Custodian

Custodian Investment Plc. 2025 Annual Report & Accounts

FUTURE READY

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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, Banking, Property and Financial Services Business.

Directors
Dr. (Mrs.) Omobola Johnson [Chairman]
Mr. Wole Oshin [Managing Director]
Mr. Richard Asabia (Retired from the Board in July, 2025)
Mr. Ravi Sharma
Mr. Olakunle Ade-Ojo
Mrs. Mimi Ade-Odiachi
Mrs. Binta Max-Gbinije
Dr. Babatunde Sodade (Independent Non-Executive Director, his appointment was approved by the Board of Directors in July, 2025)
Mr. Folasope Aiyesimoju (Non-Executive Director, his appointment was approved by the Board of Directors in July, 2025, and he formally joined the Board of Directors in November, 2025)
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
Custodian Asset Management Limited
UPDC Plc.

Associate
Interstate Securities Limited

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

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

Branch Directory

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: 02092900465

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

Amuwo Odofin
Plot 129, Block 10,
Festac Link Road, Amuwo Odofin, Lagos
Tel: 02012934178

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
Tel: 08037544899

Bauchi
2, Jolly Nyame Crescent,
Bauchi, Bauchi State
Tel: 09038066344

Bayelsa
Creek plaza, Igbi junction,
Yenogoa, Bayelsa State.
Tel: 08063870414

Benin
4th Floor, West Wing,
34, Akpakpava Road,
Benin City, Edo State
Tel: 08108922917

Calabar
2nd Floor, 45, Murtala Muhammed Highway
Calabar, Cross River State
Tel: 09095263143

Enugu
32/48, Chime Avenue,
New Haven, Enugu State
Tel: 08109140542

Ibadan
9 Onireke Residential Layout
Ibadan, Oyo State
Tel: 02022918538

Ikeja
754, Obafemi Awolowo Way,
Alausa, Ikeja, Lagos
Tel: 02014541536

Ikorodu
60, Lagos Road, Ikorodu, Lagos
Tel: 09069149532

Ilorin
163, Ajase-Ipo Road, Ilorin, Kwara State
Tel: 08066798486

Jos
6/7, Boundary Street, Old Bukuru Park, Jos,
Plateau State
Tel: 08035942204

Kaduna
3, Kanta Road, Turaki Ali House,
Kaduna State

Kano
Suite 13, No.15, Bank Road, Kano,
Kano State
Tel: 02064431812

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: 02083431158

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
Tel: 07039864577

Warri
6, Airport Road, Effurun, Delta State
Tel: 09071437012

Notice Of Annual General Meeting

NOTICE IS HEREBY GIVEN that the 31st Annual General Meeting of CUSTODIAN INVESTMENT PLC will hold virtually via https://attend.meristemregistrars.ng/index.html on May 8, 2026, 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, 2025, 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. Mrs. Mimi Ade-Odiachi
   II. Mr. Olakunle Ade-Ojo
   III. Mrs. Binta Max-Gbinije

4. To approve the appointment of Dr. Tunde Sodade as an Independent Non-Executive Director and Mr. Folasope Aiyesimoju as a Non-Executive Director.

5. To authorise the Directors to fix the remuneration of the External Auditors for the 2026 financial year.

6. To elect members of the Statutory Audit Committee in accordance with Section 404(6) of the Companies and Allied Matters Act, 2020.

7. To disclose the remuneration of Managers in the employment of the Company.

Special Business

8. 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 48hours 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 8, 2026, at the rate of N2.50kobo per every 50 kobo ordinary share, to shareholders whose names appear in the Register of Members at the close of business on April 13, 2026, (bringing total Dividend paid for 2025 financial year to N2.75kobo), 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 (https://registrars.meristemng.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; (https://registrars.meristemng.com/)

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: (https://registrars.meristemng.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 14, 2026 to Friday, April 17, 2026 [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 May 7, 2026.

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 2025 Annual Report should request via info@meristemregistrars.com

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.

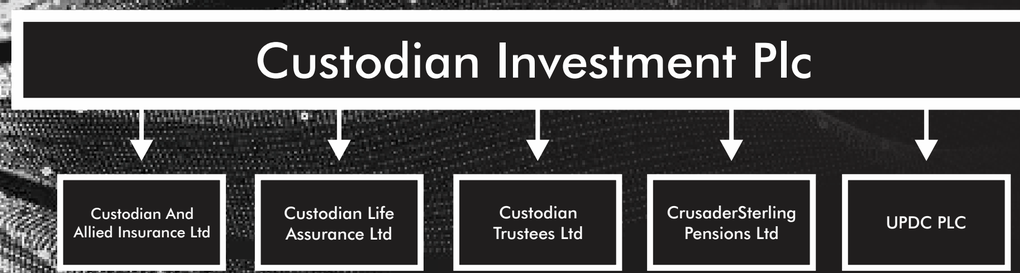
By order of the Board

CUSTODIAN TRUSTEES LTD
AUTHORISED

ADEYINKA JAFOJO
FRC/2013/PRO/NBA/002/00000002403
Custodian Trustees Limited
Company Secretary

Dated this 27th day of March 2026
Custodian Investment Plc.
Custodian House
16A, Commercial Avenue
Sabo, Yaba, Lagos.

Group Organogram



Chairman's Statement



Chairman's Statement

Distinguished shareholders, members of the board of directors, regulatory representatives, ladies and gentlemen, It is my honour and privilege to welcome you all to the 31st Annual General Meeting of Custodian Investment Plc. I sincerely appreciate your presence as we gather once again to review our performance for the financial year ended 31 December 2025.

Dr. (Mrs.) Omobola Johnson, Chairman

Chairman's Statement Contd

Distinguished shareholders, members of the board of directors, regulatory representatives, ladies and gentlemen, It is my honour and privilege to welcome you all to the 31st Annual General Meeting of Custodian Investment Plc. I sincerely appreciate your presence as we gather once again to review our performance for the financial year ended 31 December 2025, reflect on the progress we have made, and consider the opportunities ahead.

It is my pleasure to present the Audited Financial Statements of Custodian Investment Plc for the year ended 31 December 2025. The year under review was one of disciplined execution, strategic resilience, and continued value creation for all stakeholders. Despite a challenging macroeconomic landscape marked by persistent inflationary pressures, tight monetary conditions, and regulatory shifts across the financial services industry, our Group remained focused on delivering sustainable growth while strengthening the foundations of our diversified business model.

As we reflect on the progress made in 2025, we remain resolute in pursuing strategic initiatives that enhance shareholder value, strengthen our financial resilience, and ensure that Custodian Investment Plc continues to adapt and flourish in an evolving business environment.

Global Economy

The global economy in 2025 evolved amid persistent uncertainty, shaped by geopolitical tensions, trade policy realignments, and structural shifts across major economies. The IMF's 2025 World Economic Outlook reported that global growth slowed to around 3.0% in 2025, with risks still tilted to the downside as tighter financial conditions and trade barriers weighed on activity.

Despite these headwinds, global sentiment improved toward the end of the year. The McKinsey Global Survey (December 2025) found rising optimism among business leaders, supported by easing inflation, stabilising financial markets, and stronger corporate performance expectations.

Looking ahead to 2026, the global economy is expected to remain steady but divergent. The IMF projects 3.3% global growth in 2026, supported by technology investment and fiscal accommodation in some advanced economies. However, geopolitical tensions, uneven disinflation, and structural constraints will continue to pose risks.

As we reflect on the progress made in 2025, we remain resolute in pursuing strategic initiatives that enhance shareholder value, strengthen our financial resilience, and ensure that Custodian Investment Plc. continues to adapt and flourish in an evolving business environment.

The UN Trade and Development (UNCTAD) 2026 outlook further underscores these concerns, projecting global growth to slow to 2.7% as investment remains subdued and trade barriers persist.

Overall, 2025 was a year of cautious global recovery, characterised by moderating inflation and gradual easing of financial conditions, modest but stable GDP growth, improvements in corporate sentiment, persistent vulnerabilities tied to trade disruptions, geopolitical tensions, and structural economic challenges.

While major economies demonstrated resilience, underlying fragilities underscored the need for sustained policy coordination, fiscal discipline, and structural reforms to support medium term stability.

The Domestic Economy

Nigeria's economic landscape in 2025 reflected the early gains of comprehensive macroeconomic reforms. According to the CBN Macroeconomic Outlook (2026 edition), significant progress was made in macro stability through FX reforms, banks' recapitalisation efforts, and coordinated fiscal and monetary tightening.

The economy transitioned from recessionary pressures in 2023-2024 to a recovery phase in 2025. The Centre for the Promotion of Private Enterprise's (CPPE) 2025/2026 national review highlighted strong improvement in investor sentiment, currency stability within the N1,440 – N1,500/$ range, and a sharp drop in inflation from 24.48% in January to 15.15% by December 2025.

Growth in 2025 was driven primarily by the services sector, which contributed over 53% of GDP, with telecommunications, financial services, and real estate leading expansion. Agriculture grew modestly at 3.79%, limited by insecurity and low productivity. Manufacturing recorded only 1.25% growth due to structural constraints such as power shortages and high logistics costs.

The Nigerian domestic economic environment in 2025 reflected a year of stabilisation and early recovery following two years of significant macroeconomic turbulence. Key achievements included lower inflation, FX stability, improved revenue mobilisation, and stronger service sector performance. However, structural challenges in security, manufacturing, fiscal space, and energy supply continued to moderate the speed of recovery.

Growth in 2025 was driven primarily by the services sector, which contributed over 53% of GDP with telecommunications, financial services, and real estate leading expansion.

The economic trajectory set in 2025 laid the groundwork for a more growth oriented 2026, with reforms expected to deepen and investor confidence projected to strengthen further.

PwC's Strategy& 2026 outlook projects further macro stability, with FX appreciation of 6.9% in 2025, stronger reserves, and a gradual easing of inflation. GDP growth is expected to strengthen towards 4.0 - 4.5% in 2026, supported by reforms and improved business confidence.

The Company

In 2025, Custodian Investment Plc demonstrated the strength of its integrated financial services structure, leveraging synergies across its insurance, pensions, trusteeship, and real estate businesses to drive operational efficiency and enhance competitiveness. Our commitment to prudent risk management, innovation, and customer centricity ensured that we navigated market volatility effectively while continuing to deepen our presence in key growth segments of the economy.

During the year, we intensified our efforts to improve operational excellence, optimize capital allocation, and invest in technology enabled solutions that support long term value. These initiatives, coupled with the unwavering dedication of our employees and the continued loyalty of our clients and shareholders, positioned the Group for stronger performance and reinforced our reputation as one of Nigeria's leading investment holding company.

Financial Result

Custodian Investment Plc delivered a strong financial performance in 2025, demonstrating resilience across its diversified businesses despite macroeconomic pressures. The Group sustained momentum in revenue growth, improved profitability, and strengthened its balance sheet.

The Group posted total revenue of N225billion representing 48% year on year growth. Profit before tax for the year was N77billion, an increase of 24% when compared with N62 billion achieved in 2024. Profit after tax grew by 22% to N68billion. On the Statement of Financial Position, we achieved growth of 154% in total asset to N1trillion. Equity attributable to owners of the parent also appreciated by 52% to close the year at N199 billion.



During the year, we intensified our efforts to improve operational excellence, optimize capital allocation, and invest in technology enabled solutions.

FY 2025 performance reflected solid revenue growth, prudent cost optimisation, and strengthened balance sheet fundamentals.

Board of Directors

In 2025, the Board continued to provide strong governance, strategic direction, and oversight in line with evolving regulatory requirements. The Board's composition reflects a balance of experience, diversity, and industry expertise, ensuring effective stewardship of the Group's long term vision and stakeholder interests.

During the year, the Board undertook evaluations, training sessions, and committee engagements to strengthen governance in alignment with best practices.

At the Board meeting held on July 28, 2025 the Board approved the appointment of Dr. Tunde Sodade as an Independent Non-Executive Director and Mr. Folasope Aiyesimoju as a Non-Executive Director of the Company and the retirement of Mr. Richard Asabia as a Non-Executive Director. These are subject to ratification by the shareholders at this AGM.

The profiles of Dr. Tunde Sodade and Mr. Folasope Aiyesimoju are contained in the Profile of Directors section of the annual Report.

Dividend

In appreciation of shareholder support and in recognition of the Group's impressive performance, the Board is pleased to recommend a total dividend of N2.75 for every share of 50 kobo for the 2025 financial year. This is made up of an interim dividend of 25 kobo paid previously and a final dividend of N2.50 hereby proposed for your approval, subject to appropriate withholding tax deduction.

Corporate Social Responsibility (CSR)

Our CSR initiatives in 2025 were guided by our commitment to sustainable development and community impact. Key focus areas in 2025 included:

- Hosting of the Annual Custodian Mentors Conference
- Custodian Annual Blood Donation Exercise
- Handover of Custodian Accident and Emergency Centre, Epe
- Completion of a two-classroom block at Awesome Hope Academy, Gboko, Benue State

In appreciation of shareholder support and in recognition of the Group's impressive performance the Board is pleased to recommend a total dividend of N2.75 for every share of 50 kobo for the 2025 financial year.

CSR remains a cornerstone of our identity, reinforcing our commitment to long term societal well being. 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 section of the Annual Report.

Outlook

As we look ahead to 2026 and the years beyond, Custodian Investment Plc remains firmly positioned to deepen its role as a leading investment holding group in Nigeria's financial services landscape. The evolving macroeconomic environment, accelerated digital transitions, recapitalization drive and structural reforms within the financial services space present both challenges and compelling opportunities for the Group.

The Group enters 2026 with cautious optimism. Both global and domestic indicators point toward gradual, though uneven, recovery.

- Globally, easing inflation and improved financial conditions support business expansion, though geopolitical risks persist.
- Domestically, Nigeria is projected to transition from stability to growth, aided by FX stability, declining inflation, and stronger non oil performance.

Despite global and domestic uncertainties, Custodian Investment Plc enters 2026 from a position of strength - supported by a resilient balance sheet, diversified business model, disciplined leadership, and a clear strategic direction. We remain confident in our ability to deliver sustainable growth, enhance shareholder returns, and deepen our contributions to the Nigerian economy.

The Group will focus on deepening market penetration across key segments, enhancing operational efficiency through technology and process optimization, strengthening risk management and governance frameworks, expanding digital capabilities to improve customer experience, and driving sustainable growth in alignment with regulatory expectations.



Despite global and domestic uncertainties, Custodian Investment Plc. enters 2026 from a position of strength.

operational excellence, and value creation. We will continue to execute our strategy with focus, agility, and unwavering commitment to our stakeholders.

Conclusion

On behalf of the Board, I extend my sincere appreciation to our shareholders, customers, employees, and partners for their unwavering trust and support throughout 2025. Despite the complexities of the year, our collective resilience and strategic clarity ensured continued stability and progress.

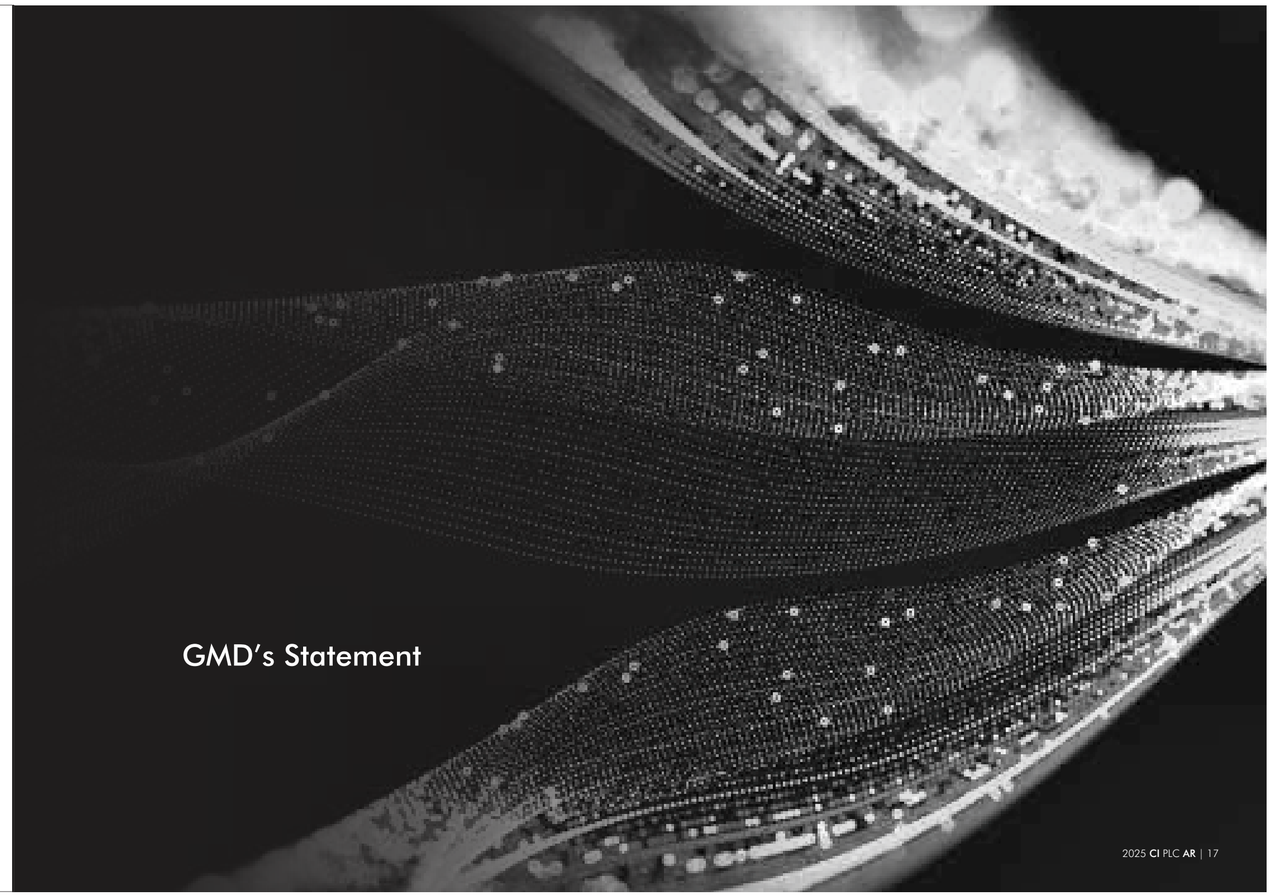
We remain committed to delivering sustainable value and upholding the highest standards of corporate governance as we embark on a promising 2026.

God bless you and God bless Nigeria.

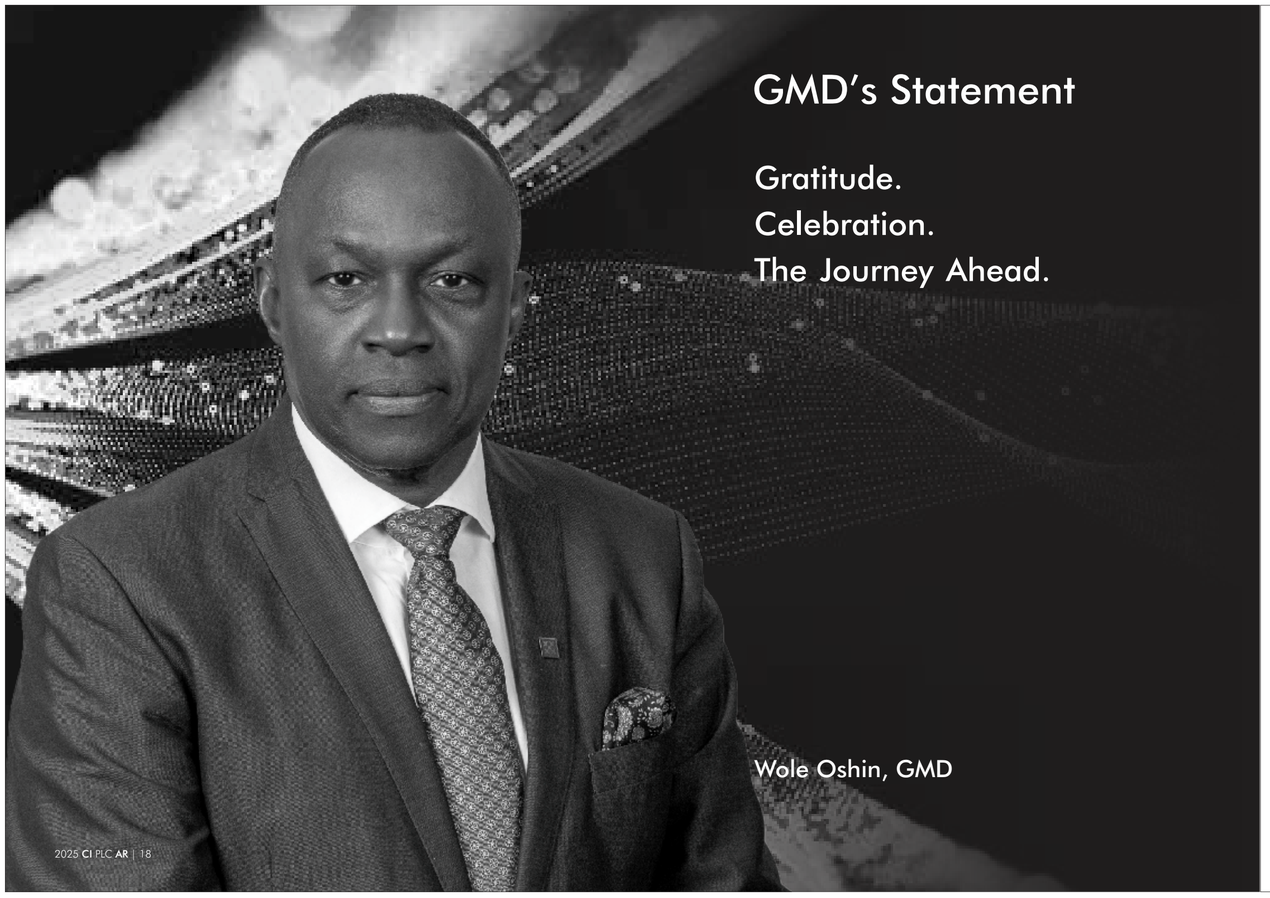
Dr. (Mrs.) Omobola Johnson
Chairman
FRC/2018/PRO/DIR/003/00000018366



Despite the complexities of the year, our collective resilience and strategic clarity ensured continued stability and progress.



GMD's Statement



GMD's Statement

Dear Esteemed Shareholders,
I am pleased to present this report for the financial year ended 31 December 2025. The year under review was marked by strategic consolidation, operational resilience, and measured expansion for the Group, despite a challenging macroeconomic backdrop characterized by declining interest rates, foreign exchange volatility, and evolving regulatory reforms across the Nigerian financial services sector.

Nigeria's economic environment in 2025 remained mixed. The financial services industry operated under tighter prudential requirements, heightened regulatory oversight, and shifting liquidity conditions. Inflation moderated in the second half of the year following the rebasing of the Consumer Price Index, while the investment climate reflected cautious optimism across insurance, pensions, asset management, real estate, and the capital markets.

In the face of these headwinds, the Group upheld its long standing reputation for stability, strong governance, and disciplined capital management. Across the Group's business segments performance remained resilient. Income grew across major lines, supported by enhanced underwriting discipline, expansion in assets under management, and improved investment returns. Our operational efficiency initiatives, digital optimisation efforts, and strengthened customer engagement frameworks continued to drive measurable value across the Group.

Our insurance subsidiaries sustained market leadership through effective risk management, product innovation, and expanded distribution. The pensions and trusteeship businesses recorded solid growth in assets under management, driven by stronger client retention and new business wins. The real estate business also delivered consistently strong results throughout the year.

The year marked a significant milestone with another successful investment in the Banking sector. This development aligns with the Group's long term aspiration to build a comprehensive and diversified investment powerhouse spanning insurance, pensions, real estate, trusteeship, and now merchant banking. In addition, we have applied for an Asset Management license to compliment the cycle of wealth creation.

At Custodian, our strategic thrust is clear and unwavering: we create wealth and we preserve wealth. We create wealth by deploying capital with discipline, driving innovation across our insurance, pensions, and investment platforms, and capturing sustainable growth opportunities. Equally, we preserve wealth through rigorous risk management, strong governance, and a long term stewardship mindset that protects and compounds value across cycles. This dual mandate defines how we allocate capital, serve our customers, and deliver consistent, superior returns. It ensures that the value we build today is secured, sustained, and multiplied for all stakeholders now and for generations to come.

GMD's Statement Contd

As we look ahead to 2026, we do so with confidence and a clear strategic path. The Group will continue to consolidate the gains from current initiatives, seize emerging opportunities within the investment and capital markets landscape, and advance our digital transformation agenda. Our commitment remains steadfast: to deliver sustainable value to shareholders while upholding strong regulatory compliance, operational discipline, and a customer centric approach.

Entering this new year, we reflect with gratitude on our journey, pride in our accomplishments, and confidence in the future. The opportunities before us are significant as is our responsibility to our customers, shareholders, employees, communities, and partners.

This year also marks a significant milestone as we celebrate 35 years of sustained growth and purposeful progress across our organisation. Over the past three and a half decades, we have navigated economic cycles, industry reforms, technological evolution, and moments that tested our resilience. Through it all, we have remained steadfast, innovating, adapting, and staying true to our values. Every milestone achieved, every customer served, and every reputation earned reflects the collective contribution of our people.

