 2025

T. A. Olorunmakomi	Iyaji Yiaadey
Managing Director/CEO	Executive Director/CFO
FRC/2024/PRO/DIR/003/890359	FRC/2022/PRO/ICAN/001/436048

ASSETS	Notes	2024 ₦'000	2023 ₦'000
Cash and Cash Equivalents	6	2,979,948	1,507,989
Financial asset at amotised cost (AC)	7	206,174	235,136
Financial Asset measured at fair value through OCI	7	3,358,574	2,452,004
Trade Receivables	8	168,913	176,915
Reinsurance Contract Assets	9.2	5,774,058	1,120,394
Other Receivables and Prepayments	10	385,798	760,726
Investment Properties	11	1,430,000	1,430,000
Property, Plant and Equipment	12	1,462,567	938,797
Statutory Deposit	13	300,150	300,150
Total Assets		**16,066,183**	**8,922,111**
LIABILITIES			
Insurance Contract Liabilities	14.1	8,441,595	2,176,599
Provisions and Other Payables	15	338,871	95,976
Retirement Benefit Obligations	16	237,043	254,892
Current Income Tax Liabilities	17.2	234,739	234,825
Deferred Tax Liabilities	17.3	140,000	110,000
Total Liabilities		**9,392,249**	**2,872,291**
EQUITY			
Paid-up Share Capital	18.1	4,064,789	4,064,789
Share Premium	18.2	70,393	70,393
Statutory Contigency Reserve	18.7	2,083,331	1,776,549
Retained Earnings	18.3	(570,871)	(288,475)
Other Reserves	18.4	(126,016)	(94,547)
Fair- value Reserves	18.5	522,941	209,691
Revaluation Reserve	18.6	629,366	311,419
Total Equity		**6,673,934**	**6,049,820**
Total Liabilities and Equity		**16,066,183**	**8,922,111**

The restated audited financial statements were produced after the Board of Directors approved financial statements on 12th May, 2025 and signed on its behalf by:

....
Dr. Fatai K. Lawal
Chairman
FRC/2013/PRO/DIR/003/00000003330

....
Mr T. A. Olorunmakomi
Managing Director/CEO
FRC/2024/PRO/DIR/003/890359

....
Ms. Iyaji Yiaadey
Executive Director (Fin & Admin)
FRC/2022/PRO/ICAN/001/436048

The accompanying notes form an integral part of these financial statements

	Notes	2024	2023
		₦'000	₦'000
Insurance revenue	19.1	8,877,630	5,041,051
Insurance service expenses	19.2	(12,883,207)	(3,437,918)
Net income/(expenses) from reinsurance contracts held	19.3	2,872,659	(962,747)
Insurance service result		**(1,132,918)**	**640,386**
Interest income calculated using the effective interest method	20	355,171	248,103
Other investment income	21	128,532	-
Net credit impairment losses	22	(188,270)	(192,459)
Net foreign exchange income/(expense)	23	2,139,054	1,305,797
Net Investment income		**2,434,487**	**1,361,441**
Finance expenses from insurance contracts issued	19.4	120,147	(33,315)
Finance income from reinsurance contracts held	19.5	(106,523)	17,436
Net insurance finance income/(expennse)		**13,624**	**(15,879)**
Net insurance and investment result		**1,315,193**	**1,985,948**
Other finance costs	25	(19,422)	(24,959)
Other operating expenses	26	(1,149,435)	(1,192,492)
Other income	24	23,873	25,808
Profit/(Loss) before tax		170,210	794,305
Income tax expense	17.1	(145,824)	(213,238)
Profit/(Loss) for the year		**24,386**	**581,067**
Other comprehensive income:			
Items that are or may be reclassified subsequently to profit or loss:			
Foreign operations – foreign currency translation differences		-	-
Net fair value gain/(loss) on debt instruments at FVOCI		-	-
Debt investments at FVOCI – reclassified to profit or loss		-	-
Items that may not be reclassified subsequently to profit or loss:			
Actuarial gains (losses) on defined benefit pension plans	18.4	(31,469)	(34,924)
Net fair value gain/(loss) on equity instruments at FVOCI	18.5	313,249	184,424
Gain on revaluation of land and buildings	18.6	317,947	53,478
Total other comprehensive income/(loss) for the year		599,728	202,978
Total comprehensive (loss)/income for the year, net of tax		**624,114**	**784,046**
Earnings per share (Kobo)			
Actual		0.30	7.15

The accompanying notes form an integral part of these financial

	Issued Share Capital ₦'000	Share Premium ₦'000	Retained Earnings ₦'000	Fair-value Reserves ₦'000	Other Reserves ₦'000	Revaluation Reserves ₦'000	Contingency Reserves ₦'000	Total ₦'000
Balance as at 1 January, 2023	4,064,789	70,393	(691,575)	25,267	(59,623)	257,941	1,598,581	5,265,773
Profit for the year	-	-	581,068	-	-	-	-	581,068
Changes in the valuation of gratuity	-	-	-		(34,924)	-	-	(34,924)
Changes in fair value of financial assets at FVOCI	-	-	-	184,424	-	-	-	184,424
Changes in the valuation of land & building	-	-	-	-	-	53,478	-	53,478
Transfer to the contingency reserves	-	-	(177,968)	-	-	-	177,968	-
Balance at 31 December, 2023	**4,064,789**	**70,393**	**(288,475)**	**209,691**	**(94,547)**	**311,419**	**1,776,549**	**6,049,820**
Balance as at 1 January, 2024	4,064,789	70,393	(288,475)	209,691	(94,547)	311,419	1,776,549	6,049,820
Profit/(Loss) for the year	-	-	24,386	-	-	-	-	24,386
Changes in the valuation of gratuity	-	-	-		(31,469)	-	-	(31,469)
Changes in fair value of financial assets at FVOCI	-	-	-	313,249	-	-	-	313,249
Changes in the valuation of land & building	-	-	-	-	-	317,947	-	317,947
Transfer to the contingency reserves	-	-	(306,783)	-	-	-	306,783	-
Balance at 31 December, 2024	**4,064,789**	**70,393**	**(570,871)**	**522,941**	**(126,016)**	**629,366**	**2,083,331**	**6,673,934**

The accompanying notes form an integral part of these financial statements

	Notes	2024 ₦'000	2023 ₦'000
Operating activities:			
Premiums received during the year	14.3	10,217,478	5,978,898
Reinsurance premiums paid during the year	9.3	(2,488,885)	(2,093,121)
Acquisition cashflows received		-	194,960
Incurred claims recovered from reinsurers	9.3	978,436	166,154
Insurance acquisition cash flows paid	14.3	(2,756,839)	(1,623,087)
Claims and other insurance services expenses paid	14.3	(4,308,297)	(1,466,476)
Other directly attributables expenses	14.3	(764,774)	-
Other cashflow receipts/(payments)		1,258,258	5,694
Other Operating Income	24	22,892	7,708
Tax paid during the year	17.2	(115,909)	(47,857)
Net Cash Flow from Operating Activities (A)		**2,042,360**	**1,122,873**
Investing activities:			
Investment income		-	266,156
Interest revenue calculated using the effective interest rate	20	355,171	-
Other investment income	21	128,532	-
Purchase of property, plant and equipment	12	(304,189)	(87,975)
Purchase of equity securities at fair value	7.3	(584,525)	(185,200)
Purchase of debt instrument measured at amortised cost	7.3	(192,555)	(20,000)
Puchase of debt instrument measured at FVOCI	7.3	(410,149)	(703,586)
Repayment of debt instrument measured at FVOCI	7.3	401,352	-
Repayment of debt instrument measured at amortised cost	7.3	34,980	10,000
Proceeds from disposal of property, plant and equipment		981	1,881
Net Cash Flow from Investing Activities (B)		**(570,401)**	**(718,724)**
Financing activities			
Issued shares		-	-
Net Cash Flow from FinancingActivities (C)			**-**
Net Increase / (Decrease) in cash and cash equivalents (a+b+c)		1,471,959	404,149
Cash and cash equivalent at the beginning of the year		1,507,989	1,103,840
Cash and cash equivalent at the end of the year		**2,979,948**	**1,507,989**

The accompanying notes form an integral part of these financial statements

1. Reporting Entity

The Company, Sterling Assurance Nigeria Limited, formerly known as Whispering Hope Insurance Limited was incorporated as a Limited Liability Company on 11 October 1990 under the law of Nigeria and is subject to the Nigerian Insurance Act CAP 117 LFN 2004. The Company is licensed mainly to carry out Non – life insurance contracts. Its head office and registered office is at 284, Ikorodu Road, Lagos, Nigeria.

These Financial Statements were authorized for issue by the Board of Directors on May 12,2025.

1.1 Regulation

Sterling Assurance Nigeria Limited is regulated by the National Insurance Commission, NAICOM and all regulatory requirements and guidelines of the Commission are operative in accordance with provision of the Insurance Act 2003.

2. Basis of preparation and compliance with IFRS

2.1 Statement of Compliance

These financial statements for the year 2024 have been prepared in accordance with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB), the IFRS's interpretation committee (IFRIC), the Insurance Act of Nigeria and the relevant National Insurance Commission (NAICOM) guidelines and circulars, Company and Allied Matters Act, CAP C20, LFN 2020, the Financial Reporting Council of Nigeria (Amendment) Act 2023 and other relevant statutes to the extent that they do not conflict with the provision of IFRSs.

2.2 Basis of Measurement

The financial statements have been prepared on the historical cost basis except for the following items; which are measured on an alternative basis on each reporting date.

Items	*Measurement Bases*
• Item of building (Property plant and equipment)	Revalued amount
• Non-derivative financial asset at fair value through other comprehensive income	Fair value
• Non-derivative financial asset at fair value through profit or loss	Fair value
• Investment properties	Fair value
• Insurance contract liabilities	Present value

2.3. Going Concern

The Company is a going concern entity with very profitable operations and ready access to financial resources. The management believes that the going concern assumption is appropriate for the company and there are no going concern threats to the operations of the company. These financial statements were prepared on a going concern basis.

2.4 Functional and presentation currency

These financial statements are prepared in Nigeria Naira which is the functional and presentation currency. Except as indicated, financial information presented in naira has been rounded to the nearest thousand.

2.5 Regulatory authority and financial reporting

The Company is regulated by National insurance Commission (NAICOM) under the National Insurance Act of Nigeria. The Act specifies certain provisions which have impact on financial reporting as follows:

(i) Section 20 (1a) provides that provision for unexpired risk shall be calculated on a time apportionment basis of the risks accepted in the year.

(ii) Section 21 (2) of the Insurance Act, 2003, requires that 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 to cover fluctuations in securities and variation in statistical estimates.

3.0 Changes in accounting policies

New and amended standards and implementations

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

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

In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

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

The amendments are effective for annual reporting periods beginning on or after 1 January 2024 and must be applied retrospectively. The amendment does not have any material impact on the Company

ii. Amendments to IAS 7 and IFRS 7 – Disclosures: Supplier Finance Arrangements

In May 2023, the Board issued amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments. The amendments clarify the characteristics of supplier finance arrangements. In these arrangements, one or more finance providers pay amounts an entity owes to its suppliers. The entity agrees to settle those amounts with the finance providers according to the terms and conditions of the arrangements, either at the same date or at a later date than that on which the finance providers pay the entity's suppliers.

The amendments require an entity to provide information about the impact of supplier finance arrangements on liabilities and cash flows, including terms and conditions of those arrangements, quantitative information on liabilities related to those arrangements as at the beginning and end of the reporting period and the type and effect of non-cash changes in the carrying amounts of those arrangements. The information on those arrangements is required to be aggregated unless the individual arrangements have dissimilar or unique terms and conditions.

The amendment does not have any material impact on the Company.

4. Foreign Currency

Foreign currency translation

Transactions in foreign currencies are translated into Nigerian Naira at exchange rates at the dates of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the spot exchange rate when the fair value was determined.

Non-monetary items that are measured based on historical cost in a foreign currency are translated at the spot exchange rate at the date of the transaction. Foreign currency differences are generally recognised in profit or loss.

However, foreign currency differences arising from the translation of the following items are recognised in Other Comprehensive Income (OCI):

-financial asset at fair value through other comprehensive income (OCI) (except on impairment, in which case foreign currency differences that have been recognised in OCI are reclassified to profit or loss);

-a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective and

-qualifying cash flow hedges to the extent that the hedges are effective.

5.0 Summary of Significant Accounting Policies

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

5.1 Cash and cash equivalents.

Cash and cash equivalents include cash in hand and bank, unrestricted balances held with a Central Bank, call deposits and short term highly liquid financial assets (bank deposits) with original maturities of about three months, which are subject to significant risk of changes in their value and used by the Company in the management of its short-term commitments.

For the statement of cash flow, cash and cash equivalents consist of cash on hand; bank balances, fixed deposits, and treasury bill within 90 days.

5.2 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

5.2.1 Recognition and initial measurement

All financial assets and liabilities are initially recognized on the trade date, i.e., the date that the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is measured initially at fair value plus or minus (for financial liabilities), except for a financial asset or liability measured at fair value through profit or loss, 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.

5.2.2 Classification of financial instruments

The Company classifies its financial assets under IFRS 9, into the following measurement categories:

- Those to be measured at fair value through other comprehensive income (FVOCI) (either with or without recycling), and
- Those to be measured at amortized cost.

The classification depends on the Company's business model (i.e., business model test) for managing financial assets and the contractual terms of the financial assets cash flows (i.e., solely payments of principal and interest – SPPI test).

The Company also classifies its financial liabilities as liabilities at amortized cost. Management determines the classification of the financial instruments at initial recognition.

5.2.3 Subsequent measurements

The subsequent measurement of financial assets depends on its initial classification:

1. ***Debt instruments***

Amortized cost: A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- *The asset is held within a business model whose objective is to hold assets to collect contractual cash flow; and*
- *The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the*

principal amount outstanding.

The gain or loss on a debt investment that is subsequently measured at amortized cost and is not part of a hedging relationship is recognized in profit or loss when the asset is derecognized or impaired. Interest income from these financial assets is determined by using the effective interest method and reported in profit or loss as 'Investment income'.

Financial assets under the amortized cost classification (i.e., a business model whose objective is to collect contractual cash flows) can still be held as such even when there are sales within the portfolio as long as the sales are infrequent (even if significant in value) or insignificant in value both individually and in aggregate (even if frequent).

However, if more than an infrequent number of such sales are made from a portfolio and those sales are more than insignificant in value (either individually or aggregate), the Company will assess whether and how such sales are consistent with the objective of collecting contractual cash flows.

Fair value through other comprehensive income (FVOCI): Investment in debt instrument is measured at FVOCI only if it meets both of the following conditions and is not designated as at FVTPL:

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

The debt instrument is subsequently measured at fair value. Gains and losses arising from changes in fair value are included in other comprehensive income within a separate component of equity. Impairment gains or losses, interest revenue, and foreign exchange gains and losses are recognized in profit and loss. Upon disposal or derecognition, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in net gains on investment securities while the cumulative impairment losses recognized in the OCI and accumulated in equity will be reclassified and credited to profit or loss. Interest income from these financial assets is determined using the effective interest method and recognized in profit or loss as 'Investment income'.

