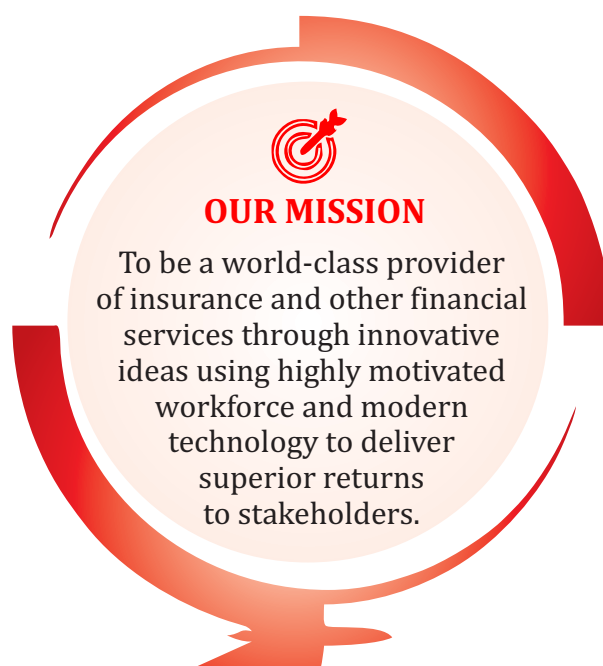




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OUR PHILOSOPHY

... ENDURING STERLING QUALITIES



Dr. F. K. Lawal	Chairman
Mr T. A. Olorunmakomi	Managing Director/CEO
Ms. Iyaji Yiaadey	Executive Director
Mr. S. Olabanji	Executive Director
Mr. A. O. Emanuel (Appointed 8th May 2025)	Non-Executive Director
DR. S. A. Alao (Retired 10th March 2025)	Independent Director
Mr. O. A. Odubogun (Appointed 8th May 2025)	Independent Director

Secretaries:

Nigeria Nominees Limited
221 Ikorodu Road
Obanikoro, Lagos
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, Wuzze 2, Abuja
- (c) 2, Ikwerre Road, Port-Harcourt, Rivers State.
- (d) Ken Plaza, 229, Jakpa Road, Effurun, Warri, Delta.
- (e) 37, Niger Street, Union Bank Building, (1st Floor), Kano.
- (f) Unity Bank Regional Office Building, 1, Intercity Road Mogadagasi Layout, Off Ahmadu Bello Way, Kaduna.
- (g) 11, MTN Building, beside Capital Cook, Iyin Road, Ado Ekiti, Ekiti State.
- (h) 10, 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



Profit or Loss and Other Comprehensive Income	2025	2024		
For the year ended 31 December			Changes	% Changes
	N'000	N'000	N'000	
Insurance revenue	10,923,346	8,877,630	2,045,715	23.04
Insurance service expenses	(6,448,536)	(12,883,207)	6,434,671	(49.95)
Net income/(expenses) from reinsurance contracts	(1,787,322)	2,872,659	(4,659,981)	(162.22)
Insurance service result	2,687,488	(1,132,918)	3,820,406	(337.22)
Interest income calculated using the effective interest method	555,243	355,171	200,072	56.33
Other investment income	78,508	128,532	(50,025)	(38.92)
Net foreign exchange income/(expense)	99,496	2,139,054	(2,238,550)	(104.65)
Net credit impairment losses	(99,279)	(188,270)	88,991	(47.27)
Net insurance finance result	(593,716)	13,624	(607,340)	(4,457.87)
Net insurance and investment result	2,528,747	1,315,193	1,213,554	92.27
Other finance costs	(46,683)	(19,422)	(27,262)	140.37
Other operating expenses	(1,563,835)	(1,149,435)	(414,400)	36.05
Other income	61,863	23,873	37,990	159.13
Profit/(Loss) before Tax	980,092	170,210	809,882	475.81
Income Tax Expense	(338,429)	(145,824)	(192,605)	132.08
Profit/(Loss) for the year	641,663	24,386	617,277	2,531.27
Other comprehensive income/(loss)	1,056,192	599,728	424,672	70.81
Total comprehensive (loss)/income for the year	1,697,855	624,114		

Per share data (kobo)

Earnings	7.89	0.30	7.59	2,531.27
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Statement of Financial Position	2025	2024		
As at 31 December.			Changes	% Changes
ASSETS	N'000	N'000	N'000	
Cash and Cash Equivalents	6,558,118	2,979,948	3,578,170	120.07
Financial asset at amortised cost (AC)	80,000	206,174	(126,174)	(61.20)
Financial Asset measured at fair value through OCI	2,698,413	3,358,574	(660,162)	(19.66)
Trade Receivables	631,543	168,913	462,630	273.89
Reinsurance Contract Assets	2,136,239	5,774,058	(3,637,819)	(63.00)
Other Receivables and Prepayments	68,905	385,798	(316,893)	(82.14)
Investment Properties	1,430,000	1,430,000	-	-
Property, Plant and Equipment	1,795,035	1,462,567	332,467	22.73
Statutory Deposit	300,150	300,150	-	-
Total Assets	15,698,403	16,066,183		
LIABILITIES				
Insurance Contract Liabilities	5,746,813	8,441,595	(2,694,782)	(31.92)
Other Insurance Contract Liabilities	349,042	-	349,042	-
Deposit for Share	15,816	-	15,816	-
Provisions and Other Payables	288,511	338,871	(50,361)	(14.86)
Retirement Benefit Obligations	287,418	237,043	50,375	21.25
Current Income Tax Liabilities	434,656	234,739	199,916	85.17
Deferred Tax Liabilities	204,359	140,000	64,359	45.97
Total Liabilities	7,326,614	9,392,249		
EQUITY				
Paid-up Share Capital	4,064,789	4,064,789	-	-
Share Premium	70,393	70,393	-	-
Retained Earnings/(Accumulated Losses)	956,638	(570,871)	1,527,510	(267.58)
Other Reserves	(265,315)	(126,016)	(139,299)	110.54
Fair- value Reserves	174,061	522,941	(348,880)	(66.72)
Revaluation Reserves	947,768	629,366	318,402	50.59
Statutory Contingency Reserve	2,423,454	2,083,331	340,123	16.33
Total Equity	8,371,789	6,673,934		
Total Liabilities and Equity	15,698,403	16,066,183		



STERLING ASSURANCE NIGERIA LIMITED NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 27th Annual General Meeting of Sterling Assurance Nigeria Limited will be held at Bode Emanuel Centre, 225, Ikorodu Road, Ilupeju, Lagos on Tuesday 21st July, 2026 at 1pm to transact the following business:-

ORDINARY BUSINESS

1. Lay before the meeting the Audited Financial Statements for the year ended 31st December, 2025 with the report of the Directors and Auditors thereon.
2. Declare a Dividend
3. Authorise the Directors to fix the remuneration of the auditors
4. Disclose the remuneration of managers of the Company.

SPECIAL BUSINESS

5. Approve the Directors' emoluments

**NIGERIAN NOMINEES LIMITED
SECRETARIES.**

**Dated: 30th June, 2026
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 P.O. Box 1443, Marina, Lagos not less than 48 hours prior to the time of the meeting.



DR. S.A. ALAO
INDEPENDENT DIRECTOR
Retired March, 2025



DR. F.K. LAWAL
CHAIRMAN



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

Dear Esteemed Shareholders,

On behalf of the Board of Directors of Sterling Assurance Nigeria Limited, I am pleased to present the Annual Report and Audited Financial Statements of the Company for the year ended 31st December 2025.

The Nigerian economy in 2025 continued to adjust to the reforms implemented in preceding years. While inflationary pressures remained elevated and businesses continued to contend with rising operating costs, the foreign exchange market exhibited greater stability compared with prior years, contributing to improved business planning and investor confidence. The year 2025 marked a significant turning point for our Company.

Sterling Assurance Nigeria Limited demonstrated remarkable resilience and achieved one of its strongest performances in recent years. The results recorded during the year reflect the effectiveness of the strategic decisions taken by the Board to strengthen our operations, improve profitability, optimise our investment portfolio, and position the Company for long-term sustainable growth.

OPERATING ENVIRONMENT

The Nigerian economy continued its transition through a period of significant reforms during 2025. While these reforms created short-term pressures on businesses, they also laid the foundation for greater economic efficiency and long-term growth.

The insurance industry operated within an environment of increasing regulatory oversight, technological advancement, and changing customer expectations. The need for stronger capitalisation, improved risk management practices and enhanced operational efficiency became more pronounced across the industry.

Against this backdrop, Sterling Assurance remained focused on delivering value to





policyholders, shareholders and other stakeholders while maintaining sound corporate governance and prudent risk management practices.

REGULATORY DEVELOPMENTS AND THE NIGERIA INSURANCE INDUSTRY REFORM ACT (NIIRA) 2025

One of the most significant developments in the insurance industry during the year was the emergence of the Nigeria Insurance Industry Reform Act (NIIRA) 2025, which introduces a more modern and robust regulatory framework for the insurance sector. Among the key provisions of the Act is the increase in the minimum capital requirement for non-life insurance companies from ₦3 billion to ₦15 billion. Of particular importance is the transition towards a Risk-Based Capital framework. This reform represents a major shift from the traditional fixed minimum capital regime to a more risk-sensitive capital model that aligns capital requirements with the nature, scale and complexity of risks assumed by insurance companies.

The Board welcomes these reforms as they are expected to strengthen the industry's resilience, improve policyholder protection, promote sound risk management practices and enhance investor confidence in the insurance sector.

We believe that institutions that embrace these reforms pro-actively will be best positioned to thrive in the emerging insurance landscape.