This anniversary is not merely a celebration of longevity; it is a celebration of growth with purpose, in capability, in credibility, in impact, and in character. It is a tribute to teamwork across generations, to leaders who built strong foundations, and to colleagues who continue to raise the bar every day.

We carry forward the spirit that has sustained us for 35 years:

- A commitment to excellence
- A culture of integrity and collaboration
- The courage to innovate
- The humility to remain grateful

On behalf of management, I express my appreciation to the Board of Directors for their guidance, and to our employees, shareholders, customers, partners, and regulators for their continued trust and support.

Custodian Investment Plc remains resilient and well positioned for sustained growth and value creation in the years ahead.



Wole Oshin
Group Managing Director



Custodian Investment Plc. Directors



Dr. (Mrs.) Omobola Johnson (Chairman)



Mr. Wole Oshin



Mr. Richard Asabia



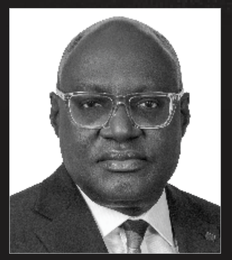
Mr. Ravi Sharma



Mr. Olakunle Ade-Ojo



Mrs. Mimi Ade-Odiachi



Mr. Adeniyi Falade



Mrs. Binta Max-Gbinije



Dr. Babatunde Sodade



Mr. Folasope Aiyesimoju

List of Directors

Custodian Investment Plc

Directors
Dr. [Mrs.] Omobola Johnson (Chairman)
Mr. Wole Oshin (Managing Director)
Mr. Richard Asabia (Retired from the Board in July, 2025)
Mr. Ravi Sharma
Mr. Olakunle Ade-Ojo
Mrs. Mimi Ade-Odiachi
Mrs. Binta Max-Gbinije
Mr. Adeniyi Falade
Dr. Babatunde Sodade (Independent Non-Executive Director, his appointment was approved by the Board of Directors in July, 2025)
Mr. Folasope Aiyesimoju (Non-Executive Director, his appointment was approved by the Board of Directors in July, 2025, and he formally joined the Board of Directors in November, 2025)

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
Mrs. Mimi Ade-Odiachi [Chairperson]
Mr. Ngozi Nlebemuo [Managing Director)
Mr. Daniel Koshoedo [Executive Director)
Dr. Olusegun Oso
Mrs. Titilayo Olujobi
Mr. Kofoworola Majekodunmi
Mr. Larry Ademeso

Crusadersterling Pensions Limited

Directors
Mr. Wole Oshin [Chairman]
Mr. Rotimi Adebiyi [Managing Director]
Mr. Olufemi Dada [Executive Director]
Mr. Richard Asabia
Mr. Olusegun Oluyori
Mrs. Hannatu Dikko
Mr. Rotimi Okpaise
Mrs. Funmilola Oluwajoba

Custodian Trustees Limited

Directors
Mr. Richard Asabia [Chairman]
Mr. Adeyinka Jafojo [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 brings over thirty years of ICT experience in the private and public sector, that includes management consulting, strategic policy development and investment.

She is a Senior Partner at TLcom Capital LLP – a technology venture fund managing total commitments of over $300m and now focused exclusively on investing in technology and technology enabled companies in Africa. She started her career in 1985 at Arthur Andersen in Nigeria, which upon the separation of the Consulting business was renamed Andersen Consulting and then Accenture. Dr Johnson was admitted into the Accenture Partnership in September 2000 and assumed the leadership of the Financial Services practice. In 2005, she was appointed Country Managing Director of Accenture in Nigeria, a position she held until her decision to take an early retirement in March 2010.

From 2011 – 2015, Dr Johnson served as Nigeria first Minister of Communication Technology during which time she led the development of the country's first National Broadband plan. Also, under her leadership Nigeria became the first African country to join the Alliance for Affordable Internet (A4AI) – a global coalition led by the World Wide Web Foundation, working to make the internet affordable for all.

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 several decades of 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.

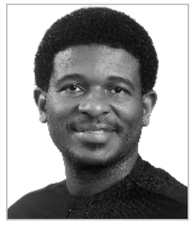
He has received numerous awards including nomination as "African CEO of the Year" by African Reinsurance Corporation, a three (3) time awardee of the Top 25 CEO's Award by the influential BusinessDay Newspaper and the 2019 Harvard Business School Association of Nigeria (HBSAN) Leadership Award for General 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).



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.



Mr. Olakunle Ade-Ojo

Mr. Olakunle Ade-Ojo is a highly accomplished business executive with extensive experience in strategic management and the global automotive industry. He currently serves as the Managing Director of Toyota (Nigeria) Limited, where he has been instrumental in maintaining the brand's market leadership and overseeing the successful establishment of the Toyota Assembly Plant in Nigeria.

Mr. Ade-Ojo holds a Bachelor of Science in Mechanical Engineering from the University of Reading and a Master of Science in Automotive Product Engineering from Cranfield University, United Kingdom. His professional journey began at Toyota Motor Sales, USA, where he served as a Global Management Associate, gaining deep operational insights into international best practices.

Since returning to Nigeria, he has risen through the ranks at Toyota (Nigeria) Limited, moving from Business and Strategic Development Manager to Executive Director, and ultimately to Managing Director in 2014. A member of the Institute of Directors of Nigeria and the Lagos Chamber of Commerce and Industry, he brings a wealth of corporate governance expertise to the Board. His strategic vision and commitment to operational excellence are key assets in his role as a Non-Executive Director at Custodian Investment Plc, where he contributes to the company's long-term growth and value creation.



Mrs. Mimi Ade-Odiachi

Mrs. Mimi Ade-Odiachi is a seasoned professional and entrepreneur with over three decades of experience across Non-Bank Financial Services (Insurance), Hospitality Management, and Landscape Architecture. A Chartered Insurer and graduate of the University of Lagos, she serves as Director at Tenderloin Enterprises Limited, owners of Whispering Palms Hotels & Resort and is the Founder/CEO of Omar Gardens Floral Company.

She also serves as Director, Custodian and Allied Insurance Limited; Chairman, Custodian Life Assurance Limited; and Chairman, Custodian Social Responsibility Foundation, where she provides strategic leadership and governance oversight in support of sustainable growth and impact.



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.



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 Trustees Limited.



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 35 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, a member of the International Board of The Institute of Business Transformation Africa (IBT Africa), and the Independent Chairperson of the Investment Committees - Mutual Funds of the Coronation Asset Management Ltd. Binta is also a member of the Board of Sahel Consulting, an Independent Director of First Asset Management Limited and Custodian Investment Plc.

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.



Dr. Babatunde Sodade

Dr. Tunde Sodade is a highly accomplished infrastructure strategist and board-level advisor with over three decades of experience spanning government, private sector, and international development. He is currently a Partner at Strategic Intent LLP, a boutique consultancy based in Lagos that specializes in capital project delivery and asset management solutions for governmental, industrial, and investment institutions. He also serves as a Director on the Board of Custodian Investment Plc.

Dr, Sodade holds a Ph.D. in Civil Engineering from the University of Calgary, Canada (2011), with research focused on the dynamic complexities in large-scale public infrastructure. He also holds an MBA from Cranfield School of Management, UK (1996), and a B.Sc. (Hons) in Civil Engineering from the University of Lagos (1984).

Previously, Dr. Sodade served as Managing Director and CEO of Lekki Worldwide Investments Limited (LWIL), the Lagos State Government's special purpose vehicle for the development and management of the Lekki Free Zone. Under his leadership, LWIL transitioned from a state subsidized entity to a self-sustaining commercial enterprise-unlocking over N99 billion in balance sheet assets and establishing new revenue streams aligned with global economic trends.

Internationally, Dr. Sodade has held key roles in Canada, including as Head of Capital Projects Standards & Resource Centre at the Regional Municipality of Wood Buffalo, Alberta—a region central to North America's energy industry. In the academic and capacity-building space, he has taught and trained at institutions such as the University of Calgary, Southern Alberta Institute of Technology (SAIT), and the Project Management Training Institute (USA).



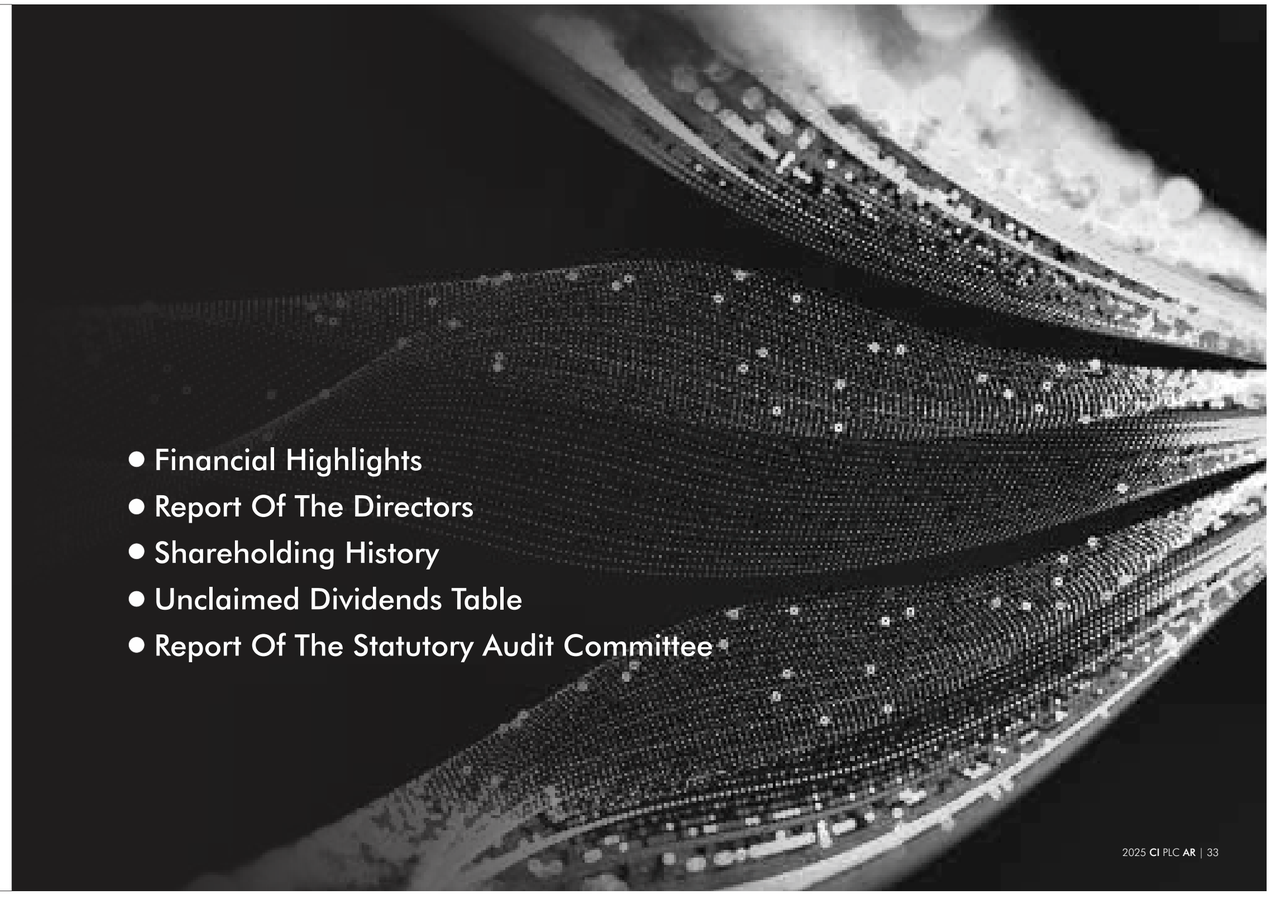
Mr. Folasope Aiyesimoju

Fola Aiyesimoju is the Group Managing Director of UAC of Nigeria PLC, a holding company with interests in packaged food and beverages, animal nutrition, paint, real estate, quick service restaurants, and logistics. Under his leadership, UAC has undergone significant growth, focusing on operational excellence, technology, risk management, and capital allocation for long-term value creation.

Fola has over two decades of experience spanning investment banking, principal investing, private equity and corporate leadership. Prior to joining UAC, he held roles at leading institutions including Standard Bank, Ocean and Oil Holdings, and Kohlberg Kravis Roberts (KKR).

Fola is passionate about African enterprise and long-term capital formation. He is the founder of Themis Capital Management, a long-term investment company focused on building sustainable businesses in Africa.

He holds a degree in Real Estate Management from the University of Lagos and earned the right to use the CFA charter in 2006. He chairs the boards of directors of Chemical and Allied Products PLC, Grand Cereals Limited, UAC Foods Limited, UAC Restaurants Limited and CHI Limited all subsidiaries of UAC. He also serves on the board of directors of Juven Africa.



Financial Highlights

For The Year Ended 31, December 2025

Asset and liability highlight	Group		Company	
	31-Dec-25 ₦'000	31-Dec-24 ₦'000	31-Dec-25 ₦'000	31-Dec-24 ₦'000
Cash and cash equivalents	174,182,932	43,989,037	2,634,991	3,712,475
Financial assets	596,524,909	279,174,934	381,748	11,940,054
Investment properties	41,404,206	18,174,500	14,722,206	10,509,000
Property, plant and equipment	25,160,897	14,612,511	287,563	159,084
Insurance contract liabilities	270,899,849	195,359,004	-	-
Equity attributable to owners of the parent	**198,790,328**	**130,377,783**	**73,372,308**	**46,967,989**
Total Assets	**1,064,733,159**	**416,238,549**	**80,075,876**	**53,517,027**

Financial Highlights contd

Income statement highlights	Group		Company	
	31-Dec-25 ₦'000	31-Dec-24 ₦'000	31-Dec-25 ₦'000	31-Dec-24 ₦'000
Gross Revenue	**224,734,847**	**152,011,670**	**19,973,220**	**7,964,602**
Insurance service revenue	141,446,347	96,227,786	-	-
Sales	12,914,192	11,629,489	-	-
Dividend Income	4,462,110	2,499,138	19,189,065	7,378,537
Fees and Commission	10,603,641	6,584,179	-	-
Profit on investment contracts	103,500	96,408		
Other Operating Income	1,670,016	548,680	290,336	71,473
Interest Income	53,535,041	34,425,990	493,819	514,592
Operating Expenses	**(173,878,421)**	**(120,517,711)**	-	-
Insurance Service expenses	(76,983,047)	(68,391,204)	-	-
Interest expenses	(4,670,970)	-	-	-
Net expense from reinsurance contracts held	(52,084,749)	(35,041,503)	-	-
Cost of sales	(9,286,078)	(7,984,989)	-	-
Net insurance finance expenses	(30,853,577)	(9,100,015)	-	-
Management Expenses	(21,111,319)	(16,449,185)	(3,611,941)	(2,917,607)
Profit before taxation	**77,351,876**	**62,402,153**	**34,266,942**	**19,042,420**
Income tax expenses	**(9,721,438)**	**(7,129,223)**	**(1,100,933)**	**(2,513,920)**
Profit for the year	**67,630,438**	**55,272,930**	**33,166,009**	**16,528,500**
Total comprehensive income for the period, net of tax	**78,567,019**	**59,822,527**	**34,344,836**	**16,980,726**
EPS - Basic & Diluted (in kobo)	**1,119**	**918**	**584**	**281**
Net assets per share (in kobo)	**3,716**	**2,217**	**1247**	**799**

Report Of The Directors
For the year ended December 31, 2025

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, 2025.

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, Banking, Property and Financial Services Business.

Property, Plant and Equipment
Information relating to changes in property and equipment is given in Note 18 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 25kobo per ordinary share of 50kobo each (2024:15kobo), which was paid to shareholders on the Register of Members at the closure date.

The Directors recommend the payment of a Final Dividend of N2:50 kobo per ordinary share of 50kobo each (bringing the Total Dividend on the results for financial year ended December 31, 2025 to N2:75kobo (2024:N1:25kobo 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, 2025, and the profit for the year then ended.

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, 2025

Directors	Designation	December 31 2025 Direct Holding	December 31 2025 Indirect Holding	% of Holding	December 31 2024 Direct Holding	December 31 2024 Indirect Holding	% of Holding
Dr. (Mrs.) Omobola Johnson	Chairman	155,000	-	0.003	155,000	-	0.003
*Mr. Wole Oshin	Managing Director	238,674,353	1,478,829,992	29.2	238,674,353	1,372,259,400	27.39
*** Mr. Richard Asabia	Non-Executive Director	22,600,000	-	0.38	22,600,000	-	0.38
Mrs. Binta Max-Gbinije	Non-Executive Director (Independent)	187,043	-	0.0018	-	110,000	-
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	1,148,027,597	19.54	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	3,005,585	-	0.05	-	1,032,000	0.2

The following Directors have indirect shares in Custodian Investment Plc:

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

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

***Mr. Richard Asabia retired from the Board in July, 2025.

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, 2025:

Shareholder	2025 Number	%	2024 Number	%
Gratitude Capital Limited	1,478,829,992	25.14	1,372,259,400	23.33
Mikeade Investments Limited	1,148,027,597	19.52	924,907,141	15.72

*No other individual Shareholder held up to 5% of the Company's Issued Share Capital as of December 31, 2025.

Analysis of Shareholding

The range analysis of the distribution of the shares of the Company as of December 31, 2025, is as follows:

Custodian Investment Plc
Range Analysis As At December 31, 2025

Range	Holder	%	Volume	Units %
1-1000	19378	44.076	10084385	0.1714
1001-5000	14110	32.0937	37579927	0.6389
5001-10000	4493	10.2195	34693091	0.5898
10001-50000	4216	9.5894	95112049	1.617
50001-100000	781	1.7764	58089402	0.9876
100001-500000	680	1.5467	147583425	2.5091
500001-1000000	115	0.2616	83154906	1.4138
1000001-5000000	136	0.3093	325388521	5.5321
5000001-10000000	19	0.0432	137004086	2.3293
10000001-50000000	18	0.0409	385580104	6.5554
50000001-100000000	10	0.0227	701411732	11.925
100000001- ABOVE	9	0.0205	3866182567	65.7306
TOTAL	**43,965**	**100**	**5,881,864,195**	**100**

Custodian Investment Plc
SEC Shareholder Type Analysis

Holder Type Name	No. Of Shareholders	% Of Total	Units	% Of Total
Corporate	1,450	3.2981	4,455,141,389	75.74
Foreign	117	0.2661	5,947,837	0.1
Individual	42,398	96.4358	1,420,774,969	24.14
Total	**43,965**	**100**	**5,881,864,195**	**100**

Directors' Responsibilities

Custodian Investment Plc Directors are responsible for preparing the financial statements, ensuring they present a true and fair view of the Group's 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:

- Suitable accounting policies are adopted and consistently applied.
- Judgments and estimates are made reasonably and prudently
- Proper accounting records are maintained.
- Applicable accounting standards are adhered to.
- Adequate internal control procedures are established to the extent reasonably possible, ensuring asset protection and the prevention and detection of fraud and irregularities.
- 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 Company 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.

In accordance with its policy of continuous development, the Company regularly nominates employees for training programmes, which are complemented by on-the-job training to enhance their skills and expertise.

b. **Employment of Physically Challenged Persons**

Custodian has a policy of giving fair consideration to the application for employment made by 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**

The Company 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 encourages research and development in all the companies within the Group, in its quests to maintain high 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**	

E-dividends

Experience has shown 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, 2025

S/NO	Dividend Number	Date Of Payment	Dividend Type	Amount Received (₦)	Dividend Per Share	Amount Unclaimed ₦
1	10	10/02/2012	INTERIM	255,042,340.40	0.05	5,962,474.75
2	11	11/07/2013	FINAL	470,549,135.60	0.08	21,542,086.68
3	12	28/11/2013	INTERIM	294,093,209.75	0.05	12,913,087.34
4	13	09/05/2014	FINAL	647,005,061.00	0.11	29,732,974.59
5	14	12/09/2014	INTERIM	352,911,851.70	0.06	21,153,789.11
6	15	14/05/2015	FINAL	705,823,703.40	0.12	30,131,094.22
7	16	15/09/2015	INTERIM	352,911,851.70	0.06	16,712,581.65
8	17	05/03/2016	FINAL	823,460,987.30	0.14	33,550,566.33
9	18	01/09/2016	INTERIM	411,730,493.65	0.07	15,061,345.17
10	19	05/03/2017	FINAL	1,058,735,605.10	0.18	50,266,532.35
11	20	05/09/2017	INTERIM	588,186,419.50	0.10	26,943,377.22
12	21	24/04/2018	FINAL	1,882,196,542.40	0.32	82,486,271.48
13	22	05/09/2018	INTERIM	588,186,419.50	0.10	26,329,515.21
14	23	23/04/2019	FINAL	2,058,652,518.25	0.35	79,161,554.66
15	24	04/09/2019	INTERIM	588,186,419.50	0.10	24,773,709.06
16	25	30/04/2020	FINAL	2,058,652,468.25	0.35	87,280,558.76
17	26	01/09/2020	INTERIM	588,186,419.50	1.00	25,102,683.45
18	27	22/04/2021	FINAL	2,646,838,887.75	0.45	113,214,690.34
19	28	01/09/2021	INTERIM	588,186,419.50	0.10	25,126,311.78
20	29	08/04/2022	FINAL	2,352,745,678.00	0.40	100,312,969.68
21	30	01/09/2022	INTERIM	588,186,419.50	0.10	24,995,567.16
22	31	13/04/2023	FINAL	3,235,025,307.25	0.55	137,940,506.48
23	32	05/09/2023	INTERIM	882,279,629.25	0.15	37,862,688.50
24	33	21/06/2024	FINAL	3,823,211,634.24	0.65	165,691,278.80
25	34	05/09/2024	INTERIM	882,279,569.62	0.15	41,117,507.05
26	35	02/05/2025	FINAL	6,470,050,614.50	1.10	358,600,376.97
27	36	09/09/2025	INTERIM	1,470,466,048.75	0.25	66,179,801.70
Total				**36,663,781,654.86**		**1,660,145,900.49**

During the year, dividends 10 - 23 were transferred to the Unclaimed Trust Fund based on the request of the Securities and Exchange Commission (SEC)

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
AUTHORISED

ADEYINKA JAFOJO
FRC/2013/PRO/NBA/002/00000002403
Custodian Trustees Limited
Company Secretary
Dated this 27th day of March 2026

Statement Of Directors' Responsibilities In Relation To The Preparation Of The Consolidated And Separate Financial Statements For The Year Ended December 31, 2025

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, Nigerian Insurance Industry Reform Act 2025, Investment and Securities Act, 2025 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, 2025

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, 2025, 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. Olaniyi Dada
Chairman, Audit Committee
FRC/2013/PRO/ICAN/004/00000003137
Lagos, Nigeria.

March 24, 2026

Report Of The Audit Committee Contd

Members of the Statutory Audit Committee

- Mr. Olaniyi Dada - Chairman
- Mr. Richard Asabia - Member (Retired from the Board in July, 2025)
- Mr. Ravi Sharma - Member
- Group Captain Bola Sotubo (Rtd.) - Member
- Chief (Mrs.) Margaret Giwa -Member

Profile Of Shareholders Representatives On The Statutory Audit Committee

Mr. Olaniyi Dada - BSc. [Economics], ACA, 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 HONS, MBA, LLB, BL, LLM

Group Captain Bola Olu Abayomi Sotubo(rtd.) studied Business Administration at the University of Nigeria Nsukka and graduated Second Class Upper Division in 1973.He has an MBA from Indiana University Bloomington Indiana (1976). In 2003,he graduated LLB Hons from the Faculty of Law, University of Lagos and was called to the Nigerian Bar in 2004. He also has an LL M degree from the University of London as well as a Post Graduate certificate in Laws in International Business Law.

He joined the Nigerian Air Force as an Accountant in 1977 and rose to become the Director of Finance and Accounting by 1996. He retired in 1999.

He started his Legal Career with the firm of Dapo Abudu &co as a Counsel before establishing his own Legal firm- Yomi Sotubo & Co as the Principal partner.

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 Fellow of the Institute of Directors (IOD) and sits on the Boards of other companies.



Corporate Governance

Custodian Investment Plc values its shareholders. We appreciate the fact that our shareholders require ethical behaviour and good administration of the Company. Consequently, the Company have imbibed a culture of compliance to ensure that our operations are conducted in accordance with the principles of integrity, accountability, transparency, and fairness.

The Company has in place a framework to ensure effective shareholders participation. Our shareholders approve the appointment of members of the Board of Directors, who in turn supervise the activities of Management. The confidence of investors, clients, employees and stakeholders is reinforced by this governance framework.

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.

The Company believes the input of stakeholders enhances competitiveness and overall performance. We therefore encourage teamwork and recognize inputs from shareholders, employees, clients, creditors and suppliers. Our Corporate Governance framework encapsulates the effective management and promotion of stakeholders' engagement in achieving our objectives.

Ethical Standards

Custodian is devoted to acting with utmost integrity and expects same of 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, 2025
- 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 upholds 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 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.

Representatives of the NGX Regulation Limited (NGX REGCO), the Securities and Exchange Commission, the Corporate Affairs Commission and the representatives of Shareholders Associations usually monitor proceedings at the Company's Annual General Meetings, to ensure compliance with regulatory requirements and transparency.