The measurement of credit impairment is based on the three-stage expected credit loss model as applied to financial assets at amortized cost. The expected credit loss model is described further in Note 5.2.4.

Fair value through profit or loss (FVTPL): Financial assets that do not meet the criteria for amortized cost or FVOCI are measured at fair value through profit or loss. The gain or loss arising from changes in the fair value of a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is included directly in the profit or loss and reported as 'Net fair value gain/(loss) in the period in which it arises. Interest income from these financial assets is recognized in profit or loss as 'Investment income'.

2. ***Equity instruments***

The Company subsequently measures all equity investments at fair value. For equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in fair value in OCI. This election is made on an investment-by-investment basis at the initial recognition of the instrument. Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments continue to be recognized in profit or loss as dividend income (under Investment income) when the Company's right to receive payments is established unless the dividend represents a recovery of part of the cost of the investment. All other financial assets are classified as measured at FVTPL. Changes in the fair value of financial assets at fair value through profit or loss are recognized in Net fair value gain/(loss) in the profit or loss.

In addition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or FVOCI as FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise. This is done on initial recognition of the instrument.

Business model assessment

The Company assesses the objective of a business model in which an 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:

(1). The stated policies and objectives for the portfolio and the operation of those policies in practice. Whether management's strategy focuses on earning contractual interest revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets, or realizing cash flows through the sale of the assets.

(2). How the performance of the portfolio is evaluated and reported to management.

(3). 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.

(4). 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 flow collected; and

(5). The frequency, volume, and timing of sales in prior periods, the reasons for such sales, and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Company's stated objective for managing the financial assets is achieved and how cashflows are realized.

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

Financial assets that are held for trading or managed and whose performance is evaluated on a fair value basis are measured at FVTPL because they are neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets.

Assessment of whether contractual cash flows are solely payments of principal and interest on principal amount outstanding.

As a second step of its classification process, the Company assesses the contractual terms of financial assets to identify whether they meet the SPPI test.

'Principal' for this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortization of the premium/discount). '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 and for other basic lending risks and costs (e.g., liquidity risk and administrative costs), as well as profit margin.

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Company applies judgment and considers relevant factors such as the currency in which the financial asset is denominated, and the period for which the interest rate is set.

In contrast, contractual terms that introduce a more than de minimis exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement do not give rise to contractual cash flows that are solely payments of principal and interest on the principal amount outstanding. In such cases, the financial asset is required to be measured at FVTPL.

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 the assessment, the Company considers:

- Contingent events that would change the amount and timing of cash flows.
- Leverage features.
- Prepayment and extension terms.
- Terms that limit the Company's claim to cash flows from specified assets (e.g., non-recourse asset arrangements), and
- Features that modify consideration of the time value of money – e.g., periodical reset of interest rates.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

A financial liability is classified at fair value through profit or loss if it is classified as held-for-trading or designated as such on initial recognition. Directly attributable transaction costs on these instruments are recognised in profit or loss as incurred. Financial liabilities at fair value through profit or loss are measured at fair value and changes therein, including any interest expense, are recognised in profit or loss.

Other non-derivative financial liabilities are initially measured at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortised cost using the effective interest method.

5.2.4 Impairment of financial assets

a. Overview of the Expected Credit Losses (ECL) principles

The Company recognizes an allowance for expected credit losses on the following financial instruments that are not measured at FVTPL:

- Financial assets that are debt instruments.
- Trade receivables and contract assets.
- Financial guarantees issued.

In this section, the instruments mentioned above are all referred to as 'financial instruments' or 'assets. Equity instruments are not subject to impairment under IFRS 9.

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss or lifetime ECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss (12 months ECL) as outlined.

The 12 months ECL is the portion of Lifetime ECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. Both lifetime ECLs and 12 months ECLs are calculated on either an individual basis or a collective basis, depending on the nature of the underlying portfolio of financial instruments.

Loss allowances for accounts receivable are always measured at an amount equal to lifetime ECL. The Company has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument.

Based on the above process, the Company groups its financial instruments into Stage 1, Stage 2, Stage 3, and POCI, For financial assets for which the Company has no reasonable expectations of recovering either the entire outstanding amount or a proportion thereof, the gross carrying amount of the financial asset is reduced. This is considered a (partial) derecognition of the financial asset.

b. The calculation of ECLs

The Company calculates ECLs based on three probability-weighted scenarios to measure the expected cash shortfalls, discounted at an approximation to the EIR. A cash shortfall is the difference between the cash flows that are due to an entity per the contract and the cash flows that the entity expects to receive.

The mechanics of the ECL calculations are outlined below and the key elements are as follows:

- PD: 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 assessed period if the facility has not been previously derecognized and is still in the portfolio.
- EAD: The Exposure at Default is an estimate of the exposure at a future default date, considering expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments.
- LGD: The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD.

When estimating the ECLs, the Company considers three scenarios (a base case, an upside, and a downside). Each of these is associated with different PDs, EADs, and LGDs. When relevant, the assessment of multiple scenarios also incorporates how defaulted assets are expected to be recovered, including the probability that the assets will be cured and the value of collateral or the amount that might be received for selling the asset.

Impairs losses and releases are accounted for and disclosed separately from modification losses or gains that are accounted for as an adjustment of the financial asset's gross carrying value.

The mechanics of the ECL method are summarized below:

- ***Stage 1***: The 12-month ECL is calculated as the portion of lifetime ECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The Company calculates the 12 months ECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-month default probabilities are applied to a forecast EAD multiplied by the expected LGD and discounted by an approximation to the original EIR. This calculation is made for each of the three scenarios, as explained above.
- ***Stage 2:*** When an asset has shown a significant increase in credit risk since origination, the Company records an allowance for the lifetime ECLs. The mechanics are similar to those explained above, including the use of multiple scenarios, but PDs and LGDs are estimated over the lifetime of the instrument. The expected cash shortfalls are discounted by an approximation to the original EIR.
- ***Stage 3***: For assets considered credit-impaired, the Company recognizes the lifetime expected credit losses for these assets. The method is like that for Stage 2 assets, with the PD set at 100%.
- ***POCI:*** POCI assets are financial assets that are credit impaired on initial recognition. The Company only recognizes the cumulative changes in lifetime ECLs since initial recognition, based on a probability-weighting of the three scenarios, discounted by the credit-adjusted EIR.

c. Debt instruments measured at fair value through OCI

The ECLs for debt instruments measured at FVOCI do not reduce the carrying amount of these financial assets in the statement of financial position, which remains at fair value. Instead, an amount equal to the allowance that would arise if the assets were measured at amortized cost is recognized in OCI as an accumulated impairment amount, with a corresponding charge to profit or loss. The accumulated loss recognized in OCI is recycled to the profit and loss upon derecognition of the assets.

d. Presentation of allowance for ECL in the statement of financial position

Loss 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.
- 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 recognized in the fair value reserve in equity (through OCI).

e. Write-off

After a full evaluation of a non-performing exposure, if either one or all of the following conditions apply, such exposure is 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.
- Amount obtained from realization of credit collateral security leaves a balance of the debt or
- It is reasonably determined that no further recovery on the facility is possible.

All credit facility write-offs require endorsement by the Board, as defined by the Company. Credit write-off approval is documented in writing and properly initiated by the Board.

A write-off constitutes a derecognition event. The write-off amount is used to reduce the carrying amount of the financial asset. However, financial assets that are written off could still be subject to enforcement activities to comply with the Company's procedures for recovery of amount due. Whenever amounts are recovered on previously written-off credit exposures, such an amount recovered is recognized as income on a cash basis only.

f. Forward looking for information

In its ECL models, the Company relies on a broad range of forward-looking information as economic inputs, such as:

- GDP growth
- Exchange rates
- Unemployment rates
- Inflation rates
- Crude oil price

The inputs and models used for calculating ECLs may not always capture all characteristics of the market at the date of the financial statements. To reflect this, qualitative adjustments or overlays are occasionally made as temporary adjustments when such differences are significantly material. Detailed information about these inputs and sensitivity analysis are provided in the financial statements.

5.2.5 Fair value measurement - policy applicable for current and comparative periods

'Fair value' is the price that would be received to sell an asset or paid to transfer liability in an orderly transaction between market participants at the measurement date in the principal market or, in its absence, the most advantageous market to which the Company has access at that date.

The fair value of a liability reflects its non-performance risk.

If a market for a financial instrument is not active, then the Company establishes fair value using a valuation technique. The chosen valuation technique makes maximum use of market input, relies as little as possible on estimates specific to the Company, incorporates all factors that market participants would consider in setting a price, and is consistent with accepted economic methodologies for pricing financial instruments.

5.2.6 Derecognition of financial assets - policy applicable for current and comparative periods

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or when it transfers the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all the risks and rewards of ownership and it does not retain control of the financial asset. Any interest in such derecognised asset financial asset that is created or retained by the Company is recognised as a separate asset or liability.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset transferred), and consideration received (including any new asset obtained less any new liability assumed) is recognized in profit or loss.

5.2. 7 Derecognition of financial liabilities - policy applicable for current and comparative periods

The Company derecognises financial liabilities when, and only when its contractual obligations are discharged or cancelled or expired.

When an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

5.2.8 Write off - policy applicable for current and comparative periods

The Company writes off a financial asset (and any related allowances for impairment losses) when the Company determines that the assets are uncollectible. Financial assets are written off either partially or in their entirety. This determination is reached after considering information such as the occurrence of significant changes in the borrower/issuer's financial position such that the borrower/issuer can no longer pay the obligation, or that proceeds from collateral will not be sufficient to pay back the entire exposure. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to impairment loss on financial assets.

However, financial assets that are written off could still be subject to enforcement activities to comply with the Company's procedures for recovery of the amount due.

5.3 Trade receivables

Trade receivables are stated at their original invoiced value, as the interest that would be recognised from discounting future cash receipts over the short credit period is not considered to be material. These receivables are reduced by appropriate allowances for estimated irrecoverable amounts. Interest on overdue trade and other receivables (where applicable) are recognised as they accrue.

5.4 Other receivables and prepayment

Other receivables are carried at amortised cost using the effective interest rate less accumulated impairment losses. Prepayments are carried at cost less accumulated amortization and are amortized on a straight line basis to profit or loss.

5.5 Trade payables

Trade payables are recognised when due and measured on initial recognition at the fair value of the consideration received. Subsequent to initial recognition, they are measured at amortized cost using the effective interest rate method. Trade payables are recognised as financial liabilities.

5.6 Other payables and accruals

Other payables and accruals are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. The fair value of a non-interest-bearing liability is its discounted repayment amount. Discounting is omitted for payables that are less than one year as the effect is not material. A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the profit or loss.

Gains and losses are recognised in the profit or loss when the liabilities are derecognized. Other payables are recognised as other financial liabilities.

5.7 Investment Properties

Investment properties are initially measured at cost and subsequently at fair value with any change therein recognised in profit or loss. Any gain or loss on disposal of investment properties (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

Investment properties are classified separately from other properties used for the business.

5.8 Property, plant, and equipment

(a) Recognition and measurement

Land and buildings comprise mainly outlets and offices occupied by the Company.

All categories of property, plant, and equipment (except freehold property) are initially recorded at cost. Subsequently, land and buildings are measured using a revaluation model at the end of the financial period. Any increase in the value of the assets is recognized in other comprehensive income and accumulated surplus unless the increase is to reverse a decrease in value previously recognized in profit or loss where the increase will be recognized in profit or loss. A decrease in the value of land and building as a result of revaluation will be recognized in profit or loss unless the decrease is to reverse an increase in value previously recognized in other comprehensive income whereby the decrease will be recognized in other comprehensive income.

(b) Depreciation

Depreciation is recognized 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.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term lives.

Depreciation begins when an asset is available for use and ceases at the earlier of the date that the asset is derecognized or classified as held for sale per IFRS 5 Non-current Assets Held for Sale and Discontinued Operations.

The estimated useful lives for the current and comparative period are as follows:

Land	Nill
Building	50 years
Office furniture and fittings	5 years
Motor vehicles	4 years
Office equipment	5 years

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.

Property and equipment are derecognized at the disposal date or at the date when it is permanently withdrawn from use without the ability to be disposed of. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount. These are included within other income in the Statement of Comprehensive Income.

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 recognized 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 recognized 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.

5.9 Statutory deposit

Statutory deposit represents 10% of the minimum paid-up share capital of the Company deposited with the Central Bank of Nigeria (CBN) according to Section 10(3) of the Insurance Act, 2003. Statutory deposit is measured at cost.

5.10. Insurance Contracts

A. Insurance contracts issued, and reinsurance contracts held.

Non-life insurance

The Company issues non-life insurance to individuals and businesses. Non-life insurance products offered include motor, property, marine, fire and personal accident. These products offer protection of policyholder's assets and indemnification of other parties that have suffered damage as a result of a policyholder's accident.
The Company accounts for these contracts applying the Premium Allocation Approach (PAA).

Reinsurance contracts

The Company holds facultative (excess of individual loss) reinsurance policies and quota share reinsurance contracts accounted for applying the PAA.

B. Definitions and classifications

Insurance products sold by the Company are classified as insurance contracts when the Company accepts significant insurance risk from a policyholder by agreeing to compensate the policyholder if a specified uncertain future event adversely affects the policyholder.
This assessment is made on a contract-by-contract basis at the contract issue date. In making this assessment, the Company considers all its substantive rights and obligations, whether they arise from contract, law or regulation.

The Company determines whether a contract contains significant insurance risk by assessing if an insured event could cause the Company to pay to the policyholder additional amounts that are significant in any single scenario with commercial substance even if the insured event is extremely unlikely

or the expected present value of the contingent cash flows is a small proportion of the expected present value of the remaining cash flows from the insurance contract.
The Company does not issue any contracts with direct participating features.

C. Combining a set or series of contracts

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

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

D. Separating components from insurance and reinsurance contracts

The Company assesses its insurance and reinsurance products to determine whether they contain components which must be accounted for under another IFRS rather than IFRS 17 (distinct non- insurance components). After separating any distinct components, an entity must apply IFRS 17 to all remaining components of the (host) insurance contract. Currently, the Company's products do not include distinct components that require separation.

E. Level of aggregation

IFRS 17 requires an entity to determine the level of aggregation for applying its requirements. The Company identifies portfolios by aggregating insurance contracts that are subject to similar risks and managed together. In grouping insurance contracts into portfolios, the Company considers the similarity of risks rather than the specific labelling of product lines. The Company has determined that all contracts within each product line, as defined for management purposes, have similar risks. Therefore, when contracts are managed together, they represent a portfolio of contracts.