CAPITAL STRENGTHENING INITIATIVES

In recognition of this new regulatory threshold and in furtherance of our commitment to maintaining a strong and well-capitalised institution, the Board undertook strategic capital enhancement initiatives during the year.

As part of these initiatives, the Company successfully raised the sum of ₦15,815,718 through a Rights Issue, demonstrating the confidence of existing shareholders in the future of Sterling Assurance.

In addition, the Company received a strategic capital injection of ₦12,000,000,000 from STERLING ASSET MANAGEMENT AND TRUSTEE LIMITED, thereby reinforcing her financial position and providing additional capacity to pursue future growth opportunities.

These capital enhancement initiatives have significantly improved our capital adequacy position and further strengthened our preparedness for the implementation of Risk-Based Capital requirements under NIIRA.

We did not merely raise capital to meet a regulatory requirement; we raised capital to create a stronger Sterling Assurance capable of writing larger risks, protecting policyholders, improving profitability and delivering sustainable returns to shareholders.

FINANCIAL PERFORMANCE

I am delighted to report that the Company delivered a strong financial performance during the year under review.

Insurance Revenue increased by 22.97% from ₦8.88 billion in 2024 to ₦10.92 billion in



2025. This growth was driven by improved business retention, disciplined underwriting activities and increased market penetration across our key lines of business.

The Company's Insurance Service Result improved significantly from a loss of ₦1.13 billion in 2024 to a surplus of ₦2.69 billion in 2025, reflecting stronger underwriting performance and effective claims management.

Profit Before Tax increased substantially to ₦980 million from ₦170 million in the previous year, while Profit After Tax rose to ₦641.7 million compared to ₦24 million recorded in 2024.

Shareholders' Funds increased to ₦8.37 billion, representing a significant improvement over the prior year's position and underscoring the Company's growing financial strength.

The Company's liquidity position also remained strong, with Cash and Cash Equivalents increasing to ₦6.558 billion at year-end from ₦2.979 billion in 2024, thereby enhancing capacity to meet obligations to policyholders and support future growth initiatives.

STRATEGIC INITIATIVES

During the year, Management continued to execute initiatives aimed at enhancing operational efficiency, strengthening customer relationships and improving overall business performance.

We continued to invest in technology, process improvements, talent development and customer service enhancement. These initiatives are intended to improve operational effectiveness, accelerate service delivery, and create a superior customer experience.

The Board remains committed to supporting initiatives that drive innovation, improve productivity and sustain profitability.

CORPORATE GOVERNANCE AND RISK MANAGEMENT

The Board remains committed to the highest standards of corporate governance, accountability, transparency, and ethical conduct.

Our governance framework continues to provide effective oversight of the Company's operations while ensuring compliance with applicable laws, regulations and industry best practices.

As regulatory expectations evolve towards risk-based supervision, we continue to strengthen our enterprise risk management framework to ensure that risks are appropriately identified, measured, monitored and managed across the organisation.

OUTLOOK

Looking ahead to 2026 and beyond, we remain optimistic about the future of Sterling Assurance.

The Company's strategic priorities will continue to focus on profitable growth, capital optimisation, digital transformation, customer-centric innovation, and operational excellence.

With a stronger capital base, improved profitability, sound governance structures and a dedicated workforce, we are confident that Sterling Assurance is well positioned to take



advantage of emerging opportunities within the Nigerian insurance market and create sustainable value for all stakeholders.

APPRECIATION

On behalf of the Board, I express our sincere gratitude to our shareholders for their unwavering support, confidence and commitment to the Company.

I also thank our valued customers, brokers, agents, reinsurers, regulators, business partners and other stakeholders for their continued trust and collaboration.

I particularly acknowledge the dedication and professionalism of the Management team and staff whose hard work and commitment contributed significantly to the Company's achievements during the year.

Together, we shall continue to build a stronger, more resilient and more prosperous Sterling Assurance Nigeria Limited.

Thank you.

Dr. Fatai K. Lawal
Chairman



MS. IYAJI YIAADEY
Executive Director,
Finance & Admin.



MR. T.A. OLORUNMAKOMI
Managing Director/CEO



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, 2025.

2. RESULT

	2025	2024
	₦'000	₦'000
Insurance service result	2,687,488	(1,132,918)
Net insurance and investment result	2,528,747	1,315,193
Profit/(Loss) before Tax	980,092	170,210
Profit/(Loss) for the year	641,663	24,386
Total comprehensive (loss)/income for the year	1,697,855	624,114

3. PRINCIPAL ACTIVITY

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

4. DIRECTORS

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

	2025	2024
	Units (000)	Units (000)
Dr. F. K. Lawal-Chairman	100,000	74,191
Mr T. A. Olorunmakomi	1,225	-
Ms. Iyaji Yiaadey	-	-
Mr. S. Olabanji	160	-
DR. S. A. Alao (Retired 10th March 2025)	-	-
Mr. O. A. Odubogun (Appointed 8th May 2025)	-	-
Mr. A. O. Emanuel (Appointed 8th May 2025)	-	-

	2025		2024	
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 empolymment is:

	2025	2024
Executive directors	3	3
Management staff	5	4
Non-management staff	94	93

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

BY ORDER OF THE BOARD

31st March, 2026


NIGERIAN NOMINEES LIMITED
S E C R E T A R I E S
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 2025:

- 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, one Non-Executive Director, and two Independent Non-Executive Director.
- 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 2025.
- 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) (Retired)	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 4 meetings in 2025, and all Board members attended all the meetings and participated and contributed actively on the following date: 7 March, May 6, August 22 & October 28.

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 2025.

MEETING DATES	FINANCE, INVESTMENT & GENERAL PURPOSE MEMBERS	NUMBER OF ATTENDANCE
7 March, 6 May, 22 August & 28 October 2025	1. Mr. Antonio O. Emanuel - Chairman	4
	2. Mr. Olusegun Odubogun	4
	3. Mr. T.A. Olorunmakomi	4
	4. Ms. Iyaji Yiaadey	4

MEETING DATES	AUDIT COMMITTEE MEMBERS & ATTENDANCE	NUMBER OF ATTENDANCE
7 March & 22 August 2025	1. Dr. S.A Alao - Chairman	1
	2. Mr. Antonio O. Emanuel - Chairman	1
	3. Mr. Olusegun Odubogun	1

MEETING DATES	ENTERPRISES RISK MANAGEMENT & GOVERNANCE	NUMBER OF ATTENDANCE
28 October 2025	1. Mr. Antonio O. Emanuel - Chairman	1
	2. Mr. S.A. Olabanji - ED Operation	1
	3. Mr. Olusegun Odubogun	1

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 2025, 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:

- ❖ Properly selecting and applying accounting policies;
- ❖ Presenting information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- ❖ Providing additional disclosures when compliance with the specific requirements in IFRS 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 2025, were approved by the Board of Directors on 31st March, 2026.

Signed on behalf of the Board of Directors By:



Dr. F. K. Lawal
Chairman

FRC/2013/PRO/DIR/003/00000003330



T. A. Olorunmakomi
Managing Director/CEO

FRC/2024/PRO/DIR/003/890359



Certification pursuant to Section 405 (1) of Companies and Allied Matters Act, Laws of the Federation of Nigeria 2020

We have reviewed the financial statements of Sterling Assurance Nigeria Limited for the year ended 31 December 2025. 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 2025.
- ❖ 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
Managing Director/CEO
FRC/2024/PRO/DIR/003/890359

Iyaji Yiaadey
Executive Director/CFO
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 2025 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:

Name	Position
Mr. O. A. Odubogun (Appointed 8th May 2025), Independent NED	Chairman
Mr. A. O. Emanuel (Appointed 8th May 2025)	Member

On behalf of the Audit Committee:



Mr. O. A. Odubogun
Chairman, Audit Committee
FRC/2017/PRO/DIR/003/00000015974
31st March, 2026.



T.A. BALOGUN & CO
CHARTERED ACCOUNTANTS

221 Ikorodu Road Ilupeju Lagos
E-mail: balogun@tabc.com.ng
info@tabc.com.ng
Tel: 0703 900 0690, 0805 999 5568
+234-805 551 2555, +234-813 743 4244

Independent Auditor's Attestation Report on Management's Assessment of Internal Control over Financial Reporting

To the Members of Sterling Assurance Nigeria Limited.

Scope

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

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

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

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

**Criteria applied by Sterling Assurance Nigeria Limited**

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

Sterling Assurance Nigeria Limited's responsibilities

Sterling Assurance Nigeria Limited's management is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Sterling Assurance Nigeria Limited's management's assessment of the Internal Control over Financial reporting as of 31 December 2025 in accordance with the criteria.

Our responsibilities

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

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

Our independence and quality management

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



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

Description of procedures performed

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

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

Conclusion

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

Other Matter

We also have audited, in accordance with the **International Standards on Auditing**, the financial statements for the year ended **31 December 2025** of **Sterling Assurance Nigeria Limited** and we expressed an unmodified opinion in our Auditor's report dated **1st April, 2026**. Our conclusion is not modified in respect of this matter.





221 Ikorodu Road Ilupeju Lagos

E-mail: balogun@tabc.com.ng

info@tabc.com.ng

Tel: 0703 900 0690, 0805 999 5568
+234-805 551 2555, +234-813 743 4244

Independent Auditor's Report

To the Members of Sterling Assurance Nigeria Limited.

Report on the audit of the Financial Statements.

Our Opinion

In our opinion, **Sterling Assurance Nigeria Limited** Financial Statements give a true and fair view of the financial position of the Fund as at 31 December 2025, and of its financial performance and its cash flows for the year then ended in accordance with the International Financial Reporting Standards (IFRS), the Companies and Allied Matters Act (CAMA), the Nigerian Insurance Industry Reform Act (NIIRA) 2025 and relevant policy guidelines issued by the National Insurance Commission (NAICOM), and in compliance with the Financial Reporting Council of Nigeria (Amendment) Act, 2023.

