

**WE CREATE
WE PRESERVE**

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Corporate Information

Commencement Of Business

The Company was incorporated on August 22, 1991, as a Private Limited Liability Company under the name, Accident and General Insurance Company Limited. Approval for the change of name to Custodian and Allied Insurance Limited was granted on February 5, 1993, while approval for conversion to a Public Limited Liability Company was given on September 29, 2006. The Company's name was changed to Custodian and Allied Plc in March 2013. Following a Special Resolution, the Company's name change to Custodian Investment Plc was approved by the Corporate Affairs Commission on May 24, 2018.

Vision

To be the preferred partner in creating and preserving wealth.

Principal Activities

Custodian Investment Plc is an Investment Holding Company having interests in Life Insurance, General Insurance, Pensions, Trustees, Property and Financial Services Business.

Directors

Dr. (Mrs.) Omobola Johnson [Chairman]
Mr. Wole Oshin [Managing Director]
Mr. Richard Asabia
Mr. Ravi Sharma
Mr. Olakunle Ade-Ojo
Mrs. Mimi Ade-Odiachi
Chief (Mrs.) Margaret Giwa (resigned in May 2024, on attaining the age of 70 years)
Mrs. Binta Max-Gbiniye
Mr. Adeniyi Falade

Secretary

Custodian Trustees Limited
16A, Commercial Avenue
Sabo, Yaba,
Lagos.
Phone: +234 01-2774000-9

Registration No

RC No. 171209

Registered Office

Custodian House
16A, Commercial Avenue
Sabo, Yaba,
Lagos.
Phone: +234 01-2774000-9
Email: investors@custodianplc.com.ng
Website: www.custodianplc.com.ng

Subsidiaries

Custodian and Allied Insurance Limited
Custodian Life Assurance Limited
CrusaderSterling Pensions Limited
Custodian Trustees Limited
UPDC Plc.

Associate

Interstate Securities Limited

Auditors

Deloitte & Touche
Civic Towers, Plot GA1,
Ozumba Mbadiwe Avenue,
Victoria Island, Lagos State

Registrars

Meristem Registrars &
Probate Services Limited
213, Herbert Macaulay Way,
Yaba,
Lagos.

Bankers

First Bank of Nigeria Limited
United Bank for Africa Plc
Zenith Bank Plc
Guaranty Trust Bank Plc
First City Monument Bank Plc

Consulting Actuaries

EY Actuary (General Insurance Business)
10th & 13th Floors, UBA House
57, Marina
Lagos.

Zamara Consulting Actuaries
Nigeria Limited
(Life Insurance Business)
4th Floor, 70 Adetokunbo
Ademola Street, Victoria Island
Lagos

**Custodian Investment Plc
Head Office**

Custodian House

16A, Commercial Avenue,
Sabo, Yaba, Lagos.

Tel: [+234] 1 2707206-7, 2793740,
27937401

0700-CUSTODIAN, [+234] 1 2774000-9

Fax: [+234] 1 2707203

P. O. Box 2101, Lagos.

Email: investors@custodianplc.com.ng

Website: www.custodianplc.com.ng

Subsidiaries Branch Offices

Abeokuta

36 Totoro Road, Abeokuta, Ogun state.

Tel: 08166904601

Abuja

3rd Floor, Oakland Center. Plot 2940,
Cadastral Zone, Maitama District, Abuja.

Tel: 09- 2900465

Akure

2nd Floor, Right Wing, Bank of Industry (BOI)
Building, Alagbaka, Akure,

Ondo State.

Tel: 07068517931

Amuwo Odofin

Plot 129, Block 10,

Festac Link Road,

Amuwo Odofin, Lagos.

Tel: 01-2934178

Apapa

3rd Floor, NASCO Building, 29, Burma Road,
Apapa, Lagos.

Tel: 09039134310

Asaba

Suite 3 & 7, Empire House,

339 Nnebuisi Road, Opposite Stadium,

Asaba, Delta State.

Bauchi

2, Jolly Nyame Crescent, Bauchi,

Bauchi State.

Bayelsa

Creek plaza, Igbi junction, Yenogoa

Bayelsa State.

Benin

4th Floor, West Wing, 34, Akpakpava Road,

Benin City, Edo State.

Tel: 07066908842

Calabar

2nd Floor, 45, Murtala Muhammed Highway

Calabar, Cross River State.

Tel: 09095263143

Enugu

32/48, Chime Avenue,

New Haven, Enugu State.

Ibadan

9 Onireke Residential Layout

Ibadan, Oyo State.

Tel: 022-918538

Ikeja

8, Obafemi Awolowo Way,

Alausa, Ikeja, Lagos.

Tel: 014541536

Ikorodu

60, Lagos Road,

Ikorodu, Lagos.

Tel: 09069149532

Ilorin

163, Ajase-Ipo Road, Ilorin,

Kwara State

Jos

6/7, Boundary Street,

Old Bukuru Park, Jos,

Plateau State.

Kaduna

3, kanta Road, Turaki Ali House,

Kaduna State.

Tel: 09079834130

Kano

Suite 13, No.15, Bank Road, Kano,

Kano State.

Lekki

3rd Floor Left Wing, Gold Crest Plaza,

Ikota First Gate, Lekki-Epe Expressway,

Lagos.

Tel: 09095695900

Onitsha

16, Awka Road,

Onitsha, Anambra State.

Tel: 09032537339

Osogbo

37B, Gbogan, Ibadan Road,

Opposite Fakunle Comprehensive High School,

Osogbo, Osun State.

Tel: 08133587587

Owerri

9 Egbu Road, Owerri,

Imo State.

Tel:083-431158

Port Harcourt

Unit 4 & 5, 222 Aba Road,

Port Harcourt, Rivers State.

Tel: 07085000046

Sabo

27, Commercial Avenue, Sabo, Yaba, Lagos.

Tel: 09087685218

Tejuosho

Tejuosho Shopping Mall, Shop H4016,

Tejuosho, Lagos State.

Tel: 08093159209

Uyo

82, Abak Road, Uyo, Akwa Ibom State.

Warri

6, Airport Road, Effurun, Delta State.

Tel: 09071437012

Notice Of Annual General Meeting

NOTICE IS HEREBY GIVEN that the 30th Annual General Meeting of CUSTODIAN INVESTMENT PLC will hold at Festival Hotel, Kaduna Road, Amuwo Odofin Estate, Festac, Lagos on May 2, 2025, at 10.00a.m to transact the following business:

Ordinary Business

1. To lay before the members the Audited Financial Statements for the year ended December 31, 2024, and the Report of the Directors, Auditor's Report and the Audit Committee Report thereon.
2. To declare a Dividend.
3. To re-elect the following Directors retiring by rotation:
 - I. Dr (Mrs.) Omobola Johnson
 - II. Mr. Ravi Sharma
4. To authorise the Directors to fix the remuneration of the External Auditors for the 2025 financial year.
5. To elect members of the Statutory Audit Committee in accordance with Section 404(6) of the Companies and Allied Matters Act, 2020.
6. To disclose the remuneration of Managers in the employment of the Company.

Special Business

7. To fix the remuneration of Non-Executive Directors.

Notice Of Annual General Meeting Contd

NOTES:

Proxy

A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote instead of him/her. A proxy need not be a member of the Company. All instruments for the appointment of a proxy should be completed and deposited with the Registrars, Meristem Registrars and Probate Services Limited at 213, Herbert Macaulay Way, Sabo, Yaba, Lagos or via info@meristemregistrars.com, not later than 48 hours before the time for holding the meeting. A blank proxy form is attached to the Annual Report and Accounts and may also be downloaded from the Company's website at (www.custodianplc.com.ng).

Dividend Payment

If approved, dividend will be payable on May 2, 2025, at the rate of N1.10 kobo per every 50 kobo ordinary share, to shareholders whose names appear in the Register of Members at the close of business on April 14, 2025, (bringing total Dividend paid for 2024 financial year to N1.25 kobo), subject to deduction of appropriate withholding tax. Shareholders who have completed the e-Dividend Mandate Forms will receive a direct credit of the dividend into their bank accounts on the day of the Annual General Meeting.

E-Dividend Mandate

Shareholders are kindly requested to update their records and advise Meristem Registrars and Probate Services Limited of their updated records and relevant bank accounts for the payment of their dividends. A detachable form in respect of the mandate for e-dividend payment is attached to the Annual Report for convenience. The aforementioned form can also be downloaded from the Company's website at www.custodianplc.com.ng or from Meristem Registrars and Probate Services Limited's website at (www.meristemregistrars.com)

The duly completed forms should be returned to Meristem Registrars and Probate Services Limited at 213, Herbert Macaulay Way, Yaba, Lagos or via the Company's website; (www.meristemregistrars.com)

Notice Of Annual General Meeting Contd

Unclaimed Dividend Warrants and Share Certificates

Shareholders are hereby informed that a number of share certificates and dividend warrants which were returned to the Registrars as unclaimed are still in the custody of the Registrars. Any shareholder affected by this notice is advised to contact the Company's Registrars, Meristem Registrars and Probate Services Limited at 213, Herbert Macaulay Way, Yaba, Lagos or via the Company's website: (www.meristemregistrars.com)

Closure of Register of Members

Notice is hereby given that the Register of Members and Transfer Books of the Company will be closed from Tuesday, April 15, 2025 Tuesday, April 15, 2025, to Thursday, April 17, 2025 [both dates inclusive].

Biographical Details of Directors for Election and Re-election

Biographical details of Directors standing for election and re-election are provided in the Annual Report.

Website

A copy of this Notice and other information relating to the meeting can be found on the Company's website (www.custodianplc.com.ng).

Rights of Securities' Holders to ask Questions

Securities' Holders have a right to ask questions not only at the Meeting, but also in writing prior to the Meeting and such questions must be submitted to the Company at 16A, Commercial Avenue, Sabo, Yaba, Lagos on or before April 30, 2025.

E-Annual Report Published on the Website

An electronic version of the Annual Report is available on the Company's website at (www.custodianplc.com.ng) and will be sent to our Shareholders who have provided their email addresses to the Registrar. Shareholders who are interested in receiving the soft copy of the 2024 Annual Report should request via info@meristemregistrars.com

Notice Of Annual General Meeting Contd

Nomination to the Audit Committee

Pursuant to Section 404 [6] of the Companies and Allied Matters Act, 2020 (CAMA), any member may nominate a shareholder as a member of the Audit Committee by giving notice in writing of such nomination. Such notice shall reach the Company Secretary at least 21 days before the Annual General Meeting. Section 404 (5) of the CAMA has mandated that all members must be financially literate and at least one member shall be a member of a professional accounting body in Nigeria established by an Act of the National Assembly. We therefore request that nominations be accompanied by a copy of the nominee's curriculum vitae.

By order of the Board


CUSTODIAN TRUSTEES LTD
AUTHORISED

ADEYINKA JAFUJO

FRC/2013/PRO/NBA/002/00000002403

Custodian Trustees Limited

Company Secretary

Dated this 28th day of March, 2025

Custodian Investment Plc.

Custodian House

16A, Commercial Avenue

Sabo, Yaba, Lagos.

Group Organogram



- 
- 🎮 Chairman's Statement
 - 🎮 GMD's Statement



Chairman's Statement

Distinguished shareholders, fellow members of the board of directors, ladies, and gentlemen. It is my pleasure to welcome you to the 30th Annual General Meeting of our company, Custodian Investment Plc. and to present to you the Annual Reports and Accounts for the year ended 31 December, 2024.

Dr. (Mrs.) Omobola Johnson, Chairman

Chairman's Statement Contd

Distinguished shareholders, fellow members of the board of directors, distinguished ladies and gentlemen. I am delighted to welcome you to the 30th Annual General Meeting of our company, Custodian Investment Plc. and to present to you the Annual Reports and Accounts for the year ended 31 December 2024.

The year 2024 was an amazing year for Custodian. Regardless of the heightened overall risk and uncertainties in the year, the Group once again demonstrated its strength, dynamism, and the relevance of its purpose in 2024: "To be the preferred partner in creating and preserving wealth." Our strong financial position enabled us to help people build confidence, resilience and bravery in the face of a continually shifting landscape.

I will begin with an overview of the global and domestic macroeconomic environment within which we operated and highlight our Company's financial performance for the year ended 31 December 2024. I will also share some initiatives executed by our corporate social responsibility foundation and conclude with our outlook for 2025.

Global Economy

As the world emerged from the shadow of the pandemic, the global economy stands at a pivotal juncture. The rebound of recent years has reshaped industries, trade dynamics, and growth trajectories, ushering in a new era of opportunities and challenges. Beneath the surface of recovery, looming uncertainties from geopolitical tensions and climate risks to the rise of nationalism and protectionism are redefining how nations grow, trade, and compete.

The global economy in 2024 experienced a mix of challenges and transformative shifts, with many countries grappling with the lingering impacts of inflation. The year also witnessed increased calls for the redefinition of growth and prosperity as a balance of productivity with equity and sustainability. The "new paradigm of prosperity" approach was at the heart of the World Economic Forum's Future of Growth Report 2024, which introduced a framework to assess the quality of economic growth across the globe as including economic growth as an essential policy objective and a key prerequisite for making progress.

The year 2024 was an amazing year for Custodian. Regardless of the heightened overall risk and uncertainties in the year, the Group once again demonstrated its strength, dynamism, and the relevance of its purpose in 2024

Chairman's Statement Contd

The global economy experienced sluggish growth rate of 2.6% in 2024, according to the World Bank. This marked a stabilization after three years of volatility, although it remained below pre-pandemic levels. Euromonitor International's Q4 2024 forecast had projected a slightly higher growth rate of 3.2%. Despite this stabilization, the growth rate is still considered weak compared to historical standards, and many regions continue to face significant economic challenges. The US economy underperformed in Q1-2024 by 1.60% but rebounded to 3.00% growth in Q2-2024 due to a resilient job market, moderated inflation, and robust spending. However, growth declined to 2.80% in Q3-2024. The Chinese economy experienced a slowdown from 5.30% YoY in Q1-2024 to 4.70% YoY in Q2-2024, resulting in a 5.0% growth for the first half of the year. However, GDP growth declined further to 4.60% in Q3-2024 due to weakened aggregate demand and subdued private consumption. The IMF projects an annual growth rate of 4.80% compared to 5.20% in 2023. The UK economy experienced a 0.30% YoY growth in Q1-2024, with the services sector showing the strongest economic activity. The IMF predicts GDP growth of 1.10% in 2024. The Eurozone GDP grew by 0.90% in Q3-2024, with Germany, France, Spain, Ireland, and Italy experiencing growth. Global growth is projected at 3.3% both in 2025 and 2026, below the historical (2000–19) average of 3.7%

The International Monetary Fund (IMF) described the global economy as "surprisingly resilient," projecting growth at 3.1% in 2024, while Emerging Markets and Developing Economies (EMDEs) were expected to expand by 4.3% in 2024 and 2025 led by China. Sub-Saharan Africa's growth is expected to fall behind that of EMDEs. Growth in SSA is subdued by high interest rates and weak purchasing power owing to high inflation in the region. This resilience is seen as crucial in addressing ongoing economic and geopolitical shocks.

In light of current global challenges, effective policy actions at both national and international levels as well as strategic policy shifts, including global tax cooperation and climate-conscious investments, to support sustainable growth and development are crucial to address issues such as financial strain and global supply chain disruptions driven by geopolitical tensions. Inflationary pressures on essential commodities, including grains and oil, underline the need for vigilant monitoring by central banks. Key priorities at the global scale include ensuring trade stability, facilitating green and digital transitions, providing debt relief, and enhancing food security. Although global economic growth is anticipated to remain stable yet subdued in the near term, an environment marked by ongoing conflicts and heightened geopolitical tensions may hinder supply-side solutions. Additionally, constrained

Key priorities at the global scale include ensuring trade stability, facilitating green and digital transitions, providing debt relief, and enhancing food security.

Chairman's Statement Contd

fiscal capabilities and persistent debt issues in many developing nations will likely limit their capacity for investment and economic stimulation.

The Domestic Economy

On the domestic scene, Nigeria's economy demonstrated remarkable resilience in 2024, navigated a mix of opportunities and challenges shaped by fluctuating oil prices, depreciating naira, and rising fiscal deficits. Bold policy moves such as full subsidy removal and foreign exchange market reforms helped to stabilize the economy by improving the government's fiscal position and enabling more foreign capital inflows but introduced significant social and political trade-offs.

Escalating inflation, driven by surging food and energy prices, placed a heavy burden on households and businesses, underscoring the urgency for robust social protection measures. Nigeria's GDP grew at an average rate of 3.09 percent, in the first 3 quarters of 2024 as it stood at 3.46% in Q3 2024, up from 2.54% in Q3 2023. The feat was driven primarily by growth in the services sector and a marked increase in the trade balance with the Financial and Insurance sector, Information & Communication sector and Mining and Quarrying sector

accounting for the growth having grown by 30.83%, 5.92%, 3.27% respectively. The key contributors included increased banking activities, FDI inflows for broadband expansion, 5G deployment, and higher crude oil production (1.49 mbpd) with a 13% rise in average oil prices. The Financial and Insurance sector, in particular, saw substantial growth due to increased interest income, digital transactions, and forex revaluation gains.

In 2024, the Nigerian government implemented critical economic reforms through several significant policy changes aimed at stabilizing and transforming its economy. These included the full removal of fuel subsidies and operational reforms in the foreign exchange (FX) market. These changes have helped to improve the fiscal position of the government by eliminating wasteful subsidies, but it has also led to significant depreciation of the naira, inflationary pressures, and shrinking disposable income. Inflation remains a critical concern, with the inflation rate standing at a 26- year high of 34.8% in December 2024 driven by increased money supply, soaring food and energy cost resulting from structural bottlenecks such as logistics failures, insecurity, and climate shocks alongside FX market volatility, the combination of which eroded consumer purchasing power in the year.



Nigeria's GDP grew at an average rate of 3.09 percent, in the first 3 quarters of 2024 as it stood at 3.46% in Q3 2024, up from 2.54% in Q3 2023.

Chairman's Statement Contd

The naira, which has in recent times experienced stability, concluded 2024 with significant depreciation across foreign exchange (FX) markets, recording a 40.9 percent loss against the dollar in the official market despite notable growth in external reserves. This sharp decline highlights ongoing challenges in Nigeria's currency market in the just concluded year despite efforts to stabilize the economy.

Data from the Central Bank of Nigeria (CBN) reveals a contrasting reality, with the dollar quoted at N1,535 on December 31, 2024, the last trading day of the year in the Nigerian Foreign Exchange Market (NFEM). This marks a steep drop from N997 per dollar on December 31, 2023, in what was then known as the Nigerian Autonomous Foreign Exchange Market (NAFEM). The decline of N628 within a year underscores a significant 40.9 percent depreciation in the naira's value during 2024. The parallel market mirrored this downward trend. By December 31, 2024, the dollar was trading at an average of N1,656, compared to N1,164 at the end of 2023, representing a 29.7 percent depreciation.

The Central Bank of Nigeria (CBN) implemented several key monetary policy decisions which included raising the monetary policy rate (MPR)

multiple times throughout the year to 27.50% by November 2024, Cash reserve Ratio(CRR) for Deposit Money Banks was raised to 50.00% from 45.00%, and for Merchant Banks to 16.00% from 14.00% while Liquidity Ratio was retained at 30.00% throughout the year. The apex bank also executed some foreign exchange policy reforms like offsetting verified foreign currency obligations, deploying a real-time electronic system, reviewing Bureau De Change (BDC) licensing tiers and mandatory real-time reporting of foreign exchange transactions and unifying the exchange rate to create a better-regulated, market-driven system thus eliminating the parallel premium, boosting investor confidence, attracting foreign investments, enhance transparency and efficiency in foreign exchange transactions as part of broader efforts to stabilize the Nigerian economy, improve financial stability, and promote sustainable growth.

Fiscal Strategy and Public Debt: Despite fiscal challenges, tax revenues have increased, driven by growth in key sectors such as mining, finance, and telecommunications. However, the rise in public debt, exacerbated by exchange rate depreciation and new borrowings, underscores the need for prudent fiscal management and strategic debt reduction

Fiscal Strategy and Public Debt: Despite fiscal challenges, tax revenues have increased, driven by growth in key sectors such as mining, finance, and telecommunications.

Chairman's Statement Contd

measures. Nigeria's foreign exchange reserves have continued to show a steady increase, according to recent data from the Central Bank of Nigeria. As of December 30, 2024, the country's FX reserves stood at \$40.886bn, representing a 24% increase from \$32.9bn at the start of the year. The increase in external reserves was constrained by the clearing of FX backlog, otherwise reserves would have soared higher than US\$44 billion. This, with the exchange rate policies of the CBN which are aimed at clearing the FX backlog, changing FX market structure, stabilize the market with tighten regulations on FX transactions have resulted in reduced exchange rate volatility. The country's FX reserves is expected to maintain the upward trend in 2025

The bond market is expected to respond to the rate hike adjustment by the Monetary Policy Committee rate, which is in line with investors' expectations. Despite the rising yields across bond markets, the equity market sustained an upward trend. This is on the back of speculative positioning in the equity market. Also, investors are taking positions for dividend-paying stocks, especially in the banking sector, where

there was an expansion in profit after tax for many banks following gains from exchange rate devaluation.

The FGN Bond and Treasury Bills markets experienced a significant rise in yields in 2024. The average yield in the FGN Bond market increased from 14.13% on the first trading day of the year to 18.76% as of mid-2024. Meanwhile, yields in the Treasury Bills market increased at a much higher rate to 16.3% (as of mid-2024) from 6.29% at the beginning of the year. This follows the unprecedented rise in the monetary policy rate.

Nigerian capital markets, despite early turbulence with a NGN1.3 trillion loss and a 2.4% dip in the NGX All Share Index, the market rebounded strongly as activities on the Nigerian Exchange Limited (NGX) which opened the trading of the first half of the year at N40.9 trillion in market capitalization at the beginning of trading in 2024 , closed the year'2024 at N62.760 trillion.



Despite the rising yields across bond markets, the equity market sustained an upward trend.

Chairman's Statement Contd

Financial Result

The Group performed very well in the financial year despite significant inflationary and other macro-economic pressures. We reported total revenue of N152.01billion representing 54% year-on-year growth. Profit before tax for the year was N60.7billion, an increase of 133% when compared with N25.9billion achieved in 2023. Profit after tax grew by 172% to N53.5billion. On the Statement of Financial Position, we achieved growth of 51% in total assets to N407.3billion. Equity attributable to owners of the parent also appreciated by 73% to close the year at N123.6billion.

Our overall strong performance underscores the resilience of our business model and tenacity of our management team and staff. Be rest assured that the board will continue to work with management to deploy the group's assets professionally, prudently and profitably within the dictates of the evolving local and global economy.

Dividend

In line with our commitment to deliver strong and sustainable returns to our shareholders, the board approved a total dividend of 125 kobo for every share of 50 kobo held for the financial year 2025. This is made up of an interim dividend of 15 kobo paid previously and a final dividend of 110kobo hereby proposed for your approval, subject to appropriate withholding tax.

Our overall strong performance underscores the resilience of our business model and tenacity of our management team and staff.

Corporate Social Responsibility

In continuing our resolve to positively impact the society with focus on intervening in community developments, education, health and sustainability, our Foundation, Custodian Social Responsibility Foundation, engaged in a number highly impactful projects during the year. Below are some of the activities executed by the Foundation in 2024:

1. The Custodian Mentors Conference
2. Bodija Ibadan Explosion Outreach
3. Refurbishment of sections of the Lagos Command Police Headquarters Office Complex, Ikeja
4. Renovation of Two Classes of Mobolaji Bank Anthony Junior Secondary School, Yaba
5. Custodian Annual Blood Donation Exercise
6. Custodian Accident And Emergency Center Epe Project

While the aforementioned is a highlight of initiatives executed by the Foundation during the year, a detailed report of the work it did is contained in the Corporate Social Responsibility and Sustainability section of the Annual Report.

Chairman's Statement Contd

Outlook

Looking ahead, several strategic imperatives will be crucial for navigating the economic landscape of 2025. The Group will be reinventing business models to adapt to new economic realities by focusing on agility, customer-centricity, and value creation by leveraging customer insights and exploring untapped opportunities to reigniting market play and revitalizing market strategies while aligning spending with core capabilities and eliminating non-value-adding expenses to enhance competitiveness. We continue to foster a culture of innovation by harnessing emerging technologies and AI-driven solutions to drive efficiency while exploring innovative financing options, optimizing capital allocation and strengthening stakeholder relationships by engaging with regulators, customers, and strategic partners to foster trust and collaborative value creation for sustainable growth.

Conclusion

Amidst the challenges of the year, 2024 was a successful year for us as a Company. Our exceptional feat recorded in the year was made possible by the collective efforts, staunch support and dedication of all

our stakeholders. By embracing strategic imperatives and maintaining a focus on resilience and innovation, we can navigate the year ahead with confidence and optimism.

As always, I am grateful to our customers for their dedicated loyalty and patronage, our staff and Management for their devotion and relentless commitment, and our Board for continually steering the Company along the path of sustained growth and prosperity.

God bless you and God bless Nigeria.



Dr. (Mrs.) Omobola Johnson

Chairman

FRC/2018/PRO/DIR/003/00000018366



Amidst the challenges of the year, 2024 was a successful year for us as a Company.



GMD's Statement

I am honored to present this report as we reflect on the past year and look ahead to the future.

Wole Oshin, GMD

GMD's Statement Contd

Creating and Preserving Wealth for All Stakeholders

Dear Esteemed Shareholders,

I am honored to present this report as we reflect on the past year and look ahead to the future. The past year was marked by significant political and economic uncertainties, yet we successfully navigated these challenges. As a nation, we have witnessed a seamless transition to a new government, which has introduced transformative economic policies. These reforms, particularly in foreign exchange and fuel pricing, have led to inflationary pressures. However, we remain optimistic that the most difficult phase is behind us, and we anticipate that the benefits of these reforms will soon materialize.

Despite these challenges, our Group delivered commendable results across all subsidiaries, reflecting the resilience of our business model and the commitment of our leadership and workforce. We are grateful for the confidence and trust you, our valued shareholders, have placed in us. Your unwavering support has been instrumental in driving our success.

As a Group, we are committed to identifying and leveraging new investment opportunities that align with our vision of creating and

preserving wealth for all stakeholders. We are committed to exploring new investment opportunities within the financial services industry while expanding our footprint across Africa.

We recognize that wealth creation is not solely about financial gains but also about fostering a sustainable and lasting impact. Our role as custodians of value extends beyond delivering returns; it involves building a legacy of trust, innovation, and meaningful contributions to society.

Strategic Priorities for the Year Ahead.

To ensure we continue to grow and deliver value to all stakeholders, we will focus on the following key areas:

1. Enhancing Stakeholder Value.

Our decisions and strategies will prioritize the interests of all stakeholders, ensuring that we build long-term trust and sustainability.

2. Innovation and Adaptability.

In an ever-changing economic landscape, we will remain agile, embracing technological advancements and innovative solutions to drive sustainable growth.

CEO's Statement Contd

3. Integrity and Governance.

We will uphold the highest standards of corporate governance, ensuring transparency, accountability, and ethical business practices.

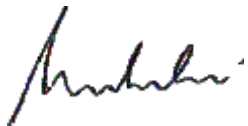
4. Collaboration and Growth.

We believe in the power of partnerships and teamwork. Strengthening collaborations within and outside our organization will position us for continued success.

5. Sustainability and Social Responsibility.

Beyond financial success, we are committed to making a positive impact in our communities. Through the Custodian Social Responsibility Foundation (CSRF) we have impacted communities in the area of education, community development and only recently in the health sector, through the donation of a state-of-the-art Accident and Emergency center to the Lagos state Government in Epe.

As we embark on this new chapter, I am confident that our collective efforts, resilience, and commitment to excellence will ensure that we continue to thrive. Thank you for your continued trust and investment in our vision. Together, we will achieve even greater milestones.



Wole Oshin

Group Managing Director



As we embark on this new chapter, I am confident that our collective efforts, resilience, and commitment to excellence will ensure that we continue to thrive.

- 
- 🎨 Board of Directors
 - 🎨 Directors' List
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Custodian Investment Plc. Directors



Dr. (Mrs.) Omobola Johnson
(Chairman)



Wole Oshin



Ravi Sharma



Richard Asabia



Chief [Mrs.] Margaret Giwa



Olakunle Ade-Ojo



Mrs. Mimi Ade-Odiachi



Mr. Adeniyi Falade



Mrs. Binta Max-Gbinije

List of Directors

CUSTODIAN INVESTMENT PLC

Directors

Dr. [Mrs.] Omobola Johnson (Chairman)
Mr. Wole Oshin (Managing Director)
Mr. Richard Asabia
Mr. Ravi Sharma
Mr. Olakunle Ade-Ojo
Mrs. Mimi Ade-Odiachi
*Chief (Mrs.) Margaret Giwa
Mrs. Binta Max-Gbinije
Mr. Adeniyi Falade

*Resigned in May 2024, on attaining the age of 70 years

CUSTODIAN AND ALLIED INSURANCE LIMITED

Directors

Mr. Ibrahim Dikko (Chairman)
Mr. Edeki Isujeh (Managing Director)
Mr. Moses Ariyibi (Executive Director)
Mr. Ravi Sharma
Mr. Ademola Ajuwon
Mrs. Mimi Ade-Odiachi
Mr. Kofoworola Majekodunmi
Mr. Adeniyi Falade

CUSTODIAN LIFE ASSURANCE LIMITED

Directors

Mr. Richard Asabia [Chairman]
Mr. Ngozi Nlebemuo [Managing Director]
Mr. Daniel Koshoedo [Executive Director]
Dr. Olusegun Oso
Mrs. Titilayo Olujobi
Mr. Kofoworola Majekodunmi
Mrs. Mimi Ade-Odiachi

CRUSADERSTERLING PENSIONS LIMITED

Directors

Mr. Wole Oshin [Chairman]
Mr. Rotimi Adebisi [Managing Director]
Mr. Olufemi Dada [Executive Director]
Mr. Olufemi Odukoya [Executive Director]
Mr. Richard Asabia
Mr. Olusegun Oluyori
Mrs. Hannatu Dikko
Mr. Rotimi Okpaise

CUSTODIAN TRUSTEES LIMITED

Directors

Mr. Richard Asabia [Chairman]
Mr. Adeyinka Jafajo [Managing Director]
Mr. Adeniyi Falade
Mr. Edeki Isujeh

UPDC PLC

Directors

Mr. Wole Oshin [Chairman]
Mr. Odunayo Ojo [Managing Director]
Ms. Bidemi Fadayomi
Mr. Folasope Aiyesimoju
Mr. Adeniyi Falade
Mr. Oyekunle Osilaja

Profile of Directors



Dr. [Mrs.] Omobola Johnson-Chairman

Dr. Omobola Johnson is Senior Partner of TLcom Capital, a venture capital firm with a focus on deal flow generation, investment, and value generation in technology companies in sub-Saharan Africa.

Before joining TLcom, Omobola was Minister of Communication Technology, Nigeria from 2011 to 2015, focusing on the launch and execution of the National Broadband Plan, and the support of the Nigerian technology industry, including the pioneering involvement of the government in a local VC fund and a network of start-up incubators. Prior to serving in the Nigerian government, she gained over 25 years of consulting experience with Accenture including five years as Country Managing Director, working with companies in a variety of industries, transforming them into more competitive and dynamic organizations.

Omobola serves on the Board of a number of leading Nigerian and multi-national corporations including MTN Nigeria, and Liquid Telecoms Holdings.

Omobola has a Bachelor's in Electrical and Electronic Engineering from the University of Manchester; a Master's in Digital Electronics from King's College, London and a Doctorate in Business Administration from the School of Management of Cranfield University. She is the recipient of the Distinguished Alumna award from Cranfield University and the Lagos Business School.

Profile of Directors Contd



Mr. Wole Oshin - Managing Director

Wole is the founder and Group Managing Director of Custodian Investment Plc. He is an industry leader with over thirty-five (35) years' experience and has at various times been a member of the Presidential Committee on Pension Reforms, Chairman of the Nigerian Insurers Association, Council Member of the West African Insurance Companies Association (Ghana), Council Member of the African Insurance Organization, and External Lecturer – West African Insurance Institute, Banjul, The Gambia. He sits on several boards, including the International Insurance Society (New York), Council Member of the Nigerian Insurers Association, Advisory Board of the Commonwealth Enterprise and Investment Council, and the National Council on Privatisation.

He has received numerous awards including nomination as “African CEO of the Year” by African Reinsurance Corporation, a three (3) time awardee of the Top 25 CEO's Award by the influential BusinessDay Newspaper and the 2019 Harvard Business School Association of Nigeria (HBSAN) Leadership Award for General Management. A graduate of Actuarial Science and a Chartered Insurer by Profession, he holds a Doctor of Finance (Honoris Causa) and is a Fellow of numerous associations, including the Chartered Insurance Institute of Nigeria, the Risk Managers Society of Nigeria, Association of Investment Advisers and Portfolio Managers as well as the West African Insurance Institute, Banjul, The Gambia. He is a past president of the Lagos Business School Alumni Association (LBSAA), as well as an alumnus of the Harvard Business School (OPM 42).

Profile of Directors Contd



Mr. Richard Asabia

Mr. Richard Asabia, an Investment Banker and Stockbroker, is a 1983 graduate of the London School of Economics [University of London] and a 1989 graduate of the University of Wales, Cardiff, UK. He holds a bachelor's degree in law, a master's degree in Business Administration and is a qualified Barrister, as well as a Fellow of the Chartered Institute of Stockbrokers.

Mr. Asabia has several decades of experience, including as Chief Executive Officer, Non- Executive Director and Independent Non- Executive Director on the Boards of several financial institutions, spanning Banking, Stockbroking, Pension Funds Administration, Trusteeship, and Insurance. He is currently a Director on the Board of CrusaderSterling Pensions Limited and is the Chairman of Custodian Life Assurance Limited and Custodian Trustees Limited.



Mr. Ravi Sharma

Mr. Ravi Sharma is one of the pioneering private equity and venture capital professionals in West Africa. In the last 20 years and more, he facilitated the investment of more than USD500 million in Africa in more than 30 transactions spread across various sectors, including Oil and Gas, Telecommunications, FMCG, Technology and IT Services, Healthcare, Leasing, Insurance and Chemicals.

He sits on the Boards of several companies. His previous experience was gained in private and investment banking with Barclays Private Bank [London] and TAIB Bank [London]. He holds an MBA from the University of Wales and a B.Sc. in Economics & Accounting from City University, London.

Profile of Directors Contd



Mr. Olakunle Ade-Ojo

Mr. Olakunle Ade-Ojo is the Managing Director of Toyota Nigeria Ltd. A graduate of Mechanical Engineering from the University of Reading, he also holds an M.Sc. in Automotive Product Engineering from Cranfield University, both in the United Kingdom.

As a Global Management Associate, he worked extensively in different operational departments while at Toyota Motor Sales, USA. He returned to Nigeria as the Business and Strategic Development Manager of Toyota [Nigeria] Limited and rose through the ranks. He was an Executive Director with Toyota Nigeria Limited until his appointment as the Managing Director of the Company. As Managing Director, within his second year of leading the Company, he saw to the establishment of a Toyota Assembly Plant in Nigeria. He also supervised the assembling and testing of the first Hiace bus assembled in the plant.

He has attended various Executive Management Programmes both at the Lagos Business School and the Wits Business School, South Africa. He is a member of Council, Lagos Chamber of Commerce and Industry, and a Fellow of the Institute of Directors of Nigeria. He is an astute businessman who is quick to recognise business opportunities.

Profile of Directors Contd



Mrs. Mimi Ade-Odiachi

Mrs. Mimi Ade-Odiachi is a seasoned professional and entrepreneur with over three decades of experience in Non-Bank Financial Services (Insurance), Hospitality Management and Landscape Architecture. She is a chartered insurer with a Bachelor's degree in Insurance from the University of Lagos.

She serves as an Executive Director on the Board of Whispering Palms Hotels & Resort. She is also the Founder and Chief Executive Officer of Omar Gardens Floral Company. She currently serves as a director on the Boards of Custodian and Allied Insurance Limited, Custodian Life Assurance Ltd and as the Chairman of Custodian Social Responsibility Foundation.



Chief [Mrs.] Margaret Giwa

Chief (Mrs.) Margaret Giwa is a seasoned professional, who brings in a wealth of experience of over three decades in Business Management and Real Estate. She holds a Bachelor of Arts degree in English Education and a Master's in International Law & Diplomacy. She is a member of the Institute of Directors (IOD) and sits on the Boards of other companies.

Profile of Directors Contd



Mr. Adeniyi Falade

Mr. Adeniyi Falade is a chartered accountant, Chartered Stockbroker and an Investment Banker.

He had his professional accountancy training at PricewaterhouseCoopers Lagos, and Coopers & Lybrand Limited, Lagos. Before his recent appointment as Group Chief Operating Officer of Custodian Investment PLC, he was the Managing Director of CrusaderSterling Pensions Ltd. He also served as the Managing Director of LeadCapital Plc and Head of Investment Banking Groups at Ecobank Nigeria Plc and Lead Bank Plc at various times. He was the Head of Internal Control/Chief Inspector and Head of the Risk Management Department of Lead Bank Plc also earlier in his career.

He holds a Master of Business Administration (MBA) from the University of Warwick, United Kingdom, and a Bachelor of Science degree (B.Sc.) from the University of Ibadan. He is a Fellow of the Institute of Chartered Accountants of Nigeria and an Associate of the Institute of Chartered Stockbrokers of Nigeria.

He serves on the Boards of many companies as a non-executive director, including Custodian Trustees Limited, Custodian and Allied Insurance Limited, Interstate Securities Limited, and UPDC Plc. He currently also serves as the Chairman of UPDC FM Limited. He is an avid golfer and enjoys sailing.

Profile of Directors Contd



Mrs. Binta Max-Gbinije

Binta is an experienced Financial Services Executive and a Management Consultant with a demonstrated practical knowledge of the financial services value chain. She has over 33 years of experience in strategic leadership, wholesale and retail banking, wealth and fiduciary management, treasury marketing, and asset management and is the Chief Executive of BMG Seven Limited, a boutique Consulting Firm.

She was the pioneer Chief Executive for Stanbic IBTC Trustees Limited where she led the team for about 8 years to establish a business that remains a market leader today. She was at various times a pioneer Head of Expert Banking, Head - Commercial Banking & Public Sector Group Nigeria in Stanbic IBTC Bank Plc, Pioneer Head of Wealth Management in FBN Capital Limited, and Head of Treasury Marketing in then MBC International Bank.

She was an Executive Council Member of Women in Business, Management & Public Service (WIMBIZ) where she chaired the Membership & Programmes Committee for two consecutive terms. She was until 2022 an Independent Director on the Board of Access Pension Fund Custodian (a member of the Access Bank Group) where she was the Chairman of the Board Risk Management & Compliance Committee and a member of the Board Audit Committee; and until 31st December 2023 was on the Board of ChamsMobile (Chams PLC). She currently sits on the Boards of E-Tranzact Nigeria Plc, Nestle CPFA, The Goldcrest Family Centre - an NGO, is a member of the International Board of The Institute of Business Transformation Africa (IBT Africa), and is the Independent Chairperson of the Investment Committees - Mutual Funds of the Coronation Asset Management Ltd. Binta was also recently appointed to the Boards of Sahel Consulting Ltd, Custodian Investment Plc and is an Independent Director of the FBNQuest Asset Management Ltd.

Profile of Directors Contd

A member of The Risk Management Association of Nigeria (RIMAN), she is an M.CIoD of the Chartered Institute of Directors (CIoD) a WIMBOARD Fellow, an HCIB of the Chartered Institute of Bankers Nigeria (CIBN), and a Fellow of the Association of Investment Advisers & Portfolio Managers (IAPM).

Binta has attended various Ivy League Business schools for Executive & Leadership education which include Harvard, INSEAD, Wharton, Kellogg Business School and the Yale School of Management. She is an advanced MANDEV Certified Management Trainer who has had the privilege to train for amongst others, the EU, UN Women and the Spotlight Initiative, WIMBIZ, NNPC and is a frequent conference speaker on the topics of Financial literacy & inclusion, Faith and Women empowerment.

Financial Highlights

For The Year Ended 31, December 2024

Asset and liability highlight

	Group		Company	
	31-Dec-24 ₦'000	31-Dec-23 ₦'000	31-Dec-24 ₦'000	31-Dec-23 ₦'000
Cash and cash equivalents	43,989,037	25,059,031	3,712,475	1,633,189
Financial assets	279,174,934	190,710,235	11,940,054	5,310,224
Investment properties	18,174,500	13,259,000	10,509,000	7,921,000
Property, plant and equipment	14,612,511	13,886,881	159,084	293,944
Insurance contract liabilities	195,359,004	144,509,540	-	-
Equity attributable to owners of the parent	123,565,491	71,545,288	46,767,989	34,692,755
Total Assets	407,294,048	269,800,307	53,478,478	38,302,620

Financial Highlights contd

Income statement highlights

	Group		Company	
	31-Dec-24 ₦'000	31-Dec-23 ₦'000	31-Dec-24 ₦'000	31-Dec-23 ₦'000
Gross Revenue	152,011,670	98,871,956	7,964,602	8,628,198
Insurance service revenue	96,227,786	65,189,856	-	-
Sales	11,629,489	5,343,622	-	-
Dividend Income	2,499,138	1,290,106	7,378,537	8,047,868
Fees and Commission	6,584,179	5,070,010	-	-
Profit on investment contracts	96,408	31,172	-	-
Other Operating Income	548,680	947,235	71,473	387,612
Interest Income	34,425,990	20,999,955	514,592	192,718
Operating Expenses	(120,517,711)	(76,228,789)	-	-
Insurance Service expenses	(68,391,204)	(46,936,075)	-	-
Net expense from reinsurance contracts held	(35,041,503)	(22,280,551)	-	-
Cost of sales	(7,984,989)	(3,442,301)	-	-
Net insurance finance expenses	(9,100,015)	(3,569,862)	-	-
Management Expenses	(16,449,185)	(10,443,283)	(2,917,607)	(1,367,433)
Profit before taxation	60,672,568	25,991,127	19,042,420	9,319,304
Income tax expenses	(7,129,223)	(6,313,774)	(2,513,920)	(1,068,615)
Profit from continuing operation	53,543,345	19,677,353	16,528,500	8,250,689
Total comprehensive income for the period, net of tax	58,092,942	21,013,463	16,980,726	8,250,689
EPS - Basic & Diluted (in kobo)	889	324	281	140
Net assets per share (in kobo)	2,287	1,216	799	590

Report Of The Directors

For the year ended December 31, 2024

The Board of Directors is pleased to present their report on the affairs of Custodian Investment Plc (“the Company”) and its subsidiaries (“the Group”), together with the Consolidated and Separate Audited Financial Statements for the financial year ended December 31, 2024.

Commencement Of Business

The Company commenced business On July 1, 1995

Legal Form

The Company was incorporated as a Private Limited Liability Company on August 22, 1991, under the name Accident and General Insurance Company Limited. It received approval to change its name to Custodian and Allied Insurance Limited on February 5, 1993, and later obtained authorization to convert to a Public Limited Liability Company on September 29, 2006. In March 2013, the Company was renamed Custodian and Allied Plc. Following a Special Resolution and approval from the Corporate Affairs Commission on May 24, 2018, its name was changed to Custodian Investment Plc.

Vision

To be the preferred partner in creating and preserving wealth.

Principal Activities

Custodian Investment Plc is a conglomerate having interests in Life Assurance, General Insurance, Pensions, Trustees, Property and Financial Services Business.

Report Of The Directors Contd

Property, Plant And Equipment

Information relating to changes in property and equipment is given in Note 17 to the consolidated and separate financial statements. In the opinion of the Directors, the market value of the Company's properties is not less than the value shown in the financial statements.

Dividend

The Board of Directors proposed and paid an Interim Dividend of 15 kobo per ordinary share of 50kobo each (2023: 15 kobo), which was paid to shareholders on the Register of Members at the closure date.

The Directors recommend the payment of a Final Dividend of N1.10kobo per ordinary share of 50kobo each (bringing the Total Dividend on the results for financial year ended December 31, 2024 to N1.25 kobo (2023: 80kobo per share), payable to shareholders on the Register of Members at the closure date. Withholding tax would be deducted at the time of payment.

Events After Reporting Date

There are no events after the reporting date which could have had a material effect on the financial position of the Group as at December 31, 2024, and the profit for the year then ended.

Report Of The Directors Contd

Directors And Their Interests

The Directors who held office during the period, together with their direct and indirect interests in the issued share capital of the Company as recorded in the register of Directors shareholdings and/or as notified by them for the purposes of section 301 of the Companies and Allied Matters Act, 2020 and the listing requirements of The Nigerian Exchange are noted below:

Number of 50 kobo ordinary shares held as of December 31, 2024

Directors	Designation	December 31 2024 Direct Holding	December 31 2024 Indirect Holding	% of Holding	December 31 2023 Direct Holding	December 31 2023 Indirect Holding	% of Holding
Dr. (Mrs.) Omobola Johnson	Chairman (Independent)	155,000	-	0.003	155,000	-	0.003
*Mr. Wole Oshin	Managing Director	238,674,353	1,372,259,400	27.39	238,674,353	1,352,728,150	27.06
** Mr. Richard Asabia	Non-Executive Director	22,600,000	-	0.38	22,600,000	37,058,399	1.01
Chief (Mrs.) Margaret Giwa	Non-Executive Director	348,200	-	0.006	12,500,000	-	0.21
Mrs. Binta Max-Gbiniye	Non-Executive Director (Independent)	110,000	-	0.0018	-	-	-
Mr. Ravi Sharma	Non-Executive Director (Independent)	6,000,000	-	0.10	6,000,000	-	0.10
** Mr. Olakunle Ade-Ojo	Non-Executive Director	1,229,365	924,907,141	15.74	1,229,365	924,907,141	15.74
Mrs. Mimi Ade-Odiachi	Non-Executive Director	4,000,000	-	0.07	4,000,000	-	0.07
Mr. Adeniyi Falade	Executive Director	1,032,000	-	0.02	232,000	-	0.004

Report Of The Directors Contd

The following Directors have indirect shares in Custodian Investment Plc:

*Indirect shares held by Mr. Wole Oshin are in respect of Gratitude Capital Limited.

**Indirect shares held by Mr. Olakunle Ade-Ojo are in respect of Mikeade Investments Limited.

Directors' Interest In Contracts

For the purpose of Section 303 of the Companies and Allied Matters Act, 2020, none of the Directors had direct or indirect interest in contracts or proposed contracts with the Company during the year.

Substantial Shareholding

According to the Register of Members, the following shareholders of the Company held more than 5% of the issued share capital* as at December 31, 2024:

Shareholder	2024 Number	%	2023 Number	%
Gratitude Capital Limited	1,372,259,400	23.33	1,352,728,150	23
Mikeade Investments Limited	924,907,141	15.72	924,907,141	15.72

*No other individual Shareholder held up to 5% of the Company's Issued Share Capital as of December 31, 2024.

Report Of The Directors Contd

Analysis of Shareholding

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

Custodian Investment Plc

Range Analysis As At December 31, 2024

Certificate Range Analysis As At 31/12/2024

Range	Holder	%	Volume	Units %
1-1000	15,496	39.773	9,080,932	0.1544
1001-5000	13,240	33.983	35,568,154	0.6047
5001-10000	4,379	11.239	33,901,664	0.5764
10001-50000	4,063	10.428	91,610,665	1.5575
50001-100000	790	2.0277	59,437,151	1.0105
100001-500000	671	1.7222	148,246,550	2.5204
500001-1000000	113	0.29	82,506,194	1.4027
1000001-5000000	143	0.367	325,195,286	5.5288
5000001-10000000	24	0.0616	176,788,597	3.0057
10000001-50000000	24	0.0616	564,096,355	9.5904
50000001-ABOVE	18	0.0462	4,355,432,647	74.049
Total	38,961	100	5,881,864,195	100

Holder Type Name	No. Of Shareholders	% Of Total	Units	% Of Total
Corporate	1,425	3.6575	4,459,460,875	75.82
Foreign	103	0.2644	5,964,884	0.1
Individual	37,433	96.0781	1,416,438,436	24.07
Total	38961	100	5,881,864,195	100

Report Of The Directors Contd

The Directors of Custodian Investment Plc are responsible for preparing the financial statements, ensuring they present a true and fair view of the Group and the Company's financial position at the end of each period, as well as their profit or loss, in accordance with the Companies and Allied Matters Act, 2020. In fulfilling this responsibility, the Directors ensure that:

- Applicable accounting standards are adhered to.
- Proper accounting records are maintained.
- Suitable accounting policies are adopted and consistently applied.
- Adequate internal control procedures are established to the extent reasonably possible, ensuring asset protection and the prevention and detection of fraud and irregularities.
- Judgments and estimates are made reasonably and prudently.
- The going-concern basis is applied unless it is inappropriate to assume that the Company will continue operating.

Personnel

a. Employee Involvement and Training

The organisation promotes employee participation in decision-making on matters affecting their well-being through various forums. Employees are given opportunities to discuss issues concerning both the Company and their interests, allowing them to contribute to decision-making processes.

As part of its commitment to continuous development, the Company regularly nominates employees for training programmes, which are complemented by on-the-job training to enhance their skills and expertise.

Report Of The Directors Contd

b. Employment of Physically Challenged Persons

Custodian upholds a policy of fair consideration for employment applications from physically challenged individuals, taking into account their abilities and aptitude. The Company's policy prohibits discrimination against physically challenged persons in the recruitment, training, and career development of its employees. If a staff member becomes disabled, the Company will make every effort to support their continued employment, including arranging appropriate training to help them integrate into the working environment.

c. Health, Safety and Welfare

Custodian upholds strict health and safety regulations across its premises, ensuring employees are well-informed about existing guidelines. The Company offers comprehensive health insurance coverage to all employees, supporting their medical care and treatment needs.

To enhance safety, fire prevention and firefighting equipment are strategically positioned within the premises, with periodic fire drills conducted to raise staff awareness and preparedness.

Additionally, Custodian provides Group Life and Group Personal Accident Insurance for employees' benefit and operates a contributory pension plan in compliance with the Pension Reform Act 2014.

d. Research and Development

Custodian fosters a culture of research and development across the Group, driven by its dedication to upholding exceptional standards.

Auditors

Messrs. Deloitte & Touche were the Auditors of the Company during the year under review, and they would be considered for re-appointment in line with Section 401 of the Companies and Allied Matters Act, 2020.

Shareholding History

Date Issued	No. of Shares	Nominal Value	Naration
1996	18,337,858	9,168,929	CASH
1997	18,318,066	9,159,033	CASH
1998	920,400	460,200	CASH
1998	3,665,594	1,832,797	BONUS
1999	26,853,566	13,426,783	BONUS
2000	121,904,516	60,952,258	CASH
2001	10,000,000	5,000,000	BONUS
2002	100,000,000	50,000,000	CASH
2003	120,000,000	60,000,000	BONUS
2004	125,000,000	62,500,000	BONUS
2004	180,000,000	90,000,000	CASH
2005	275,000,000	137,500,000	BONUS
2005	500,000,000	250,000,000	CASH
2006	583,333,332	291,666,666	BONUS
2006	121,608,110	60,804,055	MERGER
2006	1,186,727,478	593,363,739	CASH
2007	165,079,364	82,539,682	MERGER
2007	443,251,716	221,625,858	CASH
2008	790,744,328	395,372,164	CASH
2009	348,027,267	174,013,134	CONVERSION OF LOAN STOCK
2010	(37,924,787)	(18,962,393)	SHARE BUYBACK
2013 TILL DATE	781,017,387	390,509,193	MERGER
TOTAL	5,881,864,195	2,940,932,098.00	

Report Of The Directors Contd

E-Dividends

It has been observed that many shareholders did not receive their dividend warrants several weeks after the dividend warrants were dispatched.

To prevent and facilitate the prompt receipt of your future dividends and bonus certificates in line with good corporate governance, the Company encourages its shareholders to embrace the e-dividend opportunity which is a fast, reliable and efficient way of receiving dividends and bonus directly into Bank and personal Accounts with the Central Securities Clearing System [CSCS]. This will substantially reduce the incidence of unclaimed dividends.

To take advantage of the e-dividend and e-bonus system, you need to have a Bank Account as well as a CSCS Account to be opened with the assistance of a Stockbroker of your choice. Accordingly, we implore our shareholders to complete the detachable forms in the Annual Report indicating their preferred Bank Accounts and forward same to the Company's Registrars for necessary action.

The Registrars

Meristem Registrars & Probate Services Limited

213 Herbert Macaulay Way,

Yaba, Lagos.

Website: www.meristemregistrars.com

Tel: +234 [1]8920491-2, +234 [1] 2809250-3

Unclaimed Dividends Table as at December 31, 2024

S/NO	Dividend Number	Date Of Payment	Dividend Type	Amount Received (N)	Dividend Per Share	Amount Unclaimed-N
1	9	4/5/2012	FINAL	408,067,744.64	0.08	7,973,274.45
2	10	2/10/2012	INTERIM	255,042,340.40	0.05	5,962,474.75
3	11	7/11/2013	FINAL	470,549,135.60	0.08	23,998,237.51
4	12	11/28/2013	INTERIM	294,093,209.75	0.05	14,984,782.32
5	13	9/5/2014	FINAL	647,005,061.00	0.11	33,616,826.83
6	14	12/9/2014	INTERIM	352,911,851.70	0.06	27,153,507.38
7	15	5/14/2015	FINAL	705,823,703.40	0.12	50,906,339.17
8	16	9/15/2015	INTERIM	352,911,851.70	0.06	28,047,775.18
9	17	3/5/2016	FINAL	823,460,987.30	0.14	61,005,327.45
10	18	1/9/2016	INTERIM	411,730,493.65	0.07	29,837,380.44
11	19	5/3/2017	FINAL	1,058,735,605.10	0.18	85,128,092.83
12	20	5/9/2017	INTERIM	588,186,419.50	0.10	43,876,157.31
13	21	4/24/2018	FINAL	1,882,196,542.40	0.32	87,310,184.78
14	22	5/9/2018	INTERIM	588,186,419.50	0.10	26,754,458.31
15	23	4/23/2019	FINAL	2,058,652,518.25	0.35	91,903,838.77
16	24	4/9/2019	INTERIM	588,186,419.50	0.10	26,185,467.06
17	25	4/30/2020	FINAL	2,058,652,468.25	0.35	92,225,337.78
18	26	1/9/2020	INTERIM	588,186,419.50	1.00	26,538,043.68
19	27	4/22/2021	FINAL	2,646,838,887.75	0.45	119,928,655.31
20	28	1/9/2021	INTERIM	588,186,419.50	0.10	26,589,099.51
21	29	8/4/2022	FINAL	2,352,745,678.00	0.40	106,134,757.56
22	30	1/9/2022	INTERIM	588,186,419.50	0.10	26,454,529.26
23	31	4/13/2023	FINAL	3,235,025,307.25	0.55	146,227,245.42
24	32	9/5/2023	INTERIM	882,279,629.20	0.15	40,089,729.50
25	33	6/21/2024	FINAL	3,823,211,634.24	0.65	175,698,543.16
26	34	9/5/2024	INTERIM	882,279,629.25	0.15	43,409,902.23
TOTAL				29,131,332,736.25		1,447,939,967.95

Report Of The Directors Contd

Unclaimed Dividend Warrants and Share Certificates

Notice is hereby given to our numerous shareholders that some dividends have remained unclaimed as the Registrars' records show. Certain share certificates have also been returned as unclaimed because the addresses on them could not be traced or the shareholders have changed their addresses without informing the Registrars. Affected shareholders are advised to contact Meristem Registrars & Probate Services Limited.

The Registrars are e-dividend payment ready. Shareholders are kindly requested to take advantage of this, to reduce the incidences of unclaimed dividend. The unclaimed dividend list is on the Registrars' website and copies are displayed at the venue of the AGM.

Please contact: Meristem Registrars & Probate Services Limited, 213 Herbert Macaulay Way, Adekunle, Yaba, Lagos, P.O. Box 51585, Ikoyi, Lagos.

Phone: 01-2809250-4, Email: info@meristemregistrars.com, Website: www.meristemregistrars.com

By order of the Board

CUSTODIAN TRUSTEES LTD

AUTHORIZED

ADEYINKA JAFORO

FRC/2013/PRO/NBA/002/00000002403

Custodian Trustees Limited

Company Secretary

Dated this 28th day of March, 2025

The background of the slide is a black and white photograph. It shows several paintbrushes of different sizes and types, including flat brushes and a round brush, lying diagonally across the frame. They are resting on a highly textured, craggy surface that resembles a piece of stone or a wall covered in rough plaster. The lighting creates strong highlights and shadows, emphasizing the textures of both the brushes and the surface.

⚙ Statement Of Directors' Responsibilities
⚙ Report Of The Statutory Audit Committee

Statement Of Directors' Responsibilities In Relation To The Preparation Of The Consolidated And Separate Financial Statements For The Year Ended December 31, 2024

The Companies and Allied Matters Act, 2020, requires the Directors to prepare financial statements for each financial year that present fairly, in all material respects, the state of financial affairs of the Company and its subsidiaries at the end of the year and of its profit or loss. The responsibilities include ensuring that the Company and its subsidiaries:

- a) keep proper accounting records that disclose, with reasonable accuracy, the financial position of the Company and comply with the requirements of the Companies and Allied Matters Act, 2020.
- b) establish adequate internal controls to safeguard its assets and to prevent and detect fraud and other irregularities; and
- c) prepare its financial statements using suitable accounting policies supported by reasonable and prudent judgments and estimates are consistently applied.

The Directors accept responsibility for the preparation and fair presentation of the annual consolidated and separate financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Financial Reporting Standards, the provisions of the Companies and Allied Matters Act, 2020, Pension Reform Act 2014, Insurance Act 2003, Investment and Securities Act, 2007 and Financial Reporting Council of Nigeria Act No. 6, 2011.

The Directors are of the opinion that the consolidated and separate financial statements present fairly, in all material respects, the state of the financial affairs of the Company and its subsidiaries and of its profit. The Directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of consolidated and separate financial statements, as well as adequate systems of internal financial control.

Statement Of Directors' Responsibilities Contd

Nothing has come to the attention of the Directors to indicate that the Company and its subsidiaries will not remain a going concern for at least twelve months from the date of this statement.

On behalf of the Directors of the Group



Dr. (Mrs.) Omobola Johnson
Chairman
FRC/2018/PRO/DIR/003/00000018366



Wole Oshin
Managing Director
FRC/2013/PRO/DIR/003/00000003054

Report Of The Statutory Audit Committee

For the year ended December 31, 2024

In accordance with the provision of Section 404 (4) of the Companies and Allied Matters Act, 2020, the members of the Audit Committee of Custodian Investment Plc hereby report as follows:

- We have exercised our statutory functions under Section 404 (4) of the Companies and Allied Matters Act, 2020 and acknowledge the co-operation of Management and staff in the conduct of these responsibilities.
- We are of the opinion that the accounting and reporting policies of the Group are in accordance with legal requirements and agreed ethical practices and that the scope and planning of both the external and internal audit for the year ended December 31, 2024, were satisfactory and reinforce the Group's internal control systems.
- We have deliberated with the External Auditors, who have confirmed that necessary co-operation was received from Management in the course of their statutory audit, and we are satisfied with Management's response to the External Auditor's recommendations on accounting and internal control matters and with the effectiveness of the Group's system of accounting and internal control.



Mr. Olahiye Dada

Chairman, Audit Committee

FRC/2013/PRO/ICAN/004/00000003137

Lagos, Nigeria.

March 25, 2025

Report Of The Audit Committee Contd

Members of the Statutory Audit Committee

- Mr. Olaniyi Dada - Chairman
- Mr. Richard Asabia - Member
- Mr. Ravi Sharma - Member
- Group Captain Bola Sotubo (Rtd.) - Member
- Mrs. Titilayo Olujobi - Member (Resignation effective September 2, 2024)

Profile Of Shareholders Representatives On The Statutory Audit Committee

Mr. Olaniyi Dada - BSc. [Economics], FCA, ACTI

Mr. Olaniyi Dada holds a Bachelor's degree in Economics, he is also a fellow of the Institute of Chartered Accountants of Nigeria and the Chartered Institute of Taxation of Nigeria. He started his career at Securities and Exchange Commission and proceeded to KPMG Audit [formerly Peat Marwick Ani Ogunde & Chartered Accountants] from 1987 –1992. He joined Olukayode Akindele & Co [Chartered Accountants] in 1993. On resigning from Olukayode Akindele & Co in 2001, he established the accounting firm of Niyi Dada Chartered Accountants. He is also the principal partner at SDG Consulting Associates.

He is Chairman of the Statutory Audit Committee of Custodian Investment Plc.

Group Captain Bola Sotubo (Rtd.) BSc, MBA, LL. B, LL.M

Group Captain Sotubo [rtd] studied Business Administration at the University of Nigeria, Nsukka and graduated in 1973. He has an MBA from Indiana University Bloomington Indiana [1976]. He joined the Nigerian Air Force in 1977 from where he retired in 1999. In 2002, he graduated from the Faculty of Law, University of Lagos and was called to the Nigerian Bar in 2004. He also has an LLM degree from the University of London.

He started his legal career with the firm of Dapo Abudu & Co as counsel before moving to Yomi Sotubo & Co as the principal partner.

Report Of The Audit Committee Contd

Mrs. Titilayo Olujobi B.Sc (Economics), FCA, ACC

Mrs. Titilayo Olujobi is a well-rounded and experienced professional with nearly four decades experience in Public Accounting, Banking, Training Facilitation, Business Consulting and Coaching. She is a Fellow of the Institute of Chartered Accountants of Nigeria (ICAN) and a Certified Professional Coach of the International Coaching Federation (ICF). She holds a B.Sc. Degree in Economics from the University of Ife (now Obafemi Awolowo University).

She commenced her professional career at Z. O. Ososanya & Co and Coopers and Lybrand (now PriceWaterhouse Coopers). She then proceeded to Nigeria International Bank Limited (now Citibank Nigeria Limited) in 1990, where she rose to the level of Vice President (Deputy General Manager) before leaving in December 2007. She joined IBFCAugusto Training Limited as the Managing Director in 2008. With the merger of IBFCAugusto Training Limited with a sister company to become IBFCAlliance Limited, she became an Executive Director of the enlarged firm.