Each portfolio is subdivided into groups of contracts to which the recognition and measurement requirements of IFRS 17 are applied.
At initial recognition, the Company segregates contracts based on when they were issued. A cohort contains all contracts that were issued within a 12-month period. Each cohort is then further disaggregated into three groups of contracts:

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

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

- Significant changes in external conditions including economic or regulatory changes.
- Changes to the organization or processes
- Changes in underwriting and pricing strategies
- Trends in experience and expected variability in cashflows.

Reinsurance contracts held are assessed for aggregation on an individual contract basis and are assessed separately from insurance contracts.
However, there are cases where a reinsurance contract covers separate and identifiable product lines which are only included in the same legal document for administrative convenience. These contracts have been separated into different components. Each reinsured line is managed separately and priced separately so they are treated as separate reinsurance contracts.

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

F. Recognition

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

As required by the standard, The Company will recognize contracts from the date at which they are determined to be onerous, if this occurs before premium payment or cover commencement.

G. Contract Boundaries

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

• The Company has the practical ability to reassess the risks of the 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 consider the risks that relate to periods after the reassessment date.

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

H. Measurement of insurance contracts issued

1. General Model

1.1 Insurance contracts - initial measurement

The Company measures a group of contracts on initial recognition as the sum of the expected fulfilment cash flows within the contract boundary and the Contractual Service Margin (CSM) representing the unearned profit in the contracts relating to the services that will be provided under the contracts.

Fulfilment cash flows within contract boundary

The fulfilment cash flows are the current unbiased and probability-weighted estimates of the present value of the future cash flows, including a risk adjustment for non-financial risk. In arriving at a probability-weighted mean, the Company considers a range of scenarios to establish a full range of possible outcomes incorporating all reasonable and supportable information available without undue cost or effort about the amount, timing and uncertainty of expected future cash flows. The estimates of future cash flows reflect conditions existing at the measurement date including assumptions at that date about the future. The Company estimates expected future cash flows for a group of contracts at a portfolio level and allocates them to the groups in that portfolio in a systematic and rational way.

When estimating future cash flows, the Company includes all cash flows within the contract boundary including:

• Premiums and any additional cash flows resulting from those premiums.
• Reported claims that have not yet been paid, claims incurred but not yet reported, future claims expected to arise from the policy and potential cash inflows from recoveries on future claims covered by existing insurance contracts.
• An allocation of insurance acquisition cash flows attributable to the portfolio to which the issued contract belongs.
• Claim handling costs.
• Costs of providing contractual benefits in kind, such as home and vehicle repair
• Policy administration and maintenance costs including recurring commissions expected to be paid to intermediaries for policy administration services.
• Transaction-based taxes
• An allocation of fixed and variable overheads directly attributable to the fulfilment of insurance contracts including overhead costs such as accounting, human resources, information technology and support, building depreciation, rent, and maintenance and utilities.
• Other costs specifically chargeable to the policyholder under the terms of the contract.

The Company incorporates, 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. The Company estimates the probabilities and amounts of future payments under existing contracts based on information obtained, including:
• Information about claims already reported by policyholders.
• Other information about the known or estimated characteristics of the insurance contracts
• Historical data about the Company's own experience, supplemented, when necessary, with data from other sources. Historical data is adjusted to reflect current conditions.

• Current pricing information, when available

The measurement of fulfilment cash flows includes insurance acquisition cash flows which are allocated as a portion of premium to profit or loss (through insurance revenue) over the period of the contract in a systematic and rational way based on the passage of time.

The Company does not elect to accrete interest on insurance acquisition cash flows to be allocated to profit or loss.

Discount Rate

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

In determining discount rates for cash flows, the Company uses the 'bottom-up approach' to estimate discount rates starting from a risk-free rate with similar characteristics, plus an illiquidity premium where applicable, having regard to the published yield curve by the Nigeria Actuarial Society (NAS). Risk-free rates are determined by reference to the yields of highly liquid FGN Bonds. The illiquidity premium is determined by reference to observable market rates, including sovereign debt, corporate debt and market swap rates.

Risk adjustment for non-financial risk

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

The Company uses the cost of capital method in estimating the risk adjustment. The level of capital and the cost of capital rate that feed this estimation technique are calibrated from the Company economic capital's approach within which the Company estimates the impact of non-financial risks. The economic capital approach includes a quantitative measure of the Company's risk appetite which allows a specific measure of the Company's non-financial risk and the degree of its risk aversion for financial reporting purposes. The Company's economical capital approach, and the risk adjustment calculation derived from it, include the benefits of diversification at the issuing entity level.

This is allocated to all the groups of insurance contracts. Diversification benefits are derived from a study of the negative correlation that exists among the different non-financial variables impacting the cash flows from the portfolios of the Company and results in lower economic capital being necessary to absorb the residual level of uncertainty.

In line with the Company's risk appetite, the level of confidence associated with risk adjustment computed is assessed at Company level to ensure that it falls within the required range of 70%-80%. This is achieved by specifying the parametric distribution for the changes in fulfilment cashflows resulting from non-financial risks. For purposes of this assessment, the sum of the fulfilment cashflows is assumed to be lognormally distributed. Based on this, the estimated level of confidence for total of the risk adjustment computed at Company level was 75%.

Contractual service margin (CSM)

The CSM is a component of the overall carrying amount of a group of insurance contracts representing unearned profit that the Company will recognize as it provides insurance contract services over the coverage period.

At initial recognition, the Company measures the CSM at an amount that, unless a group of insurance contracts is onerous, results in no gains recognized in profit or loss arising from:

- The expected fulfilment cash flows of the group.

• The amount of any derecognized asset for insurance acquisition cash flows allocated to the group.
• Any other asset or liability previously recognized for cash flows related to the group.
• Any cash flows that have already arisen on the contracts as of that date.

If a group of contracts is onerous, the Company recognizes a loss on initial recognition. This results in the carrying amount of the liability for the group being equal to the fulfilment cash flows, and the CSM of the group being nil. A loss component is recognized for any loss on initial recognition of the group of insurance contracts.
The Company determines at initial recognition the group's coverage units and then allocates the group's CSM based on the coverage units provided in the period.

Insurance acquisition cash flows
The Company includes insurance acquisition cash flows in the measurement of a group of insurance contracts if they are directly attributable to either the individual contracts in a group, the group itself or the portfolio of insurance contracts to which the group belongs.
The Company estimates, at a portfolio level, insurance acquisition cash flows not directly attributable to the group but directly attributable to the portfolio and then allocates them to the group of newly written and renewed contracts on a systematic and rational basis.

Deferred acquisition costs (DAC)
Under IFRS 4, the Company recognised deferred acquisition cash flows separately as assets. Under IFRS 17, insurance acquisition cash flows are allocated to existing and future groups of insurance contracts on a systematic and rational basis.
The Company recognised insurance acquisition cash flows in the liability for remaining coverage (LRC) and amortised insurance acquisition cash flows as insurance service expenses.

1.2. Insurance contracts – Subsequent Measurement (General Model)

In estimating the total future fulfilment cash flows, the Company distinguishes between those relating to already incurred claims and those relating to future service. At the end of each reporting period, the carrying amount of the group of insurance contracts will reflect a current estimate of the liability for remaining coverage (LRC) as at that date and a current estimate of the liability for incurred claims (LIC).

The LRC represents the Company's obligation to investigate and pay valid claims under existing contracts for insured events that have not yet occurred, amounts that relate to other insurance contract services not yet provided.

(a) the fulfilment cash flows relating to future service,

(b) the CSM yet to be earned and

(c) any outstanding premiums for insurance contract services already provided.

The LIC includes the Company's liability to pay valid claims for insured events that have already been incurred, other incurred insurance expenses arising from past coverage service and the liability for claims incurred but not yet reported. It also includes the Company's liability to pay amounts the Company is obliged to pay the policyholder under the contract. This includes repayment of investment components, when a contract is derecognized. The current estimate of LIC comprises the fulfilment cash flows related to current and past service allocated to the group at the reporting date.

Changes in fulfilment cash flows

At the end of each reporting period, the Company updates the fulfilment cash flows for both LIC and LRC to reflect the current estimates of the amounts, timing and uncertainty of future cash flows, as well as discount rates and other financial variables.

The Company has an accounting policy choice which calculates changes in fulfilment cash flows at the end of a reporting period for changes in non-financial assumptions, changes in discount rates and financial assumptions. The Company first calculates the changes in discount rates and financial assumptions on the fulfilment cash flows (as expected at the beginning of the period) and then calculates changes on those cash flows from the change in non-financial assumptions.

Experience adjustments are the difference between:

- The expected cash flow estimates at the beginning of the period and the actual cash flows for premiums received in the period (and any related cash flows paid such as insurance acquisition cash flows and insurance premium taxes)
- The expected cash flow estimates at the beginning of the period and the actual incurred amounts of insurance service expenses in the period (excluding insurance acquisition expenses)

Experience adjustments relating to current or past service are recognized in profit or loss. For incurred claims (including incurred but not reported) and other incurred insurance service expenses, experience adjustments always relate to current or past service. They are included in profit or loss as part of insurance service expenses.

Experience adjustments relating to future service are included in the LRC by adjusting the CSM. The release of the CSM depends on whether the contract does not participate, participates indirectly, or directly participates in the performance of the specified underlying items.
At the end of each reporting period, the Company re-estimates the LRC fulfilment cash flows, updating for changes in assumptions relating to financial and non-financial risks.

Adjustments to the CSM

The following changes in fulfilment cash flows are related to future service and adjust (or 'unlock') the CSM of the group of insurance contracts:

- Experience adjustments relating to the premiums received in the period that relate to future service, and any relate cash flows such as insurance acquisition cash flows and premium-based taxes measured at the 'locked in' discount rates applicable when the contracts in the group were initially recognized.
- The change in the estimate of the present value of expected future cash flows in the liability for remaining coverage, related to non-financial

variables, measured at the 'locked in' discount rates applicable when the contracts in the group were initially recognized. All financial variables are locked in at initial recognition.

- Changes in the risk adjustment for non-financial risk relating to future service. The Group has elected not to disaggregate the change in the risk adjustment for non-financial risk between:
- a change related to non-financial risk and
- the effect of the time value of money and changes in the time value of money.
- Differences between the amount of investment components that were expected to be payable in the period and the amount of investment components that became payable. The amount of investment components expected to be payable in the period is measured at the discount rates applicable before it becomes payable.

The following adjustments do not relate to future service and thus do not adjust the CSM:

- Changes in fulfilment cash flows for the effect of the time value of money and the effect of financial risk and changes thereof.
- Changes in the fulfilment cash flows relating to the LIC.
- Experience adjustments relating to insurance service expenses (excluding insurance acquisition cash flows)

Any further increases in fulfilment cash flows relating to future coverage are recognized in profit or loss as they occur, increasing the loss component of the group of insurance contracts. Any subsequent decreases in fulfilment cash flows related to future coverage do not adjust the CSM until the loss component of the group is fully reversed through profit or loss.

At the end of the reporting period, the carrying amount of the CSM for a group of insurance contracts without direct participating features is the carrying amount at the beginning of the period adjusted for:

- The effect of any new contracts added to the group.
- Interest accreted on the carrying amount of the CSM measured at the discount rates determined at initial recognition.
- The changes in fulfilment cash flows related to future service, except:

• Increases in fulfilment cash flows that exceed the carrying amount of the CSM, giving rise to a loss that results in the group of contracts becoming onerous or more onerous.
• Decreases in fulfilment cash flows that reverse a previously recognized loss on a group of onerous contracts.
• The effect of any currency exchange differences on the CSM
• The amount recognized as insurance revenue because of the transfer of insurance contract services in the period, determined by the allocation of the CSM remaining at the end of the reporting period over the current and remaining coverage period.
An amount of the CSM is released to profit or loss in each period during which the insurance contract services are provided.

In determining the amount of the CSM to be released in each period, the Company follows three steps:
• Determine the total number of coverage units in the group. The amount of coverage units in the group is determined by considering the quantity of benefits provided under the contract and the expected coverage period for each contract.
• Allocate the CSM at the end of the period (before any of it is released to profit or loss to reflect the insurance contract services provided in the period) equally to each of the coverage units provided in the current period and expected to be provided in the future.
• Recognize in profit or loss the amount of CSM allocated to the coverage units provided during the period.

The number of coverage units' changes as insurance contract services are provided, contracts expire, lapse or surrender and new contracts are added to the group. The total number of coverage units depends on the expected duration of the obligations that the Company has from its contracts. These can differ from the legal contract maturity because of the impact of policyholder behavior and the uncertainty surrounding future insured events.
By determining a number of coverage units, the Company exercises judgement in estimating the likelihood of insured events occurring and policyholder behavior to the extent that they affect expected period of

coverage in the group, the different levels of service offered across periods and the 'quantity of benefits' provided under a contract.

2. Premium Allocation Approach(PAA)

Insurance contracts

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

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

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

Insurance acquisition cash flows

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

Under the PAA, an entity can choose to immediately expense insurance acquisition cash flows in the P&L when incurred if and only if each insurance contract in a group has a coverage period of one year or less. The Company has opted to expense acquisition cash flows immediately when incurred.

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

• that are directly attributable to individual contracts or groups of contracts in a portfolio belongs; with the costs being allocated to groups on a systematic and rationale method e.g., Activity-Based Costing method or based on GWP proportions or claims cost etc.

3. Onerous contracts

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

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

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

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

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

- Insurance finance income or expense
- Changes in risk adjustment for non-financial risk recognized in profit or

loss representing release from risk in the period.

• Estimates of the present value of future cash flows for claims and expenses released from the LRC because of incurred insurance service expenses in the period.

The Company determines the systematic allocation of insurance service expenses incurred based on the percentage of loss component to the total fulfilment cash outflows included in the LRC, including the risk adjustment for non- financial risk, excluding any investment component amount. For contracts that are measured under PAA, the assumption is that there are no onerous contracts at initial recognition, unless facts and circumstances indicate otherwise. If the measurement of the LIC results in a loss-making group, this does not translate to the LRC being onerous. In this case, the group will be assessed as to whether its LRC will be similar to the incurred experience and hence considered to be onerous. For example, actions taken to improve profitability on the fire portfolio which has been historically loss-making may indicate that the LRC will have a different loss experience.

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

• the carrying amount of the liability for remaining coverage; and

• the FCF that relates to remaining coverage similar to what is needed under the GMM.

This difference is recognized as a loss and shall increase the liability for remaining coverage.

I. Measurement of Reinsurance contracts held

I.1 Recognition

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

I.2. Reinsurance contracts held measured under the PAA

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

A smaller number of surplus reinsurance contracts and all Facultative contracts are written on an underwriting year basis. This basis extends the contract boundary beyond one year as coverage of contracts ceded to the treaty may continue even after the underwriting year has ended.
Where the reinsurance contracts held covers a group of onerous underlying insurance contracts, the Company adjusts the carrying amount of the asset for remaining coverage and recognizes a gain when, in the same period, it reports a loss on initial recognition of an onerous group of underlying insurance contracts or on addition of onerous underlying insurance contracts to a group. The recognition of this gain results in the recognition for the loss recovery component of the asset for the remaining coverage of a group of reinsurance contracts held.