What we have Audited

Sterling Assurance Nigeria Limited Financial Statements comprise:

- Statement of Financial Position as at 31 December, 2025;
- Statement of Profit or Loss and Other Comprehensive Income for the year then ended;
- Statement of Changes in Equity for the year then ended;
- Statement of Cash flows for the year then ended; and
- The notes to the Financial Statements, which include a summary of significant accounting policies.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report.

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

Independence

We are independent of the Company in accordance with the International Ethics Standards Boards for Accountants' Code of Ethics for Professional Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

Key Audit Matters

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

We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the 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 ₦5.746billion (2024: ₦8.441 billion) representing 46.9% (2024: 89.8%) 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 2025 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 2025", 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 Nigerian Insurance Industry Reform Act (NIIRA) 2025 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, 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.

In accordance with the requirements of the Financial Reporting Council of Nigeria (FRC) Guidance on Assurance Engagement Report on Internal Control over Financial Reporting, we performed a limited assurance engagement and reported on management's assessment of the Company's internal control over financial reporting as of 31 December 2025. The work performed was done in accordance with the International Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information (ISAE 3000 (Revised)) and FRC Guidance on Assurance Engagement Report on Internal Control over Financial Reporting, and we have issued an unmodified opinion in our report dated 1st April, 2026. That report is included on pages 27–28 of the financial statements.

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



1st April, 2026

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 31st March, 2026



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



Iyaji Yiaadey
Executive Director/CFO
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.

Management used the Committee of Sponsoring Organisation of the Treadway Commission (COSO) Internal Control- Integrated Framework to conduct the required evaluation of the effectiveness of the entity's Internal Control over Financial Reporting (ICFR).

Based on this assessment, management believes that, as of 31 December 2025, 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 2025.

As of 31 December 2025, 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 2025, the company’s internal control over financial reporting was effective.

Sterling Assurance Nigeria Limited’s external auditor, Messrs T. A. Balogun & Co. (TABC), which audited the financial statements, has issued an attestation report on management's assessment of the entity's internal control over financial reporting.

The attestation report by Messrs T. A. Balogun & Co. (TABC), which audited the financial statements, will be filed as part of the annual report.

Dated this 31st March, 2026



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



Iyaji Yiaadey
Executive Director/CFO
FRC/2022/PRO/ICAN/001/436048



		2025	2024
	Notes	N'000	N'000
ASSETS			
Cash and Cash Equivalents	6	6,558,118	2,979,948
Financial asset at amortized cost (AC)	7	80,000	206,174
Financial Asset measured at fair value through OCI	7	2,698,413	3,358,574
Trade Receivables	8	631,543	168,913
Reinsurance Contract Assets	9.2	2,136,239	5,774,058
Other Receivables and Prepayments	10	68,905	385,798
Investment Properties	11	1,430,000	1,430,000
Property, Plant and Equipment	12	1,795,035	1,462,567
Statutory Deposit	13	300,150	300,150
Total Assets		15,698,403	16,066,183
LIABILITIES			
Insurance Contract Liabilities	14.1	5,746,813	8,441,595
Other Insurance Contract Liabilities	15	349,042	-
Deposit for Share	16	15,816	-
Provisions and Other Payables	17	288,511	338,871
Retirement Benefit Obligations	18	287,418	237,043
Current Income Tax Liabilities	19.2	434,656	234,739
Deferred Tax Liabilities	19.3	204,359	140,000
Total Liabilities		7,326,614	9,392,249
EQUITY			
Paid-up Share Capital	20.1	4,064,789	4,064,789
Share Premium	20.2	70,393	70,393
Statutory Contingency Reserve	20.7	2,423,454	2,083,331
Retained Earnings	20.3	956,638	(570,871)
Other Reserves	20.4	(265,315)	(126,016)
Fair- value Reserves	20.5	174,061	522,941
Revaluation Reserve	20.6	947,768	629,366
Total Equity		8,371,789	6,673,934
Total Liabilities and Equity		15,698,403	16,066,183

The restated audited financial statements were produced after the Board of Directors approved financial statements on 31st March, 2026 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	2025 N'000	2024 N'000
Insurance revenue	22.1	10,923,346	8,877,630
Insurance service expenses	22.2	(6,448,536)	(12,883,207)
Net income/(expenses) from reinsurance contracts held	22.3	(1,787,322)	2,872,659
Insurance service result		2,687,488	(1,132,918)
Interest income calculated using the effective interest method	23	555,243	355,171
Other investment income	24	78,508	128,532
Net credit impairment losses	25	(99,279)	(188,270)
Net foreign exchange income/(expense)	26	(99,496)	2,139,054
Net Investment income		434,976	2,434,487
Finance expenses from insurance contracts issued	22.4	(621,137)	120,147
Finance income from reinsurance contracts held	22.5	27,421	(106,523)
Net insurance finance income/(expennse)		(593,716)	13,624
Net insurance and investment result		2,528,747	1,315,193
Other finance costs	28	(46,683)	(19,422)
Other operating expenses	29	(1,563,835)	(1,149,435)
Other income	27	61,863	23,873
Profit/(Loss) before tax		980,092	170,210
Income tax expense	19.1	(338,429)	(145,824)
Profit/(Loss) for the year		641,663	24,386

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	20.4	(139,299)	(31,469)
Net fair value gain/(loss) on equity instruments at FVOCI	20.5	95,134	313,249
Gain on disposal of equity instruments	20.3	215,008	-
Gain on disposal of equity instruments	20.3	566,947	-
Reversal on fair value gain/ loss on equity instrument	20.3	444,014	-
Reversal on fair value gain/ loss on equity instrument	20.5	(444,014)	-
Gain on revaluation of land and buildings	20.6	318,402	317,947
Total other comprehensive income/(loss) for the year		1,056,192	599,728

Total comprehensive (loss)/income for the year, net of tax	1,697,855	624,114
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Earnings per share (Kobo)

Actual	7.89	0.30
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The accompanying notes form an integral part of these financial statements.



Statements of Changes in Equity

	Issued Share Capital N'000	Share Premium N'000	Retained Earnings N'000	Fair-value Reserves N'000	Other Reserves N'000	Revaluation Reserves N'000	Contingency Reserves N'000	Total N'000
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
Balance as at 1 January, 2025	4,064,789	70,393	(570,871)	522,941	(126,016)	629,366	2,083,331	6,673,933
Disposal proceeds on equity instruments previously recognized in Other Comprehensive Income (OCI)	-	-	215,008	-	-	-	-	215,008
Disposal proceeds on equity instruments previously recognized in Other Comprehensive Income (OCI)	-	-	566,947	-	-	-	-	566,947
Profit/(Loss) for the year	-	-	641,663	-	-	-	-	641,663
Changes in the valuation of gratuity	-	-	-	-	(139,299)	-	-	(139,299)
Changes in fair value of financial assets at FVOCI	-	-	-	95,134	-	-	-	95,134
Reversal on fair value gain/loss on financial assets	-	-	444,014	(444,014)	-	-	-	-
Reversal revaluation gain on investment property	-	-	-	-	-	-	-	-
Changes in the valuation of land & building	-	-	-	-	-	318,402	-	318,402
Transfer to the contingency reserves	-	-	(340,123)	-	-	-	340,123	-
Balance at 31 December, 2025	4,064,789	70,393	956,638	174,061	(265,315)	947,768	2,423,454	8,371,789

Gain on disposal of equity instruments

The accompanying notes form an integral part of these financial statements



	Notes	2025 N'000	2024 N'000
<u>Operating activities:</u>			
Premiums received during the year	14.3	10,874,788	10,217,478
Reinsurance premiums paid during the year	9.3	(2,043,930)	(2,488,885)
Incurred claims recovered from reinsurers	9.3	3,921,848	978,436
Insurance acquisition cash flows paid	14.3	(2,387,174)	(2,756,839)
Other insurance acquisition expenses paid	14.3	(1,178,140)	-
Claims and other insurance services expenses paid	14.3	(6,613,213)	(4,308,297)
Other directly attributable expenses	14.3	-	(764,774)
Employee benefit paid	29.1	(794,551)	-
Other Operating Expenses paid		(501,516)	-
Premiums received in advance	15	349,042	-
Other cash flow receipts/(payments)		-	1,258,258
Other Operating Income	27	59,657	22,892
Tax paid during the year	19.2	(74,154)	(115,909)
Net Cash Flow from Operating Activities (A)		1,612,657	2,042,360
<u>Investing activities:</u>			
Interest revenue calculated using the effective interest rate	23	555,243	355,171
Other investment income	24	78,508	128,532
Purchase of property, plant and equipment	12	(306,494)	(304,189)
Purchase of equity securities at fair value	7.3	-	(584,525)
Purchase of debt instrument measured at amortized cost	7.3	(140,118)	(192,555)
Purchase of debt instrument measured at FVOCI	7.3	-	(410,149)
Disposal of equity instrument measured at FVOCI	7.3	919,973	-
Repayment of debt instrument measured at FVOCI	7.3	-	401,352
Repayment of debt instrument measured at amortized cost	7.3	20,000	34,980
Gain on disposal of equity instruments	20.3	781,955	-
Proceeds from disposal of property, plant and equipment		40,630	981
Net Cash Flow from Investing Activities (B)		1,949,697	(570,401)
<u>Financing activities</u>			
Deposit for shares		15,816	-
Net Cash Flow from Financing Activities (C)		15,816	-
Net Increase / (Decrease) in cash and cash equivalents (a+b+c)		3,578,170	1,471,959
Cash and cash equivalent at the beginning of the year		2,979,948	1,507,989
Cash and cash equivalent at the end of the year		6,558,118	2,979,948

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 31st March ,2026.