Titilayo Olujobi is currently a Non-Executive Director at both IBFCAlliance Limited and Ecobank Nigeria Limited. She is also a member of the Statutory Audit Committee of Custodian Investment Plc. She is Founder and Chief Executive of Tulivuori Services, an Executive & Business Coaching company. She is also a Non-Executive Director on the Board of Custodian Life Assurance Ltd.



🎨 Corporate Governance

Corporate Governance



Custodian Investment Plc is committed to upholding the highest standards of corporate governance, recognizing the importance of ethical conduct and sound administration to our shareholders. We have embedded a culture of compliance, ensuring that our operations align with the principles of integrity, accountability, transparency, and fairness.

Our robust governance framework promotes effective shareholder participation, empowering shareholders to approve the appointment of Board members who, in turn, oversee Management's activities. This structure reinforces the confidence of our investors, clients, employees, and stakeholders.

Regulatory compliance is at the core of our corporate governance practices. Our framework ensures consistent adherence to the Nigerian Code of Corporate Governance, 2018, the Securities and Exchange Commission's Corporate Governance Guidelines (SCGG), international best practices, and the post-listing requirements of the Nigerian Exchange Limited (NGX). These standards are complemented by the Company's Board Charter and Memorandum and Articles of Association, forming the foundation for sound governance practices. Our internal control system guarantees that the Board, Management, and staff consistently uphold legal, regulatory, and ethical standards in the Company's daily operations.

We believe that stakeholder input is vital to enhancing competitiveness and overall performance. Custodian fosters collaboration and values contributions from shareholders, employees, clients, creditors, and suppliers. Our Corporate Governance framework is designed to promote stakeholder engagement, supporting the effective management of our business and the achievement of our objectives.

Ethical Standards

The Company is committed to upholding the highest standards of integrity and expects the same from every employee. The Board has adopted the Nigerian Code of Corporate Governance, 2018, which outlines the best practice framework for the Company and integrates applicable laws, rules, and regulations. Noting that the Company is also expected to comply with:

Corporate Governance Contd

- Companies and Allied Matters Act, 2020
- The Nigerian Stock Exchange Rules and Regulations.
- The Investments and Securities Act, 2007.
- Financial Reporting Council of Nigeria Act, 2011.
- International best practices.
- The Company's Memorandum and Articles of Association.
- The Securities and Exchange Commission Consolidated Rules and Regulations, 2013.
- Financial Reporting Council Audit Regulations, 2020

The Company's Code of Conduct and Board Charter for Corporate Governance uphold the Company's commitment to conducting its operations in compliance with all applicable laws and regulations while adhering to the highest standards of business ethics. The Company expects both the spirit and letter of these standards to be observed by its Directors, Officers, and Employees, including those of its Subsidiaries and Affiliates. These standards are communicated to every new Director, Officer, and Employee, and were disseminated to those in office at the time of their adoption.

Corporate Governance Contd

Corporate Legal Structure

Custodian Investment Plc is a public limited liability company as defined under the Companies and Allied Matters Act 2020 [the Act]. Corporate powers reside in the Board of Directors and the Shareholders at the Annual General Meeting. The functions and powers of both bodies are stipulated by the Act and the Company's Memorandum and Articles of Association.

Annual General Meetings

Annual General Meetings play a crucial role in the Company's Corporate Governance framework and are convened in accordance with the Company's Articles of Association and applicable statutory regulations. All Shareholders or their duly appointed proxies are entitled to attend, with the principle of 'one share, one vote' guiding decision-making.

The proceedings are typically monitored by representatives of NGX Regulation Limited (NGX REGCO), the Securities and Exchange Commission, the Corporate Affairs Commission, and the representatives of Shareholders Associations to ensure compliance with regulatory requirements and transparency.

The Board

The Board represents Shareholders and is accountable for driving the Company's long-term success by defining the Group's strategy, against which Management's performance is assessed. It establishes the Group's risk appetite, ensures the robustness of financial controls and risk management systems, and oversees the adequacy of resources to support the Group's operations. Additionally, the Board sets the Group's values, fosters its culture, and facilitates constructive dialogue with Shareholders on strategy and remuneration.

The Company's Board comprises individuals with diverse discipline and skills, selected based on their professional background, expertise, business experience, integrity, and knowledge of the Company's business.

Corporate Governance Contd

The Board ensures regular training of its directors on issues pertaining to their oversight functions and Corporate Governance. It regularly receives and reviews reports from Management, either directly or through its Committees.

The Company's Board is accountable to Shareholders and ensures that the conduct of its activities is within the applicable regulatory framework. The Board is responsible for reviewing the Company's performance, setting objectives, and determining strategy. In doing this, the Board safeguards the Company's interests and aspires to achieve a long-term increase in the Company's values.

Delegation of Authority

The ultimate responsibility for the Company's operations rests with the Board. The Board retains effective control through a well-developed Committee structure that provides in-depth focus on the Board's responsibilities. Each Board Committee operates under written Terms of Reference, outlining its mandate and reporting regularly to the Board on its activities. The Board delegates the day-to-day management of the Company's operations to Management, while retaining overall strategic direction and control.

Directors' Independence

The Company's Directors are expected to contribute views and judgment at Board deliberations that are independent of Management and free of any business or other relationship or circumstance that could materially interfere with the exercise of objective, unfettered or independent judgment, having regard to the best interest of the Company.

Meetings of the Board

The Board meets quarterly. Meetings are held at such times and places as determined by the Board, while special meetings are convened as may be required.

Corporate Governance Contd

Directors are provided with notices, agenda and meeting documents ahead of each meeting to enable them prepare adequately for meetings. Directors are also provided with regular updates on developments in the regulatory and business environment.

Change in a Director's Occupation

The Board does not believe that Directors who retire or change the position they held when they became members of the Board should necessarily leave the Board. However, promptly following such an event, the Director must notify the Board of such event and the Board may take such event into consideration when determining whether to re-nominate such Director.

Appointment Process, Orientation and Training of Board Members

Custodian's Board Succession Policy ensures that it is managed and overseen by knowledgeable, capable and trustworthy individuals. In making Board appointments, the Board recognises knowledge, experience and skill of prospective Directors as well as other qualities considered necessary for the role. The Board Establishment and Governance Committee is responsible for Directors' succession planning and recommends new appointments to the Board.

Upon appointment to the Board, newly appointed Directors are given adequate orientation regarding the Group's businesses, Corporate Governance and reporting procedures and are updated on such matters on a continuing basis. Directors are briefed on policies and procedures applicable to Board and Board Committees as well as on the rights and responsibilities of Directors. Various information reports are sent to the Board members in order to keep them informed of the Group's undertakings.

Custodian attaches great importance to training its Directors and for this purpose, continuously offers training and education to its Directors, in order to enhance their performance on the Board and the various committees to which they belong.

Corporate Governance Contd

Election and Re-Election of Directors

In accordance with the Company's Articles of Association, one third of all Non-Executive Directors are offered for re-election every year together with Directors appointed by the Board since the last Annual General Meeting.

In keeping with this requirement, Dr. (Mrs.) Omobola Johnson and Ravi Sharma will retire at this Annual General Meeting and being eligible for re-election will submit themselves for re-election.

The Board confirms that following a formal evaluation, these Directors continue to demonstrate commitment to their duties and roles as Non-Executive Directors. The Board is convinced that the Directors standing for re-election will continue to add value to the Company. The Board believes that they are required to maintain the balance of skill, knowledge, and experience on the Board.

The biographical details of Directors standing for re-election are set in the Annual Report.

Access to Management and Independent Advisers

The Company recognises the importance of the free flow of complete, adequate and timely information to the Directors to enable them make informed decisions in the discharge of their responsibilities. There are ongoing engagements between Executive Management and the Board. The Company's External Auditors attend the Statutory Audit Committee meetings to make presentations on the audit of the Group's Financial Statements. Directors have unrestricted access to Management and Company's information in addition to the necessary resources to carry out their responsibilities.

The Board has the authority to retain, terminate and determine the fees and terms of engagement of consultants, legal counsel and other advisers to the Board as the Board may deem appropriate in its discretion.

Corporate Governance Contd

Board Structure and Composition

The Board is made up of a Non-Executive Chairman, five (5) Non-Executive Directors and two (2) Executive Directors. Two (2) of the Non-Executive Directors are Independent Directors, appointed in compliance with the criteria laid down by regulations.

The Managing Director/Chief Executive is responsible for the day to day running of the Company.

The Board exercises oversight responsibility through its standing Committees, each of which has a Charter that clearly defines its purpose, composition, structure, frequency of meetings, duties, tenure, and reporting lines to the Board. In line with best practice, the Chairman of the Board is not a member of any Committee. The Board has four Committees, namely: the Board Audit, IT, Risk Management and Compliance Committee, the Board Finance, Investment and General-Purpose Committee, the Board Establishment and Governance Committee and the Statutory Audit Committee.

Whilst the various Board Committees have the authority to examine issues within their terms of reference and report to the Board with their decisions and/or recommendations, the ultimate responsibility for all matters lies with the Board.

Board Audit, IT, Risk Management and Compliance Committee

Mrs. Mimi Ade-Odiachi - Chairman

Mr. Ravi Sharma

Mr. Olakunle Ade-Ojo

Mr. Richard Asabia

Mrs. Binta Max-Gbiniye

Corporate Governance Contd

Board Finance, Investment and General - Purpose Committee

Mr. Richard Asabia - Chairman

Mr. Olakunle Ade-Ojo

Mrs. Mimi Ade-Odiachi

Chief (Mrs.) Margaret Giwa (resigned in May 2024, on attaining the age of 70 years)

Mr. Wole Oshin

Mrs. Binta Max-Gbinije

Board Establishment and Governance Committee

Mr. Ravi Sharma - Chairman

Chief (Mrs.) Margaret Giwa (resigned in May 2024, on attaining the age of 70 years)

Mr. Richard Asabia

Mrs. Mimi Ade-Odiachi (appointed a member of the Committee on July 26, 2024)

Statutory Audit Committee

Mr. Olaniyi Dada - Chairman

Mr. Richard Asabia

Mr. Ravi Sharma

Group Captain Bola Sotubo (Rtd.)

Mrs. Titilayo Olujobi

Corporate Governance Contd

The records of attendance at Board of Directors meetings are provided below:

DIRECTORS	March 3, 2024	May 14, 2024	July 26, 2024	October 29, 2024
Dr. (Mrs.) Omobola Johnson	✓	✓	✓	✓
Mr. Wole Oshin	✓	✓	✓	✓
Mr. Richard Asabia	✓	✓	✓	✓
Mr. Adeniyi Falade	✓	✓	✓	✓
Mr. Ravi Sharma	✓	-	✓	✓
Mr. Olakunle Ade-Ojo	✓	✓	✓	✓
Mrs. Mimi Ade-Odiachi	✓	✓	✓	✓
*Chief (Mrs.) Margaret Giwa	✓	✓	-	-
**Mrs. Binta Max-Gbinije	-	-	✓	✓

*Resigned in May 2024, on attaining the age of 70 years

**Appointed a member of the Board on May 3, 2024

Board Audit, IT, Risk Management and Compliance Committee

The Committee supports the Board in performing its oversight responsibility relating to the integrity of the Company's Financial Statements and the financial reporting process, as well as the independence and performance of the Company's Information Technology (IT), Internal and External Auditors. It also oversees the Company's system of internal control.

Corporate Governance Contd

The Committee has oversight of Management's process for the identification of significant risks across the Company and prevention, detection and reporting mechanisms. The Committee is charged with overseeing the Risk Management framework of the Company and ensures the adequacy of provisions made for possibilities of any adverse changes in the industry and the economy. The Committee has the responsibility for the approval and review of the Company's risk management policy in line with the Company's risk appetite and risk strategy.

The Committee oversees the Company's compliance level with applicable laws and regulatory requirements. The Committee reviews the report on audit, IT, compliance and risk management on a quarterly basis.

The records of attendance at the Board Audit, IT, Risk Management and Compliance Committee meetings are provided below:

MEMBERS	March 10, 2024	July 23, 2024	October 24, 2024
Mrs. Mimi Ade-Odiachi	✓	✓	✓
Mr. Ravi Sharma	✓	✓	✓
Mr. Olakunle Ade-Ojo	✓	✓	✓
Mr. Richard Asabia	✓	✓	✓
**Mrs. Binta Max-Gbinije	-	-	✓

**Appointed a member of the Committee on July 26, 2024

Board Finance, Investment and General-Purpose Committee

The Committee is responsible for ensuring that guidelines for investment comply with legal and regulatory requirements and that investment activities reflect the goals/strategy of the Company. The Committee provides strategic assistance to Management and the full Board on Finance, Administration, Human Resources and General matters concerning the Company. The Committee periodically reviews changes in the economy and business environment, including emerging trends and other factors relevant to the Company's business. It has the responsibility for reviewing the Company's Accounts and it is also charged with the oversight of Management's compliance with budget.

Corporate Governance Contd

The records of attendance at Board Finance, Investment and General Purpose Committee meetings are provided below:

MEMBERS	March 13, 2024	July 24, 2024	October 25, 2024
Mr. Wole Oshin	✓	✓	✓
Mr. Richard Asabia	✓	✓	✓
Mr. Olakunle Ade-Ojo	✓	✓	✓
*Chief (Mrs.) Margaret Giwa	✓	-	-
Mrs. Mimi Ade-Odiachi	-	✓	✓
**Mrs. Binta Max-Gbiniye	-	-	✓

*Resigned in May 2024, on attaining the age of 70 years

**Appointed a member of the Committee on July 26, 2024

Statutory Audit Committee

The Committee was established in accordance with statutory requirement and in compliance with Section 404 [2] of the Companies and Allied Matters Act, 2020. The Statutory Audit Committee has oversight responsibility for the Company's Financial Statements and ensures that they comply with applicable financial reporting standards. The Committee also reviews the scope and planning of audit requirements, reviews the findings on Management matters in conjunction with the External Auditor; makes recommendations to the Board in regard to the appointment, removal and remuneration of the Company's External Auditors; and authorises the internal auditor to carry out investigations into any activities of the Company which may be of interest or concern to the Committee.

The Statutory Audit Committee consists of five members, three Shareholders Representatives and two Non-Executive Directors.

Corporate Governance Contd

The records of attendance at Statutory Audit Committee meetings are provided below:

MEMBERS	March 3, 2024	April 10, 2024	July 23, 2024	October 24, 2024
Mr. Olaniyi Dada	✓	✓	✓	✓
Mr. Richard Asabia	✓	✓	✓	✓
Mr. Ravi Sharma	✓	✓	✓	✓
****Mrs. Titilayo Olujobi	✓	✓	✓	-
Group Captain Bola Sotubo (Rtd)	✓	✓	✓	✓

****Resignation effective September 2, 2024

Board Establishment and Governance Committee

The Board Committee is charged with the responsibility of implementing the Company's policy on Directors' appointment, remuneration of Directors and Executive Management and succession planning. The Committee also ensures compliance with the Code of Corporate Governance adopted by the Company.

Corporate Governance Contd

The records of attendance at Board Establishment and Governance Committee meetings are provided below:

MEMBERS	May 3, 2024	April 13, 2024	July 24, 2024	October 25, 2024
Mr. Richard Asabia	✓	✓	✓	✓
Mr. Ravi Sharma	✓	✓	✓	✓
*Chief (Mrs.) Margaret Giwa	✓	✓	-	-
***Mrs. Mimi Ade-Odiachi	-	-	-	✓

*Resigned in May 2024, on attaining the age of 70 years

***Appointed a member of the Committee on July 26, 2024

Communication with Shareholders

The Company is committed to an open and consistent Communication Policy with Shareholders and other Stakeholders. The guiding principle is that all Shareholders should be given equal treatment in equal situations. As a result, price sensitive information is published timely in full, simple, and transparent format to the public at the same time.

Likewise, all Shareholders have equal opportunity at the Annual General Meeting to present questions to the Board and make comments on any aspect of the financial statements.

The Company's website www.custodianplc.com.ng remains an excellent resource to members who require constant information on the Company.

Communication with Third Parties

Custodian Investment Plc's Directors are of the opinion that it is Management's responsibility to speak for the Company regarding communications with third parties, such as Investors, the Press and Public in general. Directors only engage in such communications at the request of or after consultation with Management.

Corporate Governance Contd

Performance Monitoring and Evaluation

The Company's Board has established a system of independent annual evaluation of its performance, that of its Committees and individual Directors. The evaluation is conducted by an Independent Consultant approved by the Board. In this regard, the Society for Corporate Governance Nigeria was engaged to conduct the Board performance evaluation for the Financial Year Ended December 31, 2024. The Board believes that the use of an independent consultant promotes objectivity and transparency of the evaluation process.

The annual appraisal covered all aspects of the Board's composition, structure, responsibilities, relationships, processes, individual members competencies and respective roles in the overall performance of the Board, as well as the Company's compliance status with the provisions of the Code of Corporate Governance. The result also confirmed that the individual Directors and the Board continue to operate at a high level of effectiveness and efficiency.

The result of the Board performance evaluation was presented to the Board at the Board Meeting which took place in March 2025 and is contained in the Annual Report.

Board Evaluation Report By The Society For Corporate Governance Nigeria

Skills, knowledge and characteristics of the Board

The profile and qualifications of Board members are periodically reviewed to ensure that the Board possesses diverse and varying expertise in the performance of its functions, a balanced mix of attributes and experiences enabling them to evaluate the Company's related and core business.

Corporate Governance Contd

Roles of the Chairman and the Managing Director

There is separation of powers between the Chairman and the Managing Director. The roles of the Chairman and the Managing Director are separate and distinct in line with best practices. The Chairman's main responsibility is to lead and manage the Board to ensure that it operates effectively and fully discharges its legal and regulatory responsibilities. The Chairman is responsible for ensuring that Directors receive accurate, timely and clear information to enable the Board take informed decisions and provide advice to promote the success of the Company.

The Company's Board has delegated the responsibility for the day-to-day management of the Company to the Managing Director/Chief Executive Officer, who is supported by Executive Management. The Managing Director executes the powers delegated to him in accordance with guidelines approved by the Board of Directors.

Company Secretariat and access to Independent Professional Advice

Custodian Trustees Limited is the Company Secretary to the Company.

The Company Secretary works closely with the Chairman to manage the flow of information between the Board, its Committees and Senior Executives across the Group. The Company Secretary is also responsible for providing advice and support to the Board on governance related matters. The appointment and removal of the Company Secretary is subject to Board approval and all Directors have a right of access to information and advice, facilitated through the Company Secretary.

The Company Secretary is responsible for keeping Directors abreast of statutory requirements relating to Corporate Governance and providing guidance when required in relation to Directors' roles and responsibilities. The Secretariat maintains the register and other records of the Company and generally acts as a liaison between the Board and Shareholders.

Corporate Governance Contd

In addition to the assistance provided by the Company Secretary, the Board reserves the right to obtain advice and assistance from relevant independent external professional advisers and experts at the expense of the Company.

Anti-Bribery and Corruption Policy

The Company is committed to high ethical standards and integrity. The Company's Anti-Bribery & Corruption Policy prohibits offering of or giving something valuable for the purpose of persuading an official or any person to misuse his office to benefit the Company or its employees. The Policy also prohibits receiving something valuable for the purpose of influencing an official action. The Company's Board of Directors and Senior Management are charged with the responsibility of ensuring that the Company complies with the Policy.

Board Compensation

Consistent with Custodian's policy, remuneration of Executive Directors is fixed by the Establishment and Governance Committee of the Board, which also has the responsibility of making recommendations to the Board on all payments made to Executive Directors.

Non-Executive Directors are remunerated in line with the Company's policy of providing them with fixed annual fees and sitting allowances for their service on the Board and Committees.

Shareholders Rights

The Company's Board ensures shareholders' rights are always protected, particularly their right to vote at general meetings. All shareholders are treated equally, regardless of the volume of shareholding or social status. The Board ensures that all Shareholders receive notices of meetings.

Corporate Governance Contd

E-Dividend

The Company encourages its Shareholders to embrace the e-dividend opportunity in accordance with good Corporate Governance practice. This will enable the Company pay dividend due to Shareholders by directly crediting their designated bank accounts. It will also significantly lessen the incidences of unclaimed dividend.

The Company's Shareholders are implored to complete the detachable forms in the Annual Report stating their preferred Bank Accounts and make same available to the Company's Registrars, Meristem Registrars and Probate Services Limited.

External Auditors

Deloitte & Touche acted as the Company's External Auditors for the 2024 financial year. The firm ensures that its responsibilities to the Company are carried out in an independent manner.

The Board confirms that the Company has complied with the regulatory requirement as enshrined in the Code of Corporate Governance on the rotation of audit firm and audit partners.

Internal Control

The Company's internal audit function provides oversight on significant compliance issues and guide strategies, policies and practices for assessing and managing risks across the Company. The Head of the Department is a competent professional Accountant with high integrity.

Corporate Governance Contd

Accounting Principles, Disclosure and Reporting

Custodian's accounting practices are fundamental to the information required by its investors, customers, regulators and other stakeholders to facilitate objective evaluation of the Company and its prospects. Custodian's accounting records are presented in a concise and transparent manner, so that its financial position at any given time is adequately disclosed.

Reporting and disclosure requirements are in accordance with International Financial Reporting Standards [IFRS]. The Company ensures prudent financial reporting and maximum disclosure in the Annual Reports & Accounts.

Securities Trading by Interested Parties

The Company has in place a policy regarding trading in its shares by its Directors and Employees with terms and conditions similar to the standards set out by the Securities and Exchange Commission and the Nigerian Exchange Limited.

Insiders, Directors, and their related persons in possession of confidential price sensitive information ("insider information") are prohibited from dealing with the securities of the Company where such would amount to insider trading.

Detailed enquiries have been made regarding all Directors to ascertain whether they have complied with or whether there has been any non-compliance with the Listing Rules [relating to Securities Trading] and Custodian's Code of Conduct on Securities transactions. Full compliance by Directors in the 2024 financial year was established.

Corporate Governance Contd

Diversity

Custodian acknowledges that a diverse workforce is of significant social and commercial value and important to being an inclusive Employer. Custodian accepts the value that diversity can bring, which includes:

- Improving creativity and innovation.
- Broadening the skills and experience of the labour pool from which Custodian can draw and attract top talent to our businesses.
- Providing greater alignment to customer needs.

Custodian strives to create a work environment which is inclusive to all people regardless of gender, age, race, disability, cultural background, religion, family responsibilities or any other area of potential difference. All areas of diversity are important, and the Company pays particular attention to gender diversity.

Succession Planning

The Board Establishment and Governance Committee is tasked with the responsibility for the Group's succession planning process. The Committee identifies critical positions on the Board and Executive Management level that are deemed important to the achievement of the Company's business objectives and strategies.

The Company has a robust policy which is aligned to the Custodian's performance management process. The policy seeks to identify the competency requirements of critical and key positions, assess potential candidates, and develop required competency through planned development and learning initiatives.

Corporate Governance Contd

Code of Ethics

The Company prioritises high ethical standards and expects its Board, Executives and Employees to observe such standards in all their dealings within the Group. The Custodian's Code of Ethics outlines the minimum standards of conduct expected in the management of the Company's businesses. All stakeholders are expected to comply with these standards in the discharge of their duties.

Whistle-blowing Procedure

Following the Board's commitment to instill the best corporate governance practices, a Whistle-blowing Policy ("Policy") was adopted by the Company. The Policy provides a channel for the Company's Employees and other relevant Stakeholders to raise concerns about workplace malpractices, confidentially to enable the relevant authorities investigate and deal with such in a manner consistent with Custodian's policies and relevant regulations. The Policy also provides for protection against harassment or victimization of Employees who report genuine concerns, malpractice or illegal acts or omissions by Directors and Employees.

The Company's Whistle-blowing Policy ensures that whistle-blowing assists in uncovering significant risks in line with best practices. Under the Policy, a whistle-blower who, in good faith, reports suspected violations or attempted violation of the Policy or who reports a request or offer of a corrupt payment is protected. A form for this purpose is available on the Company's website.

Complaints Management Policy

Custodian Investment Plc is committed to responding to feedback from Clients, Investors and other Stakeholders and has established a Complaints Management Policy which lays the guidelines to effectively and efficiently respond to feedback in order to improve client experience, exceed customer's expectations and deliver better services.

Corporate Governance Contd

The Complaints Management Policy seeks to establish a fair, impartial and objective mechanism for the handling and management of complaints by clients or investors and to establish a mechanism for implementation and monitoring of compliance with this Policy. The Policy and the Complaints Lodgment Form can be accessed on the Company's website.

Statement of Compliance

The Company is a Public Limited Liability Company and is subject to the jurisdiction of the Nigerian Code of Corporate Governance. The Board of Directors charged with the responsibility of ensuring compliance has submitted that the Company was in compliance with the provisions of the Code in the 2024 financial year as well as the post-listing requirements of the Nigerian Exchange Limited.

The Company also complied with all the relevant laws of Nigeria.

CUSTODIAN TRUSTEES LTD

AUTHORISED

ADEYINKA JAFORO

FRC/2013/PRO/NBA/002/00000002403

Custodian Trustees Limited

Company Secretary

Dated March 28, 2025

- 
- Board Evaluation Report
 - Internal Control Over Financial Reporting (ICFR) Certification
 - Certification Of Financial Statement

Board Evaluation Report

For The Board Of Custodian Investment Plc. For The Year Ended 31 December 2024



**SOCIETY FOR CORPORATE
GOVERNANCE NIGERIA**

Executive Summary

The Society for Corporate Governance Nigeria was engaged to conduct an independent evaluation/assessment of the performance of Custodian Investment Plc for 2024 as part of stipulated regulatory requirements. This executive summary provides a concise overview of the comprehensive Board evaluation conducted.

Introduction

The Board Evaluation Report provides an in-depth analysis of the governance practices and performance of Custodian Investment Plc during the evaluation period. This executive summary highlights key findings and recommendations to enhance governance effectiveness and drive organizational success.

Methodology

The evaluation process involved a combination of questionnaire, self and peer assessment, desk reviews, and individual interviews. These methods ensured a comprehensive and unbiased understanding of the Board's dynamics and adherence to corporate governance principles.

Scope

The evaluation covered the following areas:

- Composition, commitment, and alignment of the skills/qualifications of directors with business requirements and performance
- Composition/effectiveness of the committees
- Compliance with existing regulatory requirements
- Effectiveness of directors in delivery of their fiduciary responsibilities
- Effective transparency and disclosure channels

Key Findings

The evaluation revealed a strong leadership presence within the Board, which demonstrably contributed to effective oversight and the formulation of a clear, forward-looking strategic direction. The Board's commitment to robust dialogue was evident in the productive and well-attended regular meetings, where diverse perspectives were considered

Board Evaluation Report Contd

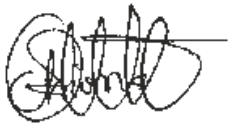
and constructive challenges were encouraged, and the clear communication of roles supported accountability. Furthermore, the Board demonstrated a commitment to transparency, with comprehensive compliance protocols and a well-structured risk management framework in place.

Conclusion

The Board of Custodian Investment Plc has demonstrated a strong commitment to exemplary governance practices, evidenced by the active participation of its members, the quality of boardroom discussions, and individual contributions. Overall, we are pleased to affirm that the Board's performance for the year 2024 met acceptable standards, demonstrating diligence and adherence to best practices in corporate governance.

Yours Sincerely,

FOR: SOCIETY FOR CORPORATE GOVERNANCE NIGERIA

A handwritten signature in black ink, appearing to read 'Chioma Mordi', with a horizontal line extending from the end of the signature.

Chioma Mordi (Mrs.)

Chief Executive Officer

FRC/2014/NIM/00000007899

March 2025

Management's Annual Assessment of, and report on, Custodian Investment Plc Internal Control Over Financial Reporting For the year ended 31 December 2024

In accordance with the guidance of Securities and Exchange Commission (SEC) and Financial Reporting Council of Nigeria (FRC) on management's assessment of Internal Control Over Financial Reporting for the year ended 31 December 2024, we hereby attest as follows:

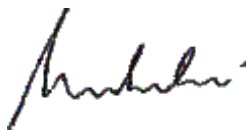
- I Custodian Investment Plc's management is responsible for establishing and maintaining a system of internal control over financial reporting ("ICFR") and attest that the entity's ICFR were effective as of 31 December, 2024.
- ii Custodian Investment Plc's management has designed and maintained an internal control system as recommended by the Investment and Securities Act, 2007 which is able to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with International Financial Reporting Standards (IFRS).
- iii That the Audited Financial Statements do not contain any untrue statement of material fact or omit to state a material fact, which would make the statements misleading.
- iv In evaluating the effectiveness of the entity's ICFR, we adopted the Integrated Framework issued by the Committee of Sponsoring Organisations of the Treadway Commission (COSO). Based on our evaluation, we attest that the Internal Control Over Financial Reporting of Custodian Investment Plc is effective as of 31 December 2024.
- v Management takes responsibility to remediate deficiencies where identified. Any significant deficiencies in the design and operation of internal controls which could adversely affect the financial information of the entity has been disclosed to the independent Auditor and the Audit Committee.

Management's Annual assessment of, and report on, Custodian Investment Plc Internal Control Over Financial Reporting Contd

vi Our auditor, Messrs Deloitte, has issued an attestation report on management's assessment of the entity's internal control over financial reporting as of 31 December 2024. This report will be filed as part of the annual report of Custodian Investment Plc.

Signed on behalf of the Directors by:


Date: 3 March 2025



Mr. Wole Oshin

Managing Director

FRC/2013/PRO/DIR/003/00000003054



Mr. Ademola Ajuwon

Chief Financial Officer

FRC/2013/PRO/ICAN/001/00000002068

Certification of Management's Assessment on Internal Control Over Financial Reporting For the year ended 31 December 2024

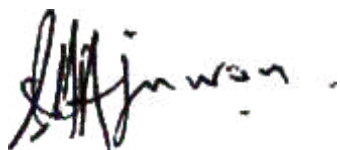
To comply with the provisions of SEC Guidance on Implementation of Sections 60-63 of investments and securities Act 2007, I hereby make the following statements regarding the internal controls of Custodiaan Investment Plc for the year ended 31 December 2024.

I, Ademola Ajuwon , certify that:

- (a) I have reviewed this Management's assessment on internal control over financial reporting of Custodian Investment Plc;
- (b) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the year covered in this report.
- (c) Based on my knowledge, the financial statements and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the entity as of , and for, the periods presented in this report.
- (d) The entity's other certifying officer and I:
 - i are responsible for establishing and maintaining internal controls;
 - ii have designed such internal controls and procedures, or caused such internal controls and procedures to be designed under our supervision, to ensure that material information relating to the entity, and its consolidated subsidiaries is made known to us by others within those entities, particularly during the period in which this report is being prepared.
 - iii 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 preparation of financial statements to external purposes in accordance with generally accepted accounting principles;

Certification of Management's Assessment on Internal Control Over Financial Reporting Contd

- iv have evaluated the effectiveness of the entity's internal controls and procedures as of a date within 90 days prior to the report and presented in this report our conclusions about the effectiveness of the internal controls and procedures , as of the end of the period covered by this report based on such evaluation.
- (e) The entity's other certifying officer and I have disclosed, based on our most recent evaluation of internal control system, to the entity's auditors and audit committee of the entity's board of directors (or persons performing the equivalent functions):
 - i All significant deficiencies and material weaknesses in the design or operation of the internal control system which are reasonably likely to adversely affect the entity's ability to record, process, summarize and report financial information; and
 - ii Any fraud, whether or not material, that involves management or other employees who have a significant role in the entity's internal control system.
- (f) The entity's other certifying officer(s) and I have identified, in the report whether or not there were significant changes in internal controls or other facts that could significantly affect internal controls subsequent to the date of their evaluation including any corrective actions with regard to significant deficiencies and material weaknesses.



Ademola Ajuwon

Chief Financial Officer

FRC/2013/PRO/ICAN/001/00000002068

Date: 3 March 2025

Certification of Management's Assessment on Internal Control Over Financial Reporting For the year ended 31 December 2024

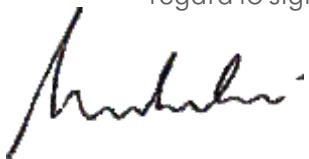
To comply with the provisions of SEC Guidance on Implementation of Sections 60-63 of investments and securities Act 2007, I hereby make the following statements regarding the internal controls of Custodian Investment Plc for the year ended 31 December 2024.

I, Wole Oshin , certify that:

- (a) I have reviewed this Management's assessment on internal control over financial reporting of Custodian Investment Plc;
- (b) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered in this report.
- (c) Based on my knowledge, the financial statements and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the entity as of , and for, the periods presented in this report.
- (d) The entity's other certifying officer and I:
 - i are responsible for establishing and maintaining internal controls;
 - ii have designed such internal controls and procedures, or caused such internal controls and procedures to be designed under our supervision, to ensure that material information relating to the entity, and its consolidated subsidiaries is made known to us by others within those entities, particularly during the period in which this report is being prepared.
 - iii 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 preparation of financial statements to external purposes in accordance with generally accepted accounting principles;

Certification of Management's Assessment on Internal Control Over Financial Reporting Contd

- iv have evaluated the effectiveness of the entity's internal controls and procedures as of a date within 90 days prior to the report and presented in this report our conclusions about the effectiveness of the internal controls and procedures , as of the end of the year covered by this report based on such evaluation.
- (e) The entity's other certifying officer and I have disclosed, based on our most recent evaluation of internal control system, to the entity's auditors and audit committee of the entity's board of directors (or persons performing the equivalent functions):
- I All significant deficiencies and material weaknesses in the design or operation of the internal control system which are reasonably likely to adversely affect the entity's ability to record, process, summarize and report financial information; and "
- ii Any fraud, whether or not material, that involves management or other employees who have a significant role in the entity's internal control system.
- (f) The entity's other certifying officer(s) and I have identified, in the report whether or not there were significant changes in internal controls or other facts that could significantly affect internal controls subsequent to the date of their evaluation including any corrective actions with regard to significant deficiencies and material weaknesses.



Wole Oshin

Chief Executive Officer

FRC/2013/PRO/DIR/003/00000003054

Date: 3 March 2025

Certification Pursuant To Section 60[2] Of The Investment And Securities Act No. 29 Of 2007

We the undersigned hereby certify the following with regards to our Consolidated Financial Statements for the year ended December 31, 2024, that:

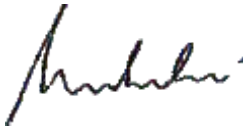
- (a) We have reviewed the Report.
- (b) To the best of our knowledge, the Report does not contain:
 - (i) Any untrue statement of a material fact, or
 - (ii) Omit to state a material fact, which would make the statements misleading in the light of the circumstances under which such statements were made.
- (c) To the best of our knowledge, the financial statement and other financial information included in the report fairly present in all material respects the financial condition and results of operation of the Company as of, and for the period presented in the report.
- (d) We:
 - (i) Are responsible for establishing and maintaining internal controls.
 - (ii) Have designed such internal controls to ensure that material information relating to the Company and its consolidated subsidiaries are made known to such officers by others within those entities particularly during the period in which the periodic reports are being prepared;
 - (iii) Have evaluated the effectiveness of the Company's internal controls, as of date, within 90 days prior to the report;
 - (iv) Have presented in the report our conclusions about the effectiveness of our internal controls based on our evaluation;
- (e) We have disclosed to the auditors of the Company and its audit committee:
 - (i) All significant deficiency in the design or operation of internal controls which would adversely affect the Company's ability to record, process, summarize and report financial data and have identified for the Company's auditors any material weakness in internal controls, and

Certification Pursuant Contd

- (ii) Any fraud, whether or not material, that involves management or other employees who have significant role in the Company’s internal controls;
- (f) We have identified in the report whether or not there were significant changes in internal controls or other factors that could significantly affect internal controls subsequent to the date of our evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.



Dr. (Mrs.) Omobola Johnson
Chairman
FRC/2018/PRO/DIR/003/00000018366



Mr. Wole Oshin
Managing Director
FRC/2013/PRO/DIR/003/00000003054



Mr. Ademola Ajuwon
Chief Financial Officer
FRC/2013/PRO/ICAN/001/00000002068



Assurance Report of Independent Auditor Independent Auditor's Report



Assurance Report of Independent Auditor

To the Shareholders of Custodian Investment Plc

Assurance Report on Management's Assessment of Controls over Financial Reporting

We have performed a limited assurance engagement in respect of the systems of internal control over financial reporting of Custodian Investment Plc ("the Company") and its subsidiaries ("the Group") as of 31 December, 2024, in accordance with the FRC Guidance on Assurance Engagement Report on Internal Control over Financial Reporting and based on criteria established in the Internal Control — Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) ("the ICFR framework"), and the SEC Guidance on Implementation of Sections 60 – 63 of Investments and Securities Act 2007 and FRC Guidance on Management report on Internal Control over Financial Reporting. Custodian Investment Plc's management is responsible for maintaining effective internal control over financial reporting and for assessing the effectiveness of internal control over financial reporting including the accompanying Management's Report on Internal Control Over Financial Reporting.

We have also audited, in accordance with the International Standards on Auditing, the financial statements of the Company and Group and our report dated 31 March 2025 expressed an unmodified opinion.

Limited Assurance Conclusion

Based on the procedures we have performed and the evidence that we have obtained, nothing has come to our attention that causes us to believe that the Company and the Group did not establish and maintain an effective system of internal control over financial reporting, as of the specified date, based on the SEC Guidance on Management Report on Internal Control Over Financial Reporting and FRC Guidance on Management report on Internal Control over Financial Reporting.

Assurance Report of Independent Auditor Contd

Definition of internal control over financial reporting

Internal control over financial reporting is a process designed by, or under the supervision of, the entity's principal executive and principal financial officers, or persons performing similar functions, and effected by the entity's board of directors, management, and other personnel 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:

- I. Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company and group;
- II. Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company and group; and
- III. 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.

Inherent limitations

Our procedures included the examination of historical evidence of the design and implementation of the Company's and the Group's system of internal control over financial reporting for the year ended 31 December 2024. 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.

Assurance Report of Independent Auditor Contd

Directors' and Management's Responsibilities

The Directors are responsible for ensuring the integrity of the entity's financial controls and reporting.

Management is responsible for establishing and maintaining a system of internal control over financial reporting that provides reasonable assurance regarding the reliability of financial reporting, and the preparation of financial statements for external purposes in accordance with IFRS Accounting Standards as issued by the International Accounting Standards and the ICFR framework.

Section 7(2f) of the Financial Reporting Act 2011 (As amended) further requires that management perform an assessment of internal controls, including information system controls. Management is responsible for maintaining evidential matters, including documentation, to provide reasonable support for its assessment of internal control over financial reporting.

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behavior.

The firm applies the 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 the firm to 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.

Assurance Report of Independent Auditor Contd

Auditor's Responsibility and Approach

Our responsibility is to express a limited assurance opinion on the Company's and Group's internal control over financial reporting based on our Assurance engagement.

We performed our work in accordance with the FRC Guidance on Assurance Engagement Report on Internal Control over Financial Reporting and the International Standard on Assurance Engagements (ISAE) 3000, Assurance Engagements other than the Audits or Reviews of Historical Financial Information (ISAE 3000) revised. That Standard requires that we comply with ethical requirements and plan and perform the limited assurance engagement to obtain limited assurance on whether any matters come to our attention that causes us to believe that the Company and the Group did not establish and maintain an effective system of internal control over financial reporting in accordance with the ICFR framework.

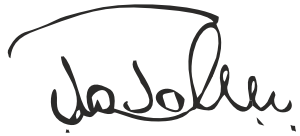
That Guidance requires that we plan and perform the Assurance engagement and provide a limited assurance report on the entity's internal control over financial reporting based on our assurance engagement.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. As a result, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion on whether the Company and Group established and maintained an effective system of internal control over financial reporting.

As prescribed in the Guidance, 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.

Assurance Report of Independent Auditor Contd

We believe the procedures performed provides a basis for our report on the internal control put in place by management over financial reporting.

A handwritten signature in black ink, appearing to read 'Joshua Ojo', with a large, sweeping flourish above the name.

Deloitte & Touche (FRC/2022/COY/091021)

Joshua Ojo - FRC/2013/PRO/ICAN/001/00000000849

Lagos

Date: 31 March 2025

Independent Auditors' Report

To the Shareholders of Custodian Investment Plc

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated and separate financial statements of Custodian Investment Plc and its subsidiaries (the Group and Company) set out on pages 101 to 357, which comprise the consolidated and separate statements of financial position as at 31 December 2024, the consolidated and separate statements of profit or loss and other comprehensive income, the consolidated and separate statements of changes in equity and the consolidated and separate statements of cash flows for the year then ended, the notes to the consolidated and separate financial statements, including a summary of material accounting policy information.

In our opinion, the consolidated and separate financial statements give a true and fair view of the consolidated and separate financial position of Custodian Investment Plc as at 31 December 2024, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, the requirements of the Companies and Allied. Matters Act, 2020, the Insurance Act 2003 and relevant policy guidelines issued by the National Insurance Commission (NAICOM), the Pension Reform Act 2014, and the Financial Reporting Council of Nigeria (Amendment) Act 2023.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the consolidated and separate Financial Statements section of our report. We are independent of the Group and Company in accordance with the requirements of the International Ethics Standards Board for Accountants' (IESBA)

Independent Auditors’ Report Contd

International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA code) and other independence requirements applicable to performing audits of financial statements in Nigeria. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and other ethical requirements that are relevant to our audit of consolidated and separate Financial Statements in Nigeria.

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

Key Audit Matters

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

Description of each key audit matter in accordance with ISA 701 .

Key Audit Matter Valuation of Insurance and Investment Contracts Liabilities	How our audit addressed the key audit matter Our procedures included the following among others:
IFRS 17 requires insurance liabilities to be measured at a current fulfillment value and provides a more uniform measurement and presentation approach for all insurance contracts. In line with the standard, the Group has adjusted the carrying amount of the liability for the remaining coverage to reflect the time value of money and the effect of financial risk using discount rates that reflect the characteristics of the cash flows of the group of insurance contracts at initial recognition. While for other business lines, the company has	<ul style="list-style-type: none">• Reviewed the product classification, IFRS17 policy and methodology papers.• Reviewed the Actuarial models and IFRS17. Subledgers for completeness and accuracy.• Considered the validity of management's onerous assessment testing which is a key test performed to check that the liabilities are

Independent Auditors' Report Contd

Key Audit Matter Valuation of Insurance and Investment Contracts Liabilities	How our audit addressed the key audit matter Our procedures included the following among others:
<p>elected not to discount the liability for the remaining coverage. In estimating the claims payment pattern for liability for incurred claims, the group sets assumptions regarding the future timing of the claims settlement and determine the best estimate for claims development or payment.</p> <p>As disclosed in notes 20 & 21 to the consolidated and separate financial statements, the investment and insurance contract liabilities for the group amounted to N198.91billion. This represents about 73% of the Group's total liabilities as at 31 December 2024.</p> <p>Estimating insurance contract liabilities under IFRS 17 involves high estimation uncertainties and requires management to apply significant judgment and assumptions over uncertain future outcomes. Provisions for insurance contracts primarily comprise unexpired coverage provision (liability for remaining coverage, LRC) and claims provisions (liability for incurred claims, LIC). The Group applied the IFRS 17 General Measurement Model (GMM) and Premium Allocation Approach (PAA) for measurement of groups of insurance contracts for its Life and Non-Life businesses respectively.</p>	<p>adequate in the context of expected experience. Our work on the onerous assessment test included assessing the reasonableness of the projected cashflows and challenging the assumptions adopted in the context of company and industry norms and specific product features.</p> <ul style="list-style-type: none"> • Involved our internal actuarial specialist in the review of the key assumptions and judgements in line with general actuarial methods and industry standards and assessment of the adequacy of the insurance liabilities in line with the requirement of IFRS 17. • Ensured the appropriateness of the journals posted, footed, and agreed the figures disclosed in the financial statements to the figures stated in the actuarial valuation after thorough review of the basis and assumptions. • We reviewed the methodology and processes adopted by management for making reserves in the books of the company. • We tested entity's control around reserving.

Independent Auditors’ Report Contd

Key Audit Matter Valuation of Insurance and Investment Contracts Liabilities	How our audit addressed the key audit matter Our procedures included the following among others:
<p>Accounting estimates in respect of provisions for insurance contracts is an experience-based estimate involving use of historic claims data and complex actuarial methods and models, which involve significant assumptions on the frequency and extent of insurance events relating to the insurance contracts. The level of complexity, the significant judgments and assumptions applied by management in estimating these insurance contract liabilities is of significance to our audit.</p> <p>The Group has an in-house actuary who assesses, on periodic basis, an estimate of the insurance liabilities for the various portfolio managed by the group and the premium element of the individual deposit administration portion of the group's investment contract liabilities. At the end of each financial year, management employ the services of an external actuary in the review of its insurance liabilities after considering the accuracy and integrity of data used in the valuation.</p>	<p>process and maintenance of data for valuation of insurance contract liabilities.</p> <ul style="list-style-type: none">•We validated the data used in the valuation of the insurance and investment contract liabilities. <p>We found that the assumptions used by management were comparable with the market, accord with best practices, the key input data used in estimating the fair value of the insurance and investment contracts liabilities were reasonable in the circumstances. We consider the disclosure of the liabilities to be adequate, relevant, and useful.</p>

Independent Auditors' Report Contd

Other Information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Custodian Investment Plc Annual Financial Statements for the year ended 31 December 2024", which includes the Directors' Report, Corporate Governance Report, Statement of Directors' Responsibilities, Certification of the Financial statements, the Board Audit Committee's Report, the Statement of Corporate Responsibility for Financial Statements, Certification of Management's assessment on Internal Control Over Financial Reporting and Other National Disclosures required by the Financial Reporting Council of Nigeria which we obtained prior to the date of this report. The other information does not include the consolidated and separate financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Consolidated and Separate Financial Statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, the requirements of the Companies and Allied Matters Act 2020, the Financial Reporting Council of Nigeria (Amendment) Act 2023 and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

Independent Auditors' Report Contd

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.

Independent Auditors' Report Contd

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and/or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance 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 those charged with governance 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.

Independent Auditors' Report Contd

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current year 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 Fifth Schedule of Companies and Allied Matters Act we expressly state that:

- i) We have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit.
- ii) The Group and the Company has kept proper books of account, so far as appears from our examination of those books.
- iii) The Group and Company's financial position and its statement of profit or loss and other comprehensive income are in agreement with the books of account and returns.

Contraventions

During the year, the group got an administrative sanction by PENCOM and fine for late submission of post placement report in 2019 and late filling of financial statements to NGX. Details of the contravention and the related penalties are as disclosed in note 60 to the consolidated and separate financial statements.

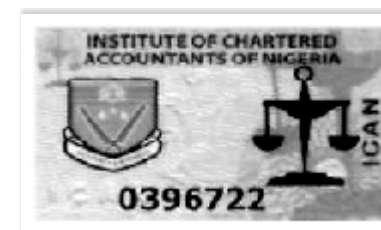
Independent Auditors' Report Contd

In accordance with the requirements of the Financial Reporting Council of Nigeria, we also performed a limited assurance engagement and reported on management's assessment of the Entity's internal control over financial reporting as of 31 December 2024. The work performed was done in accordance with FRC Guidance on Assurance Engagement Report on Internal Control over Financial Reporting and based on the procedures we have performed, and evidence obtained, we have issued an Unmodified conclusion in our report dated 31 March 2025. That report is included on pages 85 to 89 of the financial statements.



For: Deloitte & Touche
Chartered Accountants
Lagos, Nigeria
31 March 2025

Engagement Partner: Joshua Ojo
FRC/2013/PRO/ICAN/001/00000000849





Financials

- 
- Consolidated And Separate Statements Of Financial Position
 - Consolidated And Separate Statements Of Profit Or Loss And Other Comprehensive Income
 - Consolidated And Separate Statement Of Changes In Equity
 - Consolidated And Separate Statements Of Cash Flows
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Consolidated And Separate Statements Of Financial Position

As at 31 December, 2024

	Notes	Group		Company	
		31-Dec-24 N'000	31-Dec-23 N'000	31-Dec-24 N'000	31-Dec-23 N'000
Assets					
Cash and cash equivalents	7	43,989,037	25,059,031	3,712,475	1,633,189
Trade receivables	8	691,013	814,563	-	-
Inventories	9	8,729,998	3,200,157	-	-
Other receivables and prepayments	10	20,027,838	6,945,377	7,879,365	4,466,713
Financial assets:	11	279,174,934	190,710,235	11,940,054	5,310,224
- Fair value through profit or loss		110,719,420	77,132,991	9,190,878	1,539,430
- Fair value through OCI		47,337,246	33,631,630	893,473	391,000
- Debt securities at amortised cost		121,118,268	79,945,614	1,855,703	3,379,794
Reinsurance contract assets	20	11,847,577	7,916,456	-	-
Right-of-use-assets	19	111,737	13,448	-	-
Investment in subsidiaries	12	-	-	15,373,012	15,373,012
Investments in joint ventures	14	120,141	120,141	-	-
Equity accounted investee	13	5,500,314	4,452,558	3,905,488	3,296,161
Investment properties	15	18,174,500	13,259,000	10,509,000	7,921,000
Property, plant and equipment	17	14,612,511	13,886,881	159,084	293,944
Intangible assets	16	277,273	231,809	-	8,377
Statutory deposits	18	4,037,175	3,190,651	-	-
Total assets		407,294,048	269,800,307	53,478,478	38,302,620
Liabilities and equity					
Liabilities					
Current income tax payable	25	4,310,487	1,876,005	2,070,231	1,217,134
Trade payables	23	28,838,615	16,083,167	-	-
Other payables	24	27,143,472	12,755,354	2,353,850	1,572,472
Interest bearing loans and borrowings	22	3,380,004	2,146,881	-	-
Reinsurance contract liabilities	20	72,594	45,341	-	-
Insurance contract liabilities	20	195,359,004	144,509,540	-	-
Investment contract liabilities	21	3,557,950	3,861,091	-	-
Deferred tax liabilities	26	10,105,097	7,056,659	2,086,408	820,259
Total liabilities		272,767,223	188,334,038	6,510,489	3,609,865
Equity					
Issued share capital	27	2,940,933	2,940,933	2,940,933	2,940,933
Share premium	28	6,412,357	6,412,357	6,412,357	6,412,357
Retained earnings	29	89,962,733	45,666,889	37,162,473	25,339,465
Contingency reserve	29	17,569,448	14,303,164	-	-
Fair value reserves	29	5,308,429	1,108,348	452,226	-
Revaluation reserve	29	1,371,591	1,113,597	-	-
Equity attributable to owners of the parent		123,565,491	71,545,288	46,967,989	34,692,755
Non-controlling interests		10,961,334	9,920,981	-	-
Total equity		134,526,825	81,466,269	46,967,989	34,692,755
Total equity and liabilities		407,294,048	269,800,307	53,478,478	38,302,620

The accounts were approved by the Board of directors on 28 March 2025 and signed on its behalf by:

Dr. (Mrs.) Omobola Johnson
Chairman
FRC/2018/PRO/DIR/003/00000018366

Mr. Wole Oshin
Managing Director
FRC/2013/PRO/DIR/003/00000003054

Mr. Ademola Ajuwon
Chief Financial Officer
FRC/2013/PRO/ICAN/001/00000002068

Consolidated And Separate Statements Of Profit Or Loss And Other Comprehensive Income

For the year ended 31 December, 2024

		Group		Company	
	Notes	31-Dec-24 N'000	31-Dec-23 N'000	31-Dec-24 N'000	31-Dec-23 N'000
Interest income	30	34,425,990	20,999,955	514,592	192,718
Operating and Investment Income	31	21,357,894	12,682,145	7,450,010	8,435,480
Net fair value (losses)/gain	32	15,683,655	(4,792,256)	7,821,252	1,984,162
Net realised gains	33	6,782,590	875,152	6,194,124	72,491
Investment result		78,250,129	29,764,996	21,979,978	10,684,851
Insurance service revenue	34	96,227,786	65,189,856	-	-
Insurance service expenses	36	(68,391,204)	(46,936,075)	-	-
Net expense from reinsurance contract held	37	(35,041,503)	(22,280,551)	-	-
Insurance service result		(7,204,921)	(4,026,770)	-	-
Finance expenses from insurance contracts (net)	38	(8,986,738)	(3,450,991)	-	-
Finance income from reinsurance contracts (net)	38	(113,277)	(118,871)	-	-
Net insurance finance expenses		(9,100,015)	(3,569,862)	-	-
Direct operating expenses	35	(7,984,989)	(3,442,301)	-	-
Net income		53,960,204	18,726,063	21,979,978	10,684,851
Impairment (allowance)/write back	39	(642,249)	(855,158)	(22,552)	-
Finance costs	40	(238,296)	(248,303)	-	-
Unrealised foreign exchange gain	41	23,248,246	17,578,456	2,601	1,886
Management expenses	42	(16,449,185)	(10,443,283)	(2,917,607)	(1,367,433)
Share of result of equity accounted investee	13	793,848	1,238,858	-	-
Share of loss from investment in joint venture	14	-	(5,506)	-	-
Profit before taxation		60,672,568	25,991,127	19,042,420	9,319,304
Income tax expenses	25	(7,129,223)	(6,313,774)	(2,513,920)	(1,068,615)
Profit for the period		53,543,345	19,677,353	16,528,500	8,250,689

Consolidated And Separate Statements Of Profit Or Loss And Other Comprehensive Income Contd

		Group		Company		
Other comprehensive income (OCI):						
Items that will not be reclassified to profit or loss		Notes	31-Dec-24 N'000	31-Dec-23 N'000	31-Dec-24 N'000	31-Dec-23 N'000
Equity-accounted investee -share of OCI	13	(1,724)	3,947	-	-	
Net gain on equity instrument at FVOCI	43	4,821,072	849,064	452,226	-	
Revaluation surplus on freehold property	44	257,994	483,099	-	-	
Items that will not be reclassified to profit or loss						
Reclassification to Profit or loss of derecognition of asset at FVTOCI	43	(71,727)	-	-	-	
Net loss on debt instruments at fair value through other comprehensive income	43	(456,018)	-	-	-	
Other comprehensive income for the period net of tax		4,549,597	1,336,110	452,226	-	
Total comprehensive income for the period		58,092,942	21,013,463	16,980,726	8,250,689	
Profit for the period attributable to:						
– Owners of the parent		52,267,620	19,057,108	16,528,500	8,250,689	
– Non-controlling interests		1,275,725	620,245	-	-	
		53,543,345	19,677,353	16,528,500	8,250,689	
Total comprehensive income attributable to:						
– Owners of the parent		56,908,737	20,170,951	16,980,726	8,250,689	
– Non-controlling interests		1,184,205	842,512	-	-	
		58,092,942	21,013,463	16,980,726	8,250,689	
Earnings per share:						
From continuing operations						
Basic/diluted earnings per share (kobo)	45	889	324	281	140	
From continuing and discontinued operations						
Basic/diluted earnings per share (kobo)	45	889	324	281	140	

Consolidated And Separate Statement Of Changes In Equity

For the year ended 31 December, 2024

GROUP	Attributable to owners of the Parent							Non-Controlling Interests N'000	Total Equity N'000
	Issued Share Capital N'000	Share Premium N'000	Retained Earnings N'000	Contingency Reserve N'000	Revaluation Reserve N'000	Fair Value Reserve N'000	Total N'000		
At 1 January 2024	2,940,933	6,412,357	45,666,889	14,303,164	1,113,597	1,108,348	71,545,288	9,920,981	81,466,269
Profit for the period	-	-	52,267,620	-	-	-	52,267,620	1,275,725	53,543,345
Other comprehensive income	-	-	-	-	257,994	4,200,081	4,458,075	91,522	4,549,597
Transfer between reserves	-	-	(3,266,284)	3,266,284	-	-	-	-	-
	2,940,933	6,412,357	94,668,225	17,569,448	1,371,591	5,308,429	128,270,983	11,288,228	139,559,211
Dividend Paid	-	-	(4,705,492)	-	-	-	(4,705,492)	(326,894)	(5,032,386)
At 31 December 2024	2,940,933	6,412,357	89,962,733	17,569,448	1,371,591	5,308,429	123,565,491	10,961,334	134,526,825

GROUP	Issued Share Capital N'000	Share Premium N'000	Restated Retained Earnings N'000	Contingency Reserve N'000	Revaluation Reserve N'000	Fair Value Reserve N'000	Total N'000	Restated Non-Controlling Interests N'000	Total Equity N'000
At 1 January 2023	2,940,933	6,412,357	31,454,499	13,575,751	630,498	477,604	55,491,642	9,409,347	64,900,989
Profit for the period	-	-	19,057,108	-	-	-	19,057,108	620,245	19,677,353
Other comprehensive income	-	-	-	-	483,099	630,744	1,113,843	222,267	1,336,110
Transfer of fair value reserve of equity instruments designated at FVOCI	-	-	-	-	-	-	-	-	-
Transfer between reserves	-	-	(727,413)	727,413	-	-	-	-	-
	2,940,933	6,412,357	49,784,194	14,303,164	1,113,597	1,108,348	75,662,593	10,251,859	85,914,452
Dividend Paid	-	-	(4,117,305)	-	-	-	(4,117,305)	(330,878)	(4,448,183)
At 31 December 2023	2,940,933	6,412,357	45,666,889	14,303,164	1,113,597	1,108,348	71,545,288	9,920,981	81,466,269

Consolidated And Separate Statements Of Changes In Equity Contd

For the year ended 31 December, 2024

COMPANY	Attributable to owners of the Company						
	Issued Share Capital N'000	Share Premium N'000	Retained Earnings N'000	Contingency Reserve N'000	Revaluation Reserve N'000	Fair Value Reserve N'000	Total N'000
At 1 January 2024	2,940,933	6,412,357	25,339,465	-	-	-	34,692,755
Profit for the period	-	-	16,528,500	-	-	452,226	16,980,726
Dividend Paid	-	-	(4,705,492)	-	-	-	(4,705,492)
At 31 December 2024	2,940,933	6,412,357	37,162,473	-	-	452,226	46,967,989
At 1 January 2023	2,940,933	6,412,357	21,206,081	-	-	-	30,559,371
Profit for the period	-	-	8,250,689	-	-	-	8,250,689
Dividend Paid	-	-	(4,117,305)	-	-	-	(4,117,305)
At 31 December 2023	2,940,933	6,412,357	25,339,465	-	-	-	34,692,755

Consolidated And Separate Statements Of Cash Flows

For the year ended 31 December, 2024

		Group		Company	
		2024 N'000	Restated 2023 N'000	2024 N'000	2023 N'000
Cash flows from operating activities					
Profit before taxation		60,672,568	25,991,127	19,042,420	9,319,304
Adjustments for non-cash items:					
– Depreciation of property, plant and equipment	17	1,014,893	739,076	119,569	126,840
– Deprecition on right-of-use assets	19	27,731	19,975	-	-
– Impairment charge/(write back) on financial assets at amortised costs	39	832,649	676,123	(922)	-
– Amortisation of intangible assets and deferred expenses	16	124,921	53,097	8,378	8,377
– Profit on disposal of property, plant and equipment	33	17,572	(8,762)	21,458	(519)
– Loss/(gain) on disposal of investment property	42	-	-	-	-
– Gain on disposal equities & other investment	33	(6,604,372)	(747,836)	(6,215,582)	(71,972)
– Fair value losses on financial assets FTPL	32	(10,768,156)	6,138,342	(5,233,253)	(1,144,578)
– Fair value gains on investment properties	32	(4,915,499)	(1,346,086)	(2,587,999)	(839,584)
– Exchange rate differential*	41	(1,425,536)	(1,667,534)	(2,601)	(1,886)
– Interest expenses	22	238,296	209,556	-	-
– Share of result of equity accounted investee	13	(793,848)	(1,238,858)	-	-
– Share of loss from investment in joint venture	14	-	5,506	-	-
– WHT on dividend	25	-	64,000	603,333	752,519
– Dividend income	31	(2,499,138)	(1,290,106)	(7,378,537)	(8,047,868)
– Interest income	30	(5,100,539)	(2,043,932)	(458,737)	(160,679)
– Investment income	30	(29,325,451)	(18,956,023)	(55,855)	(32,039)
– Loss from discontinued operation		-	-	-	-
Changes in working capital:					
Increase in reinsurance assets	20	(3,931,121)	(4,332,182)	-	-
Increase in other receivables and prepayment	10	(13,082,461)	(503,440)	(1,349,014)	(668,145)
(Increase)/Decrease in trade receivables	8	123,550	839,048	-	-
Increase in reinsurance liabilities	20	27,253	14,247	-	-
Increase in insurance contract liabilities	20	50,849,464	32,008,295	-	-
Increase in investment contract liabilities	21	(303,141)	175,041	-	-
Increase in other liabilities	24	14,388,118	1,523,409	781,378	48,629
Increase in trade payable	23	12,755,448	9,031,599	-	-
Decrease in inventories	9	(5,529,841)	2,065,601	-	-
Increase in statutory deposit	18	(846,524)	(518,236)	-	-
		55,946,836	46,901,048	(2,705,964)	(711,601)
Income tax paid	25	(1,483,319)	(2,196,697)	(132,559)	(50,537)
Net cash provided by/(used in) operating activities		54,463,517	44,704,351	(2,838,523)	(762,138)

Consolidated And Separate Statements Of Cash Flows Contd

For the year ended 31 December, 2024

		Group		Company	
		2024	Restated 2023	2024	2023
		N'000	N'000	N'000	N'000
Cash flows from investing activities					
Purchase of property, plant and equipment	17	(1,125,315)	(723,383)	(6,168)	(25,882)
Additions to right-of-use asset	19	(126,020)	(12,000)	-	-
Proceeds on disposal of property, plant and equipment		11,888	65,779	-	7,043
Proceeds from disposal of financial assets (FVTPL)		18,867,234	-	862,744	202,607
Deposits for shares	10	(14,587,838)	(1,037,543)	(6,269,510)	-
Purchase of intangible	16	(92,088)	(45,194)	-	-
Purchase of investments (financial assets)		(87,208,507)	(66,570,453)	(1,396,577)	(454,043)
Redemption of investments (financial assets)		15,023,357	7,626,664	9,749,742	-
Purchase of investment in equity accounted investee	13	(609,327)	(186,174)	(609,327)	(186,174)
Purchase of investment properties	15	-	(11,429)	-	-
Dividend received	23&31	2,499,138	1,226,106	6,775,204	4,919,349
Interest income received	30	34,425,990	20,999,955	514,592	192,718
Net cash (used)/provided by investing activities		<u>(32,921,488)</u>	<u>(38,667,672)</u>	<u>9,620,700</u>	<u>4,655,618</u>
Cash flows from financing activities					
Repayment of borrowings	22	(724,061)	-	-	-
Interest paid on borrowings	22	(230,917)	(241,848)	-	-
Proceed from borrowing	22	1,949,805	-	-	-
Dividend Paid during the period		(5,032,386)	(4,448,183)	(4,705,492)	(4,117,305)
Net cash used in financing activities		<u>(4,037,559)</u>	<u>(4,690,031)</u>	<u>(4,705,492)</u>	<u>(4,117,305)</u>
Net increase in cash and cash equivalents		17,504,470	1,346,648	2,076,685	(223,825)
Cash and cash equivalents at beginning of the year	7	25,059,031	22,044,849	1,633,189	1,855,128
Effect of change in exchange rate*	41	1,425,536	1,667,534	2,601	1,886
Cash and cash equivalents at end of the period	7	<u>43,989,037</u>	<u>25,059,031</u>	<u>3,712,475</u>	<u>1,633,189</u>

*Refer to note 62 for changes to presentation of comparative figures.