The Board

The Board acts on behalf of the shareholders and is responsible for promoting the long-term success of the Company and for setting the Group's strategy, against which Management's performance is assessed. It sets the Group's risk appetite and satisfies itself that financial controls and risk management systems are robust, whilst ensuring the Group is adequately resourced. It is also responsible for setting the values and supporting the culture of the Group and ensures appropriate 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.

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 has a written term of reference and presents regular reports 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.

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.

Following 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.

The Company 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.

Election and Re-Election of Directors

Consistent with Custodian's objective to broaden the experience base of the Board and frequently refreshing its composition, the Board effected the appointment of Dr. Tunde Sodade as an Independent Non-Executive Director and Mr. Folasope Aiyesimoju as a Non-Executive Director subject to approval of the shareholders at the Annual General Meeting.

Dr. Tunde Sodade holds a Ph.D. in Civil Engineering from the University of Calgary, Canada. He also holds an MBA from Cranfield School of Management, UK and a B.Sc. (Hons) in Civil Engineering from the University of Lagos.

He is a highly accomplished infrastructure strategist and board-level advisor with over three decades of experience spanning government, private sector, and international development. He is currently a Partner at Strategic Intent LLP, a boutique consultancy based in Lagos that specializes in capital project delivery and asset management solutions for governmental, industrial, and investment institutions.

Mr. Folasope Aiyesimoju holds a degree in Real Estate Management from the University of Lagos and earned the right to use the CFA charter in 2006.

He is the Group Managing Director of UAC of Nigeria Plc, a holding Company with interests in packaged food and beverages, animal nutrition, paint, real estate, quick service restaurants, and logistics. He has over two decades of experience spanning investment banking, principal investing, private equity and corporate leadership. Prior to joining UAC, he held roles at leading institutions including Standard Bank, Ocean and Oil Holdings, and Kohlberg Kravis Roberts (KKR).

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, Mrs. Mimi Ade-Odiachi, Mr. Olakunle Ade-Ojo and Mrs. Binta Max-Gbinije 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

Custodian 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.

Board Structure and Composition

The Board is made up of a Non-Executive Chairman, six (6) 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-Gbinije
**Dr. Tunde Sodade
***Mr. Folasope Aiyesimoju

***Retired from the Board in July 2025**
**** He was appointed to the Committee by the Board in October 2025**
***** He was appointed to the Committee by the Board in October 2025**

Board Finance, Investment and General-Purpose Committee

Mr. Olakunle Ade-Ojo - Chairman
*Mr. Richard Asabia
Mrs. Mimi Ade-Odiachi
Mr. Wole Oshin
Mrs. Binta Max-Gbinije
**Dr. Tunde Sodade
***Mr. Folasope Aiyesimoju

***Retired from the Board in July 2025**
**** He was appointed to the Committee by the Board in October 2025**
***** He was appointed to the Committee by the Board in October 2025**

Board Establishment and Governance Committee

Mr. Ravi Sharma - Chairman
*Mr. Richard Asabia - Member
Mrs. Mimi Ade-Odiachin - Member
**Dr. Tunde Sodade - Member

***Retired from the Board in July 2025**
**** He was appointed to the Committee by the Board in October 2025**

Statutory Audit Committee

Mr. Olaniyi Dada - Chairman
Mr. Ravi Sharma
Group Captain Bola Sotubo (Rtd.)
*Chief (Mrs.) Margaret Giwa
*Mr. Richard Asabia

***Retired from the Board in July 2025**

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

DIRECTORS	March 28, 2025	April 30, 2025	July 28, 2025	October 30, 2025
Dr. (Mrs.) Omobola Johnson	✓	✓	✓	✓
Mr. Wole Oshin	✓	✓	✓	✓
*Mr. Richard Asabia	✓	✓	✓	-
Mr. Adeniyi Falade	✓	✓	✓	✓
Mr. Ravi Sharma	✓	✓	✓	✓
Mr. Olakunle Ade-Ojo	✓	✓	✓	✓
Mrs. Mimi Ade-Odiachi	✓	✓	✓	✓
Mrs. Binta Max-Gbinije	✓	✓	✓	✓
**Dr. Tunde Sodade	-	-	-	✓
***Mr. Folasope Aiyesimoju	-	-	-	-

* Retired from the Board on July 2025
** His appointment was approved by the Board of Directors in July, 2025
*** His appointment was approved by the Board of Directors in July, 2025, and he formally joined the Board of Directors in November, 2025

Board Audit, IT, Risk Management and Compliance Committee

The Committee supports the Board in performing its oversight responsibility relating to the integrity and independence and performance of the Company's Internal and External Auditors. It also oversees the Company's Information Technology, Compliance and Risk Management.

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 Enterprise 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, compliance, Information Technology 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:

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

DIRECTORS	March 25, 2025	April 25 2025	July 23, 2025	October 22, 2025
Mrs. Mimi Ade-Odiachi	✓	✓	✓	✓
Mr. Ravi Sharma	✓	✓	✓	✓
Mr. Olakunle Ade-Ojo	✓	✓	✓	✓
*Mr. Richard Asabia	✓	✓	✓	-
Mrs. Binta Max-Gbinije	✓	✓	✓	✓
**Dr. Tunde Sodade	-	-	-	-
***Mr. Folasope Aiyesimoju	-	-	-	-

*Retired from the Board in July 2025
**His appointment as a member of the Committee was approved by the Board in October 2025
*** His appointment as a member of the Committee was approved by the Board in October 2025

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 strategy. It has the responsibility for reviewing the Company's Accounts and it is also charged with the oversight of Management's compliance with budget.

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

DIRECTORS	March 26, 2025	April 28 2025	July 21, 2025	October 23 2025
Mr. Wole Oshin	✓	✓	✓	✓
*Mr. Richard Asabia	✓	✓	✓	-
Mr. Olakunle Ade-Ojo	✓	✓	✓	✓
Mrs. Mimi Ade-Odiachi	✓	✓	✓	✓
Mrs. Binta Max-Gbinije	✓	✓	✓	✓
**Dr. Tunde Sodade	-	-	-	-
***Mr. Folasope Aiyesimoju	-	-	-	-

*Retired from the Board in July 2025
**His appointment as a member of the Committee was approved by the Board in October 2025
*** His appointment as a member of the Committee was approved by the Board in October 2025

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 directors. A director who was a member of the Committee retired from the Board in July 2025.

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

MEMBERS	March 25, 2025	April 25, 2025	July 23, 2025	October 22, 2025
Mr. Olaniyi Dada	✓	✓	✓	✓
*Mr. Richard Asabia	✓	✓	✓	-
Mr. Ravi Sharma	✓	✓	✓	✓
**Chief (Mrs.) Margaret Giwa	-	-	✓	✓
Group Captain Bola Sotubo (Rtd)	✓	✓	✓	✓

*Retired from the Board on July 2025
**Appointed as a member of the Committee at the Annual General Meeting of May 2, 2025

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 amongst other matters. The Committee also ensures compliance with the Code of Corporate Governance adopted by the Company.

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

MEMBERS	March 26, 2025	April 29, 2025	July 21, 2025	October 23, 2025
*Mr. Richard Asabia	✓	✓	✓	-
Mr. Ravi Sharma	✓	✓	✓	✓
Mrs. Mimi Ade-Odiachi	✓	✓	✓	✓
**Dr. Tunde Sodade	-	-	-	-

*Retired as a Director on July 2025
** His appointment as a member of the Committee was approved by the Board in October 2025

Communication with Shareholders

Custodian Investment Plc 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

The Company'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.

Performance Monitoring and Evaluation

The 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, 2025. 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 and it is contained in the Annual Report.

Skills, knowledge and characteristics of the Board

The qualifications and profile 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.

Roles of the Chairman and the Managing Director

In line with best practice, 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.

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

Custodian 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 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.

E-Dividend
Custodian 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 2025 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
Custodian'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.

Accounting Principles, Disclosure and Reporting
The Company'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
Custodian 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 were conducted in respect of all Directors to ascertain their compliance 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 2025 financial year was established.

Diversity
The Company 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.

Custodian has a robust policy which is aligned to the Company'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.

Code of Ethics

Custodian prioritises high ethical standards and expects its Board, Executives and Employees to observe such standards in all their dealings within the Group. The Company'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

In line with the Board's commitment to instil 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.

Custodian'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

The Company 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.

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 Lodgement Form can be accessed on the Company's website.

Statement of Compliance

Custodian Investment Plc 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 2025 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 JAFOJO
FRC/2013/PRO/NBA/002/00000002403
Custodian Trustees Limited
Company Secretary
Dated March 27, 2026



- 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 2025

SOCIETY FOR CORPORATE GOVERNANCE NIGERIA

Executive Summary

The Society for Corporate Governance Nigeria was engaged to conduct an independent evaluation of the performance of the Board of Custodian Investment Plc for the financial year ended 31 December 2025, in compliance with statutory and regulatory corporate governance requirements. This executive summary provides a concise overview of the comprehensive Board evaluation conducted for the period.

Introduction

The Board Evaluation Report presents an in-depth assessment of the governance practices and performance of Custodian Investment Plc during the year under review. This executive summary highlights key findings, strengths, and areas for enhancement, providing actionable insights to further strengthen governance effectiveness and drive organizational success.

Methodology

The evaluation employed a multifaceted approach, including structured questionnaires, self and peer assessments, confidential interviews with Directors, and a desk review of key Board documents. This methodology ensured a robust, independent, and objective assessment of Board dynamics, roles, and adherence to corporate governance best practices.

Scope

The evaluation focused on:

- Board composition, skills alignment, diversity, and independence
- Effectiveness of Board committees
- Compliance with regulatory and governance requirements
- Directors' performance in fulfilling fiduciary responsibilities
- Transparency, disclosure, and risk management practices

Board Evaluation Report Contd

Key Findings

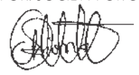
The evaluation revealed that Custodian Investment Plc continues to demonstrate strong governance and leadership:

- Board Composition and Diversity: The Board maintained a well-balanced composition of Executive, Non-Executive, and Independent Non-Executive Directors, including gender diversity and a broad range of professional expertise. New appointments during the year strengthened the Board's capability in oversight and strategic decision-making.
- Leadership and Board Dynamics: The Chairman and Managing Director/CEO provided effective leadership, fostering constructive dialogue, balanced participation, and collaboration with management. Directors confirmed that the Board remains well-informed, engaged, and aligned with the Company's strategic objectives.
- Committee Effectiveness: Key Board committees, including Audit, Risk, Finance, and Governance, operated in line with approved charters and regulatory standards. Committees held regular meetings, ensuring oversight and providing timely guidance on critical business matters.
- Operations and Secretariat Support: The Board demonstrated disciplined operations with well-prepared meeting materials, regular attendance, and effective follow-up mechanisms. The Secretariat facilitated smooth information flow and supported Director development and onboarding.
- Risk Management and Compliance: The Board maintained a formal risk management framework, actively monitored emerging risks, and ensured compliance with regulatory obligations. Internal and external audit functions provided robust oversight of financial and operational controls.
- Transparency and Ethical Governance: The Company sustained high standards of transparency, timely disclosure, and adherence to its Code of Conduct, Anti-Bribery & Corruption Policy, and Whistleblowing Policy. Directors consistently declared conflicts of interest in accordance with regulatory requirements.

Conclusion

The Board of Custodian Investment Plc has exhibited continued commitment to exemplary governance practices, with strong engagement, effective oversight, and strategic leadership. While areas for targeted improvement have been identified, the overall performance of the Board for 2025 meets acceptable standards and reflects diligent adherence to the Nigerian Code of Corporate Governance and best practices.

Yours Sincerely,
FOR: SOCIETY FOR CORPORATE GOVERNANCE NIGERIA



Chioma Mordi (Mrs.)
Chief Executive Officer
FRC/2014/NIM/00000007899

Certification Pursuant To Section 88-89 Of The Investment and Securities Act 2025 (Part IX)

We the undersigned hereby certify the following with regards to our Consolidated Financial Statements for the year ended December 31, 2025, 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;

Certification Pursuant Contd

(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

(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. Friday Nwachukwu
Chief Financial Officer
FRC/2013/PRO/ICAN/001/00000002207

Management's Annual assessment of, and report on, Custodian Investment Plc Internal Control Over Financial Reporting For the year ended 31 December 2025

In compliance with the Section 405 of the Companies and Allied Matters Act, 2020 and, Investment and Securities Act (ISA) 2025 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 2025, 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, 2025.

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 2025.

v During the assessment, Management became aware of a material weakness in internal controls around the accounting process for its equity accounted investment in prior years. The assessment revealed that the material weakness was occasioned by initial measure ment of the carrying ammount on the aquisition date. This resulted in the identification of prior-period misstatements and necessitated the restatement of comparative financial information, as disclosed in Note 65 to the financial statements.

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

vi Following the identification of this material weakness in the consolidation review control, Management as part of its remediation process implemented enhancements to the Group Consolidation and Reporting process. These actions included strengthened technical review procedures, improved documentation procedure, and increased senior-level oversight of consolidation and elimination journals. Management has tested the operating effectiveness of the enhanced controls and has concluded that for the period ended, the remediation has operated reasonably, and the controls are sufficiently adequate.

vii 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.

viii 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 2025. This report will be filed as part of the annual report of Custodian Investment Plc.

Signed on behalf of the Directors by:
Date: 27 March 2026

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

Friday Nwachukwu
Chief Financial Officer
FRC/2013/PRO/ICAN/001/00000002207

Certification of Management's Assessment on Internal Control Over Financial Reporting For the year ended 31 December 2025

To comply with the provisions of Section 1.3 of SEC guidance on implementation of Sections 88-89 of Investments and Securities Act 2025, I hereby make the following statements regarding the internal controls of Custodiaan Investment Plc for the year ended 31 December 2025.

I, Friday Nwachukwu , 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.



Friday Nwachukwu
Chief Financial Officer
FRC/2013/PRO/ICAN/001/00000002207
Date: 27 March 2026

Certification of Management's Assessment on Internal Control Over Financial Reporting For the year ended 31 December 2025

To comply with the provisions of Section 1.3 of SEC guidance on implementation of Sections 88-89 of Investments and Securities Act 2025, I hereby make the following statements regarding the internal controls of Custodiaan Investment Plc for the year ended 31 December 2025.

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: 27 March 2026



Assurance Report of Independent Auditor
Independent Auditor's Report

Deloitte.

Assurance Report of Independent Auditor

To the Shareholders of CUSTODIAN INVESTMENT

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 and its subsidiaries ("the Group") as of 31 December 2025, 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 88 of Investments and Securities Act 2025 and the 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 Group and our report dated 31 March 2026 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 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/FRC guidance, on Management report on Internal Control over Financial Reporting.

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 group'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 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 group; and

III. Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the group'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 Group's system of internal control over financial reporting for the year ended 31 December 2025. 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. Our limited assurance report is subject to these inherent limitations.

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 2023 (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.

Auditor's Responsibility and Approach

Our responsibility is to express a limited assurance opinion on the company'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 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 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.

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

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

Chartered Accountants
Lagos, Nigeria
31 March 2026

Engagement Partner: Faturoti Ayonike
FRC/2022/PRO/ICAN/004/611525



Deloitte.

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 104 to 397, which comprise the consolidated and separate statements of financial position as at year ended 31 December 2025, 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 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 2025, 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 2025, circulars and guidelines issued by the National Insurance Commission (NAICOM), Banks and Other Financial Institutions Act (BOFIA) 2020 and circulars issued by Central Bank of Nigeria, Pension Reform Act, Investments and Securities Act, 2025 and 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.

Independent Auditors' Report Contd

We are independent of the Group and Company in accordance with the requirements of the International Ethics Standards Board for Accountants' (IESBA) International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA code), as applicable to audits of financial statements of public interest entities, other independence requirements applicable to performing audits of financial statements of public interest entities in Nigeria. We have also 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.

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 fulfilment 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 elected not to discount the liability for the remaining coverage.	• Reviewed the product classification, IFRS 17 policy and methodology papers. • Reviewed the Actuarial models and IFRS 17 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

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:
In estimating the claims payment pattern for liability for incurred claims, the Group sets assumptions regarding the future timing of the claims settlement and determines the best estimate for claims development or payment. As disclosed in note 20 & 21 to the consolidated and separate financial statements, the investment and insurance contract liabilities for the Group amounted to N274.227 billion. This represents about 32.16% of the Group's total liabilities as at 31 December 2025. Estimating insurance contract liabilities under IFRS 17 involves high estimation 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 clams, 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.	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. • 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 a thorough review of the basis and assumptions. • We reviewed the methodology and processes adopted by the insurance component management for making reserves in the books of the company. • We tested entity's control around reserving process and maintenance of data for valuation of insurance contract liabilities.

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:
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 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 employed 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. Based on the level of judgement, assumptions, and estimates involved in the assessment of the Insurance contract liabilities, we have determined that this is considered key audit matter in the consolidated and separate financial statements.	• We validated the data used in the valuation of the insurance contract liabilities. 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.

Key Audit Matter **Purchase Price Allocation and determination of intangible assets arising on business acquisition –FBNQuest Merchant Bank Limited**	How our audit addressed the key audit matter **Our procedures included the following among others:**
In 2025, Custodian Investment Plc concluded its acquisition of 85% interest in FBNQuest Merchant Bank Limited, for a purchase consideration of N29.18billion. The identification, measurement and valuation of the assets and liabilities acquired, in line with the requirements of IFRS 3, requires significant amount of judgement, assumptions, estimates and other macro-economic considerations which makes the accounting of the transaction complex. The Purchase Price Allocation (PPA) in respect of the acquisition was conducted by the Directors and the following intangible assets from the acquisition were identified in line with the requirements of the IFRS 3: • Core deposits intangibles (CDI); & • Customer relationships	We obtained and assessed the reasonableness of the Directors' determination of the fair value of the assets acquired. Together with the assistance of our independent internal financial advisory specialists, we performed the following audit procedures: a. Evaluated the assumptions, judgement and methodologies applied by the management in the fair valuation of the identified intangible assets for reasonableness. b. Assessed the basis for the identification of the intangible assets – Core deposits intangibles (CDI), and Customer relationships from the acquisition of FBNQuest Merchant Bank Limited. c. Obtained and reviewed the report issued by the Directors. This was challenged by our independent experts including the assumptions and judgement applied in the fair valuation of the intangible assets.

Key Audit Matter **Purchase Price Allocation and determination of intangible assets arising on business acquisition –FBNQuest Merchant Bank Limited**	How our audit addressed the key audit matter **Our procedures included the following among others:**
The following valuation methods were adopted by the Directors on the valuation of the identified intangible assets: • Income approach • Multi period excess earnings method Based on the level of judgement, assumptions and estimates involved in the assessment of the transaction and as this is a single material transaction that occurred during the year, we have determined that this is considered key audit matter in the consolidated and separate financial statements.	d. Confirmed and agreed the figures in the report to the financial statements. We evaluated the assumptions used by management as prescribed by relevant accounting standards and market best practices. We considered the disclosures in the consolidated and separate financial statements to the requirements of the accounting standards.

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 2025", 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, and the Annual Report, which is expected to be made available to us after that date. 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 Insurance Act 2025, circulars and guidelines issued by the National Insurance Commission (NAICOM), Banks and Other Financial Institutions Act (BOFIA) 2020 and circulars issued by Central Bank of Nigeria, Pension Reform Act, Investments and Securities Act, 2025 and Financial Reporting

Council of Nigeria (Amendment) Act,2023. and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

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

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

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

- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the 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 the 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.

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 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

The Group contravened certain sections of the Financial Reporting Council of Nigeria Act Amended "2023" , National Insurance Commission Act "2025" and Nigerian Exchange Group Rules during the year and paid the sum of N21,630,000 as a penalty for a contravention during the year. Details of the contravention and the related penalties are as disclosed in note 46 to the consolidated and separate financial statements.

In accordance with the requirements of the Financial Reporting Council, we performed a limited assurance engagement and reported on management's assessment of the Entity's internal control over financial reporting as of December 31, 2025. 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 the evidence obtained; we have issued an Unmodified conclusion in our report dated 31 March 2026 as audit report. That report is included on page 29 of the financial statements.

Faturoti, Ayonike
FRC/2022/PRO/ICAN/004/611525

For: Deloitte & Touche
Chartered Accountants
Lagos, Nigeria
31 March 2026





Consolidated and Separate Statement of Financial Position

As at 31December, 2025

In thousands of naira

		Group			Company	
Assets	Notes	31-Dec-25	Restated 31-Dec-24	Restated 1-Jan-24	31-Dec-25	31-Dec-24
Cash and cash equivalents	7	174,182,932	43,989,037	25,059,031	2,634,991	3,712,475
Trade receivables	8	993,364	691,013	814,563	-	-
Other receivables and prepayments	10	29,850,660	20,426,770	7,263,403	13,565,733	7,879,365
Inventories	9	3,219,098	8,729,998	3,200,157	-	-
Statutory deposits	19	26,058,065	4,037,175	3,190,651	-	-
Financial assets:	11	596,524,909	278,776,002	190,392,209	381,748	11,940,054
- Fair value through profit or loss		159,000,952	110,719,420	77,132,991	267,866	9,190,878
- Fair value through OCI		307,032,438	47,337,246	33,631,630	-	893,473
- Debt securities at amortised cost		130,491,519	120,719,336	79,627,588	113,882	1,855,703
Loans and advances to customers	12	130,789,376	-	-	-	-
Reinsurance contract assets	21	15,016,067	11,847,577	7,916,456	-	-
Right-of-use-assets	20	44,727	111,737	13,448	-	-
Investment in subsidiaries	13	-	-	-	44,555,793	15,373,012
Investments in joint ventures	15	94,695	120,141	120,141	-	-
Equity accounted investee	14	13,791,384	12,312,605	9,535,264	3,905,488	3,905,488
Investment properties	16	41,404,206	18,174,500	13,259,000	14,722,206	10,509,000
Property, plant and equipment	18	25,160,897	14,612,511	13,886,881	287,563	159,084
Intangible assets	17	2,617,811	277,273	231,809	-	-
Deferred tax assets	29	4,984,968	2,132,209	-	22,354	38,549
Total Assets		**1,064,733,159**	**416,238,549**	**274,883,014**	**80,075,876**	**53,517,027**

Consolidated and Separate Statement of Financial Position Contd

As at 31December, 2025

In thousands of naira

		Group			Company	
Liabilities and equity **Liabilities**	Notes	31-Dec-25	Restated 31-Dec-24	Restated 1-Jan-24	31-Dec-25	31-Dec-24
Trade payables	24	77,315,757	28,838,615	16,083,167	-	-
Other payables	27	39,478,764	27,143,472	12,755,355	2,118,765	2,353,850
Current income tax payable	28	16,181,655	4,310,487	1,876,005	2,802,699	2,070,231
Due to Banks and other financial institutions	25	176,648,306	-	-	-	-
Due to Customers	26	242,188,713	-	-	-	-
Interest bearing loans and borrowings	23	8,974,804	3,380,004	2,146,881	-	-
Reinsurance contract liabilities	21	78,193	72,594	45,341		
Insurance contract liabilities	21	270,899,849	195,359,004	144,509,540	-	-
Investment contract liabilities	22	3,327,936	3,557,950	3,861,091	-	-
Deferred tax liabilities	29	11,093,022	12,237,306	7,056,659	1,782,104	2,124,957
Total liabilities		**846,186,999**	**274,899,432**	**188,334,039**	**6,703,568**	**6,549,038**
Equity						
Issued share capital	30	2,940,933	2,940,933	2,940,933	2,940,933	2,940,933
Share premium	31	6,412,357	6,412,357	6,412,357	6,412,357	6,412,357
Retained earnings	32	143,437,414	96,775,025	50,749,595	64,019,018	37,162,473
Contingency reserve	32	25,703,468	17,569,448	14,303,164	-	-
Fair value reserves	32	14,138,080	5,308,429	1,108,348	-	452,226
Revaluation reserve	32	3,055,867	1,371,591	1,113,597	-	-
Other reserves	32	3,102,209	-	-	-	-
Equity attributable to owners of the parent		198,790,328	130,377,783	76,627,994	73,372,308	46,967,989
Non-controlling interests		19,755,832	10,961,334	9,920,981	-	-
Total equity		**218,546,160**	**141,339,117**	**86,548,975**	**73,372,308**	**46,967,989**
Total equity and liabilities		**1,064,733,159**	**416,238,549**	**274,883,014**	**80,075,876**	**53,517,027**

Refer to note10 and note 65 for changes to presentation of comparative figures and restatement

The accounts were approved by the Board of directors on 27 March 2026 and signed on its behalf by:

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

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

Friday Nwachukwu
Chief Financial Officer
FRC/2013/PRO/ICAN/001/00000002207

Consolidated and Separate Statements of Profit or Loss and other Comprehensive Income