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 Nigerian Insurance Industry Reform Act (NIIRA), 2025.

2. Basis of preparation and compliance with IFRS

2.1 Statement of Compliance

These financial statements for the year 2025 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 Nigerian Insurance Industry Reform Act (NIIRA) 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.

<i>Items</i>	<i>Measurement Bases</i>
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 Nigerian Insurance Industry Reform Act (NIIRA) of Nigeria. The Act specifies certain provisions which have impact on financial reporting as follows:

- (i) Section 21 (1b) provides that provision for unexpired risk shall be calculated on a time apportionment basis of the risks accepted in the year.
- (ii) Section 21 (1c) requires provision for outstanding claims to be credited with an amount equal to the total estimated amount of all outstanding claims with a further amount representing 10 percent of the estimated figure for outstanding claims in respect of claims incurred but not reported at the end of the year under review;

3.0 Changes in accounting policies

New and amended standards and implementations

The Company has not early adopted any other standards, interpretation and or amendment that has been issued but not yet effective.

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 in 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 flows; 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 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 the 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 in aggregate), the Company will assess whether and how such sales are consistent with an 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 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 de-recognition, 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 flows 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 cash flows 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 the minimum 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 amortized 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) de-recognition 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.

Impairment 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 de-recognition 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 de-recognition 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 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 a 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 inputs, 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 De-recognition of financial assets - policy applicable for current and comparative periods

The Company de-recognises 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 de-recognised asset financial asset that is created or retained by the Company is recognised as a separate asset or liability.

On de-recognition 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 De-recognition of financial liabilities - policy applicable for current and comparative periods

The Company de-recognises 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 de-recognition 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 amortized 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 amortized 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 de-recognition 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	Nil
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 sections 15(1) and 16(3) of Nigeria Insurance Industry Reform Act (NIIRA), 2025. 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 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 cash flows resulting from non-financial risks. For purposes of this assessment, the sum of the fulfilment cash flows is assumed to be log normally 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 nonfinancial 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 related 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

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 cash flows 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

1.1 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.

1.2. 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 De-recognition

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 de-recognition 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 nonfinancial 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 de-recognition, 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 de-recognition 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.

5.19. 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.

5.20. General reserves fund

In compliance with Section 23 of the Nigerian Insurance Industry Reform Act (NIIRA), 2025, requires that the General reserve fund for reinsurers is credited with the greater of (a) not less than 50% of the insurer's gross profit for the year where the fund is less than the authorised capital of the insurer ; and (b) not less than 25% of the reinsurer's gross profit for the year where the fund is equal to or exceeds the authorised capital of the reinsurer.

5.21. 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.

5.22. 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.

5.23. 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.

5.24. 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.

5.25. 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.

Standard	Content	Effective Date
IFRS amendment	Annual improvements to IFRS Accounting Standards - Volume 11	01-Jan-26
IFRS 9 and IFRS 7 amendments	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

5.26. 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 amortized 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 hierarchy. 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.



	2025	2024
	N'000	N'000
6 Cash and Cash Equivalents		
Cash	4,371	2,792
Bank balances	1,097,626	914,874
Short-term Bank deposits	5,456,931	2,076,042
	6,558,929	2,993,708
Less: Allowance for impairment losses	(810)	(13,760)
Total	6,558,118	2,979,948

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:

	2025	2024
	N'000	N'000
Gross carrying amount as at January	2,993,708	1,520,016
Movement during the year (excluding allowance)	3,565,220	1,473,692
At 31 December, 2025	6,558,929	2,993,708

ECL allowance

Impairment as at January 1	13,760	12,027
Impact of net re-measurement of ECL as at year end	(12,950)	1,733
At 31 December, 2025	810	13,760

Carrying amount at 31 December, 2025	6,558,118	2,979,948
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	2025	2024
	N'000	N'000
7 Financial Assets		
Financial asset at amortized cost (AC) (7.1)	80,000	206,174
Financial Asset measured at fair value through OCI (7.2)	2,698,413	3,358,574
Balance at end of the year	2,778,412	3,564,748

7.1 Financial asset at amortized cost (AC)

Ham Properties Limited	-	82,045
Nigerian Life & Provident Company Limited	80,000	124,129
Total Financial Asset @ AC	80,000	206,174

7.2 Financial Asset measured at fair value through OCI

Equity securities. (See Note 7.2(i))	1,404,628	2,229,467
Debt instruments (See Note 7.2(ii))	1,293,785	1,129,108
Total Financial Asset @ FVOCI	2,698,413	3,358,574

7.2(i) Equity securities measured at FV through OCI

- Equity securities- Listed (See Note 7.2(i)a)	255,001	793,821
- Equity securities- Un-listed (See Note 7.2(i)b)	1,149,627	1,435,646
Total Equity securities	1,404,628	2,229,467



7.2(i)a	Equity Securities-Quoted	Carrying	Carrying	Dividend income
		Amount	Amount	recognised during
		2025	2024	2025
		N'000	N'000	N'000
	First Bank of Nigeria Plc	54,738	42,303	635
	United Bank for Africa	15,552	9,360	
	Cadbury	4,112	1,484	
	Union Bank	2,592		
	GTB	57,721	657,620	5,067
	Nigeria Breweries	24,080	7,016	
	Conoil	10,204	16,211	172
	Nestles	12,226	8,704	
	Zenith Bank plc	16,853	17,441	1,500
	Eco Bank Plc	200		
	FCMB	7,420	8,886	-
	Mobil Oil Nig Plc	195	221	-
	Thomas Wyatt Plc	2,723	913	-
	African Prudential	243	156	-
	UBA CAP	1,878		
	Unilever Nigeria Plc	21	6	-
	United Nigeria Insurance	-	646	-
	PRESCO	32,625	10,376	-
	SEPLAT	11,618	12,478	526
	Balance at the end	255,001	793,821	7,900

7.2(i)a(i)	Movements in GTB Share	2025
		N'000
	Opening Balance	657,620
	Fair value changes	34,055
	Disposal during the year	(633,954)
	Balance at the end	57,721

7.2(i)b	Investee Companies	Carrying	Carrying	Dividend income
		Amount	Amount	recognised during
		2025	2024	2025
		N'000	N'000	N'000
	WAICA Re	285,661	571,680	38,324
	NLPC Pension Fund Administrators Limited	344,366	344,366	27,000
	Medexia Limited	117,437	117,437	5,284.65
	Grand Cereals Limited	95,000	95,000	-
	Energy and Allied Insurance Pool of Nig. Ltd	307,163	307,163	-
	Balance at the end	1,149,627	1,435,646	70,608

7.2(i)b(i)	Movements in WAICA Re Share	2025
		N'000
	Opening Balance	571,680
	Disposal during the year	(286,019)
	Balance at the end	285,661

7.2(ii)	Debt instruments measured at FV through OCI	2025	2024
		N'000	N'000
	Federal Government Bond	432,905	280,467
	Euro Bond	207,864	570,972
	Corporate Bond	538,349	147,391
	Commercial paper	114,667	130,278
		1,293,785	1,129,108

7.3	Movements in Financial Assets in year 2025	FVOCI-Equity	FVOCI-Debt	Amortized	Total
		Instruments	Instruments	Cost	
		N'000	N'000	N'000	N'000
	Balance at the beginning	2,229,467	1,129,108	206,174	3,564,748
	Addition during the year	-	140,118	-	140,118
	Repayment/disposal during the year	(919,973)	-	(20,000)	(939,973)
	Accrued interest	-	30,614	-	30,614
	Fair value changes	95,134	-	-	95,134
	ECL loss/reversal	-	(6,055)	(106,174)	(112,229)
		1,404,628	1,293,785	80,000	2,778,412



7.3 Movements in Financial Assets in year 2024	FVOCI-Equity Instruments N'000	FVOCI-Debt Instruments N'000	Amortized Cost N'000	Total N'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

8 Trade Receivables	2025 N'000	2024 N'000
Premium Receivable		
Due from Insurance brokers	399,463	146,446
Due from Insurance agents	21,885	18,409
Due from Insurance companies	210,194	4,059
	631,543	168,913
Less: Allowance for ECL/impairment losses	-	-
	631,543	168,913

8.1 Movements in premium receivable are as follows:

Balance as at January 1	168,913	176,915
Gross written premium during the year	11,337,418	10,209,476
Premium received during the year	(10,874,788)	(10,217,478)
Impairment loss allowance	-	-
Balance as at December 31	631,543	168,913

8.2 Age analysis of trade receivables	N'000	N'000
Within 14 Days	-	-
Within 15-30 Days	631,543	168,913
Within 31-90 Days	-	-
Total	631,543	168,913

9 Reinsurance contract assets	2025 N'000	2024 N'000
Assets for remaining coverage (ARC)		
Excluding loss recovery component	734,934	911,222
Loss recovery component	-	-
ARC	734,934	911,222
Assets for incurred claims (AIC)		
Estimated PV of FCF	1,219,882	4,529,463
Risk adjustment for non-financial risk	181,423	333,373
AIC	1,401,305	4,862,836
Total Reinsurance Contract Held	2,136,239	5,774,058

9.1 Age analysis of reinsurance assets as at 31st December 2025

Band	Number of claim	Total reinsurance assets	Number of claim	Total reinsurance assets
				N'000
< 30 days	4	23,079	7	49,620
31 - 90 days	29	1,694,388	120	5,127,421
91 - 180 days	3	86,423	11	193,624
181 - 360 days	11	41,849	21	403,384
>360 days	22	290,500	-	-
Total	69	2,136,239	159	5,774,049