J. Modification and Derecognition
The Company derecognizes the original contract and recognizes the modified contract as a new contract, if the terms of insurance contracts are modified and the following conditions are met:
• If the modified terms were included at contract inception and the Company would have concluded that the modified contract:
• Is outside of the scope of IFRS 17
• Results in a different insurance contract due to separating components from the host contract
• Results in a substantially different contract boundary
• Would be included in a different group of contracts.
• The original contract met the definition of an insurance contract with direct participating features, but the modified contract no longer meets the definition.
• The original contract was accounted for applying the PAA, but the modified contract no longer meets the PAA eligibility criteria for that approach.
If the contract modification meets any of the conditions, the Company performs all assessments applicable at initial recognition, derecognizes the original contract and recognizes the new modified contract as if it was

entered for the first time.

If the contract modification does not meet any of the conditions, the Company treats the effect of the modification as changes in the estimates of fulfilment cash flows.

For insurance contracts accounted for applying the PAA, the Company adjusts insurance revenue prospectively from the time of the contract modification.

The Company derecognizes an insurance contract when, and only when the contract is:

- Extinguished (when the obligation specified in the insurance contract expires or is discharged or cancelled)
- Modified and the derecognition criteria are met.
- When the Company derecognizes an insurance contract from within a group of contracts, it:
- Adjusts the fulfilment cash flows allocated to the group 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.
- Adjusts the CSM of the group for the change in the fulfilment cash flows (unless it relates to the increase or reversal of the loss component).
- Adjusts the number of coverage units for expected remaining insurance contract services to reflect the coverage units derecognized from the group and recognizes in profit or loss in the period the amount of CSM based on that adjusted number.

When the Company transfers an insurance contract to a third party and that results in derecognition, the Group adjusts the CSM of the group from which the contract has been derecognized for the difference between the change in the carrying amount of the group caused by the derecognized fulfilment cash flows and the premium charged by the third party for the transfer.

When the Company derecognizes an insurance contract due to modification, it derecognizes the original insurance contract and recognizes a new one.

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

5.11 . Insurance revenue

For the Premium Allocation Approach (PAA), The insurance revenue for the period is the amount of expected premium receipts (excluding any investment component) allocated to the period.

When applying the PAA, the Company recognizes insurance revenue for the period based on the passage of time by allocating expected premium receipts including premium experience adjustments to each period of service.

5.12. Insurance service expenses

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

- Changes in the LIC related to claims and expenses incurred in the period excluding repayment of investment components.
- Changes in the LIC related to claims and expenses incurred in prior periods (related to past service)
- Other directly attributable insurance service expenses incurred in the period.
- Amortization of insurance acquisition cash flows, which is recognized at the same amount in both insurance service expenses and insurance contra
- Loss component of onerous groups of contracts initially recognized in the period.
- Changes in the LRC related to future service that do not adjust the CSM, because they are changes in the loss components of onerous groups of contracts.

5.13. Income or expenses from reinsurance contracts held.

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

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

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

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

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

5.14. Insurance finance income and expenses

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

The use of OCI presentation for insurance finance income and expenses

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

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

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

5.15. Net income or expenses 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.

5.16. Investment and other Income

a. Investment income

Interest income is recognized in the profit or loss as it accrues and is calculated by using the effective interest rate method. Fees and commissions that are an integral part of the effective yield of the financial asset or liability are recognized as an adjustment to the effective interest rate of the instrument. Investment income also includes dividends when the right to receive payment is established. For listed securities, this is the date the security is listed as ex-dividend.

b. Realized gains and losses

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

c. Investment property rental income

Rental income from investment property is recognised as revenue on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease.
Rental Income from other property is recognised as other income.

The fair value gain or loss on investment property is recognised in profit or loss.

d. Other operating income

Other operating income comprises of income from realised profits on sale of securities, realised foreign exchange gains and other sundry income.

5.17. Employee benefits

5.17.1. Defined contribution plans

The Company operates a defined contributory pension scheme as stipulated in the Pension Reform Act 2014. Under the defined contributory scheme, the Company pays 10% of total emolument as defined by the Act to the Pension Fund Administrator while employees pay 8% to the same entity. Total emolument comprises basic salary, housing, and transport allowances. Once the contributions have been paid, the Company retains no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to finance benefits accruing under the retirement benefit plan. The Company's obligations are recognized in the profit and loss account as employee benefit expenses when they are due. Prepaid contributions are recognized as an asset to the extent that a cash refund or reduction in future payments is available.

5.17.2. Defined benefit plan

The company operates a non-contributory defined benefits service gratuity scheme for its employees. The employees' entitlement to retirement benefits under the service gratuity scheme depends on the individual years of service, terminal salary, and condition of service. The liability recognized in the statement of financial position in respect of defined benefit plan is the present value of the defined benefit obligation at the date of the statement of financial position less the fair value of plan assets, together with adjustment for unrecognized actuarial gains or losses and past service costs. The defined benefit obligation is calculated annually by independent actuaries using the projected unit method.

Gratuity basis

Any employee leaving either voluntarily or otherwise is entitled to:

Less than 5 years = NIL

Above 5yrs = 4weeks basic salary for every completed year. The company funds the gratuity benefit by setting aside certain amount.

Valuation of post- employment benefit obligation

The cost of defined gratuity plan and the present value of the gratuity obligation are determined periodically.

The valuation involves making assumptions about discount rates, future salary increases, and expected years in employment. The valuation of the defined benefit obligation is highly sensitive to changes in these underlying assumptions. All assumptions are reviewed at each reporting date.

The valuation of the staff gratuity plan was professionally carried out by O & A Hedge Actuarial Consulting at Suite 28, Motorways Centre, Alausa Ikeja, Lagos with FRC number **FRC/2016/NAS/00000015764.**

Actuarial gains and losses are recognized in full in other comprehensive income when they occur. Past- service costs are recognized immediate in income.

5.17.3. Termination Benefits

Termination benefits are payable whenever an employee's employment is terminated before the normal retirement date or whatever an employee accepts voluntary redundancy in exchange for these benefits. The company recognizes termination benefits when it is demonstrably committed either to terminate the employment of current employees according to a detailed formal plan without possibility of withdrawal, or to provide termination benefits as a result of an offer made to encourage voluntarily redundancy if it is probable that the offer will be accepted, and the number of acceptances can be estimated. Benefits falling due more than 12 months after the statement of financial position date are discounted to present value.

5.18. Other Operating expenses

Management expenses are charged to profit or loss when the goods are received, or services rendered. They are expenses other than claims, investments and underwriting expenses and include employee benefits depreciation charges and other operating expenses. These represents a half of the total company operational expenses while the other half is taken to technical expenses.

5.19. Finance cost

Comprises interest on borrowing and other finance costs such as bank charges, COT, etc.

Finance costs are interest costs. Usually, they are thought to refer to interest expense on short- term borrowings (for example bank overdraft and notes payable) and long-term borrowings (for example term loans and real estate mortgages). The term "finance cost" is broader and includes costs other than just interest expense.

Finance costs as "interest and other costs that the Company incurs in connection with the borrowing of funds and bank service charges".

Finance cost is measured at fair value, and it is recognized as expense in the period in which they are incurred using the effective rate method. When this treatment for recognizing finance cost is used, these costs should be expensed regardless of how they are applied.

5.20. Share capital and premium

Shares are classified as equity when there is no obligation to transfer cash or other assets. Incremental costs directly attributable to the issue of equity instruments are shown in equity as a deduction from the proceeds, net of tax.

5.21. Contingency reserves

In compliance with Section 21 (2) of the 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.

5.22. Retained earnings

The retained earnings comprise undistributed profit/(loss) from previous years and current year. Retained earnings are classified as part of equity in the statement of financial position.

5.23. Fair value reserve

The fair value reserve comprises the cumulative net change in the fair value of available-for- sale financial assets until the investments are derecognized.

Revaluation reserve is one of the reserves under equity. A revaluation reserve is an increase in the value of property, plant, and equipment. The Company credits it when noncurrent assets like building or land is revalue.

This line item is used when the revaluation finds the current and probable future value of the asset is higher than the recorded historic cost of the same asset.

5.24. Other reserve-actuarial surplus

Actuarial surplus/deficit on employee benefits represents changes in benefit obligation due to changes in actuarial valuation assumptions or actuarial experience. The gains/losses for the year, net of applicable deferred tax assets/liability on employee benefit obligation, are recognized in other comprehensive income.

5.25. Earnings per share

The Company presents basic and diluted 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 adjusted for own shares held. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares, which comprise convertible notes and share options granted to employees.

5.26. Standards issued but not yet effective

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

Statndard	Content	Effective Date
IAS 21	Lack of exchangeability	01-Jan-25
IFRS ammendment	Annual improvements to IFRS Accounting Standards - Volume 11	01-Jan-26
IFRS 9 and IFRS 7 ammendments	Power Purchase Agreements – Amendments to IFRS 9 and IFRS 7	01-Jan-26
IFRS 9 & IFRS 7	Classification and Measurement of Financial Instruments	01-Jan-26
IFRS 18	Presentation and Disclosure in Financial Statements	01-Jan-26
IFRS 19	Subsidiaries without Public Accountability: Disclosures	01-Jan-26

5.27. Critical accounting estimates and judgments

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

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

Key sources of estimation uncertainty

The following are key estimations that the directors have used in the process of applying The Company accounting policies and that have the most significant effect on the amounts recognised in financial statements.

(i). Insurance contract liabilities and reinsurance contract assets.

By applying IFRS 17 to measurement of insurance contracts issued and reinsurance contracts held, The Company has made estimations in the following key areas. They form part of the overall balances of insurance contract assets and liabilities and reinsurance contract assets and liabilities:

- Future cash flows
- Discount rates
- Allocation rate for insurance finance income or expenses
- Risk adjustment for non-financial risk

(ii). Impairment of financial instrument

The Company has applied some judgment in carrying out an assessment of whether credit risk on the financial asset has increased significantly since initial recognition and incorporating forward-looking information in the measurement of ECL.

The judgment is required by management in the estimation of the amount and timing of future cash flows when determining an impairment loss for debt instruments measured at amortised cost and fair value through other comprehensive income. In estimating these cash flows, the Company makes judgments about the borrower's financial situation and value of other collateral (where applicable). These estimates are based on assumptions about a number of factors and actual results may differ, resulting in future changes to the impairment allowance.

A collective assessment of impairment takes into account data from the debt portfolio (such as credit quality, levels of arrears, credit utilisation, loan to collateral ratios etc.), and concentrations of risk and economic data (including levels of unemployment, real estate prices indices, country risk and the performance of different individual groups).

(iii). **Fair value of unquoted equity financial instruments**

Investments in unquoted equity financial instrument should be measured at fair value. The Company's investment in unquoted equity financial instrument are measured at fair value and are classified as a level 3 fair value hierachy. As observable prices are not available for these securities, the Company has used valuation techniques to derive the fair value.

(iv). **Depreciation and carrying value of property and equipment**

The estimation of the useful lives of assets is based on management's judgement. Any material adjustment to the estimated useful lives of items of property and equipment will have an impact on the carrying value of these items.

(v). **Determination of impairment of property and equipment and intangible assets**

Management is required to make judgements concerning the cause, timing and amount of impairment. In the identification of impairment indicators, management considers the impact of changes in current competitive conditions, cost of capital, availability of funding, technological obsolescence, discontinuance of services and other circumstances that could indicate that impairment exists. This requires management to make significant judgements and estimates concerning the existence of impairment indicators, separate cash generating units, remaining useful lives of assets, projected cash flows and net realisable values. Management's judgement is also required when assessing whether a previously recognized impairment loss should be reversed.

(vi). Investment properties

The Company's investment properties are valued on the basis of open market value. The fair values are determined by applying the direct market evidence comparative method of valuation to derive the open market value such as price per square meter, rate of development in the area and quality of the building. No adjustments were made on the inputs to the model and assumptions to the model remains consistent with what was used in previous years.

Investment properties are derecognized either when they have been disposed of, or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal.

(vii). Current income tax

The current income tax charge is calculated on taxable income on the basis of the tax laws enacted or substantively enacted at the reporting date. The Company applies Section 16 of the Company Income Tax Act. It states that an Insurance business shall be taxed as;

- an insurance company, whether proprietary or mutual, other than a life insurance company; or
- a Nigerian company whose profit accrued in part outside Nigeria,

The profit on which tax may be imposed, shall be ascertained by taking the gross premium interest and other income receivable in Nigeria less reinsurance and deducting from the balance so arrived at, a reserve fund for unexpired risks at the percentage consistently adopted by the company in relation to its operation as a whole for such risks at the end of the year for which the profits are being ascertained, subject to the limitation below:

An insurance company, other than a life insurance company, shall be allowed as deductions from its premium the following reserves for tax purposes-

(a) for unexpired risks, 45 percent of the total premium in case of general insurance business other than marine insurance business and 25 percent of the total premium in the case of marine cargo insurance;

(b) for other reserves, claims and outgoings of the company an amount equal to 25 percent of the total premium.

The Directors have adopted current tax practices in computing the tax liabilities. Actual results may differ from these estimates based on the interpretation by the tax authorities. The Directors acknowledge that changes in the application of the current tax practices can have a significant impact on the tax expense and tax liabilities recorded in the financial statements.

(viii). Deferred tax assets

Deferred tax assets are recognized for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgement is required to determine the amount of deferred tax assets that can be recognized, based on the likely timing and the level of future taxable profits together with future tax planning strategies.

		2024	2023
6	**Cash and Cash Equivalents**	**₦'000**	**₦'000**
	Cash	2,792	1,412
	Bank balances	914,874	321,802
	Short-term Bank deposits	2,076,042	1,196,802
		2,993,708	1,520,016
	Less: Allowance for impairment losses	(13,760)	(12,027)
	Total	**2,979,948**	**1,507,989**

Cash and cash equivalents comprise of short term deposits and placements with maturity period of less than 90 days from the value date of the placements.