Notes To The Consolidated And Separate Financial Statements

1 Corporate information

- a) Custodian Investment Plc. ("the Company") is the investment holding company that resulted from the successful merger of Custodian and Allied Insurance Plc and Crusader (Nigeria) Plc. Custodian Investment Plc was incorporated on 22 August 1991 as a private limited liability company under the name Accident and General Insurance Company Limited. It changed its name to Custodian and Allied Insurance Plc on 5 February 1993, became a public limited liability company on 29 September 2006 and later changed its name to Custodian Investment Plc on 24 May 2018.

The Company is quoted on the Nigerian Stock Exchange and has its registered office at 16A Commercial Avenue, Sabo Yaba Lagos, Nigeria.

The financial statements of Custodian Investment Plc have been prepared on a going concern basis. The Directors of the Company have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future.

The financial statements of the Company and the consolidated and separate financial statements of the Group are as at, and for the period ended, 31 December 2024.

b) **Principal activities**

Custodian Investment Plc is an investment holding company with significant interests in life and non-life insurance, pension fund administration, trusteeship and property holding companies. The subsidiaries are:

- Custodian and Allied Insurance Limited - a wholly owned subsidiary that carries on general insurance business,
- Custodian Life Assurance Limited - a wholly owned subsidiary that underwrites life insurance risks, such as those associated with death, disability and health liability. The Company also issues a diversified portfolio of investment contracts to provide its customers with fund management solutions for their savings and other long-term needs.
- Custodian Trustees Limited - a wholly owned subsidiary that carries on the business of Trusteeship and Company Secretarial services.
- Crusader Sterling Pensions Limited - a subsidiary that is involved in the administration and management of Pension Fund Assets. The group owns 76.55% of Crusader Sterling Pensions Limited.
- UPDC Plc - a subsidiary that engages in the acquisition, development, sale and management of a diverse mix of commercial, residential, hospitality and retail property assets across Nigeria. The group owns 51% UPDC.

Notes To The Consolidated And Separate Financial Statements Contd

c) **Going Concern**

These consolidated and separate financial statements have been prepared on the going concern basis. The Group has no intention or need to reduce substantially the scope of its business operations. The management believes that the going concern assumption is appropriate for the Group and the Company due to sufficient capital adequacy ratio and projected liquidity, based on historical experience that short-term obligations will be financed in the normal course of business. Liquidity ratio and continuous evaluation of current ratio of the Group is carried out to ensure that there are no going concern threats to the operation of the Group.

d) **Statement of compliance**

The Group's consolidated and separate financial statements for the year ended 31 December 2024 have been prepared in accordance with IFRS Accounting Standard as issued by the International Accounting Standards Board ("IASB").

The consolidated and separate financial statements comply with the requirement of the Companies and Allied Matters Act, 2020, Insurance Act, CAP I17 LFN 2004, the Financial Reporting Council Amendment Act, 2023 and the Guidelines issued by the National Insurance Commission to the extent that they are not in conflict with the IFRS Accounting Standards. Additional information required by national regulations is included where appropriate.

2 **Material accounting policies**

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

2.1 **Basis of preparation and measurement**

The financial statements comprise the consolidated and separate statements of financial position, the consolidated and separate statements of profit or loss and other comprehensive income, the consolidated and separate statements of changes in equity, the consolidated and separate statements of cash flows and summary of material accounting policies and notes to the consolidated and separate financial statements which have been prepared in accordance with the going concern principle under the historical cost convention, except for financial assets measured at fair value through profit or loss, investment properties, investment in equity instruments at fair value through other comprehensive income and land buildings, which have been measured at fair value.

Notes To The Consolidated And Separate Financial Statements Contd

The Group and the Company classifies their expenses by the nature of expense method.

The figures shown in the consolidated and separate financial statements are stated in thousands unless otherwise indicated.

The disclosures on risks from financial instruments are presented in the financial risk management report.

The consolidated and separate statements of cash flows shows the changes in cash and cash equivalents arising during the year from operating activities, investing activities and financing activities. Cash and cash equivalents include short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

The cash flows from operating activities are determined by using the indirect method and the net income is therefore adjusted by non-cash items, such as measurement gains or losses, changes in provisions, as well as changes from receivables and liabilities in the corresponding note. In addition, all income and expenses from cash transactions that are attributable to investing or financing activities are eliminated. Fees and commission received or paid, income tax paid are classified as operating cash flows.

The Group's assignment of the cash flows to operating, investing and financing category depends on the Group's business model (management approach).

Financial assets and financial liabilities are offset and the net amount reported in the consolidated and separate statements of financial position only when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liability simultaneously.

2.2 Basis of consolidation

Subsidiaries

The financial statements of subsidiaries are consolidated from the date the Group acquires control, up to the date that such effective control ceases. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Notes To The Consolidated And Separate Financial Statements Contd

Profit or loss and each component of OCI are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

For the purpose of these financial statements, subsidiaries are entities over which the Group, directly or indirectly, has the power to govern the financial and operating policies so as to obtain benefits from their activities.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions (transactions with owners). Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the Group.

Inter-company transactions, balances and unrealised gains on transactions between companies within the Group are eliminated on consolidation. Unrealised losses are also eliminated in the same manner as unrealised gains, but only to the extent that there is no evidence of impairment. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group. In the separate financial statements, investments in subsidiaries and associates are measured at cost.

Loss of Control

On loss of control, the Group derecognises the assets and liabilities of the subsidiary, any controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost.

Subsequently, that retained interest is accounted for as an equity-accounted investee or as a financial asset at fair value through other comprehensive income (FVTOCI) depending on the level of influence retained.

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Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting and are initially recognised at cost. The Group's investment in associates includes goodwill identified on acquisition, net of any accumulated impairment loss.

The Group's share of its associates' post-acquisition profits or losses is recognised in profit or loss, and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equal or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Dilution gains and losses arising in investments in associates are recognised in profit or loss.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, and then recognises the loss as Share of profit of an associate in profit or loss.

Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

Non-controlling interests

Acquisitions of non-controlling interests are accounted for as transactions with equity holders in their capacity as owners and therefore no goodwill is recognised as a result of such transactions. The adjustments to non-controlling interests are based on the proportionate amount of the net assets of the subsidiary.

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Non-controlling interests are measured at their proportionate share of the acquirer's identifiable net assets at the acquisition date. Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

2.3 Functional and presentation currency

The financial statements are presented in Nigerian Naira, which is the Company's functional currency. Except where expressly indicated, financial information presented in Naira has been rounded to the nearest thousand.

2.4 Insurance and reinsurance contracts classification

The Group issues insurance contracts in the normal course of business, under which it accepts significant insurance risk from its policyholders by agreeing to compensate the policyholder if a specified uncertain future event adversely affects the policyholder. As a general guideline, the Group determines whether it has significant insurance risk on a contract by contract basis by comparing benefits payable after an insured event with benefits payable if the insured event did not occur. In making this assessment, the Group considers all its substantive rights and obligations, whether they arise from contract, law or regulation. The Group determines whether a contract contains significant insurance risk by assessing if an insured event could cause the Group 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 Group's Insurance contracts are classified into various classes like Non life Insurance contracts (Motor, Aviation, Bond, Marine, Accident, Engineering , Oil and gas) and Life insurance contracts (Group Life, Credit Life, Individual Life and Annuities. Products sold by the Group are classified as insurance contracts when the Group accepts significant insurance risk from a policyholder.

The Group also issues a diversified portfolio of investment contracts to provide its customers with fund management solutions for their savings and other long-term needs. The Group does not issue any contracts with discretionary participating features (DPF).

The Group uses facultative and treaty reinsurance to mitigate some of its risk exposures. Reinsurance contracts held are accounted for applying IFRS 17 when they meet the definition of an insurance contract. This includes the condition that the contract must transfer significant insurance risk. Reinsurance contracts transfer significant insurance risk only if they transfer to the reinsurer substantially all the insurance risk relating to the reinsured portions of the underlying insurance contracts, even if a reinsurance contract does not expose the issuer (reinsurer) to the possibility of a significant loss.

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Reinsurance contracts held are accounted for separately from underlying insurance contracts issued and are assessed on an individual contract basis.

Insurance risk on Non Life business and Group life insurance contracts are ceded out to reinsurance companies via quota share reinsurance contracts held and accounted for applying the PAA, the Group assumes that all reinsurance contracts held in each portfolio will not result in a net gain on initial recognition, unless facts and circumstances indicate otherwise.

In determining the timing of initial recognition of a reinsurance contract held, the Group assesses whether the reinsurance contract's terms provide protection on losses on a proportionate basis. The Group recognises a group of reinsurance contracts held that provides proportionate coverage:

- At the start of the coverage period of that group of reinsurance contracts held
- At the initial recognition of any of the underlying insurance contracts, whichever is later

The Group recognises a group of non-proportional reinsurance contracts at the earliest of the beginning of the coverage period of the group or the date an underlying onerous group of contracts is recognised. The boundary of a reinsurance contract held includes cash flows resulting from the underlying contracts covered by the reinsurance contract held. This includes cash flows from insurance contracts that are expected to be issued by the Group in the future if these contracts are expected to be issued within the boundary of the reinsurance contract held.

The Group does not have any reinsurance contracts held measured under the General Model Cash flows are within the boundary of a reinsurance contract held, if they arise from the substantive rights and obligations of the cedant that exist during the reporting period in which the Group is compelled to pay amounts to the reinsurer or has a substantive right to receive services from the reinsurer.

Recognition, measurement and presentation of insurance contracts

i) **Separating components from insurance and reinsurance contracts**

Some insurance contracts may contain one or more components that would be within the scope of another IFRS if they were separate contracts. Such components may be embedded derivatives, an investment component, or a component for services other than insurance contract services. When separated, those components must be accounted for under the relevant IFRS instead of under IFRS 17. This makes these components more comparable to similar contracts that are issued by the Group and other entities as separate contracts and allows users of financial statements to better compare the risks undertaken by entities in different businesses or industries.

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Therefore, the Group:

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

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

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

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

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

The Group assesses its life insurance products to determine whether they contain distinct components which must be accounted for under another IFRS instead of under IFRS 17. Currently, the Group's products do not include any distinct components that require separation.

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Some reinsurance contracts issued contain profit commission arrangements. Under these arrangements, there is a minimum guaranteed amount that the policyholder will always receive either in the form of profit commission, or as claims, or another contractual payment irrespective of the insured event happening. The minimum guaranteed amounts have been assessed to be highly interrelated with the insurance component of the reinsurance contracts and are, therefore, non-distinct investment components which are not accounted for separately.

ii) **Combining a set or series of contracts**

Sometimes, the Group enters into two or more contracts at the same time with the same or related counterparties to achieve an overall commercial effect. The Group 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 Group considers whether:

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

iii) **Level of aggregation**

The starting point for aggregating contracts is to identify portfolios of insurance contracts. A portfolio comprises contracts that are subject to similar risks and managed together. Each portfolio is subdivided into groups of contracts to which the recognition and measurement requirements of IFRS 17 are applied. At initial recognition, the Group 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 based on the initial assessment of the contracts and the expectations as at the date of initial recognition, with fulfilment cash flow expectations determined on a probability-weighted basis and management judgment of whether the contracts are onerous on initial recognition, have no significant possibility of becoming onerous subsequently and remaining contracts.

The Group manages insurance contracts issued by product lines within an operating segment, where each product line includes contracts that are subject to similar risks. All insurance contracts within a product line represent a portfolio of contracts. Each portfolio is further disaggregated into groups of contracts that are issued within a calendar year (annual cohorts).

The Group determines the level of aggregation for applying its requirements. The level of aggregation for the Group is determined firstly by dividing the business written into portfolios using the current lines of business framework with consideration for the reserving segmentation and product types within each line of business to support the definition of similar risk. These lines of business include Motor, Aviation, Bond, Marine, Accident, Engineering , Oil

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and gas for Non-life insurance contracts and Group Life, Credit Life, Individual Life and Annuities for Life insurance contracts. Portfolios are further divided based on expected profitability at inception into three categories: onerous contracts, contracts with no significant risk of becoming onerous, and the remainder. This means that, for determining the level of aggregation, the Group identifies a contract as the smallest 'unit', i.e., the lowest common denominator. However, the Group makes an evaluation of whether a series of contracts need to be treated together as one unit based on reasonable and supportable information, or whether a single contract contains components that need to be separated and treated as if they were stand-alone contracts. As such, what is treated as a contract for accounting purposes may differ from what is considered as a contract for other purposes (i.e., legal or management). IFRS 17 also requires that no group for level of aggregation purposes may contain contracts issued more than one year apart. At initial recognition, the Group 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:

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

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

The Group has elected to group together those contracts that would fall into different groups only because law or regulation specifically constrains its practical ability to set a different price or level of benefits for policyholders with different characteristics.

The Group determines the appropriate level at which reasonable and supportable information is available to assess whether the contracts are onerous at initial recognition or whether the contracts not onerous at initial recognition have a significant possibility of becoming onerous subsequently. The Group applies significant judgement in determining at what level of granularity the Group has sufficient information to conclude that all contracts within a set will be in the same group. In the absence of such information, the Group assesses each contract individually.

If facts and circumstances indicate that some contracts may be onerous at initial recognition or the group of contracts has become onerous, the Group performs a quantitative assessment to assess whether the carrying amount of the liability for remaining coverage determined applying the PAA is less than the fulfilment cash flows related to remaining coverage determined applying the General Model. If the fulfilment cash flows related to remaining coverage

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determined applying the General Model exceed the PAA carrying amount of the liability for remaining coverage, the difference is recognised in profit or loss and the liability for remaining coverage is increased by the same amount.

The profitability of groups of contracts is assessed by actuarial valuation models that take into consideration existing and new business. For contracts that are not onerous, the Group 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 Group considers facts and circumstances to identify whether a group of contracts are onerous based on:

- Historical loss ratio
- Pricing information
- Environmental factors, e.g., a change in market experience or regulations
- Results of similar contracts it has recognised

The Group divides portfolios of reinsurance contracts held applying the same principles set out above, except that the references to onerous contracts refer to contracts on which there is a net gain on initial recognition.

In aggregating reinsurance contracts held, the Group determines portfolios in the same way as it determines portfolios of underlying insurance contracts issued. The Group considers that each product line reinsured at the ceding entity level to be a separate portfolio.

The Group disaggregates a portfolio of its reinsurance contracts held into three groups of contracts

- Contracts that on initial recognition have a net gain
- Contracts that, on initial recognition, have no significant possibility of resulting in a net gain subsequently
- Any remaining reinsurance contracts held in the portfolio

iv) **Contract boundary**

The measurement of a group of insurance contracts includes all future cash flows expected to arise within the boundary of each contract in the group. A contract is an arrangement that binds one or both of the parties involved. If both parties are bound equally, the boundary of the contract is generally clear. Similarly, if neither party is bound, i.e. no substantive right and obligation, no enforceable contract exists. Thus:

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

The measurement of a group of insurance contracts includes all the cash flows expected to result from the contracts in the group, reflecting estimates of policyholder behaviour. Thus, to identify the future cash flows that will arise as the Group fulfils its obligations, it is necessary to determine the contract boundary that distinguishes whether future premiums, and the resulting benefits and claims, arise from:

- Existing insurance contracts. If so, those future premiums, and the resulting benefits and claims, are included in the measurement of the group of insurance contracts,
- Or
- Future insurance contracts. If so, those future premiums, and the resulting benefits and claims, are not included in the measurement of the group of existing insurance contracts,

As such, the Group does not recognize a liability or asset relating to expected premiums or expected claims outside the boundary as such amounts relates to future insurance contracts. However, the Group recognizes an asset for acquisition cash flows paid before the related group of insurance contracts is recognized.

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

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

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Or both of the following criteria are satisfied:

- The Group has the practical ability to reassess the risks of the portfolio of insurance contracts that contain the contract and, as a result, can set a price or level of benefits that fully reflects the risk of that portfolio
- The pricing of the premiums up to the date when the risks are reassessed does not take into account the risks that relate to periods after the reassessment date.

A liability or asset relating to expected premiums or claims outside the boundary of the insurance contract is not recognised. Such amounts relate to future insurance contracts. The Group has set contract boundaries for its portfolio of insurance contracts based on the duration of coverage and the policy term as stated in the policy document for each class of business.

v) **Recognition**

The Group recognises groups of insurance contracts it issues from the earliest of the following:

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

The Group 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 representing the unearned profit in the contracts relating to services that will be provided under the contracts.

Initial recognition of reinsurance contracts held

The Group recognises a group of reinsurance contracts held it has entered into from the earlier of the following:

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

And

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

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

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

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

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

Initial recognition of insurance acquisition cash flows

Insurance acquisition cash flows are cash flows arising from the costs of selling, underwriting and starting a group of insurance contracts that are directly attributable to the portfolio of insurance contracts to which the group belongs. Such cash flows include cash flows that are not directly attributable to individual contracts or groups of insurance contracts within the portfolio.

The Group has aggregated its directly attributable expenses into the following classes including claims expenses, acquisition cost, salary and wages of marketing of underwriting staff, Vat on commission, insurance levy, risk inspection survey expense, conveyance, motor running expenses, stamp duty, postage and telephone, entertainment and hotel expenses, travelling, training of technical and marketing staff and ITF expenses. The Group allocates acquisition cost to policies based on applicable rate per policy, claims expenses are allocated based on number of claims on the policies and fixed, variable overhead cost and other maintenance cost are allocated based on apportionment basis.

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

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

- Insurance acquisition cash flows that are directly attributable to a group of insurance contracts:
 - To that group; and
 - To groups that will include insurance contracts that are expected to arise from renewals of the insurance contracts in that group
- Insurance acquisition cash flows directly attributable to a portfolio of insurance contracts that are not directly attributable to individual contracts or groups of contracts to groups in the portfolio.

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

The asset for insurance acquisition cash flow is derecognized from the statement of financial position when the insurance acquisition cash flows are included in the initial measurement of the related group of insurance contracts.

After any re-allocation, the Group assesses the recoverability of the asset for insurance acquisition cash flows, if facts and circumstances indicate the asset may be impaired. When assessing the recoverability, the Group applies:

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

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

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

vi) **Measurement**

General Measurement Model (GMM)

Insurance contract – Initial measurement

The general model measures a group of insurance contracts as the total of:

- Fulfilment cash flows
- A contractual service margin (CSM) representing the unearned profit the Group will recognise as it provides insurance contract services under the insurance contracts in the group.

Fulfilment cash flows comprise unbiased and probability-weighted estimates of future cash flows, discounted to present value to reflect the time value of money and financial risks, plus a risk adjustment for non-financial risk.

The Group's objective in estimating future cash flows is to determine the expected value, or the probability-weighted mean, of the full range of possible outcomes, considering all reasonable and supportable information available at the reporting date without undue cost or effort. The Group estimates future cash flows considering a range of scenarios which have commercial substance and give a good representation of possible outcomes. The cash flows from each scenario are probability-weighted and discounted using current assumptions.

When estimating future cash flows, the Group includes all cash flows that are within the contract boundary including:

- Premiums and related cash flows
- Claims and benefits, including reported claims not yet paid, incurred claims not yet reported and expected future claims
- Payments to policyholders resulting from embedded surrender value options
- An allocation of insurance acquisition cash flows attributable to the portfolio to which the contract belongs
- Claims handling costs

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- Policy administration and maintenance costs, including recurring commissions that are expected to be paid to intermediaries
- An allocation of fixed and variable overheads directly attributable to fulfilling insurance contracts
- Transaction-based taxes

The Group's Annuity products as well as individual life products are to be measured using the GMM approach, because the coverage period of each contract it issues is usually between 5 years to 20 years, with the exception of the Esusu Shield plan, an individual life product, which has a minimum tenor of one year and maximum tenor of 20 years. The Group's individual life and annuity products are tabulated below:

Annuities	<ul style="list-style-type: none"> - Pension Regulated Annuities - Deferred Annuities
Individual Life products	<ul style="list-style-type: none"> - Capital Builder Plan - Dollar-linked Investment Plan - Esusu Shield - Investment Plus Plan - Personal Provident Plan - Dignity Plan - Education Endowment - Ordinary Endowment - Lifetime Harvest - Mortgage Plan - Term Assurance - Funeral Plan"

Table 1.1 – Table of Individual Life and Annuity products

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The Group provides investment-return services in respect of contracts that it issues and it performs investment activities for the benefit of policyholders. The Group 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 Group 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 Group'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 on the basis of the passage of time. The Group does not elect to accrete interest on insurance acquisition cash flows to be allocated to profit or loss.

The Group determines at initial recognition the group's coverage units. The Group then allocates the group's CSM based on the coverage units provided in the period.

Reinsurance contracts held – initial measurement.

The measurement of reinsurance contracts held follows the same principles as those for insurance contracts issued, with the exception of the following:

- Measurement of the cash flows include an allowance on a probability-weighted basis for the effect of any non-performance by the reinsurers, including the effects of collateral and losses from disputes
- The Group determines the risk adjustment for non-financial risk so that it represents the amount of risk being transferred to the reinsurer
- The Group recognises both day 1 gains and day 1 losses at initial recognition in the statement of financial position as a CSM and releases this to profit or loss as the reinsurer renders services, except for any portion of a day 1 loss that relates to events before initial recognition

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

The Group calculates the loss-recovery component by multiplying the loss recognised on the underlying insurance contracts and the percentage of claims on the underlying insurance contracts the Group expects to recover from the group of reinsurance contracts held. Where only some contracts in the onerous underlying group are covered by the group of reinsurance contracts held, the Group uses a systematic and rational method to determine the portion of losses recognised on the underlying group of insurance contracts to insurance contracts covered by the group of reinsurance contracts held.

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

Where the Group enters into reinsurance contracts held which provide coverage relating to events that occurred before the purchase of the reinsurance, such cost of reinsurance is recognised in profit or loss on initial recognition."

Insurance contracts – subsequent measurement

The CSM at the end of the reporting period represents the profit in the group of insurance contracts that has not yet been recognised in profit or loss, because it relates to future service to be provided.

For a group of insurance contracts the carrying amount of the CSM of the group at the end of the reporting period equals the carrying amount at the beginning of the reporting period adjusted, as follows:

- The effect of any new contracts added to the group
- Interest accreted on the carrying amount of the CSM during the reporting period, measured at the discount rates at initial recognition
- The changes in fulfilment cash flows relating to future service, except to the extent that:
- Such increases in the fulfilment cash flows exceed the carrying amount of the CSM, giving rise to a loss
- Or
- Such decreases in the fulfilment cash flows are allocated to the loss component of the liability for remaining coverage
- The effect of any currency exchange differences on the CSM

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- The amount recognised 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 (before any allocation) over the current and remaining coverage period.

The locked-in discount rate is the weighted average of the rates applicable at the date of initial recognition of contracts that joined a group over a 12-month period. The discount rate used for accretion of interest on the CSM is determined using the bottom-up approach at inception.

The changes in fulfilment cash flows relating to future service that adjust the CSM comprise of:

- Experience adjustments that arise from the difference between the premium receipts (and any related cash flows such as insurance acquisition cash flows and insurance premium taxes) and the estimate, at the beginning of the period, of the amounts expected. Differences related to premiums received (or due) related to current or past services are recognised immediately in profit or loss while differences related to premiums received (or due) for future services are adjusted against the CSM.
- Changes in estimates of the present value of future cash flows in the liability for remaining coverage, except those relating to the time value of money and changes in financial risk (recognised in the statement of profit or loss and other comprehensive income rather than adjusting the CSM)
- Differences between any investment component expected to become payable in the period and the actual investment component that becomes payable in the period. Those differences are determined by comparing (i) the actual investment component that becomes payable in the period with (ii) the payment in the period that was expected at the start of the period plus any insurance finance income or expenses related to that expected payment before it becomes payable. The same applies to a policyholder loan that becomes repayable.
- Changes in the risk adjustment for non-financial risk that relate to future service.

Except for changes in the risk adjustment, adjustments to the CSM noted above are measured at discount rates that reflect the characteristics of the cash flows of the group of insurance contracts at initial recognition.

Where, during the coverage period, a group of insurance contracts becomes onerous, the Group recognises a loss in profit or loss for the net outflow, resulting in the carrying amount of the liability for the group being equal to the fulfilment cash flows. A loss component is established by the Group for the liability for remaining coverage for such onerous group depicting the losses recognised.

Notes To The Consolidated And Separate Financial Statements Contd

The Group measures the carrying amount of a group of insurance contracts at the end of each reporting period as the sum of: (i) the liability for remaining coverage comprising fulfilment cash flows related to future service allocated to the group at that date and the CSM of the group at that date; and (ii) the liability for incurred claims for the Group comprising the fulfilment cash flows related to past service allocated to the group at that date.

Reinsurance contracts held – subsequent measurement

The measurement of reinsurance contracts held follows the same principles as those for insurance contracts issued, with the exception of the following:

- Changes in the fulfilment cash flows are recognised in profit or loss if the related changes arising from the underlying ceded contracts have been recognised in profit or loss. Alternatively, changes in the fulfilment cash flows adjust the CSM.
- Changes in the fulfilment cash flows that result from changes in the risk of non-performance by the issuer of a reinsurance contract held do not adjust the contractual service margin as they do not relate to future service.

Any change in the fulfilment cash flows of a retroactive reinsurance contract held due to the changes of the liability for incurred claims of the underlying contracts is taken to profit and loss and not the contractual service margin of the reinsurance contract held.

Where a loss component has been set up subsequent to initial recognition of a group of underlying insurance contracts, the portion of income that has been recognised from related reinsurance contracts held is disclosed as a loss-recovery component.

Where the Group has established a loss-recovery component, the Group adjusts the loss-recovery component to reflect changes in the loss component of an onerous group of underlying insurance contracts.

A loss-recovery component reverses consistent with reversal of the loss component of underlying groups of contracts issued, even when a reversal of the loss-recovery component is not a change in the fulfilment cash flows of the group of reinsurance contracts held. Reversals of the loss-recovery component that are not changes in the fulfilment cashflows of the group of reinsurance contracts held adjust the CSM.

Notes To The Consolidated And Separate Financial Statements Contd

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

The Group interprets that all contracts measured using the premium allocation approach (PAA) are profitable unless there has been approval through an official process to implement commercial actions such as promotional discounts on premium rate, selling loss leaders to gain market shares or no claims discount on renewal of policies that would results in a group of contracts being onerous.

Where facts and circumstances indicate that contracts are onerous at initial recognition, the Group performs additional analysis to determine if a net outflow is expected from the contract. Such onerous contracts are separately grouped from other contracts and the Group recognises a loss in profit or loss for the net outflow, resulting in the carrying amount of the liability for the group being equal to the fulfilment cash flows. A loss component is established by the Group for the liability for remaining coverage for such onerous group depicting the losses recognized.

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

Reinsurance contracts held – initial measurement.

The Group measures its reinsurance assets for a group of reinsurance contracts that it holds on the same basis as insurance contracts that it issues. However, they are adapted to reflect the features of reinsurance contracts held that differ from insurance contracts issued, for example the generation of expenses or reduction in expenses rather than revenue.

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

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The Group's portfolio of Non Life products and Group Life products are measured using the PAA approach, because the coverage period of each contract it issues is usually for a period of One (1) year. For the long-term (coverage period of more than one year) insurance contracts under the Credit Life class of business, the Group will perform the PAA eligibility test as required by the second criteria stated above and has set materiality level for difference in the liability for remaining coverage at plus or minus 5%.

The Group interprets "reasonably expects" to mean the liability for remaining coverage under the premium allocation approach (PAA) and general measurement model (GMM) under all probable scenarios is immaterial. Hence the Group has defined probable scenario for both economic and non-economic assumptions which includes interest rate sensitivity of +/- 1%, expenses of +/- 10%, expense inflation of +/- 2%, lapse at +/- 10% and mortality of +/- 5%.

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

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

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

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

For the Non life products and Group Life (with one year tenor or less), the liability for remaining coverage (LFRC) is not discounted to reflect the time value of money and the effect of financial risk as the premiums are received for one year and the liability is limited to one year coverage period.

Notes To The Consolidated And Separate Financial Statements Contd

Premium Allocation Approach (PAA)

Insurance contract – Initial measurement

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

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

- The premium allocation approach does not require separate identification of the elements (i.e., the four building blocks) of the general model until a claim is incurred. Only a total amount for a liability for remaining coverage on initial recognition is determined
- Subsequently, the liability for remaining coverage is recognised by the Group over the coverage period on a pro rata basis (the basis of passage of time) unless the expected pattern of release from risk differs significantly from the passage of time, in which case, it is recognised based on the expected timing of incurred claims and benefits
- The Group need only assess whether a group of insurance contracts is onerous if facts and circumstances indicate that the group is onerous. The general model effectively requires an assessment of whether a group of contracts is onerous at each reporting date after the initial recognition of a group
- The Group also has certain elections available once it applies the premium allocation approach for a group of insurance contracts. This includes:
 - The Group applies the premium allocation approach (PAA) to all the insurance contracts that it issues and reinsurance contracts that it holds, as:
 - The coverage period of each contract in the group is one year or less, including insurance contract services arising from all premiums within the contract boundary
- Or
- For contracts longer than one year, the Group has modelled possible future scenarios and reasonably expects that the measurement of the liability for remaining coverage for the group containing those contracts under the PAA does not differ materially from the measurement that would be produced applying the general model. In assessing materiality, the Group has also considered qualitative factors such as the nature of the risk and types of its lines of business.

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The Group calculates the loss-recovery component by multiplying the loss recognised on the underlying insurance contracts and the percentage of claims on the underlying insurance contracts the Group expects to recover from the group of reinsurance contracts held. The Group uses a systematic and rational method to determine the portion of losses recognised on the group to insurance contracts covered by the group of reinsurance contracts held where some contracts in the underlying group are not covered by the group of reinsurance contracts held.

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

Insurance contracts – subsequent measurement

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

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

The Group estimates the liability for incurred claims as the fulfilment cash flows related to incurred claims. The fulfilment cash flows incorporate, in an unbiased way, all reasonable and supportable information available without undue cost or effort about the amount, timing and uncertainty of those future cash flows, they reflect current estimates from the perspective of the Group and include an explicit adjustment for non-financial risk (the risk adjustment). The Group does not adjust the future cash flows for the time value of money and the effect of financial risk for the measurement of liability for incurred claims that are expected to be paid within one year of being incurred.

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

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Subsequent measurement – liability for incurred claims

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

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

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

Reinsurance contracts held – subsequent measurement

The subsequent measurement of reinsurance contracts held follows the same principles as those for insurance contracts issued and has been adapted to reflect the specific features of reinsurance held.

Where the Group has established a loss-recovery component, the Group subsequently reduces the loss- recovery component to zero in line with reductions in the onerous group of underlying insurance contracts in order to reflect that the loss-recovery component shall not exceed the portion of the carrying amount of the loss component of the onerous group of underlying insurance contracts that the Group expects to recover from the group of reinsurance contracts held.

vii) Modification and derecognition

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

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

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

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

The Group derecognises insurance contracts when:

- The rights and obligations relating to the contract are extinguished (i.e., discharged, cancelled or expired)
Or
- The contract is modified such that the modification results in a change in the measurement model or the applicable standard for measuring a component of the contract, substantially changes the contract boundary, or requires the modified contract to be included in a different group. In such cases, the Group derecognises the initial contract and recognises the modified contract as a new contract.

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- Adjusts the contractual service margin of the group, from which the contract has been derecognised for the difference between the change in the contractual cash flows resulting from derecognition and the hypothetical premium the Group would have charged, had it entered into a contract with terms equivalent to the new contract at the date of the contract modification, less any additional premium charged for the modification (unless the decrease in fulfilment cash flows is allocated to the loss component of the liability for remaining coverage)
And
- Measures the new contract recognised assuming the Group received the hypothetical premium that it would have charged, had it entered into the modified contract at the date of the contract modification.

viii) **Insurance revenue**

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

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

Loss components

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

Loss-recovery components

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

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

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

Insurance contract -Derecognition resulting from extinguishment

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

- The fulfilment cash flows allocated to the group for both the liability for remaining coverage and the liability for incurred claims are adjusted to eliminate the present value of the future cash flows and risk adjustment for non-financial risk relating to the rights and obligations that have been derecognised from the group
- The contractual service margin of the group is adjusted for the change in fulfilment cash flows described above, to the extent required by the general model
- The number of coverage units for expected remaining insurance contract services is adjusted to reflect the coverage units derecognised from the group, and the amount of the contractual service margin recognised in profit or loss in the period is based on that adjusted number to reflect services provided in the period.

Derecognition resulting from transfer

When the Group derecognises an insurance contract because it transfers the contract to a third party, the Group:

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

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

Derecognition resulting from modification

When the Group derecognises an insurance contract and recognises a new insurance contract as a result of a modification described above, the Group:

Adjusts the fulfilment cash flows allocated to the group relating to the rights and obligations that have been derecognised, as discussed above

Notes To The Consolidated And Separate Financial Statements Contd

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

ix) **Insurance finance income and expense**

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

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

Net income or expense from reinsurance contracts held

The Group 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 on net basis. The Group 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.

2.5 **Investment income**

Investment income consists of interest and rent income, dividends, movements in amortized cost on debt securities and other loans and receivables, realized gains and losses, and unrealized gains and losses on fair value assets.

Interest income and expenses

Interest income and expense for all interest-bearing financial instruments, except for those classified at fair value through profit or loss, are recognised within 'investment income' and 'finance cost' in the profit or loss using the effective interest method. The effective interest rate is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial asset or liability (or, where appropriate, a shorter period) to the net carrying amount of the financial asset or liability. The effective interest rate is calculated on initial recognition of the financial asset and liability and is not revised subsequently.

The calculation of the effective interest rate includes all fees and points paid or received transaction costs, and discounts or premiums that are an integral part of the effective interest rate. Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or liability.

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Interest income and expense on all trading assets and liabilities are considered to be incidental to the Group's trading operations and are presented together with all other changes in the fair value of trading assets and liabilities in net trading income.

Interest income is recognised in the income statement as it accrues and is calculated by using the effective interest rate method. Fees and commissions that are an integral part of the effective yield of the financial asset or liability are recognised as an adjustment to the effective interest rate of the instrument.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost and at FVTOCI. For financial assets other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

Rental income

Rental income arising from operating leases on investment properties and land and building is accounted for on a straight-line basis over the lease terms and is included in other operating income.

Dividends

Dividend income is recognised when the right to receive income is established. Dividends are reflected as a component of other investment and sundry income.

2.6 Revenue from contract with customers

The Group is also in the business of acquiring, developing, selling and managing high quality, serviced commercial and residential accommodation and retail space.

These contracts are divided into three revenue streams namely:

- Sales of Goods - Sale of property stock
- Hotel Management services: Rental of rooms, conference halls as well as food & beverages.
- Facilities management services provided to the customer: Rendering of services - Management fees and service charge surcharge

Notes To The Consolidated And Separate Financial Statements Contd

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

The Group has applied IFRS 15 practical expedient to a portfolio of contracts (or performance obligations) with similar characteristics since the Group reasonably expect that the accounting result will not be materially different from the result of applying the standard to the individual contracts. The Group has been able to take a reasonable approach to determine the portfolios that would be representative of its types of customers and business lines. This has been used to categorise the different revenue stream detailed below:"

Revenue from Sale of Property Stock is recognised at the point in time when control of the asset is transferred to the customer, generally on transfer of the property. The normal credit term is 30 to 90 days upon transfer. The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g., warranties). In determining the transaction price for the sale of property, the Group considers the effects of variable consideration, the existence of significant financing components, noncash consideration, and consideration payable to the customer (if any)

Hotel Management revenue activities of the group comprise room rentals to guests, the sale of food and beverages, renting of allied hotel facilities and event hosting and hall hires. Revenue from each segment is recognized in the statement of profit or loss when a contract is validated to exist with a customer and associated performance obligations satisfied which precipitates the recognition of the revenue often against deposits from customers. Revenue from the rent of floor space/certain hotel facilities are contracted informal lease agreements and revenue is recognized over the term of the lease agreement, prorated on a straight-line basis, unless another systematic and rational method is more representative of the pattern of benefits to be derived from the lease. Revenue recognized is net of value added tax. Discounts and rebates offered as sales incentives are treated as remeasurement of income and dealt with directly in revenues.

Facility management services are either sold separately or bundled together with rental services to a customer. Facility Management service comprised of two performance obligations when the promise to provide rental services and other project management services are capable of being distinct and separately identifiable. Accordingly, the group allocates the transaction price based on contract price. The group recognizes revenue generally when the project is completed.

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Significant financing component

Using the practical expedient in IFRS 15, the Group does not adjust the promised amount of consideration for the effects of a significant financing component since it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less. As a consequence, the Group does not adjust any of the transaction prices for the time value of money."

2.7 Fees and commission income

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

Fees and commission income consists primarily of agency and brokerage commission, reinsurance and profit commissions, policyholder administration fees and other contract fees. Reinsurance commission receivables are deferred in the same way as acquisition costs. All other fees and commission income are recognized as the services are provided.

2.8 Trade Receivables

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

Contract Liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

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2.9 Income tax expenses

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

2.10 Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date in Nigeria. Current income tax assets and liabilities also include adjustments for tax expected to be payable or recoverable in respect of previous periods.

Current income tax relating to items recognized directly in equity or other comprehensive income is recognized in equity or other comprehensive income and not in the statement of profit or loss.

Current tax assets and current tax liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

2.11 Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

In respect of taxable temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and deferred tax liabilities are off set if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

2.12 Foreign currency translation

The Nigerian Naira is the Group's functional and reporting currency. Foreign currency transactions are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the exchange rate ruling at the reporting date, the resulting foreign exchange gain or loss is recognized in the profit or loss.

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Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition. Differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary assets and liabilities denominated in foreign currency at historical cost are translated using the exchange rate at the date of the transaction: no exchange differences therefore arise. Non-monetary assets and liabilities denominated in foreign currency at fair value are translated using the exchange rate ruling at the date that the fair value was determined. When a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss shall be recognised in other comprehensive income. Conversely, when a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss shall be recognised in profit or loss.

2.13 Earnings per share

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

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

2.14 Cash and cash equivalents

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

Cash and cash equivalents are carried at amortised cost in the statement of financial position. The carrying value is the cost of the deposit and accrued interest. The fair value of fixed interest bearing deposits is estimated using discounted cash flow techniques. Expected cash flows are discounted at current market rates for similar instruments at the reporting date.

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2.15 Financial instrument

Initial recognition and measurement

Financial assets are classified, at initial recognition and subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15. Refer to the accounting policies on Revenue from non-insurance contracts with customers.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Business model assessment

There are three business models available under IFRS 9:

- Hold to collect Financial assets with objective to collect contractual cash flows.
- Hold to Collect and sell (Financial assets held with the objective of both collecting contractual cash flows and selling financial assets).
- Other Financial Assets held with trading intent or that do not meet the criteria of either "Hold to Collect" or "Hold to Collect and sell."

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The Assessment of the business model requires judgment based on the facts and circumstances as at the date of the assessment. Custodian Investment Plc has considered quantitative factors (e.g. expected frequency and volume of sales) and qualitative factors such as how the performance of the business model and financial assets held within the business model are evaluated and reported to management; the risk that affect the performance of the business, model and the financial assets held within the business model. In particular, the way in which those risks are managed; and how management received returns on the assets (i.e. whether the returns are based on fair value of the assets managed or on contractual cash flows collected).

Solely Payments of principal and Interest (SPPI)

If a financial asset is held in either a Hold to Collect or Hold to Collect and Sell model, then an assessment is determined whether contractual cash flows are solely payments of principal and interest on principal amount outstanding at initial recognition is required to determine the classification.

Contractual cash flows that are SPPI on the principal amount outstanding are considered as basic lending arrangement with interest as consideration for the time value of money and the credit risk associated with the principal amount outstanding during the tenor of the agreed arrangement. Other basic lending risks like Liquidity risk and cost of administration associated with holding the financial asset for the specified tenor and the profit margin that is consistent with a basic lending arrangement.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

Financial assets at amortised cost (debt instruments)

This category is the most relevant to the Group. The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows
- 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

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Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group's financial assets at amortised cost includes debt instruments (bonds), loans to staff, fixed deposits with banks and other receivables.

The Group measures debt instruments at fair value through OCI if both of the following conditions are met:

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling 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.

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to profit or loss.

During the year under consideration, the Group did not have any debt instruments at fair value through OCI.

Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment. The Group elected to classify irrevocably its non-listed equity investments under this category.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for

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trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.

This category includes derivative instruments and listed equity investments which the Group had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are also recognised as other income in profit or loss when the right of payment has been established.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Group of similar financial assets) is primarily derecognised (i.e., removed from the Group's statement of financial position) when:

- The rights to receive cash flows from the asset have expired
- Or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

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Impairment of financial assets

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For debt instruments at amortised cost, the Group applies the low credit risk simplification. At every reporting date, the Group evaluates whether the debt instrument is considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the Group reassesses the credit rating of the debt instrument by international credit rating agencies like S&P, Moodys and Fitch as well as local ratings by Agosto and Co. It is the Group's policy to measure ECLs on such instruments on a 12-month basis. Where the credit risk of any bond deteriorates, the Group will sell the bond and purchase bonds meeting the required investment grade.

The Group's debt instruments at amortised cost comprise solely of quoted bonds that are graded in the top investment category and the credit ratings are tracked by the finance and investment teams via publications by International Credit Rating Agencies and trading exchange platforms.

The Group's fixed income investment portfolio consists of Investment grade and high speculative bonds and, therefore, are considered to be low credit risk investments. It is the Group's policy to measure ECLs on such instruments on a 12-month basis. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL. The Group uses the ratings from the International Credit Rating Agencies both to determine whether the debt instrument has significantly increased in credit risk and to estimate ECLs.

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The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Write off

Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. The Group categorises its receivables for write off when a debtor fails to make contractual payments greater than 360 days past due. Where financial assets have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

The gross carrying amount of an asset is written off (either fully or partially) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the counterparty does not have assets or sources of income that could generate sufficient cashflows to repay the amount subject to write off. However, the financial assets that are subjected to write off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amount due.

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised as the proceeds received, net of direct issue costs. Repurchase of the Group's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

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Compound instruments

The component parts of compound instruments (convertible notes) issued by the Group are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. Conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Group's own equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recorded as a liability on an amortized cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date. The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently re-measured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognised in equity will be transferred to other equity. When the conversion option remains unexercised at the maturity date of the convertible note, the balance recognised in equity will be transferred to retained profits. No gain or loss is recognised in profit or loss upon conversion or expiration of the conversion option.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recorded as a liability on an amortized cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date. The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently re-measured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognised in equity will be transferred to other equity. When the conversion option remains unexercised at the maturity date of the convertible note, the balance recognised in equity will be transferred to retained profits. No gain or loss is recognised in profit or loss upon conversion or expiration of the conversion option.

Transaction costs that relate to the issue of the convertible notes are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognised directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortized over the lives of the convertible notes using the effective interest method. Once the convertible security is not convertible to fixed numbers of ordinary shares, it cannot be considered a compound instrument.

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Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss (FVTPL)' or 'other financial liabilities'.

The Group does not have any financial liability that is measured at fair value through profit or loss during the period under review.

Other financial liabilities (including borrowings) are subsequently measured at amortized cost using the effective interest method.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Rerecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are extinguished- i.e. when the obligation specified in the contract is discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

An exchange between an existing borrower and lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability or a part of it (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

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Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. If collection is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets.

2.16 Fair value measurement

The Group measures financial instruments such as equity instruments, and non-financial assets such as investment properties, at fair value at each reporting date. IFRS 13 defines fair value as 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 (i.e. an exit price). The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to the group.

The fair value of an asset or a liability is measured using the assumption that market participant would use when pricing the asset or liability, assuming that market participant's act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2- Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3- Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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The fair value of financial instruments that are actively traded in organized financial markets is determined by reference to quoted market bid prices for assets and offer prices for liabilities, at the close of business on the reporting date, without any adjustment for transaction costs.

For other financial instruments other than investment in equity instruments not traded in an active market, the fair value is determined by using appropriate valuation techniques. Valuation techniques include the discounted cash flow method, comparison to similar instruments for which market observable prices exist and other relevant valuation models.

External valuers are involved for valuation of significant assets, such as investment properties. Their fair value is determined using a valuation model that has been tested against prices or inputs to actual market transactions and using the Group's best estimate of the most appropriate model assumptions.

For discounted cash flow techniques, estimated future cash flows are based on management's best estimates and the discount rate used is a market-related rate for a similar instrument. The use of different pricing models and assumptions could produce materially different estimates of fair values.

The fair value of floating rate and overnight deposits with credit institutions is their carrying value. The carrying value is the cost of the deposit and accrued interest. The fair value of fixed interest bearing deposits is estimated using discounted cash flow techniques. Expected cash flows are discounted at current market rates for similar instruments at the reporting date.

2.17 Impairment of non-financial assets

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there have separately identifiable cash inflows (cash-generating units). The impairment test also can be performed on a single asset when the fair value less cost to sell or the value in use can be determined reliably. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are considered, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

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Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

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

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. The Group assesses at each reporting date whether there is any objective evidence that non-financial asset or group of non-financial assets are impaired.

2.18 Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value. Gains and losses arising from changes in the fair value of investment properties are included in profit or loss in the period in which they arise. Fair values are determined based on an annual evaluation performed by an accredited independent external valuer applying a valuation model.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised. The amount of consideration to be included in the gain or loss arising from derecognition of investment property is determined in accordance with the requirements for determining the transaction prices in IFRS 15.

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.

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

2.19 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the profit or loss in the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed to be either finite or indefinite.

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period (three years) and the amortization method (straight line) for an intangible asset with a finite useful life are reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the profit or loss in the expense category consistent with the function of the intangible asset.

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash generating unit level. Such intangibles are not amortized. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the profit or loss when the asset is derecognized.

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An impairment review is performed whenever there is an indication of impairment. When the recoverable amount is less than the carrying value, an impairment loss is recognized in the profit or loss.

2.20 Property, plant and equipment

All categories of property, plant and equipment (except freehold property) are initially recorded at cost. Subsequently, land and buildings are measured using revaluation model at the end of the financial year. 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 by the increase will be recognized in profit or loss. A decrease in 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.

Recognition and measurement

Other items of property, plant and equipment are carried at cost less accumulated depreciation and impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset. When parts of an item of property or equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Subsequent costs

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

Depreciation

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group 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.

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

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

Freehold property	33.3 years
Furniture and fittings	5 years
Motor vehicles	4 years
Computer equipment	4 years
Office equipment	4 years

Depreciation methods, useful lives and residual values are reassessed at each reporting date.

Derecognition

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

2.21 Leases

The Group as lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

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The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate. Lease payments included in the measurement of the lease liability comprise :

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the consolidated statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group did not make any such adjustments during the periods presented.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

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Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the right-of-use asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the consolidated statement of financial position.

The Group applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Property, Plant and Equipment' policy.

Variable rents that do not depend on an index or rate are not included in the measurement the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line "Other expenses" in profit or loss.

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Group has not used this practical expedient. For a contracts that contain a lease component and one or more additional lease or nonlease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Group as lessor

The Group enters into lease agreements as a lessor with respect to some of its investment properties.

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

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When the Group is an intermediate lessor, it accounts for the head lease and the sub-lease as two separate contracts. The sub-lease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

Subsequent to initial recognition, the Group regularly reviews the estimated unguaranteed residual value and applies the impairment requirements of IFRS 9, recognising an allowance for expected credit losses on the lease receivables.

Finance lease income is calculated with reference to the gross carrying amount of the lease receivables, except for credit-impaired financial assets for which interest income is calculated with reference to their amortised cost (i.e. after a deduction of the loss allowance).

When a contract includes both lease and non-lease components, the Group applies IFRS 15 to allocate the consideration under the contract to each component.

2.22 Statutory deposit

Statutory deposit represents a percentage of the paid-up capital of some of the subsidiary companies' deposit with Central Bank of Nigeria (CBN) in pursuant to Section 10(3) of the Insurance Act, 2003. Statutory deposit is measured at amortised cost. The deposit is however restricted.

2.23 Investment Contract Liabilities

Investment contracts are classified between contracts with and without discretionary participating features (DPF). The accounting policies for investment contract liabilities with DPF are the same as those for life insurance contract liabilities.

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Investment contract liabilities without DPF are recognised when contracts are entered into and premiums are charged. These liabilities are initially recognised at fair value, this being the transaction price excluding any transaction costs directly attributable to the issue of the contract. Subsequent to initial recognition, the investment contract liabilities are measured at fair value through profit or loss.

Deposits and withdrawals are recorded directly as an adjustment to the liability in the statement of financial position and are not recognised as gross premium in the statement of profit or loss.

Fair values are determined at each reporting date and fair value adjustments are recognised in the statement of profit or loss in "Gross change in contract liabilities".

Non-unitised contracts are subsequently also carried at fair value. The liability is derecognised when the contract expires, discharged or cancelled. For a contract that can be cancelled by the policyholder, the fair value of the contract cannot be less than the surrender value.

When contracts contain both a financial risk component and a significant insurance risk component and the cash flows from the two components are distinct and can be measured reliably, the underlying amounts are unbundled. Any premiums relating to the insurance risk component are accounted for on the same basis as insurance contracts and the remaining element is accounted for as a deposit through the statement of financial position as described above.

2.24 Retirement benefit obligations

Defined contributory scheme

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

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In line with the Pension Reform Act 2014, the Group operates a defined contribution scheme: employees are entitled to join the scheme on confirmation of their employment. The employee and the Group contribute a minimum of 8% and 10% respectively of the employee's emoluments (basic, housing and transport allowances). The Group's contribution each year is charged in profit or loss income and is included in staff cost. The Group has no further payment obligations once the contributions have been paid. The contributions are recognized as employee benefit expenses when they are due.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurements comprising actuarial gains and losses, the effect of the asset ceiling (if applicable) and the return on plan assets (excluding interest) are recognised immediately in the statement of financial position with a charge or credit to other comprehensive income in the period in which they occur. Remeasurements recognised in other comprehensive income are not reclassified. Past service cost is recognised in profit or loss when the plan amendment or curtailment occurs, or when the Group recognises related restructuring costs or termination benefits, if earlier. Gains or losses on settlement of a defined benefit plan are recognised when the settlement occurs.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

2.25 Provisions

A provision is recognized if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. A provision for restructuring is recognized when the Group has approved a detailed and formal restructuring plan, and the restructuring either has commenced or has been announced publicly. Future operating costs are not provided for.

A provision for onerous contracts is recognized when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract

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and the expected net cost of continuing with the contract. Before a provision is established, the Group recognizes any impairment loss on the assets associated with that contract.

2.26 Share capital and reserves

Share issue costs

Incremental costs directly attributable to the issue of an equity instrument are deducted from the initial measurement of the equity instruments.

Dividend on ordinary shares

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

Treasury shares

Where the Company purchases the Company's share capital, the consideration paid is deducted from the shareholders' equity as treasury shares until they are cancelled. Where such shares are subsequently sold or reissued, any consideration received is included in shareholders' equity.

2.27 Share premium equity reserve

Share premium reserve represents surplus on the par value price of shares issued. The share premium is classified as an equity instrument in the statement of financial position.

2.28 Contingency reserve

The Group maintains Contingency reserves for non-life business in accordance with the provisions of S. 21 of the insurance Act 2003 to cover fluctuations in securities and valuations in statistical estimates at the rate equal to the higher of 3% of total premium and 20% of the net profits; until the reserves reaches the greater of minimum paid up capital (N3billion) or 50% of net premium.

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2.29 Segment reporting

A segment is a distinguishable component of the Company that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments. The Company's primary format for segment reporting is based on business segments.

3 New amendments and accounting standards

3.1 New and amended IFRS Standards that are effective for the current year

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2023, except for the adoption of new standards effective as of 1 January 2024. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. Several amendments apply for the first time in 2024 do not have a material impact on the condensed consolidated financial statements of the Group.

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

The amendments to IAS 1 affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items.

The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

The standards does not affect the presentation or classification of the Group's consolidated financial statements.

ii) Disclosures: Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7

In May 2023, the Board issued amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures. The amendments specify disclosure requirements to enhance the current requirements, which are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

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The amendments clarify the characteristics of supplier finance arrangements. In these arrangements, one or more finance providers pay amounts an entity owes to its suppliers. The entity agrees to settle those amounts with the finance providers according to the terms and conditions of the arrangements, either at the same date or at a later date than that on which the finance providers pay the entity's suppliers.

The amendments require an entity to provide information about the impact of supplier finance arrangements on liabilities and cash flows, including terms and conditions of those arrangements, quantitative information on liabilities related to those arrangements as at the beginning and end of the reporting period and the type and effect of non-cash changes in the carrying amounts of those arrangements. The information on those arrangements is required to be aggregated unless the individual arrangements have dissimilar or unique terms and conditions. In the context of quantitative liquidity risk disclosures required by IFRS 7, supplier finance arrangements are included as an example of other factors that might be relevant to disclose.

The Group does not have any supplier finance arrangement as at the end of the financial period and does not foresee entering into any of such arrangements in the future.

iii) **Lease Liability in a Sale and Leaseback – Amendments to IFRS 16**

In September 2022, the Board issued Lease Liability in a Sale and Leaseback (Amendments to IFRS 16). The amendment to IFRS 16 Leases specifies the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.

After the commencement date in a sale and leaseback transaction, the seller-lessee applies paragraphs 29 to 35 of IFRS 16 to the right-of-use asset arising from the leaseback and paragraphs 36 to 46 of IFRS 16 to the lease liability arising from the leaseback. In applying paragraphs 36 to 46, the seller lessee determines 'lease payments' or 'revised lease payments' in such a way that the seller-lessee would not recognise any amount of the gain or loss that relates to the right of use retained by the seller-lessee. Applying these requirements does not prevent the seller-lessee from recognising, in profit or loss, any gain or loss relating to the partial or full termination of a lease, as required by paragraph 46(a) of IFRS 16.

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The date of initial application is the beginning of the annual reporting period in which an entity first applied IFRS 16. The amendment does not have a material impact on the Company's financial statements as it is not a seller leasee in any lease agreement as at the end of the current financial year. The amendment will be applied when the Group become a party in any sale and leaseback arrangement.

3.1 Amendments and Standards issued but not yet effective

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

i) Amendments to IFRS 10 and IAS 28 —Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments to IFRS 10 and IAS 28 deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognised in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, gains and losses resulting from the remeasurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognised in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture.

The effective date of the amendments has yet to be set by the Board; however, earlier application of the amendments is permitted. The directors of the Company anticipate that the application of these amendments may have an impact on the Group's consolidated financial statements in future periods should such transactions arise.

ii) Lack of exchangeability – Amendments to IAS 21

In August 2023, the Board issued Lack of Exchangeability (Amendments to IAS 21). The amendment to IAS 21 specifies how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. A currency is considered to be exchangeable into another currency when an entity is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations. If a currency is not exchangeable into another currency, an entity is required to estimate the spot exchange rate at the measurement date. An entity's objective in estimating the spot exchange rate is to reflect the rate at which an orderly exchange transaction would take place at the measurement date between market

Notes To The Consolidated And Separate Financial Statements Contd

participants under prevailing economic conditions. The amendments note that an entity can use an observable exchange rate without adjustment or another estimation technique.

When an entity estimates a spot exchange rate because a currency is not exchangeable into another currency, it discloses information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows

The amendments which is not expected to have any impact on the financial financial statements as the reporting currency and functional currency (the Nigerian Naira is adequately exchangeable for any other currency , will be effective for annual reporting periods beginning on or after 1 January 2025. Early adoption is permitted, but will need to be disclosed. When applying the amendments, an entity cannot restate comparative information.

iii) **IFRS 18 - Presentation and Disclosure in Financial Statements**

In April 2024, the IASB released IFRS 18 Presentation and Disclosure in Financial Statements (IFRS 18) which includes presentation and disclosure requirements for all entities applying IFRS Accounting Standards. When effective, IFRS 18 supersedes IAS 1 Presentation of Financial Statements. Entities will continue to apply IAS 7 Statement of Cash Flows, although there are certain limited amendments to IAS 7 as a result of IFRS 18.

Entities will be required to classify income and expenses in the categories (operating, investing, financing, income taxes and discontinued operations. Enhanced principles on the aggregation and disaggregation of information have been included in IFRS 18. Supporting application guidance will assist in determining whether information about transactions should be included in the primary financial statements or note.

Most entities report alternative performance measures. IFRS 18 defines management-defined performance measures (MPMs). Entities are required to present MPMs in a single note to the financial statements and disclose reconciliations between the MPMs and totals or subtotals required by IFRS 18 or other IFRS Accounting Standards. The requirements will be applied retrospectively. The standard is applicable for period beginning on or after 1 January 2027. Earlier application is permitted. Having aligned the presentation and disclosure in the financial statements with IFRS 17 requirements, the Group is still assessing the impact of this standard on the financial statements

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iv) **IFRS 19 - Subsidiaries without Public Accountability: Disclosures**

In May 2024, the Board issued IFRS 19 Subsidiaries without Public Accountability: Disclosures (IFRS 19), which allows eligible entities to elect to apply reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS accounting standards. Unless otherwise specified, eligible entities that elect to apply IFRS 19 will not need to apply the disclosure requirements in other IFRS accounting standards. An entity applying IFRS 19 is required to disclose that fact as part of its general IFRS accounting standards compliance statement. IFRS 19 requires an entity whose financial statements comply with IFRS accounting standards including IFRS 19 to make an explicit and unreserved statement of such compliance

An entity may elect to apply IFRS 19 if at the end of the reporting period:

- It is a subsidiary as defined in IFRS 10 Consolidated Financial Statements;
- It does not have public accountability; and
- It has a parent (either ultimate or intermediate) that prepares consolidated financial statements, available for public use, which comply with IFRS accounting standards

An entity has public accountability if its debt or equity instruments are traded in a public market, or it is in the process of issuing such instruments for trading in a public market; or It holds assets in a fiduciary capacity for a broad group of outsiders as one of its primary businesses (i.e., not for reasons incidental to its primary business). The disclosure requirements in IFRS 19 are organised into subheadings per IFRS accounting standards and where disclosure requirements in other IFRS Accounting Standards remain applicable, these are specified under the subheading of each IFRS accounting standard. IFRS 19 disclosures exclude IFRS 8 Operating Segments, IFRS 17 Insurance Contracts and IAS 33 Earnings per Share.

Therefore, if an entity that applies IFRS 19 is required to apply IFRS 17 or elects to apply IFRS 8 and/or IAS 33, that entity would be required to apply all the relevant disclosure requirements in those standards.

IFRS 19 is effective for reporting periods beginning on or after 1 January 2027 and earlier adoption is permitted. If an eligible entity chooses to apply the standard earlier, it is required to disclose that fact. An entity is required, during the first period (annual and interim) in which it applies the standard, to align the disclosures in the comparative period with the disclosures included in the current period under IFRS 19, unless IFRS 19 or another IFRS accounting standard permits or requires otherwise. The Group is publicly accountable and so will not be materially impacted by the new standard.

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v) **Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7**

In May 2024, the Board issued Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7), which:

- Clarifies that a financial liability is derecognised on the 'settlement date', i.e., when the related obligation is discharged, cancelled, expires or the liability otherwise qualifies for derecognition. It also introduces an accounting policy option to derecognise financial liabilities that are settled through an electronic payment system before settlement date if certain conditions are met
- Clarified how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features
- Clarifies the treatment of non-recourse assets and contractually linked instruments
- Requires additional disclosures in IFRS 7 for financial assets and liabilities with contractual terms that reference a contingent event (including those that are ESG-linked), and equity instruments classified at fair value through other comprehensive income

The amendments will be effective for annual reporting periods beginning on or after 1 January 2026. Entities can early adopt the amendments that relate to the classification of financial assets plus the related disclosures and apply the other amendments later. The new requirements will be applied retrospectively with an adjustment to opening retained earnings. Prior periods are not required to be restated and can only be restated without using hindsight. An entity is required to disclose information about financial assets that change their measurement category due to the amendments. The amendment is not expected to have any material impact on the Group's consolidated financial statements.

vi) **Power Purchase Agreements – Amendments to IFRS 9 and IFRS 7**

In December 2024, the Board issued Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7). The amendments include:

- Clarifying the application of the 'own-use' requirements
- Permitting hedge accounting if these contracts are used as hedging instruments
- Adding new disclosure requirements to enable investors to understand the effect of these contracts on a company's financial performance and cash flows.

The clarifications regarding the 'own use' requirements must be applied retrospectively, but the guidance permitting hedge accounting have to be applied prospectively to new hedging relationships designated on or after the date of initial application. The amendments will be effective for annual reporting periods beginning on or after 1 January 2026. The Company is still assessing the impact of the amendments.

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vii) **IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information**

IFRS S1 sets out overall requirements for sustainability-related financial disclosures with the objective to require an entity to disclose information about its sustainability-related risks and opportunities that is useful to primary users of general purpose financial reports in making decisions relating to providing resources to the entity.