9.2 Reinsurance contract assets

	2025 N'000	2024 N'000
recognition cash flows and reinsurance payables)	2,136,239	5,836,557
Reinsurance deferred commission cash flows	-	(62,499)
	2,136,239	5,774,058

9.3 Reconciliation of reinsurance contract assets from opening to closing for ARC and AIC as at 31st December 2025

	31 December 2025.					31 December 2024.				
	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	
	N	N	N	N	N	N	N	N	N	N
Reinsurance contract assets as of January 1, 2025	911,222	-	4,529,463	333,373	5,774,058	743,790	944	313,167	62,493	1,120,394
Reinsurance contract liabilities as of January 1, 2025	-	-	-	-	-	-	-	-	-	-
Net opening balance	911,222	-	4,529,463	333,373	5,774,058	743,790	944	313,167	62,493	1,120,394
Allocation of reinsurance premium	(2,796,819)	-	-	-	(2,796,819)	(2,322,397)	-	-	-	(2,322,397)
<i>Amounts recovered from reinsurers</i>										
Recoveries on incurred claims	-	-	1,188,868	(179,371)	1,009,497	-	-	4,924,176	270,880	5,195,056
Other directly attributable expense	-	-	-	-	-	-	-	-	-	-
Changes that relate to future service (including reversal of onerous contract)	-	-	-	-	-	944	(944)	-	-	-
Changes in recoveries for past claims	-	-	-	-	-	-	-	-	-	-
Net expenses from reinsurance contracts held	(2,796,819)	-	1,188,868	(179,371)	(1,787,322)	(2,321,453)	(944)	4,924,176	270,880	2,872,659
Finance income or expenses from reinsurance contracts	-	-	-	27,421	27,421	-	-	(106,532)	-	(106,532)
Effect of movements in exchange rates	-	-	-	-	-	-	-	377,088	-	377,088
	(2,796,819)	-	1,188,868	(151,950)	(1,759,901)	(2,321,453)	(944)	5,194,732	270,880	3,143,215
<i>Cash flows in the period</i>										
Reinsurance premiums paid net of ceding commission	2,043,930	-	-	-	2,043,930	2,488,885	-	-	-	2,488,885
Acquisition (ceding commission) income received	-	-	-	-	-	-	-	-	-	-
Incurred claims recovered from reinsurers	576,601	-	(4,498,449)	-	(3,921,848)	-	-	(978,436)	-	(978,436)
Other directly attributable expense recovered from reinsurers	-	-	-	-	-	-	-	-	-	-
Net cash inflows	2,620,531	-	(4,498,449)	-	(1,877,918)	2,488,885	-	(978,436)	-	1,510,449
<i>Non-Cash flows in the period</i>										
Impact of reinsurance premiums payable at the beginning	-	-	-	-	-	-	-	-	-	-
Acquisition income receivable	-	-	-	-	-	-	-	-	-	-
Net Non-Cash flows	-	-	-	-	-	-	-	-	-	-
	734,934	-	1,219,882	181,423	2,136,239	911,222	-	4,529,463	333,373	5,774,058
Net Reinsurance contracts held as of December 31, 2024	734,934	-	1,219,882	181,423	2,136,239	911,222	-	4,529,463	333,373	5,774,058
Reinsurance contract assets as at 31 December 2025	734,934	-	1,219,882	181,423	2,136,239	911,222	-	4,529,463	333,373	5,774,058
Reinsurance contract liabilities as at 31 December 2025	-	-	-	-	-	-	-	-	-	-
Net Reinsurance contracts as of December 31, 2025	734,934	-	1,219,882	181,423	2,136,239	911,222	-	4,529,463	333,373	5,774,058



	2025	2024
	N'000	N'000
10 Other Receivables and Prepayments		
Prepayments (See Note 10.1)	51,902	41,618
Withholding Tax Receivables	16,330	18,576
Staff debtor	673	-
Due from Reinsurance companies	-	325,605
	68,905	385,798
Current	68,905	385,798
Non-current	-	-
10.1 Prepayments breakdown	N'000	N'000
Rent and Service charge	5,044	6,123
Assets Insurance	18,509	17,219
Medical Expenses	2,211	837
Others	26,138	17,438
	51,902	41,618

11 Investment Properties

Location/Address	Status of title	2025	2024
	Document	N'000	N'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		300,000	300,000
3. Plot 72 (8B) Herbert Macaulay Street, Amadi Layout, Old GRA, Port Harcourt.	-	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 01/01/2025	Addition	Disposal	Fair value gain/(loss)	Balance as at 31/12/2025
	N'000	N'000	N'000	N'000	N'000
1. Plot 318, Ikorodu Road, Maryland, Lagos	450,000	-	-	-	450,000
2. 6A & 6B Onipinla Street, Off James Oluyele Street, Adeniyi Jones, Ikeja, Lagos	300,000	-	-	-	300,000
3. Plot 72 (8B) Herbert Macaulay Street, Amadi Layout, Old GRA, Port Harcourt.	500,000	-	-	-	500,000
4. Plot 1, Cadastral Zone E13, Guide District, Abuja, FCT.	180,000	-	-	-	180,000
	1,430,000	-	-	-	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 2025 by Ndubuisi Mordi and Associate (an estate surveyors & valuer) duly registered with the Financial Reporting Council of Nigeria. The valuer, which is located at 94A, Cemetery Street, Ebute-Metta, Lagos, is a qualified member of the Nigerian Institution of Estate Surveyors and Valuers with FRC No.FRC/2013/NIESV/00000004196.



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

	Land	Building	Motor Vehicles	Office Equipment	Furniture & Fittings	Total
(i). Cost	N'000	N'000	N'000	N'000	N'000	N'000
Balance at January, 2025	686,969	288,031	661,091	367,953	51,358	2,055,402
Additions	-	-	151,505	146,736	8,253	306,494
Revaluation	318,402	-	-	-	-	318,402
Write-off	-	-	(311,478)	-	-	(311,478)
Disposals	-	-	(62,655)	(20,290)	(78)	(83,023)
Balance at December, 2025	1,005,371	288,031	438,463	494,400	59,533	2,285,798
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
(ii). Accumulated Depreciation						
Rates		2%	25%	20%	20%	
Balance at January, 2025	-	29,486	357,276	168,320	37,753	592,835
Charge//reversal for the year	-	(3,584)	96,431	53,987	3,061	149,895
Write-off	-	-	(207,369)	-	-	(207,369)
Disposals	-	-	(42,314)	(2,085)	(199)	(44,598)
Balance at December, 2025	-	25,902	204,024	220,221	40,615	490,763
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
(iii). Carrying Amount						
At 31 December, 2025	1,005,371	262,129	234,440	274,178	18,917	1,795,035
At 31 December, 2024	686,969	258,545	303,815	199,634	13,604	1,462,567

Depreciation charge amounting to N149,859,000 represents the share of 50% portion (N74,948,000) stated in operating expenses while the remaining 50% allocated to insurance service expenses.

The net of motor vehicle write-off amounting to N104,109,000 represents the share of 50% portion (N52,055,000) stated in operating expenses while the remaining 50% allocated to insurance service expenses.

(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, 2025 N'000	Revaluation N'000	Disposal N'000	Depreciation N'000	Bal as at Dec. 31, 2025 N'000	Bal as at Dec. 31, 2024 N'000
Perfected	945,514	318,402	-	3,584	1,267,500	945,514

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, 2025 in which valuations performed by the valuer are based on active open market values.

	2025 N'000	2024 N'000
13 Statutory Deposit		
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, 2025 in accordance with sections 15(1) and 16(3) of Nigerian Insurance Industry Reform Act (NIIRA), 2025.

Every insurer is required to increase this amount as prescribed in NIIRA 2025" with compliance deadline of July 31st 2025.

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.



	2025 N'000	2024 N'000
14 Insurance Contract Liabilities		
<i>Liability for remaining coverage (LRC)</i>		
Excluding loss component	2,582,115	2,167,582
Loss component	2,594	3,055
LRC	2,584,709	2,170,637
<i>Liability for Incurred Claims (LIC)</i>		
Incurred claims/PV of future cash flows	2,769,205	5,821,719
Movement	-	
Risk Adjustment (RA)	392,899	449,239
LIC	3,162,104	6,270,958
Total Insurance Contract Liabilities	5,746,813	8,441,595

	N'000	N'000
14.1 Insurance Contract Liabilities		
Insurance contract liabilities (excluding insurance acquisition)	6,407,042	9,016,510
Insurance acquisition cash flows	(660,229)	(574,915)
Total Insurance Contract Liabilities	5,746,813	8,441,595

a. Age analysis of liability for incurred claims on

Non-Life Business

	2025		2024	
Days	No. of Claimant	N	No. of Claimant	N
0 - 90 days	100	462,230	112	94,937
91 - 180 days	88	249,920	85	5,349,072
181 - 270 days	83	60,405	41	40,947
271 - 365 days	81	93,143	55	40,922
365 days and above	475	2,296,406	330	745,080
TOTAL	827	3,162,104	623	6,270,958

Age analysis of outstanding claims by reason of being outstanding:

2025 claims status - Reason	Age Analysis Group											Total Sum of Claim Reserve
	0-90days		91-180days		181-270 days		271-365days		Above 365days		Total Count	
	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	2	313,568	1	76,855	0	-	0	-	2	536,448	5	926,871
Claims reported but incomplete documentation	80	24,496	69	23,447	72	19,824	70	22,129	221	1,093,389	512	1,183,284
Claims reported but being adjusted	18	124,166	18	149,619	11	40,581	11	71,014	248	122,849	306	508,229
Claims Repudiated	-	-	-	-	-	-	-	-	4	543,720	4	543,720
Awaiting adjuster's final report	-	-	-	-	-	-	-	-	-	-	-	-
Litigation awarded	-	-	-	-	-	-	-	-	-	-	-	-
Awaiting Lead Insurer's instruction	-	-	-	-	-	-	-	-	-	-	-	-
Third party liability outstanding	-	-	-	-	-	-	-	-	-	-	-	-
Adjusters fee payable	-	-	-	-	-	-	-	-	-	-	-	-
Grand Total	100	462,230	88	249,921	83	60,405	81.00	93,143	475	2,296,406	827	3,162,104