In thousands of naira	Notes	Group 31-Dec-25	Group Restated 31-Dec-24	Company 31-Dec-25	Company 31-Dec-24
Interest income	33	53,535,041	34,425,990	493,819	514,592
Interest expense	38	(4,670,970)	-	-	-
Operating and Investment Income	34	29,753,459	21,357,894	19,479,401	7,450,010
Net fair value gain	35	41,611,142	15,683,655	9,260,676	7,821,252
Net realised gains	36	(1,141,787)	6,782,590	8,681,343	6,194,124
Investment result		**119,086,885**	**78,250,129**	**37,915,239**	**21,979,978**
Insurance service revenue	37	141,446,347	96,227,786	-	-
Insurance service expenses	40	(76,983,047)	(68,391,204)	-	-
Net expense from reinsurance contract held	41	(52,084,749)	(35,041,503)	-	-
Insurance service result		**12,378,551**	**(7,204,921)**	**-**	**-**
Finance expenses from insurance contracts (net)	42	(31,263,725)	(8,986,738)	-	-
Finance income /(expense) from reinsurance contracts (net)	42	410,148	(113,277)	-	-
Net insurance finance expenses		**(30,853,577)**	**(9,100,015)**	**-**	**-**
Direct operating expenses	39	(9,286,078)	(7,984,989)	-	-
Net income		**91,325,781**	**53,960,204**	**37,915,239**	**21,979,978**
Impairment allowance	43	(917,702)	(642,249)	(36,254)	(22,552)
Finance costs	44	(393,055)	(238,296)	-	-
Bargain purchase on subsidiary acquisition	13	9,341,898	-		
Unrealised foreign exchange gain	45	(2,781,034)	23,248,246	(102)	2,601
Management expenses	46	(21,111,319)	(16,449,185)	(3,611,941)	(2,917,607)
Remeasurement of carring amount on additional units acquired	14		662,869		
Share of result of equity accounted investee	14	1,912,753	1,860,564	-	-
Share of loss from investment in joint venture	15	(25,446)	-	-	-
Profit before taxation		**77,351,876**	**62,402,153**	**34,266,942**	**19,042,420**
Income tax expenses	28	(9,721,438)	(7,129,223)	(1,100,933)	(2,513,920)
Profit for the year		**67,630,438**	**55,272,930**	**33,166,009**	**16,528,500**

Consolidated and Separate Statements of Profit or Loss and other Comprehensive Income Contd

	Notes	Group 31-Dec-25	Group Restated 31-Dec-24	Company 31-Dec-25	Company 31-Dec-24
Other comprehensive income (OCI):					
Items that will not be reclassified to profit or loss					
Equity-accounted investee -share of OCI	14	47,266	(1,724)	-	-
Net gain on equity instrument at FVOCI	47	3,292,535	4,821,072	1,178,827	452,226
Revaluation surplus on freehold property	48	1,684,276	257,994	-	-
Items that will be reclassified to profit or loss					
Reclassification to Profit or loss of derecognition of asset at FVTOCI	47	-	(71,727)	-	-
Net loss on debt instruments at fair value through other comprehensive income	47	5,912,503	(456,018)	-	-
Other comprehensive income for the period net of tax		10,936,580	4,549,597	1,178,827	452,226
Total comprehensive income for the period		**78,567,019**	**59,822,527**	**34,344,836**	**16,980,726**
Profit for the period attributable to:					
– Owners of the parent		65,839,136	53,997,205	34,344,836	16,980,726
– Non-controlling interests		1,791,302	1,275,725	-	-
		67,630,438	**55,272,930**	**34,344,836**	**16,980,726**
Total comprehensive income attributable to:					
– Owners of the parent		76,651,508	58,455,280	34,344,836	16,980,726
– Non-controlling interests		1,915,511	1,367,247	-	-
		78,567,019	**59,822,527**	**34,344,836**	**16,980,726**
Earnings per share:					
From continuing operations					
Basic/diluted earnings per share (kobo)	49	1,119	918	584	281
From continuing and discontinued operations					
Basic/diluted earnings per share (kobo)	49	1,119	918	584	281

Consolidated and Separate Statement of Changes in Equity

Group In thousands of naira	Attributable to owners of the Parent			
	Issued share capital	Share premium	Retained earnings	Contingency reserve
At 1 January 2025(Restated)	2,940,933	6,412,357	96,775,025	17,569,448
Profit for the period	-	-	65,839,136	-
Other comprehensive income		-	-	-
Arising from acquisition of FBN Quest	-	-		-
Transfer between reserves	-	-	(11,236,229)	8,134,020
	2,940,933	6,412,357	151,377,931	25,703,468
Dividend Paid	-	-	(7,940,517)	-
At 31 December 2025	2,940,933	6,412,357	143,437,414	25,703,468
At 1 January 2024	2,940,933	6,412,357	45,666,889	14,303,164
Correction of error in valuation of investment in Associate.	-	-	5,082,706	-
At 1 January 2024 Restated	2,940,933	6,412,357	50,749,595	14,303,164
Profit for the period	-	-	53,997,205	-
Other comprehensive income		-	-	-
Transfer of fair value reserve of equity instruments designated at FVOCI	-	-	-	-
Transfer between reserves	-	-	(3,266,284)	3,266,284
	2,940,933	6,412,357	101,480,517	17,569,448
Dividend Paid	-	-	(4,705,492)	-
At 31 December 2024	2,940,933	6,412,357	96,775,025	17,569,448

Consolidated and Separate Statement of Changes in Equity Contd

Attributable to owners of the Parent					
Revaluation Reserve	Fair Value Reserve	Other Reserves	Total	Non-controlling interests	Total equity
1,371,591	5,308,429	-	130,377,783	10,961,334	141,339,116
-	-	-	65,839,136	1,791,302	67,630,438
1,684,276	8,829,651	-	10,513,927	422,652	10,936,580
-	-	-	-	6,798,473	6,798,473
-		3,102,209	-	-	-
3,055,867	14,138,080	3,102,209	206,730,845	19,973,761	226,704,607
-	-	-	(7,940,517)	(217,929)	(8,158,446)
3,055,867	14,138,080	3,102,209	198,790,328	19,755,832	218,546,161
1,113,597	1,108,348	-	71,545,288	9,920,981	81,466,269
-	-	-	5,082,706	-	5,082,706
1,113,597	1,108,348	-	76,627,994	9,920,981	86,548,975
		-	-		
-	-	-	53,997,205	1,275,725	55,272,930
257,994	4,200,081	-	4,458,075	91,522	4,549,597
-	-	-	-	-	-
-	-	-	-	-	-
1,371,591	5,308,429	-	135,083,275	11,288,228	146,371,502
-	-	-	(4,705,492)	(326,894)	(5,032,386)
1,371,591	5,308,429	-	130,377,783	10,961,334	141,339,116

Consolidated and Separate Statement of Changes in Equity

Company In thousands of naira	Attributable to owners of the Company			
	Issued share capital	Share premium	Retained earnings	Contingency reserve
At 1 January 2025	2,940,933	6,412,357	37,162,473	-
Profit for the period	-	-	33,166,009	-
Dividend Paid	-	-	(7,940,517)	-
Other comprehensive income	-	-	-	-
Transfer between reserves			1,631,053	
At 31 December 2025	2,940,933	6,412,357	64,019,018	-
At 1 January 2024	2,940,933	6,412,357	25,339,465	-
Profit for the period	-	-	16,528,500	-
Dividend Paid			(4,705,492)	
At 31 December 2024	2,940,933	6,412,357	37,162,473	-

Consolidated and Separate Statement of Changes in Equity Contd

Attributable to owners of the Company			
Revaluation Reserve	Fair Value Reserve	Other Reserves	Total
-	452,226	-	46,967,989
-	-		33,166,009
-	-		(7,940,517)
-	1,178,827		1,178,827
	(1,631,053)		-
-	-	-	73,372,308
-	-	-	34,692,755
-	452,226		16,980,726
			(4,705,492)
-	452,226		46,967,989

Consolidated And Separate Statements Of Cash Flows

For the year ended 31December, 2025

In thousands of naira		Group		Company	
Cash flows from operating activities		**31-Dec-25**	**Restated 31-Dec-24**	**31-Dec-25**	**31-Dec-24**
Profit before taxation		77,351,876	62,402,153	34,266,942	19,042,420
Adjustments for non-cash items:					
– Depreciation of property, plant and equipment	18	3,044,426	1,014,893	153,876	119,569
– Deprecition on right-of-use assets	20	67,010	27,731	-	-
– Impairment charge/(write back) on financial assets at amortised costs	43	917,702	832,649	36,254	(922)
– Amortisation of intangible assets and deferred expenses	17	2,184,660	124,921	-	8,378
– Profit on disposal of property, plant and equipment	36	(1,495)	17,572	(400)	21,458
– Loss/(gain) on disposal of investment property	46	-	-	-	-
– Gain on disposal equities & other investment	36	728,239	(6,604,372)	1,052,133	(6,215,582)
– Fair value losses on financial assets FTPL	35	(17,781,427)	(10,768,156)	(180,537)	(5,233,253)
- Gain on Bargain purchase	13	(9,341,898)	-	-	-
– Fair value gains on investment properties	35	(23,829,715)	(4,915,499)	(9,080,139)	(2,587,999)
– Exchange rate differential*	45	1,389,577	(1,425,536)	102	(2,601)
– Interest expenses	23	393,055	238,296	-	-
– Share of result of equity accounted investee	14	(1,912,753)	(2,523,433)	-	-
– WHT on dividend	28	-	-	-	603,333
– Dividend income	34	(4,462,110)	(2,499,138)	(19,189,065)	(7,378,537)
– Interest income	33	(8,537,865)	(5,100,539)	(425,385)	(458,737)
– Investment income	33	(42,789,577)	(29,325,451)	(68,434)	(55,855)
Changes in working capital:					
Increase in reinsurance assets	21	(3,168,490)	(3,931,121)	-	-
Increase in other receivables and prepayment	10	(9,822,822)	(13,082,461)	(18,186,555)	(1,349,014)
(Increase)/Decrease in trade receivables	8	(302,351)	123,550	-	-
(Increase)/Decrease in loans and advances	12	(9,546,647)	-	-	-
Increase in reinsurance liabilities	21	5,599	27,253	-	-
Increase in insurance contract liabilities	21	75,540,845	50,849,464	-	-
Increase in investment contract liabilities	22	(230,014)	(303,141)	-	-
Increase in other liablilities	27	12,335,292	14,388,118	(235,085)	781,378
Increase in trade payable	24	(8,707,062)	12,755,448	-	-
Decrease in inventories	9	5,510,900	(5,529,841)	-	-
Increase in statutory deposit	19	(2,239,871)	(846,524)	-	-
		30,908,604	55,946,836	(11,856,293)	(2,705,964)
Income tax paid	28	(3,764,817)	(1,483,319)	(621,995)	(132,559)
Net cash provided by/(used in) operating activities		27,143,787	54,463,517	(12,478,288)	(2,838,523)

Consolidated And Separate Statements Of Cash Flows Contd

For the year ended 31December, 2025

In thousands of naira		Group		Company	
Cash flows from investing activities		**31-Dec-25**	**Restated 31-Dec-24**	**31-Dec-25**	**31-Dec-24**
Purchase of property, plant and equipment	18	(4,782,224)	(1,125,315)	(282,355)	(6,168)
Additions to right-of-use asset	20	-	(126,020)	-	-
Proceeds on disposal of property, plant and equipment		136,386	11,888	400	-
Proceeds from disposal of financial assets (FVTPL)		-	18,867,234	9,720,325	862,744
Proceeds from disposal of financial assets (FVOCI)		117,585,536	-	2,072,300	-
Proceeds on disposal of investment property		600,000	-	14,600,000	-
Deposits for shares	10	(9,011,456)	(14,587,838)	(9,008,193)	(6,269,510)
Purchase of intangible	17	(2,117,201)	(92,088)	-	-
Purchase of investments (financial assets)		(171,958,665)	(87,208,507)	11,738,843	(1,396,577)
proceed on disposal of amortised cost financial assets	11	149,894,589			
Redemption of investments (financial assets)		8,493,770	15,023,357	-	9,749,742
Purchase of investment in equity accounted investee	14	-	(609,327)	-	(609,327)
Purchase of investment in subsidiaries	12	(29,003,965)	-	(29,182,781)	-
Dividend received	23&31	4,462,110	2,499,138	19,189,065	6,775,204
Interest income received	33	51,327,442	34,425,990	493,819	514,592
Net cash (used)/provided by investing activities		115,626,323	(32,921,488)	19,341,423	9,620,700
Cash flows from financing activities					
Repayment of borrowings	23	(2,285,401)	(724,061)	-	-
Interest paid on borrowings	23	(742,791)	(230,917)	-	-
Proceed from borrowing	22	-	1,949,805	-	-
Dividend Paid during the period		(8,158,446)	(5,032,386)	(7,940,517)	(4,705,492)
Net cash used in financing activities		(11,186,638)	(4,037,559)	(7,940,517)	(4,705,492)
Net increase in cash and cash equivalents		131,583,472	17,504,470	(1,077,382)	2,076,685
Cash and cash equivalents at beginning of the year	7	43,989,037	25,059,031	3,712,475	1,633,189
Effect of change in exchange rate*	45	(1,389,577)	1,425,536	(102)	2,601
Cash and cash equivalents at end of the period	7	174,182,932	43,989,037	2,634,991	3,712,475

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

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 2025.

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 76.65% 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.

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 2025 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.

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.

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 an financial asset at fair value through other comprehensive income (FVTOCI) depending on the level of influence retained.

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 it's 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.

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 discretional 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.

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.

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.

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 contacts 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 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 are not onerous at initial recognition OR 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 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:

- 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
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.

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.

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.

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
- 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	- Pension Regulated Annuities - Deferred Annuities
Individual Life products	- 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

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 urrent 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

  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
- 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.

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.

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.

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 means the liability for remaining coverage under the premium allocation approach (PAA) and general measurement model (GMM) under all probable scenarios is immaterial. Hence the 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:

- 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.

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.

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.

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.

- 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.

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

- 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.

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.

b) **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.

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.

c) **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

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 tak. 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.

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.

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.

Fees and commission income and expenses for the that are integral to the effective interest rate on a financial asset or liability are included in the measurement of the effective interest rate. Fees and commission inocme from contracts with customers is measured based on the consideration specified in a contract with a customer. Fees and commission from contract with customers is measured based on the consideration specified in a contract with customers, including significant pay terms, and the related revenue recognition policies.

Fee and commission presented in respect of the Group's investment Banking segment which provides various finance -related services including loan administration, agency services and advisory services includes fees from credit-related services such as loan management fees on loan issued to customers are charged to customers account upon loan disbursement, transaction based fees such as brokerage and restructuring fees, agency fees charged to the customer as soon as the performance obligation is satisfied.

Interest income and interest expense

i. **Effective interest rate**

Interest income and expense are recognised in profit or loss using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

When calculating the effective interest rate for financial instruments other than purchased or originated credit-impaired assets, the Group estimates future cash flows considering all contractual terms of the financial instrument but not ECL. For purchased or originated creditimpaired financial assets, a credit-adjusted effective interest rate is calculated using estimated future cash flows including ECL. The calculation of the effective interest rate includes transaction costs and fees and points paid or received that are an integral part of the effective interest rate. Transaction costs include incremental costs that are directly attributable to the acquisition or issue of a financial asset or financial liability.

ii. **Amortised cost and gross carrying amount**

The 'amortised cost' of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured on initial recognition minus the principal repayments plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any expected credit loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any expected credit loss allowance

iii. **Calculation of interest income and expense**

The effective interest rate of a financial asset or financial liability is calculated on initial recognition of a financial asset or a financial liability. In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability.

The effective interest rate is revised as a result of periodic re-estimation of cash flows of floating-rate instruments to reflect movements in market rates of interest. The effective interest rate is also revised for fair value hedge adjustments at the date on which amortisation of the hedge adjustment begins. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired then the calculation of interest income reverts to the gross basis.

For financial assets that were credit-impaired on initial recognition, interest income is calculated by applying the credit-adjusted effective interest rate to the amortised cost of the asset. The calculation of interest income does not revert to a gross basis, even if the credit risk of the asset improves"

Presentation
Interest income calculated using the effective interest method presented in the statement of profit or loss and OCI includes:

- interest on financial assets and financial liabilities measured at amortised cost;
- interest on debt instruments measured at FVOCI;

Interest expense presented in the statement of profit or loss and OCI includes:

- financial liabilities measured at amortised cost;
- interest expense on lease liabilities.

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 gains or losses on financial assets at fair value."

d) 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).

e) 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."

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.

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.

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.

The Group translates and records its foreign currency transactions and balances based on the exchange rate at which the future cash flows represented by the transactions or balances could have been settled, if those cash flows had occurred at the reporting date. The Nigerian Autonomous Foreign Exchange (NAFEX) rate has been used for the translation of foreign currency balances as this remains the main source of foreign currencies for the Bank's transactions.

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.

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).

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

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.

Loans and advances to customers

Loans and advances are debt instruments recognized initially at fair value and are subsequently measured in accordance with the classification of financial assets policy provided above. Loans are carried at amortised cost using the effective interest method, which represents the gross carrying amount less allowance for credit losses.

Interest on loans is recognized in interest income using the effective interest method. The estimated future cash flows used in this calculation include those determined by the contractual term of the asset and all fees that are considered to be integral to the effective interest rate. Also included in this amount are transaction costs and all other premiums or discounts. Fees that relate to activities such as originating, restructuring or renegotiating loans are deferred and recognized as Interest income over the expected term of such loans using the effective interest method. Where there is a reasonable expectation that a loan will be originated, commitment and standby fees are also recognized as interest income over the expected term of the resulting loans using the effective interest method. Otherwise, such fees are recorded as other liabilities and amortised into Other operating income over the commitment or standby period.

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 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.

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 Agusto 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.

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.

An allowance for credit losses (ECL) is established for all financial assets, except for financial assets classified or designated as FVTPL and equity securities designated as FVOCI, which are not subject to impairment assessment. Assets subject to impairment assessment include loans, overdrafts, debt securities and accrued interest receivable. These are carried at amortised cost and presented net of ECL on the Statement of Financial Position. ECL on loans is presented in Allowance for credit losses - loans and advances. ECL on debt securities measured at FVOCI is presented in Fair value reserve in equity.

Off-balance sheet items subject to impairment assessment include financial guarantees and undrawn loan commitments. Off balance sheet products subject to impairment assessment, ECL is separately calculated and included in Other Liabilities – Provisions.

The Group measures loss allowances at an amount equal to lifetime ECL except for the following, for which they are measured as 12-month ECL

- debt investment securities that are determined to have low credit risk at the reporting date, and
- other financial instruments on which credit risk has not increased significantly since their initial recognition

The Group considers Nigerian sovereign debt instruments to have low default risk and no significant increase in credit risk since initial recognition. Consequently, they are classified under Stage 1 and measured using 12-month expected credit losses. The Group does not apply the low credit risk exemption to any other financial instrument.

12-month ECL are the portion of lifetime ECL that results from default events on a financial instrument that are possible within the 12 months after the reporting date. Financial instruments for which 12-month ECL are recognised are referred to as stage 1 financial instruments. Financial instruments allocated to stage 1 have not undergone a significant increase in credit risk since initial recognition and are not credit-impaired.

Lifetime ECL are the ECL that result from all possible default events over the expected life of the financial instrument or the maximum ontractual period of exposure. Financial instruments for which lifetime ECL are recognised but that are not credit impaired are referred to as Stage 2 financial instruments. Financial instruments allocated to stage 2 are those that have experienced a significant increase in credit risk since initial recognition but are not credit-impaired.

Financial instruments for which lifetime ECL are recognised and that are credit-impaired are referred to as Stage 3 financial instruments.

ECL are probability weighted estimate of credit losses. They are measured as follows:

- financial assets that are not credit-impaired at the reporting date: as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive);
- financial assets that are credit-impaired at the reporting date: as the difference between the gross carrying amount and the present value of estimated future cash flows;
- undrawn loan commitments: as the present value of the difference between the contractual cash flows that are due to the Group if the commitment is drawn down and the cash flows that the Group expects to receive; and

- financial guarantee contracts: the expected payments to reimburse the holder less any amounts that the Group expects to recover.

When discounting future cash flows, the following discount rates are used:

- financial assets other than purchased or originated credit-impaired (POCI) financial assets and lease receivables: the original effective interest rate or an approximation thereof;
- POCI assets: a credit-adjusted effective interest rate;
- lease receivables: the discount rate used in measuring the lease receivable;
- undrawn loan commitments: the effective interest rate, or an approximation thereof, that will be applied to the financial asset resulting from the loan commitment; and
- financial guarantee contracts issued: the rate that reflects the current market assessment of the time value of money and the risks that are specific to the cash flows.

For instruments in Stage 2 or Stage 3, loss allowances reflect expected credit losses over the expected remaining lifetime of the instrument. For most instruments, the expected life is limited to the remaining contractual life.

An exemption is provided for certain instruments with the following characteristics: (a) the instrument includes both a loan and undrawn commitment component; (b) we have the contractual ability to demand repayment and cancel the undrawn commitment; and (c) our exposure to credit losses is not limited to the contractual notice period. For products in scope of this exemption, the expected life may exceed the remaining contractual life and is the period over which our exposure to credit losses is not mitigated by our normal credit risk management actions. This period varies by product and risk category and is estimated based on our historical experience with similar exposures and consideration of credit risk management actions taken as part of our regular credit review cycle. Products in scope of this exemption include credit cards, overdraft balances and certain revolving lines of credit. Determining the instruments in scope for this exemption and estimating the appropriate remaining life based on our historical experience and credit risk mitigation practices requires significant judgment.

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 other 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.

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.

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.

Derecognition 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.

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.

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.

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.

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.

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.

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.

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.

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.

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 16(3)of the Nigerian Insurance Industry Reform Act (NIIRA)2025. The deposit is however restricted. The banking subsidiary also have mandatory reserve deposits with Central Bank of Nigeria subject to restrictions imposed by the CBN. It is measured at amortised cost.

2.23 Investment Contract Liabilities

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

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.

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 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 maintain Contingency reserves for the insurance business in accordance with the relevant provisions of the insurance Act to cover fluctuations in securities and valuations in statistical estimates

2.29 Regulatory risk reserve

In compliance with the Prudential Guidelines for licensed Banks, the Group assesses qualifying financial assets using the guidance under the Prudential Guidelines. The guidelines apply objective and subjective criteria towards providing for losses in risk assets. Assets are classed as performing or non-performing. Non-performing assets are further classed as Substandard, Doubtful or Lost with attendants provision as per the table below based on objective criteria.

Classification	Basis	Percentage
Substandard	Interest and/or principal overdue by 90 days but less than 180 days	10%
Doudtful	Interest and/or principal overdue by 180 days but less than 365 days	50%
lost	Interest and/or principal overdue by more than 365 days	100%

The results of the application of Prudential Guidelines and the impairment determined for these assets under IFRS 9 are compared. The IFRS 9 determined impairment charge is always included in the income statement. Where the Prudential Guidelines provision is greater, the difference is appropriated from Retained Earnings and included in a non-distributable reserve "Statutory credit reserve". Where the IFRS 9 impairment is greater, no appropriation is made and the amount of the IFRS 9 impairment is recognised in income statement.

Following an examination, the regulator may also require more amounts be set aside on risk and other assets. Such additional amounts are recognised as an appropriation from retained earnings to statutory risk reserve.

2.30 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 consolidated and separate financial statements are consistent with those followed in the preparation of the Group's annual consolidated and seperate financial statements for the year ended 31 December 2025, except for the adoption of new standards effective as of 1 January 2025. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Several amendments applied for the first time in 2025 do not have a material impact on the condensed consolidated financial statements of the Group.

i) 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 The Effects of Changes in Foreign Exchange Rates 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 participants under prevailing economic conditions. The amendments noted that an entity can use an observable exchange rate without adjustment or another estimation technique. An entity cannot restate comparative information when applying the ammendment.

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 standard does not affect the Group's consolidated financial staements since as the reporting currency and functional currency (the Nigerian Naira) is adequately exchangeable for any other currency

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 is yet to be set by the Board; however, earlier application of the amendments is permitted. In December 2015, the IASB postponed the effective date of this amendment indefinitely pending the outcome of its research project on the equity method of accounting. 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) Translation to a Hyperinflationary Presentation Currency – Amendments to IAS 21

In November 2025, the Board issued Translation to a Hyperinflationary Presentation Currency – Amendments to IAS 21. The amendments require translation from a nonhyperinflationary functional currency into a hyperinflationary presentation currency at the closing rate.

If an entity's functional currency is the currency of a nonhyperinflationary economy, but its presentation currency is the currency of a hyperinflationary economy, its results and financial position are translated into the presentation currency by translating all amounts (i.e., assets, liabilities, equity items, income and expenses) and all comparatives at the closing rate at the date of the most recent statement of financial position. An entity whose functional currency and presentation currency are the currency of a hyperinflationary economy, restates the comparative amounts of a foreign operation, whose functional currency is that of a non-hyperinflationary economy, by applying the general price index, in accordance with paragraph 34 of IAS 29, to the foreign operation's comparative figures.

If an entity's functional currency and presentation currency are the currency of a hyperinflationary economy (or are the currencies of different hyperinflationary economies) and it translates the results and financial position of foreign operations whose functional currency is that of a nonhyperinflationary economy, then it is required to apply the amendments from the beginning of the annual reporting period in which it first applies the amendments. In addition, it restates the comparative amounts of its foreign operations included in the entity's previously issued financial statements by applying the general price index it applies to corresponding figures in accordance with paragraph 34 of IAS 29.The amendments apply for annual reporting periods beginning on or after 1 January 2027 and earlier application is permitted.

The amendments which is not expected to have any impact on the financial statements as the Nigerian economy is not hyperinflationary

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

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.

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) **Contracts Referencing Nature-dependent Electricity/ 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.

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.

- **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.

  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 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.

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.

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.

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 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 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.

- **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**

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.