6.1 Impairment allowance for cash & cash equivalents

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to cash & cash equivalents is as follows:

	2024	2023
	₦'000	**₦'000**
Gross carrying amount as at January	1,520,016	1,109,908
Movement during the year (excluding allowance)	1,473,692	410,108
At 31 December, 2024	**2,993,708**	**1,520,016**
ECL allowance		
Impairment as at January 1	12,027	6,068
Impact of net-remeasurement of ECL as at year end	1,733	5,959
At 31 December, 2024	**13,760**	**12,027**
Carrying amount at 31 December, 2024	**2,979,948**	**1,507,989**

		2024	2023
7	**Financial Assets**	**₦'000**	**₦'000**
	Financial asset at amotised cost (AC) (7.1)	206,174	235,136
	Financial Asset measured at fair value through OCI (7.2)	3,358,574	2,452,004
	Balance at end of the year	**3,564,748**	**2,687,139**
7.1	**Financial asset at amotised cost (AC)**		
	Ham Properties Limited	82,045	85,605
	Nigerian Life & Providents Company Limited	124,129	149,530
	Total Financial Asset @ AC	**206,174**	**235,136**
7.2	**Financial Asset measured at fair value through OCI**		
	Equity securities. (See Note 7.2(i))	2,229,467	1,331,693
	Debt instruments (See Note 7.2(ii))	1,129,108	1,120,311
	Total Financial Asset @ FVOCI	**3,358,574**	**2,452,004**
7.2(i)	**Equity securities measured at FV through OCI**		
	- Equity securities- Listed (See Note 7.2(i)a)	793,821	480,545
	- Equity securities- Un-listed (See Note 7.2(i)b)	1,435,646	851,148
	Total Equity securities	**2,229,467**	**1,331,693**

7.2(i)a Equity Securities-Quoted	Carrying Amount 2024 ₦'000	Carrying Amount 2023 ₦'000	Dividend income recognised during 2024 ₦'000
First Bank of Nigeria Plc	42,303		423
United Bank for Africa	9,360		-
Cadbury	1,484		311
GTB	657,620		2,966
Nigeria Breweries	7,016		218
Conoil	16,211		172
Nestles	8,704		-
Zenith Bank plc	17,441		1,000
FCMB	8,886		-
Mobil Oil Nig Plc	221		-
Thomas Wyatt Plc	913		-
African Prudential	156		-
Unilever Nigeria Plc	6		-
United Nigeria Insurance	646		-
PRESCO	10,376		-
SEPLAT	12,478		903
Balance at the end	**793,821**	**-**	**5,993**

7.2(i)b Investee Companies	Carrying Amount 2024 ₦'000	Carrying Amount 2023 ₦'000	Dividend income recognised during 2024 ₦'000
WAICA Re	571,680	205,019	75,290
NLPC Pension Fund Admnistrators Limited	344,366	344,366	47,250
Medexia Limited	117,437	117,437	-
Grand Cereals Limited	95,000	95,000	-
Energy and Allied Insurance Pool of Nig. Ltd	307,163	89,327	-
Balance at the end	**1,435,646**	**851,148**	**122,540**

7.2(ii) Debt instruments measured at FV through OCI	2024 ₦'000	2023 ₦'000
Federal Government Bond	280,467	280,691
Euro Bond	570,972	-
Corporate Bond	147,391	679,021
Commercial paper	130,278	160,599
	1,129,108	**1,120,311**

7.3 Movements in Financial Assets in year 2024	FVOCI-Equity Instruments ₦'000	FVOCI-Debt Instruments ₦'000	Amortised Cost ₦'000	Total ₦'000
Balance at the beginning	1,331,693	1,120,311	235,136	2,687,139
Addition during the year	584,525	410,149	192,555	1,187,229
Repayment/disposal during the year	-	(401,352)	(34,980)	(436,332)
Accrued interest	-	-	-	-
Fair value changes	313,249	-	-	313,249
ECL loss/reversal	-	-	(186,537)	(186,537)
	2,229,467	**1,129,108**	**206,174**	**3,564,748**

Movements in Financial Assets in year 2023	FVOCI-Equity Instruments ₦'000	FVOCI-Debt Instruments ₦'000	Amortised Cost ₦'000	Total ₦'000
Balance at the beginning	978,212	287,365	267,653	1,533,230
Addition during the year	185,200	703,586	20,000	908,786
Repayment/disposal during the year	-	-	(10,000)	(10,000)
Accrued interest	-	129,360	-	129,360
Written-off	(16,144)	-	-	(16,144)
Fair value changes	184,424	-	-	184,424
ECL loss/reversal	-	-	(42,517)	(42,517)
	1,331,693	**1,120,311**	**235,136**	**2,687,139**

		2024	2023
8	**Trade Receivables**	**₦'000**	**₦'000**
	Premium Receivable		
	Due from Insurance brokers	146,446	77,751
	Due from Insurance agents	18,409	18,490
	Due from Insurance companies	4,059	80,675
		168,913	176,915
	Less: Allowance for ECL/impairment losses	-	-
		168,913	**176,915**

8.1	**Movements in premium receivable are as follows:**		
	Balance as at January 1	176,915	223,559
	Gross written premium during the year	10,209,476	5,932,254
	Premium received during the year	(10,217,478)	(5,978,898)
	Impairment loss allowance	-	-
	Balance as at December 31	**168,913**	**176,915**

8.2	**Age analysis of trade receivables**	**₦'000**	**₦'000**
	Within 14 Days	-	-
	Within 15-30 Days	168,913	176,915
	Within 31-90 Days	-	-
	Total	**168,913**	**176,915**

		2024	2023
9	**Reinsurance contract assets**	**₦'000**	**₦'000**
	Assets for remaining coverage (ARC)		
	Excluding loss recovery component	911,222	743,790
	Loss recovery component	-	944
	ARC	**911,222**	**744,734**
	Assets for incurred claims (AIC)		
	Estimated PV of FCF	4,529,463	313,167
	Risk adjustment for non-financial risk	333,373	62,493
	AIC	**4,862,836**	**375,660**
	Total Reinsurance Contract Held	**5,774,058**	**1,120,394**

9.1 Age analysis of reinsurance assets as at 31st December 2024

Band	Number of claim	Total reinsurance assets ₦'000
< 30 days	7	49,620
31 - 90 days	120	5,127,421
91 - 180 days	11	193,624
181 - 360 days	21	403,384
>360 days	-	-
Total		**5,774,049**

9.2 Reinsurance contract assets

	2024 ₦'000	2023 ₦'000
Reinsurance contract assets (excluding reinsurance ceding commission, and other pre-recognition cash flows and reinsurance payables)	5,836,557	1,167,711
Reinsurance deferred commission cash flows	(62,499)	(47,317)
Reinsurance payables	-	-
	5,774,058	**1,120,394**

9.3 Reconciliation of reinsurance contract assets from opening to closing for ARC and AIC as at 31st December 2024

	31 December 2024.					31 December 2023.				
	Assets for Remaining coverage		Amt Recoverable on Incurred Claims		Total	Assets for Remaining coverage		Amt Recoverable on Incurred Claims		Total
	Non- loss component	Loss component	PV of future cash flows	Risk adjustment		Non- loss component	Loss component	PV of future cash flows	Risk adjustment	
	₦	₦	₦	₦	₦	₦	₦	₦	₦	₦
Reinsurance contract assets as of January 1, 2024	743,790	944	313,167	62,493	1,120,394	173,629	4	149,328	10,737	333,698
Reinsurance contract liabilities as of January 1, 2024	-	-	-	-	-	-	-	-	-	-
Net opening balance	**743,790**	**944**	**313,167**	**62,493**	**1,120,394**	**173,629**	**4**	**149,328**	**10,737**	**333,698**
Allocation of reinsurance premium	(2,322,397)	-	-	-	(2,322,397)	(1,328,000)	-	-	-	(1,328,000)
Amounts recovered from reinsurers					-					-
Recoveries on incurred claims	-	-	4,924,176	270,880	5,195,056	-	-	312,557	51,756	364,313
Other directly attributable expense	-	-	-	-	-	-	-	-	-	-
Changes that relate to future service (including reversal of onerous contract)	944	(944)	-	-	-	-	940	-	-	940
Changes in recoveries for past claims	-		-	-	-	-		-	-	-
Net expenses from reinsurance contracts held	**(2,321,453)**	**(944)**	**4,924,176**	**270,880**	**2,872,659**	**(1,328,000)**	**940**	**312,557**	**51,756**	**(962,747)**
Finance income or expenses from reinsurance contracts	-	-	(106,532)	-	(106,532)	-	-	17,436	-	17,436
Effect of movements in exchange rates	-	-	377,088	-	377,088	-	-	-	-	-
	(2,321,453)	**(944)**	**5,194,732**	**270,880**	**3,143,215**	**(1,328,000)**	**940**	**329,993**	**51,756**	**(945,311)**

Cash flows in the period										
Reinsurance premiums paid net of ceding commission	2,488,885	-	-		2,488,885	2,093,121	-	-		2,093,121
Acquisition (ceding commission) income received	-	-	-	-	-	(194,960)	-	-	-	(194,960)
Incurred claims recovered from reinsurers	-	-	(978,436)		(978,436)	-	-	(166,154)		(166,154)
Other directly attributable expense recovered from reinsurers										
Net cash inflows	**2,488,885**	**-**	**(978,436)**	**-**	**1,510,449**	**1,898,161**	**-**	**(166,154)**	**-**	**1,732,007**
Non-Cash flows in the period										
Impact of reinsurance premiums payable at the beginning	-	-	-	-	-	-	-	-	-	-
Acquisition income receivable	-	-	-	-	-	-	-	-	-	-
Net Non-Cash flows	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Net Reinsurance contracts held as of December 31, 2024	**911,222**	**-**	**4,529,463**	**333,373**	**5,774,058**	**743,790**	**944**	**313,167**	**62,493**	**1,120,394**
Reinsurance contract assets as at 31 December 2024	911,222	-	4,529,463	333,373	5,774,058	743,790	944	313,167	62,493	1,120,394
Reinsurance contract liabilities as at 31 December 2024	-	-	-		-	-	-		-	-
Net Reinsurance contracts as of December 31, 2024	**911,222**	**-**	**4,529,463**	**333,373**	**5,774,058**	**743,790**	**944**	**313,167**	**62,493**	**1,120,394**

		2024	2023
10	**Other Receivables and Prepayments**	**₦'000**	**₦'000**
	Prepayments (See Note 10.1)	41,618	101,467
	Withholding Tax Receivables	18,576	48,181
	Staff debtor	-	980
	Due from Reinsurance companies-(See Note 10.2)	325,605	610,098
		385,798	**760,726**
	Current	385,798	760,726
	Non-current	-	-

10.1	**Prepayments breakdown**	**₦'000**	**₦'000**
	Rent and Service charge	6,123	4,405
	Assets Insurance	17,219	12,723
	Housing and other allowance	-	1,310
	Medical Expenses	837	75,000
	Others	17,438	8,029
		41,618	**101,467**

10.2	**Due from Reinsurance companies**		
	Due from Reinsurance companies	325,605	752,921
	Less: Allowance for ECL/impairment losses	-	(142,823)
		325,605	**610,098**

11 Investment Properties

Location/Address	Status of title Document	2024 ₦'000	2023 ₦'000
1. Plot 318, Ikorodu Road, Maryland, Lagos	Perfected	450,000	450,000
2. 6A & 6B Onipinla Street, Off James Oluyele Street, Adeniyi Jones, Ikeja, Lagos	Perfected	300,000	300,000
3. Plot 72 (8B) Herbert Macauley Street, Amadi Layout, Old GRA, Port Harcourt.	Perfected	500,000	500,000
4. Plot 1, Cadastral Zone E13, Guide District, Abuja, FCT.	Perfected	180,000	180,000
Balance at the end of the year		**1,430,000**	**1,430,000**

11.1 Movement in Investment Properties

	Balance as at 01/01/2024 ₦'000	Addition ₦'000	Disposal ₦'000	Fair value gain/(loss) ₦'000
1. Plot 318, Ikorodu Road, Maryland, Lagos	450,000	-	-	-
2. 6A & 6B Onipinla Street, Off James Oluyele Street, Adeniyi Jones, Ikeja, Lagos	300,000	-	-	-
3. Plot 72 (8B) Herbert Macauley Street, Amadi Layout, Old GRA, Port Harcourt.	500,000	-	-	-
4. Plot 1, Cadastral Zone E13, Guide District, Abuja, FCT.	180,000	-	-	-
	1,430,000	**-**	**-**	**-**

Investment properties are held for Capital appreciation purposes only and not for rental income.

Details of the Valuer

The investment properties were independently valued as at 31 December 2024 by Ndubuisi Mordi and Associate (an estate surveyors & valuer) duly registered with the Financial Reporting Council of Nigeria. The valuer, which is loc 94A, Cemetery Street, Ebutte-Metta, Lagos, is a qualified member of the Nigerian Institution of Estate Surveyors and V with FRC No.FRC/2013/NIESV/00000004196.

12 Property, Plant and Equipment as at 31 December, 2024

	Land	Building	Motor Vehicles	Office Equipment	Furniture & Fittings	Total
(i). Cost	**₦'000**	**₦'000**	**₦'000**	**₦'000**	**N'000**	**₦'000**
Balance at January, 2024	369,022	280,978	535,959	214,926	44,281	1,445,166
Additions	-	7,053	137,032	153,028	7,077	304,189
Revaluation	317,947	-	-	-	-	317,947
Disposals	-	-	(11,900)	-	-	(11,900)
Balance at December, 2024	**686,969**	**288,031**	**661,091**	**367,953**	**51,358**	**2,055,402**
Balance at January, 2023	369,022	227,500	528,853	175,707	38,437	1,339,519
Additions	-	-	41,666	40,465	5,844	87,975
Revaluation	-	53,478	-	-	-	53,478
Disposals	-	-	(34,560)	(1,246)	-	(35,806)
Balance at December, 2023	**369,022**	**280,978**	**535,959**	**214,926**	**44,281**	**1,445,166**
(ii). Accumulated Depreciation						
Rates		**2%**	**25%**	**20%**	**20%**	
Balance at January, 2024	-	26,001	295,998	148,443	35,927	506,369
Charge for the year		3,485	73,178	19,877	1,826	98,366
Disposals		-	(11,900)	-	-	(11,900)
Balance at December, 2024	**-**	**29,486**	**357,276**	**168,320**	**37,753**	**592,835**
Balance at January, 2023	-	21,451	265,015	137,519	35,005	458,990
Charge for the year		4,550	63,968	11,909	922	81,350
Disposals		-	(32,985)	(985)	-	(33,971)
Balance at December, 2023	**-**	**26,001**	**295,998**	**148,443**	**35,927**	**506,369**
(iii). Carrying Amount						
At 31 December, 2024	**686,969**	**258,545**	**303,815**	**199,634**	**13,604**	**1,462,567**
At 31 December, 2023	**369,022**	**254,977**	**239,962**	**66,483**	**8,354**	**938,797**

(iv). Land & Building Schedule of movement during the year

284, Ikorodu Road, Anthony, Lagos.

Status of Title to Land & Building	**Bal as at Jan. 1,2024** ₦'000	**Additions** ₦'000	**Disposal** ₦'000	**Depreciation** ₦'000	**Fair Value gain/(loss)** N'000	**Bal as at Dec. 31, 2024** ₦'000	**Bal as at Dec. 31, 2023** ₦'000
Perfected	623,999	7,053	-	(3,485)	317,947	945,514	623,999

Additon to building amounting to N7,053,000 represents the construction of 40 feets container office extention.

Land and building were professionally revalued by Messrs Ndubuisi Mordi and Associate with FRC No.FRC/2013/NIESV/00000004196 (Estate Surveyors and Valuers) as at 31 December, 2024 in which valuations performed by the valuer are based on active open market values.