The Company is currently assessing the impact of the standards which will be effective from 1 January 2028 in order to ascertain the significance of impact to have on its financial statements in providing adequate disclosure on this in line with the requirements.

viii) **IFRS S2 Climate-related Disclosures**

IFRS S2 sets out the requirements for identifying, measuring and disclosing information about climate-related risks and opportunities that is useful to primary users of general purpose financial reports in making decisions relating to providing resources to the entity. The Company is currently assessing this in order to ascertain the significance of impact to have on its financial statements in providing adequate disclosure on this in line with the requirements

ix) **Annual Improvements to IFRS Accounting Standards - Volume II**

On 18 July 2024, the IASB published nine narrow scoped amendments as part of its annual improvements process that deals with non-urgent, but necessary, clarifications and amendments to IFRS Accounting Standards. The Company is currently assessing the impact of the amendments which are applicable for annual reporting periods beginning on or after 1 January 2026. Earlier application is permitted.

The following is a summary of the amendments from the Annual Improvements to IFRS Accounting Standards—Volume 11:

IFRS 1 First-time Adoption of International Financial Reporting Standards

Hedge Accounting by a First-time Adopter

Paragraphs B5 and B6 of IFRS 1 have been amended to include cross references to the qualifying criteria for hedge accounting in paragraph 6.4.1 (a), (b) and (c) of IFRS 9. These amendments are intended to address potential confusion arising from an inconsistency between the wording in IFRS 1 and the requirements for hedge accounting in IFRS 9.

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IFRS 7 Financial Instruments: Disclosures

Gain or Loss on Derecognition

The amendments update the language on unobservable inputs in paragraph B38 of IFRS 7 and include a cross reference to paragraphs 72 and 73 of IFRS 13 Fair Value Measurement.

Guidance on implementing IFRS 7 Financial Instruments: Disclosures

Introduction

The amendments to paragraph IG1 of the Guidance on implementing IFRS 7 clarify that the guidance does not necessarily illustrate all the requirements in the referenced paragraphs of IFRS 7, nor does it create additional requirements.

Disclosure of Deferred Difference between Fair Value and Transaction Price

Paragraph IG14 of the Guidance on implementing IFRS 7 has been amended mainly to make the wording consistent with the requirements in paragraph 28 of IFRS 7 and with the concepts and terminology used in IFRS 9 and IFRS 13.

Credit Risk Disclosures

Paragraph IG20B of the Guidance on implementing IFRS 7 has been amended to simplify the explanation of which aspects of the IFRS requirements are not illustrated in the example.

IFRS 9 Financial Instruments

Lessee Derecognition of Lease Liabilities

Paragraph 2.1 of IFRS 9 has been amended to clarify that, when a lessee has determined that a lease liability has been extinguished in accordance with IFRS 9, the lessee is required to apply paragraph 3.3.3 and recognise any resulting gain or loss in profit or loss. However, the amendment does not address how a lessee distinguishes between a lease modification as defined in IFRS 16 and an extinguishment of a lease liability in accordance with IFRS 9.

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Transaction Price

Paragraph 5.1.3 of IFRS 9 has been amended to replace the reference to 'transaction price as defined by IFRS 15 Revenue from Contracts with Customers' with 'the amount determined by applying IFRS 15'. The use of the term 'transaction price' in relation to IFRS 15 was potentially confusing and so it has been removed. The term was also deleted from Appendix A of IFRS 9.

IFRS 10 Consolidated Financial Statements

Paragraph B74 of IFRS 10 has been amended to clarify that the relationship described in paragraph B74 is just one example of various relationships that might exist between the investor and other parties acting as de facto agents of the investor. The amendments are intended to remove the inconsistency with the requirement in paragraph B73 for an entity to use judgement to determine whether other parties are acting as de facto agents. The amendments is applicable for annual reporting periods beginning on or after 1 January 2026. Earlier application is permitted.

IAS 7 Statement of Cash Flows

Paragraph 37 of IAS 7 has been amended to replace the term 'cost method' with 'at cost', following the prior deletion of the definition of 'cost method'.

4 Critical accounting estimate and judgements

In the application of the Group's accounting policies, the Directors are required to make judgments, 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 that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about

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carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions and conditions.

Information about significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are described below:

i) Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

ii) Fair value of financial instruments using valuation techniques

The Directors use their judgment in selecting an appropriate valuation technique. Where possible, financial instruments are marked at prices quoted in active markets. In the current market environment, such price information is typically not available for all instruments and the company uses valuation techniques to measure such instruments. These techniques use "market observable inputs" where available, derived from similar assets in similar and active markets, from recent transaction prices for comparable items or from other observable market data. For positions where observable reference data are not available for some or all parameters the Group estimates the non-market observable inputs used in its valuation models.

Other financial instruments are valued using a discounted cash flow analysis based on assumptions supported, where possible, by observable market prices or rates although some assumptions are not supported by observable market prices or rates.

iii) Impairment under IFRS 9

The impairment requirements of IFRS 9 apply to all debt instruments that are measured at amortised cost and trade receivables. The determination of impairment loss and allowance moved from the incurred credit loss model whereby credit losses are recognised when a defined loss event occurs under IAS 39, to expected credit loss model under IFRS 9, where expected credit losses are recognised upon initial recognition of the financial asset based on expectation of potential credit losses at the time of initial recognition.

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Staged Approach to the Determination of Expected Credit Losses

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

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

Stage 2: The Group recognises a credit loss allowance at an amount equal to the lifetime expected credit losses (LTECL) for those financial assets that are considered to have experienced a significant increase in credit risk since initial recognition. This requires the computation of ECL based on Lifetime probabilities of default that represents the probability of a default occurring over the remaining lifetime of the financial assets. Allowance for credit losses is higher in this stage because of an increase in credit risk and the impact of a longer time horizon being considered compared to 12 months in stage 1.

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

The Group does not originate or purchase credit impaired loans or receivables.

The determination of whether a financial asset is credit impaired focuses exclusively on default risk, without taking into consideration the effect of credit risk mitigants such as collateral or guarantees. Specifically, the financial asset is credit impaired and in stage 3 when: the Group considers the obligor is unlikely to pay its credit obligations to the company. The termination may include forbearance actions, where a concession has been granted to the borrower or economic or legal reasons that a qualitative indicators of credit impairment; or contractual payments of either principal or interest by the obligor are pass due by more than 90 days.

For financial assets considered to be credit impaired, the ECL allowance covers the amount of loss the Company is expected to suffer. The estimation of ECLs is done on a case by case basis for non- homogenous portfolios, or by applying portfolio based parameters to individual financial assets in this portfolios by the Company's ECL model for homogenous portfolios.

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Forecast of future economic conditions when calculating ECLs are considered. The lifetime expected losses are estimated based on the probability — weighted present value of the difference between:

- 1) The contractual cash flows that are due to the Company under the contract: and
- 2) The cash flows that the Company expects to receive.

Elements of ECL models that are considered accounting judgements and estimates include:

- The Company's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a LTECL basis and the qualitative assessment
- The development of ECL models, including the various formulas and the choice of inputs Determination of associations between macroeconomic scenarios and, economic inputs, such as unemployment levels and collateral values, and the effect on PDs, EADs and LGDs
- Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models.

Expected lifetime:

The expected life time of a financial asset is a key factor in determine the life time expected credit losses. Lifetime expected credit losses represents default events over the expected life of a financial asset. The company measures expected credit losses considering the risk of default over the maximum contractual period (including any borrower's extension option) over which it is exposed to credit risk.

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment using the loss rate model.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

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iv) **Insurance product classification and contract liabilities**

Insurance contracts are those contracts when the Group (the insurer) has accepted significant insurance risk from another party (the policyholders) by agreeing to compensate the policyholders if a specified uncertain future event (the insured event) adversely affects the policyholders. As a general guideline, the Group determines whether it has significant insurance risk, by comparing benefits paid with benefits payable if the insured event did not occur. Insurance contracts can also transfer financial risk. Once a contract has been classified as an insurance contract, it remains an insurance contract for the remainder of its lifetime, even if the insurance risk reduces significantly during this period, unless all rights and obligations are extinguished or expire. Investment contracts can, however, be reclassified as insurance contracts after inception if insurance risk becomes significant. The following are other insurance contract related assumptions

- Assessment of significance of insurance risk: The Group applies its judgement in assessing whether a contract transfers to the issuer significant insurance risk. A contract transfers significant insurance risk only if an insured event could cause the Group to pay additional amounts that are significant in any single scenario and only if there is a scenario that has commercial substance in which the issuer has a possibility of a loss on a present value basis upon an occurrence of the insured event, regardless of whether the insured event is extremely unlikely. The assessment of whether additional amounts payable on the occurrence of an insured event are significant and whether there is any scenario with commercial substance in which the issuer has a possibility of a loss on a present value basis involves significant judgement and is performed at initial recognition on a contract-by-contract basis. The type of contracts where this judgement is required are those that transfer financial and insurance risk and result in the latter being the smaller benefit provided. The application of judgement in this area is aided by the Group's processes to filter contracts where the additional amounts referred to above are more than 5% but less than 10% of the amounts paid if the insured event does not occur. Additional amounts that are less than 5% are considered by the Group as insignificant. A specialist unit conducts all these judgemental classifications under IFRS 17 to maintain consistency across the Group. This assessment is performed after separation of non-closely related derivatives, distinct investment components and promises to transfer distinct goods and non-insurance services.
- Determination of the contract boundary: The measurement of a group of insurance contracts includes all the future cash flows arising within the contract boundary. In determining which cash flows fall within a contract boundary, the Group considers its substantive rights and obligations arising from the terms

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of the contract, from applicable law, regulation and customary business practices. Cash flows are considered to be outside of the contract boundary if the Group has the practical ability to reprice existing contracts to reflect their reassessed risks, and if the contract's pricing for coverage up to the date of reassessment only considers the risks until the next reassessment date. The Group applies its judgement in assessing whether it has the practical ability to set a price that fully reflects all the risks in the contract or portfolio.

- Assessment of significance of modification: the Group derecognises the original contracts and recognises the modified contract as a new contract, if the derecognition criteria are met. The Group applies judgement to assess whether the modified terms of the contract would result in the original contract meeting the criteria for derecognition
- Level of aggregation for determining the risk adjustment for non-financial risk: IFRS 17 does not define the level at which the risk adjustment for non-financial risk should be determined. The level of aggregation for determining the risk adjustment for non-financial risk is not an accounting policy choice and requires judgement. The Group considers that the benefits of diversification occur at an issuing entity level and therefore determines the risk adjustment for non-financial risk at that level. The diversification benefit is then allocated to all groups of insurance contracts for which it has been considered in aggregate. The Group considers that the risk adjustment for non-financial risk allocated to any individual group, as the cost of uncertainty, cannot be negative. Accordingly, when determining the allocation, correlations of non-financial risk between groups are ignored. This is because they have already been considered as part of the diversification benefits in determining the overall entity-level risk adjustment. The Group allocates the total entity-level risk adjustment to groups based on the percentage of the group's expected fulfilment cash flows to the total expected fulfilment cash flows"
- Selecting a method of allocation of coverage units: IFRS 17 establishes a principle for determining coverage units, not a set of detailed requirements or methods. The selection of the appropriate method for determining the amount of coverage units is not an accounting policy choice. It involves the exercise of significant judgement and development of estimates considering individual facts and circumstances. The Group selects the appropriate method on a portfolio-by-portfolio basis. In determining the appropriate method, the Group considers the likelihood of insured events occurring to the extent that they affect expected period of coverage in the group, different levels of service across the period and the quantity of benefits expected to be received by the

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policyholder. For contracts providing both insurance coverage and investment-related services or both insurance coverage and investment-return services, the Group exercises judgement in determining the scaling factor applied in the weighting of benefits determined at initial recognition. The weights are recalculated in each subsequent period, reflecting historical experience and changes in assumptions for future periods that are determined at the reporting date.

(i) **Measurement method for long-term insurance contracts**

The Group primarily uses deterministic projections to estimate the present value of future cash flows and for some groups it uses stochastic modelling techniques. A stochastic model is a tool for estimating probability distributions of potential outcomes by allowing for random variation in one or more inputs over time. The random variation is usually based on fluctuations observed in historical data for a selected period using standard time-series techniques.

The following assumptions were used when estimating future cash flows:

- **Mortality and morbidity rates**

Assumptions are based on standard industry and national tables, according to the type of contract written and the territory in which the insured person resides. They reflect recent historical experience and are adjusted when appropriate to reflect the Group's own experiences. An appropriate, but not excessive, allowance is made for expected future improvements. Assumptions are differentiated by policyholder gender, underwriting class and contract type. An increase in expected mortality and morbidity rates will increase the expected claim cost which will reduce future expected profits of the Group.

- **Longevity (immediate annuity business)**

Assumptions are based on standard industry and national tables, adjusted when appropriate to reflect the Group's own risk experience. An appropriate, but not excessive, allowance is made for expected future improvements. Assumptions are differentiated by a number of factors including (but not limited to) policyholder gender, underwriting class and contract type. An increase in expected longevity rates will lead to an increase in expected cost of immediate annuity payments which will reduce future expected profits of the Company.

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- **Expenses**

Operating expenses assumptions reflect the projected costs of maintaining and servicing in-force policies and associated overhead expenses. The current level of expenses is taken as an appropriate expense base, adjusted for expected expense inflation if appropriate. The cash flows within the contract boundary include an allocation of fixed and variable overheads directly attributable to fulfilling insurance contracts. Such overheads are allocated to groups of contracts using methods that are systematic and rational, and are consistently applied to all costs that have similar characteristics. An increase in the expected level of expenses will reduce future expected profits of the Group.

- **Lapse and surrender rates**

Lapses relate to the termination of policies due to non-payment of premiums. Surrenders relate to the voluntary termination of policies by policyholders. Policy termination assumptions are determined using statistical measures based on the Group's experience and vary by product type, policy duration and sales trends.

(ii) **Measurement method for short-term insurance contracts**

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

(iii) **Liability for remaining coverage**

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

- Pro rata temporis (passage of time)
- Risk based curve

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

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

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

(iv) Claims payment pattern for liability for incurred claims

In estimating the claims payment pattern for liability for incurred claims, the Group sets:

- An assumption regarding the future timing of claim settlement is required as the IFRS 17 requires the determination of probability weighted future cash flows. Weighted future cash flows will include expected claim payment, expected cost of settling the claims, unallocated claim expenses that are integral to the claim cost but due to system limitations they cannot be allocated to individual claims, legal costs incurred or expected to be incurred for litigated claims and directly attributable maintenance expenses. For reinsurers' LIC, same cashflows shall apply as described above but the cashflows are apportioned according to reinsurance arrangement
- Run-off triangles are used to project future claims payment generated by direct insurance contracts and claim recovered from reinsurance contracts. Actual claims paid and outstanding claim reserves are grouped by claim year cohorts.

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- Methodology used for claims reserving is defined by the Group's Reserving Policy and Reserving Guidance, and it relies on the Basic Chain Ladder as well as the BornhuetterFerguson method. Same methodology is applied to claims generated by direct contracts and claim recovered from reinsurance contracts
- The best estimate for claims development or payment to ultimate is determined by the link ratio estimator for each period of development. This is achieved by selecting the weighted averages or simple averages of link ratios for each period of claims development until the ultimate period when the claims development is deemed to be fully run off. For each reserving class that best estimate claim payment pattern is derived separately on a gross basis Insurance contracts and reinsurers' share (claim recovered from reinsurance contracts). The process of selecting link ratios often involves identifying outliers and excluding them. Analysis of Actual versus Expected claim reserves is carried out to assess adequacy of best estimate payment pattern estimated in prior year/period. Where significant deviations are noted, further investigations are carried out to ascertain whether this is indicative of a new trend in the underlying claim development process or whether this is caused by the occurrence of abnormally large claims that tend to distort the latest link ratios or whether it was caused by certain specific events impacting the claims process that are not expected to recur in the future (e.g. restructuring of claims department, or installing a new admin system or claim backlog). If the cause of the deviation is driven by changes in the claims development process which is expected to be recurring or be permanent in the future (e.g. application of new case reserving practice), then judgement is applied in choosing the link ratio for the most recent claims year cohort.
- Consideration is also given on the need to allow for a tail factor for projecting claims payment beyond the available data horizon
- Claim payment pattern will be derived for each reserving class or portfolio (portfolio if there is only one reserving class).
- Basically, the payment pattern provides probabilities to project the settlement of claims in future time periods
- For a given portfolio or reserving class, same payment pattern will be applied to project the payment of OCR (outstanding claim reserve), IBNR reserve and Risk Adjustment estimates over future time periods.

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- Pattern will be derived once a year, that is, at the year-end valuation. It is expected that same payment pattern will be used in the LIC cashflow modelling for interim valuation periods and roll forward.
- However, for reserving class or portfolios which exhibit significant volatility, payment pattern might be reviewed and revised more frequently and also pattern used in LIC model will need to be updated. A change in payment pattern will lead to a change in fulfilment cashflows arising from non-financial assumption change. This change or delta in fulfilment cashflow will be accounted for as an insurance service expense
- Changes of payment pattern during a financial year will only be considered if justified by facts and circumstances. Examples of facts and circumstances could be as follows
 - major changes in claim reporting and settlement processes that would invalidate existing payment pattern (e.g. life claims backlog can be quite common arising from dispute in settlement amount or change in policy administration system.
 - occurrence of major external systemic events such as a pandemic-related lockdown will impact the development factors- hence invalidate existing payment pattern
- It is to be noted that, for consistency, the same payment pattern as used for claim projection will be applied in the projection of Risk Adjustment (RA) estimates. The same approach would be used to derive the payment pattern for modelling the LIC cashflows for a portfolio of reinsurance contracts.
- Moreover, it is required to allocate the projected OCR, IBNR and RA to issue year cohorts /underwriting year cohorts. This will necessitate the application of an allocation driver. Projected IBNR, OCR and RA cashflows will be allocated to underwriting year by making use of weights. Weights, as a proxy for coverage, for each underwriting year will be derived from earned premium /revenue (as computed for the LRC). For internal reporting needs, further allocation of IBNR, OCR and RA (risk adjustment) down to more granular levels (issue year cohorts/distribution channels/ cover-section/ client types) will be required. Earned premium weights, as described above, will also be used for a more granular allocation of projected OCR, IBNR and RA

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- **Insurance acquisition cash flows**

The Group applies judgement in determining the inputs used in the methodology to systematically and rationally allocate insurance acquisition cash flows to groups of insurance contracts. This includes judgements about whether insurance contracts are expected to arise from renewals of existing insurance contracts and, where applicable, the amount to be allocated to groups including future renewals and the volume of expected renewals from new contracts issued in the period.

In the current and prior year, the Group did not identify any facts and circumstances indicating that the assets may be impaired."

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

The effect of electing to recognise insurance acquisition cash flows as an expense when incurred for a group of insurance contracts is to increase the liability for remaining coverage and reduce the likelihood of any subsequent onerous contract loss. There would be an increased charge to profit or loss on incurring the expense, offset by an increase in profit released over the coverage period

- **Onerous group**

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

- **Discount rates**

In determining discount rates for different products, the Group uses the Top-down approach. Applying this approach, Insurance contract liabilities are calculated by discounting expected future cash flows at a risk-free rate, plus an illiquidity premium where applicable. Risk free rates are determined by

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reference to the yields of highly liquid high grade rated sovereign securities in the currency of the insurance contract liabilities. The illiquidity premium is determined by reference to observable market rates or as published by the Nigerian Actuarial Society (NAS)

For the short term contracts valued under PAA, the discount rates only apply in valuing the fulfilment cashflows in respect of incurred claims. Cashflows arising from incurred claims may be viewed as fairly illiquid as the contracts cannot be surrendered or cancelled after the coverage period. However, the variability in the claim settlement pattern limits the predictability of the cashflows and hence the ability to find a perfectly matching portfolio which can be held to maturity. The Group uses the simple average discount rate when determining the discount rates at the date of initial recognition of a group of insurance contracts.

For long term contracts, the Group's individual life product's claims experience has shown that policyholders do not always stay with the contracts until expiry. The annuity contracts are long term and do not allow for lapses. This therefore implies that the cashflows arising from the contracts are illiquid as the contracts cannot be surrendered over the policy term. For these types of contracts, the Group applies the bottoms -up approach (yield curve)

The illiquidity premium may be determined by considering the yield curve of corporate bonds and determining the portion of the risk premium in the yields attributable to illiquidity risk. However, the market for corporate bonds is limited in Nigeria and information on the yields of corporate bonds is not readily available. The Standard in paragraph B86 recommends the use of credit derivatives as a reference point in determining the credit risk premium. However, there is no active or liquid market for credit derivatives in Nigeria. Therefore, the following methodology has been adopted:

- Reliance on the information published by the European Insurance and Occupational Pensions Authority (EOIPA) on the risk-free rate and illiquidity risk premium loading. The risk-free rate and illiquidity rate relating to the South African market will be applied as it is similar to the Nigerian market.
- Load the risk-free rate in the Nigerian market with the proportion of the illiquidity risk premium to the risk-free rate for the Southern African market as published by the EOIPA

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However, should there be any local market study that avails the information required to correctly determine the illiquidity premium to be added to the risk-free rate, the Group will make the illiquidity premium adjustments to the risk-free yields on the local corporate bonds. In presenting insurance finance income, the Group's accounting policy will be to disaggregate the same into amounts included in the profit or loss and amounts included in other comprehensive income. This option provides more detail and makes apparent any changes in liabilities from changes in discount rate assumptions

- **Amortisation of the Contractual Service Margin**

The CSM is a component of the asset or liability for the group of insurance contracts that represents the unearned profit the Group will recognise as it provides services in the future. An amount of the CSM for a group of insurance contracts is recognised in profit or loss as insurance revenue in each period to reflect the insurance contract services provided under the group of insurance contracts in that period. The amount is determined by:

- Allocating the CSM at the end of the period (before recognising any amounts in profit or loss to reflect the insurance contract services provided in the period) equally to each coverage unit provided in the current period and expected to be provided in the future
- Recognising in profit or loss the amount allocated to coverage units provided in the period Identifying the coverage units in the group

The number of coverage units in a group is the quantity of insurance contract services provided by the contracts in the group, determined by considering the quantity of the benefits provided and the expected coverage period. For groups of life insurance contracts, the quantity of benefits is the contractually agreed sum insured over the period of the contracts. The total coverage units of each group of insurance contracts are reassessed at the end of each reporting period to adjust for the reduction of remaining coverage for claims paid, expectations of lapses and cancellation of contracts in the period. They are then allocated based on probability-weighted average duration of each coverage unit provided in the current period and expected to be provided in the future.

For reinsurance contracts issued, the number of coverage units in a group reflects the expected pattern of underwriting of the underlying contracts because the level of service provided depends on the number of underlying contracts in force. The quantity of benefit is the maximum probable loss. The remaining coverage units are reassessed at the end of each reporting period to reflect the expected pattern of service and the expectations of lapses and cancellations of contracts. The remaining coverage is allocated based on probability-weighted average duration of each coverage unit provided in the current period and expected to be provided in the future.

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For reinsurance contracts held, the CSM amortisation is similar to the reinsurance contracts issued and reflects the expected pattern of underwriting of the underlying contracts because the level of service provided depends on the number of underlying contracts in-force

- **Risk adjustment for non-financial risk**

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

Life insurance contract liabilities are calculated by discounting expected future cash flows at a risk free rate, plus an illiquidity premium where applicable. Risk free rates are determined by reference to the yields of highly liquid AAA-rated sovereign securities in the currency of the life insurance contract liabilities. The illiquidity premium is determined by reference to observable market rates, including sovereign debt, corporate debt and market swap rates.

The Group has estimated the risk adjustment using a confidence level (value at risk) approach in which a full IFRS 17 liability distribution is generated across all non-financial risks and risk adjustment is calculated as the difference between the best estimate liability and the liability value at the chosen confidence level

- **Key sources of estimation uncertainty**

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below:

- **Insurance contract assets and liabilities and reinsurance contract assets and liabilities**

By applying IFRS 17 to measurement of insurance contracts issued and reinsurance contracts held, the Group 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
- Allocation of asset for insurance acquisition cash flows to current and future groups of contracts

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Every area, including the Group’s estimation methods and assumptions used and other sources of estimation uncertainty are discussed below. At 31/12/2024 the Group’s total carrying amount of:

- Insurance contracts issued that are assets was Nil (31/12/2023: Nil)
- Insurance contracts issued that are liabilities was N 195.4 billion (31/12/2023 N144.5 billion)
- Reinsurance contracts held that are assets was N11.81 billion (31/12/2023 N7.9 billion)
- Reinsurance contracts held that are liabilities was N72.6 million (31/12/2023: N45.3 million)

6 Life actuarial valuation

6.1 Valuation methods

6.1.1 Measurement models

The IFRS 17 standard requires that either of the three measurement methods be adopted in estimating the insurance contract liabilities based on the classification of each product.

The Company has adopted the measurement method as follows:

Type of business	Measurement method
Annuities	General Measurement Model (GMM) *
Risk business	General Measurement Model (GMM) *
Endowment business	General Measurement Model (GMM) *
Savings business	General Measurement Model (GMM) *
Group life business	Premium Allocation Approach (PAA) **

* The General Measurement Model (GMM) involves estimating the insurance contract liabilities for policies remaining coverage and incurred claims. The Liability for Remaining Coverage is the sum of the Best Estimate Liabilities (BEL), the Risk Adjustment (RA) for non-financial risk and the Contractual Service Margin (CSM) while the Liability for Incurred Claims (LIC) relates to Outstanding Claims Reserves (OCR) or unpaid exits.

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** The Premium Allocation Approach (PAA) is the applicable measurement for short-term contracts in which the liability comprises of those for remaining coverage and incurred claims. The Liability for Remaining Coverage (LFRC) is calculated as the Unearned Premium Reserve (UPR) while considering the Liability for Incurred Claims (LIC) as the Incurred but Not Reported (IBNR) Claims Reserves and the Outstanding Claims Reserves (OCR)

a) **Components of the General Measurement Model**

i) **Best estimate liabilities**

Although, the Insurance Act 2003 does not specify any approach that must be used in determining the statutory value of insurance liabilities, the IFRS 17 standard specifies three measurement methods to be adopted when estimating the insurance liabilities.

In the last few years of the IFRS 4 regime, the best estimate cashflow has been adopted for statutory purposes in estimating the technical reserves. This method will also be adopted in generating the Best Estimate Liabilities under IFRS 17.

The adopted best estimate cashflow method adopted by Custodian Life is as follows:

Type of business	Measurement method
Individual risk business	Gross premium*
Annuities	Discounted cashflow **

* A gross premium method is proposed for individual risk business. This is a monthly cashflow projection approach considering the incidence of all expected future cashflows including office premiums, expenses and benefit payments satisfying the Liability Adequacy Test. This implies that no further testing is required as the liability adequacy test has been met implicitly and a separate liability calculation will not be required for accounting purposes.

Although, under IFRS 4 any negative cashflows will be zeroized at the valuation date to prevent policies being treated as assets, Custodian Life has not adopted this approach for the negative cashflows.

** The Annuities will be reserved for using a discounted cashflow approach. Here reserves are set equal to the present value of future annuity payments plus expenses, with allowance being made for any guaranteed and/or deferred periods as required.

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ii) **Risk adjustment (RA)**

The risk adjustment (RA) is estimated as the additional amount over the best estimate liability require to cover losses arising from extreme events. IFRS 17 specifies three approaches that can be adopted – Cost of Capital Approach and Value at Risk (VaR) Approach.

The approach adopted by Custodian Life is the Value at Risk (VaR) Approach. The approach entails stressing the various non-financial assumptions underlying the best estimate cashflows. These assumptions are stressed independently in accordance with the selected level of confidence. The difference between the estimated best estimate cashflow and the stressed cashflow will represent the Risk Adjustment.

iii) **Contractual Service Margin (CSM)**

The carrying amount of insurance liabilities/assets consists of the present value of cash flows, risk adjustment, and the Contractual Service Margin (CSM). CSM is the unearned profit margin arising from a group of insurance contracts for the future service to be provided. It is released to Profit or Loss (P&L) in each period to reflect the services provided in that period.

The CSM is a new concept under International Financial Reporting Standard (IFRS) 17 “Insurance Contracts” when compared to the existing IFRS 4 “Insurance Contracts” that IFRS 17 will replace. The objectives of this manual are to:

- a. Discuss the accounting treatments of CSM through the different reporting stages: initial recognition and subsequent measurement; and
- b. Provide details for the determination of the CSM discount rate and coverage units,

The process for determining the coverage unit is not an accounting policy choice. Rather it needs the exercise of judgment and the development of estimates to best apply the principle to the specific set of facts and circumstances. The judgments and estimates made should be applied systematically. For interest accretion, the Company adopted the discount rate at the date of initial recognition.

The Company will amortize CSM in the same sequence. The cashflow of expected benefit payments have been used for the CSM on both annuities and endowment business.

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b) Components of the Premium Allocation Approach (PAA)

i) Unearned Premium Reserves (UPR) and Additional Unexpired Risk Reserve (AURR)

The LFRC for the Group Life and Group Credit Life businesses will comprise an unexpired premium reserve (UPR) and Additional Unexpired Risk Reserve (AURR) to cover for the sufficiency of the UPR, using pooled industry claims data for the underlying assumptions. The UPR is estimated using the 365th method which assumes that the risk is spread evenly over the 365.

ii) Incurred But Not Reported (IBNR)

Where necessary, a reserve for Incurred But Not Reported Claims (IBNR) is held to make an allowance for the delay in reporting of claims. The falls under the Liability for Incurred claims under the PAA model.

A loss ratio approach was used for the IBNR reserving which is based on historical group life claims rates derived from an experience analysis.

iii) Outstanding Claims Reserves (OCR)

These are actual reserves relating to claims reported and yet to be settled as at the reporting date.

6.1.2 Grouping of Insurance Contracts

The insurance contract need be aggregated based on the similarity of risk, policy commencement and profitability level. The grouping based on the level of profitability should consists of Onerous, Profitable and Others as expected by the standard.

The Company has grouped the contracts under portfolios of similar risks while taking into consideration the profitability level per contract. The profitability levels were grouped into onerous and non-onerous.

6.1.3 Coverage unit

Coverage Units are applied in determining the amount of CSM allocated over a given reporting period.

The amount of CSM released over a period is proportional to the level of the coverage units allocated to the current period to the total number of coverage units at the beginning of the period.

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Custodian Life has adopted the coverage unit to reflect the provision of insurance coverage as required by the insurance contract. The coverage units for each contract are estimated and aggregated at the group level for the purposes of allocating the CSM.

It is also used to measure the long-term contracts which is the discounted value of the future benefits (sum assured) while the discounted value of the annuity payouts represents the coverage units of the annuity contracts."

6.1.4 Reinsurance agreements

Reinsurance is allowed for in the valuation by having gross and reinsurance ceded records in the policy files. For IFRS compliance purposes all reserves will be reported gross of reinsurance, with the value of the reinsurance asset calculated and reported separately.

6.2 Economic and demographic assumptions

6.2.1 Economic assumptions

a) Valuation Interest Rate (VIR)

The Standard outlines two approaches in determining the discount rate. The approaches are Bottom-up and Top-Down Approach.

Bottom-up Approach: In the bottom-up approach, also known as the building block approach, the discount rate is derived by considering the cash flows associated with insurance liabilities at a more granular level."

Top-Down Approach: In the top-down approach, the discount rate is determined based on the entity's overall financial position and risk profile. This approach involves considering broader economic and financial factors, such as the entity's cost of capital, market risk premiums, and other relevant factors that affect the entity's overall risk profile.

Custodian Life adopted the Top-Down Approach in estimating the Transition Discount Rate. This discount rate will also be used as locked-in rates to unlock the CSM for historic non-financial assumption changes for general model products and accretion of interest.

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Furthermore, the yield curve was estimated using the Smith-Wilson Yield-Curve extrapolation approach with the Ultimate Forward Rate (UFR) of 16.98% which is under the assumption that yields stay flat after the longest available tenor bond.

b) **Expense analysis**

A firm must make provisions for expenses in its mathematical reserves of an amount which is not less than the amount expected to be incurred in fulfilling its long-term insurance contracts.

The standard explicitly requires the consideration of expenses directly attributable to the insurance contracts and the expenses are not directly attributable which should be excluded from the expense analysis.

Custodian Life has allocated the direct and indirect costs by product excluding the acquisition and identified the group life costs."

The expense allocation approach splits expense line items into 3 categories as follows:

- . Directly attributable expenses
- . Non-directly attributable expenses
- . Shareholder costs

For expense items that are split between 2 of the above categories, internal proxies are developed to split these items between these categories. Proxies include staff attribution, PPE classification etc. These are then allocated to the various product lines based on the company's expected long-term classification of the portfolio. The current in-force policy count is used to determine the unit costs and allocated between acquisition and maintenance costs.

The adopted expense per policy is provided in detail below:

Type of business	Initial expense	Renewal expense
Individual life	N 9,000 pp pa	N 8,700 pp pa
Annuity business	N13,200 pp pa	N 7,300 pp pa
Group life schemes	N555 pp pa	N555 pp pa

*pp pa = per policy per annum

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c) **Expense inflation & other inflation measures**

We maintained an inflation assumption of 1.5% per annum based on the market inflation rate.

The oversight for the expenses attributable to the various units sits with the Chief Actuary and the Chief Financial Officer with relevant inputs obtained from actuarial unit.

6.2.2 Demographic assumptions

a) **Mortality**

The adopted mortality table for the current valuation is the UK's Mortality of Assured Lives 1967-70 (A67-70) without adjustment for individual risk business. For annuity books, we use UK PA90 Ultimate Mortality Tables with an age rating of -3 for both males and females to strengthen the annuitant mortality due to the industry experience of annuitant living longer than expected which remains same as the last valuation.

Internal industry's analysis shows that the A67-70 table appears prudent based on recent experience, and on advice we continue to build-up of the actual experience before the tables are adjusted. Furthermore, the reserves are less sensitive to the mortality basis - with discount rate and expenses being more dominant assumptions.

b) **Withdrawals**

Withdrawals comprise both surrenders (voluntary) and lapses (involuntary). Surrenders are acceptable under the endowment portfolio, after policies have been in force for a pre-defined length of time (at which policies become eligible to receive a surrender value payout). We have made an allowance for withdrawal by surrender in the current valuation at a rate of 5% p.a. for eligible endowments and whole life policies, and 2.5% for the multi-Endowment.

We are adopting the rates in the table below for future lapse. We are mindful that the current economic situation may increase lapse/surrender rates but rather than speculate, we propose these be reflected in actuarial loss/gains until a new stable pattern is established.

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	Lapse rate
Year 1	27%
Year 2	3.00%
Year 3	2.2%
Year 4	1%
Year 5 +	0.7%

Where surrenders are made under the deposit-based Plans, the account balance is payable, subject to any surrender penalties. Therefore, the reserves held at the valuation date are sufficient to meet payments on surrender.

The full account balance will be maintained for lapsed deposit-based policies at the valuation date, as the funds remain a policyholder entitlement. No reserve will be held for future guaranteed life insurance benefits.

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7. Cash and cash equivalents	Group		Company	
	31-Dec-24 N'000	31-Dec-24 N'000	31-Dec-24 N'000	31-Dec-23 N'000
Cash-in-hand	190	206	20	20
Balances held with local banks	4,061,786	3,448,071	96,760	66,245
Balances held in domiciliary accounts	10,504,008	638,699	6,338	3,738
Reserve with Pension Custodian	33,346	6,850	-	-
Placements with banks	29,972,575	21,551,880	3,660,980	1,591,335
	44,571,905	25,645,706	3,764,098	1,661,338
Less: Allowance for credit losses (see note 7.1 below)	(582,868)	(586,675)	(51,623)	(28,149)
	<u>43,989,037</u>	<u>25,059,031</u>	<u>3,712,475</u>	<u>1,633,189</u>

Bank placements are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Group. Reserve with Pension Custodian relates to mandatory cash reserve placed with First Pension Custodians Limited the custodian for group's pension subsidiary's managed assets.

Allowance for credit losses represents amount determined in accordance with the Expected Credit Loss (ECL) model under IFRS 9 Financial Instruments

The carrying amounts disclosed above reasonably approximate fair value at the reporting date.

Cash and cash equivalent is the same for cash flow purpose as presented.

Notes To The Consolidated And Separate Financial Statements Contd

7.1 Gross carrying amount and impairment allowance loss on cash and cash equivalents (excluding cash-on-hand)

An analysis of changes in the gross carrying amount and corresponding ECLs is as follows:

Group	Stage 1		Stage 2		Stage 3		Total	
	Gross N'000	ECL N'000	Gross N'000	ECL N'000	Gross N'000	ECL N'000	Gross N'000	ECL N'000
As at 1 January 2024	25,645,706	586,675	-	-	-	-	25,645,706	586,675
New assets purchased	7,445,610	170,327	-	-	-	-	7,445,610	170,327
Assets derecognised or matured	10,055,053	230,021	-	-	-	-	10,055,053	230,021
Changes to models and inputs used for ECL calculations	-	(436,767)	-	-	-	-	-	(436,767)
Foreign exchange adjustments	1,425,536	32,611	-	-	-	-	1,425,536	32,611
At 31 December 2024	44,571,905	582,868	-	-	-	-	44,571,905	582,868
As at 1 January 2023	22,317,929	273,080	-	-	-	-	22,317,929	273,080
New assets purchased	29,970,118	366,712	-	-	-	-	29,970,118	366,712
Assets derecognised or matured	(28,309,875)	(346,397)	-	-	-	-	(28,309,875)	(346,397)
Changes to models and inputs used for ECL calculations	-	272,876	-	-	-	-	-	272,876
Foreign exchange adjustments	1,667,534	20,404	-	-	-	-	1,667,534	20,404
At 31 December 2023	25,645,706	586,675	-	-	-	-	25,645,706	586,675

Notes To The Consolidated And Separate Financial Statements Contd

Company	Stage 1		Stage 2		Stage 3		Total	
	Gross N'000	ECL N'000	Gross N'000	ECL N'000	Gross N'000	ECL N'000	Gross N'000	ECL N'000
As at 1 January 2024	1,661,338	28,149	-	-	-	-	1,661,338	28,149
New assets purchased	7,389,432	82,762	-	-	-	-	7,389,432	82,762
Assets derecognised or matured	(5,289,273)	(59,240)	-	-	-	-	(5,289,273)	(59,240)
Changes to models and inputs used for ECL calculations	-	(77)	-	-	-	-	-	(77)
Foreign exchange adjustments	2,601	29	-	-	-	-	2,601	29
At 31 December 2024	3,764,098	51,623	-	-	-	-	3,764,098	51,623
As at 1 January 2023	1,883,277	28,149	-	-	-	-	1,883,277	28,149
New assets purchased	10,352,991	115,953	-	-	-	-	10,352,991	115,953
Assets derecognised or matured	(10,574,930)	(118,439)	-	-	-	-	(10,574,930)	(118,439)
Changes to models and inputs used for ECL calculations	-	2,486	-	-	-	-	-	2,486
At 31 December 2023	1,661,338	28,149	-	-	-	-	1,661,338	28,149

Notes To The Consolidated And Separate Financial Statements Contd

	Group		Company	
	31-Dec-24 N'000	31-Dec-23 N'000	31-Dec-24 N'000	31-Dec-23 N'000
8. Trade receivables				
Insurance receivables (see note 8.1 below)	306,005	372,153	-	-
Other trade receivables	1,275,653	1,233,154	-	-
Impairment on trade receivables (see note 8.2 below)	(890,645)	(790,744)	-	-
	691,013	814,563	-	-
8.1 Insurance receivables				
Brokers	306,005	372,153	-	-
Insurance companies	-	-	-	-
	306,005	372,153	-	-
8.2 Impairment on trade receivables				
At 1 January	790,744	861,496	-	-
Charge/(reversal) for the period	99,901	(70,752)	-	-
	890,645	790,744	-	-

All trade receivables including insurance receivable are carried at values that are approximately their fair value at the statement of financial position date. The Group reviews individual receivable account to determine its collectivity. For insurance products, the Group issues policies only to clients who pay in advance or are backed by registered brokers' credit notes that are payable within thirty days. All uncollected amounts after due date are deemed impaired. There was no impairment charge for the year as no objective evidence for impairment exists for insurance receivables.

For trade receivables on revenue from contract with customers- property sales and maintenance, the Group applied the simplified approach in computing ECL. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses (ECL). The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by geographical region, customer type and rating, and coverage by letters of credit or other forms of credit insurance). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written-off if past due for more than one year and are not subject to enforcement activity. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Group does not hold collateral as security.

Notes To The Consolidated And Separate Financial Statements Contd

	Group Trade receivables dates past due				
	1-3months N'000	4-6 months N'000	7-9 months N'000	Above 12 months N'000	Total N'000
31 December 2024					
Expected credit loss rate	0%	4%	8%	100%	
Estimated total gross carrying amount at default	258,019	74,780	60,234	882,620	1,275,653
Expected credit loss	-	3,206	4,819	882,620	890,645
31 December 2023					
Expected credit loss rate	0%	0%	8%	100%	
Estimated total gross carrying amount at default	258,019	-	60,234	752,620	1,233,154
Expected credit loss	-	-	4,819	752,620	790,744

9. Inventories	Group		Company	
	31-Dec-24 N'000	31-Dec-23 N'000	31-Dec-24 N'000	31-Dec-23 N'000
At 1 January	3,200,157	5,265,758	-	-
Additions	8,530,700	990,611	-	-
Reclassification from Investment Properties	-	-	-	-
Disposal	(3,000,859)	(2,735,463)	-	-
Impairment	-	-	-	-
Write back/Reallocation	-	(320,749)	-	-
At 31 December	8,729,998	3,200,157	-	-

All Inventory above are carried at lower of cost or net realisable value at all the periods reported. The Group's inventory have not been pledged as security for borrowing.

Notes To The Consolidated And Separate Financial Statements Contd

10. Other receivables and prepayments

	Group		Company	
	31-Dec-24 N'000	31-Dec-23 N'000	31-Dec-24 N'000	31-Dec-23 N'000
Administration fee receivable	702,761	11,089	-	-
Management fee receivable	13,586	551,154	-	-
Deposit for shares	14,587,838	1,037,543	6,269,510	747,416
Deposit for assets	111,556	10,630	6,219	10,630
Due from related parties	-	-	129,337	2,504,313
Balances due from joint ventures	798,870	985,032	-	-
Mobilization payment to contractors*	26,767	40,739	-	-
Service charge reimbursables	482,275	482,275	-	-
Other debit balances**	177,079	869,593	11,990	22,674
Minimum deposit on premium paid	72,134	52,990	-	-
Due from reinsurance brokers/intermediaries	306,520	1,630,503	-	-
	<u>17,279,386</u>	<u>5,671,548</u>	<u>6,417,056</u>	<u>3,285,033</u>
WHT receivables	1,679,213	909,401	1,403,990	1,100,475
Prepayment	1,214,394	738,694	80,693	97,360
	<u>2,893,607</u>	<u>1,648,095</u>	<u>1,484,683</u>	<u>1,197,835</u>
	20,172,993	7,319,643	7,901,739	4,482,868
Less: Allowance for compairment loss on other receivables other debit balances	(145,155)	(374,266)	(22,374)	(16,155)
	<u>20,027,838</u>	<u>6,945,377</u>	<u>7,879,365</u>	<u>4,466,713</u>

Notes To The Consolidated And Separate Financial Statements Contd

Deposit for shares represents strategic investment commitment in companies currently undergoing incorporation/registration, in process of acquisition and amounts placed with stockbrokers for the purchase of securities.

*Mobilization payment to contractors represents payments made to contractors on projects, which have not been completed.

**Other debit balances relates to payments in respect of projects in progress. Also included in Other debit balances are expected reimbursement from pension custodians in respect of disbursements made on annuity contracts.

10.1 Gross carrying amount and impairment loss on other receivables

Group	Stage 1		Stage 2		Stage 3		Total	
	Gross N'000	ECL N'000	Gross N'000	ECL N'000	Gross N'000	ECL N'000	Gross N'000	ECL N'000
As at 1 January 2024	7,205,819	260,443	-	-	113,824	113,824	7,319,643	874,266
New assets purchased	11,270,202	596,265	-	-	-	-	11,270,202	576,265
Assets derecognised or matured (excluding write-offs)	1,576,929	80,631	-	-	6,219	6,219	1,583,148	86,850
Changes to models and inputs used for ECL	-	(892,227)	-	-	-	-	-	(892,227)
At 31 December 2024	20,052,950	25,112	-	-	120,043	120,043	20,172,993	145,155
As at 1 January 2023	6,924,150	482,213	-	-	113,824	113,824	7,037,974	596,037
New assets purchased	11,987,944	1,015,244	-	-	-	-	11,987,944	1,015,244
Assets derecognised or matured (excluding write-offs)	(11,706,275)	(991,389)	-	-	-	-	(11,706,275)	(991,389)
Changes to models and inputs used for ECL	-	(245,625)	-	-	-	-	-	(245,625)
At 31 December 2023	7,205,819	260,443	-	-	113,824	113,824	7,319,643	374,266

Notes To The Consolidated And Separate Financial Statements Contd

10.1 Gross carrying amount and impairment loss on other receivables

Company	Stage 1		Stage 2		Stage 3		Total	
	Gross N'000	ECL N'000	Gross N'000	ECL N'000	Gross N'000	ECL N'000	Gross N'000	ECL N'000
As at 1 January 2024	4,472,178	5,465	-	-	10,690	10,690	4,482,868	16,155
New assets purchased	6,269,510	22,594	-	-	-	-	6,269,510	22,594
Assets derecognised or matured (excluding write-offs)	(2,856,858)	(10,295)	-	-	6,219	6,219	(2,850,639)	(4,076)
Changes to models and inputs used for ECL	-	(12,298)	-	-	-	-	-	(12,298)
At 31 December 2024	7,884,830	5,466	-	-	16,909	16,909	7,901,739	22,375
As at 1 January 2023	2,339,870	5,465	-	-	10,690	10,690	2,350,560	16,155
New assets purchased	7,265,484	49,934	-	-	-	-	7,265,484	49,934
Changes to models and inputs used for ECL calculations	-	(14,655)	-	-	-	-	-	(14,655)
Assets derecognised or matured (excluding write-offs)	(5,133,176)	(35,279)	-	-	-	-	(5,133,176)	(35,279)
At 31 December 2023	4,472,178	5,465	-	-	10,690	10,690	4,482,868	16,155

11. Financial assets

The Group's financial assets are summarised by categories as follows:	Group		Company	
	31-Dec-24 N'000	31-Dec-23 N'000	31-Dec-24 N'000	31-Dec-23 N'000
Fair value through profit or loss	110,719,420	77,132,991	9,190,878	1,539,430
Fair value through OCI (see note 11.1 below)	47,337,246	33,631,630	893,473	391,000
Debt securities at amortised cost (see note 11.2 below)	121,118,268	79,945,614	1,855,703	3,379,794
Total financial assets	279,174,934	190,710,235	11,940,054	5,310,224

Included in financial assets of the group and company are N1.13billion (2023: N1.14billion) and N894.3million (2023: N961.6million) respectively, being unclaimed dividend that have been returned by the Registrars to be held against claims by the beneficiaries.

Notes To The Consolidated And Separate Financial Statements Contd

11.1 Fair value through OCI

	Company		Company	
	31-Dec-24 N'000	31-Dec-23 N'000	31-Dec-24 N'000	31-Dec-23 N'000
The Group's financial assets are summarised by categories as follows:				
Quoted equity securities	-	-	-	-
Bonds Securities held at FVTOCI	34,939,852	27,664,007	-	-
Unquoted securities	12,397,394	5,967,623	893,473	391,000
Total Fair value through OCI	47,337,246	33,631,630	893,473	391,000

- i The quoted equity securities are majorly equities which are traded on the Nigerian Exchange Ltd (NGX).
- ii Bonds Securities held at FVTOCI are FGN bonds which are designated as financial assets fair valued through OCI (FVTOCI).
- iii Unquoted securities are equities that not traded or quoted on any stock exchange. The Group has no intention to dispose the unquoted equities securities in the foreseeable future.
- iv The Group's equity instruments designated at fair value through other comprehensive income include investments in equity shares of non listed companies and other OTC traded equities. The Company holds non controlling interest (between 2% and 9%) in these companies. These investments were irrevocably designated at fair value through OCI as the Company considers these investments to be strategic in nature.
- v The fair values of the non listed equities are determined using either income or market approach while fair value of OTC listed equities are determined by reference to the published price quotation in the active market. The resulting fair value adjustments of all equities designated at fair value through other comprehensive income(FVTOCI) are recorded in other comprehensive income.
- vi The Group received dividends of N161.15million on equity shares designated as FVTOCI during the year(2023: N155.7million).

Notes To The Consolidated And Separate Financial Statements Contd

11.1 Fair value through OCI

	Company		Company	
	31-Dec-24 N'000	31-Dec-23 N'000	31-Dec-24 N'000	31-Dec-23 N'000
ARM Properties Plc.	10,750	7,450	-	-
Friesland Wamco Nig. Plc.	1,919	3,780	-	-
ARM Hospitality Fund	165,895	207,369	-	-
African Reinsurance Corporation	806,405	432,659	-	-
Energy and Allied Insurance Pool of Nigeria	986,222	606,533	-	-
Mainstreet Technologies Limited	-	-	-	-
Interswitch Limited	3,076,500	1,816,786	-	-
WSTC Financial Services Limited	59,316	55,719	-	-
FBS Reinsurance Limited	2,167,835	391,000	893,473	391,000
Investment in Healthcare International Limited	7,984	7,984	-	-
Investment in Kakawa Guaranteed Fund	15,614	14,720	-	-
Investment in Paramount Equity Fund	786	596	-	-
Investment in Afrinvest Nigeria International Debt Fund	62,383	55,444	-	-
Investment in MoniePoint SP	5,035,785	2,367,583	-	-
	12,397,394	5,967,623	893,473	391,000

Notes To The Consolidated And Separate Financial Statements Contd

Movement in investments at fair value through other comprehensive income

	Company		Company	
	31-Dec-24 N'000	31-Dec-23 N'000	31-Dec-24 N'000	31-Dec-23 N'000
Balance, beginning of year	33,631,630	2,245,732	391,000	391,000
Additions during the year	19,261,921	33,653,007	-	-
Proceeds on disposals	(3,134,997)	(5,145,619)	-	-
Accrued interest	5,011,583	1,228,895	-	-
Maturities/liquidations	(6,754,598)	891,220	-	-
Realised gain/loss during the year	(5,656,696)	210,230	-	-
Fair value gain	4,365,054	580,532	502,473	-
ECL allowance for debt instruments at fair value through OCI	239,791	(32,367)	-	-
Balance, end of year	46,963,688	33,631,630	893,473	391,000

Notes To The Consolidated And Separate Financial Statements Contd

11.2 Debt securities at amortised cost

	Company		Company	
	31-Dec-24 N'000	31-Dec-23 N'000	31-Dec-24 N'000	31-Dec-23 N'000
Federal Government Bonds	62,506,362	42,802,454	-	-
State Government Bonds	946,906	1,230,871	-	-
Corporate Bonds	51,950,866	30,770,995	-	-
Treasury Bills and Tenor Deposits Greater than 90 days and Others	7,531,201	3,858,712	-	233,296
Loan to policy holders	145,442	109,275		
Shareholder's Loan to subsidiary	-	-	1,695,714	2,589,238
Staff Loans and other advances	253,490	208,751	77,327	6,161
Commercial papers	632,672	2,531,516	115,639	591,216
	123,966,939	81,512,574	1,888,680	3,419,911
Less: Allowance for credit losses (See note 11.3 below)	(2,848,671)	(1,566,960)	(32,977)	(40,117)
Total	121,118,268	79,945,614	1,855,703	3,379,794

Notes To The Consolidated And Separate Financial Statements Contd

11.3 Gross carrying amount and impairment for debt instruments at amortised cost

Group	Stage 1		Stage 2		Stage 3		Total	
	Gross N'000	ECL N'000	Gross N'000	ECL N'000	Gross N'000	ECL N'000	Gross N'000	ECL N'000
As at 1 January 2024	81,512,576	(1,566,960)	-	-	-	-	81,512,576	(1,566,960)
New assets purchased	31,114,486	(598,130)	-	-	-	-	31,114,486	(598,130)
Assets derecognised or matured	(12,612,634)	242,459	-	-	-	-	(12,612,634)	242,459
Changes to models and inputs used for ECL calculations	-	(465,588)	-	-	-	-	-	(465,588)
Foreign exchange adjustments	23,952,512	(460,452)	-	-	-	-	23,952,512	(460,452)
At 31 December 2024	123,966,940	(2,848,671)	-	-	-	-	123,966,940	(2,848,671)
As at 1 January 2023	51,681,971	437,808	-	-	-	-	51,681,971	437,808
New assets purchased	18,490,727	156,639	-	-	-	-	18,490,727	156,639
Assets derecognised or matured	(12,612,634)	(106,844)	-	-	-	-	(12,612,634)	(106,844)
Changes to models and inputs used for ECL calculations	-	(2,257,470)	-	-	-	-	-	(2,257,470)
Foreign exchange adjustments	23,952,512	202,907	-	-	-	-	23,952,512	202,907
At 31 December 2023	81,512,576	(1,566,960)	-	-	-	-	81,512,576	(1,566,960)

Notes To The Consolidated And Separate Financial Statements Contd

11.3 Gross carrying amount and impairment for debt instruments at amortised cost

Company	Stage 1		Stage 2		Stage 3		Total	
	Gross N'000	ECL N'000	Gross N'000	ECL N'000	Gross N'000	ECL N'000	Gross N'000	ECL N'000
As at 1 January 2024	3,419,909	40,117	-	-	-	-	3,419,909	40,117
New assets purchased	548,450	6,434	-	-	-	-	548,450	6,434
Assets derecognised or matured	(2,079,679)	(24,395)	-	-	-	-	(2,079,679)	(24,395)
Changes to models and inputs used for ECL calculations	-	10,821	-	-	-	-	-	(10,821)
Foreign exchange adjustments	-	-	-	-	-	-	-	-
At 31 December 2024	1,888,680	32,977	-	-	-	-	1,888,680	32,977
As at 1 January 2023	2,963,277	40,117	-	-	-	-	2,963,277	40,117
New assets purchased	1,548,450	20,963	-	-	-	-	1,548,450	20,963
Assets derecognised or matured	(1,091,818)	(14,781)	-	-	-	-	(1,091,818)	(14,781)
Changes to models and inputs used for ECL calculations	-	(6,182)	-	-	-	-	-	(6,182)
Foreign exchange adjustments	-	-	-	-	-	-	-	-
At 31 December 2023	3,419,909	40,117	-	-	-	-	3,419,909	40,117

11.4 Maturity profile of total financial assets

	Group		Company	
	31-Dec-24 N'000	31-Dec-23 N'000	31-Dec-24 N'000	31-Dec-23 N'000
Within one year	67,734,370	43,354,777	1,855,703	3,379,794
More than one year	211,440,564	147,355,458	10,084,351	1,930,430
	279,174,934	190,710,235	11,940,054	5,310,224

Notes To The Consolidated And Separate Financial Statements Contd

12 Investment in subsidiaries

	Equity interest	Segment	Group		Company	
			31-Dec-24 N'000	31-Dec-23 N'000	31-Dec-24 N'000	31-Dec-23 N'000
Custodian and Allied Insurance Limited	100%	Property/Casualty Insurance	-	-	3,584,607	3,584,607
Custodian Life Assurance Limited	100%	Life Insurance	-	-	3,184,717	3,184,717
Crusader Sterling Pensions Limited	76.55%	Pension Asset Management	-	-	1,139,460	1,139,460
Custodian Trustees Limited	100%	Trusteeship/Company Secretary Services	-	-	400,885	400,885
Crusader Hotels and Apartments Limited*	100%	Hospitality	-	-	1,000	1,000
Custodian Asset Management Limited*	100%	Asset Management	-	-	200,000	200,000
UPDC Plc	51%	Property development and management	-	-	6,862,343	6,862,343
			-	-	15,373,012	15,373,012

All the companies listed above are incorporated in Nigeria

Custodian Investment Plc is the ultimate holding company with significant equity interests in the subsidiary companies as indicated by the equity interest stated above.

* These companies are yet to commence operations

The Company along with its subsidiaries make up the Custodian Group

13 Equity accounted investee	Principal activities	Group		Company	
		31-Dec-24 N'000	31-Dec-23 N'000	31-Dec-24 N'000	31-Dec-23 N'000
Interstate Securities Limited (see note 13.1 below)	Stockbroking and Issuing House	911,278	699,173	525,364	525,364
UPDC REIT (see note 13.2 below)	Real Estate investments	4,589,036	3,753,385	3,380,124	2,770,797
		5,500,314	4,452,558	3,905,488	3,296,161

Notes To The Consolidated And Separate Financial Statements Contd

13.1 Equity accounted investee: Interstate Securities Ltd

The Group invested in the equity of Interstate Securities Limited, a stock broking firm and a dealing member of Nigerian Exchange Ltd in line with its strategy to further diversify its businesses. The investment is made up of 336,249,499 ordinary shares representing 46.86% of the company's issued ordinary shares; and 82,500,000 5% Convertible Preference shares. The net assets of the company as at 31 December 2024 was N2.02billion (2023: N1.55billion)

	Group		Company	
	31-Dec-24 N'000	31-Dec-23 N'000	31-Dec-24 N'000	31-Dec-23 N'000
At January 1	699,173	622,756	525,364	525,364
Addition during the the year	-	-	-	-
Share of (loss)/profit	214,049	72,251	-	-
Prior year share of profit difference	-	219	-	-
Share of OCI	(1,724)	3,947	-	-
Dividend received	-	-	-	-
At 31 December	911,498	699,173	525,364	525,364

Notes To The Consolidated And Separate Financial Statements Contd

Summary financial for the equity accounted investee not adjusted for the percentage ownership by the group is as follows

	31-Dec-24 ₦'000	31-Dec-23 ₦'000
Non-Current assets	2,242,361	430,583
Current assets	1,814,873	1,320,603
Non-Current liabilities	218,724	130,209
Current liabilities	98,828	71,070
Equity	2,023,637	1,549,908
Proportion of group ownership of equity	948,276	726,287
Net Revenue	460,089	161,622
Profit for the period	456,782	154,184
Other comprehensive income	(3,678)	8,422
Total comprehensive income	453,104	162,602
Proportion of group ownership total comprehensive income	212,325	76,196

Notes To The Consolidated And Separate Financial Statements Contd

13.2 Equity accounted investee: UPDC REIT

During the year, the company acquired additional 130,757,477 units to the 814,362,377 units of UPDCREIT it had as at the end of 2023 pursuant to its strategy to invest in long term asset backed unit trust funds. This investment represents 35.05% (2023 : 30.52%) of total units in issue. The net assets of the company as at 31 December 2024 was N32.58 billion (2023: N28.95 billion)

	Company		Company	
	31-Dec-24 N'000	31-Dec-23 N'000	31-Dec-24 N'000	31-Dec-23 N'000
At January 1	3,753,385	2,667,501	2,770,797	2,584,623
Addition during the the year	609,327	186,174	609,327	186,174
Dimunition in value of investment	-	-	-	-
Share of profit	579,799	1,160,537	-	-
Prior year share of profit difference	-	5,851	-	-
Share of OCI	-	-	-	-
Dividend received	(353,475)	(266,678)	-	-
At 31 December	4,589,036	3,753,385	3,380,124	2,770,797

Notes To The Consolidated And Separate Financial Statements Contd

Summary financial for the equity accounted investee not adjusted for the percentage ownership by the group is as follows

	31-Dec-24 ₦'000	31-Dec-23 ₦'000
Non-Current assets	27,580,936	25,719,695
Current assets	5,891,957	3,832,621
Current liabilities	890,356	600,509
Equity	32,582,537	28,951,806
Proportion of group ownership of equity	11,420,179	8,836,091
Revenue	5,468,887	4,368,890
Profit/(loss) for the period	4,751,403	3,802,545
Other comprehensive income	-	-
Total comprehensive income/(loss)	4,751,403	3,802,545
Proportion of group ownership total comprehensive income/(loss)	1,450,128	1,160,537

Notes To The Consolidated And Separate Financial Statements Contd

14 Investments in joint ventures

			Group		Company	
	Project	% Holding 31-Dec-23	31-Dec-24 N'000	31-Dec-23 N'000	31-Dec-24 N'000	31-Dec-23 N'000
First Restoration Dev. Co. Limited	Olive court	51%	120,141	120,141	-	-
At 1 January			120,141	125,647	-	-
Share of loss from joint venture **			-	(5,506)	-	-
			120,141	120,141		

Nature of investment in joint venture

Name	Project	Country of incorporation	Country of Incorporation	Nature of relationship	Measurement method	% interest held
First Festival Mall limited	Festival Mall	Nigeria	Nigeria	Joint venture	Equity	45%
First Restoration Dev. Co. Limited	Olive court	Nigeria	Nigeria	Joint venture	Equity	51%
Transit Village Dev. Co. Ltd	Transit Village	Nigeria	Nigeria	Joint venture	Equity	40%
Pinnacle Apartment Dev. Ltd.	Pinnacle Apartments	Nigeria	Nigeria	Joint venture	Equity	51%
UPDC Metro City Ltd.	Metrocity	Nigeria	Nigeria	Joint venture	Equity	60%

"The Group through UPDC Plc has a joint venture arrangement with First Restoration Development Company Ltd to develop and sell Olive Court Estate in Ibadan, Oyo State. The joint venture is supported by Oyo State Government. All joint ventures are primarily set up for projects and measured at cost in the separate financial statements. All other investment in joint ventures have been written down to NIL because of the losses recorded over the years.

* Transit Village JV was not operational as at year end. The company's investment represents the seed capital contributed towards acquiring the land for the project."

** Share of loss of First restoration recognised for the year and prior year using equity method of accounting for investment in joint venture.

Set out below are the summarised financial information for the associate and joint ventures accounted for using the equity method.

Notes To The Consolidated And Separate Financial Statements Contd

Set out below are the summarised financial information for the associate and joint ventures accounted for using the equity method.