Age analysis of outstanding claims by reason of being outstanding:

2024 claims status - Reason	Age Analysis Group											Total Sum of Claim Reserve
	0-90days		91-180days		181-270 days		271-365days		Above 365days		Total Count	
	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 2025

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 2025.				
	Insurance contract liabilities (aggregate of all portfolios)		Liability for incurred claims		
	Non-loss component	Loss component	PV of Future cash flows	Risk adjustment	Total
	₦'000	₦'000	₦'000	₦'000	₦'000
Insurance contract liabilities as at January 1, 2025	2,167,582	3,055	5,821,719	449,239	8,441,595
Insurance contract assets at January 1, 2025	-	-	-	-	-
Net Insurance contract liabilities as at January 1, 2025	2,167,582	3,055	5,821,719	449,239	8,441,595
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	(10,923,346)	-	-	-	(10,923,346)
Total Insurance Revenue	(10,923,346)	-	-	-	(10,923,346)
Insurance service expenses					
Incurred claims	-	-	5,997,216	(5,140)	5,992,076
Adjustments to liabilities for incurred claims	-	-	(3,108,854)	-	(3,108,854)
Changes that relate to past service-adjustment cash flows	-	-	-	-	-
Amortization of insurance acquisition cash flows	2,387,174	-	-	-	2,387,174
Other insurance acquisition expenses	1,178,601	-	-	-	1,178,601
Losses and reversal of losses on onerous contracts	-	(461)	-	-	(461)
Total Insurance service expenses	3,565,775	(461)	2,888,362	(5,140)	6,448,536
Total Insurance Revenue less Insurance Service Expenses	(7,357,571)	(461)	2,888,362	(5,140)	(4,474,810)
Insurance finance income or expenses					
Insurance finance expenses	-	-	621,137	-	621,137
Insurance finance (income)/expenses Changes in discount rate	-	-	-	-	-
Total changes in the statement of profit or loss and OCI	(7,357,571)	(461)	3,509,499	(5,140)	(3,853,673)
Cash flows in the period					
Premiums received during the year	10,874,788	-	-	-	10,874,788
Insurance acquisition cash flows paid	(2,387,174)	-	-	-	(2,387,174)
Other insurance acquisition expenses paid	(1,178,140)	-	-	-	(1,178,140)
Claims paid	-	-	(6,562,012)	(51,200)	(6,613,213)
Other directly attributable expenses	-	-	-	-	-
Net cash flows	7,309,474	-	(6,562,012)	(51,200)	696,262
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	462,630	-	-	-	462,630
Total Non-cash flows	462,630	-	-	-	462,630
Net Insurance Contract Liabilities	2,582,115	2,594	2,769,206	392,899	5,746,813
Insurance contract liabilities as at December 31, 2025	2,582,115	2,594	2,769,206	392,899	5,746,813
Insurance contract assets as at December 31, 2025	-	-	-	-	-
Net Insurance Contracts Liabilities as at December 31, 2025	2,582,115	2,594	2,769,206	392,899	5,746,813



	2025 N'000	2024 N'000
15 Other insurance contract liabilities		
Advance premium	349,042	-
	349,042	-
** Advance payment represents premium deposit in respect of 2026 insurance policy.		
16 Deposit for Share	15,816	-
**This represents right issue share paid as a deposit for share by the existing shareholders of the Company		
17 Provision and Other Payables		
National Insurance Commission Levy	113,687	99,197
Accrued expenses	1,802	54,526
National Pension Scheme- NPS-NLPC	8,854	170
National Pension Scheme- NPS-Others	2,645	308
National Housing Fund	1,202	920
Unclaimed dividend payable	1,500	1,500
PAYE	270	1,769
Provision for actuary fee	11,788	9,716
Tax Consultant	32,593	22,805
Financial Reporting Council	-	4,651
Provision for audit fee	6,600	5,200
Co-operative Deduction	14,238	12,440
Unearned Income-(See Note 17.1)	72,643	104,848
WHT -Federal/States	20,690	20,822
	288,511	338,871
Current	288,511	338,871
Non-current	-	-
17.1 Breakdown of unearned income	N'000	N'000
FCMB Treasury bill	22,007	48,460
UBA	6,065	-
GTB	3,290	-
Author Steven Treasury bill	16,741	-
Dangote Commercial paper	3,527	-
FCMB Treasury bill	21,012	21,267
FCMB Treasury bill	-	14,259
MTN Commercial paper	-	20,862
	72,643	104,848

18 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 contributions 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

The movement in the defined benefit obligation is as follows:

	N'000	N'000
Balance at the beginning of the year	237,043	254,892
Pension expense for the year	63,965	51,470
Actuarial (Gain)/ Loss	139,299	31,469
Benefit paid during the year	(152,889)	(100,788)
Balance at the end of the year	287,418	237,043

The benefit paid amounting to ₦152,889,000 is included as part of staff cost paid during the year

Pension expense of ₦63,965,000 represents the share of 50% portion (₦31,983,000) stated in operating expenses while the remaining 50% allocated to insurance service expenses.



	2025	2024
	N'000	N'000
19 Taxation		
19.1 Current Tax Expense		
Company income tax	233,759	89,093
Developmental Levy	40,311	-
Education Tax	-	26,731
	274,070	115,824
Deferred taxation	64,359	30,000
Income tax expense recognised in the current year	338,429	145,824

19.2 Taxation Payable Account

The movement in taxation payable account during the year is as follows:

	N'000	N'000
Balance brought forward	234,739	234,825
Charged for the year	274,070	115,824
Tax paid during the year	(74,154)	(115,909)
Balance at the end of the year	434,656	234,739

19.3 Deferred Taxation

The movement in deferred taxation account during the year was as follows:

	N'000	N'000
Balance at the beginning of the year	140,000	110,000
Charge / (credit) to profit and loss account for the year	64,359	30,000
Balance at the end of the year	204,359	140,000

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

20 Capital and Reserves

20.1 Share capital

	N'000	N'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

20.2 Share Premium

	N'000	N'000
	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.



	2025	2024
20.3 Retained Earnings/(Accumulated Losses)		
The movement in retained earnings is analysed as follows:	N'000	N'000
Opening balance	(570,871)	(288,475)
Gain on disposal of equity instruments	215,008	-
Gain on disposal of equity instruments	566,947	-
Reversal on fair value gain/ loss on equity instrument	444,014	-
Transfer from profit and loss	641,663	24,386
Transfer to contingency reserve	(340,123)	(306,783)
Restated Balance as at 31 December	956,638	(570,871)
**Gain on disposal of equity instruments amounting to N215,008,000 represents disposal proceed on equity instruments (GTB Shares) disposed and N444,014,000 relate to a reversal on accumulated fair value gain/loss previously recognized in Other Comprehensive Income (OCI)		
20.3(i) Movements in GTB Share	N'000	
Selling price	848,962	
Disposal during the year	(633,954)	
Gain on disposal	215,008	
20.3(ii) Breakdown of net gain on disposal of WAICA Re share.	N'000	
Selling price	852,966	
Disposal of share (See Note 7.2(i)b(i))	(286,019)	
Gain on sales of WAICA	566,947	
20.4 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	(126,016)	(94,547)
(Decrease)/ Increase during the year	(139,299)	(31,469)
Closing balance	(265,315)	(126,016)
20.5 Fair-value Reserve		
Fair-value reserve is the net accumulated changes in the fair value of financial assets measured at OCI		
	N'000	N'000
Opening balance	522,941	209,691
Reversal on fair value gain/ loss on equity instrument (See Note 20.3)	(444,014)	-
Appreciation/(Depreciation) during the year (See Note 7.3)	95,134	313,249
Closing balance	174,061	522,941
20.6 Revaluation reserve		
This is an increase in the value of property, plant and equipment.		
	N'000	N'000
Opening balance	629,366	311,419
Appreciation/(Depreciation) during the year	318,402	317,947
Closing balance	947,768	629,366
20.7 Contingency Reserve	N'000	N'000
Balance at the beginning of the year	2,083,331	1,776,549
Transfer from retained earnings	340,123	306,783
Balance at the end of the year	2,423,454	2,083,331

This is maintained in compliance with section 21(1) and (2) and it is credited with the greater of 3% of total premium 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.