	2024	2023
13 Statutory Deposit	**₦'000**	**₦'000**
Statutory deposit	300,150	300,150
	300,150	**300,150**

This represents the amount deposited with the Central Bank of Nigeria (CBN) as at 31 December, 2024 in accordance with sections 9(1) and 10(3) of Insurance Act, 2003.
The amount is not available for the day-to-day use in the working capital of the Company. Therefore, it is excluded from cash and cash equivalents.

	2024	2023
14 Insurance Contract Liabilities	**₦'000**	**₦'000**
Liability for remaining coverage (LRC)		
Excluding loss component	2,167,582	1,389,391
Loss component	3,055	4,650
LRC	**2,170,637**	**1,394,041**
Liability for Incurred Claims (LIC)		
Incurred claims/PV of future cash flows	5,821,719	652,403
Risk Adjustment (RA)	449,239	130,155
LIC	**6,270,958**	**782,558**
Total Insurance Contract Liabilities	**8,441,595**	**2,176,599**

	2024	2023
14.1 Insurance Contract Liabilities	**₦'000**	**₦'000**
Insurance contract liabilities (excluding insurance acquisition cash flows assets and other pre-recognition	9,016,510	2,572,747
Insurance acquisition cash flows	(574,915)	(396,148)
Total Insurance Contract Liabilities	**8,441,595**	**2,176,599**

14.2 Age analysis of liability for incurred claims

Days	**2024 No. of Claimant**	**2024 ₦'000**	**2023 No. of Claimant**	**2023 ₦'000**
0 - 90 days	112	94,937	49	127,262
91 - 180 days	85	5,349,072	57	107,763
181 - 365 days	96	81,869	180	183,142
365 days and above	330	745,080	732	364,391
TOTAL	**623**	**6,270,958**	**1018**	**782,558**

14.2.1 Age analysis of outstanding claims by reason of being outstanding:

Reasons	Age Analysis Group											
	0-90days		91-180days		181-270 days		271-365days		Above 365days		Total Count	Total Sum of Claim Reserve
	Count	Sum of Claim Reserve	Count	Sum of Claim Reserve	Count	Sum of Claim Reserve	Count	Sum of Claim Reserve	Count	Sum of Claim Reserve		
Discharged Vouchers signed and returned to policyholder		N'000		N'000		N'000		N'000		N'000		N'000
Discharged Vouchers not yet signed	19	13,567	14	52,070	7	26,469	14	11,305	25	42,193	79	**145,604**
Claims reported but incomplete documentation	71	32,073	62	24,654	28	13,843	32	23,965	293	303,952	487	**398,487**
Claims reported but being adjusted	17	40,399	7	5,251,393	6	635	8	5,017	9	393,347	46	**5,690,791**
Claims Repudiated												**-**
Awaiting adjuster's final report	2	7,342	2	20,955			1	635			5	**28,932**
Litigation awarded												**-**
Awaiting Lead Insurer's instruction	3	1,556							3	5,588	6	**7,144**
Third party liability outstanding												**-**
Adjusters fee payable												**-**
Grand Total	**112**	**94,937**	**85**	**5,349,072**	**41**	**40,947**	**55.00**	**40,922**	**330**	**745,080**	**623**	**6,270,958**

14.3 Reconciliation of Insurance contract issued from opening to closing for LRC and LIC as at 31st December 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 portfolios issued.

	31 December 2024. Insurance contract liabilities (agregate of all portfolios)					31 December 2023. Insurance contract liabilities (agregate of all portfolios)				
	Liability for remaining coverage		Liability for incurred claims		Total	Liability for remaining coverage		Liability for incurred claims		Total
	Non-loss component	Loss component	PV of Future cash flows	Risk adjustment		Non-loss component	Loss component	PV of Future cash flows	Risk adjustment	
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Insurance contract liabilities as at January 1, 2024	1,389,391	4,650	652,403	130,155	2,176,599	502,796	41	372,745	28,144	903,726
Insurance contract assets at January 1, 2024	-	-	-	-	-	-	-	-	-	-
Net Insurance contract liabilities as at January 1, 2024	**1,389,391**	**4,650**	**652,403**	**130,155**	**2,176,599**	**502,796**	**41**	**372,745**	**28,144**	**903,726**
Changes in the statement of profit or loss and OCI										
Insurance revenue										
Contracts under the modified retrospective approach	-	-	-	-	-	-	-	-	-	-
Contracts under the fair value approach	-	-	-	-	-	-	-	-	-	-
Other contracts	(8,877,630)	-	-	-	(8,877,630)	(5,041,051)	-	-	-	(5,041,051)
Total Insurance Revenue	(8,877,630)	-	-	-	(8,877,630)	(5,041,051)	-	-	-	(5,041,051)

Insurance service expenses										
Incurred claims	-	-	3,716,606	319,084	4,035,690	-	-	1,712,819	102,011	1,814,830
Adjustments to liabilities for incurred claims			6,645,928		6,645,928					
Changes that relate to past service-adjustment cashflows					-					
Amortisation of insurance acquisition cashflows	2,203,184	-	-	-	2,203,184	1,618,479	-	-	-	1,618,479
Losses and reversal of losses on onerous contracts	-	(1,595)	-	-	(1,595)	-	4,609	-	-	4,609
Total Insurance service expenses	2,203,184	(1,595)	10,362,534	319,084	12,883,207	1,618,479	4,609	1,712,819	102,011	3,437,918
Total Insurance Revenue less Insurance Service Expenses	**(6,674,446)**	**(1,595)**	**10,362,534**	**319,084**	**4,005,577**	**(3,422,572)**	**4,609**	**1,712,819**	**102,011**	**(1,603,133)**
Insurance finance income or expenses										
Insurance finance expenses	-	-	(120,147)	-	(120,147)	-	-	33,315	-	33,315
Insurance finance (income)expenses Changes in discount rate)	-	-	-	-	-	-	-	-	-	-
Total changes in the statement of profit or loss and OCI	**(6,674,446)**	**(1,595)**	**10,242,387**	**319,084**	**3,885,430**	**(3,422,572)**	**4,609**	**1,746,134**	**102,011**	**(1,569,818)**
Cash flows in the period										
Premiums received during the year	10,217,478	-		-	10,217,478	5,978,898	-	-	-	5,978,898
Insurance acquisition cash flows paid	(2,756,839)	-		-	(2,756,839)	(1,623,087)	-	-	-	(1,623,087)
Claims paid	-	-	(4,308,297)	-	(4,308,297)	-	-	(1,466,476)	-	(1,466,476)
Other directly attributables expenses	-	-	(764,774)	-	(764,774)					
Net cash flows	7,460,639	-	(5,073,071)	-	2,387,568	4,355,811	-	(1,466,476)	-	2,889,335
Items in the SOFP (Non-Cash flows items)						-	-	-	-	-
Premium deposit receivable in the previous year	-	-	-	-	-	-	-	-	-	-
Impact of trade receivables on policies initially recognised during the year	(8,002)	-	-	-	(8,002)	(46,644)	-	-	-	-
Total Non-cash flows	(8,002)	-	-	-	(8,002)	(46,644)	-	-	-	-
Net Insurance Contract Liabilities	**2,167,582**	**3,055**	**5,821,719**	**449,239**	**8,441,595**	**1,389,391**	**4,650**	**652,403**	**130,155**	**2,223,243**
Insurance contract liabilities as at December 31, 2024	2,167,582	3,055	5,821,719	449,239	8,441,595	1,389,391	4,650	652,403	130,155	2,176,599
Insurance contract assets as at December 31, 2024	-	-	-	-	-	-	-	-	-	-
Net Insurance Contracts Liabilities as at December 31, 2024	**2,167,582**	**3,055**	**5,821,719**	**449,239**	**8,441,595**	**1,389,391**	**4,650**	**652,403**	**130,155**	**2,176,599**

		2024	2023
		₦'000	₦'000
15	**Provision and Other Payables**		
	National Insurance Commission Levy	99,197	34,405
	Accrued expenses	54,526	37,839
	National Pension Scheme- NPS-NLPC	170	6,779
	National Pension Scheme- NPS-Others	308	-
	Staff Salaries Payable	-	153
	National Housing Fund	920	127
	Staff group life provision	-	4,871
	Unclaimed dividend payable	1,500	1,500
	PAYE	1,769	6,282
	Provision for actuary fee	9,716	-
	Tax Consultant	22,805	-
	Financial Reporting Council	4,651	-
	Provision for audit fee	5,200	-
	Co-operative Deduction	12,440	-
	Unearned Income-(See Note 15.1)	104,848	-
	WHT -Federal/States	20,822	4,020
		338,871	**95,976**
	Current	338,871	95,976
	Non-current	-	-
15.1	**Breakdown of unearned income**	**₦'000**	**₦'000**
	FCMB Treasury bill	48,460	-
	FCMB Treasury bill	21,267	-
	FCMB Treasury bill	14,259	-
	MTN Commercial paper	20,862	-
		104,848	**-**

16 Retirement Benefit Obligations

This represents the company's liabilities from its defined benefit contribution pension plan which is in compliance with the Pension Reform Act 2014. (As amended)

All pension controbutions are remitted to the relevant registered Pension Fund Administrators (PFAs).

The amounts recognised in the statements of financial position at the reporting date are as follows:

Present value of the defined benefit obligation

	2024	2023
The movement in the defined benefit obligation is as follows:	₦'000	₦'000
Balance at the beginning of the year	254,892	226,790
Pension expense for the year	51,470	49,782
Actuarial (Gain)/ Loss	31,469	34,924
Benefit paid during the year	(100,788)	(56,604)
Balance at the end of the year	**237,043**	**254,892**

17	Taxation	₦'000	₦'000
17.1	**Current Tax Expense**		
	Company income tax	89,093	168,806
	Education Tax	26,731	18,349
	NITDF	-	5,696
	Police trust fund	-	28
	NASENI Levy	-	142
		115,824	193,022
	Deferred taxation	30,000	20,216
	Income tax expense recognised in the current year	**145,824**	**213,238**

17.2 Taxation Payable Account

	The movement in taxation payable account during the year is as follows:	₦'000	₦'000
	Balance brought forward	234,825	89,660
	Charged for the year	115,824	193,022
	Tax paid during the year	(115,909)	(47,857)
	Balance at the end of the year	**234,739**	**234,825**

		2024	2023
17.3	**Deferred Taxation**	**₦'000**	**₦'000**
	The movement in deferred taxation account during the year was as follows:		
	Balance at the beginning of the year	110,000	89,784
	Charge / (credit) to profit and loss account for the year	30,000	20,216
	Balance at the end of the year	**140,000**	**110,000**

The Company's Deferred taxation is computed using the liability method.

18 Capital and Reserves

18.1	***Share capital***	**₦'000**	**₦'000**
	8,129,578,755 units ordinary shares of 50kobo each	4,064,789	4,064,789
	Balance at the end of the year	**4,064,789**	**4,064,789**

		₦'000	**N'000**
18.2	***Share Premium***	**70,393**	**70,393**

Share premium comprises additional paid-in capital in excess of the par value. However, this reserve is not available for distribution.

		2024	2023
18.3	**Retained Earnings/(Accumulated Losses)**		
	The movement in retained earnings is analysed as follows:	**₦'000**	**₦'000**
	Opening balance	(288,475)	-
	At 1 January (Restated)	-	(691,575)
	Transfer from profit and loss	24,386	581,068
	Transfer to contingency reserve	(306,783)	(177,968)
	Restated Balance as at 31 December	**(570,871)**	**(288,475)**

18.4 ***Other Reserves***

This represents gain or loss on actuarial valuation relating to retirement benefit obligations.

Movement in other reserves	**N'000**	**N'000**
Opening balance	(94,547)	(59,623)
(Decrease)/ Increase during the year	(31,469)	(34,924)
Closing balance	**(126,016)**	**(94,547)**

18.5 ***Fair-value Reserve***

Fair-value reserve is the net accumulated changes in the fair value of quoted and unquoted investments.

	N'000	**N'000**
Opening balance	209,691	25,267
Appreciation/(Depreciation) during the year	313,249	184,424
Closing balance	**522,941**	**209,691**

18.6 Revaluation reserve

This is an increase in the value of property, plant and equipment.	N'000	N'000
Opening balance	311,419	257,941
Appreciation/(Depreciation) during the year	317,947	53,478
Closing balance	**629,366**	**311,419**

18.7 Contigency Reserve

	₦'000	₦'000
Balance at the beginning of the year	1,776,549	1,598,581
Transfer from retained earnings	306,783	177,968
Balance at the end of the year	**2,083,331**	**1,776,549**

This is maintained in compliance with section 21(1) and (2) and it is credited with the greater of 3% of totalpremium income receivable during the period or 20% of the net profits. This shall accumulate until it reaches the amount of greater of minimum paid-up capital or 50% of net premium.

		2024	2023
19.1	***Insurance Revenue (see appendix 1)***	**₦'000**	**₦'000**
	Contracts under the modified retrospective approach	-	-
	Contracts under the fair value approach	-	-
	Other contracts	8,877,630	5,041,051
	Total Insurance Revenue	**8,877,630**	**5,041,051**
19.2	***Insurance service expenses***		
	Incurred claims and expenses	4,035,690	1,814,830
	Other directly attributables expenses	1,157,528	-
	Amortisation of insurance acquisition cashflows	2,203,184	1,618,479
	Losses on onerous contracts and reversals of those losses	(1,595)	4,609
	Changes in Liability for Incurred Claims (LIC)	5,488,400	-
		12,883,207	**3,437,918**
19.3	***Expenses from reinsurance contracts held***		
	Allocation of reinsurance premium	(2,322,397)	(1,328,000)
	Recoveries on incurred claims	5,195,056	364,313
	Changes that relate to future service (including reversal of onerous contract)	-	940
	Net expenses from reinsurance contracts held	**2,872,659**	**(962,747)**
19.4	***Insurance finance income/(expenses)***		
	Finance expenses from insurance contracts issued	**120,147**	**(33,315)**
19.5	***Reinsurance finance income/(expenses)***		
	Finance income from reinsurance contracts held	**(106,523)**	**17,436**

Insurance service expenses include 50% allocated expenses from total operating expenses incurred during the year

20	**Interest revenue calculated using the effective interest rate**	**N'000**	**N'000**
	Interest income on government securities	224,810	77,034
	Interest on tenor deposit. (Note 20.1)	95,129	83,880
	Dividend	-	87,189
	Interest on statutory deposits	35,232	-
		355,171	**248,103**
20.1	**Interest on tenor deposit**		
	Interest received	28,453	83,880
	Accrued interest	58,455	-
	Foreign exchange gain	8,221	-
		95,129	**83,880**
21	**Other investment Income**		
	Dividend-Listed equities (See Note 7.2(i)a)	5,993	-
	Dividend-Unlisted equities (See Note 7.2(i)b)	122,540	-
		128,532	-
22	**Net credit impairment losses**		
	Reinsurance assets	-	142,826
	Cash and cash equivalents	1,733	5,959
	Financial assets (Loans)-Amortised cost	186,537	42,517
	Financial assets (Bonds)-Amortised cost	-	1,157
	Net credit impairment losses	**188,270**	**192,459**

23	**Net foreign exchange income/(expense)**	**N'000**	**N'000**
	Cash and cash equivalent	596,470	1,305,797
	Financial assets at FVOCI-unlisted equities	584,498	-
	Financial assets at FVOCI-debt instruments	578,469	-
	Reinsurance contract held-effect of movements in exchange rates	377,088	-
	Insurance contract liabiliries	2,528	-
		2,139,054	**1,305,797**

Exchange rate

The exchange rates used for the conversion of domicilliary accounts part of cash and cash equivalent placement with original maturities of about three months vary and the conversion rate for the year end placement is N1,535.31/$, N2,110.84/£ and N1,594.88/€ as at 31 December 2024 base on CBN publication exchange rate

		2024	**2023**
24	**Other income**	**N'000**	**N'000**
	Sundry income	22,892	7,708
	Interest on statutory deposits		18,054
	Accrued interest	-	-
	Profit on disposal of company's motor vehicles	981	46
		23,873	**25,808**

25 Other finance costs.

Finance costs are interests charged on various transactions with our bankers such as COT and interest cost on benefit obligation

	₦'000	**₦'000**
Finance Costs	**19,422**	**24,959**

26	**Other Operating Expenses**	**N'000**	**N'000**
	Staff Costs (See Note 26.1)	582,296	553,833
	Fuel	19,132	16,741
	Repairs & Maintenance	39,964	50,573
	Rent, Rate & Service Charge	22,406	55,088
	Electricity	8,482	5,827
	Travelling Expenses	115,606	101,510
	Gift and Donations	39,763	47,599
	Entertainment	6,295	12,545
	Public Relations	32,928	67,678
	Directors' fees (NED)	7,311	12,186
	Directors' expenses (NED)	41,036	33,108
	Audit fee	2,750	2,750
	General expenses (See Note 26.2)	182,282	192,380
	Depreciation	49,183	40,675
		1,149,435	**1,192,492**

Above expenses represent 50% of the total operating expenses while the remaining 50% allocated to insurance service expenses.