Name 31-Dec-24	Non Current Asset N'000	Current Asset N'000	Non-Current Liabilities N'000	Current Liabilities N'000	Cash & Cash Equivalent N'000	Net Asset N'000
	-	-	-			-
First Festival Mall Ltd.	-	307,115	-	63,838	25,964	269,241
First Restoration Dev. Coy Ltd.	-	-	-	-	-	-
Pinnacle Apartment Dev. Ltd.	-	-	-	-	-	-
Calabar Golf Estate Ltd.	-	-	-	-	-	-
UPDC Metro City Ltd.	-	-	-	-	-	-
Transit Village*	-	-	-	-	-	-

Name 31-Dec-24	Revenue N'000	Depreciation N'000	Interest Income N'000	Interest Expense N'000	Tax Expense N'000
First Festival Mall Ltd.	-	-	-	-	-
First Restoration Dev. Coy Ltd.	-	-	-	-	-
Pinnacle Apartment Dev. Ltd.	-	-	-	-	-
Calabar Golf Estate Ltd.	-	-	-	-	-
UPDC Metro City Ltd.	-	-	-	-	-
Transit Village	-	-	-	-	-

Notes To The Consolidated And Separate Financial Statements Contd

14 Investments in joint ventures contd

Set out below are the summarised financial information for the associate and joint ventures accounted for using the equity method.

Name 31-Dec-23	Non Current Asset N'000	Current Asset N'000	Non-Current Liabilities N'000	Current Liabilities N'000	Cash & Cash Equivalent N'000	Net Asset N'000
First Festival Mall Ltd.	-	-	-	-	-	-
First Restoration Dev. Coy Ltd.	-	307,115	-	63,838	25,964	269,241
Pinnacle Apartment Dev. Ltd.	-	-	-	-	-	-
Calabar Golf Estate Ltd.	-	-	-	-	-	-
UPDC Metro City Ltd.	-	-	-	-	-	-
Transit Village*	-	-	-	-	-	-

Name 31-Dec-23	Revenue N'000	Depreciation N'000	Interest Income N'000	Interest Expense N'000	Tax Expense N'000
First Festival Mall Ltd.	-	-	-	-	-
First Restoration Dev. Coy Ltd.	263,050	-	-	-	-
Pinnacle Apartment Dev. Ltd.	-	-	-	-	-
Calabar Golf Estate Ltd.	-	-	-	-	-
UPDC Metro City Ltd.	-	-	-	-	-
Transit Village	-	-	-	-	-

Notes To The Consolidated And Separate Financial Statements Contd

15 Investment properties

	Group		Company	
	31-Dec-24 N'000	31-Dec-23 N'000	31-Dec-24 N'000	31-Dec-23 N'000
At 1 January	13,259,000	11,901,485	7,921,000	7,081,416
Additions	-	11,429	-	-
Fair value gains/(losses) on investment properties	4,915,500	1,346,086	2,588,000	839,584
Reclassifications (see note 8)	-	-	-	-
Disposals during the period	-	-	-	-
	<u>18,174,500</u>	<u>13,259,000</u>	<u>10,509,000</u>	<u>7,921,000</u>

- i Investment properties are stated at fair value, which has been determined based on valuations performed by Barin Epega & Company. Barin Epega & Company are industry specialists in valuing these types of investment properties. They are registered with the Financial Reporting Council of Nigeria (FRC\2020\00000013769). The fair value was determined based on the capitalization of net rental income method, where the market rentals of all lettable units of the properties are assessed by reference to the rentals achieved in the lettable units as well as other lettings of similar properties in the neighbourhood. This is also supported by market evidence and represents the amount at which the assets could be exchanged between a knowledgeable, willing buyer and a knowledgeable, willing seller in an arm's length transaction at the date of valuation, in accordance with the standards issued by the International Valuation Standards Committee.

Valuations are performed on an annual basis and the fair value gains and losses are reported in income statement. There has been no change to the valuation technique during the year. The valuation reports were signed on behalf of the firm by its principal partner, Sir. Obarinsola Epega KJW (FRC\2012\PRO\NIESV\0000000597).

- ii There are no restrictions on the realisability of investment property or the remittance of income and proceeds of disposal. The Company has no contractual obligations to purchase, construct or develop investment property or for repairs or enhancement.

Notes To The Consolidated And Separate Financial Statements Contd

15 Investment properties contd

The rental income arising during the year amounted to N209m (2023: N198m) which is included in other operating income. Direct operating expenses arising in respect of such properties during the year are included within management expenses.

	Company		Company	
	31-Dec-24 N'000	31-Dec-23 N'000	31-Dec-24 N'000	31-Dec-23 N'000
Rental income derived from investment properties	209,608	197,757	13,680	13,040
Direct operating expenses in generating rental income	(6,079)	(5,735)	(978)	(933)
Profit from investment properties carried at fair value	203,529	192,022	12,702	12,107

15.1 Investment properties carried at fair value

Details of the Group's investment properties and information about the fair value hierarchy as at the end of the reporting period are as follows

In thousands of naira

Group	Level 1	Level 2	Level 3	Total
31 December 2024				
Investment properties	-	-	18,174,500	18,174,500
31-Dec-23				
Investment properties	-	-	13,259,000	13,259,000
Company	Level 1	Level 2	Level 3	Total
31 December 2024				
Investment properties	-	-	10,509,000	10,509,000
31-Dec-23				
Investment properties	-	-	7,921,000	7,921,000

Notes To The Consolidated And Separate Financial Statements Contd

Location of properties	Valuation technique	Significant unobservable inputs
5 Bankole Cardoso Avenue, formerly Barrow Road, Old Ikoyi, Lagos	Depreciated replacement cost approach	<ul style="list-style-type: none"> - Capacity value - N2,265.000,000 - Unit land price N800,000 - N1,000,000/m2 - Depreciation - 26%
39 Alfred Rewane road, formerly Kingsway Road, Ikoyi, Lagos	Comparison Approach	<ul style="list-style-type: none"> - Unit land price - N1,000,000 - N1,200,000/m2 - Capital value N7,014,000,,000
324 Ikorodu Road, Lagos	Depreciated replacement cost approach	<ul style="list-style-type: none"> - Unit cost of construction N45,000 - N82,000/m2 - Unit land price N200,000 - N300,000/m2 - Depreciation - 25% - Capital value N1,030,000,000
Flat 17A BlockA Admiralty Towers. No8 Gerrad Road, Old Ikoyi, Lagos	Investment Approach	<ul style="list-style-type: none"> - Unit rent - N10,000,000 - N12,000,000pa annum - Estimated gross rent N11,000,000 per annum - Rent growth less than 5% per annum - Long-term vacancy rate 0.5% - Discount rate 10% - Capital value N200,000,000
Plot 5, Block E, Central Business District (CBD) Alausa, Ikeja, Lagos	Comparison Approach	<ul style="list-style-type: none"> - Unit land price - N110,000 - N120,000/m2 - Capital value N402,000,000
Ogombo Along Ajah/Epe Dual Carriage Expressway, Lekki, Lagos	Comparison Approach	<ul style="list-style-type: none"> - Unit land price -N5,500 - N9,000/m2 - Capital value N32,000,000

Notes To The Consolidated And Separate Financial Statements Contd

Location of properties	Valuation technique	Significant unobservable inputs
10, Aje Road Sabo Yaba, Lagos	Comparison Approach	<ul style="list-style-type: none"> - Unit land price - N120,000 - N180,000/m2 - Capital value N104,000,000
23/25 Martins Street, Lagos	Investment Approach	<ul style="list-style-type: none"> - Estimated unit rental per annum N57,136,400 - N71,420,500 - Rent growth p.a 5% - Long-term vacancy rate less 10% - Discount rate 10%
3, Aja Nwachukwu Close, Off Bourdillon Road, Ikoyi, Lagos	Income approach (DCF Method)	<ul style="list-style-type: none"> - Estimated unit rental per annum N25,000,000 – N30,100,000 - Rent growth p.a 5% - Long-term vacancy rate less 10% - Discount rate 10%
156 Awolowo Road, Ikoyi, Lagos	Income approach (DCF Method)	<ul style="list-style-type: none"> - Estimated rental per annum N24,375,000 (80,000 per m2) - Rent growth p.a 5% - Long-term vacancy rate 2% - Discount rate 10%
Plot 3243, Block 71, Tayo Adewale Street, Amuwo Odofin, Lagos	Market comparison approach	<ul style="list-style-type: none"> - Estimated price per square metre N75,000
Plot 676 Cadastral Zone B07 Katampe, Abuja	Market comparison approach	<ul style="list-style-type: none"> - Estimated price per square meter N90,000

Notes To The Consolidated And Separate Financial Statements Contd

Location of properties	Valuation technique	Significant unobservable inputs
5 Custodian Street (formerly Chapel Street), Sabo Yaba, Lagos	Depreciated replacement cost approach	-Construction cost per square meter : N350,000 - N500,000 - Land cost/M2: N150,000 - N200,000/m2 - Depreciation rate of building (Nil)
88, Adetokunbo Ademola Street, Victoria Island, Lagos	Depreciated replacement cost approach.	- Construction cost/M2 : N15,015,000 for Main Building of 300.3m2, N1,516,800 for Domestic Staff Quarters of 47.4m2 and N130,000 for Gate house of 8.48m2 - Depreciation rate of 70% - Unit land price/m2 N275,000 -N330,000

Notes To The Consolidated And Separate Financial Statements Contd

16 Intangible assets

i Group	Software N'000	Total N'000
In thousands of naira		
Cost:		
At 1 January 2023	1,515,836	1,515,836
Additions	45,194	45,194
At 31 December 2023	1,561,030	1,561,030
At 1 January 2024	1,561,030	1,561,030
Reclassification/write off	78,297	78,297
Additions	92,088	92,088
At 31 December 2024	1,731,415	1,731,415
Amortization and impairment losses		
At 1 January 2023	1,276,124	1,276,124
Amortization for the period	53,097	53,097
At 31 December 2023	1,329,221	1,329,221
At 1 January 2024	1,329,221	1,329,221
Amortization for the period	124,921	124,921
At 31 December 2024	1,454,142	1,454,142
Carrying Amount		
At 1 January 2024	231,809	231,809
At 31 December 2024	277,273	277,273

Notes To The Consolidated And Separate Financial Statements Contd

16 Intangible assets

ii Company	Software	Total
Cost:	₦'000	₦'000
At 1 January 2024	25,132	25,132
Additions	-	-
At 31 December 2024	25,132	25,132
Amortization and impairment losses		
At 1 January 2024	16,754	16,754
Amortization for the period	8,378	8,378
At 31 December 2024	25,132	25,132
Carrying Amount		
At 1 January 2024	8,378	8,378
At 31 December 2024	-	-

Notes To The Consolidated And Separate Financial Statements Contd

17 i	Property, plant and equipment						
	Group	Freehold Property N'000	Office Equipment N'000	Computer Equipment N'000	Furniture and Fittings N'000	Motor Vehicles N'000	Total N'000
	Cost/Valuation						
	At 1 January 2023	11,704,597	749,325	844,915	587,126	2,176,661	16,062,624
	Additions	-	58,925	168,496	74,642	421,320	723,383
	Reclassification/Revaluation*	680,362	-	-	-	-	680,362
	Elimination on revaluation	(77,398)	-	-	-	-	(77,398)
	Disposals	-	-	(5,475)	-	(232,848)	(238,323)
	At 31 December 2022	12,307,561	808,250	1,007,936	661,768	2,365,133	17,150,647
	At 1 January 2024	12,307,561	808,250	1,007,936	661,768	2,365,133	17,150,647
	Additions	41,951	519,821	115,199	56,361	391,983	1,125,315
	Reclassification/Revaluation*	647,188	-	-	-	-	647,188
	Elimination on revaluation	(77,398)	(10,030)	-	-	-	(87,428)
	Disposals	-	(12,340)	(530)	-	(220,165)	(233,035)
	At 31 December 2024	12,919,302	1,305,701	1,122,605	718,129	2,536,951	18,602,687
	Accumulated depreciation						
	At 1 January 2023	275,893	452,753	600,261	423,814	1,030,673	2,783,394
	Charge for the period	136,699	90,185	88,208	31,642	392,342	739,076
	Elimination on Revaluation	(77,398)	-	-	-	-	(77,398)
	Disposals	-	-	(2,125)	-	(179,181)	(181,306)
	At 31 December 2023	335,194	542,938	686,344	455,456	1,243,834	3,263,766
	At 1 January 2024	335,194	542,938	686,344	455,456	1,243,834	3,263,766
	Charge for the period	307,097	81,854	113,054	66,401	446,487	1,014,893
	Elimination on Revaluation	(77,398)	(7,510)	-	-	-	(84,908)
	Disposals	-	(12,340)	(106)	-	(191,129)	(203,575)
	At 31 December 2024	564,893	604,942	799,292	521,857	1,499,192	3,990,176
	Carrying Amount						
	At 1 January 2024	11,972,367	265,312	321,592	206,312	1,121,299	13,886,881
	At 31 December 2024	12,354,409	700,759	323,313	196,272	1,037,759	14,612,511

Notes To The Consolidated And Separate Financial Statements Contd

ii	Company	Office Equipment N'000	Computer Equipment N'000	Furniture and Fittings N'000	Motor Vehicles N'000	Total N'000
	Cost/Valuation					
	At 1 January 2023	27959	21352	45,207	529,125	623,643
	Additions	8,939	1,408	536	15,000	25,883
	Disposals	-	(2,043)	-	(12,000)	(14,043)
	At 31 December 2023	36,898	20,717	45,743	532,125	635,483
	At 1 January 2024	36,898	20,717	45,743	532,125	635,483
	Additions	-	1,757	4,411	-	6,168
	Disposals	-	-	-	(69,125)	(69,125)
	At 31 December 2024	36,898	22,474	50,154	463,000	572,526
	Accumulated depreciation					
	At 1 January 2023	14,048	12,986	41,609	153,575	222,218
	Charge for the period	6,601	3,158	1,175	115,906	126,840
	Disposals	-	(269)	-	(7,250)	(7,519)
	At 31 December 2023	20,649	15,875	42,784	262,231	341,539
	At 1 January 2024	20,649	15,875	42,784	262,231	341,539
	Charge for the period	6,785	3,055	1,708	108,021	119,569
	Disposals	-	-	-	(47,667)	(47,667)
	At 31 December 2024	27,434	18,930	44,492	322,585	413,441
	Carrying Amount					
	At 1 January 2024	16,249	4,842	2,959	269,894	293,944
	At 31 December 2024	9,464	3,544	5,662	140,415	159,084

Notes To The Consolidated And Separate Financial Statements Contd

iii Revaluation of land and building

The land and buildings listed above are revalued annually. Management determined that they constitute a single class of asset under IFRS 13, based on the nature, characteristics and risks of the properties. Fair value of the properties were determined using the market comparable method. This means that valuations performed by the valuer are based on active market prices, significantly adjusted for differences in the nature, location or condition of the specific properties. As at the date of revaluation on 31 December 2024, the fair values of the properties were based on valuations performed by Messrs. Barin Epega & Co., (FRC/2012/NIESV/0000000597, an accredited independent valuer who has experience in valuation of similar properties.

Impairment assessment was carried out during the year and there was no indication of impairment of any of the assets in use by the Company, hence no impairment test was performed during the year.

None of the property, plant and equipment of the Company has been pledged as security for borrowings or otherwise, as at the end of the year (2023: Nil).

		1-Jan-24	Additions	Re-	Revaluation	Depreciation	31-Dec-24
		N'000	N'000	classification	N'000	N'000	N'000
c) <u>Analysis of revaluation of freehold property</u>				N'000			
1	16A, Commercial Avenue, Sabo, Yaba, Lagos State	2,620,000	-	-	223,495	(63,095)	2,780,400
2	27, Commercial Avenue, Sabo, Yaba, Lagos State	400,000	-	-	36,101	(10,101)	426,000
3	No. 9, Onireke Residential layout, Ibadan, Oyo State	150,000	-	-	78,946	(3,946)	225,000
4	Shop H4016, Tejuosho Shopping Modern Market, Yaba, Lagos State	9,000	-	-	255	(255)	9,000
5	29, Commercial Avenue, Sabo, Yaba, Lagos State	100,000	41,610	278,625	29,765	-	450,000
		3,279,000	41,610	278,625	368,562	(77,397)	3,890,400

		1-Jan-23	Additions	Re-	Revaluation	Depreciation	31-Dec-23
		N'000	N'000	classification	N'000	N'000	N'000
c) <u>Analysis of revaluation of freehold property</u>				N'000			
1	16A, Commercial Avenue, Sabo, Yaba, Lagos State	2,100,000	-	-	583,095	(63,095)	2,620,000
2	27, Commercial Avenue, Sabo, Yaba, Lagos State	336,196	-	-	73,905	(10,101)	400,000
3	No. 9, Onireke Residential layout, Ibadan, Oyo State	131,340	-	-	22,606	(3,946)	150,000
4	Shop H4016, Tejuosho Shopping Modern Market, Yaba, Lagos State	8,500	-	-	755	(255)	9,000
5	29, Commercial Avenue, Sabo, Yaba, Lagos State	76,000	14,219	9,781	-	-	100,000
		2,652,036	14,219	9,781	680,361	(77,397)	3,279,000

Notes To The Consolidated And Separate Financial Statements Contd

18 Statutory deposits

	Company		Company	
	31-Dec-24 N'000	31-Dec-23 N'000	31-Dec-24 N'000	31-Dec-23 N'000
Statutory deposit	4,037,175	3,190,651	-	-
	4,037,175	3,190,651	-	-

In line with Section 10 (3) of the Insurance Act of Nigeria, a deposit of minimum of 10% of the regulatory share capital required for non-life insurance business (N3bn) and life insurance business (N2bn) is kept with the Central Bank of Nigeria. The cash amount held is considered to be a restricted cash balance. Also included in statutory deposit is contingency fund relating to CrusaderSterling Pension Ltd. The fund is set aside to meet any claim for which the company may be liable and the corresponding cash is deposited with a Pension Fund Custodian licensed by the Pension Commission of Nigeria.

19 Right-of-use-assets

	Company		Company	
	31-Dec-24 N'000	31-Dec-23 N'000	31-Dec-24 N'000	31-Dec-23 N'000
Balance at 1 January	13,448	28,397	-	-
Addition for the period	126,020	12,000	-	-
Remeasurement	-	(6,974)	-	-
Depreciation expense on ROU asset for the period	(27,731)	(19,975)	-	-
Balance at 31 December	111,737	13,448	-	-

The Group leases buildings used as office premises and land spaces used for storing accidented vehicles. The total lease term for the office spaces are 12 month or less which are treated as short term lease (See prepaid rent in note 10). In many of the lease contracts, there are no extension options and where there exist in other contracts, the company is not reasonably certain that extension options will be exercised and termination options are exercisable by both leasee and lessor without penalty. There are no lease liabilities relating to the leases as at the end of the year.

Notes To The Consolidated And Separate Financial Statements Contd

In 2020, the Group leased a vacant land for storing its salvage vehicles. The 3 year lease term for the land space which ended in February 2023 was subsequent renewed for another 3 year term for the sum of N12 million. There are no lease liabilities relating to the lease as at the end of the year.

20 Insurance contract liabilities issued / Reinsurance contracts held

Portfolios of insurance and reinsurance contract assets and liabilities

	2024			2023		
	Non Life Insurance Business N'000	Life Insurance N'000	Total N'000	Non Life Insurance Business N'000	Life Insurance N'000	Total N'000
Insurance contracts issued						
Insurance contract assets	-	-	-	-	-	-
Insurance contract liabilities	36,886,613	158,472,391	195,359,004	24,081,523	120,428,017	144,509,540
Reinsurance contracts held						
Reinsurance contract assets	10,426,226	1,421,351	11,847,577	7,057,798	858,658	7,916,456
Reinsurance contract liabilities	-	72,594	72,594	-	45,341	45,341

NON LIFE BUSINESS

31 December 2024	Motor	Accident	Bond	Marine	Aviation	Fire	Engineering	Oil & Energy	Total
Insurance contract assets	-	-	-	-	-	-	-	-	-
Insurance contract liabilities	4,328,731	4,268,313	35,699	1,418,898	546,113	10,778,511	3,441,580	12,068,768	36,886,613
Reinsurance contract assets	147,825	1,484,182	3,118	554,107	1,860	2,988,478	2,053,887	3,192,769	10,426,226
Reinsurance contract liabilities	-	-	-	-	-	-	-	-	-

Notes To The Consolidated And Separate Financial Statements Contd

31 December 2023	Motor	Accident	Bond	Marine	Aviation	Fire	Engineering	Oil & Energy	Total
Insurance contracts assets	-	-	-	-	-	-	-	-	-
Insurance contracts liabilities	3,067,358	2,781,169	8,071	806,127	115,879	6,423,783	1,679,822	9,199,314	24,081,523
Reinsurance contracts assets	316,999	612,967	2,828	630,077	19,012	2,277,581	1,085,588	2,112,746	7,057,798
Reinsurance contracts Liabilities	-	-	-	-	-	-	-	-	-

LIFE BUSINESS

31 December 2024	Group Life	Annuity	Savings	Risk	Endowment	Total
Insurance contract assets	-	-	-	-	-	-
Insurance contract liabilities	6,730,982	127,045,890	10,723,798	335,164	13,636,557	158,472,391
Reinsurance contract assets	1,421,351					1,421,351
Reinsurance contract liabilities	72,594					72,594

31 December 2023						
Insurance contracts assets	-	-	-	-	-	-
Insurance contracts liabilities	5,428,251	98,031,037	5,872,579	162,147	10,934,003	120,428,017
Reinsurance contracts assets	858,658					858,658
Reinsurance contracts Liabilities	45,340					45,340

Notes To The Consolidated And Separate Financial Statements Contd

(a) Insurance contracts issued

(i) Reconciliation of the liability for remaining coverage and the liability for incurred claims - Premium Allocation Approach

		Liabilities for Remaining Coverage		Liability for incurred claims		
31 December 2024		Excluding loss component	Loss-component	Present value of future cash flows	Risk adjustment	Total
Insurance contracts issued	Notes	N'000	N'000	N'000	N'000	N'000
Opening insurance contract assets		-	-	-	-	-
Opening insurance contract liabilities		10,234,332	-	12,430,149	1,417,042	24,081,523
Net Opening balance		10,234,332		12,430,149	1,417,042	24,081,523
Changes in the statement of profit or loss and OCI						
Insurance revenue						
Insurance revenue		(66,250,057)	-	-	-	(66,250,057)
		(66,250,057)	-	-	-	(66,250,057)
Insurance service expenses						
Incurred claims		-	-	6,468,561	(500,070)	5,968,491
Other incurred insurance service expense		-	-	2,888,246	-	2,888,246
Acquisition expenses		7,223,356		-	-	7,223,356
Changes that relate to future services: Losses on onerous groups of contracts and reversals		-	-	-	-	-
Changes that relate to past services: changes to liabilities for incurred claims (including reinsurer's non-performance risk)		-	-	12,243,851	1,261,641	13,505,492
		7,223,356	-	21,600,658	761,571	29,585,585
Insurance finance expenses						
Insurance finance expenses		-	-	(1,157,435)	(219,353)	(1,376,788)
		-	-	(1,157,435)	(219,353)	(1,376,788)
Total changes in the statement of profit or loss and OCI		(59,026,701)	-	20,443,223	542,218	(38,041,260)

Notes To The Consolidated And Separate Financial Statements Contd

	Liabilities for Remaining Coverage		Liability for incurred claims		
31 December 2023	Excluding loss component N'000	Loss-component N'000	Present value of future cash flows N'000	Risk adjustment N'000	Total N'000
Insurance contracts issued					
Opening insurance contract assets	-	-	-	-	-
Opening insurance contract liabilities	8,273,848	-	5,132,101	892,988	14,298,937
Net Opening balance	8,273,848		5,132,101	892,988	14,298,937
Changes in the statement of profit or loss and OCI					
Insurance revenue					
Insurance revenue	(40,377,128)	-	-	-	(40,377,128)
	(40,377,128)	-	-	-	(40,377,128)
Insurance service expenses					
Incurred claims					
Other incurred insurance service expense	-	-	4,694,988	(217,397)	4,477,591
Acquisition expenses	-	-	1,231,195	-	1,231,195
Changes that relate to future services: Losses on onerous groups of contracts and reversals	3,879,892	-	-	-	3,879,892
Changes that relate to past services: changes to liabilities for incurred claims (including reinsurer's non-performance risk)	-	-	-	-	-
	-	-	11,972,430	911,309	12,883,739
	3,879,892		17,898,613	693,912	22,472,417
Insurance finance expenses					
Insurance finance expenses	-	-	(1,179,885)	(169,858)	(1,349,743)
	-	-	(1,179,885)	(169,858)	(1,349,743)
Total changes in the statement of profit or loss and OCI	(36,497,236)	-	16,718,728	524,054	(19,254,454)

Notes To The Consolidated And Separate Financial Statements Contd

(a) Insurance contracts issued contd

(i) Reconciliation of the liability for remaining coverage and the liability for incurred claims - Premium Allocation Approach

		Liabilities for Remaining Coverage		Liability for incurred claims		
31 December 2024		Excluding loss component	Loss- component	Present value of future cash flows	Risk adjustment	Total
Cash flows	Notes	₦'000	₦'000	₦'000	₦'000	₦'000
Premiums received- premium from insurance contract (1)		57,113,949	-	-	-	57,113,949
Claims and other expenses paid		-	-	(12,880,928)	-	(12,880,928)
Acquisition cash flows paid		(7,960,859)	-	-	-	(7,960,859)
		49,153,090	-	(12,880,928)	-	36,272,162
Non- cashflow Items						
Premiums received- premium from insurance contract (2)		14,620,617	-	-	-	14,620,617
		(46,429)	-	-	-	(46,429)
		14,574,188	-	-	-	14,574,188
Closing insurance contract assets						
Closing insurance contract liabilities		-	-	-	-	-
Net closing balance		14,934,909	-	19,992,444	1,959,260	36,886,613

Notes To The Consolidated And Separate Financial Statements Contd

		Liabilities for Remaining Coverage		Liability for incurred claims		
31 December 2023		Excluding loss	Loss-	Present value of	Risk adjustment	Total
Cash flows		component	component	future cash flows		
	Notes	₹'000	₹'000	₹'000	₹'000	₹'000
Premiums received- premium from insurance contract (1)		36,079,001	-	-	-	36,079,001
Claims and other expenses paid		-	-	(9,420,680)	-	(9,420,680)
Acquisition cash flows paid		(4,136,764)	-	-	-	(4,136,764)
		31,942,237	-	(9,420,680)	-	22,521,557
Non- cashflow Items						
Premiums received- premium from insurance contract (2)		6,564,236	-	-	-	6,564,236
		(48,753)	-	-	-	(48,753)
		6,515,483	-	-	-	6,515,483
Closing insurance contract assets						
Closing insurance contract liabilities		-	-	-	-	-
Net closing balance		10,234,332	-	12,430,149	1,417,042	24,081,523

Notes To The Consolidated And Separate Financial Statements Contd

(b) Reinsurance contracts held

(i) Reconciliation of the liability for remaining coverage and the liability for incurred claims - Premium Allocation Approach

	Assets for Remaining Coverage		Asset for incurred claims		
31 December 2024	Excluding loss recovery component N'000	Loss-recovery component N'000	Present value of future cash flows N'000	Risk adjustment N'000	Total N'000
Reinsurance contracts held					
Opening reinsurance contract assets	(1,488,198)	-	(4,430,868)	(1,138,732)	(7,057,798)
Opening reinsurance contract liabilities	-	-	-	-	-
Net Opening balance	(1,488,198)	-	(4,430,868)	(1,138,732)	(7,057,798)
Changes in the statement of profit or loss and OCI					
Insurance revenue					
Reinsurance expenses	42,096,153	-	-	-	42,096,153
	42,096,153	-	-	-	42,096,153
Net income (expenses) from reinsurance contracts held					
Reinsurance service expenses					
Incurred claims recovery	-	-	(2,774,496)	445,108	(2,329,388)
Acquisition income amortised	(2,906,537)	-	-	-	(2,906,537)
Changes that relate to future services: Losses on onerous groups of contracts and reversals	-	-	-	-	-
Changes that relate to past services: changes to liabilities for incurred claims (including reinsurer's non-performance risk)	-	-	(1,837,295)	(1,056,786)	(2,894,081)
	(2,906,537)	-	(4,611,791)	(611,678)	(8,130,006)
Reinsurance service result	39,189,616	-	(4,611,791)	(611,678)	33,966,147
Insurance finance expenses/income from reinsurance contracts held					
Reinsurance finance expenses/income	-	-	32,783	96,265	129,048
	-	-	32,783	96,265	129,048
Total changes in the statement of profit or loss and OCI	39,189,616	-	(4,579,008)	(515,413)	34,095,195

Notes To The Consolidated And Separate Financial Statements Contd

	Assets for Remaining Coverage		Asset for incurred claims		
31 December 2023	Excluding loss recovery component N'000	Loss-recovery component N'000	Present value of future cash flows N'000	Risk adjustment N'000	Total N'000
Reinsurance contracts held					
Opening reinsurance contract assets	(2,204,970)	-	(2,046,680)	(515,764)	(4,767,414)
Opening reinsurance contract liabilities	-	-	-	-	-
Net Opening balance	(2,204,970)	-	(2,046,680)	(515,764)	(4,767,414)
Changes in the statement of profit or loss and OCI					
Insurance revenue					
Reinsurance expenses	26,819,313	-	-	-	26,819,313
	26,819,313	-	-	-	26,819,313
Net income (expenses) from reinsurance contracts held					
Reinsurance service expenses					
Incurred claims recovery	-	-	(2,537,829)	(136,458)	(2,674,287)
Acquisition income amortised	(1,580,216)	-	-	-	(1,580,216)
Changes that relate to future services: Losses on onerous groups of contracts and reversals	-	-	-	-	-
Changes that relate to past services: changes to liabilities for incurred claims (including reinsurer's non-performance risk)	-	-	(960,493)	(541,535)	(1,502,028)
	(1,580,216)	-	(3,498,322)	(677,993)	(5,756,531)
Reinsurance service result	25,239,097	-	(3,498,322)	(677,993)	21,062,782
Insurance finance expenses/income from reinsurance contracts held					
Reinsurance finance expenses/income	-	-	80,405	55,025	135,430
	-	-	80,405	55,025	135,430
Total changes in the statement of profit or loss and OCI	25,239,097	-	(3,417,917)	(622,968)	21,198,212

Notes To The Consolidated And Separate Financial Statements Contd

	Assets for Remaining Coverage		Asset for incurred claims		
31 December 2024	Excluding loss recovery component N'000	Loss-recovery component N'000	Present value of future cash flows N'000	Risk adjustment N'000	Total N'000
Cash flows					
Reinsurance Premiums paid - reinsurance premium on reinsurance contract-1	(42,811,024)	-	-	-	(42,811,024)
Recoveries from reinsurance	-	-	2,393,294	-	2,393,294
Acquisition cash flows for ceding commissions	3,096,876	-	-	-	3,096,876
and other directly attributable expenses paid	(39,714,148)	-	2,393,294	-	(37,320,854)
Non- cash flow Items					
Reinsurance Premiums payable - reinsurance premium on reinsurance contracts (2)	(142,767)	-	-	-	(142,767)
Commission receivable - commission on reinsurance contract (2)	-	-	-	-	-
	(142,767)	-	-	-	(142,767)
Closing reinsurance contract assets	(2,155,501)	-	(6,616,580)	(1,654,145)	(10,426,226)
Closing reinsurance contract liabilities	-	-	-	-	-
Net closing balance	(2,155,501)	-	(6,616,580)	(1,654,145)	(10,426,226)

Notes To The Consolidated And Separate Financial Statements Contd

	Assets for Remaining Coverage		Asset for incurred claims		
	Excluding loss recovery component N'000	Loss-recovery component N'000	Present value of future cash flows N'000	Risk adjustment N'000	Total N'000
31 December 2023					
Cash flows					
Reinsurance Premiums paid - reinsurance premium on reinsurance contract-1	(26,256,704)	-	-	-	(26,256,704)
Recoveries from reinsurance	-	-	1,033,730	-	1,033,730
Acquisition cash flows for ceding commissions	1,794,993	-	-	-	1,794,993
and other directly attributable expenses paid	(24,461,711)	-	1,033,730	-	(23,427,981)
Non- cash flow Items					
Reinsurance Premiums payable - reinsurance premium on reinsurance contracts (2)	(60,615)	-	-	-	(60,615)
Commission receivable - commission on reinsurance contract (2)	-	-	-	-	-
	(60,615)	-	-	-	(60,615)
Closing reinsurance contract assets	(1,488,199)	-	(4,430,867)	(1,138,732)	(7,057,798)
Closing reinsurance contract liabilities	-	-	-	-	-
Net closing balance	(1,488,199)	-	(4,430,867)	(1,138,732)	(7,057,798)

Notes To The Consolidated And Separate Financial Statements Contd

20 Insurance contract liabilities issued / Reinsurance contracts held

(a) Insurance contracts issued

(i) Analysis by remaining coverage and incurred claims

Insurance contracts issued

31 December 2024

Opening insurance contract assets
Opening insurance contract liabilities
Net Opening balance

Insurance revenue

Insurance revenue

Insurance service expenses

Incurred claims and other directly attributable expenses
Acquisition expenses
Changes that relate to past services: changes to liabilities for incurred claims
(including reinsurer's non-performance risk)
Changes that relate to future services: losses on onerous contracts & reversals

Insurance service result

Investment components

Investment components

Insurance finance expenses

Insurance finance expenses

Total amounts recognised in comprehensive income

General Model Measurement (GMM)

Liabilities for remaining coverage

Excluding loss components N'000	Loss components N'000	Liabilities for incurred claims N'000	Total N'000
-	-	-	-
106,241,267	7,092,730	1,665,769	114,999,766
106,241,267	7,092,730	1,665,769	114,999,766
(20,152,206)	-	-	(20,152,206)
(20,152,206)	-	-	(20,152,206)
-	(1,898,665)	30,268,675	28,370,010
972,341	-	-	972,341
-	(1,306,369)	(7,692,864)	(8,999,233)
-	10,435,542	1,078,815	11,514,357
972,341	7,230,508	23,654,626	31,857,475
(19,179,865)	7,230,508	23,654,626	11,705,269
(7,692,779)	(3)	7,692,772	(10)
(7,692,779)	(3)	7,692,772	(10)
10,733,468	295,675	(621,045)	10,408,098
10,733,468	295,675	(621,045)	10,408,098
(16,139,176)	7,526,180	30,726,353	22,113,357

Notes To The Consolidated And Separate Financial Statements Contd

Premium Allocation Approach (PAA)				Total insurance contracts		
Liabilities for incurred claims						
Liabilities for remaining coverage N'000	Present value of future cash flows N'000	Risk adjustment N'000	Total N'000	Liabilities for remaining coverage N'000	Liabilities for incurred claims N'000	Total N'000
-	-	-	-	-	-	-
1,318,050	3,690,195	420,006	5,428,251	114,652,047	5,775,970	120,428,017
1,318,050	3,690,195	420,006	5,428,251	114,652,047	5,775,970	120,428,017
(9,825,523)	-	-	(9,825,523)	(29,977,729)	-	(29,977,729)
(9,825,523)	-	-	(9,825,523)	(29,977,729)	-	(29,977,729)
-	2,605,831	(141,026)	2,464,805	(1,898,665)	32,733,480	30,834,815
1,215,566	-	-	1,215,566	2,187,907	-	2,187,907
-	2,996,174	289,980	3,286,154	(1,306,369)	(4,406,710)	(5,713,079)
(171,086)	152,705	-	(18,381)	10,264,456	1,231,520	11,495,976
1,044,480	5,754,710	148,954	6,948,144	9,247,329	29,558,290	38,805,619
(8,781,043)	5,754,710	148,954	(2,877,379)	(20,730,400)	29,558,290	8,827,890
-	-	-	-	(7,692,782)	7,692,772	(10)
-	-	-	-	(7,692,782)	7,692,772	(10)
-	(11,144)	(33,428)	(44,572)	11,029,143	(665,617)	10,363,526
-	(11,144)	(33,428)	(44,572)	11,029,143	(665,617)	10,363,526
(8,781,043)	5,743,566	115,526	(2,921,951)	(17,394,039)	36,585,445	19,191,406

Notes To The Consolidated And Separate Financial Statements Contd

20 Insurance contract liabilities issued / Reinsurance contracts held

(a) Insurance contracts issued

(i) Analysis by remaining coverage and incurred claims

Insurance contracts issued

31 December 2023

Opening insurance contract assets
Opening insurance contract liabilities
Net Opening balance

Insurance revenue

Insurance revenue

Insurance service expenses

Incurred claims and other directly attributable expenses
Acquisition expenses
Changes that relate to past services: changes to liabilities for incurred claims
(including reinsurer's non-performance risk)
Changes that relate to future services: losses on onerous contracts & reversals

Insurance service result

Investment components

Investment components

Insurance finance expenses

Insurance finance expenses

Total amounts recognised in comprehensive income

General Model Measurement (GMM)			
Liabilities for remaining coverage			
Excluding loss components N'000	Loss components N'000	Liabilities for incurred claims N'000	Total N'000
-	-	-	-
88,375,623	4,071,491	456,777	92,903,891
88,375,623	4,071,491	456,777	92,903,891
(17,161,577)	-	-	(17,161,577)
(17,161,577)	-	-	(17,161,577)
-	(902,397)	20,086,017	19,183,620
800,077	-	-	800,077
-	-	(4,154,229)	(4,154,229)
-	3,453,835	-	3,453,835
800,077	2,551,438	15,931,788	19,283,303
(16,361,500)	2,551,438	15,931,788	2,121,726
(5,823,044)	-	5,823,044	-
(5,823,044)	-	5,823,044	-
4,720,210	469,801	(402,648)	4,787,363
4,720,210	469,801	(402,648)	4,787,363
(17,464,334)	3,021,239	21,352,184	6,909,089

Notes To The Consolidated And Separate Financial Statements Contd

Premium Allocation Approach (PAA)				Total insurance contracts		
Liabilities for remaining coverage N'000	Liabilities for incurred claims			Liabilities for remaining coverage N'000	Liabilities for incurred claims N'000	Total N'000
	Present value of future cash flows N'000	Risk adjustment N'000	Total N'000			
-	-	-	-	-	-	-
880,292	3,763,309	654,816	5,298,417	93,327,406	4,874,902	98,202,308
880,292	3,763,309	654,816	5,298,417	93,327,406	4,874,902	98,202,308
(7,651,151)	-	-	(7,651,151)	(24,812,728)	-	(24,812,728)
(7,651,151)	-	-	(7,651,151)	(24,812,728)	-	(24,812,728)
-	2,059,143	(371,193)	1,687,950	(902,397)	21,773,967	20,871,570
710,597	-	-	710,597	1,510,674	-	1,510,674
-	2,626,685	155,123	2,781,808	-	(1,372,421)	(1,372,421)
-	-	-	-	3,453,835	-	3,453,835
710,597	4,685,828	(216,070)	5,180,355	4,062,112	20,401,546	24,463,658
(6,940,554)	4,685,828	(216,070)	(2,470,796)	(20,750,616)	20,401,546	(349,070)
-	-	-	-	(5,823,044)	5,823,044	-
-	-	-	-	(5,823,044)	5,823,044	-
-	32,111	(18,740)	13,371	5,190,011	(389,277)	4,800,734
-	32,111	(18,740)	13,371	5,190,011	(389,277)	4,800,734
(6,940,554)	4,717,939	(234,810)	(2,457,425)	(21,383,649)	25,835,313	4,451,664

Notes To The Consolidated And Separate Financial Statements Contd

20 Insurance contract liabilities issued / Reinsurance contracts held

(a) Insurance contracts issued

(i) Analysis by remaining coverage and incurred claims

Insurance contracts issued

31 December 2024

Cash Flow

Premiums received

Claims and other expenses paid

Acquisition cash flows paid

Total cash flows

Non-cash flow items

Movement in premium receivable - premium for insurance contracts

Previous year's deposit for premium

Acquisition cost payable - acquisition on insurance cost

Closing insurance contract assets

Closing insurance contract liabilities

Net closing balance

General Model Measurement (GMM)			
Liabilities for remaining coverage			
Excluding loss components N'000	Loss components N'000	Liabilities for incurred claims N'000	Total N'000
45,854,685	-	-	45,854,685
182,920	-	(28,193,452)	(28,010,532)
(3,215,867)	-	-	(3,215,867)
42,821,738	-	(28,193,452)	14,628,286
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
132,923,829	14,618,910	4,198,670	151,741,409
132,923,829	14,618,910	4,198,670	151,741,409

Notes To The Consolidated And Separate Financial Statements Contd

Premium Allocation Approach (PAA)				Total insurance contracts		
Liabilities for remaining coverage N'000	Liabilities for incurred claims			Liabilities for remaining coverage N'000	Liabilities for incurred claims N'000	Total N'000
	Present value of future cash flows N'000	Risk adjustment N'000	Total N'000			
9,940,773	-	-	9,940,773	55,795,458	-	55,795,458
-	(4,736,114)	-	(4,736,114)	182,920	(32,929,566)	(32,746,646)
(887,554)	-	-	(887,554)	(4,103,421)	-	(4,103,421)
9,053,219	(4,736,114)	-	4,317,105	51,874,957	(32,929,566)	18,945,391
<hr/>						
(19,709)	-	-	(19,709)	(19,709)	-	(19,709)
233,726	-	-	233,726	233,726	-	233,726
(306,440)	-	-	(306,440)	(306,440)	-	(306,440)
(92,423)	-	-	(92,423)	(92,423)	-	(92,423)
<hr/>						
-	-	-	-	-	-	-
1,497,803	4,697,647	535,532	6,730,982	149,040,542	9,431,849	158,472,391
1,497,803	4,697,647	535,532	6,730,982	149,040,542	9,431,849	158,472,391

Notes To The Consolidated And Separate Financial Statements Contd

20 Insurance contract liabilities issued / Reinsurance contracts held

(a) Insurance contracts issued

(i) Analysis by remaining coverage and incurred claims

Insurance contracts issued

31 December 2023

Cash Flow

Premiums received

Claims and other expenses paid

Acquisition cash flows paid

Total cash flows

Non-cash flow items

Movement in premium receivable - premium for insurance contracts

Previous year's deposit for premium

Acquisition cost payable - acquisition on insurance cost

Closing insurance contract assets

Closing insurance contract liabilities

Net closing balance

General Model Measurement (GMM)

Liabilities for remaining coverage

Excluding loss components N'000	Loss components N'000	Liabilities for incurred claims N'000	Total N'000
38,134,643	-	-	38,134,643
-	-	(20,143,191)	(20,143,191)
(2,804,666)	-	-	(2,804,666)
35,329,977	-	(20,143,191)	15,186,786
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
106,241,266	7,092,730	1,665,770	114,999,766
106,241,266	7,092,730	1,665,770	114,999,766

Notes To The Consolidated And Separate Financial Statements Contd

Premium Allocation Approach (PAA)				Total insurance contracts		
Liabilities for incurred claims						
Liabilities for remaining coverage N'000	Present value of future cash flows N'000	Risk adjustment N'000	Total N'000	Liabilities for remaining coverage N'000	Liabilities for incurred claims N'000	Total N'000
6,939,462	-	-	6,939,462	45,074,105	-	45,074,105
-	(4,791,053)	-	(4,791,053)	-	(24,934,244)	(24,934,244)
(497,808)	-	-	(497,808)	(3,302,474)	-	(3,302,474)
6,441,654	(4,791,053)	-	1,650,601	41,771,631	(24,934,244)	16,837,387
14,757	-	-	14,757	14,757	-	14,757
1,212,101	-	-	1,212,101	1,212,101	-	1,212,101
(290,200)	-	-	(290,200)	(290,200)	-	(290,200)
936,658	-	-	936,658	936,658	-	936,658
-	-	-	-	-	-	-
1,318,050	3,690,195	420,006	5,428,251	114,652,046	5,775,971	120,428,017
1,318,050	3,690,195	420,006	5,428,251	114,652,046	5,775,971	120,428,017

Notes To The Consolidated And Separate Financial Statements Contd

(b) Life business - Reinsurance contracts held

(i) Analysis by remaining coverage and incurred claims - Premium Allocation Approach (PAA)

Life business - Reinsurance contracts held

	Assets for incurred claims			
	Assets for Remaining Coverage N'000	Present value of future cash flows N'000	Risk adjustment N'000	Total N'000
31 December 2024				
Opening reinsurance contract assets	129,629	645,295	83,734	858,658
Opening reinsurance contract liabilities	(45,340)	-	-	(45,340)
Opening net reinsurance contract assets/(liabilities)	84,289	645,295	83,734	813,318
Reinsurance premium expense				
Reinsurance premium expense	(2,387,620)	-	-	(2,387,620)
	(2,387,620)	-	-	(2,387,620)
Reinsurance service income				
Incurred claims recovery and other income	443,186		(149,053)	294,133
Acquisition income earned on reinsurance contracts held	-	514,127	-	514,127
Changes that relate to past services: changes to liabilities for incurred claims (incl. reinsurer's non-performance risk)	70,942	143,924	289,140	504,006
Changes that relate to future services: losses on onerous contracts and reversals (resulting from underlying GoC for reinsurance)	-	-	-	-
	514,128	658,051	140,087	1,312,266
Net reinsurance expense	(1,873,492)	658,051	140,087	(1,075,354)
Reinsurance finance income/(expense)				
Reinsurance finance income/(expense)	-	19,640	(3,869)	15,771
	-	19,640	(3,869)	15,771
Total changes in the statement of profit or loss and OCI	(1,873,492)	677,691	136,218	(1,059,583)

Notes To The Consolidated And Separate Financial Statements Contd

	Assets for incurred claims			
31 December 2023	Assets for Remaining Coverage N'000	Present value of future cash flows N'000	Risk adjustment N'000	Total N'000
Opening reinsurance contract assets	268,148	596,588	(1,460)	863,276
Opening reinsurance contract liabilities	(31,094)	-	-	(31,094)
Opening net reinsurance contract assets/(liabilities)	237,054	596,588	(1,460)	832,182
Reinsurance premium expense				
Reinsurance premium expense	(1,831,323)	-	-	(1,831,323)
	(1,831,323)	-	-	(1,831,323)
Reinsurance service income				
Incurred claims recovery and other income	-	247,302	34,480	281,782
Acquisition income earned on reinsurance contracts held	129,126	-	-	129,126
Changes that relate to past services: changes to liabilities for incurred claims (incl. reinsurer's non-performance risk)	-	150,927	51,720	202,647
Changes that relate to future services: losses on onerous contracts and reversals (resulting from underlying GoC for reinsurance)	-	-	-	-
	129,126	398,229	86,200	613,555
	(1,702,197)	398,229	86,200	(1,217,768)
Net reinsurance expense				
Reinsurance finance income/(expense)				
Reinsurance finance income/(expense)	-	17,566	(1,006)	16,560
	-	17,566	(1,006)	16,560
Total changes in the statement of profit or loss and OCI	(1,702,197)	415,795	85,194	(1,201,208)

Notes To The Consolidated And Separate Financial Statements Contd

(b) Life business - Reinsurance contracts held

(i) Analysis by remaining coverage and incurred claims - Premium Allocation Approach (PAA)

Life business - Reinsurance contracts held

	Assets for incurred claims			
	Assets for Remaining Coverage N'000	Present value of future cash flows N'000	Risk adjustment N'000	Total N'000
31 December 2024				
Cash flows				
Premiums paid on reinsurance contracts	2,512,806	-	-	2,512,806
Recoveries from reinsurance	-	(443,185)	-	(443,185)
Ceding commission received and other income	(474,599)	-	-	(474,599)
Total cash flows	2,038,207	(443,185)	-	1,595,022
Movement in premium receivable - premium for insurance contracts				
Reinsurance premium payable - premium on reinsurance contracts	(27,254)	-	-	(27,254)
Commission receivable - commission on reinsurance contracts	-	-	-	-
	(27,254)	-	-	(27,254)
Closing net reinsurance contract assets/(liabilities)	294,344	879,801	219,952	1,394,097
Closing reinsurance contract assets	321,598	879,801	219,952	1,421,351
Closing reinsurance contract liabilities	(72,594)	-	-	(72,594)
Closing net reinsurance contract assets/(liabilities)	249,004	879,801	219,952	1,348,757

Notes To The Consolidated And Separate Financial Statements Contd

31 December 2023	Assets for incurred claims			
	Assets for Remaining Coverage N'000	Present value of future cash flows N'000	Risk adjustment N'000	Total N'000
Cash flows				
Premiums paid on reinsurance contracts	1,817,077	-	-	1,817,077
Recoveries from reinsurance	-	(367,088)	-	(367,088)
Ceding commission received and other income	(267,645)	-	-	(267,645)
Total cash flows	1,549,432	(367,088)	-	1,182,344
Movement in premium receivable - premium for insurance contracts				
Reinsurance premium payable - premium on reinsurance contracts	(14,246)	-	-	(14,246)
Commission receivable - commission on reinsurance contracts	-	-	-	-
	(14,246)	-	-	(14,246)
Closing net reinsurance contract assets/(liabilities)	84,289	645,295	83,734	813,318
Closing reinsurance contract assets	129,629	645,295	83,734	858,658
Closing reinsurance contract liabilities	(45,340)	-	-	(45,340)
Closing net reinsurance contract assets/(liabilities)	84,289	645,295	83,734	813,318

For insurance contracts issued within the Group Life portfolio as well as reinsurance contracts held, the Company has not disclosed a reconciliation from the opening balance to the closing balance separately for the loss component of the liabilities for remaining coverage, or the loss recovery component of the assets for remaining coverage, respectively, or the additional liabilities or assets for contracts measured under PAA, because there are no onerous contracts.

Notes To The Consolidated And Separate Financial Statements Contd

21 Investment contract liabilities

	Group		Company	
	31-Dec-24 N'000	31-Dec-23 N'000	31-Dec-24 N'000	31-Dec-23 N'000
Welfare- Mobil Scheme	317,727	317,727	-	-
Welfare	3,240,223	3,543,364	-	-
	3,557,950	3,861,091	-	-
Movement in investment contract liabilities				
At 1 January	3,861,091	3,686,050	-	-
Deposit	667,404	806,084	-	-
Withdrawal	(1,244,216)	(919,871)	-	-
Guaranteed interest	273,671	288,828	-	-
Balance at 31 December	3,557,950	3,861,091	-	-

Notes To The Consolidated And Separate Financial Statements Contd

22 Interest bearing loans and borrowings

	Group		Company	
	31-Dec-24 N'000	31-Dec-23 N'000	31-Dec-24 N'000	31-Dec-23 N'000
Shareholders' loan to UPDC	1,430,199	2,146,881	-	-
Buy back facilities - CSP	1,949,805	-	-	-
	<u>3,380,004</u>	<u>2,146,881</u>	<u>-</u>	<u>-</u>
Current				
Shareholders' loan to UPDC	1,430,199	2,146,881	-	-
Buy back facilities - CSP	1,949,805	-	-	-
	<u>3,380,004</u>	<u>2,146,881</u>	<u>-</u>	<u>-</u>
Total borrowings	<u>3,380,004</u>	<u>2,146,881</u>	<u>-</u>	<u>-</u>
Movement in total borrowings during the year				
As at 1 January	2,146,881	2,179,173	-	-
Proceeds from borrowing	1,949,805	-	-	-
Interest accrued	238,296	209,556	-	-
Repayment of borrowings	(724,061)	-	-	-
Interest paid	(230,917)	(241,848)	-	-
As at 31 December	<u>3,380,004</u>	<u>2,146,881</u>	<u>-</u>	<u>-</u>

Shareholders loan was obtained from Custodian Investment Plc and UACN Plc in April 2021 to pay down the 5-year bond and UACN Bridge Finance. The loan is a short term loan at 9%.

Notes To The Consolidated And Separate Financial Statements Contd

23 Trade payables

	Group		Company	
	31-Dec-24 N'000	31-Dec-23 N'000	31-Dec-24 N'000	31-Dec-23 N'000
Due to reinsurance and Co-insurance Companies	306,440	-	-	-
Due to Brokers and Agents	257,792	290,200	-	-
Premium received in advance	25,626,627	14,854,343	-	-
			-	-
Other trade payables*	2,647,756	938,624	-	-
	28,838,615	16,083,167	-	-

Trade payables comprise amounts outstanding for reinsurance companies, brokers, deferred premium, trade purchases and ongoing costs. All amounts are payable within a year. The carrying amount approximates fair value.

*Other trade payables comprise amounts outstanding for trade purchases and ongoing costs. The Directors consider the carrying amount of trade and other payables to approximate its fair value due to their short term maturity period and no significant discounts is expected on payments of the obligations.

Notes To The Consolidated And Separate Financial Statements Contd

24 Other payables

	Group		Company	
	31-Dec-24 N'000	31-Dec-23 N'000	31-Dec-24 N'000	31-Dec-23 N'000
Staff pension	1,421	1,420	1,421	1,420
Statutory payables	3,420,409	1,083,092	25,702	7,246
Information Technology Development levy	598,395	1,035,548	142,924	42,666
Unclaimed Dividend	1,125,069	1,213,010	894,329	960,599
Unearned income (see note 25(l) below)	375,768	145,493	5,980	5,980
	5,521,062	3,478,563	1,070,356	1,017,911
Non Trade payable (see note 24(ii) below)	-	1,334,986	-	-
Accruals (see note 24(iii) below)	17,125,689	2,648,113	1,002,592	273,659
Due to related party	-	-	201,000	201,000
Contract liabilities	2,531,920	2,093,965	-	-
Trade & Commission payable (see note 24(iv) below) Restated (see note 50)	451,931	361,013	-	-
Deposit for shares/asset replacement	115,795	179,208	-	-
Tenants' Security Deposit	-	-	-	-
Sundry creditors (see note 24(v) below)	1,397,075	2,659,506	79,902	79,902
	21,622,410	9,276,791	1,283,494	554,561
	27,143,472	12,755,354	2,353,850	1,572,472

Notes To The Consolidated And Separate Financial Statements Contd

- i Unearned income represent deferred income. This is made up of rental income received in advance on investment properties leased by the Company to third parties. These are released to income in-line with the terms of the individual contract that it relates to.
- ii Non trade payables consist of payables to regulators and various suppliers.
- iii Accruals relate to amounts provided for audit / consulting fees and subscription/dues to various regulatory and professional bodies.
- iv Trade and commission payables comprise amounts outstanding for trade purchases and ongoing costs. The Directors consider the carrying amount of trade and other payables to approximate its fair value due to their short term maturity period and no significant discounts is expected on payments of the obligations.
- v Sundry creditors relate to amount due to suppliers and service providers for services rendered

25 Taxation

	Group		Company	
	31-Dec-24 N'000	31-Dec-23 N'000	31-Dec-24 N'000	31-Dec-23 N'000
Per profit or loss account:				
Income tax based on profit for the profit	3,179,050	1,542,177	73,127	120,000
Education tax for the period	279,155	94,581	-	12,000
Capital gains tax	621,558	128	621,558	-
Dividend tax	-	64,000	603,333	752,519
Underprovision in prior year	377,576	15,223	-	-
	4,457,339	1,716,109	1,298,018	884,519
Deferred taxation	2,671,884	4,597,665	1,215,902	184,096
Tax charge to profit and loss	7,129,223	6,313,774	2,513,920	1,068,615

Notes To The Consolidated And Separate Financial Statements Contd

25 Taxation

	Group		Company	
	31-Dec-24 N'000	31-Dec-23 N'000	31-Dec-24 N'000	31-Dec-23
Current income tax				
Per Balance Sheet:				
At 1 January	1,876,005	3,346,153	1,217,134	1,294,989
Opening balance adjustment	-	-	-	-
Capital gain tax	-	128	-	-
Current Income tax expense	4,079,763	1,636,886	694,685	132,000
Withholding tax credit offset	(539,538)	(989,688)	(312,362)	(911,837)
Dividend tax	-	64,000	603,333	752,519
Underprovision in prior year	377,576	15,223	-	-
Write back of prior period over provision	-	-	-	-
Payments during the period	(1,483,319)	(2,196,697)	(132,559)	(50,537)
At the end of the period	4,310,487	1,876,005	2,070,231	1,217,134

Notes To The Consolidated And Separate Financial Statements Contd

25 Taxation

Reconciliation of income tax expenses

Reconciliation of tax expense and the accounting profit for 2024 and 2023 is as follows:

	Group		Company	
	31-Dec-24 N'000	31-Dec-23 N'000	31-Dec-24 N'000	31-Dec-23 N'000
Profit before taxation	60,672,568	25,991,127	19,042,420	9,319,304
Income tax ensponse calculated at 30%	18,201,770	7,797,338	5,712,726	2,795,791
Effect of income exempted from taxation*	(45,193,608)	(12,038,962)	(20,394,599)	(9,922,311)
Effect of non-deductible expenses for tax purposes	34,386,942	750,146	218,758	222,613
Dividend tax	-	64,000	603,333	752,519
Efect of minimum tax	(924,780)	9,630,227	16,372,749	7,207,542
Effect of education tax	279,155	94,581	-	12,000
Effect of NPTF Levy	2,168	1,221	953	461
Underprovision in prior year	377,576	15,223	-	-
	7,129,223	6,313,774	2,513,920	1,068,615
Effective tax rate	12%	24%	13%	11%
*Refer to note 62 for changes to presentation of comparative figures.	2,671,884	4,597,665	1,215,902	184,096
	-	-	-	-

Notes To The Consolidated And Separate Financial Statements Contd

26 Deferred tax liabilities

	Company		Company	
	31-Dec-24 N'000	31-Dec-23 N'000	31-Dec-24 N'000	31-Dec-23 N'000
Capital gains to be reinvested	116,291	116,291	-	-
Unutilized tax credit	(1,151,609)	(1,151,609)	-	-
Fair value gains on investment properties	2,716,326	2,211,449	943,778	684,978
Accelerated depreciation for tax purposes	1,013,769	1,223,933	52,607	52,607
Unrealised foreign exchange gains	7,198,404	5,033,495	1,078,325	115,024
Revaluation Surplus	(68,961)	(67,204)	-	-
Impairment of Financial Assets	(911,639)	(701,814)	(38,549)	(32,350)
	<u>8,912,581</u>	<u>6,664,541</u>	<u>2,036,161</u>	<u>820,259</u>
Deferred tax related to items recognised in OCI				
Net (gain)/Loss on equity instruments designated at fair value through OCI	1,192,516	392,118	50,247	-
Net deferred tax liabilities	<u>10,105,097</u>	<u>7,056,659</u>	<u>2,086,408</u>	<u>820,259</u>
Deferred tax assets	-	-	-	-
Deferred tax liabilities	10,105,097	7,056,659	2,086,408	820,259
Net deferred tax liabilities	<u>10,105,097</u>	<u>7,056,659</u>	<u>2,086,408</u>	<u>820,259</u>

Notes To The Consolidated And Separate Financial Statements Contd

27 Issued share capital and reserves

	Company		Company	
	31-Dec-24 N'000	31-Dec-23 N'000	31-Dec-24 N'000	31-Dec-23 N'000
Issued share capital:				
5,881,866,000 Ordinary shares of 50k each	2,940,933	2,940,933	2,940,933	2,940,933
Movement during the year is as shown below:				
At 1 January	2,940,933	2,940,933	2,940,933	2,940,933
At 31 December	2,940,933	2,940,933	2,940,933	2,940,933

28 Share premium

At 1 January	6,412,357	6,412,357	6,412,357	6,412,357
At 31 December	6,412,357	6,412,357	6,412,357	6,412,357

Notes To The Consolidated And Separate Financial Statements Contd

29 Reserves

The nature and purpose of the reserves in equity are as follows:

Retained earnings

Retained earnings comprise the undistributed profits from previous years, which have not been reclassified to the other reserves noted below.

Contingency reserve

The statutory contingency reserve has been computed in accordance with Section 21 (1) of the Insurance Act, Cap 117 LFN 2004.

Asset revaluation reserve

This reserve contains surplus on revaluation of property, plant and equipment. A revaluation surplus is recorded in Other Comprehensive Income and credited to the asset revaluation surplus in equity. However, to the extent that it reverses a revaluation deficit of the same asset previously recognised in profit or loss, the increase is recognised in profit and loss. A revaluation deficit is recognised in profit or loss, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation reserve.

Fair value reserve

The fair value reserve comprises the net cumulative change in the fair value of financial assets measured at fair value through other comprehensive income.

Non Controlling Interest

Custodian Investment Plc has a controlling interest of 76.55% (2021: 76.55%) in CrusaderSterling Pensions Limited (CSP), which gives rise to a non-controlling interest of 23.45% in the entity. Also, the group has 51% controlling interest in UPDC Plc giving rise to a non-controlling interest of 49%. The balance represents the amount attributable to the non-controlling shareholders of CSP and UPDC.

Notes To The Consolidated And Separate Financial Statements Contd

	Group		Company	
	31-Dec-24 N'000	31-Dec-23 N'000	31-Dec-24 N'000	31-Dec-23 N'000
30 Interest income				
Interest income on investments measured at ammortised cost	29,325,451	18,956,023	55,855	32,039
Interest income on call and deposit accounts	5,100,539	2,043,932	458,737	160,679
	34,425,990	20,999,955	514,592	192,718
31 Operating and Investment Income				
Dividend income	2,499,138	1,290,106	7,378,537	8,047,868
Profit on investment contracts	96,408	31,172	-	-
Fees and Commission income	6,584,179	5,070,010	-	-
Sales	11,629,489	5,343,622	-	-
Other Operating Income	548,680	947,235	71,473	387,612
	21,357,894	12,682,145	7,450,010	8,435,480
i Other operating income				
Rental income	163,378	151,527	13,680	13,040
Sundry income	385,302	795,708	57,793	374,572
	548,680	947,235	71,473	387,612

Included in sundry income are incomes relating to disposal of scraps, premium fee on rent to own scheme, parking space lease, recovery on facility management, project supervision services fees, legal, transfer and title regularisations fees.