21 Revenue Account

	Marine N'000	Motor N'000	Fire N'000	Gen. acc. N'000	Bond N'000	Oil & gas N'000	Engrn N'000	Agric N'000	2025 TOTAL N'000
Insurance Revenue									
Contracts under the modified retrospective approach	-	-	-	-	-	-	-	-	-
Contracts under the fair value approach	-	-	-	-	-	-	-	-	-
Other contracts	630,953	1,535,817	1,806,238	827,611	889,644	4,683,270	549,813	-	10,923,345
Insurance Revenue	630,953	1,535,817	1,806,238	827,611	889,644	4,683,270	549,813	-	10,923,345
Insurance Service Expenses									
Incurred claims	67,930	352,825	397,194	188,570	-	4,799,115	186,442	-	5,992,076
Adjustment to liabilities for incurred claims	1,029,231	(62,126)	496,560	101,180	103,024	(4,919,860)	152,445	(9,307)	(3,108,854)
Other insurance acquisition expenses	109,761	65,735	230,811	130,905	52,097	470,392	118,900	-	1,178,601
Amortization of insurance acquisition cash flows	156,959	219,257	431,450	191,300	189,433	1,071,337	127,437	-	2,387,174
Losses and reversal of losses on onerous contracts	2,594	-	-	-	-	-	-	(3,055)	(461)
Total Underwriting Expenses	1,366,475	575,692	1,556,015	611,955	344,553	1,420,984	585,224	(12,362)	6,448,536

Expenses from reinsurance contracts held

Allocation of reinsurance premium	1,728,689	169,038	457,989	28,484	101,714	82,429	228,475	-	2,796,819
Recoveries on incurred claims	(25,980)	(52,440)	(175,502)	(10,740)	2,645	(737,579)	(9,901)	-	(1,009,497)
Onerous contract and changes in the loss recovery component	-	-	-	-	-	-	-	-	-

Net expenses from reinsurance contracts held

	1,702,709	116,599	282,487	17,744	104,359	(655,150)	218,574	-	1,787,322
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Insurance Service Result

	(2,438,231)	843,526	(32,264)	197,912	440,732	3,917,435	(253,985)	12,362	2,687,487
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	2025	2024
	N'000	N'000
22.1 Insurance Revenue		
Contracts under the modified retrospective approach	-	-
Other contracts	10,923,346	8,877,630
Total Insurance Revenue	10,923,346	8,877,630
22.2 Insurance service expenses		
Incurred claims and expenses	5,992,076	4,035,690
Adjustment to liabilities for incurred claims	(3,108,854)	6,645,928
Other insurance acquisition expenses	1,178,601	-
Amortization of insurance acquisition cash flows	2,387,174	2,203,184
Losses on onerous contracts and reversals of those losses	(461)	(1,595)
	6,448,536	12,883,207
22.3 Expenses from reinsurance contracts held		
Allocation of reinsurance premium	(2,796,495)	(2,322,397)
Recoveries on incurred claims	1,009,173	5,195,056
Net expenses from reinsurance contracts held	(1,787,322)	2,872,659
22.4 Insurance finance income/(expenses)		
Finance expenses from insurance contracts issued	(621,137)	120,147
22.5 Reinsurance finance income/(expenses)		
Finance income from reinsurance contracts held	27,421	(106,523)
<i>Insurance service expenses include 50% allocated expenses from total operating expenses incurred during the year</i>		
23 Interest revenue calculated using the effective interest rate	N'000	N'000
Interest income on government securities	317,229	224,810
Interest on tenor deposit. (Note 20.1)	176,008	95,129
Interest on statutory deposits	62,006	35,232
	555,243	355,171
23.1 Interest on tenor deposit		
Interest received	176,008	28,453
Accrued interest	-	58,455
Foreign exchange gain	-	8,221
	176,008	95,129
24 Other investment Income		
Dividend-Listed equities (See Note 7.2(i)a)	7,900	5,993
Dividend-Unlisted equities (See Note 7.2(i)b)	70,608	122,540
Net gain on disposal of investments previously write-off	-	-
	78,508	128,532
25 Net credit impairment losses		
Cash and cash equivalents (See Note 6-1)	(12,950)	1,733
Financial assets (Loans)-Amortized cost-(See Note 7.3)	106,174	186,537
Financial assets (Debt Instruments)-(See Note 7.3)	6,055	-
Net credit impairment losses	99,279	188,270
26 Net foreign exchange income/(expense)	N'000	N'000
Cash and cash equivalent	- 130,110	596,470
Financial assets at FVOCI-unlisted equities	-	584,498
Financial assets at FVOCI-debt instruments	30,614	578,469
Reinsurance contract held-effect of movements in exchange rates	-	377,088
Insurance contract liabilities	-	2,528
	- 99,496	2,139,054

Exchange rate

The exchange rates used for the conversion of domiciliary 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 N1,435.26/\$, N1,687.29/£ and N1,835.82/€ as at 31 December 2025 base on CBN publication exchange rate



	2025	2024
27 Other income	N'000	N'000
Sundry income	2,880	22,892
Net gain on disposal of investments previously write-off	56,776	-
Profit on disposal of company's motor vehicles	2,206	981
	61,863	23,873

27(i) Breakdown of gain on disposal of quoted investments previously written-off

	Selling price	Cost price	Net gain
	N'000	N'000	N'000
Shares in AIICO	26,163	4,716	21,447
Shares in Royal Exchange Assurance Plc	5,689	1,709	3,980
Shares in Cornerstone Insurance Plc	39,985	9,535	30,450
Shares in Prestige Ins Plc	8	2	5
Shares in Mutual Benefit	771	106	665
Shares in Universal Insurance	241	12	229
Net gain on disposal of investments previously write-off	72,857	16,080	56,776

28 Other finance costs.

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

	N'000	N'000
Finance Costs	46,683	19,422

29 Other Operating Expenses

	N'000	N'000
Staff Costs (See Note 29.1)	794,551	582,296
Fuel	30,175	19,132
Repairs & Maintenance	49,441	39,964
Rent, Rate & Service Charge	19,805	22,406
Electricity	11,029	8,482
Travelling Expenses	106,294	115,606
Gift and Donations	96,681	39,763
Entertainment	6,315	6,295
Public Relations	26,051	32,928
Directors' fees (NED)	14,623	7,311
Directors' expenses (NED)	38,323	41,036
Audit fee	3,300	2,750
General expenses (See Note 29.2)	240,246	182,282
Asset write-off (Motor Vehicle)	52,055	-
Depreciation	74,948	49,183
	1,563,835	1,149,435



	2025	2024
	N'000	N'000
29.1 Analysis of Staff costs		
Salaries	573,139	447,828
Staff training and development	37,369	45,594
Staff medical expenses	16,439	10,410
Pension Contribution	31,983	25,735
Other employee benefits-Gratuity	135,622	52,729
	794,551	582,296

Key Management Personnel Compensation

Key management personnel are those persons having authority and responsibility 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	69,208	23,117
Post-employment benefits (Pension Contributions)	4,211	4,161

29.2 General expenses

Subscriptions-Professional Bodies	17,311	6,982
Subscriptions-Clubs & Association	4,217	839
Other Professional Fees	89,641	71,793
Advertisement & Business development	418	589
Newspapers & Periodicals	500	521
Communication Expenses	6,858	6,428
Printing & Stationeries	13,506	11,383
Filing Fee	2,500	650
NAICOM Levies	64,632	53,509
Stamp Duties and others	11,579	1,417
ITF Levy	3,992	5,123
Govt. Levies	2,459	813
Office Expenses	22,635	22,236
	240,246	182,282

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

30 Directors' Emoluments

(a) The aggregate emoluments of Directors' were:

Fees	14,623	7,311
Expenses	38,323	41,036
	52,946	48,348

(b) The emoluments of the Chairman **26,000** **21,934**

(c) The emoluments of the highest paid Director **26,000** **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:

	2025	2024
	Number	Number
Above ₦5,000,000	3	3



31 Employees

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

	2025 Number	2024 Number
400,001 -800,000	19	19
800,001 -1,200,000	22	22
1,200,001 -1,600,000	11	11
1,600,001 -2,000,000	13	13
2,000,001- 2,400,000	1	1
2,400,001 - 2,800,000	18	18
2,800,001 - 3,200,000	0	0
3,200,001 -4,000,000	12	12
Above N4,000,000	4	4
	100	100

31a Staff

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

	2025 Number	2024 Number
Executive directors	3	3
Management staff	4	4
Non-management staff	93	93
	100	100

b Directors' remuneration

	N'000	N'000
Executive compensation		
Directors' fees	14,623	7,311
Other directors' expenses	38,323	41,036
Defined contribution	7,230	7,230

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.

32 Comparative Figures

Comparative figures have been adjusted to conform with changes in presentation of the current year in accordance with the International Accounting Standards (IAS1) where necessary.

33 Contraventions and Penalties

The Company paid N3,150,000 penalty as at 31st December, 2025



34. 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 tables below show the maximum exposure to credit risk by class of financial asset.

Maximum Exposure to credit risk		
31 December	2025	2024
	N'000	N'000
Cash and Cash Equivalents	6,558,118	2,979,948
Debt instruments measured at fair value through OCI	1,299,840	1,129,108
Debt instrument at amortized cost	80,000	206,174
Trade Receivables	631,543	168,913
Reinsurance contract held	2,136,239	5,774,058
Other Receivables (Less Prepayments)	17,003	344,180
Statutory Deposit	300,150	300,150
	11,022,892	10,902,531

The amount reported above is gross exposure recognised on cash and cash equivalent, debt instruments at amortized 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 companies. 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 Company'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-25						
Concentration of credit risk		Financial	Govern-	Public	Other	Total
		Services	ment	Sector		
		N'000	N'000	N'000	N'000	N'000
Cash and Cash Equivalents		6,558,118	-	-	-	6,558,118
Financial assets at FVOCI		-	1,299,840		-	1,299,840
Financial assets at Amortized cost		-	-	80,000		80,000
Trade Receivables		-	-	-	631,543	631,543
Reinsurance contract held		-	-	2,136,239	-	2,136,239
Other Receivables and Prepayments		-	-	-	68,905	68,905
Statutory Deposit		-	-	300,150	-	300,150
		6,558,118	1,299,840	2,516,389	700,448	11,074,795
31-Dec-24						
Concentration of credit risk		Financial	Govern-	Public	Other	Total
		Services	ment	Sector		
		N'000	N'000	N'000	N'000	N'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



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, 2025					
Asset Type		Level 1	Level 2	Level 3	Total
		N'000	N'000	N'000	N'000
*Federal Government bonds		1,299,840	-	-	1,299,840
*Quoted Investments		255,001	-	-	255,001
*Unlisted Investments		-	-	1,149,627	1,149,627
Total		1,554,841	-	1,149,627	2,704,468
December 31, 2024					
Asset Type		Level 1	Level 2	Level 3	Total
		N'000	N'000	N'000	N'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

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 Nigerian Insurance Industry Reform Act (NIIRA) 2025 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 Nigerian Insurance Industry Reform Act (NIIRA) 2025 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 Nigerian Insurance Industry Reform Act (NIIRA) 2025 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

Capital requirement was introduced in Section 15(1) of the Nigerian Insurance Industry Reform Act (NIIRA), 2025. By the provision of section 15 (5), "Capital Requirement"

The minimum capital requirement as specified in subsection (1) shall, in the case of existing company, consist of one or more of —



- (a) the excess of admissible assets over liabilities, less the amount of own shares held by the firm;
- (b) subordinated liabilities subject to approval by the Commission; and
- (c) any other financial instrument as may be prescribed by the Commission.