- 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.

- 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

- **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 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

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.

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

Every area, including the Group's estimation methods and assumptions used and other sources of estimation uncertainty are discussed below.
At 31/12/2025 the Group's total carrying amount of:

- Insurance contracts issued that are assets was Nil (31/12/2024: Nil)
- Insurance contracts issued that are liabilities was N 270.89 billion (31/12/2024 N195.4 billion)
- Reinsurance contracts issued that are assets was N15.02 billion (31/12/2024 N11.81 billion)
- Reinsurance contracts issued that are liabilities was N78.2 million (31/12/2024: N72.6 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.

** 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.

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.

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.

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.

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.

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	N18,000 pp pa	N14,800 pp pa
Annuity business	N22,000 pp pa	N12,500 pp pa
Group life schemes	N750 pp pa	N750 pp pa

*pp pa = per policy per annum

c) Expense inflation & other inflation measures

We maintained an inflation assumption of 15% per annum based on the markert 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.
*pp pa = per policy per annum

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 -5 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.

The adopted expense per policy is provided in detail below:

	Lapse rate
Year 1	27%
Year 2	3.00%
Year 3	2.2%
Year 4	1.40%
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.

7. Cash and cash equivalents

	Group		Company	
	31-Dec-25 ₦'000	31-Dec-24 ₦'000	31-Dec-25 ₦'000	31-Dec-24 ₦'000
Cash-in-hand	164	190	20	20
Balances held with local banks	24,446,441	4,061,786	2,259,427	96,760
Balances held in domiciliary accounts	64,492,012	10,504,008	3,020	6,338
Reserve with Pension Custodian	-	33,346	-	-
Placements with banks	86,671,322	29,972,575	450,005	3,660,980
	175,609,939	**44,571,905**	**2,712,472**	**3,764,098**
Less: Allowance for credit losses (see note 7.1 below)	(1,427,007)	(582,868)	(77,481)	(51,623)
	174,182,932	**43,989,037**	**2,634,991**	**3,712,475**

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.

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:

	Stage 1		Stage 2		Stage 3		Total	
Group	Gross ₦'000	ECL ₦'000	Gross ₦'000	ECL ₦'000	Gross ₦'000	ECL ₦'000	Gross ₦'000	ECL ₦'000
As at 1 January 2025	44,571,905	582,868	-	-	-	-	44,571,905	582,868
New assets purchased	127,053,561	1,661,483	-	-	-	-	127,053,561	1,661,483
Arising from acquisition of FBN Quest	(39,447)	(218,708)	-	-	-	-	(39,447)	(218,708)
Assets derecognised or matured	5,413,497	70,792	-	-	-	-	5,413,497	70,792
Changes to models and inputs used for ECL calculations	-	(654,111)	-	-	-	-	-	(654,111)
Foreign exchange adjustments	(1,389,577)	(18,172)	-	-	-	-	(1,389,577)	(18,172)
At 31 December 2025	175,609,939	1,427,007	-	-	-	-	175,609,939	1,427,007
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	(1,809,246)	-	-	-	-	10,055,053	(1,809,246)
Changes to models and inputs used for ECL calculations	-	1,602,502	-	-	-	-	-	1,602,502
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

	Stage 1		Stage 2		Stage 3		Total	
Company	Gross ₦'000	ECL ₦'000	Gross ₦'000	ECL ₦'000	Gross ₦'000	ECL ₦'000	Gross ₦'000	ECL ₦'000
As at 1 January 2025	3,764,098	51,623	-	-	-	-	3,764,098	51,623
New assets purchased	25,140,234	281,571	-	-	-	-	25,140,234	281,571
Assets derecognised or matured	(26,191,861)	(293,349)	-	-	-	-	(26,191,861)	(293,349)
Changes to models and inputs used for ECL calculations	-	37,636	-	-	-	-	-	37,636
Foreign exchange adjustments	1	-	-	-	-	-	1	-
At 31 December 2025	2,712,472	77,481	-	-	-	-	2,712,472	77,481
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)	(82,791)	-	-	-	-	(5,289,273)	(82,791)
Changes to models and inputs used for ECL calculations	-	23,474	-	-	-	-	-	23,474
Foreign exchange adjustments	2,601	29	-	-	-	-	2,601	29
At 31 December 2024	3,764,098	51,623	-	-	-	-	3,764,098	51,623

		Group			Company	
8.	**Trade receivables**	**31-Dec-25 ₦'000**	**31-Dec-24 ₦'000**	**1-jJan-22 ₦'000**	**31-Dec-25 ₦'000**	**31-Dec-24 ₦'000**
	Insurance receivables (see note 8.1 below)	314,888	306,005	129,017	-	-
	Other trade receivables	1,858,358	1,275,653	790,006	-	-
	Impairment on trade receivables (see note 8.2 below)	(1,179,882)	(890,645)	(744,264)	-	-
		993,364	**691,013**	**174,759**	-	-
8.1	**Insurance receivables**					
	Brokers	314,888	306,005	124,084	-	-
	Insurance companies	-	-	4,933	-	-
		314,888	**306,005**	**129,017**	-	-
8.2	**Impairment on trade receivables**					
	At 1 January	890,645	790,744	746,824	-	-
	Charge for the period	289,237	99,901	(2,560)	-	-
		1,179,882	**890,645**	**744,264**	-	-

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.

	Group dates past due					
	1-3months ₦'000	**4-6 months ₦'000**	**7-9 months ₦'000**	**Above 10-12 months ₦'000**	**Above 12 months ₦'000**	**Total ₦'000**
31 December 2025						
Expected credit loss rate	0%	0%	8%	22%	100%	
Estimated total gross carrying amount at default	327,930	145,397	80,613	167,927	1,136,490	1,858,358
Expected credit loss	-		6,449	36,944	1,136,490	1,179,882
31 December 2024						
Expected credit loss rate	0%	0%	8%	22%	100%	
Estimated total gross carrying amount at default	160,514	42,500	60,234	162,281	850,124	1,275,653
Expected credit loss	-		4,819	35,702	850,124	890,645

		Group		Company	
9.	**Inventories**	**31-Dec-25 ₦'000**	**31-Dec-24 ₦'000**	**31-Dec-25 ₦'000**	**31-Dec-24 ₦'000**
	At 1 January	8,729,998	3,200,157	-	-
	Additions	1,389,671	8,530,700	-	-
	Reclassification from Investment Properties	-	-	-	-
	Disposal	(6,900,571)	(3,000,859)	-	-
	At 31 December	3,219,098	8,729,998	-	-

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.

10. Other receivables and prepayments

	Group		Company	
	31-Dec-25 ₦'000	31-Dec-24 ₦'000	31-Dec-25 ₦'000	31-Dec-24 ₦'000
Administration fee receivable	1,013,344	702,761	-	-
Management fee receivable	6,937,271	13,586	-	-
Deposit for shares (see note 10i)	9,011,456	14,587,838	9,008,193	6,269,510
Deposit for assets	6,219	111,556	6,219	6,219
Loan to policy holders	166,210	145,442		
Shareholder's Loan to subsidiary (see note 10iv)	-	-	1,130,573	1,695,714
Staff Loans	926,981	253,490	4,083	77,327
Due from related parties	91,494	-	339,000	129,337
Balances due from joint ventures	499,758	798,870	-	-
Mobilization payment to contractors (see note 10ii)	5,178,524	26,767	-	-
Service charge reimbursables	-	482,275	-	-
Other debit balances (see note 10iii)	1,045,066	177,079	11,767	11,990
Minimum deposit on premium paid	91,500	72,134	-	-
Due from reinsurance brokers/intermediaries	645,568	306,520	-	-
	25,613,391	17,678,318	10,499,835	8,190,097
WHT receivables	5,574,899	1,679,213	3,006,145	1,403,990
Dividend receivable	-	-	-	-
Prepayment	2,192,336	1,214,394	83,177	80,693
	7,767,235	2,893,607	3,089,322	1,484,683
	33,380,626	20,571,925	13,589,157	7,901,739
Less: Allowance for impairment loss on other receivables other debit balances	(3,529,966)	(145,155)	(23,424)	(22,374)
	29,850,660	**20,426,770**	**13,565,733**	**7,879,365**

i 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.

ii Mobilization payment to contractors represents payments made to contractors on projects, which have not been completed. The balance increased materially due to payments made by Groupo Atlanta Nig Limited (a subsidiary of UPDC Plc) to contractors in respect of the ongoing Brompton City project developments.

iii 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.

iv During the current period the entity reassessed the presentation of the shareholder loan and determined that it would provide more relevant and reliable information by reclassifying it to other receivables. This representation has been done retrospectively in line with IAS 1 and has resulted in a decrease of Debt securities at amortised cost of N1.696 billion and an increase in other receivables of the same amount in the prior year, there is no impact on total assets

10.1 Gross carrying amount and impairment loss on other receivables

	Stage 1		Stage 2		Stage 3		Total	
Group	Gross ₦'000	ECL ₦'000	Gross ₦'000	ECL ₦'000	Gross ₦'000	ECL ₦'000	Gross ₦'000	ECL ₦'000
As at 1 January 2025	20,052,950	25,113	-	-	120,043	120,043	20,172,993	145,155
New assets purchased	15,898,350	114,397	-	-	-	-	15,898,350	114,397
Arising from acquisition of FBN Quest	7	7	-	-	3,265,257	3,265,257	3,265,264	3,265,264
Assets derecognised or matured (excluding write-offs)	(5,962,200)	(42,901)	-	-	6,219	6,219	(5,955,981)	(36,682)
Changes to models and inputs used for ECL	-	41,831	-	-	-	-	-	41,831
At 31 December 2025	29,989,107	138,447	-	-	3,391,519	3,391,519	33,380,626	3,529,966
As at 1 January 2024	20,059,169	31,332	-	-	113,824	113,824	20,172,993	145,156
New assets purchased	11,270,202	81,095	-	-	-	-	11,270,202	81,095
Assets derecognised or matured (excluding write-offs)	(11,276,421)	(81,140)	-	-	6,219	6,219	(11,270,202)	(74,921)
Changes to models and inputs used for ECL	-	(6,175)	-	-	-	-	-	(6,175)
At 31 December 2024	20,052,950	25,113	-	-	120,043	120,043	20,172,993	145,155

10.1 Gross carrying amount and impairment loss on other receivables

	Stage 1		Stage 2		Stage 3		Total	
Company	Gross ₦'000	ECL ₦'000	Gross ₦'000	ECL ₦'000	Gross ₦'000	ECL ₦'000	Gross ₦'000	ECL ₦'000
As at 1 January 2025	7,884,830	5,465	-	-	16,909	16,909	7,901,739	22,374
New assets purchased	9,008,193	25,507	-	-	-	-	9,008,193	25,507
Assets derecognised or matured (excluding write-offs)	(3,326,994)	(9,421)	-	-	6,219	6,219	(3,320,775)	(3,202)
Changes to models and inputs used for ECL	-	(21,256)	-	-			-	(21,256)
At 31 December 2025	13,566,029	296	-	-	23,128	23,128	13,589,157	23,424
As at 1 January 2024								
New assets purchased	4,472,178	5,465	-	-	10,690	10,690	4,482,868	16,155
Changes to models and inputs used for ECL calculations	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	5,465	-	-	16,909	16,909	7,901,739	22,374

11. Financial assets

	Group		Company	
The Group's financial assets are summarised by categories as follows:	31-Dec-25 ₦'000	31-Dec-24 ₦'000	31-Dec-25 ₦'000	31-Dec-24 ₦'000
Fair value through profit or loss	159,000,952	110,719,420	267,866	9,190,878
Fair value through OCI (see note 11.1 below)	307,032,438	47,337,246	-	893,473
Debt securities at amortised cost (see note 11.2 below)	130,491,519	120,719,336	113,882	1,855,703
Total financial assets	**596,524,909**	**278,776,002**	**381,748**	**11,940,054**

Included in financial assets of the group and company are N758.53 million (2024: N1.13billion) and N538.08million (2024: N894.3million) respectively, being unclaimed dividend that have been returned by the Registrars to be held against claims by the beneficiaries.

11.1 Fair value through OCI

	Group		Company	
The Group's financial assets are summarised by categories as follows:	31-Dec-25 ₦'000	31-Dec-24 ₦'000	31-Dec-25 ₦'000	31-Dec-24 ₦'000
Quoted equity securities	1,488,199	-	-	-
Bonds Securities and Treasury bills held at FVTOCI	284,834,855	34,939,852	-	-
Unquoted securities	20,709,384	12,397,394	-	893,473
Total Fair value through OCI	307,032,438	47,337,246	-	893,473

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).

iv 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 Federal Government of Nigeria bonds and Treasury bills designated at Fair Value through OCI by the banking segments, amounting to N17,213,030 and N8,686,044 respectively were pledged to other financial institutions as collateral for inter-Bank takings and FX transactions as at the financial year end.

v 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.

vi 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.

vii The Group received dividends of N453.12million on equity shares designated as FVTOCI during the year(2024: N161.15million).

11.1 Fair value through OCI

	Group		Company	
	31-Dec-25 ₦'000	31-Dec-24 ₦'000	31-Dec-25 ₦'000	31-Dec-24 ₦'000
ARM Properties Plc.	-	10,750	-	-
Friesland Wamco Nig. Plc.	-	1,919	-	-
ARM Hospitality Fund	-	165,895	-	-
African Reinsurance Corporation	818,348	806,405	-	-
Energy and Allied Insurance Pool of Nigeria	409,185	986,222	-	-
African Oil and Energy Pool	2,078,712	-	-	-
Interswitch Limited	2,297,216	3,076,500	-	-
WSTC Financial Services Limited	93,846	59,316	-	-
FBS Reinsurance Limited	5,300,000	2,167,835	-	893,473
Investment in Healthcare International Limited	7,984	7,984	-	-
Investment in Kakawa Guaranteed Fund	16,567	15,614	-	-
Investment in Paramount Equity Fund	1,297	786	-	-
Investment in Afrinvest Nigeria International Debt Fund	71,317	62,383	-	-
Investment in MoniePoint SP	5,056,482	5,035,785	-	-
Nigeria Inter-Bank Settlement System Plc & FMDQ OTC Securities Exchange	4,558,430	-	-	-
	20,709,384	**12,397,394**	**-**	**893,473**

Movement in investments at fair value through other comprehensive income

	Group		Company	
	31-Dec-25 ₦'000	31-Dec-24 ₦'000	31-Dec-25 ₦'000	31-Dec-24 ₦'000
Balance, beginning of year	47,337,246	33,631,630	893,473	893,473
Additions during the year	159,011,288	19,635,479	-	-
Arising from acquisition of FBN Quest	208,419,833	-	-	-
Disposals	(428,694)	(3,134,997)	(893,473)	-
Accrued interest	7,389,999	5,011,583	-	-
Maturities/liquidations	(117,585,536)	(6,754,598)	-	-
Coupon received during the year	(6,242,830)	(5,656,696)	-	-
Fair value gain	8,898,928	4,365,054	-	-
Realised gain/loss during the year	232,204	239,791	-	-
Balance, end of year	**307,032,438**	**47,337,246**	**-**	**893,473**

11.2 Debt securities at amortised cost

	Group		Company	
	31-Dec-25 ₦'000	31-Dec-24 ₦'000	31-Dec-25 ₦'000	31-Dec-24 ₦'000
Federal Government Bonds	69,288,849	62,506,362	-	-
State Government Bonds	825,591	946,906	-	-
Corporate Bonds	31,197,353	51,950,866	-	-
Treasury Bills and Tenor Deposits Greater than 90 days and Others	27,373,015	7,531,201	-	-
Pledged assets	2,942,271	-		
Commercial papers	1,306,928	632,672	156,205	115,639
	132,934,007	123,568,007	156,205	115,639
Less: Allowance for credit losses (See note 11.3 below)	(2,442,488)	(2,848,671)	(42,323)	(32,977)
Total	130,491,519	120,719,336	113,882	82,662

11.3 Gross carrying amount and impairment for debt instruments at amortised cost

	Stage 1		Stage 2		Stage 3		Total	
Group	Gross ₦'000	ECL ₦'000	Gross ₦'000	ECL ₦'000	Gross ₦'000	ECL ₦'000	Gross ₦'000	ECL ₦'000
As at 1 January 2025	123,568,007	(2,848,671)	-	-	-	-	123,568,007	(2,848,671)
New assets purchased	199,318,585	(4,594,984)	-	-	-	-	199,318,585	(4,594,984)
Arising from acquisition of FBN Quest	14,756,030	(317,334)					14,756,030	(317,334)
Assets derecognised or matured	(149,653,511)	3,450,032	-	-	-	-	(149,653,511)	3,450,032
Changes to models and inputs used for ECL calculations		281,923	-	-	-	-		281,923
Foreign exchange adjustments	(55,055,104)	1,269,211	-	-	-	-	(55,055,104)	1,269,211
At 31 December 2025	132,934,007	(2,442,488)	-	-	-	-	132,934,007	(2,442,488)
As at 1 January 2024	81,512,576	(1,566,960)	-	-	-	-	81,512,576	(1,566,960)
New assets purchased	30,715,553	(598,130)	-	-	-	-	30,715,553	(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	123,568,007	(2,848,671)	-	-	-	-	123,568,007	(2,848,671)

11.3 Gross carrying amount and impairment for debt instruments at amortised cost

	Stage 1		Stage 2		Stage 3		Total	
Company	Gross ₦'000	ECL ₦'000	Gross ₦'000	ECL ₦'000	Gross ₦'000	ECL ₦'000	Gross ₦'000	ECL ₦'000
As at 1 January 2025	115,639	32,977	-	-	-	-	115,639	32,977
New assets purchased	25,140,234	7,169,290	-	-	-	-	25,140,234	7,169,290
Assets derecognised or matured	(25,099,668)	(7,157,722)	-	-	-	-	(25,099,668)	(7,157,722)
Changes to models and inputs used for ECL calculations	-	(2,222)	-	-	-	-	-	(2,222)
Foreign exchange adjustments	-	-	-	-	-	-	-	-
At 31 December 2025	156,205	42,323	-	-	-	-	156,205	42,323
As at 1 January 2024	824,512	40,117	-	-	-	-	824,512	40,117
New assets purchased	548,450	11,649	-	-	-	-	548,450	11,649
Assets derecognised or matured	(1,257,323)	(44,174)	-	-	-	-	(1,257,323)	(44,174)
Changes to models and inputs used for ECL calculations	-	25,384	-	-	-	-	-	25,384
Foreign exchange adjustments	-	-	-	-	-	-	-	-
At 31 December 2024	115,639	32,977	-	-	-	-	115,639	32,977

11.4 Maturity profile of total financial assets

	Group		Company	
	31-Dec-25 ₦'000	31-Dec-24 ₦'000	31-Dec-25 ₦'000	31-Dec-24 ₦'000
Within one year	68,819,936	67,734,370	113,882	1,855,703
More than one year	527,704,973	211,440,564	267,866	10,084,351
	596,524,909	279,174,934	381,748	11,940,054

12 Loans and advances to customers

	Group		Company	
In thousands of naira	31-Dec-25 ₦'000	31-Dec-24 ₦'000	31-Dec-25 ₦'000	31-Dec-24 ₦'000
Loans and advances to customers	135,643,896	-	-	-
Total allowance for impairment on loan	(4,854,520)	-	-	-
	130,789,376	-	-	-
Movement analysis on loan and advances to customers				
Arising from acquisition of FBN Quest	121,205,063	-	-	-
Movement after acquisition date	7,787,238	-	-	-
Interest receivable on loans and advances	1,759,409	-	-	-
Impairment writeback	37,666	-	-	-
Closing balance	130,789,376	-	-	-

The following tables set out information about the credit quality of financial assets measured at amortised cost, lease receivables and FVOCI debt investments without taking into account collateral or other credit enhancement. Unless specifically indicated, for financial assets the amounts in the table represent gross carrying amounts. For loan commitments and financial guarantee contracts, the amounts in the table represent the amounts committed or guaranteed, respectively.

12

Group	12-month PD Ranges	Stage 1	Stage 2	Stage 2	Purchased Credit impaired	Total
In thousands of naira						
Aaa - A : Strong	2.18%	131,316,727	-	-	-	131,316,727
Bbb : Satisfactory	0%	-	-	-	-	-
Bb - C : Higher risk	0%	-	-	-	-	-
D : Credit impaired	100%	-	-	-	-	-
Gross carrying amount		131,316,727	-	-	-	131,316,727
Loss Allowance		(527,351)	-	-	-	(527,351)
Carrying Amount		130,789,376	-	-	-	130,789,376

The movement in allowance for impairment on loans advanced to customers was wholly due to remeasurement as at reporting date as there was no transfers between the respetive stages of impairment

13 **Investment in subsidiaries**

			Group		Company	
In thousands of naira	Equity interest	Segment	31-Dec-25 ₦'000	31-Dec-24 ₦'000	31-Dec-25 ₦'000	31-Dec-24 ₦'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	76.65%	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
Quest Merchant Bank Limited	85%	Investment banking	-	-	29,182,781	-
			-	-	44,555,793	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
A summary of the financial statements of all subsidiaries with those with material non controlling Interest is provided in segment report (See Note 60)

Acquisition of FBN Quest

On 30th November 2025, the Group acquired 85% of the voting shares of FBNQuest Merchant Bank Limited, a company based in Nigeria and specialising in investment banking ,wealth management and advisory . The Group has elected to measure the non-controlling interests in the acquiree at their proportionate share of the acquirer's identifiable net assets at the acquisition date.

Assets acquired and liabilities assumed
The fair values of the identifiable assets and liabilities of FBNQuest Merchant Bank Limited as at the date of acquisition were

Assets In thousands of naira	Fair value recognised on acquisition
Cash and bank	178,745
Restricted balance with CBN	23,818,194
Due from Banks	127,053,561
Loans and Advances to customers	121,205,063
Financial assets at FVTPL	16,023,014
FV through oci	208,419,833
Amortised cost	21,637,253
Pledged assets	8,900,000
Other assets	5,538,696
Property, Plant and equipments	5,666,010
Intangible assets*	2,407,997
	540,848,366

Asset In thousands of naira	**Fair value recognised on acquisition**
Liabilities	
Due to banks	157,997,769
Due to customers	286,729,237
Borrowings	8,229,937
Current income tax liability	3,538,543
Other liablities	38,271,998
Deferred tax liabilities	757,800
	495,525,284
Total identifiable net assets at fair value	45,323,082
Non-controlling interest measured at fair value	(6,798,474)
Gain on Bargain purchase	(9,341,898)
Cash consideration,	**29,182,710**
Net cash outflow arising on acquisition:	
Cash consideration	29,182,710
Less: cash and cash equivalent balances acquired	(178,745)
	29,003,965

*included in the amount are intangibles relating to core deposits and customer relationships measured and recognised on the acquisition of the subsidiary (See note 17)

Analysis of carrying amount

Cash Consideration for the purchase of 85% of FBN Quest shares	29,182,781

Other acquisition cost of N219.45million relating to professional fess on the deal is included in management expenses.

Non controlling interest at acquisition

Non-controlling interest measured at fair value	(6,798,474)
Net non-controlling interest at acquisition	(6,798,474)

Custodian Investment Plc undertook the acquisition of Quest Merchant Bank Limited as part of its strategic growth agenda to deepen and expand its investment-banking and merchant-banking capabilities. This deliberate move demonstrates the Company's proactive approach to leveraging market opportunities while reinforcing its commitment to enhancing shareholder value through well-aligned strategic acquisitions. The transaction is consistent with the Company's long-term objective of building a strong, diversified, and resilient investment group.

The Bank is currently undergoing a recapitalization process to meet the regulatory minimum paid-up capital requirement of 50 billion ahead of the 31 March 2026 deadline. This exercise will dilute the Company's shareholding to the regulatory threshold set by the CBN for any Partner within the Everquest Consortium, as the shareholder base will be broadened through the planned infusion of new capital from incoming investors. As at the date the financial statements were approved, the verification of all amounts raised for the recapitalization had not been finalized by the Bank's regulator.

FBN Quest contributed N4.8 revenue and N2.4billion to the group PBT from the date of the acquisition to the reporting date.

If the acqusition of FBN Quest had been complete done the first day of the financial year- Group revenue would have been N249.9 billion and Group profit would have been N86.76billion.