Notes To The Consolidated And Separate Financial Statements Contd

	Group		Company	
	31-Dec-24 N'000	31-Dec-23 N'000	31-Dec-24 N'000	31-Dec-23 N'000
32 Net fair value gains/(losses)				
Changes in fair value of financial assets	10,768,156	(6,138,342)	5,233,253	1,144,578
Fair value gains on investment property	4,915,499	1,346,086	2,587,999	839,584
	15,683,655	(4,792,256)	7,821,252	1,984,162
33 Net Realized Gains				
Profit on disposal of property and equipment	(17,572)	8,762	(21,458)	519
Net realised gain/(loss) on foreign exchange	195,790	118,554	-	-
Realised gain/(loss) on financial assets	6,604,372	747,836	6,215,582	71,972
	6,782,590	875,152	6,194,124	72,491
34 Insurance service revenue				
Non life insurance service revenue	66,250,057	40,377,128	-	-
Life insurance service revenue	29,977,729	24,812,728	-	-
	96,227,786	65,189,856	-	-
35 Direct operating expenses				
Cost of sales	7,984,989	3,442,301	-	-
36 Insurance Service expenses				
Non life insurance business	29,585,585	22,472,417	-	-
Life insurance business	38,805,619	24,463,658	-	-
	68,391,204	46,936,075	-	-

Notes To The Consolidated And Separate Financial Statements Contd

	Group		Company	
	31-Dec-24 N'000	31-Dec-23 N'000	31-Dec-24 N'000	31-Dec-23 N'000
37 Net expense from reinsurance contracts held				
Non life insurance business	33,966,149	21,062,783	-	-
Life insurance business	1,075,354	1,217,768	-	-
	35,041,503	22,280,551	-	-
38 Net insurance finance expenses				
- Finance (expenses)/income from insurance contracts issued				
Non life insurance business	(1,376,788)	(1,349,743)	-	-
Life insurance business	10,363,526	4,800,734	-	-
	8,986,738	3,450,991	-	-
- Finance (expense)/income on reinsurance contracts held				
Non life insurance business	129,048	135,430	-	-
Life insurance business	(15,771)	(16,559)	-	-
	113,277	118,871	-	-
	9,100,015	3,569,862	-	-
39 Impairment allowance				
Charge/(write back) on cash and cash equivalents (ECL)	31,914	280,991	23,494	-
Charge/(write back) on financial assets at amortised costs (ECL)	832,649	676,123	(922)	-
Writeback on other receivables	(222,314)	(101,956)	-	-
	642,249	855,158	32,552	-
40 Finance costs				
Finance cost	238,296	248,303	-	-
	238,296	248,303	-	-

Notes To The Consolidated And Separate Financial Statements Contd

	Group		Company	
	31-Dec-24 N'000	31-Dec-23 N'000	31-Dec-24 N'000	31-Dec-23 N'000
41 Unrealised foreign exchange gain				
Net unrealised Foreign exchange gain on cash and cash equivalents	1,425,536	1,667,534	2,601	1,886
Net unrealised Foreign exchange gain/(loss) on financial assets	30,057,861	24,146,073	-	-
Unrealised foreign exchange on gain or /(loss) on other receivables and payables	(8,235,151)	(8,235,151)	-	-
	<u>23,248,246</u>	<u>17,578,456</u>	<u>2,601</u>	<u>1,886</u>
42 Management expenses				
Staff cost (see note 42(l) below)	5,994,975	3,564,646	1,871,555	707,198
Auditors' remuneration*	181,367	93,126	18,275	12,000
Amortisation of intangible assets	101,292	51,907	8,378	8,377
Depreciation of property, plant and equipment	594,858	700,544	119,569	126,840
(Loss)/gain on disposal of Investment property	-	-	-	-
Depreciation of right of use asset	6,193	35,915	-	-
Occupancy expenses	243,127	124,743	43,640	24,321
Directors fees and expenses	412,548	339,499	140,466	107,341
Printing, stationery & office supplies	62,729	81,898	30,090	19,216
Marketing and administration expenses	6,445,567	4,150,637	252,818	155,021
AGM, dividend processing & related costs	29,624	32,170	23,740	26,103
Pension protection fund charge	191,055	147,696	-	-
Fees, levy & assessment	2,169,145	1,107,136	408,671	180,611
Bank charges	16,705	13,366	405	405
	<u>16,449,185</u>	<u>10,443,283</u>	<u>2,917,607</u>	<u>1,367,433</u>

* Auditor's remuneration represents fees for the interim and full year audit of the company and the group for the year ended 31 December 2024.

Notes To The Consolidated And Separate Financial Statements Contd

	Group		Company	
	31-Dec-24 N'000	31-Dec-23 N'000	31-Dec-24 N'000	31-Dec-23 N'000
42(l) Staff cost				
Salaries	4,109,007	2,053,445	935,936	198,275
Defined contribution pension cost	219,744	136,892	12,802	12,186
Other staff allowance	1,666,224	1,374,309	922,817	496,737
	<u>5,994,975</u>	<u>3,564,646</u>	<u>1,871,555</u>	<u>707,198</u>
43 Net gain/(loss) on assets (FVTOCI)				
Financial assets - FVTOCI				
Net gain/(loss) on equity instrument at FVOCI	4,819,348	849,064	452,226	-
Net loss on debt instruments at fair value through other comprehensive income	(456,018)	-	-	-
Transfer of fair value reserve of equity instruments designated at FVOCI	(71,727)	-	-	-
	<u>4,291,603</u>	<u>849,064</u>	<u>452,226</u>	<u>-</u>
44 Revaluation surplus on freehold property				
Arising during the year	368,563	690,143	-	-
Income tax effect	(110,569)	(207,044)	-	-
	<u>257,994</u>	<u>483,099</u>	<u>-</u>	<u>-</u>

Notes To The Consolidated And Separate Financial Statements Contd

45	Earnings per share	Group		Company	
		31-Dec-23 N'000	31-Dec-22 N'000	31-Dec-23 N'000	31-Dec-22 N'000
	Profit for the period from continuing activities	53,543,345	19,677,353	16,528,500	8,250,689
	Less: Non-controlling interests	1,275,725	620,245	-	-
	Net profit from continuing activities attributable to ordinary shareholder	52,267,620	19,057,108	16,528,500	8,250,689
	Profit for the period from continuing and discontinued activities	53,543,345	19,677,353	16,528,500	8,250,689
	Less: Non-controlling interests	1,275,725	620,245	-	-
	Net profit from continuing and discontinued activities attributable to ordinary shareholder	52,267,620	19,057,108	16,528,500	8,250,689
	Number of ordinary share in issue as at year end				
	Share capital	5,881,866	5,881,866	5,881,866	5,881,866
	Basic/diluted earnings per ordinary share from continuing activities (kobo)	889	324	281	140
	Basic/diluted earnings per ordinary share from continuing and discontinued activities (kobo)	889	324	281	140

Basic earnings per share (EPS) amount is calculated by dividing the net profit or loss for the period attributable to ordinary shareholders by the number of ordinary shares outstanding at the reporting date.

Diluted EPS is calculated by adjusting the profit due to continuing operations attributable to ordinary shareholders and the weighted average number of shares outstanding for the effect of dilutive potential ordinary shares.

Notes To The Consolidated And Separate Financial Statements Contd

46 Emolument of directors and key management

Key management personnel of the Company includes all directors, executive and non-executive, and senior management. The summary of the compensation of key management personnel for the year is as follows:

	Group		Company	
	31-Dec-24 N'000	31-Dec-23 N'000	31-Dec-24 N'000	31-Dec-23 N'000
Fees	198,584	171,647	83,617	67,618
Executive compensation	1,490,960	1,226,518	887,328	452,310
Other emoluments	260,483	144,149	30,450	29,450
Total	1,950,027	1,542,314	1,001,395	549,378

Fees and other emoluments (excluding pension contributions) disclosed above include amounts paid to:

Chairman	20,500	19,750	20,500	19,750
Highest paid Director	20,500	19,750	20,500	19,750

Notes To The Consolidated And Separate Financial Statements Contd

47 Employee remuneration

- i The number of employees of the Group, other than directors, who received emoluments in the following ranges (excluding pension contributions and certain benefits), were:

			Group		Company	
			31-Dec-24	31-Dec-23	31-Dec-24	31-Dec-23
₦		₦				
60,000	-	999,999	87	103	-	-
1,000,000	-	1,999,999	65	61	1	1
2,000,000	-	2,999,999	59	173	2	2
3,000,000	-	3,999,999	159	80	-	1
4,000,000	-	4,999,999	156	101	-	1
5,000,000	-	5,999,999	42	24	2	1
6,000,000	-	and above	148	114	6	6
			716	656	11	12

ii Average number of persons employed during the year

Executive directors	8	13	2	2
Management staff	38	38	2	2
Non-management staff	670	605	7	8
	716	656	11	12

Notes To The Consolidated And Separate Financial Statements Contd

The following balances were outstanding at the end of the reporting year:

	Group		Company	
	31-Dec-24 N'000	31-Dec-23 N'000	31-Dec-24	31-Dec-23 N'000
Receivables from related parties:				
Key Management Personnel (Loan)	-	-	-	-
	-	-	-	-

Trading transactions

During the year, group entities entered into the following transactions with related parties

		31-Dec-24 N'000	31-Dec-23 N'000
	Nature of transaction		
Custodian and Allied Insurance Limited	Group share cost	-	-
Custodian Life Assurance Limited	Group share cost	-	-
Custodian Trustees Limited	Company secretarial service	15,000	15,000
Crusader Sterling Pensions Limited	Group share cost	-	-
UPDC Plc	Shareholder loan	1,642,638	2,589,237
UPDC Plc	Executive Reimbursement	65,159	65,159
Interstate Securities Limited	Stock brokerage	-	-

The Group related parties exchanged transactions with the total amount of N1.72billion (2023: N2.67billion) between one another during the reporting year. The transactions with related parties are made at normal market prices and conducted at arm's length.

The following amounts were outstanding at the reporting date:

Notes To The Consolidated And Separate Financial Statements Contd

The following amounts were outstanding at the reporting date:

	Amount owed by related parties		Amount owed to related parties	
	31-Dec-24 N'000	31-Dec-23 N'000	31-Dec-24 N'000	31-Dec-23 N'000
Custodian and Allied Insurance Limited	-	1,800,000	-	1,800,000
Custodian Life Assurance Limited	-	576,000	-	576,000
Custodian Trustees Limited	1,695,604	32	1,695,604	32
Crusader Sterling Pensions Limited	5,429	-	5,429	-
UPDC Plc	1,642,638	2,597,625	1,642,638	2,597,625
ISL	4,125	4,125.00	4,125	4,125

The Group considered the outstanding balances at the reporting date as unsecured loan. The settlements will involve physical delivery of cash as applicable.

In relation to the balances with related parties, there was no allowance for impairments on receivables at the end of the reporting period and no bad debt expensed in the year (2023: Nil).

Notes To The Consolidated And Separate Financial Statements Contd

iii Staff cost excluding the Directors relating to the above

	Group		Company	
	31-Dec-24 N'000	31-Dec-23 N'000	31-Dec-24 N'000	31-Dec-23 N'000
Salaries and wages	4,036,538	2,903,039	551,345	198,275
Pension costs	197,438	285,001	23,450	11,777
	4,233,976	3,188,040	574,795	210,052

48 Fines and penalties

Charged during the year	19,173	28,450	-	-
	19,173	28,450	-	-

The Company did not pay any fines or penalty during the year (2023: Nil) but other members of group were fined for various infractions.

49 Contingent liabilities

As at 31 December 2024, the Group in its ordinary course of business is presently involved in 14 cases(2023:31 cases) as a defendant and 2 cases(2023: 15 cases) as a plaintiff. The total amount claimed in the cases against the Group is estimated at N2.06billion (2023:N3.2 billion), while the total amount claimed in the 2 cases instituted by the Group is N50 thousand (2023: N69.2 million). The Directors are of the opinion that none of the aforementioned cases is likely to have material adverse effect on the Group and are not aware of any other pending and or threatened claims or litigation which may be material to the financial statements.

Notes To The Consolidated And Separate Financial Statements Contd

There is no pending case that could have any material impact on the Company as at the financial statement date
There was no capital commitment as at 31 December 2024 (2023: Nil).

The Group has entered into commercial leases on certain property and equipment. These leases have an average life of between one and two years, with no renewal option included in the contracts. There are no restrictions placed upon the Group by entering into the leases.

50 Events after reporting date

There were no events after the reporting date which could have a material effect on the consolidated and separate financial position of the Group as at 31 December 2024 or the financial performance for the year ended that have not been adequately provided for or disclosed.

51 Group subsidiaries and related party transactions

Custodian Investment Plc is a company incorporated in Nigeria and is the ultimate parent company of the Group.
Transactions between the parent and its subsidiaries have been eliminated on consolidation. Details of the Group's interests and investments in subsidiaries as at 31 December 2024 are shown in Note 12.
The following balances were outstanding at the end of the reporting year:

Notes To The Consolidated And Separate Financial Statements Cont'd

52 Distribution made and proposed

	31-Dec-24 N'000	31-Dec-23 N'000
Final dividend 2023: 65kobo (2022: 55kobo)	3,823,212	3,235,025
Interim dividend 2024: 15kobo (2023: 15kobo)	882,280	882,280
	<u>4,705,492</u>	<u>4,117,305</u>

On 21 June 2024 and 5 September 2024, the Company paid final and Interim dividend comprising of 65kobo and 15kobo per ordinary share based on the 2023 audited financial results and 2024 half year results, respectively. Payment of the total N4,705,491,356 has since been made.

The Directors proposed a final dividend of N1.10 per ordinary share of 50kobo each for the financial year 2024 making a total dividend of N1.25 per share having paid an interim dividend of 15kobo per share previously.

54. Approval of Financial Statements

The consolidated and separate financial statements were approved by the Board of Directors and authorized for issue on 28 March 2025.

55. Securities Trading Policy

In compliance with Rule 17.15 Disclosure of Dealings in Issuers' Shares, Rulebook of the Exchange 2015 (Issuers Rule) Custodian Investment Plc maintains a Security Trading Policy which guides Directors, Audit Committee members, employees and all individuals categorized as insiders as to their dealing in the Company's shares. The Policy undergoes periodic reviews by the Board and is updated accordingly. The Company has made specific inquiries of all its directors and other insiders and is not aware of any infringement of the policy during the period.

Notes To The Consolidated And Separate Financial Statements Cont'd

56. Segment Reporting

Identification of reportable segments

The business activities of Custodian Investment Plc Group are first organized by product and type of service: insurance activities, pension asset management activities and other activities. Due to differences in the nature of products, risks and capital allocation, insurance activities are further divided between property & casualty (Non-Life) and life categories.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit (or loss) before income taxes, as included in the internal management reports that are reviewed by the Group's CEO. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within this industry. Inter-segment pricing is determined on an arm's length basis.

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

Notes To The Consolidated And Separate Financial Statements Cont'd

- Non-life business
- Life business
- Pension administration
- Property development and management
- Trustees and others

Non-Life Business

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

The business of this segment is undertaken by Custodian and Allied Insurance Limited, a fully owned subsidiary of the Company.

Life Business

The life reportable segment offers a range of life insurance products on both individual and group basis, including annuity, endowment and investment oriented products, insurance products with Discretionary Participatory Features (DPF). Gross premium recurring on life policies are recognised as revenue when payable by the policy holders. The business of this segment is undertaken by Custodian Life Assurance Limited, a fully owned subsidiary of the Company.

Notes To The Consolidated And Separate Financial Statements Contd

Pension Administration

This reportable segment included the administration and management of the retirement benefits of members. The administration includes making investment decisions, collection of contribution and making payment to retirees in-line with provisions of Pension Reform Act 2014. The revenue earned includes administration and management fees received on member's contributions and the Net Asset value of Funds under Management respectively. The business of this segment is undertaken by Crusader Sterling Pensions Limited, a 76.55% owned subsidiary of the Company.

Property development and management

Through this reportable segment, the group engages in the acquisition, development, sale and management of a diverse mix of commercial, residential, hospitality and retail property assets across Nigeria. Core revenue stream for this segment include property sales, rental income, property management and fees/commission income. The operations of this business segment is carried out by UAC Property Development Plc (UPDC). The group owns 51% UPDC.

Trustees and others

This reportable segment includes trustee management, corporate services, investment and property management. The businesses of this segment are undertaken by the company and Custodian Trustees Limited, a fully owned subsidiary of the Company.

Notes To The Consolidated And Separate Financial Statements Contd

56.1 Consolidated statements of profit or loss and other comprehensive income by segment

	Non Life 2024 N'000	Life 2024 N'000	Pension Adminis- tration 2024 N'000	Property Develop- ment 2024 N'000	Holding Company & Trustees 2024 N'000	Total 2024 N'000	Elimination & Others 2024 N'000	Consolidated 2024 N'000
Insurance contract revenue	66,250,057	29,977,729	-	-	-	96,227,786	-	96,227,786
Insurance service expenses	(29,585,585)	(38,805,619)	-	-	-	(68,391,204)	-	(68,391,204)
Net expense from reinsurance contracts held	(33,966,149)	(1,075,354)	-	-	-	(35,041,503)	-	(35,041,503)
Insurance service result	2,698,323	(9,903,244)	-	-	-	(7,204,921)	-	(7,204,921)
Finance (expense)/income from insurance contract issued	1,376,788	(10,363,526)	-	-	-	(8,986,738)	-	(8,986,738)
Finance (expense)/income from reinsurance contract held	(129,048)	15,771	-	-	-	(113,277)	-	(113,277)
Net Insurance Financial Result	1,247,740	(10,347,755)	-	-	-	(9,100,015)	-	(9,100,015)
Sales	-	-	-	11,629,489	-	11,629,489	-	11,629,489
Fees and commission income	-	-	6,514,987	-	97,192	6,612,179	(28,000)	6,584,179
Cost of sales	-	-	-	(7,984,989)	-	(7,984,989)	-	(7,984,989)
Net income	3,946,063	(20,250,999)	6,514,987	3,644,500	97,192	(6,048,257)	(28,000)	(6,076,257)
Interest income	10,251,060	21,720,850	1,298,052	563,413	592,615	34,425,990	-	34,425,990
Other investment and operating income	322,233	1,113,407	2,393	445,728	7,450,017	9,333,778	(6,285,960)	3,047,818
Profit on investment contracts	-	96,408	-	-	-	96,408	-	96,408
Net realised gains/(losses)	192,092	389,790	6,584	-	6,194,124	6,782,590	-	6,782,590
Net fair value gains/(losses)	22,777,549	8,303,366	4,839	20,132	7,826,015	38,931,901	-	38,931,901
Impairment (allowance)/write back	(657,531)	(1,877)	49,966	(11,109)	(21,698)	(642,249)	-	(642,249)
Finance cost	-	-	(36,893)	(397,834)	-	(434,727)	196,431	(238,296)
Management expenses	(4,049,684)	(2,414,460)	(4,102,754)	(2,907,734)	(3,048,783)	(16,523,415)	74,230	(16,449,185)
Share of loss from investment in joint venture	-	-	-	-	-	-	-	-
Share of result of equity accounted investee	-	-	-	-	-	-	793,848	793,848
Profit before income tax expense	32,781,782	8,956,485	3,737,174	1,357,096	19,089,482	65,922,019	(5,249,451)	60,672,568
Income tax expenses	(3,066,750)	(463,349)	(1,082,790)	(449,692)	(2,520,849)	(7,583,430)	454,207	(7,129,223)
Profit for the period	29,715,032	8,493,136	2,654,384	907,404	16,568,633	58,338,589	(4,795,245)	53,543,345
SEGMENT ASSETS	136,237,128	188,378,216	13,110,763	31,316,279	54,398,485	423,440,871	(16,146,823)	407,294,048
SEGMENT LIABILITIES	75,969,789	167,914,164	4,556,056	21,760,231	6,988,574	277,188,814	(4,421,591)	272,767,223
DEPRECIATION	59,627	149,406	226,870	38,703	120,252	594,858	-	594,858
AMORTISATION	5,447	32,107	52,298	3,062	8,378	101,292	-	101,292

Notes To The Consolidated And Separate Financial Statements Contd

Consolidated statements of profit or loss and other comprehensive income

	Non Life 2023 N'000	Life 2023 N'000	Pension Adminis- tration 2023 N'000	Property Develop- ment 2023 N'000	Holding Company & Trustees 2023 N'000	Total 2023 N'000	Elimination & Others 2023 N'000	Consolidated 2023 N'000
Gross premium written	-	-	-	-	-	-	-	-
Insurance contract revenue	40,377,128	24,812,728	-	-	-	65,189,856	-	65,189,856
Insurance service expenses	(22,472,417)	(24,463,658)	-	-	-	(46,936,075)	-	(46,936,075)
Net expense from reinsurance contracts held	(21,062,783)	(1,217,768)	-	-	-	(22,280,551)	-	(22,280,551)
Insurance service result	(3,158,072)	(868,698)	-	-	-	(4,026,770)	-	(4,026,770)
Finance (expense)/income from insurance contract issued	1,349,743	(4,800,734)	-	-	-	(3,450,991)	-	(3,450,991)
Finance (expense)/income from reinsurance contract held	(135,430)	16,559	-	-	-	(118,871)	-	(118,871)
Net Insurance Financial Result	1,214,313	(4,784,175)	-	-	-	(3,569,862)		(3,569,862)
Sale	-	-		5,343,622		5,343,622		5,343,622
Fees and commission income	-	-	5,026,838	-	71,172	5,098,010	(28,000)	5,070,010
Cost of sales	-	-	-	(3,442,301)	-	(3,442,301)	-	(3,442,301)
Net income	(1,943,759)	(5,652,873)	5,026,838	1,901,321	71,172	(597,301)	(28,000)	(625,301)
Interest income	4,462,413	15,122,954	885,453	286,419	242,716	20,999,955	-	20,999,955
Other investment and operating income	246,993	1,158,351	775	438,876	8,436,851	10,281,846	(8,044,505)	2,237,341
Profit from investment contracts	-	31,172	-	-	-	31,172	-	31,172
Net realised gains/(losses)	162,154	636,167	4,340	-	72,491	875,152	-	875,152
Net fair value gains/(losses)	15,354,794	(4,571,069)	-	15,297	1,987,178	12,786,200	-	12,786,200
Impairment (allowance)/write back	(466,470)	(242,276)	(55,143)	(84,924)	(6,345)	(855,158)	-	(855,158)
Finance cost	-	-	(64)	(454,644)	-	(454,708)	206,405	(248,303)
Management expenses	(2,603,393)	(1,839,878)	(2,916,354)	(1,716,901)	(1,440,987)	(10,517,513)	74,230	(10,443,283)
Share of loss from investment in joint venture	-	-	-	(5,506)	-	(5,506)	-	(5,506)
Share of result of equity accounted investee	-	-	-	-	-	-	1,238,858	1,238,858
Profit/(loss) before income tax expense	15,212,732	4,642,548	2,945,845	379,938	9,363,076	32,544,139	(6,553,012)	25,991,127
Income tax expenses	(4,742,593)	(199,763)	(830,611)	(158,430)	(1,070,896)	(7,002,293)	688,519	(6,313,774)
Profit/(loss) after tax and discontinued operations	10,470,139	4,442,785	2,115,234	221,508	8,292,180	25,541,846	(5,864,493)	19,677,353
SEGMENT ASSETS	86,988,028	139,313,449	9,426,479	19,664,031	39,082,112	294,474,099	(19,457,002)	269,800,307
SEGMENT LIABILITIES	52,171,170	128,143,832	2,125,936	10,828,607	3,987,567	197,257,111	(8,923,073)	188,334,038
DEPRECIATION	59,627	149,406	191,131	170,641	129,739	700,544	-	700,544
AMORTISATION	657	110	38,901	3,862	8,377	51,907	-	51,907

Notes To The Consolidated And Separate Financial Statements Contd

57. Risk Management Framework

Introduction and Overview

The Board of Directors appreciates that risks are inherent in all aspects of the Group's operations and that it cannot totally eliminate risks. It therefore acknowledges the critical role of risk management in the achievement of the objectives of the Group.

The Enterprise Risk Management Framework establishes the criteria within which enterprise risks are managed. The intent of the framework is to ensure the effective communication and management of risk categories across all business units. The scope of the Framework is enterprise-wide and is applicable to Board, Management and employees of the Group.

Enterprise risk management is a process, applied by our organization in a strategic setting, which enables management to identify potential risk events that may affect the entity; and provides a framework to manage risk within the organization's risk appetite in order to provide reasonable assurance regarding the achievement of the organization's objectives.

The Board is committed to managing risk in accordance with established risk management standards and has overall responsibility for the establishment and oversight of the enterprise risk management framework. There is an established Board Risk Committee, which is responsible for developing and monitoring the enterprise risk management policies. It meets quarterly to receive reports from the Management Risk Committee. The Management Risk Committee in turn meets every month to review risk reports from the Chief Risk Officer.

The enterprise risk management policies are established to give broad guidance on how strategic objectives are to be set, and cascaded through to operational, reporting and compliance objectives. To identify and analyze the risks faced by the Group, risks are attached to objectives, core processes and key dependencies. The Group's risk policies set appropriate risk limits and appetites that form the basis for prioritizing identified risks. Risk controls are set and reviewed continually to monitor adherence to risk appetite and limits.

The Group has a policy to review the risk management policies and systems annually in order to reflect changes associated with its activities and the global economy generally. The Group, through regular risks workshops, trainings and design of standard operating procedures, aims to embed a risk culture in which all employees are aware of the risks in their respective roles and obligations.

Notes To The Consolidated And Separate Financial Statements Contd

The Group's risk management framework functions on three lines of risk defense. Core Process owners function as the first line of risk defense and they have responsibility for risk prevention. The risk management unit assumes the second line of risk defense and is assigned responsibility to holistically coordinate the risk control functions, enterprise-wide. The internal audit function, as the last line of risk defense, functions to secure assurance that risk controls are effective and efficient.

57.1 Objectives

The Group is committed to the management of inherent risks. The Group's enterprise risk management framework aims to:

- Promote proactive recognition of external factors and anticipate uncertainties that may affect the achievement of strategy.
- Protect the interests of the Group's shareholders.
- Provide assurance to counterparts, customers, employees and the community.
- Recognize that risk is embedded in all our activities and that the underlying risk appetite is key to effective decision making.
- Provide appropriate, consistent and transparent ownership and accountability around risk mitigation.
- Enable the design and implementation of controls.
- Improve performance measurement; the Group's improved understanding of its risk profile enables appropriate allocation of risk and economic capital to individual lines of business, which allows improved performance measurement and evaluation of activities.
- Ensure better control of operations; the Group expects that increased understanding of risk activities within various business units, the Board and senior management will lead to improvements in the control of operations and the emergence of a more proactive enterprise risk management culture.

57.2 Philosophy and principles

The continued successful safeguarding, maintenance and expansion of the Group's businesses requires a comprehensive approach to risk management.

It is the policy of the Group to identify, assess, control and monitor all risks that the business may incur to ensure that the risks are appropriate in relation to the scale and benefit of the associated project, business or practice and to ensure that no individual risk or combination of risks result in a likely

Notes To The Consolidated And Separate Financial Statements Contd

By acknowledging that risk and control are part of everyone's job, and by incorporating risk management into the Group's daily business practices the Group will be better equipped to achieve its strategic objectives, whilst maintaining the highest ethical standards.

The Group adopts a risk philosophy aimed at maximizing business opportunities and minimizing adverse outcomes, thereby enhancing shareholder value by effectively balancing risk and reward.

The Board of Directors is responsible for setting the enterprise risk management strategy of the Group and its implementation. All staff are expected to demonstrate the highest ethical standards of behavior in development of strategy and pursuit of objectives.

The following philosophy and principles govern the management of enterprise risk in the Group:

- The Board approves and periodically reviews the enterprise risk management framework.
- Ownership, management and accountability for risk is decentralised with business and functional units.
- There are consistent standards for defining, evaluating, measuring, monitoring and reporting risks.
- The Group's enterprise risk management practices are subject to regular independent review internally and externally.
- Enterprise risk management is governed by well-defined policies and procedures which are clearly communicated across the Group.
- Enterprise risk-related issues are taken into consideration in business decisions including new product and process designs.
- Various risk and loss events are reported openly and fully to the appropriate levels once they are identified.
- Adequate processes and systems for identifying, measuring, monitoring, reporting and controlling risks are being implemented by the Group.

57.2.1 Strategy

Failure to manage risk effectively often results in significant financial losses, regulatory fines or censure, reputational damage, brand erosion or even the loss of insurance licence, all of which directly impact shareholder value. Accordingly, the Group's enterprise risk strategy aims to minimise the impact of various risks on its shareholders' value. In more specific terms, the Group's strategy is to:

- reduce the likelihood of occurrence of unexpected events and related cost by managing the risk factors and implementing loss prevention or reduction techniques to reduce variation in earnings;

Notes To The Consolidated And Separate Financial Statements Contd

- minimise the impact of unexpected and catastrophic events including related costs through risk financing strategies that support the Group's long-term growth, cash flow management and balance sheet protection; and
- make all managers responsible for the management of risk and thus minimise actual or potential losses. The Group recognises that some losses, such as operational errors, are inevitable and are normal business cost but will ensure these costs are kept within acceptable levels and potential losses are minimised.

In implementing this strategy, the Group:

- has put in place best-practice enterprise risk management policies and procedures. These include procedures to help identify, assess, control, manage and report various risks within the Group;
- ensures that roles and responsibilities are agreed and clearly understood by employees at all levels;
- ensures that all staff in business and support functions are aware of their responsibilities for risk management;
- considers the potential risk impact of its activities and products at the outset with a view to minimising these as far as possible;
- has put in place structures and processes for reporting control failures to designated individuals and escalating material issues to the Board Audit & Risk Committees respectively;
- ensures that staff are provided with appropriate enterprise risk management training that is commensurate to their roles;
- establishes a workable business continuity plan (including disaster recovery and crisis management procedures) that minimises the impact of unexpected and catastrophic events on business operations and customer service;
- minimises the financial impact of losses, through management of risk factors and utilisation of insurance and other risk transfer strategies; and
- ensures that staff responsibility with respect to enterprise risk management is communicated through on-going risk awareness workshops and management action.

57.3 Governance and culture

The overall responsibility for enterprise risk management in the Group resides with the Board. The responsibility of the day-to-day management has been delegated as described in this section. On a regular basis, the Board receives reports on Group's risk profile through the Board Risk Management Committee.

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To ensure consistency and prudent management of risks, the responsibility for managing risk has been split as follows:

- the overall governance owned by the Board and Board Committees (Board Audit & Risk Committees) and Management Risk Committee;
- the approval of enterprise risk management policies and standards for risk identification, measurement, assessment, monitoring and reporting is the responsibility of the Board Risk Management Committee;
- the enterprise risk management framework implementation and review is owned by the Risk Management department;
- the implementation of the enterprise risk management framework within the branches, departments/business units and the day-to-day management of risks is owned by respective core processes and executed through management structure.
- The assurance role that risk management controls are effective and efficient is owned by the internal audit function.
- Legal and Compliance unit ensures that the Company adheres to laws, regulations, guidelines and specifications relevant to its business.

57.3.1 The Board and Board Committees

The Board of Directors, Board Audit & Risk Committees and the Management Risk Committee shall have overall oversight function for enterprise risk management. It shall be their responsibility to ensure effective management of risks and adherence to the approved enterprise risk policies.

57.3.1.1 Board of Directors

The Board of Directors:

- sets the Group's enterprise risk strategy and direction in line with the Group's corporate strategy;
- gives final approval for the Group's enterprise risk management framework, policies and procedures;
- periodically reviews the framework to ensure its relevance and effectiveness; and ensures that senior management is performing its risk management responsibilities; and
- sets risk appetite levels.

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57.3.1.2 Board Audit and Risk Committee

The Board Committees:

- ensures that the enterprise risk management framework is comprehensive and in line with the Group's strategy;
- approves the enterprise risk management framework and oversees its implementation;
- establishes a management structure capable of implementing the framework with clear lines of responsibility, accountability and reporting; and
- reports significant risk issues to the Board of Directors.

57.3.1.3 Management Risk Committee

The Group's Management Risk Committee:

- ensures that the framework is implemented consistently across the Group;
- ensures policies and procedures are developed for managing risk in the Group's products, activities, systems and processes;
- ensures that all levels of staff understand their responsibilities with respect to enterprise risk management;
- reviews the Group's risk dashboard and assesses potential impact on the activities of the Group or business unit;
- ensures the Group's risk profile is within established risk parameters;
- ensures that staff are adequately trained and have access to the necessary resources;
- obtains and reviews periodic reports on loss events, risk profiling, control failures enterprise-wide and monitors that corrective measures are being implemented;
- ensures that the outputs from the enterprise risk management process are factored into the day-to-day management decisions of the Group; and
- ensures that the Group's enterprise risk management policies and procedures promote the desired risk culture.

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57.3.1.4 Chief Risk Officer

The Chief Risk Officer:

- leads the development and implementation of enterprise risk management across the Group.
- develops enterprise risk management strategy, principles, framework and policy.
- implements appropriate enterprise risk management processes and methodologies.
- advises and coaches management and business units on risk management.
- coordinates the appropriate and timely delivery of risk management information.
- approves all reports, risk policy proposals, recommendations and other documents prepared for presentation to the Management Risk Committee, and Board Audit & Risk Committees.

The Enterprise Risk Management seeks to build a strong risk management and control culture by setting the appropriate tone at the top, promoting awareness, ownership and proactive management of key risks, and promoting accountability. In short, we seek to promote a risk-conscious workforce across the enterprise.

The Group's risk culture is based on the following:

- ownership of Risk Management by top executives and senior management with appropriate delegation down the line.
- integration of risk management into all business units of the Group.
- compliance with the Group's culture and value system.
- proactive risk management process.
- risk Management training, education and awareness.
- effective risk management and controls .
- constant monitoring of risk environment and risk management process and system.
- compliance with all relevant statutory, regulatory and supervisory rules, regulations, pronouncements and requirements.
- ensuring risk management owners are responsible and accountable relative to their function and position.
- ensure crisis-free management of risk issue when and if it occurs.

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57.4 Capital Management

For the purpose of the Group's capital management, capital includes issued capital, share premium and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Group's capital management is to maximise the shareholder value. The Group manages its capital structure . To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group trade and other payables (comprising of insurance payables, company income tax, deferred tax liabilities and others), less cash and short-term deposits, excluding discontinued operations.

	Group		Company	
	31-Dec-24 N'000	31-Dec-23 N'000	31-Dec-24 N'000	31-Dec-23 N'000
Trade and other payables	(55,982,087)	(34,055,311)	(2,353,850)	(1,572,472)
Less Cash and cash equivalents and short term financial assets	72,180,748	38,394,636	3,712,475	1,633,189
Cash (deficit)/surplus	16,198,661	4,339,325	1,358,625	60,717
Equity	123,565,491	71,545,288	46,967,989	34,692,755
Debt	(3,380,004)	(2,146,881)	-	-
Capital and net debt	120,185,487	69,398,407	46,967,989	34,692,755
Gearing ratio	3%	3%	0%	0%

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57.5 Risk Identification and Prioritization

Risk identification is a deliberate and systematic effort to identify and document the enterprise's key risks. Risks emanate from internal or external sources which affects implementation of strategy or achievement of objectives.

The objective of risk identification is to understand what is at risk within the context of the enterprise explicit and implicit objectives and to generate a comprehensive inventory of risks based on the threats and events that might prevent, degrade or delay the achievement of the objectives. The Group adopts a rigorous and ongoing process of risk identification that also includes mechanisms to identify new and emerging risks timely. These risks form the basis of the overall risk profile for the enterprise.

The following broad categories of risk are used to enable appropriate aggregation and to assist with the identification of inherent risks across the Group:

- Business Strategy Risk
- Credit Risk
- Compliance Risk
- Insurance Risk
- Legal/Regulatory Risk
- Liquidity Risk
- Market Risk
- Operational Risk
- Reputation/Brand Risk

57.6 Risk Appetite/Risk Tolerance

It is not always efficient to manage risks to zero residual risk or very low residual threshold because of the time, cost and effort that will be required. However, it is also poor risk management practice to accept risks which create unnecessary exposure for the enterprise.

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As a result, the enterprise will not accept risks which could expose her to:

- Unacceptable levels of financial loss relative to strategic and operational targets
- Breaches of legislation or regulatory non-compliance
- Damage to its reputation
- Unacceptable interruption to the provision of services to customers
- Damage to relationships with its customers and key stakeholders

The Group's risk tolerance statement is defined below which guides strategic decision making;

"The Group shall hold capital at the 99.6% Value-at-risk level. No risk driver for example, line of business or asset class must consume more than 5% of shareholder's equity when looking at the 95% Value at Risk. No extreme scenario with a probability of higher or equal to a 1 in 250 years must result in a loss which exceeds 15% of the shareholder's equity".

57.7 Risk Reporting and Communication

Information is needed at all levels to identify, assess and respond to risks. Like any other process, the success of risk management depends on the availability of reliable information and effective communication at various levels. Pertinent information has been identified, captured and communicated in a form and time frame that enables members of staff to carry out their responsibilities.

A reporting system is designed to provide assurance that the enterprise risks are adequately managed. Information is provided on risk management status and actions taken for continuous improvement. The report provides information on the effectiveness of achieving corporate objectives; a forward looking report that anticipates emerging risks.

Information and communication channels are in place to make various business units aware of risks that fall into their area of responsibility and the expected behavior to mitigate negative outcomes.

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Relevant information, properly and timely communicated is essential to equip the relevant officials to identify, assess and respond to risks. The Enterprise's risk communication and reporting process supports enhanced decision making and accountability through; dissemination of relevant, timely, accurate and complete information.

57.8 Risk Management and Controls

In the management and control of risks, the information gained during risk assessments is used to develop control measures that would be applied to ensure appropriate management of risks. It involves the implementation of new policies and standards, physical changes and procedural changes that can reduce or eliminate certain risks within the various business units.

The following are the risk control measures the enterprise employs to mitigate risk:

- Risk Avoidance: this involves committing to stop executing the activities that give rise to the risk. Risk avoidance is usually a function of consolidating business processes and implementing preventative controls to halt deviations from acceptable norms.
- Risk Reduction: The risk reduction strategy involves reorganizing business processes to reduce the risk exposure inherent in them.
Risk reduction involves reducing the severity of the loss or the likelihood of the loss occurring.
- Risk Transfer: A risk transfer strategy involves reducing risk likelihood or impact by transferring or otherwise sharing a portion of the risk. Common risk transfer techniques used includes purchasing insurance products, pooling risks and engaging in hedging transactions.
- Risk Acceptance: A risk acceptance strategy is a well-informed decision to accept loss, or benefit of gain, from a risk when it occurs. This involves making resources available internally to mitigate or accommodate such risks. An acceptance strategy is an effective way of addressing emerging risks which are those risks that are anticipated to arise in the future.

Control activities are also established to ensure that risk management decisions are carried out effectively and consistently throughout the Group. This involves formalizing risk management decisions in the Group's policies, ensuring clear accountability, utilizing self-assessment and monitoring tools and designing controls into the systems and critical business processes.

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57.9 Risk Factors and Types

57.9.1 Insurance risk

The risk under any one insurance contract is the possibility that the insured event occurs and the uncertainty of the amount of the resulting claim. By the very nature of an insurance contract, this risk is random and therefore unpredictable.

For a portfolio of insurance contracts where the theory of probability is applied to pricing and provisioning, the principal risk that the Group faces under its insurance contracts is that the actual claims and benefit payments exceed the carrying amount of the insurance liabilities. This could occur because the frequency or severity of claims and benefits are greater than estimated. Insurance events are random, and the actual number and amount of claims and benefits will vary from year to year from the level established using statistical techniques.

Experience shows that the larger the portfolio of similar insurance contracts, the smaller the relative variability of the expected outcome will be. In addition, a more diversified portfolio is less likely to be affected by a change in any subset of the portfolio. The Group has developed its insurance underwriting strategy to diversify the type of insurance risks accepted and within each of these categories to achieve a sufficiently large population of risks to reduce the variability of the expected outcome.

Factors that aggravate insurance risk include lack of risk diversification in terms of type and amount of risk, geographical location and type of industry covered.

57.9.11 General Accident insurance risks

Frequency and severity of claims

The frequency and severity of claims can be affected by several factors. The most significant is the long tailed nature of occupational hazards and employers liability. Estimated inflation is also a significant factor due to the long period typically required to settle these cases.

The Group manages these risks through prudent underwriting, adequate reinsurance arrangements and proactive claims handling.

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Prudent underwriting attempts to ensure that bad risks are rejected and the underwritten pool of risks are well diversified in terms of type and amount of risk, industry and geography.

Underwriting policies are in place to enforce proper risk selection. For example, the Group does not write or renew individual policies with established moral hazards. It also imposes excesses and deductibles to make the insured bear a proportion of a loss and thus check negligent or indulgent tendencies. The Group undertakes loss investigation that most times results in downward adjustments of reported claims. The Group rejects payment of fraudulent claims that are thrown up by its investigation search light. Insurance contracts also entitle the Group to pursue third parties for payment of some or all costs through its subrogation rights. Any contract in which a branch office of the Group is committed to cover risks in excess of its prescribed limits requires head office approval.

The reinsurance arrangements include excess of loss and catastrophe covers that are used to protect the Group's net account. The effect of such reinsurance arrangements is that the Group should not suffer total net insurance losses of more than N70 million in any one event.

Sources of uncertainty in the estimation of future claim payments

Claims on long-tail general accident insurance contracts are payable on a claims-occurrence basis. Coverage applies to bodily injury or property damage that occurs during the policy period, regardless of when claims for damages are made. As a result, liability claims are settled over a long period of time (long-tail), and a larger element of the claims provision relates to incurred but not reported claims (IBNR). There are several variables that affect the amount and timing of cash flows from these contracts. These mainly relate to the inherent risks of the business activities carried out by individual contract holders and the risk management procedures they adopted. The compensation paid on these contracts is the monetary awards granted for bodily injury suffered by employees (for employer's liability covers) or members of the public (for public liability covers). Such awards are lump-sum payments that are calculated as the present value of the lost earnings and rehabilitation expenses that the injured party will incur as a result of the accident.

The estimated cost of claims includes direct expenses to be incurred in settling claims, net of the expected subrogation value and other recoveries. The Group takes all reasonable steps to ensure that it has appropriate information regarding its claims exposures. However, given the uncertainty in establishing claims provisions, it is likely that the final outcome will prove to be different from the original liability established. The

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liability for these contracts comprises a provision for IBNR, a provision for reported claims not yet paid and a provision for unexpired risks at the end of the reporting period. The amount of casualty claims is particularly sensitive to the level of court awards and to the development of legal precedent on matters of contract and tort. Casualty contracts are also subject to the emergence of new types of latent claims, but no allowance is included for this at the end of the reporting period.

The estimation of IBNR is generally subject to a greater degree of uncertainty than the estimation of the cost of settling claims already notified to the Group, where information about the claim event is available. IBNR claims may not be apparent to the insured until many years after the event that gave rise to the claims. For general accident insurance contracts, the IBNR proportion of the total liability is high and will typically display greater variations between initial estimates and final outcomes because of the greater degree of difficulty of estimating these liabilities. In estimating the liability for the cost of reported claims not yet paid, the Group considers any information available from loss adjusters and information on the cost of settling claims with similar characteristics in previous periods. Large claims are assessed on a case-by-case basis or projected separately in order to allow for the possible distortive effect of their development and incidence on the rest of the portfolio.

Process used to decide on assumptions

The risks associated with these insurance contracts are complex and subject to a number of variables that complicate quantitative sensitivity analysis. However, the Nigerian market has not had severe losses from asbestos-related diseases which is usually material and is therefore not too complicated to come up with reasonable assumptions.

The Group uses assumptions based on a mixture of internal and market data. Internal data is derived mostly from the Group's quarterly claims reports and screening of the actual insurance contracts carried out at year-end 2016 to derive data for the contracts held. The Group has reviewed the individual contracts and in particular the industries in which the insured companies operate and the actual exposure years of claims. This information is used to develop scenarios related to the latency of claims.

Change in assumptions and sensitivity analysis

There were no additional net insurance reserves (outstanding claims) arising in respect of prior years that has arisen due to changes in the assumptions used to estimate the ultimate cost of claims, including public liability claims.

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Because the assumptions used to estimate these liabilities require judgment, they are subject to great uncertainty.

57.9.12 Property insurance contracts

Frequency and severity of claims

For property insurance contracts, climatic changes give rise to more frequent and severe extreme weather events (for example, flooding) and their consequences (for example, flood claims). For certain contracts, the Group has also limited the number of claims that can be paid in any policy year or introduced a maximum amount payable for claims in any policy year.

The Group has the right to impose deductibles and reject fraudulent claims. These contracts are underwritten by reference to the commercial replacement value of the properties and contents insured, and claim payment limits are always included to cap the amount payable on occurrence of the insured event. Cost of rebuilding properties, of replacement or indemnity for contents and time taken to restart operations for business interruption are the key factors that influence the level of claims under these policies. The greatest likelihood of significant losses on these contracts arises from storm or flood damage. The Group has reinsurance cover for such damage to limit losses to N300 million in any one catastrophe event.

Property insurance contracts are subdivided into the following risk groups: fire, business interruption, and theft. The insurance risk arising from these contracts is not concentrated in any of the territories in which the Group operates, and there is a balance between commercial and personal properties in the overall portfolio of insured buildings. The Group does not underwrite property insurance contracts outside Nigeria.

Sources of uncertainty in the estimation of future claim payments

The shorter settlement period for these claims allow the Group to achieve a higher degree of certainty about the estimated cost of claims, and relatively little IBNR is held at year-end. However, the longer time needed to assess the emergence of a flood claim make the estimation process more uncertain for these claims.

The uncertain nature of the costs of this type of claim causes greater uncertainty in the estimates than in previous years. The Group has been monitoring numbers of reported claims on a weekly basis and reflected such information in its assessment of the adequacy of the unearned premium provision held at year end. The effect of this unexpected weather may affect prior year claims, due to the re-opening of old claims and

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higher settlement costs for flood claims in the current market. At year-end 2014, the Group believes that its liabilities for fire claims are adequate. However, more permanent changes in the climate may produce a higher frequency and severity of claims than currently expected.

Process used to decide on assumptions

For non-subsidence-related property risks, the Group uses similar statistical methods used for general accident insurance risks that incorporate the various assumptions made in order to estimate the ultimate cost of claims.

Similar to the approach for the assumptions underlying the casualty insurance liabilities, the choice of selected results for each accident year of each class of business depends on an assessment of the technique that has been most appropriate to observed historical developments. In certain instances, this has meant that different techniques or combination of techniques have been selected for individual accident years or groups of accident years within the same class of business.

Changes in assumptions

The Group did not change its assumptions for the insurance contracts disclosed in this note other than updating the costs of rebuilding properties, replacement or indemnity for contents for time value of money.

57.9.1.3 Long-term insurance contracts

Frequency and severity of claims

For contracts where death is the insured risk, the most significant factors that could increase the overall frequency of claims are epidemics (such as AIDS, SARS, EBOLA and a human form of avian flu) or widespread changes in lifestyle, such as eating, smoking and exercise habits, resulting in earlier or more claims than expected.

For contracts where survival is the insured risk, the most significant factor is continued improvement in medical science and social conditions that would increase longevity.

At present, these risks do not vary significantly in relation to the location of the risk insured by the Group. However, undue concentration by amounts could have an impact on the severity of benefit payments on a portfolio basis.

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For contracts with fixed and guaranteed benefits and fixed future premiums, there are no mitigating terms and conditions that reduce the insurance risk accepted. The Group charges for mortality risk on a monthly basis for all insurance contracts without a fixed term. It has the right to alter these charges based on its mortality experience and hence minimize its exposure to mortality risk. Delays in implementing increases in charges and market or regulatory restraints over the extent of the increases may reduce its mitigating effect. The Group manages these risks through its underwriting strategy and reinsurance arrangements.

The underwriting strategy is intended to ensure that the risks underwritten are well diversified in terms of type of risk and the level of insured benefits. Medical selection is also included in the Group's underwriting procedures, to reflect the health condition and family medical history of the applicants. The Group has a retention limit of N15 million on any single life insured and reinsures the excess through a surplus treaty reinsurance arrangement. The Group does not have in place any reinsurance for contracts that insure survival risk.

Sources of uncertainty in the estimation of future benefit payments and premium receipts

Uncertainty in the estimation of future benefit payments and premium receipts for long-term insurance contracts arises from the unpredictability of long-term changes in overall levels of mortality and the variability in contract holder behavior.

The Group uses appropriate base tables of standard mortality according to the type of contract being written. An investigation into the actual experience of the Group over the last three years is carried out, and statistical methods are used to adjust the crude mortality rates to produce a best estimate of expected mortality for the future. Where data is sufficient to be statistically credible, the statistics generated by the data are used without reference to an industry table. Where this is not the case, the best estimate of future mortality is based on standard industry tables adjusted for the Group's overall experience. For contracts that insure survival, an adjustment is made for future mortality improvements based on trends identified in the data and in the continuous mortality investigations performed by independent actuarial bodies. The impact of any historical evidence of selective termination behavior will be reflected in this experience. The Group maintains voluntary termination statistics to investigate the deviation of actual termination experience against assumptions. Statistical methods are used to determine appropriate termination rates. An allowance is then made for any trends in the data to arrive at a best estimate of future termination rates.

Process used to decide on assumptions

For long-term insurance contracts with fixed and guaranteed terms, estimates are made in two stages. At inception of the contract, the Group determines assumptions in relation to future deaths, voluntary terminations, investment returns and administration expenses. These assumptions are used for calculating the liabilities during the life of the contract.

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A margin for risk and uncertainty is added to these assumptions. These assumptions are 'locked in' for the duration of the contract. Subsequently, new estimates are developed at each reporting date to determine whether liabilities are adequate in the light of the latest current estimates. The initial assumptions are not altered if the liabilities are considered adequate. If the liabilities are not adequate, the assumptions are altered ('unlocked') to reflect the latest current estimates; no margin is added to the assumptions in this event. As a result, the effect of changes in the underlying variables on insurance liabilities and related assets shown in paragraph below is not symmetrical. Improvements in estimates have no impact on the value of the liabilities and related assets, while significant enough deteriorations in estimates have an impact.

The assumptions used for the insurance contracts disclosed in this note are as follows:

i. Mortality

An appropriate base table of standard mortality is chosen depending on the type of contract. An investigation into the Group's experience over the most recent three years is performed, and statistical methods are used to adjust the rates reflected in the table to a best estimate of mortality for that year. Where data is sufficient to be statistically credible, the statistics generated by the data are used without reference to an industry table. For contracts insuring survivorship, an allowance is made for future mortality improvements based on trends identified in the data and in the continuous mortality investigations performed by independent actuarial bodies.

ii. Morbidity

The rate of recovery from disability is derived from industry experience studies, adjusted where appropriate for the Group's own experience.

iii. Persistency

An investigation into the Group's experience over the most recent three years is performed, and statistical methods are used to determine an appropriate persistency rate. Persistency rates vary by product type and policy duration. An allowance is then made for any trends in the data to arrive at a best estimate of future persistency rates that takes into account the effective contract holders' behavior.

iv. Investment returns

Investment returns affect the assumed level of future benefits due to the contract holders and the selection of the appropriate discount rate. The Group's primary assumptions on investment returns relate to four components:

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(a) Risk-free rates

The risk-free rates are the gross yields to redemption of benchmark government securities.

(b) Equity investments

The expected long-term return – dividends and capital growth – is derived by adding to the risk-free rate of return on equity risk premium percentage considered to be appropriate.

(c) Overall investment return

A weighted average rate of investment return is derived by combining different proportions of the above financial assets in a model portfolio, which is assumed to back the liabilities. These model portfolios are consistent with the long-term asset allocation strategies as set out in the Group's Asset Liability Management (ALM) framework.

v. Renewal expense level and inflation

The current level of expenses is taken as an appropriate expense base. Expense inflation is assumed to be a suitable rate above current inflation rates hovering around 8.2% per annum in Nigeria.

vi. Tax

It has been assumed that current tax legislation and rates continue unaltered.

Change in assumptions

The Group did not change its assumptions for the insurance contracts disclosed in this note.

(a) Guaranteed annuity options

The amount of insurance risk under contracts with guaranteed annuity options is also dependent on the number of contract holders that will exercise their option ('option take-up rate'). This will depend significantly on the investment conditions that apply when the options can be exercised. The lower the current market interest rates in relation to the rates implicit in the guaranteed annuity rates, the more likely it is that contract holders will exercise their

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options. Continuing improvements in longevity reflected in current annuity rates will increase the likelihood of contract holders exercising their options as well as increasing the level of insurance risk borne by the Company under the annuities issued. The Group does not have sufficient historical data on which to base its estimate of the number of contract holders who will exercise their options.

Available table indicates the likely changes in the carrying amount of the liability at year-end in response to changes in interest and mortality rates. The additional carrying amount is calculated on the assumption that every contract holder exercises his option at the earliest date possible.

(b) Sources of uncertainty in the estimation of future claim payments

Other than for the testing of the adequacy of the liability representing the unexpired risk at the end of the reporting period, there is no need to estimate mortality rates or morbidity rates for future years because these contracts have short duration. However, for incurred disability income claims, it is necessary to estimate the rates of recovery from disability for future years. Standard recovery tables produced by reinsurers are used as well as the actual experience of the Group. The influence of economic circumstances on the actual recovery rate for individual contracts is the key source of uncertainty for these estimates.

The Group accepts insurance risk through its insurance contracts where it assumes the risk of loss from persons or organisations that are directly subject to the underlying loss. The Group is exposed to the uncertainty surrounding the timing, frequency and severity of claims under these contracts. The Group manages its risk via its underwriting and reinsurance strategy within an overall risk management framework.

The objective of the Group is to ensure that sufficient reserves are available to cover the liabilities associated with these insurance and reinsurance contracts that it issues. The risk exposure is mitigated by diversification across the portfolios of insurance contracts. The variability of risks is also improved by careful selection and implementation of underwriting strategy guidelines, as well as the use of reinsurance held arrangements. Furthermore, strict claim review policies to assess all new and ongoing claims, regular detailed review of claims handling procedures and frequent investigation of possible fraudulent claims are established to reduce the risk exposure of the Group. The Group further enforces a policy of actively managing and promptly settling 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 and pricing appropriately.

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Reinsurance is purchased to mitigate the effect of potential loss to the Group from individual large or catastrophic events and also to provide access to specialist risks and to assist in managing capital. Reinsurance policies are written with approved reinsurers on either a proportional or excess of loss treaty basis.

Regulatory capital is also managed (though not exclusively) by reference to the insurance risk to which the Group is exposed.

The Group writes property, liability and motor risks primarily over a twelve month duration. The most significant risks arise from natural disasters, climate change and other catastrophes (i.e. high severity, low frequency events). A concentration of risk may also arise from a single insurance contract issued to a particular demographic type of policyholder, within a geographical location or to types of commercial business. The relative variability of the outcome is mitigated if there is a large portfolio of similar risks.

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The concentration of non-life insurance by the location of the underlying risk is summarised below by reference to liabilities.

	GROSS		REINSURANCE		NET	
	2024 N'000	2023 N'000	2024 N'000	2023 N'000	2024 N'000	2023 N'000
Within Nigeria	66,250,057	47,776,214	28,295,569	17,339,201	37,954,488	23,037,927
Outside Nigeria	-	-	5,670,580	3,723,587	(5,670,580)	(3,723,587)
	<u>66,250,057</u>	<u>47,776,214</u>	<u>33,966,149</u>	<u>21,062,788</u>	<u>32,283,908</u>	<u>19,314,340</u>

The concentration of non-life insurance by type of contract is summarised below by reference to gross premium and premium ceded to reinsurers.

	Insurance contract revenue		Net Expenses from Reinsurance Contracts held		NET	
	2024 N'000	2023 N'000	2024 N'000	2023 N'000	2024 N'000	2023 N'000
Accident	7,060,109	5,088,840	2,949,115	2,381,000	4,110,994	2,707,840
Aviation	608,328	228,223	44,083	32,376	564,245	195,847
Bond	44,800	31,441	6,982	6,230	37,818	25,211
Engineering	1,713,227	892,324	(611,697)	(422,792)	2,324,924	1,315,116
Fire	19,347,408	12,044,681	12,655,813	6,262,502	6,691,595	5,782,179
Marine	4,299,723	1,672,080	1,437,833	245,552	2,861,890	1,426,528
Motor	9,966,116	5,675,375	251,152	(258,632)	9,714,964	5,934,007
Oil and Energy	23,210,346	14,744,162	17,232,868	12,816,547	5,977,478	1,927,615
	<u>66,250,057</u>	<u>40,377,126</u>	<u>33,966,149</u>	<u>21,062,783</u>	<u>32,283,908</u>	<u>19,314,343</u>

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The proportion that best represent the maximum exposure to credit risk in reinsurance contract assets at the reporting dates are analysed below, using the A.M best credit risk rating grading

Rating	A++	A+	A	A-	B++	B+
Proportional exposure	1%	3%	94%	1%	1%	1%

Assumptions and sensitivities

The risks associated with the non-life insurance contracts are complex and subject to a number of variables which complicate quantitative sensitivity analysis. The Group uses several statistical and actuarial techniques based on past claims development experience. This includes indications such as average claims, costs, ultimate claims numbers and expected loss ratios. The Group considers that the liability for non-life insurance claims recognised in the statement of financial position is adequate. However, actual experience will differ from the expected outcome.

Some results of sensitivity testing are set out below:

		Impact on profit before tax		Impact on equity	
	Change in assumptions N'000	Gross of reinsurance N'000	Net of reinsurance N'000	Gross of reinsurance N'000	Net of reinsurance N'000
2024					
Expected loss	10%	6,348,152	2,146,580	5,205,485	1,760,196
Inflation	1%	32,419	25,208	26,584	20,671
Expected loss	10%	(6,348,152)	(2,146,580)	(5,205,485)	(1,760,196)
Inflation	1%	(32,419)	(25,208)	(26,584)	(20,671)
2023					
Expected loss	10%	2,324,456	1,884,123	1,720,097	1,394,251
Inflation	1%	6,043	3,347	4,472	2,477
Expected loss	10%	(2,324,456)	(128,423)	(1,720,097)	(95,033)
	1%	(6,043)	(3,347)	(4,472)	(2,477)

Notes To The Consolidated And Separate Financial Statements Contd

Claims development table for non-life outstanding claims

The following tables show the development of claims over a period of time on both a gross and net of reinsurance basis. In 2012, in the year of adoption of IFRS, only 5 years were required to be disclosed. This will be increased in each succeeding year, until 8 - 10 years of information is presented. The top half of the table shows how the estimates of total claims for each accident year develop over time. The lower half of the table reconciles the cumulative claims to the amount appearing in the Statement of Financial Position.

The cumulative claims estimates and payments for each accident year are translated into Nigerian Naira at the year rates that applied at the end of each accident year.

Analysis of claims development – Gross

2024

Estimate of ultimates: End of accident year	2016 N'000	2017 N'000	2018 N'000	2019 N'000	2020 N'000	2021 N'000	2022 N'000	2023 N'000	2024 N'000	Total N'000
1 year later	6,852,525	6,903,787	6,921,028	6,921,028	6,921,791	3,644,034	4,880,566	9,953,007	13,618,410	-
2 years later	6,881,274	6,930,653	6,930,563	6,930,822	5,735,958	5,411,617	7,541,785	14,209,969	-	-
3 years later	6,012,985	6,026,293	6,030,904	5,164,154	5,436,345	5,749,779	8,062,179	-	-	-
4 years later	7,684,726	7,713,653	4,045,427	4,947,415	5,718,499	5,706,503	-	-	-	-
5 years later	5,922,033	5,495,842	4,029,737	5,586,889	5,719,012	-	-	-	-	-
6 years later	4,755,437	5,455,669	4,924,244	5,756,680	-	-	-	-	-	-
7 years later	5,075,617	5,947,458	5,025,708	-	-	-	-	-	-	-
8 years later	7,035,975	5,955,360	-	-	-	-	-	-	-	-
9 years later	7,172,573	-	-	-	-	-	-	-	-	-
Current estimate of ultimate claims	7,172,573	5,955,360	5,025,708	5,756,680	5,719,012	5,706,503	8,062,179	14,209,969	13,618,410	71,226,394
Net cumulative claims liabilities – prior accident years	226,624.00	6,503,262	5,427,368	4,214,012	4,766,554	5,012,730	4,290,121	5,043,680	7,790,308	3,729,027
Net cumulative claims liabilities – accident years from 2016 to 2024	895,935	527,992	811,696	990,126	706,282	1,416,382	3,018,499	6,419,661	9,889,383	24,675,956
Effect of the risk adjustment for non-financial risk										(4,683,513)
										1,959,260
Net LIC for the contracts originated (refer to notes 20a)										21,951,704

Notes To The Consolidated And Separate Financial Statements Contd

Life actuarial assumptions and sensitivity analysis

The analysis which follows is performed for reasonably possible movements in key assumptions with all other assumptions held constant, and shows the impact on gross and net liabilities, profit before tax and equity. These variables are valuation interest rate, claims handling expenses, inflation, lapses and mortality rate. Movements in these assumptions are non-linear and sensitivity information vary according to the current economic assumptions, mainly due to the impact of changes to both the intrinsic cost and time value of options and guarantees. These variables have been tested by $\pm 5\%$ and $\pm 10\%$.

The results of the changes in the variables have been summarised below:

The sensitivity analysis of the life business indicates that a $+5\%$ change in mortality will increase the Life fund liability by N87 million, whilst a -5% change in mortality will result in a reduction of the Life fund liability by N171 million. A change in longevity by $+5\%$ will increase the Life fund liability by N636 million, whilst a -5% change in longevity will result in a reduction of the Life fund liability by N660 million.