26.1 Analysis of Staff costs

Salaries	447,828	484,797
Staff training and development	45,594	24,164
Staff medical expenses	10,410	11,657
Pension Contribution	25,735	24,891
Other employee benefits	52,729	8,323
	582,296	**553,833**

Key Management Personnel Compensation

Key management personnel are those persons having authority and resposibility for planning, directing and controlling the activities of the Company, including the Directors and the Financial Controller of the Company.

	N'000	N'000
Short term employee benefits	23,117	23,117
Post employment benefits (Pension Contributions)	4,161	4,161

	2024 ₦'000	2023 ₦'000
26.2 General expenses		
Subsciptions-Professional Bodies	6,982	9,370
Subsciptions-Clubs & Association	839	256
Other Professional Fees	71,793	61,643
Advertisement & Business development	589	1,022
Newspapers & Periodicals	521	3,017
Communication Expenses	6,428	17,923
Printing & Stationaries	11,383	23,002
Filing Fee	650	500
NAICOM Levies	53,509	29,073
Stamp Duties and others	1,417	8,387
ITF Levy	5,123	3,780
Govt. Levies	813	1,163
Loss on disposal of Shares	-	8,449
Office Expenses	22,236	24,794
	182,282	**192,380**

Above expenses represent 50% portion of the total operating expenses while the remaining 50% allocated to insurance service expenses.

27 Directors' Emoluments

(a) The aggregate emoluments of Directors' were:

Fees	7,311	12,186
Expenses	41,036	33,108
	48,348	**45,294**

(b) The emoluments of the Chairman	**21,934**	**21,934**
(c) The emoluments of the highest paid Director	**21,934**	**21,934**

The table below shows the number of Directors of the Company (excluding the Chairman) whose remuneration in respect of services to the Company fell within the range shown below:

	2024	**2023**
	Number	Number
Above ₦5,000,000	3	3

28 Employees

(a). i. Employees, other than the executve directors, received emoluments (excluding pension contribution and other allowances) in the following ranges:

	2024	**2023**
	Number	Number
400,001 -800,000	19	2
800,001 -1,200,000	22	19
1,200,001 -1,600,000	11	18
1,600,001 -2,000,000	13	13
2,000,001- 2,400,000	1	14
2,400,001 - 2,800,000	18	12
2,800,001 - 3,200,000	0	9
3,200,001 -4,000,000	12	4
Above N4,000,000	4	3
	100	**94**

28a Staff

ii. The average number of full time person employed by the company during the year was as follows:

	2024	**2023**
	Number	Number
Executive directors	3	3
Management staff	4	8
Non-management staff	93	83
	100	**94**

b Directors' remuneration	**₦'000**	**₦'000**
Executive compensation		23,117
Directors' fees	7,311	12,186
Other directors' expenses	41,036	33,108
Defined contribution	7,230	8,322

Related parties
Transactions with key management personnel

The Company's key management personnel, and persons connected with them are considered to be related parties for disclosure purposes. The definition of key management includes close members of family of key personnel and any entity over which key management exercise control. The key management personnel have been identified as the executive and non-executive directors of the Company. Close members of family are those family members who may be expected to influence, or be influenced by that individual in their dealings with Sterling Assurance Nigeria Limited.

31. Risk Management Framework

The Board of Directors has the overall responsibility for the establishment and oversight of the Company's risk management framework. The Board has established the Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The Committee reports regularly to the Board of Directors on its activities.

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

The primary objective of the Company's risk and financial management framework is to protect the Company's stakeholders from events that hinder the sustainable achievement of financial performance objectives, including failure to exploit opportunities. The Management recognises the importance of having an effective and efficient risk management system in place.

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

The Company has a policy framework which sets out the risk profiles; a risk management, control and business conduct standard for the Company's operations.

Financial risk management

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

- Credit risk
- Liquidity risk
- Market risk
- Currency risk
- Credit risk

i. Credit risk

Credit risk Management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The key areas of exposure to credit risk for the Company are in relation to its investment portfolio, reinsurance programme and to a lesser extent amounts due from policyholders and intermediaries.

The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company only transacts with entities that are rated the equivalent to investment grade and above.

This information is supplied by independent rating agencies where available and if not available the Company uses other publicly available

financial information and its own trading records to rate its major policyholders and reinsurers.
The Company's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the Risk Management Committee annually.

Receivables consist of a large number of policyholders, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable.

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

The Company is committed to:

- Create, monitor and manage credit risk in a manner that complies with all applicable laws and regulations;
- Identify credit risk in each investment, loan or other activity of the Insurance Group;
- Utilize appropriate, accurate and timely tools to measure credit risk;
- Set acceptable risk parameters;
- Maintain acceptable levels of credit risk for existing individual credit exposures;
- Maintain acceptable levels of overall credit risk for the Company's Portfolio; and
- Coordinate Credit Risk Management with the management of other risks inherent in the Company's business activities.

Exposure to credit risk

The table below shows the maximum exposure to credit risk by class of financial asset

Maximum Exposure to credit risk		
31 December	**2024**	**2023**
	N'000	**N'000**
Cash and Cash Equivalents	2,979,948	1,507,989
Debt instruments measured at fair value through OCI	1,129,108	1,120,311
Debt instrument at amortised cost	206,174	235,136
Trade Receivables	168,913	176,915
Reinsurance contract held	5,774,058	1,120,394
Other Receivables(Less Prepayments)	344,180	659,259
Statutory Deposit	300,150	300,150
	10,902,531	**5,120,154**

The amount reported above is gross exposure recognised on cash and cash equivalent, debt instruments at amortised cost and other receivables.

In measuring credit risk of other receivables to various counterparties, the Company considers the character and capacity of the obligor to pay or meet contractual obligations, current exposures to the counter party/obligor and its likely future developments, credit history of the counterparty/obligor; and the likely recovery ratio in case of default obligations.

ii. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

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

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

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

iii. Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates (currency risks), market interest rates (interest rate risks) and market or equity prices (price risks) will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

Guidelines are set for asset allocation and portfolio limit structure, to ensure that assets back specific policyholders' liabilities and those assets are held to deliver income and gains for policyholders which are in accordance with expectations of the policyholders.

The Company invested in money and capital market instruments, and investments in these instruments are basically for additional source of income. Therefore, the values of assets in the investment portfolio are at risk due to volatility in security prices, interest rates, and other market and economic variables.

iv. Currency risk

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

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

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

Non-life insurance contracts

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

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

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

Key assumptions

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

Additional qualitative judgments are used to assess the extent to which past trends may not apply in the future, for example: one–off occurrence, changes in market factors such as public attitude to claims, economic conditions, as well as internal factors such as portfolio mix, policy conditions and claims handling procedures. Judgment is further used to assess the extent to which external factors such as judicial decisions and government legislation affect the estimates. Other key circumstances affecting the reliability of assumptions include variation in interest rates, delays in settlement and changes in foreign currency rates.

Underwriting risk

Underwriting risk management

Underwriting risk consists of insurance risk, persistency risk and expense risk.

Insurance risk is the risk of the loss event occurrence, or the timing and amount of the loss being different from expectation. The Company's main income generating activity is the issuance of insurance contracts and therefore insurance risk is a principal risk.

The Company is exposed to different elements of insurance risks regarding its Non-Life policies:

- Catastrophe risk: the risk of incurring significant losses as a result of catastrophic events

All policies:

- Premium risk: the risk that premiums charged to policyholders are less than claims cost on business written
- Reserve risk: the risk that the claims reserves are insufficient to cover all claims

Concentration of risk

The Company monitors insurance risk per class of business. An analysis of the Company's insurance risk concentration (both before and after reinsurance) per class of business is provided in the following tables.

31-Dec-24						
Concentration of credit risk	**Financial Services**	**Govern-ment**	**Public Sector**	**Other**	**Total**
	₦'000	**₦'000**	**₦'000**	**₦'000**	**₦'000**
Cash and Cash Equivalents	2,979,948	-	-	-	2,979,948
Financial assets at FVOCI	-	1,129,108		-	1,129,108
Financial assets at Amortized cost	-	-	206,174		206,174
Trade Receivables	-	-	-	168,913	168,913
Reinsurance contract held	-	-	5,774,058	-	5,774,058
Other Receivables and Prepayments	-	-	-	344,180	344,180
Statutory Deposit	-	-	300,150	-	300,150
	2,979,948	**1,129,108**	**6,280,382**	**513,093**	**10,902,531**
31-Dec-23					
Concentration of credit risk	**Financial Services**	**Govern-ment**	**Public Sector**	**Other**	**Total**
	₦'000	**₦'000**	**₦'000**	**₦'000**	**₦'000**
Cash and Cash Equivalents	1,507,989	-	-	-	1,507,989
Financial assets at FVOCI	-	1,120,311		-	1,120,311
Financial assets at Amortized cost	-	-	235,136		235,136
Trade Receivables	-	-	-	176,915	176,915
Reinsurance contract held	-	-	1,120,394	-	1,120,394
Other Receivables and Prepayments	-	-	-	659,259	659,259
Statutory Deposit	-	-	300,150	-	300,150
	1,507,989	**1,120,311**	**1,655,680**	**836,174**	**5,120,154**

Fair Value Hierarchy

Level 1: Fair value measurements classified as level 1 include exchange-trade prices of fixed maturities and equity securities unadjusted in active market for identical assets.

Level 2: Input other than quoted prices included within Level 1 that are observable for the asset either directly or indirectly. This category of instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for similar instruments in market that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

Level 3: This includes financial instruments, the valuation in which incorporate significant inputs in the assets that is not based on observable market date (unobservable input). Unobservable inputs are those not readily available in an active market due to market illiquidity or complexity of the products.

The table below analyses financial instruments measured at fair value at the end of the reporting period, by the level in the fair value hierarchy into which the fair value measurement is categorized.

December 31, 2024				
Asset Type	**Level 1**	**Level 2**	**Level 3**	**Total**
	₦'000	**₦'000**	**₦'000**	**₦'000**
*Federal Government bonds	1,129,108	-	-	1,129,108
*Quoted Investments	793,821	-	-	793,821
*Unlisted Investments	-	-	1,435,646	1,435,646
Total	**1,922,928**	**-**	**1,435,646**	**3,358,574**
December 31, 2023				
Asset Type	**Level 1**	**Level 2**	**Level 3**	**Total**
	₦'000	**₦'000**	**₦'000**	**₦'000**
*Federal Government bonds	1,120,311	-	-	1,120,311
*Quoted Investments	480,545	-	-	480,545
*Unlisted Investments	-	-	851,148	851,148
Total	**1,600,856**	**-**	**851,148**	**2,452,004**

33. Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Company's process, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards or corporate behaviour. Operational risks arise from all the Company's operations. The Company's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the Company's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management within each business unit. This responsibility is supported by the development of overall Company standards for the management of operational risk in the following areas:

i. requirements for appropriate segregation of duties, including the independent authorization of transactions
ii. requirements for the reconciliation and monitoring of transactions
iii. compliance with regulatory and other legal requirements
iv. documentation of controls and procedures
v. requirements for the periodic assessment of operational risk faced, and the adequacy of controls and procedures to address the risks identified
vi. requirements for the reporting of operational losses and proposed remedial actions
vii. development of contingency plans
viii. training and professional development
ix. ethical and business standards
x. risk mitigation, including insurance when this is effective

Compliance with Company standards is supported by a programme of periodic reviews undertaken by Internal Audit. The results of Internal Audit reviews are discussed with the management of the business unit to which they relate, with summaries submitted to the executive management of the Company.

34. Capital Management

The National Insurance Commission (NAICOM), sets and monitors capital requirements for Insurance Companies.

The Company’s policy is to maintain a strong capital base to foster investor, creditor and market confidence and to sustain the future development of the business. The impact of the level of capital on shareholders’ return is also recognised and afforded by a sound capital position.

a. Capital Management Objectives

The Company has established the following capital management objectives that affect its capital structure:

To ensure that the Minimum Capital Requirement ratio as required by the Insurance Act 2003 be maintained at all times.

This is a risk-based capital method of measuring the minimum amount appropriate for an insurance company to support its overall business operations in consideration of its size and risk profile.

To safeguard the Company's ability to continue as a going concern so that it can continue to provide returns to shareholders and benefits for other stakeholders; and

To provide an adequate return to shareholders by pricing insurance contracts and other services commensurately with the level of risk.

To maintain, at all times, the required level of stability of the Company thereby providing a degree of confidence to policy holders;

To maintain financial strength to support new business growth and satisfy the requirements of the policy holders, regulators and other stakeholders;

To ensure that capital is efficiently allocated 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 maintain adequate financial asset portfolio in order to maximize the use of fund and high solvency margin. The insurance Act, 2003 specifies the amount of capital that must be held in proportion to the Company's liabilities, i.e. in respect of outstanding claim liability risk, unearned premium liability risk, investment risk, catastrophe risk and reinsurance ceded.

The Company is also subjected to a solvency requirement under the Insurance Act 2003 and is required to maintain its solvency at the minimum capital required at all times.