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

	2025	2024
	N'000	N'000
Paid-up Share Capital	4,064,789	4,064,789
Share Premium	70,393	70,393
Retained Earnings	956,638	(570,871)
Statutory Contingency Reserve	2,423,454	2,083,331
Excess of admissible asset over liabilities	7,515,275	5,647,643
Less Treasury Share		
Subordinated liabilities approved by NAICOM		
Other instruments approved by NAICOM		
Capital requirements	7,515,275	5,647,643

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 N5.469b compared to the minimum requirement of N3b giving a surplus of N2.469b.

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.



Solvency Margin Computation for the Company as at 31 December, 2025				
	Item	Total	Admissible	Non-Admissible
		N'000	N'000	N'000
	Cash and Cash Equivalents	1,101,997	1,101,997	-
	Treasury Bills	1,432,000	1,432,000	-
	Placement with Financial Institutions	4,024,121	4,024,121	-
	Governments Bonds	432,905	432,905	-
	Corporate Bonds & Debentures -Quoted	538,349	538,349	-
	Corporate Bonds & Debentures -Unquoted	207,864	207,864	-
	Quoted Shares	255,001	255,001	-
	Unquoted Equities	1,149,627	307,163	842,464
	Non-Current Assets held for sale	114,667	114,667	-
	Other Loans and Invested Assets	80,000	-	80,000
	Premium Receivables	631,543	631,543	-
	Other Receivables & Prepayments	68,905	673	68,232
	Reinsurance Contract Assets	2,136,239	1,717,467	418,772
	Investment Properties	1,430,000	-	1,430,000
	PPE (Land & Building)	1,267,500	1,000,000	267,500
	PPE (Others)	527,535	527,535	-
	Statutory Deposit	300,150	300,150	-
	Total Assets	15,698,403	12,591,435	3,106,968
	Liabilities			
	Insurance Contract Liabilities	5,746,813	5,746,813	-
	Provision and Other Payables	288,511	288,511	-
	Other Insurance Contract Liabilities	349,042	349,042	-
	Deposit for Share	15,816	15,816	-
	Retirement Benefit Obligation	287,418	287,418	-
	Tax Payable	434,656	434,656	-
	Deferred Tax Liabilities	204,359	-	204,359
	Total Liabilities	7,326,614	7,122,255	204,359
	Available Solvency Margin (Total Admissible Assets Minus Admissible Liabilities)		5,469,180	
	Required Solvency Margin: Higher of;			
	a. 15% of Net Premium		1,906,600	
	Insurance contract revenue		10,923,346	
	Less: Reinsurance expense		1,787,322	
	Net premium		12,710,668	
	b. Minimum Capital Required		3,000,000	
	Excess of solvency margin over minimum capital base		2,469,180	
	Solvency margin ratio (Available Solvency/Required Solvency "100)		182.31%	



The Company's capital requirement ratio and solvency margin above is the requirements of the Insurance Act Cap I17, 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'	Shareholders'		
	Fund	& Other Fund	Total	Total
	2025	2025	2025	2024
	N'000	N'000	N'000	N'000
ASSETS				
Cash and Cash Equivalents	3,750,000	2,808,118	6,558,118	2,979,948
Financial asset at amortized cost (AC)	-	80,000	80,000	206,174
Financial Asset measured at fair value through OCI	-	2,698,413	2,698,413	3,358,574
Trade Receivables	-	631,543	631,543	168,913
Reinsurance contract assets	2,136,239	-	2,136,239	5,774,058
Other Receivables and Prepayments	-	68,905	68,905	385,798
Investment Properties	-	1,430,000	1,430,000	1,430,000
Property, Plant and Equipment	-	1,795,035	1,795,035	1,462,567
Statutory Deposit	-	300,150	300,150	300,150
Total Assets	5,886,239	9,812,164	15,698,402	16,066,183
LIABILITIES				
Insurance Contract Liabilities	5,746,813	-	5,746,813	8,441,595
Other Insurance Contract Liabilities	-	349,042	349,042	
Deposit for Share	-	15,816	15,816	
Provisions and Other Payables	-	288,511	288,511	338,871
Retirement Benefit Obligations	-	287,418	287,418	237,043
Current Income Tax Liabilities	-	434,656	434,656	234,739
Deferred Tax Liabilities	-	204,359	204,359	140,000
Shareholders Fund	-	8,371,789	7,577,844	6,673,934
Total Liabilities	5,746,813	9,951,590	14,904,458	16,066,183
Surplus Asset Cover	139,426	(139,426)	-	-



Sterling Assurance Nigeria Limited

Financial Statements for the year ended 31 December 2025

Other National Disclosure-Value Added Statements

	2025	2024
	N'000	N'000
Insurance contract revenue	10,923,346	8,877,630
Reinsurance, claims and commission and others	(10,923,346)	(10,544,856)
Investment and other income	517,610	2,518,098
VALUE ADDED	1,924,538	850,872

Applied as follows:

1 Staff costs	794,551	41.29	582,296	68.44
2 Government tax	338,429	17.58	145,824	17.14
3 Depreciation	149,895	7.79	98,366	11.56
4 Retained for Company's growth	641,663	33.34	24,386	2.87
VALUE ADDED/(ERODED)	1,924,538	100.00	850,872	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.



Financial Statements for the year ended 31 December 2025
Other National Disclosure-Five Year Financial Summary

31 December	2025	2024	2023	2022	2021
STATEMENT OF FINANCIAL POSITION	N'000	N'000	N'000	N'000	N'000
ASSETS					
Cash and Cash Equivalent	6,558,118	2,979,948	1,507,989	1,103,840	733,593
Financial asset at amortized cost (AC)	80,000	206,174	235,136	1,264,798	1,067,642
Financial Asset measured at fair value through OCI	2,698,413	3,358,574	2,452,004	267,653	335,639
Trade and Other Receivables	631,543	168,913	176,915	223,559	275,537
Reinsurance contract assets	2,136,239	5,774,058	1,120,394	333,698	550,728
Other Receivables and Prepayments	68,905	385,798	760,726	899,097	1,024,374
Investment Properties	1,430,000	1,430,000	1,430,000	1,430,000	1,430,000
Property, Plant and Equipment	1,795,035	1,462,567	938,797	880,529	724,595
Statutory Deposits	300,150	300,150	300,150	300,150	300,150
Total Assets	15,698,403	16,066,183	8,922,111	6,703,324	6,442,258
LIABILITIES					
Insurance Contract Liabilities	5,746,813	8,441,595	2,176,599	903,727	756,092
Other Insurance Contract Liabilities	349,042	-	-	-	-
Deposit for Share	15,816	-	-	-	-
Provisions and Other Payables	288,511	338,871	95,976	127,589	210,732
Retirement Benefit Obligations	287,418	237,043	254,892	226,790	227,048
Current Income Tax Liabilities	434,656	234,739	234,825	89,660	79,414
Deferred Tax Liabilities	204,359	140,000	110,000	89,784	86,738
Total Liabilities	7,326,614	9,392,249	2,872,291	1,437,550	1,360,024
EQUITY					
Share Capital	4,064,789	4,064,789	4,064,789	4,064,789	4,064,351
Share Premium	70,393	70,393	70,393	70,393	70,393
Contingency Reserves	2,423,454	2,083,331	1,776,549	1,598,581	1,450,684
Other Reserves	856,514	1,026,291	426,563	223,585	236,511
Retained Earnings	956,638	(570,871)	(288,475)	(691,575)	(739,705)
Total Equity	8,371,789	6,673,934	6,049,820	5,265,774	5,082,234
Total Liabilities and Equity	15,698,403	16,066,183	8,922,111	6,703,324	6,442,258
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME					
Insurance contract revenue	10,923,346	8,877,630	5,041,051	4,966,565	4,677,009
Insurance service result	2,687,488	(1,132,918)	640,386	1,304,812	-
Net insurance and investment result	2,528,747	1,315,193	2,004,002	1,397,517	-
Profit/(Loss) before Tax	980,092	170,210	794,305	601,965	447,542
Profit/(Loss) for the year	641,663	24,386	581,067	509,279	377,370
Total comprehensive (loss)/income for the year	1,697,855	624,114	784,046	496,353	422,002
Basic Earnings Per Share (k)	7.89	0.30	7.15	6.26	4.64



STERLING ASSURANCE NIGERIA LIMITED

I/We.....

(In Block).....

.....

FOR OFFICE USE

HOLDING

A member/members of the above-named Company, appointor 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 Tuesday, 21st July 2026 at 1pm 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 2025
2. Declare a Dividend
3. Authorise the Directors to fix the remuneration of the Auditors.
4. Disclose the remuneration of managers of the Company

FOR	AGAINST

SPECIAL BUSINESS

5. Approve the Directors' emoluments

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.

[illegible]