A movement of expenses by $+10\%$ will result in an increase the Life fund liability by N506 million whilst a -10% change will reduce the Life fund liability by N506 million. Lapse rate moving by $+10\%$ will increase the life fund by N175 million whilst a -10% will reduce the Life fund liability by N211 million

Notes To The Consolidated And Separate Financial Statements Contd

Sensitivity Of Life Business Insurance Contract Liabilities To Changes In Long Term Valuation Assumptions For The 31 December 2024 Valuation

Class of business	Base ₹'000	Mortality +5%	Mortality -5%	Longevity +5%	Longevity -5%	Lapse +10%	Lapse -10%	Expense +10%	Expense -10%
Endowment	13,636,557	(9,220)	9,227	-	-	(175,583)	211,598	(32,790)	32,790
Annuity	127,045,890	2	(2)	(659,751)	636,401	-	-	(456,894)	456,894
Risk	335,164	(14,619)	14,653	-	-	8,319	(8,767)	(6,233)	6,233
Savings	10,723,798	(1,753)	1,756	-	-	(8,084)	8,183	(10,047)	10,047
Group life	6,730,982	(77,423)	162,081	-	-	-	-	-	-
Reinsurance	(1,348,757)	16,326	(16,326)	-	-	-	-	-	-
Net liability	157,123,634	(86,687)	171,389	(659,751)	636,401	(175,348)	211,014	(505,964)	505,964
% Change in net liability		-0.10%	0.10%	-0.4%	0.4%	-0.1%	0.1%	-0.3%	0.3%

Sensitivity Of Liabilities To Changes In Long Term Valuation Assumptions For The 31 December 2023 Valuation

Class of business	Base ₹'000	Mortality +5%	Mortality -5%	Longevity +5%	Longevity -5%	Lapse +10%	Lapse -10%	Expense +10%	Expense -10%
Endowment	10,934,003	8,532	(8,539)	-	-	81,490	(90,926)	11,628	(11,628)
Annuity	98,031,037	(1)	1	(296,442)	302,659	-	-	78,594	(78,594)
Risk	162,147	14,263	(14,292)	-	-	(3,301)	3,376	2,837	(2,837)
Savings	5,872,579	3,112	(3,121)	-	-	4,105	(4,141)	4,283	(4,283)
Group life	5,428,251	346,531	(346,531)	-	-	-	-	3,253	(3,253)
Reinsurance	(813,318)	48,974	(48,974)	-	-	-	-	-	-
Net liability	119,614,699	421,411	(421,456)	(296,442)	302,659	82,294	(91,691)	100,595	(100,595)
% Change in net liability		0.40%	-0.40%	-0.2%	0.3%	0.1%	-0.1%	0.1%	-0.1%

Notes To The Consolidated And Separate Financial Statements Contd

57.9.2 Credit risks

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. The key areas of exposure to credit risk for the Group are in relation to its investment portfolio, reinsurance programme and to a lesser extent amounts due from policyholders and intermediaries. Key areas where the Group is exposed to credit risk are:

Principal Credit Risks

- Reinsurers' share of insurance liabilities;
- Amounts due from reinsurers in respect of claims already paid;
- Amounts due from insurance contract holders;
- Amounts due from insurance intermediaries;
- Amounts due from loans and receivables;
- Amounts due from debt securities; and
- Amounts due from money market and cash positions.

The Group structures the levels of credit risk it accepts by placing limits on its exposure to a single counterparty, or groups of counterparties, and to geographical and industry segments. Such risks are subject to an annual or more frequent review. Limits on the level of credit risk by category and territory are approved quarterly by the Board of Directors.

The Group has adopted a policy of only dealing with credit-worthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group 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 Group uses other publicly available financial information and its own trading records to rate its major policyholders and reinsurers.

Notes To The Consolidated And Separate Financial Statements Contd

The Group'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.

57.9.2.1 Credit Risk Measurement, Control and Mitigation

i. Premium and Reinsurance Receivables

Reinsurance is used to manage insurance risk. This does not, however, discharge the Group's liability as primary insurer. If a reinsurer fails to pay a claim for any reason, the Group remains liable for the payment to the policyholder. The creditworthiness of reinsurers is considered on an annual basis by reviewing their financial strength prior to finalization of any contract.

The Credit Control Committee works closely with the Underwriting and Reinsurance departments to assess the creditworthiness of all reinsurers and intermediaries by setting and reviewing regularly the credit rating of each reinsurer using internal records and other publicly available financial information.

Individual operating units maintain records of the payment history for significant contract holders with whom they conduct regular business. The exposure to individual counterparties is also managed by other mechanisms, such as the right of offset where counterparties are both debtors and creditors of the Group. Management information reported to the Group includes details of provisions for impairment on loans and receivables and subsequent write-offs. Internal audit makes regular reviews to assess the degree of compliance with the group procedures on credit. Exposures to individual policyholders and groups of policyholders are collected within the ongoing monitoring of the controls associated with regulatory solvency.

Where there exists significant exposure to individual policyholders, or homogenous groups of policyholders, a financial analysis equivalent to that conducted for reinsurers is carried out by the Group's risk department.

Notes To The Consolidated And Separate Financial Statements Contd

The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables and investments. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified. The collective loss allowance is determined based on historical data of payment statistics for similar financial assets.

ii. Investments

The Group limits its exposure to credit risk by investing only in liquid securities and only with counterparties that have a credit rating of at least BBB- from rating agencies. Management actively monitors credit ratings and given that the Group only has invested in securities with high credit ratings, management does not expect any counterparty to fail to meet its obligations.

Industry analysis

	Financial Services N'000	Government N'000	Consumers N'000	Construction & Materials N'000	Manufacturing & Petroleum N'000	Others N'000	Total N'000
31 December 2024 - Group							
Cash and cash equivalents	43,989,037	-	-	-	-	-	43,989,037
Debt instruments at amortised costs	57,266,068	63,453,268	398,932	-	-	-	121,118,268
Trade receivables	-	-	-	-	-	691,013	691,013
Other receivables	-	-	-	-	-	17,279,386	17,279,386
Reinsurance assets	-	-	-	-	-	13,863,039	13,863,039
Statutory deposits	-	4,037,175	-	-	-	-	4,037,175
	101,255,105	67,490,443	398,932	-	-	31,833,438	200,977,918

31 December 2023 - Group

Cash and cash equivalents	25,059,031	-	-	-	-	-	25,059,031
Debt instruments at amortised costs	35,594,263	44,033,325	318,026	-	-	-	79,945,614
Trade receivables	-	-	-	-	-	814,563	814,563
Other receivables	-	-	-	-	-	5,671,548	5,671,548
Reinsurance assets	-	-	-	-	-	7,916,456	7,916,456
Statutory deposits	-	3,190,651	-	-	-	-	3,190,651
	60,653,294	47,223,976	318,026	-	-	14,402,567	122,597,863

Notes To The Consolidated And Separate Financial Statements Contd

Industry analysis

	Financial Services N'000	Government N'000	Consumers N'000	Construction & Materials N'000	Manufacturing & Petroleum N'000	Others N'000	Total N'000
31 December 2024 - Company							
Cash and cash equivalents	3,712,475	-	-	-	-	-	3,712,475
Debt instruments at amortised costs	115,639	-	1,740,064	-	-	-	1,855,703
Other receivables	-	-	-	-	-	6,417,056	6,417,056
	<u>3,828,114</u>	<u>-</u>	<u>1,740,064</u>	<u>-</u>	<u>-</u>	<u>6,417,056</u>	<u>11,985,234</u>

31 December 2023 - Company

Cash and cash equivalents	1,633,189	-	-	-	-	-	1,633,189
Debt instruments at amortised costs	824,512	-	2,555,282	-	-	-	3,379,794
Other receivables	-	-	-	-	-	3,285,033	3,285,033
	<u>2,457,701</u>	<u>-</u>	<u>2,555,282</u>	<u>-</u>	<u>-</u>	<u>3,285,033</u>	<u>8,298,016</u>

Notes To The Consolidated And Separate Financial Statements Contd

The table below provides information regarding the credit risk exposure of the Group and the Company by classifying assets according to the Company's credit ratings of counter parties:

	Investment Grade N'000	Non Investment Grade: Satisfactory N'000	Unrated N'000	Total N'000
31 December 2024 - Group				
Debt instruments at amortised cost	62,506,362	58,611,906	-	121,118,268
Cash and cash equivalents	-	43,989,037	-	43,989,037
Other receivables	-	-	17,279,386	17,279,386
Trade receivables	-	-	691,013	691,013
Reinsurance assets	-	-	13,863,039	13,863,039
	<u>62,506,362</u>	<u>102,600,943</u>	<u>31,833,438</u>	<u>196,940,743</u>
31 December 2023 - Group				
Debt instruments at amortised cost	42,802,454	37,143,160	-	79,945,614
Cash and cash equivalents	-	25,059,031	-	25,059,031
Other receivables	-	-	5,671,548	5,671,548
Trade receivables	-	-	814,563	814,563
Reinsurance assets	-	-	13,863,039	13,863,039
	<u>42,802,454</u>	<u>62,202,191</u>	<u>20,349,150</u>	<u>125,353,795</u>
31 December 2024 - Company				
Cash and cash equivalents	-	3,712,475	-	3,712,475
Other receivables	-	-	6,417,056	6,417,056
Debt instruments at amortised costs	-	1,855,703	-	1,855,703
	<u>-</u>	<u>5,568,178</u>	<u>6,417,056</u>	<u>11,585,234</u>
31 December 2023 - Company				
Cash and cash equivalents	-	1,633,189	-	1,633,189
Other receivables	-	-	3,285,033	3,285,033
Debt instruments at amortised costs	-	3,379,794	-	3,379,794
	<u>-</u>	<u>5,012,983</u>	<u>3,285,033</u>	<u>8,298,016</u>

Notes To The Consolidated And Separate Financial Statements Contd

Impairment assessment

The Group's ECL assessment and measurement method is set out below.

Significant increase in credit risk, default and cure

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

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

The Group considers a financial instrument defaulted and, therefore, credit-impaired for ECL calculations in all cases when the counterparty becomes 90 days past due on its contractual payments. The Group may also consider an instrument to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full. In such cases, the Group recognises a lifetime ECL.

There has been no significant increase in credit risk or default for financial assets during the year.

Expected credit loss

The Group assesses the possible default events within 12 months for the calculation of the 12mECL. Given the investment policy, the probability of default for new instruments acquired is generally determined to be minimal and the expected loss given default ratio varies for different instruments. In rare cases where a lifetime ECL is required to be calculated, the probability of default is estimated based on economic scenarios.

Notes To The Consolidated And Separate Financial Statements Contd

Impairment losses on financial investments subject to impairment assessment

Debt instruments measured at amortised cost

The table below shows the credit quality and the maximum exposure to credit risk based on Moody's credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances. Details of the Group's internal grading system are also provided.

Moody's Rating

Performing Cash and cash equivalents	Group	2024			2023		
		12mECL N'000	LTECL N'000	Total N'000	12mECL N'000	LTECL N'000	Total N'000
AAA-A+			-		-	-	-
BBB-B+		44,571,905	-	44,571,905	25,645,706	-	25,645,706
C-CCC			-		-	-	-
Total Gross Amount		44,571,905	-	44,571,905	25,645,706	-	25,645,706
ECL		(582,868)	-	(582,868)	(586,675)	-	(586,675)
Total Net Amount		43,989,037	-	43,989,037	25,059,031	-	25,059,031
Financial assets - amortised cost							
AAA-A+			-		-	-	-
BBB-B+		123,966,939	-	123,966,939	81,512,574	-	81,512,574
C-CCC		-	-	-	-	-	-
Total Gross Amount		123,966,939	-	123,966,939	81,512,574	-	81,512,574
ECL		(2,848,671)	-	(2,848,671)	(1,566,960)	-	(1,566,960)
Total Net Amount		121,118,268	-	121,118,268	79,945,614	-	79,945,614
Unrated							
Other receivables		17,279,386	-	17,279,386	5,671,548	-	5,671,548
Total Gross Amount		17,279,386	-	17,279,386	5,671,548	-	5,671,548
ECL		(145,155)	-	(145,155)	(374,266)	-	(374,266)
Total Net Amount		17,134,231	-	17,134,231	5,297,282	-	5,297,282

Notes To The Consolidated And Separate Financial Statements Contd

Moody's Rating

Performing Cash and cash equivalents	Company	2024			2023		
		12mECL N'000	LTECL N'000	Total N'000	12mECL N'000	LTECL N'000	Total N'000
AAA-A+		-	-	-	-	-	-
BBB-B+		3,764,098	-	3,764,098	1,661,338	-	1,661,338
C-CCC		-	-	-	-	-	-
Total Gross Amount		3,764,098	-	3,764,098	1,661,338	-	1,661,338
ECL		(51,623)	-	(51,623)	(28,149)	-	(28,149)
Total Net Amount		3,712,475	-	3,712,475	1,633,189	-	1,633,189
Financial assets - amortised cost							
AAA-A+		-	-	-	-	-	-
BBB-B+		1,888,680	-	1,888,680	3,419,911	-	3,419,911
C-CCC		-	-	-	-	-	-
Total Gross Amount		1,888,680	-	1,888,680	3,419,911	-	3,419,911
ECL		(32,977)	-	(32,977)	(40,117)	-	(40,117)
Total Net Amount		1,855,703	-	1,855,703	3,379,794	-	3,379,794
Unrated							
Other receivables		6,405,066	(10,690)	6,394,376	3,262,359	(10,690)	3,251,669
Total Gross Amount		6,405,066	(10,690)	6,394,376	3,262,359	(10,690)	3,251,669
ECL		(11,684)	(10,690)	(22,374)	(5,465)	(10,690)	(16,155)
Total Net Amount		6,393,382	(21,380)	6,372,002	3,256,894	(21,380)	3,235,514

Notes To The Consolidated And Separate Financial Statements Contd

Collateral for other receivables

Some of the Group's receivables (e.g. mortgage loans and car loans) are collateralised with assets ranging from properties and cars. As at 31 December 2024, the value of assets accepted as collateral that the Group is permitted to repossess or sell in the occurrence of default in respect of the staff loans exceeds the receivables balances.

As at 31 December 2024, the Group had no asset re-possessed as security against asset. The Group policy is to pursue timely realisation of collateral in an orderly manner in the case of default. The Group does not generally use the non cash collateral for its own operations.

As at 31 December 2024, the Group has not pledged any of its assets as collateral for any liability or payable balance (2023: nil)

Amounts arising from ECL

Inputs, assumptions and techniques used for estimating impairment

When determining whether the credit risk(i.e. Risk of default) on a financial instrument has increased significantly since initial recognition, the Group considers reasonable and supportable information that is relevant and available with out undue cost of effort, This includes both qualitative and quantitative information analysis based on the Group's experience, expert credit assessment and forward looking information. The Group primarily identifies whether a significant increase in credit risk has occurred for an exposure by using days past due and assessing other information obtained externally.

Whenever available, the Group monitors changes in credit risk by tracking published external credit ratings. To determine whether published ratings remain up to date and to assess whether there has been a significant increase in credit risk at the reporting date that has not been reflected in the published rating, the group also reviews changes in Bond yields together with available press and regulatory information about issuers.

Where external credit ratings are not available, the Group allocates each exposure to a credit risk grade based on data that is determined to be predictive of the risk of default (including but not limited to the audited financial statement, management accounts and cashflow projections, available regulatory and press information about the borrowers and apply experienced credit judgement. Credit risk grades are defined by using qualitative and quantitative factors that are indicative of the risk of default and are aligned with the external credit rating definition from Moody's and standards and Poor.

Notes To The Consolidated And Separate Financial Statements Contd

The Group has assumed that the credit risk of a financial asset has not increased significantly since the initial recognition if the financial asset has low credit risk at reporting date. The Group considers a financial asset to have low credit risk when its credit risk rating is equivalent to the globally understood definition of "investment grade". The Group considers this to be Baa3 or higher based on the Moody rating.

As a back stop, the Group considers that a significant increase in credit risk occurs no later than when the asset is more than 30 days past due. Days past due are determined by counting the numbers of days since the earliest elapsed due date in respect of which full payments has not been received. Due dates are determined without considering any grace period that might be available to the borrower. The Group monitors the effectiveness of the criteria used to identify significant increase in credit risk by regular reviews to confirm that:

- The criteria are capable of identifying significant increase in credit risk before an exposure is in default;
- The criteria do not align with the point in time when the asset becomes 30 days past due;
- The average time between the identification of a significant increase in credit risk and default appears reasonable
- Exposures are not generally transferred from 12- month ECL measurement to credit impaired and
- There is no unwarranted volatility in loss allowance from transfers between 12-month ECL and Lifetime ECL measurement.

Modified financial assets

The contractual terms of a financial asset may be modified for a number of reasons, including changing market conditions and other factors not related to a current or potential credit deterioration of the borrower. An existing financial asset whose terms have been modified may be derecognized and the renegotiated asset recognized as a new financial asset at fair value in accordance with the accounting policies. When the terms of a financial asset are modified and the modification does not result in derecognition, the determination of whether the asset's credit risk has increased significantly reflects a comparison of:

- Its risk of default occurring at the reporting date based on the modified term; with
- The risk of default occurring estimated based on data on initial recognition and the original contractual terms.

Notes To The Consolidated And Separate Financial Statements Contd

Definition of default

The Group considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realizing security (if any is held); or the financial asset is more than 90 days past due.

In assessing whether a borrower is in default, the Group considers indicators that are:

- qualitative: e.g. breaches of covenant and the other indicators of financial distress;
- quantitative: e.g. overdue status and non-payment of another obligation of the same issuer to the Group; and
- based on data developed internally and obtained from external sources.

Inputs into the assessment of whether a financial instrument is in default and their significance may vary over time to reflect changes in circumstances."

- quantitative: e.g. overdue status and non-payment of another obligation of the same issuer to the Group; and
- based on data developed internally and obtained from external sources.

Inputs into the assessment of whether a financial instrument is in default and their significance may vary over time to reflect changes in circumstances.

Incorporation of Forward looking information

The Group incorporates forward-looking information into its measurement of ECL. It formulates a 'base case' view of the future direction of relevant economic variables and a representative range of other possible forecast scenarios based on advice from the Group's Investment and Risk committee, economic experts and consideration of a variety of external actual and forecast information. This process involves developing two additional economic scenarios and considering the relative probabilities of each outcome. External information includes economic data and forecasts published by governmental bodies and monetary authorities in the Nigeria, supranational organizations such as the Organisation for Economic Cooperation and Development and the International Monetary Fund, and selected private-sector and academic forecasters.

The base case represents a best estimate and is aligned with information used by the Group for other purposes such as strategic planning and budgeting. The other scenarios represent more optimistic and pessimistic outcomes.

Notes To The Consolidated And Separate Financial Statements Contd

Measurement of ECL

The calculation of the expected credit loss is based on the key risk parameters of Probability of default(PD), Loss given default(LGD) and Exposure at default (EAD). To determine the Lifetime and 12-month PDs, the Group uses the PD tables supplied by Moodys based on the default history of sovereign and corporate obligors with the same credit rating. The Group adopts the same approach for unrated investments by mapping its internal risk grades to the equivalent external credit ratings. The PDs are recalibrated and adjusted to reflect forward looking information as described below. changes in the rating for counterparties and exposure lead to a change in estimate of the associated PD.

Loss Given Default is the magnitude off the likely loss if there is a default. The Group estimates LGD parameters based on the history of recovery rates of claims against the defaulted counterparties. The LGD for sovereign fixed income exposures are based on publications by Moody's and the models consider the structure, collateral, seniority of claims and recovery of any collateral that is integral to the financial asset. For loans secured with properties or asset, loan to value ratios are key parameter in determining LGD. LGDs are calculated on discounted cash flow basis using effective interest rate as the discounting factor.

EAD represents the expected exposure in the event of a default. The Group derives the EAD from the current exposure to the counterparty and potential changes to the current amount allowed under the contract, including amortisation, and prepayments. The EAD of a financial asset is its gross carrying amount. As described in the accounting policy, and subject to using a maximum of a 12-month PD for financial assets for which credit risk has not significantly increased, the Group measures ECL considering the risk of default over the maximum contractual period (including any borrower's extension options over which it is exposed to credit risk, even if, for risk management purposes, the Group considers a longer period. The modelling of parameter is carried out on an individual basis.

An overview of the approach to estimating ECLs is set out in Note 2 and in Note 3 judgements, estimates and assumptions. To ensure completeness and accuracy, the Group obtains the data used from third party sources (Moodys, Standards and Poor, Economist associate etc.) and its investment team verifies the accuracy of inputs to the Group's ECL models including determining the weights attributable to the multiple scenarios. The following tables set out the key drivers of expected loss and the assumptions used for the Group's base case estimate, ECLs based on the base case, plus the effect of the use of multiple economic scenarios for Nigeria, as at 31 December 2024.

The Group has identified and documented key divers of credit risk and ECL for each portfolio of financial instruments and, using an analysis of historical data, has estimated relationships between macro economic variables and credit risk and credit losses. The tables show the values of the key forward looking economic variables/assumptions used in each of the economic scenarios for the ECL calculations. The figures for "Subsequent years" represent a long-term average and so are the same for each scenario.

Notes To The Consolidated And Separate Financial Statements Contd

Analysis of inputs to the ECL model under multiple economic scenarios 31 December 2024

Macroeconomic Variable Macroeconomic variable	CL Scenario	Assigned Probabilities	2024	2025	2026	2027	2028
GDP Growth rate (%)	Upside	12%	3.02	3.34	3.34	3.74	5.04
	Base case	78%	2.98	3.30	3.30	3.70	5.00
	Downside	10%	2.94	3.26	3.26	3.66	4.96
Inflation rates (%)	Upside	12%	27.28	34.55	34.55	29.95	24.95
	Base case	78%	27.33	34.60	34.60	30.00	25.00
	Downside	10%	27.41	34.68	34.68	30.08	25.08
Oil Prices "USD"(price per barrel)	Upside	12%	113.18	127.57	127.57	121.02	113.18
	Base case	78%	72.06	86.45	86.45	79.90	72.06
	Downside	10%	42.90	57.29	57.29	50.74	42.90
Unemployment rates (%)	Upside	12%	34.91	35.61	35.61	28.63	34.91
	Base case	78%	43.00	48.00	48.00	51.00	54.00
	Downside	10%	47.81	52.81	52.81	55.81	58.81

31 December 2023 Key drivers Macroeconomic variable	ECL Scenario	Assigned Probabilities	2023	2024	2025	2026	2027
GDP Growth rate (%)	Upside	13%	2.64	3.14	3.44	3.54	3.74
	Base case	79%	2.60	3.10	3.40	3.50	3.70
	Downside	8%	2.56	3.06	3.36	3.46	3.66
Inflation rates (%)	Upside	13%	27.28	29.95	20.95	16.95	18.95
	Base case	79%	27.33	30.00	21.00	17.00	19.00
	Downside	8%	27.41	30.08	21.08	17.08	19.08
Oil Prices "USD"(price per barrel)	Upside	13%	121.02	130.75	139.12	129.39	121.02
	Base case	79%	79.90	89.63	98.00	88.27	79.90
	Downside	8%	50.74	60.47	68.84	59.11	50.74
Unemployment rates (%)	Upside	13%	34.91	35.61	29.32	28.63	34.91
	Base case	79%	37.00	37.70	31.42	30.72	37.00
	Downside	8%	41.81	42.51	36.23	35.53	41.81

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The following tables outline the impact of multiple scenarios on the allowance

31 December 2024	Group		Cash and cash equivalents N'000	Financial assets - amortised cost N'000	Other receivables N'000	Total N'000
Upside		12%	69,944	341,841	17,419	429,203
Base case		78%	454,637	2,221,963	113,221	2,789,821
Downside		10%	58,287	284,867	14,515	357,669
			582,868	2,848,671	145,155	3,576,694
	Company					
		12%	6,195	3,957	2,685	12,837
Upside		78%	40,266	25,722	17,452	83,440
Base case		10%	5162.3	3297.7	2237.4	10,697
Downside			51,623	32,977	22,374	106,974
31 December 2023	Group					
Upside		13%	76,268	203,705	48,655	107,202
Base case		79%	463,473	1,237,898	295,670	651,459
Downside		8%	46,934	125,357	29,941	65,971
			586,675	1,566,960	374,266	824,632
	Company					
Upside		13%	3,659	5,215	2,100	10,975
Base case		79%	22,238	31,693	12,763	66,694
Downside		8%	2,252	3,209	1,292	6,754
			28,149	40,117	16,155	84,423

Notes To The Consolidated And Separate Financial Statements Contd

57.9.2.2 Liquidity risks

Liquidity risk is the risk that the Group cannot meet its obligations associated with financial liabilities as they fall due.

The Group has adopted an appropriate liquidity risk management framework for the management of the Group's liquidity requirements. The Group manages liquidity risk by maintaining adequate liquid assets and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of assets and liabilities. The Group is exposed to liquidity risk arising from clients on its insurance contracts. The risk that the Group will be unable to fulfil policyholder commitments is inherent in all insurance operations and can be affected by a range of institution-specific and market-wide events including, but not limited to, credit events, merger and acquisition activity, systemic shocks and natural disasters. In respect of catastrophic events there is liquidity risk from a difference in timing between claim payments and recoveries thereon from reinsurers.

Liquidity management ensures that the Group has sufficient access to funds necessary to cover insurance claims. In practice, most of the Group's assets are marketable securities which could be converted to cash when required. The Group's liquidity management process, as carried out within the Group and monitored by the Group, includes day-to-day funding, managed by monitoring future cash flows to ensure that requirements can be met, maintaining a portfolio of highly marketable assets that can easily be liquidated as protection against any unforeseen interruption to cash flows, and monitoring the liquidity ratios of the consolidated balance sheet against internal and regulatory requirements. Liquidity risk is also a significant consideration when the Group evaluates its overall ALM profile.

Monitoring and reporting take the form of cash flow measurements and projections for the next day, week and month, respectively, because these are key periods for liquidity management. The starting point for those projections is an analysis of the contractual maturity of the financial liabilities, the expected claim payments for insurance contract liabilities and the expected collection date of the financial assets. The Group also monitors unmatched medium-term assets.

The following tables detail the Group's expected maturity for its non-derivative assets. The tables below have been drawn up on the undiscounted contractual maturities of the assets including interest that will be earned on those assets except the Group anticipates that the cash flow will occur in a different period.

Notes To The Consolidated And Separate Financial Statements Contd

31 December 2024 - Group

Financial and insurance assets:

	Up to 1 year N'000	1-3 years N'000	3-5 years N'000	Over 5 years N'000	Total N'000
Fair value through profit or loss	-	-	-	110,719,420	110,719,420
Fair value through OCI	-	-	-	47,337,246	47,337,246
Amortised cost					
-Federal	62,506,362	-	-	-	62,506,362
-State	-	-	-	946,906	946,906
-Corporate	7,531,201	51,950,866	-	-	59,482,067
-Others	1,031,604	-	-	-	1,031,604
Reinsurance contract assets	11,847,577	-	-	-	11,847,577
Trade receivables	691,013	-	-	-	691,013
Other receivables	17,279,386	-	-	-	17,279,386
Cash and cash equivalents	43,989,037	-	-	-	43,989,037
	<u>144,876,180</u>	<u>51,950,866</u>	<u>-</u>	<u>159,003,572</u>	<u>355,830,618</u>

Financial and insurance liabilities

Insurance contract liabilities	146,519,253	57,630,906	-	-	204,150,159
Reinsurance contract liabilities	72,594	-	-	-	72,594
Investment contract liabilities	3,557,950	-	-	-	3,557,950
Trade payables	28,838,615	-	-	-	28,838,615
Interest bearing loans and borrowings	717,913	3,270,492	-	-	3,988,405
Other payables	21,622,410	-	-	-	21,622,410
	<u>201,328,735</u>	<u>60,901,398</u>	<u>-</u>	<u>-</u>	<u>262,230,133</u>

Notes To The Consolidated And Separate Financial Statements Contd

31 December 2023 - Group

Financial and insurance assets:

Amortised cost	Up to 1 year N'000	1-3 years N'000	3-5 years N'000	Over 5 years N'000	Total N'000
Fair value through profit or loss*	-	-	-	77,132,991	77,132,991
Fair value through OCI *	-	-	-	33,631,630	33,631,630
Amortised cost			-		
-Federal	42,802,454		-	-	42,802,454
-State	-	-	-	1,230,871	1,230,871
-Corporate	3,858,712	30,770,995	-	-	34,629,707
-Others	2,849,542	-	-	-	2,849,542
Reinsurance assets	11,847,577	-	-	-	11,847,577
Trade receivables	814,563	-	-	-	814,563
Other receivables*	5,671,548	-	-	-	5,671,548
Cash and cash equivalents	25,059,031	-	-	-	25,059,031
	92,903,427	30,770,995	-	111,995,492	235,669,914

Financial and insurance liabilities:

Insurance contract liabilities	144,509,540	-	-	-	144,509,540
Reinsurance contract liabilities	45,341	-	-	-	45,341
Investment contract liabilities	3,861,091	-	-	-	3,861,091
Trade payables	16,083,167	-	-	-	16,083,167
Interest bearing loans and borrowings*	210,609	2,129,491	-	-	2,340,100
Other payables*	9,276,791	-	-	-	9,276,791
	173,986,539	-	-	-	176,116,030

Notes To The Consolidated And Separate Financial Statements Contd

31 December 2024 - Company

Financial and insurance assets:	Up to 1 year N'000	1-3 years N'000	3-5 years N'000	Over 5 years N'000	Total N'000
Amortised cost					
Financial assets:					
Fair value through profit or loss	-	-	-	110,719,420	110,719,420
Fair value through OCI	-	-	-	47,337,246	47,337,246
Amortised cost	1,855,703	-	-	-	1,855,703
Other receivables	6,417,056	-	-	-	6,417,056
Cash and cash equivalents	3,712,475	-	-	-	3,712,475
	11,985,234	-	-	158,056,666	170,041,900
Financial liabilities:					
Other payables	1,283,494	-	-	-	1,283,494
	1,283,494	-	-	-	1,283,494

31 December 2023 - Company

Financial assets:					
Fair value through profit or loss*	-	-	-	1,539,430	1,539,430
Fair value through OCI *	-	-	-	391,000	391,000
Amortised cost	3,379,794	-	-	-	3,379,794
Other receivables*	3,285,033	-	-	-	3,285,033
Cash and cash equivalents	1,633,189	-	-	-	1,633,189
	8,298,016	-	-	1,930,430	10,228,446
Financial liabilities:					
Other payables*	554,561	-	-	-	554,561
	554,561	-	-	-	554,561

*Refer to note 62 for changes to presentation of comparative figures.

The table below summarises the expected utilisation of assets and liabilities

Notes To The Consolidated And Separate Financial Statements Contd

The table below summarises the expected utilisation of assets and liabilities

31 December 2024 - Group

Asset	Current N'000	Non Current N'000	Total N'000
Cash and cash equivalents	43,989,037	-	43,989,037
Financial assets	67,734,370	249,303,083	317,037,453
Trade receivables	691,013	-	691,013
Reinsurance assets	13,863,039	-	13,863,039
Inventory	8,729,998	-	8,729,998
Deferred acquisition costs	-	-	-
Other receivables and prepayments	20,027,838	-	20,027,838
Right-of-use assets	111,737	-	111,737
Equity accounted investee	-	5,500,314	5,500,314
Investment in joint venture	-	120,141	120,141
Investment properties	-	18,174,500	18,174,500
Assets of disposal group classified as held for sale	-	-	-
Property, plant and equipment	-	14,612,511	14,612,511
Intangible assets	-	277,273	277,273
Statutory deposits	-	4,037,175	4,037,175
Total assets	155,147,032	292,024,997	447,172,029
Liabilities			
Insurance contract liabilities	195,359,004	-	195,359,004
Investment contract liabilities	3,557,950	-	3,557,950
Interest bearing Loans and Borrowings	3,380,004	-	3,380,004
Lease liabilities	-	-	-
Trade payables	28,838,615	-	28,838,615
Other payables	27,143,472	-	27,143,472
Current income tax payable	4,310,487	-	4,310,487
Deferred tax liabilities	-	10,105,097	10,105,097
Total liabilities	262,589,532	10,105,097	272,694,629

Notes To The Consolidated And Separate Financial Statements Contd

The table below summarises the expected utilisation of assets and liabilities

31 December 2023 - Group

Asset	Current N'000	Non Current N'000	Total N'000
Cash and cash equivalents	25,059,031	-	25,059,031
Financial assets	43,354,777	169,512,300	212,867,077
Trade receivables	814,563	-	814,563
Reinsurance assets	13,863,039	-	13,863,039
Inventory	3,200,157	-	3,200,157
Deferred acquisition costs	-	-	-
Other receivables and prepayments	6,945,377	-	6,945,377
Right-of-use assets	13,448	-	13,448
Investment in associate	-	4,452,558	4,452,558
Investment in joint venture	-	120,141	120,141
Investment properties	-	13,259,000	13,259,000
Property, plant and equipment	-	13,886,881	13,886,881
Intangible assets	-	231,809	231,809
Statutory deposits	-	3,190,651	3,190,651
Total assets	93,250,392	204,653,340	297,903,732
Liabilities			
Insurance contract liabilities	144,509,540	-	144,509,540
Investment contract liabilities	3,861,091	-	3,861,091
Interest bearing Loans and Borrowings	2,146,881	-	2,146,881
Lease liabilities	-	-	-
Trade payables	21,299,957	-	21,299,957
Other payables	12,755,354	-	12,755,354
Liabilities of disposal group classified as held for sale/distribution to owners	-	-	-
Current income tax payable	1,876,005	-	1,876,005
Deferred tax liabilities	-	7,056,659	7,056,659
Total liabilities	186,448,828	7,056,659	193,505,487

Notes To The Consolidated And Separate Financial Statements Contd

The table below summarises the expected utilisation of assets and liabilities

31 December 2024 - Company

Asset	Current N'000	Non Current N'000	Total N'000
Cash and cash equivalents	3,712,475	-	3,712,475
Financial assets	1,855,703	10,084,351	11,940,054
Other receivables and prepayments	7,879,365	-	7,879,365
Investments in subsidiaries	-	15,373,012	15,373,012
Investments in associate	-	3,905,488	3,905,488
Investment properties	-	10,509,000	10,509,000
Property, plant and equipment	-	159,084	159,084
Intangible assets	-	-	-
Total assets	13,447,543	40,030,935	53,478,478
Liabilities			
Other payables	2,353,850	-	2,353,850
Current income tax payable	2,070,231	-	2,070,231
Deferred tax liabilities	-	2,086,408	2,086,408
Total liabilities	4,424,081	2,086,408	6,510,489

Notes To The Consolidated And Separate Financial Statements Contd

The table below summarises the expected utilisation of assets and liabilities

31 December 2023 - Company

Asset	Current N'000	Non Current N'000	Total N'000
Cash and cash equivalents	1,633,189	-	1,633,189
Financial assets	3,379,794	1,930,430	5,310,224
Other receivables and prepayments	4,466,713	-	4,466,713
Investments in subsidiaries	-	15,373,012	15,373,012
Investments in associate	-	3,296,161	3,296,161
Investment properties	-	7,921,000	7,921,000
Property, plant and equipment	-	293,943	293,943
Intangible assets	8,378	-	8,378
Total assets	9,488,074	28,814,546	38,302,620
Liabilities			
Other payables	1,572,472	-	1,572,472
Current income tax payable	1,217,134	-	1,217,134
Deferred tax liabilities	-	820,259	820,259
Total liabilities	2,789,606	820,259	3,609,865

Notes To The Consolidated And Separate Financial Statements Contd

58.9.3 Market risks

Market risk is the risk that changes in market prices, such as; foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. Market risk arises due to fluctuations in both the value of assets held and the value of liabilities.

The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return. The Group has established policies and procedures in order to manage market risk.

58.9.3.1 Currency risks

Foreign currency risk management

The Group undertakes certain transactions denominated in foreign currencies. Hence, exposures to exchange rate fluctuations arise. The Group exposure to currency risk are minimised by matching the Group's financial assets to the same currencies as its insurance and investment contract liabilities. Cash and cash equivalent is the major asset which gives rise to currency risk.

Notes To The Consolidated And Separate Financial Statements Contd

Carrying amounts of the Group's foreign currency denominated assets.

2024 - Group

Asset	Sterling ₹'000	Euro ₹'000	US Dollars ₹'000	Total ₹'000
Cash and cash equivalents	69	57,383	16,685,463	16,742,915
Financial assets	-	-	84,039,950	84,039,950
Reinsurance assets	-	-	2,345,465	2,345,465
	69	57,383	103,070,878	103,128,330
Liabilities				
Insurance contract liabilities	-	-	7,555,286	7,555,286
Net assets	69	57,383	95,515,592	95,573,044

2023 - Group

Cash and cash equivalents	635	10,792	5,954,832	5,966,259
Financial assets	-	-	54,685,070	54,685,070
Reinsurance assets	-	-	1,456,552	1,456,552
	635	10,792	62,096,454	62,107,881
Liabilities				
Insurance contract liabilities	-	-	3,433,258	3,433,258
Net assets	635	10,792	58,663,196	58,674,623

Notes To The Consolidated And Separate Financial Statements Contd

Carrying amounts of the Group’s foreign currency denominated assets.

2023 - Company

Asset	Sterling ₦'000	Euro ₦'000	US Dollars ₦'000	Total ₦'000
Cash and cash equivalents			6,338	6,338
	-	-	6,338	6,338
	-	-		

2023 - Company

Cash and cash equivalents	-	-	3,738	3,738
	-	-	3,738	3,738

Foreign currency sensitivity analysis

The following table details the Group’s sensitivity to 10% increase and decrease in the Naira against the relevant foreign currencies. A 10% sensitivity rate is used when reporting foreign risk internally to key management personnel and represents management’s assessment of the reasonably possible change in foreign exchange rates. For each sensitivity, the impact of change in a single factor is shown with other assumptions unchanged.

Notes To The Consolidated And Separate Financial Statements Contd

		2024		2023	
Group		Impact on profit before tax N'000	Impact on equity N'000	Impact on profit before tax N'000	Impact on equity N'000
Cash and cash equivalent					
Sterling	+10%	7	7	64	64
	-10%	(7)	(7)	(64)	(64)
Euro	+10%	5,738	5,738	1,079	1,079
	-10%	(5,738)	(5,738)	(1,079)	(1,079)
USD	+10%	955,156	955,156	595,483	595,483
	-10%	(955,156)	(955,156)	(595,483)	(595,483)
Company					
USD					
	+10%	634	634	374	374
	-10%	(634)	(634)	(374)	(374)

58.9.3.2 Interest rate risk management

Interest rate risk is the risk that the value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group is exposed to interest rate risk as the Group invests in long term debt at both fixed and floating interest rates. The risk is managed by the Group by maintaining an appropriate mix between fixed and floating rate borrowings and by limited use of interest rate swap contracts and forward interest rate contracts. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetite. Interest rate risk also exists in products sold by the Group. The Group manages this risk by adopting close asset/liability matching criteria, to minimise the impact of mismatches between asset and liability values arising from interest rate movements.

The Group has no significant concentration of interest rate risk.

Notes To The Consolidated And Separate Financial Statements Contd

58.9.3.3 Equity price risk management

The Group is exposed to equity price risks arising from equity investments primarily from investments not held for unit-linked business. The shares included in financial assets represent investments in listed and unlisted securities that present the Group with opportunity for return through dividend income and capital appreciation. Equity investments designated as fair value through other comprehensive income (available-for-sale) are held for strategic rather than trading purposes.

The analysis below is performed for reasonably possible movements in market indices with all other variables held constant, showing the impact on profit before tax (due to changes in fair value of financial assets whose fair values are recorded in the statement of profit or loss).

Notes To The Consolidated And Separate Financial Statements Contd

			2024		2023	
Group			Impact on profit before tax ₦'000	Impact on equity ₦'000	Impact on profit before tax ₦'000	Impact on equity ₦'000
Fair value through profit or loss	+1%		1,978,245	1,978,245	829,776	829,776
	-1%		(1,978,245)	(1,978,245)	(829,776)	(829,776)
Fair value through OCI	+1%		570,110	570,110	22,457	22,457
	-1%		(570,110)	(570,110)	(22,457)	(22,457)
Company						
Fair value through profit or loss	+1%		173,725	173,725	15,394	15,394
	-1%		(173,725)	(173,725)	(15,394)	(15,394)

58.9.4 Operational Risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people, systems and external events. The Group recognizes the significance of operational risk, which is inherent in all areas of our business. Operational risk is managed within acceptable levels through an appropriate level of management focus and resources.

The Group is committed to the management of operational risks. The Group's operational risk management strategy aims to:

- reduce losses arising from operational risk – a key role of operational risk management in the Group is to reduce losses from operational failure and in particular avoid potentially large or catastrophic risk losses;
- provide early warning signals of deterioration in the Group's internal control system; and
- raise awareness of operational risk in the Group from top to bottom through the implementation of an enterprise-wide risk approach.

Notes To The Consolidated And Separate Financial Statements Contd

One of the foremost operational risks faced by the Group are financial crimes (internal fraud, external fraud and money laundering). Each incident is analysed, control failures identified and new controls designed. The Group is also investing in enhanced loss control. Key counter-measures put in place include:

- enhanced staff training;
- enhanced Know Your Policyholder (KYP) drive and background checks on employees;
- issuance of appropriate and deterrent circulars;
- job rotation and segregation;
- dissemination of email and SMS alerts to the Group's customers for each activity on their accounts;
- imposition of stiff disciplinary measures including prosecution of fraudulent staff, agents and brokers; and
- installation of panic alarm system, CCTV.

58.9.5 Outsourcing Risk

Outsourcing risk is the risk inherent in the usage of vendors. The group's extensive use of vendors enables the enterprise to deliver products and services to consumers and benefits to our employees. Risks inherent with using vendors includes: vendor performance, financial risks, reputation/brand, business continuity, information security, and legal/regulatory.

The Key counter-measures put in place includes:

- Maintain Enterprise policies to ensure appropriate management review, approval, and oversight of vendor risks.
- Hold vendors accountable for performance and utilize Management of Service Level Objectives.
- Through the Vendor Management Community, train associates responsible for vendor management on compliance processes, managing vendor risks, and sharing best practices.
- Review critical vendors and corporate department vendor oversight through the Internal Audit program.

Notes To The Consolidated And Separate Financial Statements Contd

- Conduct vendor vulnerability assessments on critical vendors to validate logical and physical controls protecting Custodian information and business processes.
- Manage vendor relationships and risk through Vendor Management Units.
- Identify Enterprise relationship owners for vendors that span multiple departments at Custodian.
- Use shared information repositories for contracts and vendor relationship management.

58.10 Financial risk management

Valuation bases

The Group monitors and manages the financial risks relating to its operations through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (currency risk, interest rate risk and price risk), credit risk and liquidity risk.

The Group may seek to minimise the effects of these risks by using financial instruments to hedge risk exposures.

The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes. Fair values are determined at prices quoted in active markets. In the current environment, such price information is typically not available for all instruments and the Group applies valuation techniques to measure such instruments. These valuation techniques make maximum use of market observable data but in some cases management estimate other than observable market inputs within the valuation model. There is no standard model and different assumptions would generate different results.

Fair values are subject to a control framework designed to ensure that input variables and output are assessed independent of the risk taker. The Group has minimal exposure to financial assets which are valued at other than quoted prices in an active market. The table below shows financial assets carried at fair value.

Notes To The Consolidated And Separate Financial Statements Contd

The table below shows financial assets carried at fair value.

Group	Fair value through profit or loss N'000	Fair value through OCI N'000	Fair value N'000
31 December 2024			
Quoted equities at FVTPL	110,719,420	-	110,719,420
Fair value through OCI - quoted	-	-	-
Fair value through OCI - unquoted	-	47,337,246	47,337,246
	110,719,420	47,337,246	158,056,666
31 December 2023			
Quoted equities at FVTPL	77,132,991	-	77,132,991
Fair value through OCI - quoted	-	-	-
Fair value through OCI - unquoted	-	33,631,630	33,631,630
	77,132,991	33,631,630	110,764,621
Company			
31 December 2024			
Quoted equities at FVTPL	9,190,878	-	9,190,878
Fair value through OCI - unquoted	-	893,473	893,473
	9,190,878	893,473	10,084,351
31 December 2023			
Quoted equities at FVTPL	1,539,430	-	1,539,430
Fair value through OCI - unquoted	-	391,000	391,000
	1,539,430	391,000	1,930,430

Notes To The Consolidated And Separate Financial Statements Contd

The management assessed that the fair values of cash and cash equivalents, trade receivables, trade payables, other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The following methods and assumptions were used to estimate the fair value of unquoted equity measured at fair value and other debt securities whose fair values are disclosed.

i Unquoted equity

The fair values of the unquoted ordinary shares have been estimated using either of Income approach or Market approach.

Under the income approach, the valuation requires management to make certain assumptions about the model inputs, including forecast cash flows, the discount rate, credit risk and volatility. The probabilities of the various estimates within the range can be reasonably assessed and are used in management's estimate of fair value for these unquoted equity investments.

Under the market approach, the Company determines comparable public companies (Peers) based on industry, size, leverage and strategy and calculates an appropriate trading multiple for each comparable company identified. The multiple is calculated by dividing the enterprise value of the comparable company by an earnings measure. The trading multiple is then discounted for considerations such as illiquidity and size differences between the comparable companies based on company-specific facts and circumstances. The discounted multiple is applied to the corresponding earnings measure of the investee company to measure the fair value.

The Company classifies the fair value of these investments as Level 3.

ii Unlisted managed funds

The Company invests in managed funds, including private equity funds, which are not quoted in an active market and which may be subject to restrictions on redemptions such as lock up periods, redemption gates and side pockets.

Notes To The Consolidated And Separate Financial Statements Contd

The Company's investment manager considers the valuation techniques and inputs used in valuing these funds as part of its due diligence prior to investing, to ensure they are reasonable and appropriate. Therefore, the NAV of these funds may be used as an input into measuring their fair value. In measuring this fair value, the NAV of the funds is adjusted, as necessary, to reflect restrictions on redemptions, future commitments, and other specific factors of the fund and fund manager. In measuring fair value, consideration is also paid to any transactions in the shares of the fund. Depending on the nature and level of adjustments needed to the NAV and the level of trading in the fund, the Company classifies these funds as Level 3.

ii **Listed debt securities - bonds**

Fair values of publicly traded debt securities are based on quoted market prices in an active market for identical assets with adjustments for accrued interest on the instrument after the last interest/coupon payment date. The Company values these investments at closing bid price.

iii **Money market funds and similar securities (treasury bills)**

The estimated fair value of money market funds is based on discounted cash flows using prevailing quoted Money-market interest rates for debts with similar credit risk and maturity.

Notes To The Consolidated And Separate Financial Statements Contd

Quantitative information of significant observable inputs - unquoted equity instruments

Investment	Valuation technique (Significant unobservable valuation input)	Range* (weighted average)	Sensitivity used*	Effect on fair value (N'000)
African Reinsurance Corporation	Market approach	Average EBITDA multiple of peers	2024: 5%	2024: N26,212
			2023: 5%	2023: N21,632
		Discount to average multiple (10%)	2024: 1%	2024: N5,825
			2023: 1%	2023: N13,683
Interswitch Limited	Market approach	Market value adjustment	2024: 1%	2024: N113,374
			2023: 1%	2023: N97,879
WSTC Financial Services Limited	Income approach	Cost of capital (10.9%/16.78%)	2024: 5%	2024: N2,562
			2023: 5%	2023: N2,047
		Dividend growth rate (2.51/7.62)	2024: 5%	2024: N1,833
			2023: 5%	2023: N1,500
Energy and Allied Insurance Pool of Nigeria	Adjusted NAV	Discount for lack of liquidity -	Unappropri-ated reserves	2024: N72,179
				2023: N55,613
FBS Re Limited	Adjusted NAV	Discount for lack of liquidity	2024: 1%	2024: N2,234

Notes To The Consolidated And Separate Financial Statements Contd

Quantitative information of significant observable inputs - unquoted equity instruments

Group		
Financial assets measured at fair value	2024 N'000	2023 N'000
Quoted prices in active markets (level 1)	110,732,089	77,132,991
Valuation technique:		
Market observable data (level 2)	-	-
Other than observable market data (level 3)	34,952,521	2,233,749
	<u>145,684,610</u>	<u>79,366,740</u>
Financial assets measured at amortised cost		
Amortised cost	<u>121,118,268</u>	<u>51,245,130</u>
	<u>121,118,268</u>	<u>51,245,130</u>
Company		
Financial assets measured at fair value		
Quoted prices in active markets (level 1)	9,190,878	1,539,430
Valuation technique:		
Market observable data (level 2)	-	-
Other than observable market data (level 3)	-	-
	<u>9,190,878</u>	<u>1,539,430</u>
Financial assets measured at amortised cost		
Amortised cost	<u>1,855,703</u>	<u>3,379,794</u>
	<u>1,855,703</u>	<u>3,379,794</u>

Notes To The Consolidated And Separate Financial Statements Contd

58.11 Fair value and fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly, and

Level 3: Techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data (unobservable inputs).

Financial instruments in level 1

The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the company is the current bid price. These instruments are included in Level 1. Instruments included in Level 1 comprise primarily Nigerian Stock Exchange equity investments classified as trading securities.

Financial instruments in level 2

Inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.

Financial instruments in level 3

Level 3: inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

Notes To The Consolidated And Separate Financial Statements Contd

The following table shows an analysis of financial instruments recorded at fair value or whose fair values are disclosed by level of the fair value hierarchy:

31 December 2024 - Group	Level 1	Level 2	Level 3	Total
Items measured at fair value	₦'000	₦'000	₦'000	₦'000
Financials assets at FVTPL				
- Quoted equities	110,719,420	-	-	110,719,420
Financials assets at FVTOCI				-
- Quoted equities	-	-	-	-
- Unquoted equities	-	-	47,337,246	47,337,246
Freehold properties	-	-	18,174,500	18,174,500
Items whose fair values are disclosed				-
Debt instruments at amortised cost	-	-	121,118,268	121,118,268
31 December 2023 - Group				
Items measured at fair value				
Financials assets at FVTPL				
- Quoted equities	77,132,991	-	-	77,132,991
Financials assets at FVTOCI				-
- Quoted equities	-	-	-	-
- Unquoted equities	-	-	33,631,630	33,631,630
Freehold properties	-	-	14,616,515	14,616,515
Items whose fair values are disclosed				-
Debt instruments at amortised cost	-	-	79,945,614	79,945,614

Notes To The Consolidated And Separate Financial Statements Contd

Reconciliation of fair value measurement of non-listed equity investments classified as equity instruments designated at fair value through OCI:

	Group	
	2024 N'000	2023 N'000
At 1 January	33,631,630	2,245,732
Acquisition	16,068,334	35,309,749
Accrued Interest	5,011,583	1,228,895
Fair value gain/(loss) recognised in OCI	4,797,202	580,532
Sales	(12,411,294)	(5,700,911)
Realised gain during the year	239,791	-
Impairment allowance on Bonds designated as FVTOCI for the year	-	(32,367)
At 31 December	47,337,246	33,631,630

Notes To The Consolidated And Separate Financial Statements Contd

31 December 2024 - Company

Items measured at fair value	Level 1 ₦'000	Level 2 ₦'000	Level 3 ₦'000	Total ₦'000
Financials assets at FVTPL				
- Equities	9,190,878	-	-	9,190,878
Financials assets at FVTOCI				
- Equities	-	-	893,473	893,473
Items whose fair values are disclosed				
Debt instruments at amortised cost	1,855,703	-	-	1,855,703

31 December 2023 - Company

Financials assets at FVTPL				
- Equities	1,539,430	-	-	1,539,430
Financials assets at FVTOCI				
- Equities	-	-	391,000	391,000
Items whose fair values are disclosed				
Debt instruments at amortised cost	3,379,794	-	-	3,379,794

Notes To The Consolidated And Separate Financial Statements Contd

Fair Value of Financial Assets

Group	2024		2023	
	Carrying Value N'000	Fair Value N'000	Carrying Value N'000	Fair Value N'000
Financial assets				
Financials assets at FVTPL	110,719,420	110,719,420	77,132,991	77,132,991
Financials assets at FVTOCI	47,337,246	47,337,246	33,631,630	33,631,630
Debt instruments at amortised cost	121,118,268	116,031,301	79,945,614	66,744,327
Company				
Financials assets at FVTPL	9,190,878	9,190,878	1,539,430	1,539,430
Financials assets at FVTOCI	893,473	893,473	391,000	391,000
Debt instruments at amortised cost	1,855,703	1,818,589	3,379,794	4,393,732

Notes To The Consolidated And Separate Financial Statements Contd

59 Future outlook

The Group has succeeded in establishing a robust enterprise risk management framework, practice, culture and environment beyond complying with regulatory requirements. However, this is a continuous and on-going process which is being improved upon consistently. The ultimate goal is to make risk management a value driver that enhances and contributes to stakeholders' value and the long-term existence and survival of the institution.

Some of the key initiatives and projects to be embarked upon to ensure a better and more efficient risk management framework are;

- Sourcing of a risk solution that has capacity to support the management of insurance risks, operational risk, credit risk and market risk in line with best practices and ultimately complying with risk-based capital regulation in anticipation.
- Structuring a business continuity management framework and infrastructure.
- On-going aggressive Group-wide risk awareness campaign to increase employees' risk-awareness level, competence and involvement in managing risks.

60 Contravention

The Group incurred and paid the sum of N19,173,000 (2023: N28,450,000) as a penalty for a contravention during the year.

	2024 N'000	2023 N'000
Administrative sanction by PENCOM	14,300	21,200
Violation of Section 49(3)(a) of the NAICOM Act 1997.	-	7,250
Late submission of post placement report in 2019	173	-
Late filing of UPDC 2023 financial statements to NGX	4,700	-
	19,173	28,450

Notes To The Consolidated And Separate Financial Statements Contd

61 Financial Reporting Council's Certification Requirement for Professionals Engaged in Financial Reporting Process

In line with Financial Reporting Council of Nigeria certification requirement for professionals engaged in the financial reporting process: external auditors, officers of reporting entities and other professional providing assurance to reporting assurance to reporting entities, below is a list of professionals engaged in the financial reporting process relating to financial statements during the period.

NAME OF PRACTICE/ PROFESSIONAL	FRC NUMBER	SERVICES	Fees N'000
Goldwyns			
- Anthony Molade	FRC/2013/ICAN/00000003138	Tax Consultant	3,225
BARIN EPEGA & Co			
- Epega Obarinsola	FRC/2012/PRO/NIESV/004/00000000597	Property Valuation Specialist	5,000
Society for Corporate Governance Nigeria			
- Chioma Mordi (Mrs.)	FRC/2014/NIM/000000007899	Board Evaluation Consultant	8,546
Ernst &Young			
- Kingsley Miller	FRC/2012/NAS/000000002392	Actuarial Service	10,000
- Rotimi Okpaise	FRC/2013/PRO/NAS/004/00000000738	Actuarial Service	10,000

The Company also paid Messrs.Deloitte for the provision of attestation service in respect of the internal control over financial reporting mandated by Financial Reporting Council of Nigeria (FRCN), effective 2024. These services, in the Company's opinion, did not impair the independence and objectivity of the external auditors. Non- audit services provided during the year 2024(2023: N8,000) are stated below:

Services rendered	Name of Signing Partner	Amount (N)
Attestation services on internal control over financial reporting	Joshua Ojo	8,000,000

Notes To The Consolidated And Separate Financial Statements Contd

62 Changes to presentation of comparatives figures

a) The presentation of the comparative figures and the prior year's balances have been restated in line with IAS 1 (Presentation of financial statements), IAS 8 (Accounting Policies, Changes in Accounting Estimates and Errors), IAS 7 (Statement of cash flows) and other applicable financial reporting standards to correct prior year presentation or disclosure errors. The details of these items are stated below:

b) Statements of Cash flows

The Group prepares its consolidated and separate statement of Cash Flows using indirect method. The group previously presented N17.6 billion as the effects of exchange rates on cash and cash equivalents. The group included a sum of "net of unrealised foreign exchange gain/(loss) on financial assets and on trade and other payables of N15.9billion as part of the effect of exchange rate changes on cash and cash equivalents held in foreign currency.

However, as per IAS7:28, the impact of foreign exchange should have only be the unrealised forex gains and losses on cash and cash equivalents. This amounts to N1.7 billion. We have therefore restated the Statement of Cash Flows to correctly present the N15billion as part of operating activities.

c) Reconciliation of income tax expense

In the year 2023, the Company included the deferred tax movement in the tax rate reconcillation, and included a contra adjustment of N 4.6 billion FOR Group and N184million for Company in effect of income exempted from taxation. In line with IAS12.81(c), the deferred tax movement is now excluded in the reconciliation as the reconciling items should only be for permanent differences.

Notes To The Consolidated And Separate Financial Statements Contd

d) Omission of borrowings and loans from liquidity risk disclosure

In note 57.9.2.2, the interest-bearing borrowings and loans of N2.3billion was omitted in prior year from the liquidity risk assessment disclosure. This has now been included in line with IFRS7.39(a)(b).

Financial assets carried at fair value(FVTOCI and FVTPL) were also omitted in the prior year from the liquidity risk assessment disclosure. this is not included in line with IFRS 17 .39(a)(b).

Other payables was also corrected to include only financial liabilities amounting to N9.27 billion to align with the same standard.

Other receivables for the Group was also corrected to include only financial assets amounting to N5.67 billion to align with the same standard.

A black and white photograph of a paint palette and brushes on a crumpled paper background. The palette is a flat, rectangular object with a textured surface, and the brushes have wooden handles and bristles. The background is a crumpled, textured surface, possibly paper or fabric, with various shades of gray and black.

OTHER NATIONAL DISCLOSURES

Statement Of Value Added

For The Year Ended 31 December 2024

	Group				Company			
	2024 N'000	%	2023 N'000	%	2024 N'000	%	2023 N'000	%
Interest income	34,425,990		20,999,955		514,592		192,718	
Other investment and sundry income	21,357,894		12,682,145		7,450,010		8,435,480	
	55,783,884		33,682,100		7,964,602		8,628,198	
Operating Expenses	(7,984,989)		(3,442,301)		-		-	
Other incomes	23,260,093		2,683,752		14,015,376		2,056,653	
Other operating expenses - Local	(3,695,295)		(2,615,327)		(946,434)		(531,509)	
Value added	67,363,693	100	30,308,224	100	21,033,544	100	10,153,342	100
Applied as follows:								
To pay employees:								
Salaries, wages and benefits	5,994,975	9	3,564,646	12	1,871,555	9	707,198	7
To pay Government:								
Current income tax expense	4,457,339	7	1,716,109	6	1,298,018	6	884,519	9
Retained for asset replacement and future expansion of business:								
	696,150	1	752,451	2	119,569	-	126,840	1
- Depreciation and amortization	2,671,884	4	4,597,665	15	1,215,902	6	184,096	2
- Deferred tax	53,543,345	79	19,677,353	65	16,528,500	79	8,250,689	81
- Profit for the year								
Value added	67,363,693	100	30,308,224	100	21,033,544	100	10,153,342	100

Value added is the wealth created by the efforts of the Group and its employees and the allocation between employees, shareholders, government and that retained in the future for the creation of more wealth.

Five-Year Financial Summary - Group

STATEMENT OF FINANCIAL POSITION - GROUP

	IFRS17				IFRS4
	2024	2023	2022	2021	2020
	N'000	N'000	N'000	N'000	N'000
Assets					
Cash and cash equivalents	43,989,037	25,059,031	22,044,849	17,176,184	9,362,870
Trade receivables	691,013	814,563	1,653,611	174,759	134,664
Financial assets	279,174,934	190,710,235	136,467,520	113,959,758	81,156,589
Reinsurance contract assets	11,847,577	7,916,456	8,801,064	7,915,519	9,151,153
Inventory	8,729,998	3,200,157	5,265,758	6,084,508	-
Deferred acquisition costs	-	-	-	-	667,740
Other receivables and prepayments	20,027,838	6,945,377	6,441,937	6,498,033	2,655,370
Right-of-use assets	111,737	13,448	28,397	69,862	3,278
Investments in joint ventures	120,141	120,141	125,647	130,393	-
Investment in associates	5,500,314	4,452,558	3,290,257	4,801,675	547,847
Investment properties	18,174,500	13,259,000	11,901,485	11,760,655	-
Assets of disposal group classified as held for sale	-	-	-	8,086,683	9,276,977
Property, plant and equipment	14,612,511	13,886,881	13,279,230	4,696,005	4,278,501
Intangible assets	277,273	231,809	239,712	172,486	222,781
Statutory deposits	4,037,175	3,190,651	2,672,415	2,299,144	560,000
Total assets	407,294,048	269,800,307	212,211,882	183,825,664	118,017,770
Liabilities					
Insurance contracts liabilities	195,359,004	144,509,540	112,501,245.00	94,846,044	59,072,075
Investment contract liabilities	3,557,950	3,861,091	3,686,050.00	3,766,565	3,985,348
Interest bearing Loans and Borrowings	3,380,004	2,146,881	2,179,173.00	2,516,621	-
Lease liabilities	-	-	-	-	744
Liabilities of disposal group classified as held for sale/distribution to owners	-	-	-	1,187,895	-
Reinsurance contract liabilities	72,594	45,341	31,094.00	21,204	-
Trade payables	28,838,615	16,083,167	12,268,358.00	8,766,111	3,323,126
Other payables	27,143,472	12,755,354	11,231,945.00	9,789,085	3,385,347
Current income tax	4,310,487	1,876,005	3,346,153.00	1,941,504	2,114,754
Deferred tax liabilities	10,105,097	7,056,659	2,066,875.00	2,134,377	1,397,066
Total liabilities	272,767,223	188,334,038	147,310,893	124,969,406	73,278,460
Equity					
Share capital	2,940,933	2,940,933	2,940,933.00	2,940,933	2,940,933
Share premium	6,412,357	6,412,357	6,412,357.00	6,412,357	6,412,357
Retained earnings	89,962,733	45,666,889	31,454,499.00	26,275,197	23,132,865
Contingency reserve	17,569,448	14,303,164	13,575,751.00	12,961,014	10,315,451
Fair value reserve	5,308,429	1,108,348	477,604.00	504,196	364,235
Asset revaluation reserve	1,371,591	1,113,597	630,498.00	685,081	550,273
Equity attributable to owners of the parent	123,565,491	71,545,288	55,491,642	49,778,778	43,716,114
Non-controlling interests	10,961,334	9,920,981	9,409,347.00	9,077,480	1,023,196
Total equity	134,526,825	81,466,269	64,900,989	58,856,258	44,739,310
Total liabilities and equity	407,294,047	269,800,307	212,211,882	183,825,664	118,017,770

Five-Year Financial Summary - Group Contd

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME - GROUP

	IFRS17			IFRS4	
	2024 N'000	2023 N'000	2022 N'000	2021 N'000	2020 N'000
Profit before income tax expense	60,672,568	25,991,127	11,475,761	13,686,047	8,069,573
Income tax expense	(7,129,223)	(6,313,774)	(2,614,463)	(869,935)	(2,057,794)
Profit from continuing operation	53,543,345	19,677,353	8,861,298	12,816,112	6,011,779
Loss from discontinued operation	-	-	-	(101,617)	
Other comprehensive income/(loss) for the year, net of tax	4,549,597	1,336,110	35,650	322,260	89,034
Total comprehensive income for the year	58,092,942	21,013,463	8,896,948	13,036,755	6,100,813
Total comprehensive income attributable to;					
- Owners of the parent	56,908,737	20,218,643	8,484,589	11,706,533	5,822,197
- Non-controlling interests	1,184,205	794,820	412,358	1,303,222	278,616
	58,092,942	21,013,463	8,896,947	13,009,755	6,100,813
Basic earnings per share (kobo)	889	324	142	196	97
Net assets per share (kobo)	2,287	1,216	943	810	761

Note: Basic earnings per share have been computed respectively for each year on the profit after tax and number of ordinary shares in issue, less treasury shares, if any, at the end of each year. The net assets per share are based on the number of issued 50 Kobo ordinary shares at the end of each year.