The Company's operations are also subject to regulatory requirements of the National Insurance Commission (NAICOM). Such regulations not only prescribe approval and monitoring of activities, but also impose certain restrictive provisions (e.g. capital adequacy) to minimize the risk of default and insolvency on the part of the insurance company and enhance its ability to meet unforeseen liabilities as they arise.

b. Capital Management Approach

The primary source of capital used by the Company is equity shareholders' funds. The Company's capital management strategy focuses on the creation of shareholders' value while meeting the crucial and equally important objective of providing an appropriate level of capital to protect stakeholders' interests and satisfy regulators.

The adequacy level of capital determines the degree of confidence that stakeholders (suppliers, clients, investors, depositors and counterparties) would have in a business. Hence, the company ensures that adequate capital exists to buffer the following:

* Absorb large unexpected losses;
* Provide confidence to external investors and rating agencies
* Run operations of the Company efficient and generate commensurate returns
* Protect clients and other creditors
* Support a good credit rating; and
* Maintain adequate solvency margin

c. Capital Requirement

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

in the case of existing company –

- the excess of admissible assets over liabilities, less the amount of own shares held by the company,
- subordinated liabilities subject to approval by the Commission, and
- any other financial instrument as prescribed by the Commission.

For this purpose, Admissible Assets are defined as:
Share Capital, Share Premium, Retained Earnings, Contingency Reserves, and any other admissible assets subject to the approval of the Commission;
As an existing company, our capital requirement is as shown below

	2024	2023
	N'000	**N'000**
Paid-up Share Capital	4,064,789	4,064,789
Share Premium	70,393	70,393
Retained Earnings	(570,871)	(288,475)
Statutory Contigency Reserve	2,083,331	1,776,549
Excess of admissible asset over liabilities	**5,647,643**	**5,623,257**
LessTreasury Share		
Subordinated liabilities approved by NAICOM		
Other instruments approved by NAICOM		
Capital requirements	**5,647,643**	**5,623,257**

During the year under review, the Company complied with externally imposed capital requirements by NAICOM.

d. Solvency Margin

During the year under review the Company attains the minimum solvency margin requirement of N3b stipulated by NAICOM. The solvency margin achieved by the company was N3.639b compared to the minimum requirement of N3b giving a surplus of N0.639b.

Consequences of non-compliance

The consequences of non-compliance with the minimum regulatory capital as stated in Section 24 (5)-(8) of the Insurance Act, 2003 are:

(i) The Company to make good the deficiency by way of cash payment into its account and satisfactory evidence of such payment shall be produced to the Commission within 60 days of the receipt of the directive;

(ii) If satisfactory evidence of payment is not produced within the time stipulated, the Company shall not undertake a new insurance business until it produces satisfactory evidence of payment to the Commission;

Failure to comply with (i & ii) above, shall constitute a ground for the cancellation of the registration of the Company under section 8 of the Insurance Act, 2003.

	Policyholders' Fund 2024	Shareholders' & Other Fund 2024	Total 2024	Total 2023
ASSETS	**N'000**	**N'000**	**N'000**	**N'000**
Cash and Cash Equivalents	2,076,042	903,906	2,979,948	1,507,989
Financial asset at amotised cost (AC)	-	206,174	206,174	235,136
Financial Asset measured at fair value through OCI	1,129,108	2,229,466	3,358,574	2,452,004
Trade Receivables	-	168,913	168,913	176,915
Reinsurance contract assets	5,774,058	-	5,774,058	1,120,394
Other Receivables andPrepayments	-	385,798	385,798	760,726
Investment Properties	-	1,430,000	1,430,000	1,430,000
Property, Plant and Equipment	-	1,462,567	1,462,567	938,797
Statutory Deposit	-	300,150	300,150	300,150
Total Assets	**8,979,208**	**7,086,975**	**16,066,183**	**8,922,111**
LIABILITIES				
Insurance Contract Liabilities	8,441,595	-	8,441,595	2,176,599
Provisions and Other Payables	-	338,871	338,871	95,976
Retirement Benefit Obligations		237,043	237,043	254,892
Current Income Tax Liabilities	-	234,739	234,739	234,825
Deferred Tax Liabilities	-	140,000	140,000	110,000
Shareholders Fund	-	6,673,934	6,673,934	6,049,820
Total Liabilities	**8,441,595**	**7,624,588**	**16,066,183**	**8,922,111**
Surplus Asset Cover	**537,613**	**(537,613)**	**-**	**-**

The Company’s capital requirement ratio and solvency margin above is the requirements of the insurance Act Cap l17, LFN 2003.

Assets and Liabilities Management (ALM)

The Company is exposed to a range of financial risks through its financial assets, reinsurance assets and insurance liabilities. In particular, the key financial risk is that in the long-term its investment proceeds are not sufficient to fund the obligations arising from its insurance. The most important components of this financial risk are interest rate risk, equity price risk, foreign currency risk and credit risk.

These risks arise from open positions in interest rate, currency and equity products, all of which are exposed to general and specific market movements. The risks that the Company primarily faces due to the nature of its investments and liabilities are interest rate risk and equity price risk.

The Company manages these positions within an ALM framework that has been developed to achieve long-term investment returns in excess of its obligations under insurance contracts. Within the ALM framework, the Company periodically produces reports at portfolio, legal entity and asset and liability class level that are circulated to the Company's key management personnel. The principal technique of the Company's ALM is to match assets to the liabilities arising from insurance contracts by reference to the type of benefits payable to contract holders. For each distinct class of liabilities, a separate portfolio of assets is maintained. The Company has not changed the processes used to manage its risks from previous periods.

The Company's ALM is integrated with the management of the financial risks associated with the Company's other classes of financial assets and liabilities not directly associated with insurance and investment liabilities (in particular, borrowings and investments in foreign operations). The notes below explain how financial risks are managed using the categories utilized in the Company's ALM framework. In particular, the ALM Framework requires the management of interest rate risk, equity price risk and liquidity risk at the portfolio level. The notes below show how the Company has managed its financial risks.

	Policyholders' Fund 2024 N'000	Shareholders' & Other Fund 2024 N'000	Total 2024 N'000	Total 2023 N'000
ASSETS				
Cash and Cash Equivalents	2,076,042	903,906	2,979,948	1,507,989
Financial asset at amotised cost (AC)	-	206,174	206,174	235,136
Financial Asset measured at fair value through OCI	1,129,108	2,229,466	3,358,574	2,452,004
Trade Receivables	-	168,913	168,913	176,915
Reinsurance contract assets	5,774,058	-	5,774,058	1,120,394
Other Receivables and Prepayments	-	385,798	385,798	760,726
Investment Properties	-	1,430,000	1,430,000	1,430,000
Property, Plant and Equipment	-	1,462,567	1,462,567	938,797
Statutory Deposit	-	300,150	300,150	300,150
Total Assets	**8,979,208**	**7,086,975**	**16,066,183**	**8,922,111**
LIABILITIES				
Insurance Contract Liabilities	8,441,595	-	8,441,595	2,176,599
Provisions and Other Payables	-	338,871	338,871	95,976
Retirement Benefit Obligations		237,043	237,043	254,892
Current Income Tax Liabilities	-	234,739	234,739	234,825
Deferred Tax Liabilities	-	140,000	140,000	110,000
Shareholders Fund	-	6,673,934	6,673,934	6,049,820
Total Liabilities	**8,441,595**	**7,624,588**	**16,066,183**	**8,922,111**
Surplus Asset Cover	**537,613**	**(537,613)**	**-**	**-**

		2024		2023	
		₦'000		**₦'000**	
	Insurance contract revenue	8,877,630		5,041,051	
	Reinsurance, claims and commission and others	(10,544,856)		(5,144,757)	
	Investment and other income	2,518,098		1,492,519	
	VALUE ADDED	**850,872**		**1,388,813**	
	Applied as follows:				
1	Staff costs	582,296	68.44	553,833	39.88
2	Government tax	145,824	17.14	213,238	15.35
3	Depreciation	98,366	11.56	40,675	2.93
4	Retained for Company's growth	24,386	2.87	581,068	41.84
	VALUE ADDED/(ERODED)	**850,872**	**100.00**	**1,388,813**	**100.00**

Value- Added represents the additional wealth the Company has been able to create on its own and its employees' efforts. The statement shows the allocation of the wealth among employees, shareholders, government and that retained for future creation of more wealth.

31 December	2024	2023	2022	2021	2020
STATEMENT OF FINANCIAL POSITION	₦'000	₦'000	₦'000	₦'000	₦'000
ASSETS					
Cash and Cash Equivalent	2,979,948	1,507,989	1,103,840	733,593	378,939
Financial assets	3,564,748	2,687,139	1,532,451	1,403,281	1,746,776
Trade and Other Receivables	168,913	176,915	223,559	275,537	632,529
Reinsurance contract assets	5,774,058	1,120,394	333,698	550,728	1,468,007
Other Receivables and Prepayments	385,798	760,726	899,097	1,024,374	-
Deferred Acquisition Cost	-	-	-	-	140,139
Investment Properties	1,430,000	1,430,000	1,430,000	1,430,000	1,270,000
Property, Plant and Equipment	1,462,567	938,797	880,529	724,595	717,350
Statutory Deposits	300,150	300,150	300,150	300,150	300,150
Total Assets	**16,066,183**	**8,922,111**	**6,703,324**	**7,176,602**	**6,653,890**
LIABILITIES					
Insurance Contract Liabilities	8,441,595	2,176,599	903,727	756,092	1,154,945
Trade payables			-	-	220,497
Provisions and Other Payables	338,871	95,976	127,589	210,732	-
Retirement Benefit Obligations	237,043	254,892	226,790	227,048	206,270
Current Income Tax Liabilities	234,739	234,825	89,660	79,414	-
Deferred Tax Liabilities	140,000	110,000	89,784	86,738	88,309
Total Liabilities	**9,392,249**	**2,872,291**	**1,437,550**	**1,770,731**	**1,670,021**
EQUITY					
Share Capital	4,064,789	4,064,789	4,064,789	4,064,351	4,064,351
Share Premium	70,393	70,393	70,393	70,393	70,393
Contigency Reserves	2,083,331	1,776,549	1,598,581	1,450,684	1,310,374
Other Reserves	1,026,291	426,563	223,585	236,511	191,879
Retained Earnings	(570,871)	(288,475)	(691,575)	(416,068)	(653,128)
Total Equity	**6,673,934**	**6,049,820**	**5,265,774**	**5,405,871**	**4,983,869**
Total Liabilities and Equity	**16,066,183**	**8,922,111**	**6,703,324**	**7,176,602**	**6,653,890**
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME					
Insurance contract revenue	8,877,630	5,041,051	4,966,565	4,677,009	3,949,079
Insurance service result	(1,132,918)	640,386	1,304,812	-	-
Net insurance and investment result	1,315,193	2,004,002	1,397,517	-	-
Profit/(Loss) before Tax	170,210	794,305	601,965	447,542	214,476
Profit/(Loss) for the year	24,386	581,068	509,279	377,370	197,489
Total comprehensive (loss)/income for the year	624,114	784,046	496,353	422,002	133,977
Basic Earnings Per Share (k)	0.30	7.15	6.26	4.64	2.43

Notes to Financial Statements

Appendix 1

Revenue Account

	Marine ₦'000	Motor ₦'000	Fire ₦'000	Gen. acc. ₦'000	Bond ₦'000	Oil & gas ₦'000	Engnr ₦'000	Agric ₦'000	2024 TOTAL ₦'000
Insurance Revenue									
Contracts under the fair value approach	-	-	-	-	-	-	-	-	-
Other contracts	378,514	1,057,220	1,227,520	449,071	785,228	4,566,105	407,313	6,659	8,877,630
Insurance Revenue	**378,514**	**1,057,220**	**1,227,520**	**449,071**	**785,228**	**4,566,105**	**407,313**	**6,659**	**8,877,630**
Insurance Service Expenses									
Incurred claims and expenses	28,150	230,683	315,537	236,357	53,080	2,838,981	332,902	-	4,035,690
Other directly attributables expenses	689	9,932	22,033	7,405	767	1,098,140	14,921	3,642	1,157,528
Amortisation of insurance acquisition cashflows	101,624	166,286	311,911	108,769	182,873	1,220,964	109,889	870	2,203,184
Losses and reversal of losses on onerous contracts								(1,595)	(1,595)
Changes in Liability for Incurred Claims (LIC)	3,267	47,090	104,470	35,111	3,635	5,206,811	70,747	17,268	5,488,400
Total Underwriting Expenses	**133,730**	**453,991**	**753,951**	**387,642**	**240,355**	**10,364,896**	**528,459**	**20,185**	**12,883,207**
Expenses from reinsurance contracts held									
Allocation of reinsurance premium	1,764,127	84,035	239,716	63,317	92,265	55,385	190,039	(166,488)	2,322,397
Recoveries on incurred claims	(22,773)	(54,537)	(152,758)	(427,271)	(11,725)	(4,291,450)	(238,335)	3,794	(5,195,056)
Onerous contract and changes in the loss recovery component	-	-		-	-	-	-	-	-
Net expenses from reinsurance contracts held	**1,741,354**	**29,498**	**86,958**	**(363,953)**	**80,540**	**(4,236,065)**	**(48,296)**	**(162,694)**	**(2,872,659)**
Insurance Service Result	**(1,496,570)**	**573,731**	**386,612**	**425,383**	**464,333**	**(1,562,725)**	**(72,850)**	**149,168**	**(1,132,918)**

STERLING ASSURANCE NIGERIA LIMITED

I/We……………………………….

(In Block)……………………………

………………………………………

………………………………………

FOR OFFICE USE
HOLDING

A member/members of the above named Company, appoint…………………………… or failing him, the duly appointed Chairman of the meeting to be my/our proxy to vote on my/our behalf at the **Annual General Meeting** of the company to be held on **Wednesday, 27th August, 2025 at 2:30pm** and any adjournment thereof.

Date………………………….. **Signature(s)……………………………….**

………………………………. **……………………………….**

Please indicate below with a cross how you wish your votes to be cast

ORDINARY BUSINESS

1. Lay before the meeting the audited Financial Statements for the Year ended 31st December 2024
2. Authorise the Directors to fix the remuneration of the Auditors.
3. Disclose the remuneration of managers of the Company

SPECIAL BUSINESS

4. Approve the Directors' emoluments

FOR	AGAINST

NOTES:

If this **Proxy Form** is to be valid, it must be **duly stamped** by the member concerned, and be lodged with the Secretaries, Nigerian Nominees Limited, 221, Ikorodu Road, Lagos not less than forty-eight(48) hours before the time fixed for holding the meeting or any adjournment thereof.

The signature of any one of joint holders will be accepted but the names of all joint holders must be stated.

In the event of this form not indicating as to how the proxy shall vote on any resolution, the proxy may exercise his discretion as to how he votes or he may abstain from voting.

If the appointor is a corporation this form must be under the Common Seal or signed by an officer or attorney duly authorised to do so.


Celebration
of Life
MR. JUSTIN OLABODE EMANUEL
1935 - 2025