14 Equity accounted investee

In thousands of naira		Group		Company	
	Principal activities	**31-Dec-25 ₦'000**	**31-Dec-24 ₦'000**	**31-Dec-25 ₦'000**	**31-Dec-24 ₦'000**
Interstate Securities Limited (see note 13.1 below)	Stockbroking and Issuing House	1,356,445	911,278	525,364	525,364
UPDC REIT (see note 13.2 below)	Real Estate investments	12,434,939	11,401,327	3,380,124	3,380,124
		13,791,384	**12,312,605**	**3,905,488**	**3,905,488**

14.1 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 2025 was N2.95billion (2024: N2.02billion)

In thousands of naira	Group		Company	
	31-Dec-25 ₦'000	31-Dec-24 ₦'000	31-Dec-25 ₦'000	31-Dec-24 ₦'000
At January 1	911,498	699,173	525,364	525,364
Addition during the the year	-	-	-	-
Share of (loss)/profit	397,901	214,049	-	-
Prior year share of profit difference	41,922	-	-	-
Share of OCI	47,266	(1,724)	-	-
Dividend received	-	-	-	-
At 31 December	1,398,587	911,498	525,364	525,364

Summary financial for the equity accounted investee not adjusted for the percentage ownership by the group is as follows

	31-Dec-25 ₦'000	31-Dec-24 ₦'000
Non-Current assets	419,622	427,188
Current assets	3,552,048	1,814,873
Non-Current liabilities	398,835	119,896
Current liabilities	588,227	98,828
Equity	2,984,608	2,023,637
Proportion of group ownership of equity	1,398,587	948,276
Net Revenue	1,134,242	460,089
Profit for the period	849,126	456,782
Other comprehensive income	100,865	(3,678)
Total comprehensive income	949,992	453,104
Proportion of group ownership total comprehensive income	445,167	212,325

14.2 Equity accounted investee: UPDC REIT

Over the past years,the company acquired 814,362,377 units of UPDCREIT in pursuant to its strategy to invest in long term asset backed unit trust funds. This investment represents 35.05% (2024 : 35.05%) of total units in issue. The net assets of the company as at 31 December 2025 was N33.34 billion (2024: N32.58billion)

In thousands of naira	Group			Company	
	31-Dec-25 ₦'000	31-Dec-24 ₦'000	Restated 1-Jan-24 ₦'000	31-Dec-25 ₦'000	31-Dec-24 ₦'000
At January 1	11,401,327	8,836,091	2,667,501	3,380,124	2,770,797
Correction of error(Note 65)	-	-	5,082,706		
Remeasurement of carring amount on additional units acquired		662,869			
Addition during the the year	-	609,327	186,174	-	609,327
Dimunition in value of investment	-	-	-	-	-
Share of profit	1,472,930	1,646,515	1,160,537	-	-
Prior year share of profit difference	-	-	5,851	-	-
Dividend received	(439,319)	(353,475)	(266,678)		
At 31 December	12,434,939	11,401,327	8,836,091	3,380,124	3,380,124

Summary financial for the equity accounted investee not adjusted for the percentage ownership by the group is as follows

	31-Dec-25 ₦'000	31-Dec-24 ₦'000	Restated 1-Jan-24 ₦'000
Non-Current assets	30,359,922	27,587,044	25,719,695
Current assets	5,929,856	5,839,050	3,832,621
Current liabilities	812,063	897,343	600,509
Equity	35,477,715	32,528,751	28,951,806
Proportion of group ownership of equity	12,434,939	11,401,327	8,836,091

14.2

	Group		
In thousands of naira	31-Dec-25 ₦'000	31-Dec-24 ₦'000	Restated 1-Jan-24 ₦'000
Revenue	5,122,783	5,468,886	4,368,890
Profit for the period	4,334,898	4,697,618	3,802,545
Other comprehensive income	-	-	-
Total comprehensive income	4,334,898	4,697,618	3,802,545
Proportion of group ownership total comprehensive income	1,519,382	1,646,515	1,160,537

See note 65 for correction of errors relating to investment in associates.

15 Investments in joint ventures

	Project	% Holding	Group		Company	
		31-Dec-25	31-Dec-25 ₦'000	31-Dec-24 ₦'000	31-Dec-25 ₦'000	31-Dec-24 ₦'000
First Restoration Dev. Co. Limited	Olive court	51%	94,695	120,141	-	-
At 1 January					-	-
Share of loss from joint venture **			120,141	120,141	-	-
			(25,446)	-		

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 Governement. 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. There was no operating activity reported for 2024 financial year.

Set out below are the summarised financial information for the associate and joint ventures accounted for using the equity method.

Set out below are the summarised financial information for the associate and joint ventures accounted for using the equity method.

Name 31-Dec-25	Non Current Asset ₦'000	Current Asset ₦'000	Non-Current Liabilities ₦'000	Current Liabilities ₦'000	Cash & Cash Equivalent ₦'000	Net Asset ₦'000	Carrying value ₦'000
First Festival Mall Ltd.	-	-	-			-	
First Restoration Dev. Coy Ltd.	-	311,469	-	92,122	25,964	219,347	120,141
Pinnacle Apartment Dev. Ltd.	-	-	-	-	-	-	-
Calabar Golf Estate Ltd.	-	-	-	-	-	-	-
UPDC Metro City Ltd.	-	-	-	-	-	-	-
Transit Village*	-	-	-	-	-	-	-

Name 31-Dec-25	Revenue ₦'000	Depreciation ₦'000	Interest Income ₦'000	Interest Expense ₦'000	Tax Expense ₦'000	Profit/(loss) ₦'000
First Festival Mall Ltd.	-	-	-	-	-	
First Restoration Dev. Coy Ltd.	-	-	-	-	-	(10,796)
Pinnacle Apartment Dev. Ltd.	-	-	-	-	-	
Calabar Golf Estate Ltd.	-	-	-	-	-	
UPDC Metro City Ltd.	-	-	-	-	-	
Transit Village	-	-	-	-	-	

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 ₦'000	Current Asset ₦'000	Non-Current Liabilities ₦'000	Current Liabilities ₦'000	Cash & Cash Equivalent ₦'000	Net Asset ₦'000	Carrying value ₦'000
First Festival Mall Ltd.	-	-	-			-	
First Restoration Dev. Coy Ltd.	-	307,115	-	63,838	25,964	269,241	125,647
Pinnacle Apartment Dev. Ltd.	-	-	-	-	-	-	-
Calabar Golf Estate Ltd.	-	-	-	-	-	-	-
UPDC Metro City Ltd.	-	-	-	-	-	-	-
Transit Village*	-	-	-	-	-	-	-

Name 31-Dec-24	Revenue ₦'000	Depreciation ₦'000	Interest Income ₦'000	Interest Expense ₦'000	Tax Expense ₦'000	Profit/(loss) ₦'000
First Festival Mall Ltd.	-	-	-	-	-	
First Restoration Dev. Coy Ltd.	-	-	-	-	-	(6,430)
Pinnacle Apartment Dev. Ltd.	-	-	-	-	-	-
Calabar Golf Estate Ltd.	-	-	-	-	-	-
UPDC Metro City Ltd.	-	-	-	-	-	-
Transit Village	-	-	-	-	-	-

16 Investment properties

	Group		Company	
	31-Dec-25 ₦'000	31-Dec-24 ₦'000	31-Dec-25 ₦'000	31-Dec-24 ₦'000
At 1 January	18,174,500	13,259,000	10,509,000	7,921,000
Additions	-	-	-	-
Fair value gains/(losses) on investment properties	23,829,706	4,915,500	9,080,139	2,588,000
Reclassifications (see note 8)	-	-	-	-
Disposals during the period	(600,000)	-	(4,866,933)	-
	41,404,206	**18,174,500**	**14,722,206**	**10,509,000**

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.

ii 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).

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.

The rental income arising during the year amounted to N217.77m (2024: Nwhich is included in other operating income. Direct operating expenses arising in respect of such properties during the year are included within management expenses.

	Group		Company	
	31-Dec-25 ₦'000	31-Dec-24 ₦'000	31-Dec-25 ₦'000	31-Dec-24 ₦'000
Rental income derived from investment properties	217,774	209,608	23,080	13,680
Direct operating expenses in generating rental income	(6,315)	(6,079)	(1,651)	(978)
Profit from investment properties carried at fair value	211,459	203,529	21,429	12,702

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.

ii 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).

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.

16.1 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 2025				
Investment properties	-	-	41,404,206	41,404,206
31 December 2024				
Investment properties	-	-	18,174,500	18,174,500

Company	Level 1	Level 2	Level 3	Total
31 December 2025				
Investment properties	-	-	14,722,206	14,722,206
31 December 2024				
Investment properties	-	-	10,509,000	10,509,000

Location of properties	Valuation technique	Significant unobservable inputs
5 Bankole Cardoso Avenue, formerly Barrow Road, Old Ikoyi, Lagos	Depreciated replacement cost approach	- Capacity value - N5,600.000,000 - Unit land price N1,800,000 - N2,500,000/m2 - Depreciation - 50%
39 Alfred Rewane road, formerly Kingsway Road, Ikoyi, Lagos	Comparison Approach	- Unit land price - N2,500,000 - N3,000,000/m2 - Capital value N35,614,000,000
324 Ikorodu Road, Lagos	Depreciated replacement cost approach	- Unit cost of construction N50,000 - N670,000/m2 - Unit land price N400,000 - N600,000/m2 - Depreciation - 25% - Capital value N1,030,000,000
Flat 17A BlockA Admiralty Towers. No8 Gerrad Road, Old Ikoyi, Lagos	Investment Approach	- Unit rent - N35,000,000 pa annum - Estimated gross rent N35,000,000 per annum - Rent growth less than 50% per annum - Long-term vacancy rate< 5% - Discount rate 10% - Capital value N630,000,000
Plot 5, Block E, Central Business District (CBD) Alausa, Ikeja, Lagos	Comparison Approach	- Unit land price - N110,000 - N120,000/m2 - Capital value N402,000,000
Ogombo Along Ajah/Epe Dual Carriage Expressway, Lekki, Lagos	Comparison Approach	Unit land price - N5,500 - N9,000/m2 - Capital value N32,000,000
10, Aje Road Sabo Yaba, Lagos	Comparison Approach	- Unit land price - N120,000 - N180,000/m2 - Capital value N104,000,000

Location of properties	Valuation technique	Significant unobservable inputs
23/25 Martins Street, Lagos	Investment Approach	- 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)	- Estimated unit rental per annum N40,000,000 - N50,000,000 - Rent growth p.a 5% - Long-term vacancy rate less 10% - Discount rate 5%
156 Awolowo Road, Ikoyi, Lagos	Income approach (DCF Method)	- Estimated rental per annum - N125,000 per m2) - Rent growth p.a 5% - Long-term vacancy rate 2% - Discount rate 5%"
Plot 3243, Block 71, Tayo Adewale Street, Amuwo Odofin, Lagos	Market comparison approach.	- Estimated price per square metre N125,000
Plot 676 Cadastral Zone B07 Katampe, Abuja	Market comparison approach.	- Estimated price per square meter N125,000
5 Custodian Street (formerly Chapel Street), Sabo Yaba, Lagos	Depreciated replacement cost approach	- Construction cost per square meter : N600,000 - Land cost/M2: N350,000/m2 - Depreciation rate of building - 7%

17 Intangible Asset

	Group		Company	
	31-Dec-25 ₦'000	31-Dec-24 ₦'000	31-Dec-25 ₦'000	31-Dec-24 ₦'000
Software	209,814	-	-	-
Arising from acquisition of FBN Quest		-	-	-
Software	111,597			
Core Depsoit	1,949,900	-	-	-
Customer relationships	346,500	-	-	-
Balance at 31 December	**2,617,811**	**-**	**-**	**-**

17 **Intangible assets**

i **Group**

In thousands of naira	Core deposit and Customer relatoions	Software ₦'000	Software ₦'000
Cost:			
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
At 1 January 2025		1,731,415	1,731,415
Arising from acquisition of FBN Quest	2,296,400	1,683,337	3,979,737
Reclassification/write off	-	-	-
Additions	-	2,117,201	2,117,201
At 31 December 2025	2,296,400	5,531,953	7,828,353
Amortization and impairment losses			1,561,030
At 1 January 2024	-	1,329,221	1,329,221
Reclassification/write off	-	-	42,039
Amortization for the period	-	124,921	124,921
At 31 December 2024	-	1,454,142	1,454,142
At 1 January 2025	-	1,454,142	1,454,142
Arising from acquisition of FBN Quest	-	1,571,740	1,571,740
Amortization for the period	-	2,184,660	2,184,660
At 31 December 2025	-	5,210,542	5,210,542
Carrying Amount			
At 1 January 2025	-	277,273	277,273
At 31 December 2025	**2,296,400**	**321,411**	**2,617,811**

17 **Intangible assets**

ii **Company**

	Total ₦'000	Software ₦'000
Cost:		
At 1 January 2025	25,132	25,132
Additions	-	-
At 31 December 2025	25,132	25,132
Amortization and impairment losses		
At 1 January 2025	25,132	25,132
Amortization for the period	-	-
At 31 December 2025	25,132	25,132
Carrying Amount		
At 1 January 2025	-	-
At 31 December 2025	-	-

18 **Property, plant and equipment**

i **Group**

	Freehold Property ₦'000	Office Equipment ₦'000	Computer Equipment ₦'000	Furniture and Fittings ₦'000	Motor Vehicles ₦'000	Total ₦'000
Cost/Valuation						
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
At 1 January 2025	12,919,302	1,305,701	1,122,605	718,129	2,536,951	18,602,687
Additions	473,287	177,483	1,630,845	293,578	2,207,031	4,782,224
Arising from acquisition of FBN Quest	2,846,896	391,715	549,666	102,656	3,026,905	6,917,838
Reclassification	-	68,508	-	-	-	68,508
Revaluation*	3,210,961	-	-	-	-	3,210,961
Elimination on revaluation	(90,298)	-	-	-	-	(90,298)
Disposals	-	(495)	(2,237)	-	(318,135)	(320,867)
At 31 December 2025	**19,360,148**	**1,942,912**	**3,300,878**	**1,114,363**	**7,452,752**	**33,171,053**
Accumulated depreciation						
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
At 1 January 2025	564,893	604,942	799,292	521,857	1,499,192	3,990,176
Charge for the period	357,880	245,419	1,401,958	131,603	907,566	3,044,426
Arising from acquisition of FBN Quest	401,333	157,496	282,400	41,264	369,335	1,251,828
Elimination on Revaluation	(90,298)	-	-	-	-	(90,298)
Disposals	-	(93)	(201)	-	(185,682)	(185,976)
At 31 December 2025	**1,233,808**	**1,007,764**	**2,483,449**	**694,724**	**2,590,411**	**8,010,156**
Carrying Amount						
At 1 January 2025	12,354,409	700,759	323,313	196,272	1,037,759	14,612,511
At 31 December 2025	**18,126,340**	**935,148**	**817,429**	**419,639**	**4,862,341**	**25,160,897**

*The Reclassification/Revaluations relate to the reclassification of assets of Festival Hotel, Conference Centre & Spa which were previously accounted for as assets of disposal group classified as held for sale but now accounted for as a subsidiary. See note 15.

ii **Company**

	Office Equipment ₦'000	Computer Equipment ₦'000	Furniture and Fittings ₦'000	Motor Vehicles ₦'000	Total ₦'000
Cost/Valuation					
At 1 January 2024	36898	20717	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
At 1 January 2025	36,898	22,474	50,154	463,000	572,526
Additions	3,155	-	-	279,200	282,355
Disposals	-	-	-	(57,000)	(57,000)
At 31 December 2025	**40,053**	**22,474**	**50,154**	**685,200**	**797,881**
Accumulated depreciation					
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**
At 1 January 2025	27,434	18,930	44,492	322,585	413,441
Charge for the period	5,952	1,955	1,777	144,192	153,876
Disposals	-	-	-	(57,000)	(57,000)
At 31 December 2025	**33,386**	**20,885**	**46,269**	**409,777**	**510,317**
Carrying Amount					
At 1 January 2025	9,464	3,544	5,662	140,415	159,084
At 31 December 2025	**6,667**	**1,589**	**3,885**	**275,423**	**287,563**

iii Revaluation of land and building

The Freehold Property consist of Land and Building some of which 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 Dec 2025, the fair values of the properties were based on valuations performed by Messrs. Barin Epega & Co., (FRC/2020/00000013769), an accredited independent valuer who has experience in valuation of similar properties. The valuation reports were signed by Sir Obarinsola Epega with FRC number FRC/2012/NIESV/0000000597.

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 (2024: Nil).

c) Analysis of revaluation of freehold property owned by the Life insurance subsidiary		1-Jan-25 ₦'000	Additions ₦'000	Re-classification ₦'000	Revaluation ₦'000	Depreciation ₦'000	31-Dec-25 ₦'000
1	16A, Commercial Avenue, Sabo, Yaba, Lagos State	2,780,400	-	-	1,207,395	(62,795)	3,925,000
2	27, Commercial Avenue, Sabo, Yaba, Lagos State	426,000	-	-	105,425	(10,425)	521,000
3	No. 9, Onireke Residential layout, Ibadan, Oyo State	225,000	-	-	64,923	(3,923)	286,000
4	Shop H4016, Tejuosho Shopping Modern Market, Yaba, Lagos State	9,000	-	-	5,655	(255)	14,400
5	29, Commercial Avenue, Sabo, Yaba, Lagos State	450,000	26,168	563,445	143,287	(12,900)	1,170,000
		3,890,400	26,168	563,445	1,526,685	90,298	5,916,400
	Pension Administration Subsidiary						
6	CSP'S Land and building 14B, Keffi Street, Off Awolowo Road, Ikoyi, Lagos, Nigeria	**795,938**	**-**	**-**	**1,684,276**	**77,333**	**2,557,547**
		4,686,338	**26,168**	**563,445**	**3,210,961**	**(12,965)**	**8,473,947**

c) Analysis of revaluation of freehold property		1-Jan-24 ₦'000	Additions ₦'000	Re-classification ₦'000	Revaluation ₦'000	Depreciation ₦'000	31-Dec-24 ₦'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**

19 Statutory deposits

	Group		Company	
	31-Dec-25 ₦'000	31-Dec-24 ₦'000	31-Dec-25 ₦'000	31-Dec-24 ₦'000
Statutory deposit	26,058,065	4,037,175	-	-
	26,058,065	**4,037,175**	**-**	**-**

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. Also included in statutory deposit is the banking subsidiary's mandatory reserve deposits with Central Bank of Nigeria whcih amounts to N20.19billion which is subject to restrictions imposed by the CBN.

20 Right-of-use-assets

	Group		Company	
	31-Dec-25 ₦'000	31-Dec-24 ₦'000	31-Dec-25 ₦'000	31-Dec-24 ₦'000
Balance at 1 January	111,737	13,448	-	-
Addition for the period	-	126,020	-	-
Remeasurement	-	-	-	-
Depreciation expense on ROU asset for the period	(67,010)	(27,731)	-	-
Balance at 31 December	44,727	111,737	-	-

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 lease as at the end of the year.

21 Insurance contract liabilities issued / Reinsurance contracts held
Portfolios of insurance and reinsurance contract assets and liabilities

	2025			2024		
	Non Life Insurance Business ₦'000	Life Insurance ₦'000	Total ₦'000	Non Life Insurance Business ₦'000	Life Insurance ₦'000	Total ₦'000
Insurance contracts issued						
Insurance contract assets	-	-	-	-	158,472,391	195,359,004
Insurance contract liabilities	50,686,122	220,213,727	270,899,849	36,886,613		
Reinsurance contracts held					1,421,351	11,847,577
Reinsurance contract assets	13,505,031	1,511,036	15,016,067	10,426,226	72,594	72,594
Reinsurance contract liabilities		78,193	78,193	-		

NON LIFE BUSINESS

31 December 2025	Motor	Accident	Bond	Marine	Aviation	Fire	Engineering	Oil & Energy	Total
Insurance contract assets	-	-	-	-	-	-	-	-	-
Insurance contract liabilities	6,262,544	6,181,187	175,953	3,136,883	1,040,587	11,633,555	4,637,348	17,618,065	50,686,122
Reinsurance contract assets	212,411	1,593,142	10,317	1,504,161	588	2,958,100	1,814,200	5,412,112	13,505,031
Reinsurance contract liabilities	-	-	-	-	-	-	-	-	-
31 December 2024									
Insurance contracts assets	-	-	-	-	-	-	-	-	-
Insurance contracts 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 contracts 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 contracts Liabilities	-	-	-	-	-	-	-	-	-

LIFE BUSINESS

31 December 2025	Group Life	Annuity	Savings	Risk	Endowment	Total
Insurance contract assets	-	-	-	-	-	-
Insurance contract liabilities	9,332,950	185,094,793	8,618,835	606,799	16,560,350	220,213,727
Reinsurance contract assets	1,511,036					1,511,036
Reinsurance contract liabilities	78,193					78,193
31 December 2024						
Insurance contracts assets	-	-	-	-	-	-
Insurance contracts liabilities	6,730,982	127,045,890	10,723,798	335,164	13,636,557	158,472,391
Reinsurance contracts assets	1,421,351					1,421,351
Reinsurance contracts Liabilities	72,594					72,594

(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 2025 Insurance contracts issued	Notes	Excluding loss component ₦'000	Loss-component ₦'000	Present value of future cash flows ₦'000	Risk adjustment ₦'000	Total ₦'000
Opening insurance contract assets		-		-	-	-
Opening insurance contract liabilities		14,934,907	-	19,992,440	1,959,266	36,886,613
Net Opening balance		14,934,907	-	19,992,440	1,959,266	36,886,613
Changes in the statement of profit or loss and OCI						
Insurance revenue						
Insurance revenue		(100,893,787)	-	-	-	(100,893,787)
		(100,893,787)	-	-	-	(100,893,787)
Insurance service expenses						
Incurred claims		-	-	5,048,739	(250,842)	4,797,897
Other incurred insurance service expense		-	-	4,203,227	-	4,203,227
Acquisition expenses		11,053,552	-	-	-	11,053,552
Changes that relate to future services: Losses on onerous groups of contracts and reversals		-	2,140	-	-	2,140
Changes that relate to past services: changes to liabilities for incurred claims (including reinsurer's non-performance risk)		-	-	12,414,369	894,884	13,309,253
		11,053,552	2,140	21,666,335	644,042	33,366,069
Insurance finance expenses						
Insurance finance expenses		-	-	1,363,416	(29,846)	1,333,570
		-	-	1,363,416	(29,846)	1,333,570
Total changes in the statement of profit or loss and OCI		**(89,840,235)**	**2,140**	**23,029,751**	**614,196**	**(66,194,148)**

	Liabilities for Remaining Coverage		Liability for incurred claims		
31 December 2024 Insurance contracts issued	Excluding loss component ₦'000	Loss-component ₦'000	Present value of future cash flows ₦'000	Risk adjustment ₦'000	Total ₦'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)**

(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 2025						
Cash flows	Notes	Excluding loss component ₦'000	Loss-component ₦'000	Present value of future cash flows ₦'000	Risk adjustment ₦'000	Total ₦'000
Premiums received- premium from insurance contract (1)		83,687,125	-	-	-	83,687,125
Claims and other expenses paid		-	-	(16,762,394)	-	(16,762,394)
Acquisition cash flows paid		(12,077,184)	-	-	-	(12,077,184)
		71,609,941	-	(16,762,394)	-	54,847,547
Non- cashflow Items						
Premiums received- premium fron insurance contract (2)		25,126,162	-	-	-	25,126,162
		19,950	-	-	-	19,950
		25,146,112	-	-	-	25,146,112
Closing insurance contract assets						
Closing insurance contract liabilities		-	-	-	-	-
Net closing balance		**21,850,725**	**2,140**	**26,259,797**	**2,573,460**	**50,686,122**

		Liabilities for Remaining Coverage		Liability for incurred claims		
31 December 2024						
Cash flows	Notes	Excluding loss component ₦'000	Loss-component ₦'000	Present value of future cash flows ₦'000	Risk adjustment ₦'000	Total ₦'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 fron insurance contract (2)		14,620,616	-	-	-	14,620,617
		(46,438)	-	-	-	(46,429)
		14,574,178	-	-	-	14,574,188
Closing insurance contract assets						
Closing insurance contract liabilities		-	-	-	-	-
Net closing balance		**14,934,907**	**-**	**19,992,440**	**1,959,266**	**36,886,613**

(b)Reinsurance contracts held
(i)Reconciliation of the liability for remaining coverage and the liability for incurred claims - Premium Allocation Approach

31 December 2025	Assets for Remaining Coverage		Asset for incurred claims		
Reinsurance contracts held	Excluding loss recovery component ₦'000	Loss-recovery component ₦'000	Present value of future cash flows ₦'000	Risk adjustment ₦'000	Total ₦'000
Opening reinsurance contract assets	2,155,501	-	6,616,580	1,654,145	10,426,226
Opening reinsurance contract liabilities	-	-	-	-	-
Net Opening balance	2,155,501	-	6,616,580	1,654,145	10,426,226
Changes in the statement of profit or loss and OCI					
Insurance revenue					
Reinsurance expenses	(60,175,069)	-	-	-	(60,175,069)
	(60,175,069)	-	-	-	(60,175,069)
Net income (expenses) from reinsurance contracts held					
Reinsurance service expenses					
Incurred claims recovery	-	-	2,998,143	(369,694)	2,628,449
Acquisition income amortised	3,791,081	-	-	-	3,791,081
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)	-	-	3,054,153	925,031	3,979,184
	3,791,081	-	6,052,296	555,337	10,398,714
Reinsurance service result	(56,383,988)	-	6,052,296	555,337	(49,776,355)
Insurance finance expenses/income from reinsurance contracts held					
Reinsurance finance expenses/income	-	-	404,015	(29,808)	374,207
	-		404,015	(29,808)	374,207
Total changes in the statement of profit or loss and OCI	**(56,383,988)**	**-**	**6,456,311**	**525,529**	**(49,402,148)**

31 December 2024	Assets for Remaining Coverage		Asset for incurred claims		
Reinsurance contracts held	Excluding loss recovery component ₦'000	Loss-recovery component ₦'000	Present value of future cash flows ₦'000	Risk adjustment ₦'000	Total ₦'000
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	-	-	(32,781)	(96,265)	(129,046)
	-		(32,781)	(96,265)	(129,046)
Total changes in the statement of profit or loss and OCI	**(39,189,616)**	**-**	**4,579,008**	**515,413**	**(34,095,193)**