Five-Year Financial Summary - Company

STATEMENT OF FINANCIAL POSITION - COMPANY

	2024 N'000	2023 N'000	2022 N'000	2021 N'000	2020 N'000
Asset					
Cash and cash equivalents	3,712,475	1,633,189	1,855,128	1,654,286	1,524,554
Financial assets	11,940,054	5,310,224	3,842,238	2,567,836	3,094,589
Other receivables and prepayments	7,879,365	4,466,713	2,334,405	2,468,286	3,268,155
Investment in subsidiaries	15,373,012	15,373,012	15,373,012	15,254,287	8,410,669
Investment in associates	3,905,488	3,296,161	3,109,987	525,364	525,364
Investment properties	10,509,000	7,921,000	7,081,416	4,636,980	4,636,980
Property, plant and equipment	159,084	293,944	401,425	56,776	62,582
Intangible assets	-	8,377	16,755	-	-
Deferred tax assets	-	-	-	-	-
Total assets	53,478,478	38,302,620	34,014,366	27,163,815	21,522,893
Liabilities					
Other payables	2,353,850	1,572,472	1,523,843	1,035,072	939,164
Current income tax	2,070,231	1,217,134	1,294,989	563,773	629,711
Deferred tax liabilities	2,086,408	820,259	636,163	367,398	307,001
Total liabilities	6,510,489	3,609,865	3,454,995	1,966,243	1,875,876
Equity					
Issued share capital	2,940,933	2,940,933	2,940,933	2,940,933	2,940,933
Share premium	6,412,357	6,412,357	6,412,357	6,412,357	6,412,357
Retained earnings	37,162,473	25,339,465	21,206,081	15,844,282	10,293,727
Other components of equity	452,226	-	-	-	-
Total equity	46,967,989	34,692,755	30,559,371	25,197,572	19,647,017
Total liabilities and equity	53,478,478	38,302,620	34,014,366	27,163,815	21,522,893

Five-Year Financial Summary - Company Contd

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME - COMPANY

	2024 N'000	2023 N'000	2022 N'000	2021 N'000	2020 N'000
Profit before income tax expense	19,042,420	9,319,304	5,623,742	8,204,398	4,796,380
Income tax expense	(2,513,920)	(1,068,615)	(663,747)	(7,004)	(923,248)
Profit for the year	16,528,500	8,250,689	4,959,995	8,197,394	3,873,132
Total comprehensive income for the year net of tax	16,528,500	8,250,689	4,959,995	8,197,394	3,873,132
Basic and diluted earnings per share (kobo)	281	140	84	139	66
Net assets per share (kobo)	799	590	520	428	334

Note: Basic earnings per share have been computed respectively for each year on the profit after taxation and number of ordinary shares in issue, less treasury shares, if any, at the end of each year. The net assets per share are based on the number of issued 50 Kobo ordinary shares at the end of each year.

Shareholding Structure and Free Float Status

For the year ended 31 December 2024

Company Name: Custodian Investment Plc
Board listed: Main Board
Reporting period: Year ended 31 December 2024

Share price (N) N17.1.00 (2023: N9.00)

	31 December 2024		31 December 2023	
	Units	Percentage	Units	Percentage
Issued Share Capital	5,881,864,195	100%	5,881,864,195	100%
Substantial Shareholdings (5% and above):				
GRATITUDE CAPITAL LIMITED*	1,372,259,400	23.33%	1,352,728,150	23.00%
MIKEADE INVESTMENTS LTD.**	924,907,141	15.72%	924,907,141	15.72%
UBAPC/SIGMA PENSION PFA FUND III - MAIN	-	0.00%	-	-
Total outstanding Shareholding	2,297,166,541	39.06%	2,277,635,291	38.72%

Directors' Shareholding (direct and indirect) excluding substantial interest held

Dr. Mrs. Omobola Johnson	155,000	0.00%	155,000	0.00%
Mr. Wole Oshin	238,674,353	4.06%	238,674,353	4.06%
Chief (Mrs.) Margaret Giwa	-	0.00%	12,250,000	0.21%
Mr. Richard Asabia	22,600,000	0.38%	22,600,000	0.38%
Mrs. Mimi Ade-odiachi	4,000,000	0.07%	4,000,000	0.07%
Mr. Olakunle Ade-Ojo	1,229,365	0.02%	1,229,365	0.02%
Mrs. Binta Max- Gbinije	110,000	0.00%	-	0.00%
Mr. Ravi Sharma	6,000,000	0.10%	6,000,000	0.10%
Mr. Adeniyi Falade	1,032,000	0.02%	232,000	0.00%
Total Directors' Shareholding	273,800,718	4.65%	285,140,718	4.85%

Shareholding Structure and Free Float Status Contd

	31 December 2024		31 December 2023	
	Units	Percentage	Units	Percentage
Other Influential Shareholding				
NIL				
NIL				
Total Other Influential Shareholding	-	0.00%	-	0.00%
Free Float in Units and Percentage	3,310,896,936	56.29%	3,319,088,186	56.43%
Free Float in Value (Naira)	56,616,337,606		29,871,793,674	

* Indirect shareholding of a director, Mr. Wole Oshin

** Indirect shareholding of a director, Mr. Olakunle Ade-Ojo

Declaration:

- i Custodian Investment Plc with a free float percentage of 56.29% as at December 31, 2024, is compliant with The Exchange's free float requirements for companies listed on the main Board.
- ii Custodian Investment Plc with a free float value of N56,616,337,606 as at December 31, 2024, is compliant with The Exchange's free float requirements for companies listed on the main Board.

CUSTODIAN TRUSTEES LTD

AUTHORISED

ADEYINKA JAFORO

FRC/2013/PRO/NBA/002/00000002403

Custodian Trustees Limited

Company Secretary



- 
- 🎨 Corporate Social Responsibility/Sustainability Report
 - 🎨 HSE Report
 - 🎨 Mandate
 - 🎨 Proxy Form

Corporate Social Responsibility/Sustainability Report

There were a few significant events in 2024 with global consequences. There were wars in certain countries, with the on-going one between Russia and Ukraine failing to abate and leaving so far over 100,000 killed and several hundred thousand maimed. Whilst there were calls for a negotiated ceasefire, this did not happen. The economic impact includes the fact that the global supply chain continued to be disrupted, leading to inflation and increased prices of imported goods in many countries. The environment was also impacted as damage caused by the war was estimated at over \$56 billion. The damage to the environment includes soil pollution because of the shelling and reduced vegetation greenness. It is said that over 11 million people have been displaced. Other consequences include reduction of energy and food security in many countries, infrastructural damage and lack of development.

Year 2024 was also significant due to elections that took place in many countries including India, Japan, South Africa, the United Kingdom and the United States which witnessed the greatest political come-back in U.S. history, as a former President was re-elected into office. Worthy of note was that in most countries there were significant changes in the style of the elections, driven mostly by dissatisfaction of the populace with the economies of their countries.

Climate change continued to be an issue, as people continued to use fossil fuels which negatively impact the environment, causing irreparable damage to the climate. Consequently, weather-related natural disasters were recorded in various countries during the year, such as severe drought drying parts of the major rivers of the world, most notably the world's largest river system (the Amazon). Carbon dioxide levels in the atmosphere continued to grow and 2024 was adjudged the hottest year so far on record. All the above relate to sustainability, the practice of meeting present needs without compromising the ability of future generations to meet their needs, which calls for responsible resource management, environmental stewardship, social equity and economic prosperity.

As a nation, Nigeria faced several challenges during 2024, which were mostly because of reforms introduced by the Government. Though desirable, reforms such as petrol subsidy removal, liberalization of the foreign exchange system, deregulation of the petroleum downstream sector and tax reforms had serious implications for the general populace. Though the economy was said to have picked up in the second quarter of the year, the oil sector grew faster than the non-oil sector. The result of the introduction of the various reforms was inflationary, with the average annual

Corporate Social Responsibility/Sustainability Report Contd

rate put at 31.7% during the year. Food inflation rate was even higher in 2024, at almost 40% increase in November over the 2023 rate, caused by insecurity in food producing states which led to food shortages, forcing more people to fall into the poverty class and the needy into abject poverty. It is hoped that with the consistent application of the right mix of policy, inflation will begin to fall. Besides, despite efforts to merge the official and parallel market foreign exchange rates, there was still a gap between both, which drove many to save and hold money in foreign exchange. With the depreciating Naira value and constant increase in fuel costs, the poverty rate increased even higher than the 2023 estimated 38.9%, with 87 million Nigerians said to be living below poverty line (World Bank Statistics).

Infrastructure gaps were evident more than ever before in 2024, making it a harsh year for many, as the economic integration that could allow for the country to leverage on its market size was impossible. Power outage worsened, as the nation witnessed an increase in frequency of grid collapse, mostly due to ageing infrastructure, inadequate maintenance and insufficient investment. Power supply infrastructure issues remained the most severe obstacle to business operations which calls for the adoption of a diversified energy mix to reduce dependence on the national grid as well as investment in renewable energy solutions.

Though in previous years, a few foreign companies had left Nigeria, in 2024, more foreign companies exited the country, mostly due to economic considerations such as high interest rates and inflation as well as foreign exchange scarcity, Naira value decline, poor infrastructure, power supply issues and exorbitant energy costs which all have negative impact on operations. Consequently, many people were thrown into the job market, whilst the high exchange rate encouraged many skilled workers to emigrate to advanced countries in search of better job opportunities.

At Custodian, we continued to operate at a high level with dedicated human resources who are integral to our operations and play a significant role in ensuring our clients' needs are met and the trust they have in us is not betrayed. We continued to explore opportunities that will not only lead to growth but also lead to economic sustainability for all our stakeholders. We value our interaction with the environment generally and specifically with the local communities where we have a presence. We always look for opportunities to impact lives positively and leave communities around our offices better than we meet them. 2024 was no exception. Whether in terms of initiatives taken by us because of specific needs around or those that arose because of disasters impacting negatively on human lives, we intervened.



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- 🎨 Corporate Social Responsibility/Sustainability Report
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Corporate Social Responsibility/Sustainability Report

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Corporate Social Responsibility/Sustainability Report Contd

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Corporate Social Responsibility/Sustainability Report

We engage in Life and General insurance, Trustees, Pensions, Real Estate, Wealth and Asset Management businesses which all relate to improving the quality of life of people – ensuring the restoration of life to the former position in the event of a loss, offering advice on protection and transfer of assets, maintaining the quality of life of workers after retirement, providing reasonably priced housing options and ensuring people with assets experience growth of their portfolios.

Through the Custodian Social Responsibility Foundation (CSRF) which is the CSR arm of Custodian Group, we are committed to providing support and alleviating suffering of people.

The Custodian Group

Custodian Investment Plc (CIP) is a diversified group, classified as a conglomerate by the Nigeria Exchange (NGX). The group company has a significant holding in subsidiaries offering services which include General and Life Insurance, Pensions Fund Administration, Trustees, and Real Estate.

Subsidiary Companies

- Custodian and Allied Insurance Limited (CAIL): CAIL provides general insurance services including Motor, Travel, Home, Personal Accident insurance, Special risks and others to individuals and corporate organizations. The company is registered with National Insurance Commission (NAICOM) and is a member of the Nigerian Insurers Association (NIA).
- Custodian Life Assurance Limited (CLA): CLA provides Life Insurance products and services to individuals and corporate organizations such as Protection cover, Investment-linked policies such as Wealth Plus plan, Endowment policies such as Education Endowment and Annuity plans.
- Custodian Trustees Limited (CTL): CTL provides services such as asset and property management for growth, protection, and transfer of wealth, ensuring investors' wealth is adequately protected. The company also engages in fiduciary transactions such as keeping custody of assets, documents, rights, shares, funds, and others.

Corporate Social Responsibility/Sustainability Report Contd

- Crusader Sterling Pensions Limited (CPL): CPL is a leading Pension Fund Administrator (PFA), offering superior returns on Pension assets under their management.
- UPDC Plc: UPDC has a strong track record and unparalleled market knowledge of over twenty years and remains Nigeria's foremost real estate development firm with a profitable and scalable facilities management business.

Subsidiary companies contribute 1% of their Profit Before Tax (PBT) to fund the Custodian Social Responsibility Foundation (CSRF), to ensure the success of the Foundation in handling initiatives in its chosen areas of support.

Our CSR Strategy And Approach

CSRF, the CSR arm of the Custodian Group, focuses on four key areas of intervention:

- Community Development
- Education
- Health
- Sustainability

Education
We work on interventions that enhance the skill levels of Nigerians

Health
We work on interventions aimed at preserving good health and wellbeing



Community Development
We focus on helping our local communities thrive (i.e. are developed and resilient)

Sustainability
We are committed to using natural resources in a responsible manner for our operations, while practicing sustainable insurance

Corporate Social Responsibility/Sustainability Report

CSRF Strategy And Activities For 2024

Community Development

Over time, we have taken up initiatives that improve the well-being of people around our office locations. We have endeavored to continue maintenance of projects previously handled by us, especially around our Head office to ensure the workability of equipment donated (please see under Education on page). Our donations to the community are, however, not limited to the Head office area though, but to communities within States where we have branches.

1. Old Bodija Ibadan Explosion

On January 16, 2024, there was an explosion caused by the ignition of mining explosives illegally kept by a foreigner resident in a house within old Bodija Estate, Ibadan, an otherwise quiet and peaceful neighborhood mostly resided by retirees.

The incident which shook Ibadan that had hitherto not experienced a disaster of such magnitude in that community also affected many areas around the city stretching from Sango to Ojoo and brought grief to many families, as it involved the loss of five (5) lives, seventy seven (77) injured people, fifty eight (58) damaged buildings, whilst some structures were virtually razed to the ground. Source – The Punch newspaper of 17 October 2024. Consequently, many residents were displaced as there was no guarantee that standing houses that appeared unaffected would hold. Whilst the injured were taken to hospitals, those whose houses were damaged beyond immediate repair relocated to nearby hotels and homes of friends. The worst affected victims whose houses were leveled became tenants, whilst awaiting Government's intervention which was still being expected as of October 2024.

On hearing about the unfortunate occurrence, CSRF decided to intervene in a timely fashion to give succor and show support to the local community, who were in despair and to offer a measure of hope to them at their hour of need. Working with the neighborhood Associations of Residents and Occupants of the most badly affected areas - the Dejo Oyelese Vigilante Group and Upper Adeyi Vigilante Group - as well as individual homeowners not too far from the affected areas, particularly along Ibikunle Avenue, Bodija - homeowners and in some cases,

Corporate Social Responsibility/Sustainability Report Contd

tenants of the structures most badly affected were identified and the sum of N100,000.00 per household/family given. The essence of the gift was to help take care of the immediate needs of the affected families to buy drugs, dressings for wounds, food and to show that we care for those around our community, whilst waiting for Government intervention. Though the effect of the explosion was said to have been felt many miles away from the source and there was no way every affected home could have been reached, in all, 1 64 families of the worst affected families received payment of N100,000 each on February 15, 2024.



Bodija Explosion Victim Signing For Cheque



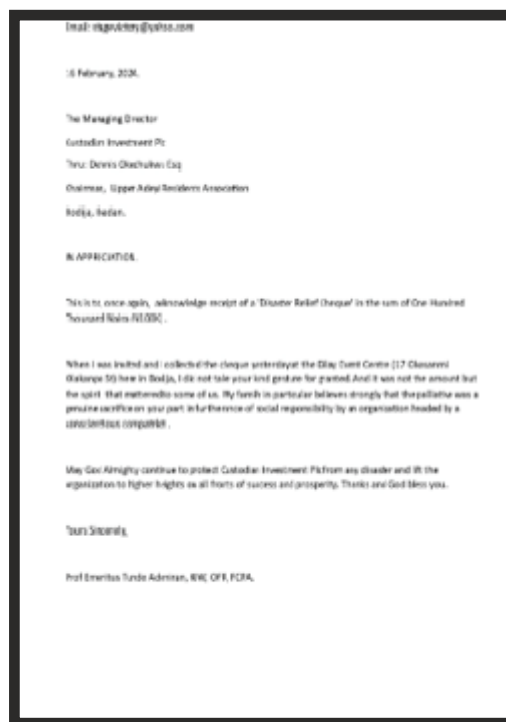
Bodija Explosion Victims Holding Their Cheques

Corporate Social Responsibility/Sustainability Report

In recognition of the humanitarian service rendered by our Foundation, a humanitarian service award was presented to our Foundation on April 29, 2024, whilst a few beneficiaries wrote thank-you letters.



Humanitarian Award



Appreciation Letter from
Prof. E. T. Adeniran A Recipient



Barr. Dennis Okechukwu Giving Award to Mr. Femi Oloniyo
(Regional, Manager Southwest Zone) Representing CSRF

Corporate Social Responsibility/Sustainability Report Contd

2. Refurbishment of Section of Lagos Command Police Headquarters office complex, Ikeja

We were notified of the need for the rehabilitation of parts of the Lagos State Police Command, located at Ikeja area, which needed to be revamped to be more presentable. CSRF helped to rehabilitate part of the office premises by making the necessary improvements to reveal a more presentable layout capable of boosting the morale of the office personnel.

On completion of the work, the CEO of CSRF in August 2024 formally informed the Deputy Commissioner of Police, who on the occasion, appreciated the effort of the Foundation in transforming the office into a more comfortable one.



Mrs. Aderemi with DCP Tijani at the Lagos State Police Command HQ



Before



After

Corporate Social Responsibility/Sustainability Report

Education

Education is the bedrock of the development of any forward-looking society and a powerful weapon that can change the world. However, as long as there are fundamental challenges to the development of countries, resulting in many living in abject poverty, this will continue to negatively impact education.

For instance, in large parts of the country faced with issues such as flooding which has led to displacement of many and inability to cultivate and plant crops to generate income that will make education affordable, many children remain unable to access even basic education. The education sector has been starved of necessary funds for development, which also affects the teachers, who lack adequate training to make a positive difference in the schools and the ability to acquire necessary skills.

In 2024, Nigeria's education system was still facing challenges, such as a high number of out-of-school children and low literacy rate. While literacy rate for many developed nations consistently stood at 96% in 2024, Nigeria's rate was put at 59.57% (Source: Veriv Africa survey). In the same year, 10.2 million children of primary school age and 8.1 million children of Junior Secondary School age were out of school (Source: UNICEF). Besides, according to UNICEF, one in five out-of-school children in the world are in Nigeria, most especially in the northern part of the country. Barriers to education must therefore be eliminated, especially for vulnerable populations, whilst mass literacy programs must be promoted, to make a difference.

At Custodian, we remain committed to contributing towards human capital development in Nigeria on a regular basis and plan to do even more in years to come. We have been involved in the development of formal and informal education in the country in the past with our collaboration, especially with institutions situated around the communities we operate from and plan to continue to do so in the foreseeable future.

1. Custodian Mentors Conference

The yearly annual conference took place on 24th August 2024 with a total of 320 invitees in attendance physically and virtually. There were 66 new Mentees in attendance, who would thereafter constitute the second cohort of Mentees of the Custodian Mentoring Program. There were three

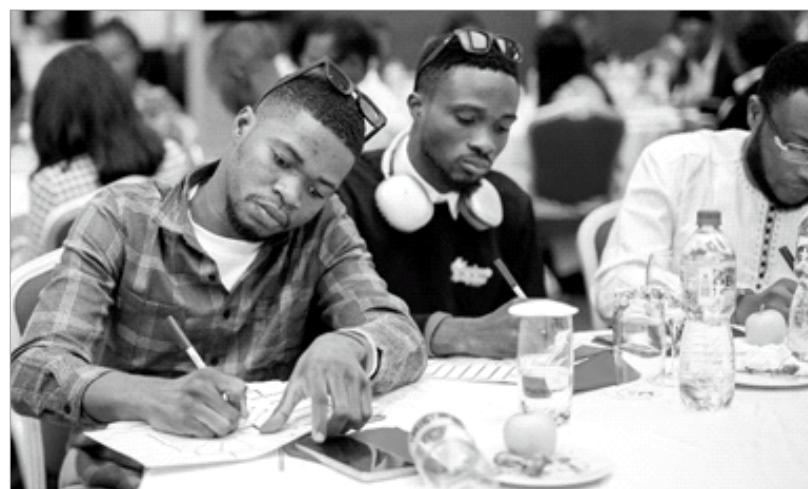
Corporate Social Responsibility/Sustainability Report Contd

experienced and successful businesspeople who spoke at the conference, sharing knowledge, wisdom and experience with the Mentees. As usual, it was an interesting session as it was engaging with the different insights shared and the Mentees who were not only able to mingle with the Mentors but had the opportunity to clarify issues and ask questions relating to what they learnt and their own personal concerns. In 2024, we had Mr. .Atunyota (Ali Baba) Akpobome, a multi-award-winning stand-up comedian, actor and Master of Ceremonies, Mrs. Adenike Ogunlesi a fashion entrepreneur, business leader and public speaker and Mr. Jude (M.I) Abaga, a renowned music rapper, music producer and executive and entrepreneur who is very popular among youths.

Whilst Mr. Akpobome spoke about starting a new business and gave nuggets of information about starting small and growing, Mrs. Ogunlesi emphasized making the impossible possible, by giving a down-to-earth account of how she grew her business. Mr. Abaga took the participants on a journey of how to dream, from the beginning, the middle and the end, stressing that every day should be marked as the last anyone has to give his best, as all human beings are on borrowed time.

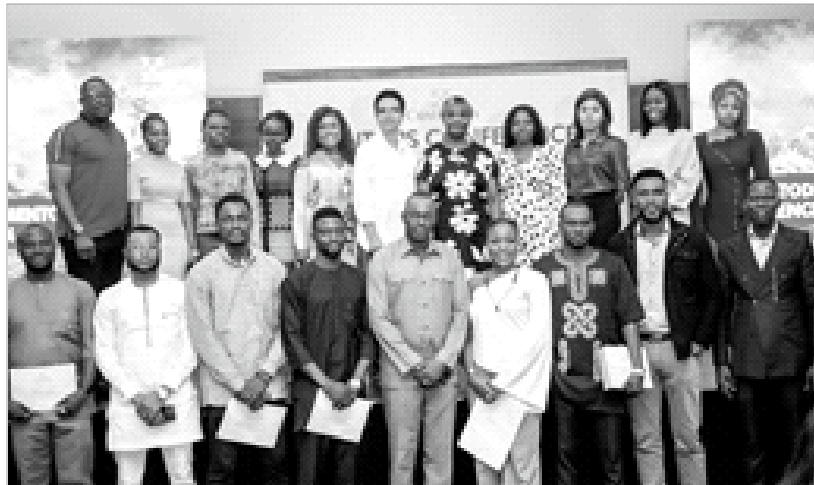


From Left: Mr. Wole Oshin, Jude (MI) Abaga, Mrs. Nike Ogunlesi, Mr. Leke Alder & Mr. Atunyota (Ali Baba) Akpobome



Some 2024 Custodian MENTEES

Corporate Social Responsibility/Sustainability Report



Mr. Oshin, Mrs. Aderemi and the Custodian Mentors with the first Graduates of the Custodian Mentoring Program



Reps of the Graduates presenting an Award to Mr. Oshin

During the year's Mentoring Conference, the first cohort of Mentees that attended the Custodian Mentoring Program graduated. 28 members of the set attended out of the class of 66 Mentees, were given Certificates of Participation. The 9-month program which involves constant engagements of the Mentees with carefully selected Custodian Mentors who are professionals in their various fields has been judged successful to the extent that it provides support for the growth and development of the Mentees.

2. Renovation of two classes of Mobolaji Bank Anthony Junior Secondary School, Yaba

Following the tradition of the previous Custodian Graduate Trainee sets to develop a CSR initiative beneficial to our local community, the 2024 class of Custodian Graduate Trainee Program (CGTP) after considering various needed options and following discussions with the CSRF and advice, opted to renovate two classrooms at Mobolaji Bank Anthony Junior High School, Yaba, Lagos, which falls under both Education and Community Development. The project was a collaborative effort involving all the trainees who raised the funds to ensure the project was successfully completed.

Corporate Social Responsibility/Sustainability Report Contd

The initiative was to enhance the aesthetics and functionality of two classrooms - J.S.S. 1 A and J.S.S 1B classrooms – of Mobolaji Bank Anthony Junior Secondary School, which would improve the learning environment whilst fostering a sense of community responsibility and teamwork among the Trainees.



Mrs. Aderemi Cuts the Ribbon to a Newly Renovated Classroom



Newly Renovated Classroom



Mobolaji Bank Anthony J.S.S. 1 Students



Staff of Mobolaji Bank Anthony Junior Secondary School

The renovated classrooms were formally handed over to the School Principal and other staff in the presence of the beneficiaries, who were delighted to gain newly painted classrooms with new desks and chairs and repaired flooring.

Corporate Social Responsibility/Sustainability Report Contd

3. Maintenance of previous projects

We continued to provide support for previous projects handled by the foundation, including:

- The maintenance of Ilupeju E- Library: Through the support of CSRF, the former public library was transformed into an e-library with access to several thousands of e-books through the subscription to a world library, which the Foundation subscribed to for several years. Subsequently, e-books were downloaded for the availability of users of the library. We have also contributed hard copies of books in various fields and through us, donations of hundreds of books have been donated to the library.

In 2024, total patronage of the library was 13,272, which marked a 35.1% increase in usage, year on year.

- The maintenance of Lagos City Senior College Computer Center: CSRF continued to maintain the 25-system computer center that was donated to the school in 2017. This ensures continuity in the practical aspect of computer training for senior secondary school students who have benefited from the use of computer systems in the preparation and writing of exams.

Our plan for Education

CSRF is interested in working to improve education from the grassroots. We plan to do this by getting involved with activities involving students right from primary school level, being the future of any nation. Often, it is found that many children who should be in school are out of school. With the poor statistics, we intend to follow up on initiatives that will encourage children to have at least primary education by providing support for indigent ones.

We also plan to intervene by giving support to deserving tertiary students who may require internship, to enhance their learning by offering opportunities within the subsidiaries of the Group company.

Corporate Social Responsibility/Sustainability Report Contd

We also plan to get involved with the professional development of schoolteachers right from the lowest level. This would entail organizing training sessions which would enhance their skills and teaching methods.

Health

1. Blood Donation Exercise

The annual blood donation exercise whereby staff of Custodian voluntarily donate blood to be given to the needy took place on November 5, 2024. Our usual partners, the Lagos State Blood Transfusion Service staff, gave a talk on the benefits of donating blood before the exercise, which was successful.

Breakdown of blood collected during blood drive with the Lagos State BloodTransfusion Service on the 5th of November 2024 at Custodian Allied Plc Sabo, Yaba

Units of Blood Collected	- 31
Red Blood Cells	- 31
Platelets	- 12
Fresh Frozen Plasma (FFP)	- 19
Total Red Blood and Products	- 62

Total collected blood was negative for Transfusion Transmissible Infection (TTI)

Breakdown by Health Facilities and their Usage

S/N	Hospital	Usage	Red Cells/FFP
1	Lagos State University Teaching Hospital, Ikeja (LASUTH)	20 Red Cells. 6 Platelets. 10 FFP	Red Cells, Platelets and FFP
2	Massey Street Children’s Hospital	1 Red Cells. 1 Platelet	Red Cells and Platelets
3	Lagos Island Maternity Hospital	4 Red Cells. 2 Platelets. 3 FFP	Red Cells, Platelets and FFP
4	Ikorodu General Hospital	2 Platelets. 4 FFP	FFP and Platelets
5	Gbagada General Hospital	6 Red Cells. 1 Platelet. 1 FFP	Red Cells, FFP and Platelets
	Total	31 Red Cells. 12 Platelets. 18 FFP	1 FFP Still Unused

Corporate Social Responsibility/Sustainability Report Contd

In 2024, 62 total red blood and products were donated and none with transfusion transmissible infection (TTI). We once again contributed to the saving of lives and provided a beacon of hope to many families

All blood donated was distributed to the five above-mentioned hospitals. With greater sensitization, it is hoped that the statistics for next year will surpass this.

2. **Custodian Accident and Emergency Center, (CAEC) Epe**

The building of our level 4 trauma center which commenced in 2023 was completed this year. The CAEC located within the premises of the Federal Medical Center, Epe (formerly Epe General Hospital) is a project we had dreamt of doing for a while. Having been allocated land within the hospital premises, and undeterred by the prevailing economic circumstances, especially inflation, the close to Billion Naira project was completed.

The purpose-built ultra-modern trauma center with two wards to serve twenty patients is fully air-conditioned and equipped with appurtenances to ensure patients brought in are stabilized in a suitable environment before being transferred to the hospital for treatment. The much-needed centre is the first of its kind in the Epe area of Lagos and is strategically located to effectively serve not just the Ajah/Epe axis but also parts of Ogun State (Epe/Ijebu Ode express road environs which links the Ijebu Ode/Ore Road). Due to the recent infrastructural development in the area which comes with excessive speeding of vehicles and more users plying the roads, accident statistics have increased, making the siting of the CAEC at Epe ideal.

Corporate Social Responsibility/Sustainability Report Contd



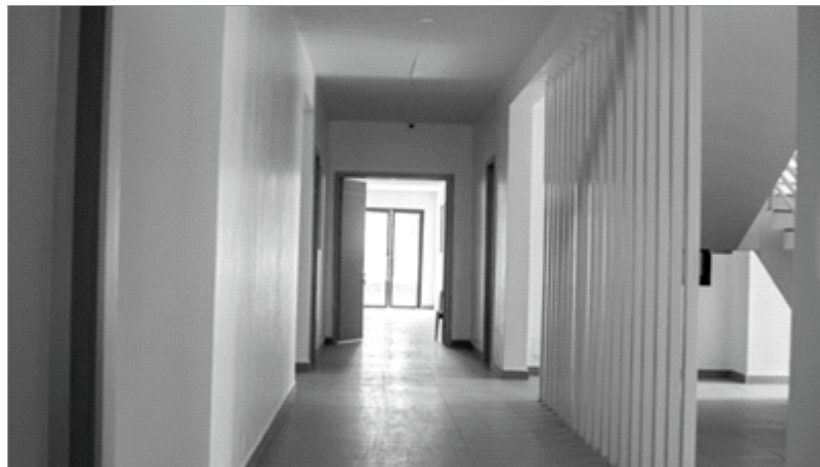
Front View of Custodian Accident & Emergency Centre



Side View of Custodian Accident & Emergency Centre



Emergency Room Trolleys in one of the wards



Corridor Inside the Emergency Center

Corporate Social Responsibility/Sustainability Report Contd

In addition to the donation of the structure, CAEC also donated furniture including an electric operating table and emergency room trolleys for patients.

Road Traffic Accident statistics made available by the hospital reveal that incidents of motor vehicle accidents occur more than motorcycles and tricycles. In 2024, there were 251 motor vehicle accidents compared with 197 in 2023, showing an increase of 27.41%, whilst motorcycle accident cases treated at the Epe General hospital were 194 and 193 in 2023 and 2024 respectively. Though there was a drop in the number of tricycle accidents reported, the overall statistics show an upward trend in accident cases reported, which justifies the need for a trauma center to be positioned in the area. The CAEC is expected to be handed over to the Lagos State Government in 2025 and will be operational as soon as it is fully equipped. It is expected that human lives will be saved because of this and annual records of lives saved will be documented regularly.

Our plan for Health

Going forward, we plan to organize periodic first aid training and possibly provide first responders and traffic management agencies with the required response training.

Where funding permits, we will consider the setting up of trauma care centers in underserved communities. We intend to collaborate with trauma care centers to organize joint blood donation drives and awareness campaigns.

Soon, we plan to publish articles and thought leadership on safety precautions, injury prevention and emergency response.

SUSTAINABILITY

Sustainability refers to the practice of meeting present needs without compromising the ability of future generations to meet their needs. This involves responsible resource management, environmental stewardship, social equity and economic prosperity. Sustainability encapsulates the holistic pursuit of balance between current needs and future generations' wellbeing, whilst integrating all the above resource management, social equity and economic viability to create a harmonious and enduring path forward.

Corporate Social Responsibility/Sustainability Report Contd

The foundations of a sustainable business include:

- Energy efficiencies and renewables
- Water efficiencies and conservation
- Waste and pollution reduction
- Sustainable transportation
- Diversity, equity and inclusion (DEI).

At Custodian, we endeavor to embed all the foundations into the strategies of our various subsidiaries to achieve set goals and achieve global alignment. We understand that our operations and activities, including our decision-making processes, have an impact on the sustainability of the environment, and as such we are careful to carry on with our businesses in a responsible manner. A major aspect of our business relates to insurance and risk management, which requires fidelity and ethical practices, supported by good corporate governance. We practice sustainable insurance by promoting ethical business practices across not only our insurance subsidiaries, but also our other lines of businesses which span real estate, pensions and investment management. As sustainability relates not only to ethical economic practices, but also social responsibilities towards the internal stakeholders, we endeavor to always take into consideration their wellbeing.

We are aware of the newly released ISSB standards S1 and S2 of the IFRS and are committed to aligning the standards with our ESG performance.

Our nation can only develop if the health of the environment is sustained, as other aspects of economic and social activities depend on a healthy environment. As a country, we are faced with different kinds of environmental challenges, in parts of the country that have been faced with flooding. Every year, the Lagdo dam reservoir is opened by Cameroon to release water which floods our environment and has devastating effects, yet nothing has been done to ensure flood waters do not negatively impact our environment. The dam was released once again in September 2024 and there were reports that up to 10 States were affected. The Punch newspaper reported on 21st October 2024 that no fewer than 25 communities living along the River Niger bank were submerged in flood in Edo State following the release of the dam, with thousands displaced. In Borno State, due to an overflow of the Alau dam caused by heavier than usual rainfall, Maiduguri, the capital of

Corporate Social Responsibility/Sustainability Report Contd

the state experienced extreme flooding, resulting in the death of at least 40 persons, displacement of 400,000 people and over a million people were affected. Consequences of the environment being ravaged also include worsened food security, health challenges, offset harvest season, fueling food inflation, increase in poverty levels as well as infrastructural damage and increase in logistics cost. Other environmental issues faced are consequent upon extreme weather conditions exacerbated by increased gases released from activities including gas flaring in parts of the country, deforestation and the use of polluting generators. Other issues include inadequate access to natural resources such as water, depletion of forests, soil and pollution. At Custodian, we are constantly on the lookout for responsible options that will not negatively impact our environment.

In 2024, economic sustainability, which is made up of practices encouraging long-term economic growth that do not negatively impact social, environmental and cultural aspects of the community became a big consideration in our country due to the continuous rise of inflation (including food inflation), limited productivity, limited foreign exchange proceeds and others. In our company, we are careful to ensure our employees are adequately catered to by positive reviews of policies affecting them and ensuring the wellbeing of all, knowing this is the best way to retain the best hands. Once the economic aspect is well attended to, this will positively impact the social aspect of sustainability too, which promotes the wellbeing of members of an organization and supports the ability of future generations to maintain healthy lives.

Our General Insurance subsidiary, Custodian and Allied Insurance Limited back in 2016 became a member of the United Nations Environment Program's Finance Initiative (UNEP-FI) and a signatory to its Principles of Sustainable Insurance (PSI) launched in 2012 as a framework for the global insurance industry to address Environmental, Social and Governance (ESG) risks and opportunities. PSI encourages members to embed ESG into insurance business, work with clients to raise awareness on ESG issues, manage risks and find responsible solutions, work with Government, Regulators and other stakeholders to promote action across ESG issues and demonstrate accountability and transparency in regular disclosure, whilst making progress on the implementation of its principles. As much as possible, we are guided also by the NGX guidelines also, which mandate ethics, transparency, accountability and responsibility in decisions relating to all our products and services, employees, community and the public.

Corporate Social Responsibility/Sustainability Report Contd

Our Frameworks

At Custodian, we align our key focus areas with three different frameworks:

- **Sustainable Development Goals:** which is the 2030 agenda for sustainable development adopted by all United Nations members in 2015, that created 17 world sustainable development goals, aimed at ensuring peace and prosperity for people and the planet.
- **NGX Sustainability Disclosure Guidelines:** which are 9 guidelines for Nigerian listed companies for disclose of their performance
- **Principles of Sustainable Insurance:** which is a global framework made up of 4 principles launched by the United Nations Environment Program's (UNEP) Finance

Initiative, to provide a holistic approach to managing a whole range of global and emerging risks in insurance business, from climate change and natural disasters to water scarcity, food insecurity and pandemics.

As it has become increasingly difficult to assess performance of companies doing different businesses, and compare performance of sustainability-related disclosure standards, the ISSB (S1 and S2) which seeks to deliver a comprehensive global baseline of sustainability related disclosure standards is being proposed for implementation. At Custodian, we intend to align with this, when it is implemented.

Corporate Social Responsibility/Sustainability Report Contd

a. The Sustainable Development Goals (SDGs)



Corporate Social Responsibility/Sustainability Report Contd

b. NGX Sustainability Disclosure Guidelines

Principle 1

Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.

Principle 2

Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.

Principle 3

Businesses should provide products and services that are safe and contribute to sustainability throughout their life cycle.

Principle 4

Businesses should engage with and provide value to their customers and consumers in a responsible manner.

Principle 5

Businesses should promote the well-being of all employees.

Principle 6

Businesses should respect the interest of and be responsive towards all stakeholders especially those who are disadvantaged, vulnerable and marginalized.

Principle 7

Businesses should respect and promote human rights.

Principle 8

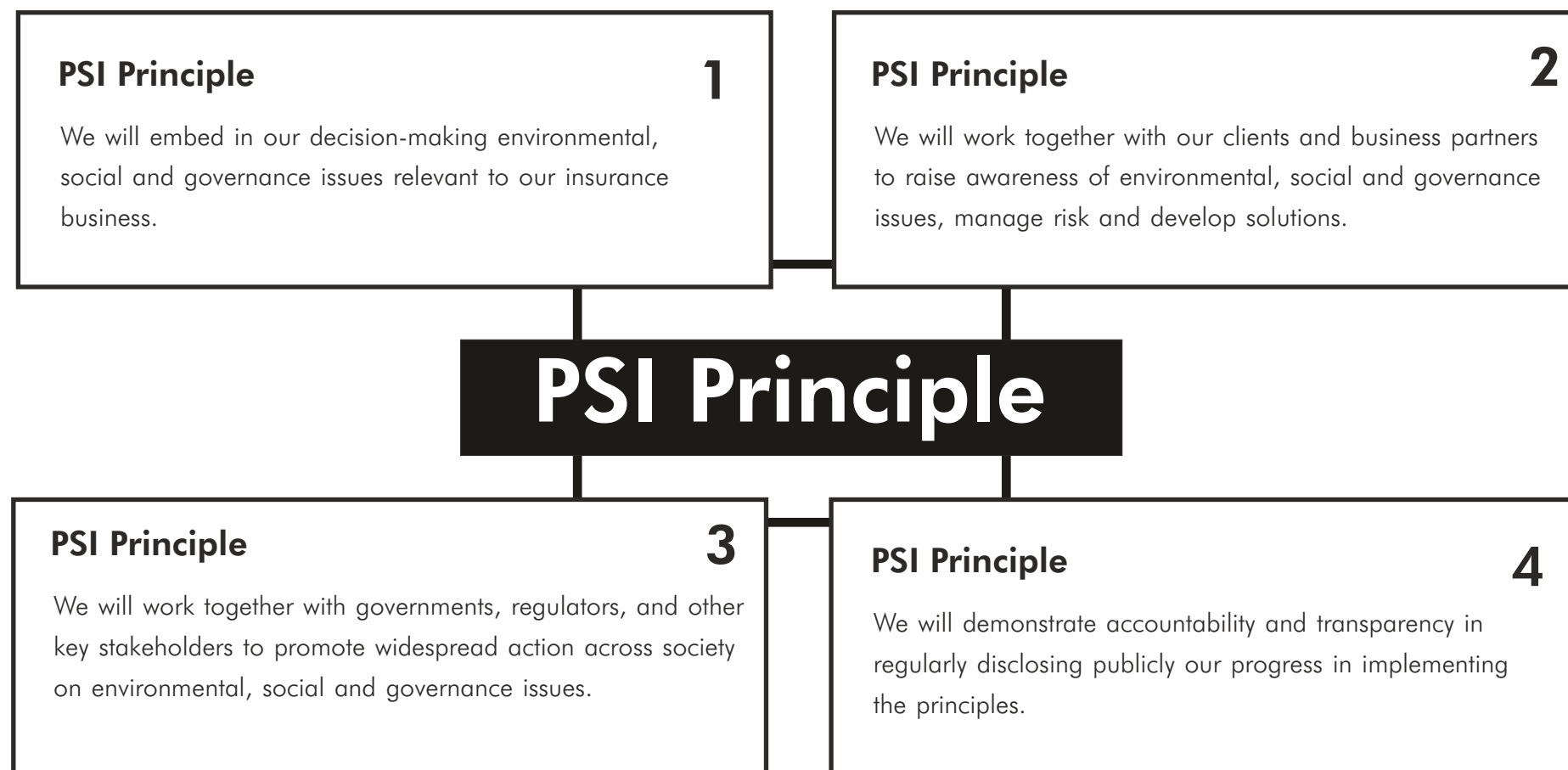
Businesses should support inclusive growth and equitable development.

Principle 9

Businesses should respect, protect and make efforts to restore the environment.

Corporate Social Responsibility/Sustainability Report Contd

c. Principles of Sustainable Insurance



Corporate Social Responsibility/Sustainability Report Contd

Sustainability/ESG Practice at Custodian.

There are many ways sustainability is practiced in Custodian, most of which are embedded in policies guiding the daily activities of the company. Some are contained in the CSR/ESG STATUS REPORTING chart broken down to align with Custodian strategies – (see page xxx). Whilst this is not exhaustive, others are highlighted below

1. Environment

a. Use of Natural Resources

- Paper Reduction Strategies/digitization: The practice of recycling paper is embedded in the system. Internally, members communicate via technology such as telephone, emails and others, whilst meetings are held via Microsoft Teams. In the event of paper usage, recycled paper is encouraged. With our digitized systems, internal processes including applications for leave, appraisals, approvals for payment are done electronically.
- Energy Efficiency: Our Head office has been powered by Light Emitting Diode (LED) lighting for a few years now, with the attendant waste reduction/cost reducing benefits. As LED lights are better for the environment and in the long run, are more economically sustainable, this practice will be extended to all our newly built structures, while there is a planned gradual replacement of traditional bulbs in all our offices.
- Limitation of Generator Usage: Should there be power outage, we resort to the use of generators. However, usage is strictly monitored. Only the small generators that have less impact on the environment are used outside regular working hours, whilst there is strict regulation on the usage of the bigger capacity ones. We are working hard to adopt solutions that impact less on the environment and are considering the use of possible available options, especially in the smaller branches where possible.
- Waste reduction: Over the years we have adopted alternative means of getting rid of waste and have resorted to recycling where possible. We endeavor to separate waste by sorting plastic from other waste products, which are kept separately for recycling companies to pick up

Corporate Social Responsibility/Sustainability Report Contd

and use for products manufactured by them. Wastewater generated at our Head office is processed in the sewage treatment plant located within the building and produces water which drains into the public gutters. Officials of the Lagos State Wastewater Management pay regular visits to enforce this. We have over the years developed tactics with which we get rid of unwanted paper, resorting to soaking of unwanted paper rather than burning, shredding of paper which can be used to stuff breakable items and others.

B. Social

- Employee wellbeing continues to be of prime importance to us and we ensure that the office is not only a safe place to work but also provides comfortable working spaces that are adequate, furnished with proper ventilation. Our Head office has a ramp, making it accessible to all.
- In-house Canteen: At Custodian, we have an in-house canteen run by carefully selected food vendors who offer healthy meals to Management and senior staff of the Head office, free of charge, whilst other categories of staff are given allowances. The ability to meet up during lunch hour further promotes bonding and socialization of staff.
- Staff Bus: We continue to operate staff buses which ply different areas of Lagos for the use and comfort of staff to and from work. This reduces the exorbitant transport costs, especially in Lagos.
- Creche facilities: Our creche operating out of the Head office and manned by dedicated and trained handlers are utilized free of charge by both male and female employees with babies up till the age of 18 months of age. We had an average of 5 babies that used the creche facility this year.
- Employee Engagement/Training: Every year, new blood is brought into the system through the Custodian Graduate Trainee Program (CGTP). The two-month program aims to attract the best young and intelligent graduates across various educational disciplines to be engaged in a highly educative program, which enables the company to develop a strong workforce base of home-grown talent. In 2024, 68% of the Graduate Trainees were of the female gender, satisfying the gender equity principle, whilst 32% were male.

Corporate Social Responsibility/Sustainability Report Contd

C. Governance

- Good Governance: The highest responsible body for ESG issues is the Board of Custodian Investment Plc, the parent company chaired by a female. The Board submits itself to the Society for Corporate Governance of Nigeria, an independent body on a yearly basis for evaluation. In 2024, the report reveals the Board of Directors conducted its affairs in an acceptable and satisfactory manner
- Anti-bribery and anti-corruption: Our policy on anti-bribery/corruption prohibits Custodian members from offering anything of value to persuade an official to misuse his office to benefit Custodian or any of its employees. The various Boards of Directors and Senior Management ensure compliance with this policy. To ensure every employee is well acquainted with this policy, every member of staff is required to attend two anti-money laundering training courses every year.
- Code of Ethics: Executives and staff of Custodian are held to high standards of ethics in their dealings within the company. Our code of ethics, which outlines the minimum acceptable standard of conduct expected in the management of our businesses across the Group, is documented and well disseminated.
- Responsible Investment: We have an in-house Investment Committee which meets regularly to make investment decisions. This committee is guided by regulations in making investment decisions that are responsible.
- Responsible Underwriting Process: A major aspect of our business has to do with underwriting business and a lot of progress has been made to digitize our processes relating to the insurance business. Clients are now able to make claims on-line, implying accessibility without the use of paper and saving a lot of time. Communication with clients is mainly handled by members of our Sales team as well as the Call Centre. Should Clients want to check their claims status and other things relating to their transactions, they are able to do so through our website.
- Responsible Supplier/Vendor Assessments: We operate ethical procurement practices that are transparent. We do not patronize employee-owned companies. New vendors are carefully evaluated before being on-boarded and are assessed carefully and regularly by relevant Unit heads. Internal Control reviews are carried out by members of the Audit unit who ensure laid down processes are complied with.

Corporate Social Responsibility/Sustainability Report Contd

Year 2023 CSR Highlights/ESG Status Reporting

Focal Areas	Activity highlights	Status	Key PSI Reference	NGX Disclosure Guidelines	Direct SDG Reference
Community Development	<ul style="list-style-type: none"> We intervened during the Bodiya Ibadan mining explosion which destroyed many properties and injured many, whilst lives were lost. We visited the site and assured victims of support and returned within a month to give out N100,000 cheques per household to 164 households. 	Completed/ Ongoing	Not Applicable	<p>Principle 4: Businesses should engage with and provide value to their customers and consumers in a responsible manner</p> <p>Principle 6: Businesses should respect the interest of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized</p>	<p>Goal 1: No poverty – End poverty in all its forms everywhere</p> <p>Goal 2: Zero hunger- End hunger, achieve food security and improved nutrition and promote sustainable agriculture</p> <p>Goal 8: Decent work and economic growth – Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all</p>
	<ul style="list-style-type: none"> We refurbished a section of the Lagos Command Police Headquarters, Ikeja for security personnel to have a conducive environment to work and police effectively. 	Completed			

Corporate Social Responsibility/Sustainability Report Contd

Focal Areas	Activity highlights	Status	Key PSI Reference	NGX Disclosure Guidelines	Direct SDG Reference
Community Development	<ul style="list-style-type: none"> Through our Custodian Graduate Trainees, two classrooms of the Mobolaji Bank Anthony Secondary school located in the Yaba community were renovated to have a conducive learning environment and replace spoilt furniture and improve the aesthetics We were directly involved in infrastructural development in the past by rebuilding failed portions of Commercial Avenue, Yaba, thereby promoting safety and security to all in the community 	Completed			<p>Goal 9: Industry innovation and infrastructure – Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation</p> <p>Goal 11: Sustainable cities and communities – Make cities and human settlements inclusive, safe, resilient and sustainable.</p> <p>Goal 17: Partnerships for the goals - Strengthen the means of implementation and revitalize the global partnership for sustainable development</p>

Corporate Social Responsibility/Sustainability Report Contd

Focal Areas	Activity highlights	Status	Key PSI Reference	NGX Disclosure Guidelines	Direct SDG Reference
Education	<ul style="list-style-type: none"> We continued to maintain the computer systems and inverter we donated to the Ilupeju e-library on conversion from a public library in 2016 to an e-library, handled by CSRF, thereby increasing knowledge. 	On-going	Principle 3: We will work to embed in our decision-making environmental, social and governance issues relevant to our insurance business	Principle 4: Businesses should engage with and provide value to their customers and consumers in a responsible manner Principle 6: Businesses should respect the interest of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized	Goal 1: No poverty- End poverty in all its forms everywhere Goal 4: Quality education - Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all Goal 5: Gender equality- Achieve gender equality and empower all women and girls Goal 8: Decent work and economic growth- Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all
	<ul style="list-style-type: none"> Our annual Custodian Mentor's Conference was once again held during the year to impact knowledge and for youth empowerment, school leavers and other seeking help in finding their feet and establishing a career. 	On-going			
	<ul style="list-style-type: none"> In 2024, our Custodian Graduate Trainees constituted of 68% female and 32% male satisfying the Gender equality principle ensuring females are not excluded. The Graduate 	Completed			

Corporate Social Responsibility/Sustainability Report Contd

Focal Areas	Activity highlights	Status	Key PSI Reference	NGX Disclosure Guidelines	Direct SDG Reference
Education	<p>Trainees renovated two classrooms of the Mobolaji Bank Anthony Secondary school located in the Yaba community were renovated to have a conducive learning environment and replace spoilt furniture and improve the aesthetics</p> <ul style="list-style-type: none">• We continued to maintain the computer systems we earlier donated to the Lagos City Senior College, Sabo, to ensure there are no gaps in computer studies in the school.• Our subsidiary, the UPDC Plc participated in the Liberty School Ikota’s Annual Readathon Fundraiser, an inspiring event aimed at fostering literacy and supporting education.	<p>On-going</p> <p>Completed</p>			<p>Goal 10: Reduced inequalities - Reduce inequality within and among countries</p> <p>Goal 17: Partnerships for the goals - Strengthen the means of implementation and revitalize the global partnership for sustainable development</p>

Corporate Social Responsibility/Sustainability Report Contd

Focal Areas	Activity highlights	Status	Key PSI Reference	NGX Disclosure Guidelines	Direct SDG Reference
Health	<ul style="list-style-type: none"> Our annual blood donation exercise was held during the year. From 62 red blood and products collected, which accounted for 31 units of blood, 5 different hospitals in the Lagos environment benefitted Our level 4 Custodian Accident and Emergency Centre, Epe with both female and male wards was finally completed. Apart from the imposing structure, to be handed over to the Lagos State Government, donations of a high-quality operating table and emergency patient trolleys were made. With the facility to become fully operational after the formal handing over ceremony, human lives will no doubt be saved. 	<p>On-going</p> <p>Structure completed</p>	Not Applicable	<p>Principle 2: Businesses, when engaged in influencing public and regulatory policy should do so in a responsible manner</p> <p>Principle 4: Businesses should engage with and provide value to their customers and consumers in a responsible manner</p>	<p>Goal 1: No poverty - End poverty in all its forms everywhere</p> <p>Goal 3: Good health and wellbeing - Ensure healthy lives and promote wellbeing for all at all ages</p> <p>Goal 9: Industry innovation and infrastructure - Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation</p> <p>Goal 10: Reduced inequalities- Reduce inequality within and among countries</p>

Corporate Social Responsibility/Sustainability Report Contd

Focal Areas	Activity highlights	Status	Key PSI Reference	NGX Disclosure Guidelines	Direct SDG Reference
Health					<p>Goal 11: Sustainable cities and communities - Make cities and human settlements inclusive, safe, resilient and sustainable</p> <p>Goal 17: Partnerships for the goals - Strengthen the means of implementation and revitalize the global partnership for sustainable development</p>

Corporate Social Responsibility/Sustainability Report Contd

Focal Areas	Activity highlights	Status	Key PSI Reference	NGX Disclosure Guidelines	Direct SDG Reference
Sustainability	<ul style="list-style-type: none"> We have embedded the principles of Diversity, Equity and Inclusion (DEI) in all our subsidiaries. We do not discriminate based on race, age, ethnicity, religion, gender and other aspects. 	On-going			
	<ul style="list-style-type: none"> We have a fair representation of women on the Boards of our companies, including our Group Chairman who is of the female gender. We continue to work on this for a better representation. 	On-going			
	<ul style="list-style-type: none"> The Custodian, our internal newsletter introduced several years ago, whose production ceased along the way was re-introduced during the year and is now circulated among all member of the Custodian group, 	On-going			

Corporate Social Responsibility/Sustainability Report Contd

Focal Areas	Activity highlights	Status	Key PSI Reference	NGX Disclosure Guidelines	Direct SDG Reference
Sustainability	<p>to keep all abreast of relevant information.</p> <ul style="list-style-type: none">The wellbeing of our staff is very important to us as we continue with the Fit-Fam initiative. This year, a weight-loss challenge was introduced and top weight losers rewarded. The company continues to celebrate TGIF hangouts on a regular basis, International Men and Women’s days, Valentine Day etc.	On-going			

Corporate Social Responsibility/Sustainability Report Contd

Focal Areas	Activity highlights	Status	Key PSI Reference	NGX Disclosure Guidelines	Direct SDG Reference
Sustainability	<ul style="list-style-type: none"> We were the first signatory of the UNEP-FI Principles for Sustainable Insurance and continue to subscribe to it through our yearly subventions. Our Claims and complaints management processes are readily accessible and easy to process. We continued to provide sustainable solutions to the public such as our Esusu, Term Assurance and Safety Plus for driving insurance inclusivity for those who otherwise would not have been able to purchase insurance. 	<p>Completed/ On-going</p> <p>On-going</p> <p>On-going</p>	<p>Principle 1: We will demonstrate accountability and transparency in regularly disclosing publicly our progress in implementing the principles</p> <p>Principle 2: We will work together with governments, regulators and other key stakeholders to promote widespread</p>	<p>Principle 1: Businesses should conduct and govern themselves with ethics, transparency and accountability</p> <p>Principle 2: Businesses when engaged in influencing public and regulatory policy, should do so in a responsible manner</p> <p>Principle 3: Businesses should provide products and services that are safe and contribute to sustainability throughout their life cycle</p>	<p>Goal 6: Clean water and sanitation – Ensure availability and sustainable management of water and sanitation for all</p> <p>Goal 11: Sustainable cities and communities - Make cities and human settlements inclusive, safe, resilient and sustainable</p> <p>Goal 12: Responsible consumption and production – Ensure sustainable consumption and production patterns</p>

Corporate Social Responsibility/Sustainability Report Contd

Focal Areas	Activity highlights	Status	Key PSI Reference	NGX Disclosure Guidelines	Direct SDG Reference
Sustainability	<ul style="list-style-type: none"> Our toilets in the Head Office have the dual-flush cisterns to regulate water usage. We plan to replace the toilet bowls company wide to the same to reduce water wastage. We also encourage as much as possible the use of hand sanitizers to reduce water wastage and protect staff from disease spread. The Custodian Olympics was introduced during the year to encourage social interaction and promote employee wellbeing among employees within the group. 	<p>On-going</p> <p>On-going</p> <p>On-going</p>	<p>action across society on environmental, social and governance issues</p>	<p>Principle 4: Businesses should engage with and provide value to their customers and consumers in a responsible manner</p> <p>Principle 5: Businesses should promote the wellbeing of all employees</p> <p>Principle 7: Businesses should respect and promote human rights</p> <p>Principle 9: Businesses should respect, protect and make efforts to restore the environments</p>	<p>Goal 13: Climate action – Take urgent action to combat climate change and its impact</p> <p>Goal 15: Life on land – Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, halt and reverse land degradation and halt biodiversity loss</p> <p>Goal 17: Partnerships for the goals – Strengthen the means of implementation and revitalize the global partnership for sustainable development</p>

HSE Report

At Custodian, we have continued to build on our existing Health, Safety and Environment system. This has over the time, helped us to develop a safety culture within the organization that has ensured a safe workplace.

During the past years, we have invested significant time and energy into the development of an easy to operate HSE system. This has increased our flexibility and ensured our people can deliver on our strategic objectives.

For easy adaptation, our strategy is broken into three objectives which are:

- eliminate work-related ill health caused by physical or psychological harm
- ensuring people feel safe in the work environment
- ensure major incidents are prevented

Our focus remains to eliminate identified workplace hazards to ensure that people feel safe in their work environment.

To achieve our goals, we continue to ensure that our safety processes are:

- Relevant: The changing nature of work, with the introduction of new technologies in the workplace means we must respond and adapt to the change.
- People-focused: Our top priority is the health and safety of our employees, contractors, customers, and communities. The policy is reviewed continuously to accommodate current realities for the benefit of the employee, organization and all other stakeholders.
- Financially viable: For ease of implementation, all proposed workplace safety measures are proactively budgeted for and executed in a cost-efficient manner.
- Accessible or easy to understand: Our safety policy is designed organically and over time in line with our operations. The policy encourages total inclusion of all employees.

HSE Report Contd

We have continued to comply with all applicable legal and other regulatory requirements that relate to our safety and the wellbeing of the environment.

In conclusion, Custodian is fully committed to a healthy and safe work environment.

Proxy Form

30th Annual General Meeting of Custodian Investment Plc to be held at 10am
On Friday, May 2, 2025, at Festival Hotel, Kaduna Road, Amuwo Odofin, Festac,
Lagos.

I/We*
being member/members of the above-named Company hereby appoint

**
or failing him/her, the chairman of the meeting as my/our proxy to vote for me/us
on my/our behalf at the 30th Annual General Meeting of the Company to be held
on Friday, May 2, 2025.

Dated this..... day of..... 2025

Signature

Number of Shares

Please indicate with an "X" in the appropriate square how you wish your votes to be cast on the resolution set out above.

Note

1. Please sign this proxy form and send to info@meristemregistrars.com or post it so as to reach the registrars, Meristem Registrars and Probate Services Limited, 213, Herbert Macaulay Way, Yaba, Lagos not later than 48hours before the time for holding the meeting.
2. If executed by a corporation, the proxy card should be sealed with the common seal.
3. The proxy card will be used both by show of hands and in the event of a poll being directed or demanded.
4. In the case of joint holders, the signature of any one of them will suffice, but the names of all joint holders should be shown.

I/We desire that this proxy be used in favour of/against the resolutions as indicated below.

Resolutions	For	Against
Ordinary Business		
1.To lay before the members the Audited Financial Statements for the year ended December 31, 2024, and the Report of the Directors, Auditor's Report and the Audit Committee Report thereon.		
2.To declare a dividend.		
3.To re-elect the following Directors retiring by rotation: i. Dr (Mrs.) Omobola Johnson ii. Mr. Ravi Sharma	 	
4.To authorise the Directors to fix the remuneration of the External Auditors for the 2025 financial year		
5.To elect members of the Statutory Audit Committee in accordance with Section 404(6) of the Companies and Allied Matters Act, 2020.		
6.To disclose the remuneration of Managers in the employment of the Company.		
Special Business		
7.To fix the remuneration of Non-Executive Directors		

Unless otherwise instructed the proxy will vote or abstain from voting at his/her discretion.

Before posting the above form, please tear off this part and retain it.

CUSTODIAN INVESTMENT PLC, 30TH ANNUAL GENERAL MEETING TO BE HELD ON FRIDAY MAY 2, 2025 AT 10AM AT THE FESTIVAL HOTEL, KADUNA ROAD, AWUWO
ODOFIN ESTATE, FESTAC. LAGOS.

Name of Shareholder

Number of shares

*Name of Proxy

If you are unable to attend the meeting

A member [Shareholder] who is unable to attend Annual General Meeting is allowed by law to vote by proxy. A proxy need not be a member of the Company.

The above proxy card has been prepared to enable you exercise your right to vote if you cannot personally attend.

Important- Please insert your name and that of your proxy in BLOCK CAPITALS to both the proxy and admission forms where asterisked.

Get your dividend the instant you need it with
e-dividend payment

MANDATE FOR DIVIDEND PAYMENT TO BANKS (e-Dividend)

To:

The Registrars,

Meristem Registrars And Probate Services Limited
213, Herbert Macaulay Way
Adekunle, Yaba
Lagos



I/We hereby request that all my/our dividend warrant(s) due to me or/our holding(s) in Custodian Investment Plc. be paid to my/our Bank named below.

Bank Name _____

Bank Address _____

Account Number _____

Shareholders' Full Name _____

Shareholders' Address _____

Email _____ Mobile No _____

CSCS CHN _____ CSCS A/C No. _____

Single Shareholder's Signature _____

Joint Shareholder's Signature (1) _____ (2) _____

If Company, Authorized Signatory (1) _____ (2) _____

Company Seal

Authorised Signature & Stamp Of Bankers _____

Sort Code

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