	Assets for Remaining Coverage		Asset for incurred claims		
31 December 2025	Excluding loss recovery component ₦'000	Loss-recovery component ₦'000	Present value of future cash flows ₦'000	Risk adjustment ₦'000	Total ₦'000
Cash flows					
Reinsurance Premiums paid on new contracts - reinsurance premium paid during the year-1	61,004,744	-	-	-	61,004,744
Recoveries from reinsurance	-	-	(4,354,185)	-	(4,354,185)
Acquisition cash flows for ceding commissions	(4,280,491)	-	-	-	(4,280,491)
	56,724,253	-	(4,354,185)	-	52,370,068
Non- cash flow Items					
Reinsurance Premiums payable - Amortisation of M&D premium paid in previous period - (2)	110,884	-	-	-	110,884
Reinsurance Premiums on new contracts (adjustment to reinsurance payables during the year- (3)	-	-	-	-	-
Commission receivable - commission on reinsurance contract	-	-	-	-	-
	110,884	-	-	-	110,884
Closing reinsurance contract assets	2,606,650	-	8,718,707	2,179,674	13,505,031
Closing reinsurance contract liabilities	-	-	-	-	-
Net closing balance	**2,606,650**	**-**	**8,718,707**	**2,179,674**	**13,505,031**

	Assets for Remaining Coverage		Asset for incurred claims		
31 December 2024	Excluding loss recovery component ₦'000	Loss-recovery component ₦'000	Present value of future cash flows ₦'000	Risk adjustment ₦'000	Total ₦'000
Cash flows					
Reinsurance Premiums paid on new contracts - reinsurance premium paid during the year-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)
	39,714,148	-	(2,393,294)	-	37,320,854
Non- cash flow Items					
Reinsurance Premiums payable - Amortisation of M&D premium paid in previous period - (2)	142,767	-	-	-	142,767
Reinsurance Premiums on new contracts (adjustment to reinsurance payables during the year- (3)	-	-	-	-	-
Commission receivable - commission on reinsurance contract	-	-	-	-	-
	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**

21 Insurance contract liabilities issued / Reinsurance contracts held

(a) Insurance contracts issued

(i) Analysis by remaining coverage and incurred claims

	General Model Measurement (GMM)				Premium Allocation Approach (PAA)				Total insurance contracts		
	Liabilities for remaining coverage				Liabilities for incurred claims						
Insurance contracts issued 31 December 2025	Excluding loss components ₦'000	Loss components ₦'000	Liabilities for incurred claims ₦'000	Total ₦'000	Liabilities for remaining coverage ₦'000	Present value of future cash flows ₦'000	Risk adjustment ₦'000	Total ₦'000	Liabilities for remaining coverage ₦'000	Liabilities for incurred claims ₦'000	Total ₦'000
Opening insurance contract assets	-	-	-	-	-	-	-	-	-	-	-
Opening insurance contract liabilities	132,923,829	14,618,910	4,198,670	151,741,409	1,497,803	4,697,647	535,532	6,730,982	149,040,542	9,431,849	158,472,391
Net Opening balance	132,923,829	14,618,910	4,198,670	151,741,409	1,497,803	4,697,647	535,532	6,730,982	149,040,542	9,431,849	158,472,391
Insurance revenue											
Insurance revenue	(29,645,733)	-	-	(29,645,733)	(10,906,828)	-	-	(10,906,828)	(40,552,561)	-	(40,552,561)
	(29,645,733)	-	-	(29,645,733)	(10,906,828)	-	-	(10,906,828)	(40,552,561)	-	(40,552,561)
Insurance service expenses											
Incurred claims and other directly attributable expenses	-	(2,045,752)	35,735,809	33,690,057	-	2,152,624	(1,537)	2,151,087	(2,045,752)	37,886,896	35,841,144
Acquisition expenses	1,824,363	-	1,752,466	3,576,829	894,984	1,168,967	-	2,063,951	2,719,347	2,921,433	5,640,780
Changes that relate to past services: changes to liabilities for incurred claims (including reinsurer's non-performance risk)	-	5,520,852	(9,899,769)	(4,378,917)	-	5,918,782	272,960	6,191,742	5,520,852	(3,708,027)	1,812,825
Changes that relate to future services: losses on onerous contracts & reversals	-	322,229	-	322,229	-	-	-	-	322,229	-	322,229
	1,824,363	3,797,329	27,588,506	33,210,198	894,984	9,240,373	271,423	10,406,780	6,516,676	37,100,302	43,616,978
Insurance service result	(27,821,370)	3,797,329	27,588,506	3,564,465	(10,011,844)	9,240,373	271,423	(500,048)	(34,035,885)	37,100,302	3,064,417
Investment components											
Investment components	(9,378,864)	-	9,378,864		-	-	-	-	9,378,864	(9,378,864)	-
	(9,378,864)	-	9,378,864	-	-	-	-	-	9,378,864	(9,378,864)	-
Insurance finance expenses											
Insurance finance expenses	27,796,293	1,863,481	-	29,659,774	-	279,910	(9,536)	270,374	29,659,774	270,374	29,930,148
	27,796,293	1,863,481	-	29,659,774	-	279,910	(9,536)	270,374	29,659,774	270,374	29,930,148
Total amounts recognised in comprehensive income	(9,403,941)	5,660,810	-	33,224,239	(10,011,844)	9,520,283	261,887	(229,674)	5,002,753	27,991,812	32,994,565

Notes To The Consolidated And Separate Financial Statements Contd

21 Insurance contract liabilities issued / Reinsurance contracts held

(a) Insurance contracts issued

(i) Analysis by remaining coverage and incurred claims

	General Model Measurement (GMM)			
	Liabilities for remaining coverage			
Insurance contracts issued 31 December 2024	Excluding loss components ₦'000	Loss components ₦'000	Liabilities for incurred claims ₦'000	Total ₦'000
Cash Flow				
Premiums received	68,179,941	-		68,179,941
Claims and other expenses paid	-	-	(35,735,808)	(35,735,808)
Acquisition cash flows paid	(4,776,056)	-	(1,752,466)	(6,528,522)
Total cash flows	63,403,885	-	(37,488,274)	25,915,611
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	186,923,773	20,279,720	3,677,766	210,881,259
Net closing balance	**186,923,773**	**20,279,720**	**3,677,766**	**210,881,259**

	Premium Allocation Approach (PAA)				Total insurance contracts		
	Liabilities for incurred claims						
	Liabilities for remaining coverage ₦'000	Present value of future cash flows ₦'000	Risk adjustment ₦'000	Total ₦'000	Liabilities for remaining coverage ₦'000	Liabilities for incurred claims ₦'000	Total ₦'000
Cash Flow							
Premiums received	10,468,833	-	-	10,468,833	78,648,292	-	78,648,292
Claims and other expenses paid	-	(7,223,034)	-	(7,223,034)	-	(44,711,308)	(44,711,308)
Acquisition cash flows paid	(702,060)	-	-	(702,060)	(5,478,116)	-	(5,478,116)
Total cash flows	9,766,773	(7,223,034)	-	2,543,739	73,170,176	(44,711,308)	28,458,868
Non-cash flow items							-
Movement in premium receivable - premium for insurance contracts	(11,056)	-	-	(11,056)	(11,056)	-	(11,056)
Previous year's deposit for premium	500,459	-	-	500,459	500,459	-	500,459
Acquisition cost payable - acquisition on insurance cost	(201,500)	-	-	(201,500)	(201,500)	-	(201,500)
	287,903	-	-	287,903	287,903	-	287,903
Closing insurance contract assets	-	-	-	-	-	-	-
Closing insurance contract liabilities	1,540,635	6,994,896	797,419	9,332,950	227,501,374	(7,287,647)	220,213,727
Net closing balance	**1,540,635**	**6,994,896**	**797,419**	**9,332,950**	**227,501,374**	**(7,287,647)**	**220,213,727**

21 Insurance contract liabilities issued / Reinsurance contracts held

(a) Insurance contracts issued

(i) Analysis by remaining coverage and incurred claims

	General Model Measurement (GMM)			
	Liabilities for remaining coverage			
Insurance contracts issued 31 December 2024	Excluding loss components ₦'000	Loss components ₦'000	Liabilities for incurred claims ₦'000	Total ₦'000
Opening insurance contract assets	-	-	-	-
Opening insurance contract liabilities	106,241,267	7,092,730	1,665,769	114,999,766
Net Opening balance	106,241,267	7,092,730	1,665,769	114,999,766
Insurance revenue				
Insurance revenue	(20,152,206)	-	-	-20,152,206
	(20,152,206)	-	-	(20,152,206)
Insurance service expenses				
Incurred claims and other directly attributable expenses	-	(1,898,665)	30,268,675	28,370,010
Acquisition expenses	972,341	-	-	972,341
Changes that relate to past services: changes to liabilities for incurred claims (including reinsurer's non-performance risk)	-	(1,306,369)	(7,692,864)	(8,999,233)
Changes that relate to future services: losses on onerous contracts & reversals	-	10,435,542	1,078,815	11,514,357
	972,341	7,230,508	23,654,626	31,857,475
Insurance service result	(19,179,865)	7,230,508	23,654,626	11,705,269
Investment components				
Investment components	(7,692,779)	(3)	7,692,772	(10)
	(7,692,779)	(3)	7,692,772	(10)
Insurance finance expenses				
Insurance finance expenses	10,733,468	295,675	(621,045)	10,408,098
	10,733,468	295,675	(621,045)	10,408,098
Total amounts recognised in comprehensive income	(16,139,176)	7,526,180	30,726,353	22,113,357

	Premium Allocation Approach (PAA)				Total insurance contracts		
	Liabilities for incurred claims						
	Liabilities for remaining coverage ₦'000	Present value of future cash flows ₦'000	Risk adjustment ₦'000	Total ₦'000	Liabilities for remaining coverage ₦'000	Liabilities for incurred claims ₦'000	Total ₦'000
Opening insurance contract assets	-	-	(1,460)	(1,460)	-	(1,460)	(1,460)
Opening insurance contract liabilities	1,318,050	3,690,195	420,006	5,428,251	114,652,047	5,775,970	120,428,017
Net Opening balance	1,318,050	3,690,195	420,006	5,428,251	114,652,047	5,775,970	120,428,017
Insurance revenue							
Insurance revenue	(9,825,523)	-	-	9,825,523	(29,977,729)	-	(29,977,729)
	(9,825,523)	-	-	(9,825,523)	(29,977,729)	-	(29,977,729)
Insurance service expenses							
Incurred claims and other directly attributable expenses	-	2,605,831	(141,026)	2,464,805	(1,898,665)	32,733,480	30,834,815
Acquisition expenses	1,215,566	-	-	1,215,566	2,187,907	-	2,187,907
Changes that relate to past services: changes to liabilities for incurred claims (including reinsurer's non-performance risk)	-	2,996,174	289,980	3,286,154	(1,306,369)	(4,406,710)	(5,713,079)
Changes that relate to future services: losses on onerous contracts & reversals	(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
Insurance service result	(8,781,043)	5,754,710	148,954	(2,877,379)	(20,730,400)	29,558,290	8,827,890
Investment components							
Investment components	-	-	-	-	(7,692,782)	7,692,772	(10)
	-	-	-	-	(7,692,782)	7,692,772	(10)
Insurance finance expenses							
Insurance finance expenses	-	(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
Total amounts recognised in comprehensive income	(8,781,043)	5,743,566	115,526	(2,921,951)	(17,394,039)	36,585,445	19,191,406

21 Insurance contract liabilities issued / Reinsurance contracts held

(a) Insurance contracts issued

(i) Analysis by remaining coverage and incurred claims

	General Model Measurement (GMM)			
	Liabilities for remaining coverage			
Insurance contracts issued 31 December 2025	Excluding loss components ₦'000	Loss components ₦'000	Liabilities for incurred claims ₦'000	Total ₦'000
Cash Flow				
Premiums received	45,854,685	-	-	45,854,685
Claims and other expenses paid	182,920	-	(28,193,452)	(28,010,532)
Acquisition cash flows paid	(3,215,867)	-	-	(3,215,867)
Total cash flows	42,821,738	-	(28,193,452)	14,628,286
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	132,923,829	14,618,910	4,198,670	151,741,409
Net closing balance	**132,923,829**	**14,618,910**	**4,198,670**	**151,741,409**

	Premium Allocation Approach (PAA)				Total insurance contracts		
	Liabilities for incurred claims						
	Liabilities for remaining coverage ₦'000	Present value of future cash flows ₦'000	Risk adjustment ₦'000	Total ₦'000	Liabilities for remaining coverage ₦'000	Liabilities for incurred claims ₦'000	Total ₦'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
							-
	(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)**
	-	-	-	-	-	-	-
	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**

(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		
31 December 2025	Assets for Remaining Coverage ₦'000	Present value of future cash flows ₦'000	Risk adjustment ₦'000	Total ₦'000
Opening reinsurance contract assets	321,598	879,801	219,952	1,421,351
Opening reinsurance contract liabilities	(72,594)	-	-	(72,594)
Opening net reinsurance contract assets/(liabiltiies)	249,004	879,801	219,952	1,348,757
Reinsurance premium expense				
Reinsurance premium expense	(3,676,822)	-	-	(3,676,822)
	(3,676,822)	-	-	(3,676,822)
Reinsurance service income				
Incurred claims recovery and other income		730,152	(172,108)	558,044
Acquisition income earned on reinsurance contracts held	-	660,885	-	-
Changes that relate to past services: changes to liabilities for incurred claims (incl. reinsurer's non-performance risk)			149,497	810,382
Changes that relate to future services: losses on onerous contracts and reversals (resulting from underlying GoC for reinsurance)	538,785	(538,785)	-	-
	538,785	852,252	(22,611)	1,368,426
Net reinsurance expense	(3,138,037)	852,252	(22,611)	(2,308,396)
Reinsurance finance income/(expense)				
Reinsurance finance income/(expense)	-	39,782	(3,845)	35,937
	-	39,782	(3,845)	35,937
Total changes in the statement of profit or loss and OCI	**(3,138,037)**	**892,034**	**(26,456)**	**(2,272,459)**

		Assets for incurred claims		
31 December 2024	Assets for Remaining Coverage ₦'000	Present value of future cash flows ₦'000	Risk adjustment ₦'000	Total ₦'000
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/(liabiltiies)	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)		143,924	289,140	433,064
Changes that relate to future services: losses on onerous contracts and reversals (resulting from underlying GoC for reinsurance)	70,942	-	-	70,942
	70,942	1,101,237	140,087	1,312,266
Net reinsurance expense	(2,316,678)	1,101,237	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)**

(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		
31 December 2025	Assets for Remaining Coverage ₦'000	Present value of future cash flows ₦'000	Risk adjustment ₦'000	Total ₦'000
Cash flows				
Premiums paid on reinsurance contracts	4,167,614	-	-	4,167,614
Recoveries from reinsurance	-	(997,863)	-	(997,863)
Ceding commission received and other income	(807,607)	-	-	(807,607)
Total cash flows	3,360,007	(997,863)	-	2,362,144
Movement in premium receivable - premium for insurance contracts				
Reinsurance premium payable - premium on reinsurance contracts	(5,599)	-	-	(5,599)
Commission receivable - commission on reinsurance contracts	-	-	-	-
	(5,599)	-	-	(5,599)
Closing net reinsurance contract assets/(liabiltiies)	537,969	773,972	193,496	1,505,437
Closing reinsurance contract assets	543,568	773,972	193,496	1,511,036
Closing reinsurance contract liabilities	(78,193)	-	-	(78,193)
Closing net reinsurance contract assets/(liabiltiies)	**465,375**	**773,972**	**193,496**	**1,432,843**

		Assets for incurred claims		
31 December 2024	Assets for Remaining Coverage ₦'000	Present value of future cash flows ₦'000	Risk adjustment ₦'000	Total ₦'000
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/(liabiltiies)	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/(liabiltiies)	**249,004**	**879,801**	**219,952**	**1,348,757**

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.

22 Investment contract liabilities

	Group		Company	
	31-Dec-245 ₦'000	31-Dec-24 ₦'000	31-Dec-25 ₦'000	31-Dec-24 ₦'000
Welfare- Mobil Scheme	317,727	317,727	-	-
Welfare	3,010,209	3,240,223	-	-
	3,327,936	**3,557,950**	**-**	**-**
Movement in investment contract liabilities				
At 1 January	3,557,950	3,861,091	-	-
Deposit	288,783	667,404	-	-
Withdrawal	(779,245)	(1,244,216)	-	-
Guaranteed interest	260,448	273,671	-	-
Balance at 31 December	**3,327,936**	**3,557,950**	-	-

23 Interest bearing loans and borrowings

	Group		Company	
	31-Dec-25 ₦'000	31-Dec-24 ₦'000	31-Dec-25 ₦'000	31-Dec-24 ₦'000
Shareholders' loan to UPDC	952,451	1,430,199	-	-
Bank loan to CSP	-	1,949,805	-	-
Corporate bonds issued- Quest Merchant Bank	8,022,353			
	8,974,804	3,380,004	-	-
Current				
Shareholders' loan to UPDC	32,373	50,074	-	-
Bank loan to CSP	-	1,949,805		
Corporate bonds issued- Quest Merchant Bank	22,353	-		
	54,726	1,999,879	-	-
Non current				
Shareholders' loan to UPDC	920,078	1,380,125	-	-
Corporate bonds issued- Quest Merchant Bank	8,000,000	-	-	-
	8,920,078	1,380,125	-	-
Total borrowings	8,974,804	3,380,004	-	-
Movement in total borrowings during the year				
As at 1 January	3,380,004	2,146,881	-	-
Proceeds from borrowing	-	1,949,805	-	-
Interest accrued	393,055	238,296	-	-
Arising from FBN Quest acquisition	8,229,937	-	-	-
Repayment of borrowings	(2,285,401)	(724,061)	-	-
Interest paid	(742,791)	(230,917)	-	-
As at 31 December	8,974,804	3,380,004	-	-

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 18%.

This represents series 2 fixed rate unsecured bonds of N8 billion with tenor 10 years and with interest rate of 6.25%. The series 2 bond will mature on 16 December 2030. Subject to any purchase and cancellation of early redemption, the bond shall be redeemed on redemption date at 100% of its nominal amount. The bonds were raised through FBNQ MB Funding SPV Plc, which was established for the sole purpose of issuing bonds or debt instruments to fund the Bank's working capital, enhance liquidity and capital base. The SPV is 100% owned by the Bank and has been consolidated in these financial statements.

Series number	Amount	Tenor (years)	Interest rate	Maturity date
Series 2	8,000,000	10	6.25	December 16, 2030

24 Trade payables

	Group		Company	
	31-Dec-25 ₦'000	31-Dec-24 ₦'000	31-Dec-25 ₦'000	31-Dec-234 ₦'000
Due to reinsurance and Co-insurance Companies	-	306,440.00	-	-
Due to Brokers and Agents	-	257,792	-	-
Premium received in advance	16,942,058	25,626,627	-	-
Trade liabilities on Letter of credits (See note ii)	57,184,204	-	-	-
Other trade payables (See note iii)	3,189,495	2,647,756	-	-
	77,315,757	28,838,615		

i. 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.

ii Trade liabilities on Letter of credits represents the Naira value of foreign currency-denominated liabilities due to correspondent Banks and customers on letter of credit

iii 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.

25 Due to Banks and other financial institutions

	Group		Company	
In thousands of naira	31-Dec-25 ₦'000	31-Dec-24 ₦'000	31-Dec-25 ₦'000	31-Dec-24 ₦'000
Tenored interbank takings- banks	42,611,205			
Tenored takings - other financial institutions	134,037,101	-	-	-
	176,648,306	-	-	-

The tenored interbank takings comprise short-term USD takings with tenor of 90 days at 1%.

26 Due to Customers

	Group		Company	
In thousands of naira	31-Dec-25 ₦'000	31-Dec-24 ₦'000	31-Dec-25 ₦'000	31-Dec-24 ₦'000
Call deposits	4,605,704	-	-	-
Tenored deposits	237,583,009	-	-	-
	242,188,713	-	-	-

Due to customers include only financial instruments classified as liabilities payable on demand or within one year and reported at amortised cost

27 Other payables

	Group		Company	
	31-Dec-25 ₦'000	31-Dec-24 ₦'000	31-Dec-25 ₦'000	31-Dec-24 ₦'000
Staff pension	1,421	1,421	1,421	1,421
Statutory payables	2,911,437	3,420,409	4,347	25,702
Information Technology Development Levy	422,685	598,395	310,647	142,924
Unclaimed Dividend	758,527	1,125,069	538,075	894,329
Unearned income (see note 27(I) below)	646,942	375,768	23,896	5,980
	4,741,012	5,521,062	878,386	1,070,356
Accruals (see note 23(ii) below)	25,584,553	17,125,689	1,172,724	1,002,592
Due to related party	-	-	1,000	201,000
Customer deposit liabilities (see note 27(v) below)	3,975,707	2,531,920	-	-
Payable to Pension Fund Administrators (PFAs)	636,696			
fees payable	2,006,367			
Trade & Commission payable (see note 25(iii) below)	-	451,931	-	-
Deposit for shares/asset replacement	692,845	115,795	-	-
Tenants' Security Deposit	1,500	-	1,500	-
Sundry creditors (see note 27(iv) below)	1,840,084	1,397,075	65,155	79,902
	34,737,752	21,622,410	1,240,379	1,283,494
	39,478,764	27,143,472	2,118,765	2,353,850

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 Accruals relate to amounts provided for audit / consulting fees and subscription/dues to various regulatory and professional bodies.

iii 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. This was fully paid down as at year end.

iv Sundry creditors relate to amount due to suppliers and service providers for services rendered

v Customer deposit liabilities represents advances received from customers in respect of sale of property stocks and facility management fees. This is a non-interest bearing liability.

28 Taxation

	Group		Company	
Per profit or loss account: In thousands of naira	31-Dec-25 ₦'000	31-Dec-24 ₦'000	31-Dec-25 ₦'000	31-Dec-24
Income tax based on profit for the profit	9,814,931	3,179,050	98,897	73,127
Education tax for the period	997,620	279,155	13,684	-
Capital gains tax	1,315,010	621,558	1,315,010	621,558
Dividend tax	-	-	-	603,333
Underprovision in prior year	196,322	377,576	-	-
	12,323,883	4,457,339	1,427,591	1,298,018
Deferred taxation	(2,602,445)	2,671,884	(326,658)	1,215,902
Tax charge to profit and loss	9,721,438	7,129,223	1,100,933	2,513,920

28 Taxation

	Group		Company	
Current income tax **Per Balance Sheet:** In thousands of naira	31-Dec-25 ₦'000	31-Dec-24 ₦'000	31-Dec-25 ₦'000	31-Dec-24 ₦'000
At 1 January	4,310,487	1,876,005	2,070,231	1,217,134
Capital gain tax	1,315,010	-	1,315,010	603,333
Current Income tax expense	10,812,551	4,079,763	112,581	694,685
Withholding tax credit offset	(226,440)	(539,538)	(73,128)	(312,362)
Underprovision in prior year	196,322	377,576	-	-
Arising from FBN Quest acquisition	3,538,542	-	-	-
Write back of prior period over provision	-	-	-	-
Payments during the period	(3,764,817)	(1,483,319)	(621,995)	(132,559)
At the end of the period	16,181,655	4,310,487	2,802,699	2,070,231

28 Taxation

	Group		Company	
Reconciliation of income tax expenses Reconciliation of tax expense and the accounting profit for 2025 and 2024 is as follows: In thousands of naira	31-Dec-25 ₦'000	31-Dec-24 ₦'000	31-Dec-25 ₦'000	31-Dec-24 ₦'000
Profit before taxation	77,351,876	60,672,568	34,266,942	19,042,420
Income tax expense calculated at 30%				
Effect of income exempted from taxation*	23,205,563	18,201,770	10,280,083	5,712,726
Effect of non-deductible expenses for tax purposes	(20,353,634)	(45,193,608)	(11,454,965)	(20,394,599)
Dividend tax	8,245,144	34,386,942	2,272,387	218,758
Efect of minimum tax	-	-	-	603,333
Effect of education tax	2,494,058	(924,780)	(2,198,437)	16,372,749
Recognition of previously unrecognised tax losses	997,620	279,155	-	-
Current tax losses for which no deffered tax is recognised	(6,324,953)	-	-	-
Effect of NPTF Levy	1,456,345	-	-	-
Dividend tax	1,295	2,168	-	953
	-	377,576	-	-
	9,721,438	7,129,223	(1,100,933)	2,513,920
Effective tax rate	13%	12%	-3%	13%

29 Deferred tax liabilities

In thousands of naira	Group 31-Dec-25 ₦'000	Group 31-Dec-24 ₦'000	Company 31-Dec-25 ₦'000	Company 31-Dec-24
Capital gains to be reinvested	116,291	116,291	-	-
Unutilized tax credit	(3,857,888)	(1,151,609)	-	-
Fair value gains on investment properties	6,278,035	2,716,326	1,851,792	943,778
Arising from acquisition of FBN Quest	757,800	-	-	-
Accelerated depreciation for tax purposes	(62,426)	1,013,769	(507,193)	52,607
Unrealised foreign exchange gains	1,407,511	7,198,404	437,504	1,078,325
Revaluation Surplus	(58,625)	(68,961)	-	-
Impairment of Financial Assets	(1,184,746)	(911,639)	(22,354)	(38,549)
	3,395,952	8,912,581	1,759,750	2,036,161
Deferred tax related to items recognised in OCI				
Net (gain)/Loss on equity instruments designated at fair value through OCI	2,712,102	1,192,516	-	50,247
Net deferred tax liabilities	**6,108,054**	**10,105,097**	**1,759,750**	**2,086,408**

29 Deferred tax liabilities

At 31 December 2025 Group Deferred tax liabilities	As at 1 January 2025	Recognised in P&L	Recognised in OCI	At 31 December 2025
Accelerated depreciation for tax purposes	1,013,769	(1,076,195)	-	(62,426)
Capital gains	116,291	(116,291)	-	-
Unrealised foreign exchange gains	7,198,404	(5,790,893)		1,407,511
Arising from acquisition of FBN Quest	-	757,800	-	757,800
Fair value gains on investment properties	2,716,326	3,561,709	-	6,278,035
Net (gain)/Loss on equity instruments designated at fair value through OCI	1,192,516	-	1,519,586	2,712,102
	12,237,306	**(2,663,870)**	**1,519,586**	**11,093,022**
Deferred tax assets				
Revaluation Surplus	(68,961)	10,336	-	(58,625)
Impairment of Financial Assets	(911,639)	(273,107)	-	(1,184,746)
Capital gains to be reinvested	-	116,291	-	116,291
Unutilized tax credit	(1,151,609)	(2,706,279)	-	(3,857,888)
	(2,132,209)	**(2,852,759)**	**-**	**(4,984,968)**
	10,105,097	**(5,516,629)**	**1,519,586**	**6,108,054**

29 Deferred tax liabilities

Company Deferred tax liabilities	As at 1 January 2025	Recognised in P&L	Recognised in OCI	At 31 December 2025
Accelerated depreciation for tax purposes	52,607	(559,800)	-	(507,193)
Capital gains	-	-	-	-
Unrealised foreign exchange gains	1,078,325	(640,821)	-	437,504
Arising from acquisition of FBN Quest	-		-	-
Fair value gains on investment properties	943,778	908,014	-	1,851,792
Net (gain)/Loss on equity instruments designated at fair value through OCI	50,247	-	(50,247)	-
	2,124,957	**(292,606)**	**(50,247)**	**1,782,104**
Deferred tax assets				
Revaluation Surplus	-	-	-	-
Impairment of Financial Assets	(38,549)	16,195	-	(22,354)
Capital gains to be reinvested	-	-	-	-
Unutilized tax credit	-	-	-	-
	(38,549)	**16,195**	**-**	**(22,354)**
	2,086,408	**(276,411)**	**(50,247)**	**1,759,750**

The Group had N25.66 billion unrecognized deferred tax asset as at 31 December 2025 (2024: N45.72 billion) primarily attributable to unrelieved taxes losses (2024: unrelieved tax losses and untilized capital allowances). This has not been recognized because of the unavailability of sufficient future taxable profits.

	Group		Company	
30 Issued share capital and reserves	31-Dec-24 ₦'000	31-Dec-23 ₦'000	31-Dec-24 ₦'000	31-Dec-23 ₦'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:				
In thousands of naira				
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

31 Share premium

At 1 January	6,412,357	6,412,357	-	6,412,357
At 31 December	6,412,357	6,412,357	-	6,412,357

32 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 I17 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.

Other reserves

Statutory reserve: Nigerian Banking regulations require the Bank to make an annual appropriation to a statutory reserve. As stipulated by S.16(1) of the Banks and Other Financial Institution Act of Nigeria, an appropriation of 30% of profit after tax is made if the statutory reserve is less than paid-up share capital and 15% of profit after tax if the statutory reserve is greater than the paid up share capital. Since the statutory reserve for the banking subsidiary(Quest Merchant bank Limited) exceeds the paid up share capital, a 15% appropriation has been made (2024: 15%).

The banking subsidiary also maintains a non-distributable regulatory reserve for the excess between the impairment reserve on loans and advances determined using the Prudential Guidelines issued by the Central Bank of Nigeria over the impairment reserves calculated under IFRS Accounting Standards

Non Controlling Interest

Custodian Investment Plc has a controlling interest of 76.55% (2024: 76.55%) in CrusaderSterling Pensions Limited (CSP) and 85% in Quest Merchant Bank which gives rise to a non-controlling interest of 23.45% and 15% in the respective entities. 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 , UPDC Plc and Quest Merchant Bank.

	Group		Company	
Regulatory risk reserve In thousands of naira	31-Dec-25 ₦'000	31-Dec-24 ₦'000	31-Dec-25 ₦'000	31-Dec-24 ₦'000
Arising from acquisition of FBN Quest	2,146,854	-	-	-
during the year (see statement of prudential adjustments)	1,891,754	-	-	-
At 31 December	4,038,608	-	-	-
	14,039,758			
Statutory reserve				
Arising from acquisition of FBN Quest	11,345,455	-	-	-
Transfer during the year	1,757,904	-	-	-
At 31 December	13,103,359	-	-	-
At 31 December	17,141,967	-	-	-
– Owners of the parent	3,102,210	-	-	-
– Non-controlling interests	547,450	-	-	-
	3,649,660	-	-	-

* 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.

Prudential guidelines provision:	Amount ('000)
As at acquisition date	
- Loans and advances (specific and general provisions)	4,792,678
- Other known losses (OKL)	2,744,185
	7,536,863
Charge/(write-back) for the period:	
- Loans and advances (specific and general provisions)	903,791
- Other known losses (OKL)	4,081,314
	4,985,105
As at 31 December	
- Loans and advances (specific and general provisions)	5,696,469
- Other known losses (OKL)	6,825,499
	12,521,968
IFRS impairment allowance:	
- Allowance for impairment (loans and contingents)	5,155,523
- Other impairment (Other assets and subsidiaries)	3,327,837
	8,483,360
Required regulatory risk reserve at end of the year	
As at acquisition date	2,146,854
Addition/(Reversal) to regulatory risk reserve	1,891,754
Balance at end of the year	**4,038,608**

Regulatory risk reserves*: Provisioning is made in accordance with the Prudential Guidelines for Deposit Money Banks in Nigeria issued by the Central Bank of Nigeria for each account that is deemed not performing (specific) in accordance with the following terms; (1) 90 days but less than 180 days (10%); (2) 180 days but less than 360 days (50%) and over 360 days (100%). In addition, a minimum of 2% general provision is made on all risk assets which are deemed performing and have not been specifically provided for. The excess of the impairment under the Prudential Guidelines over the impairment under IFRS has been designated to a non-distributable reserve in line with the regulatory requirements of the Central Bank of Nigeria.

		Group		Company	
33	**Interest income**	**31-Dec-25 ₦'000**	**31-Dec-24 ₦'000**	**31-Dec-25 ₦'000**	**31-Dec-24 ₦'000**
	In thousands of naira				
	Interest income on investments measured at ammortised cost	42,789,577	29,325,451	68,434	55,855
	Interest income on loans and advances	2,207,599			
	Interest income on call and deposit accounts	8,537,865	5,100,539	425,385	458,737
		53,535,041	34,425,990	493,819	514,592
34	**Operating and Investment Income**				
	Dividend income	4,462,110	2,499,138	19,189,065	7,378,537
	Profit on investment contracts	103,500	96,408	-	-
	Fees and Commission income	10,603,641	6,584,179	-	-
	Sales	12,914,192	11,629,489	-	-
	Other Operating Income	1,670,016	548,680	290,336	71,473
		29,753,459	21,357,894	19,479,401	7,450,010

Sales relates to Sale of Property Stock, Project/ Asset Management Fee, UPDC Hotel Ltd. Revenue, Deep Horizon Inv. Ltd Sale of Property Stock and UPDC Facility Mgt Ltd. Management Surcharge Income which were all earned within Nigeria.

		Group		Company	
i	**Other operating income**	**31-Dec-25 ₦'000**	**31-Dec-24 ₦'000**	**31-Dec-25 ₦'000**	**31-Dec-24 ₦'000**
	Rental income	171,900	163,378	23,080	13,680
	Sundry income	1,498,116	385,302	267,256	57,793
		1,670,016	548,680	290,336	71,473

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.

35 Net fair value gains

In thousands of naira	Group		Company	
	31-Dec-25 ₦'000	31-Dec-24 ₦'000	31-Dec-25 ₦'000	31-Dec-24 ₦'000
Changes in fair value of financial assets	17,781,427	10,768,156	180,537	5,233,253
Fair value gains on investment property	23,829,715	4,915,499	9,080,139	2,587,999
	41,611,142	15,683,655	9,260,676	7,821,252

36 Net Realized Gains

Profit/(loss)on disposal of property and equipment	1,495	(17,572)	400	(21,458)
Net realised (loss)/gain on foreign exchange	(415,043)	195,790	-	-
Gain on disposal of Investment property	-	-	9,733,076	-
Realised (loss)/gain on financial assets	(728,239)	6,604,372	(1,052,133)	6,215,582
	(1,141,787)	6,782,590	8,681,343	6,194,124

37 Insurance service revenue

Non life insurance service revenue	100,893,786	66,250,057	-	-
Life insurance service revenue	40,552,561	29,977,729	-	-
	141,446,347	96,227,786	-	-

38 Interest expense

In thousands of naira	Group		Company	
	31-Dec-25 ₦'000	31-Dec-24 ₦'000	31-Dec-25 ₦'000	31-Dec-24 ₦'000
Deposits from customers	2,802,032			
Borrowings	393,055			
Due to Banks	1,207,355	-	-	-
Due to other financial institutions	268,528	-	-	-
	4,670,970	-	-	-

39 Direct operating expenses

Cost of sales	9,286,078	7,984,989	-	-

40 Insurance Service expenses

Non life insurance business	33,366,069	29,585,585	-	-
Life insurance business	43,616,978	38,805,619	-	-
	76,983,047	68,391,204	-	-

41 Net expense from reinsurance contracts held

Non life insurance business	49,776,353	33,966,149	-	-
Life insurance business	2,308,396	1,075,354	-	-
	52,084,749	35,041,503	-	-

42 Net insurance finance income/(expense)

In thousands of naira	Group		Company	
	31-Dec-25 ₦'000	31-Dec-24 ₦'000	31-Dec-25 ₦'000	31-Dec-24 ₦'000
- Finance (expenses)/income from insurance contracts issued	1,333,577	(1,376,788)	-	-
Non life insurance business	29,930,148	10,363,526	-	-
Life insurance business	31,263,725	8,986,738	-	-
- Finance (expense)/income on reinsurance contracts held				
Non life insurance business	(374,211)	129,048	-	-
Life insurance business	(35,937)	(15,771)	-	-
	(410,148)	113,277	-	-
	30,853,577	9,100,015	-	-

43 Impairment allowance

Charge on cash and cash equivalents (ECL)	748,522	31,914	25,858	23,474
(Write back)/charge on financial assets at amortised costs (ECL)	(406,183)	832,649	10,396	(922)
Impairment writeback on loans and advances	(37,666)	-	-	-
Impairment charge on trade receivables	289,237	-	-	-
Impairment charge on debt securities at FVOCI	232,204	-	-	-
Charge/writeback on other receivables	91,588	(222,314)	-	-
	917,702	642,249	36,254	22,552

44 Finance costs

In thousands of naira	Group		Company	
	31-Dec-25 ₦'000	31-Dec-24 ₦'000	31-Dec-25 ₦'000	31-Dec-24 ₦'000
Finance cost	393,055	238,296	-	-
	393,055	238,296	-	-

45 Unrealised foreign exchange gain

Net unrealised Foreign exchange gain on cash and cash equivalents	(1,389,577)	1,425,536	(102)	2,601
Net unrealised Foreign exchange gain/(loss) on financial assets	(2,170,794)	30,057,861	-	-
Unrealised foreign exchange on gain or /(loss) on other receivables and payables	779,337	(8,235,151)	-	-
	(2,781,034)	23,248,246	(102)	2,601

46 Management expenses

Staff cost (see note 46(I) below)	8,596,787	5,994,975	2,115,879	1,871,555
Auditors' remuneration*	167,212	181,367	32,250	18,275
Amortisation of intangible assets	87,439	101,292	-	8,378
Depreciation of property, plant and equipment	1,024,188	594,858	153,876	119,569
Depreciation of right of use asset	30,260	6,193	-	-
Occupancy expenses	219,343	243,127	45,528	43,640
Directors fees and expenses	543,503	412,548	170,129	140,466
Printing, stationery & office supplies	54,837	62,729	26,997	30,090
Marketing and administration expenses	6,543,060	6,445,567	225,241	252,818
AGM, dividend processing & related costs	25,597	29,624	25,597	23,740
Penalties	21,643	-	10,000	-
Pension protection fund charge	262,820	191,055	-	-
Fees, levy & assessment	3,516,163	2,169,145	804,677	408,671
Bank charges	18,467	16,705	1,767	405
	21,111,319	**16,449,185**	**3,611,941**	**2,917,607**

* Auditor's remuneration represents fees for the interim and full year audit of the company and the group for the year ended 31 December 2025.

46 (I) Staff cost

In thousands of naira	Group		Company	
	31-Dec-25 ₦'000	31-Dec-24 ₦'000	31-Dec-25 ₦'000	31-Dec-24 ₦'000
Salaries	5,828,627	4,109,007	1.014,886	935,936
Defined contribution pension cost	261,420	219,744	152,660	12,802
Other staff allowance	2,506,740	1,666,224	1,083,343	922,817
	8,596,787	5,994,975	2,115,879	1,871,555

47 Net gain/(loss) on assets (FVTOCI)

Financial assets - FVTOCI				
Net gain/(loss) on equity instrument at FVOCI	3,339,800	4,821,072	1,178,827	452,226
Net loss on debt instruments at fair value through other comprehensive income	5,912,503	(456,018)	-	-
Transfer of fair value reserve of equity instruments designated at FVOCI	-	(71,727)	-	-
	9,252,303	4,293,327	1,178,827	452,226

48 Revaluation surplus on freehold property

Arising during the year	3,210,961	368,563	-	-
Income tax effect	(963,288)	(110,569)	-	-
	2,247,673	257,994	-	-

49 Earnings per share

In thousands of naira	Group		Company	
	31-Dec-25 ₦'000	31-Dec-24 ₦'000	31-Dec-25 ₦'000	31-Dec-24 ₦'000
Profit for the period from continuing activities	67,630,438	55,272,930	34,344,836	16,528,500
Less: Non-controlling interests	1,791,302	1,275,725	-	-
Net profit from continuing activities attributable to ordinary shareholder	65,839,136	53,997,205	34,344,836	16,528,500
Profit for the period from continuing and discontinued activities	67,630,438	55,272,930	34,344,836	16,528,500
Less: Non-controlling interests	1,791,302	1,275,725	-	-
Net profit from continuing and discontinued activities attributable to ordinary shareholder	65,839,136	53,997,205	34,344,836	16,528,500
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)	**1,119**	**918**	**584**	**281**
Basic/diluted earnings per ordinary share from continuing and discontinued activities (kobo)	**1,119**	**918**	**584**	**281**

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.

50 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:

In thousands of naira	Group		Company	
	31-Dec-25 ₦'000	31-Dec-24 ₦'000	31-Dec-25 ₦'000	31-Dec-24 ₦'000
Fees	562,569	198,584	95,000	83,617
Executive compensation	12,639,843	1,490,960	1,989,968	887,328
Other emoluments	292,170	260,483	55,250	30,450
Total	13,494,582	1,950,027	2,140,218	1,001,395
Fees and other emoluments (excluding pension contributions) disclosed above include amounts paid to:				
Chairman	26,000	20,500	26,000	20,500
Highest paid Director	26,000	19,750	26,000	20,500

51 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:

In thousands of naira				Group		Company	
				31-Dec-25 ₦'000	31-Dec-24 ₦'000	31-Dec-25 ₦'000	31-Dec-24 ₦'000
₦		₦					
60,000	-	999,999		106	87	-	-
1,000,000	-	1,999,999		66	65	1	1
2,000,000	-	2,999,999		112	59	2	2
3,000,000	-	3,999,999		28	159	-	-
4,000,000	-	4,999,999		149	156	-	-
5,000,000	-	5,999,999		63	42	2	2
6,000,000	-	and above		392	148	6	6
				916	716	11	11

ii Average number of persons employed during the year were:

Executive directors	7	8	0	0
Management staff	55	36	0	0
Non-management staff	854	672	2	2
	916	716	2	2

ii Staff cost excluding the Directors relating to the above

	Group		Company	
In thousands of naira	31-Dec-25 ₦'000	31-Dec-24 ₦'000	31-Dec-25 ₦'000	31-Dec-24 ₦'000
Salaries and wages	5,335,367	4,036,538	731,569	551,345
Pension costs	262,420	197,438	25,678	23,450
	5,596,787	4,233,976	757,247	574,795

52 Fines and penalties

Charged during the year	419,130	19,173	10,000	-
	419,130	19,173	10,000	-

The Company paid a fine of N10m during the year for late filing of ICFR Management Asssement report (2024: Nil) while other members of group were fined for various infractions. See Note 63 for further details of fines and penalties.

53 Contingent liabilities

As at 31 December 2025, the Group in its ordinary course of business is presently involved in 32 cases(2024:14 cases) as a defendant and 1 cases(2024: 2 cases) as a plaintiff. The total amount claimed in the cases against the Group is estimated at N7.98billion (2024:N2.06 billion), while the total amount claimed in the 2 cases instituted by the Group is N20,000 (2024: N50,000). 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.

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 2025 (2024: 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.

54 Events after reporting date

Subsequent to the reporting date of 31 December 2025, the banking subsidiary, Quest Merchant Bank, made further progress in its recapitalization efforts to meet the 31 March 2026 regulatory deadline. The capital-raising exercise has now been completed. However, as at the date the financial statements were approved, the Bank's regulator had not yet finalized the verification of all amounts raised. Upon completion of this verification process, the Company's shareholding in the bank will be diluted in line with the regulatory threshold set by the CBN for any Partner within the Everquest Consortium, as the shareholder base will expand with the infusion of new capital from incoming investors.

55 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 2025 are shown in Note 13.
The following balances were outstanding at the end of the reporting year:

Receivables from related parties:

	Group		Company	
In thousands of naira	31-Dec-25 ₦'000	31-Dec-24 ₦'000	31-Dec-25 ₦'000	31-Dec-24 ₦'000
Key Management Personnel (Loan)	552,542	-	-	-
	552,542	-	-	-

56 Trading transactions

During the year, group entities entered into the following transactions with related parties

In thousands of naira	Nature of transaction	31-Dec-25 ₦'000	31-Dec-24 ₦'000
Custodian Trustees Limited	Company secretarial service	15,000	15,000
UPDC Plc	Shareholder loan	1,095,092	1,642,638
UPDC Plc	Executive Reimbursement	101,432	65,159
Interstate Securities Limited	Stock brokerage	-	-

The Group related parties exchanged transactions with the total amount of N1.21billion (2024: N1.72billion) 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:

	Amount owed by related parties		Amount owed to related parties	
	31-Dec-25 ₦'000	31-Dec-24 ₦'000	31-Dec-25 ₦'000	31-Dec-24 ₦'000
Custodian and Allied Insurance Limited	-	-	-	-
Custodian Life Assurance Limited	-	-	-	-
Custodian Trustees Limited	-	1,695,604	-	1,695,604
Crusader Sterling Pensions Limited	-	5,429	-	5,429
UPDC Plc	1,130,573	1,642,638	1,130,573	1,642,638
Interstate Security Limited	4,125	4,125	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 (2024: Nil).

57 Distribution made and proposed

In thousands of naira	31-Dec-25 ₦'000	31-Dec-24 ₦'000
Final dividend 2024: 110kobo (2023: 65kobo)	6,470,051	3,823,212
Interim dividend 2025: 25kobo (2024: 15kobo)	1,470,466	882,280
	7,940,517	4,705,492

On 2 May 2025 and 9 September 2025, the Company paid final and Interim dividend comprising of 110kobo and 25kobo per ordinary share based on the 2024 audited financial results and 2025 half year results, respectively. Payment of the total N7,940,516,663 has since been made.

The Directors proposed a final dividend of N2.50K per ordinary share of 50kobo each for the financial year 2025 making a total dividend of N2.75 per share having paid an interim dividend of 25kobo per share previously.

58 Approval of Financial Statements

The consolidated and separate financial statements were approved by the Board of Directors and authorized for issue on 27 March 2026.

59 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.

60 **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:

- Non-life business
- Life business
- Pension administration
- Property development and management
- Merchant banking
- 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.

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.

Merchant banking
The banking segment engages in the provision of finance and credit facilities to non-retail customers, the provision of treasury management services, trading in and holding of Federal Government of Nigeria (FGN) bonds and other money market activities, dealing in and provision of foreign exchange services, financial consultancy and advisory services, acting as issuing house or otherwise managing, arranging or coordinating the issuance of securities.

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.

60.1 Consolidated statements of profit or loss and other comprehensive income by segment

	Non Life 2025 ₦'000	Life 2025 ₦'000	Pension Administration 2025 ₦'000	Property Development 2025 ₦'000	Holding Company & Trustees 2025 ₦'000
Insurance contract revenue	100,893,786	40,552,561	-	-	-
Insurance service expenses	(33,366,069)	(43,616,978)	-	-	-
Net expense from reinsurance contracts held	(49,776,353)	(2,308,396)	-	-	-
Insurance service result	17,751,364	(5,372,813)	-	-	-
Finance (expense)/income from insurance contract issued	(1,333,577)	(29,930,148)	-	-	-
Finance (expense)/income income from reinsurance contract held	374,211	35,937	-	-	-
Net Insurance Finance Result	(959,366)	(29,894,211)	-	-	
Interest expense					-
Sale	-	-		12,914,192	
Fees and commission income	-	-	8,895,880	-	100,730
Cost of sales	-	-	-	(9,286,078)	-
Net income	16,791,998	(35,267,024)	8,895,880	3,628,114	100,730
Interest income	11,881,691	28,279,557	1,877,059	2,328,997	588,418
Other investment and operating income	875,854	1,927,929	6,421	1,296,082	19,479,472
Profit on investment contracts	-	103,500	-	-	-
Net realised gains/(losses)	132,266	191,168	106	-	8,681,543
Net fair value gains/(losses)	1,702,042	18,147,603	(679)	(11,656)	9,259,722
Impairment (allowance)/write back	(343,372)	(102,830)	(31,540)	(241,513)	(35,958)
Bargain purchase on subsidiary acquisition	-	-	-	-	-
Finance cost	-	-	(165,335)	(461,659)	-
Management expenses	(4,873,274)	(2,644,655)	(5,536,219)	(3,279,112)	(3,788,782)
Share of loss from investment in joint venture	-	-	-	(25,446)	-
Share of result of equity accounted investee	-	-	-	-	-
Profit before income tax expense	**26,167,205**	**10,635,248**	**5,045,693**	**3,233,806**	**34,285,145**
Income tax expenses	(5,490,928)	741,211	(1,719,365)	(1,270,514)	(1,122,798)
Profit for the period	**20,676,277**	**11,376,459**	**3,326,328**	**1,963,292**	**33,162,347**
SEGMENT ASSETS	**152,711,923**	**269,195,615**	**16,369,755**	**29,978,923**	**81,027,763**
SEGMENT LIABILITIES	**85,938,311**	**230,270,625**	**3,770,988**	**18,462,191**	**7,217,194**
DEPRECIATION	138,829	172,075	232,182	212,750	154,722
AMORTISATION	17,024	14,470	35,237	16,667	-

Consolidated statements of profit or loss and other comprehensive income

Consolidated statements of profit or loss and other comprehensive income

Total Merchant Banking ₦'000	Total 2025 ₦'000	Elimination & Others 2025 ₦'000	Consolidated 2025 ₦'000
	141,446,347	-	141,446,347
	(76,983,047)	-	(76,983,047)
	(52,084,749)	-	(52,084,749)
-	12,378,551	-	12,378,551
	(31,263,725)	-	(31,263,725)
	410,148	-	410,148
	(30,853,577)	-	(30,853,577)
(4,670,970)	(4,670,970)	-	(4,670,970)
	12,914,192	-	12,914,192
1,635,031	10,631,641	(28,000)	10,603,641
	(9,286,078)	-	(9,286,078)
(3,035,939)	(8,886,242)	(28,000)	(8,914,242)
7,825,386	52,781,108	-	52,781,108
26,428	23,612,186	(16,726,127)	6,886,059
-	103,500	-	103,500
-	9,005,083	(9,733,076)	(727,993)
(413,794)	28,683,238	9,733,076	38,416,314
(238,424)	(993,637)	75,935	(917,702)
-	-	9,341,898	9,341,898
-	(626,994)	233,939	(393,055)
(1,063,151)	(21,185,193)	73,874	(21,111,319)
-	(25,446)	-	(25,446)
-	-	1,912,753	1,912,753
3,100,505	**82,467,603**	**(5,115,727)**	**77,351,876**
(859,044)	(9,721,439)	-	(9,721,438)
2,241,461	**72,746,166**	**(5,115,727)**	**67,630,438**
	549,283,979	**509,537,254**	**1,058,821,233**
	345,659,309	**494,615,764**	**840,275,073**
	910,558	-	910,558
	83,398	-	83,398

	Non Life 2024 ₦'000	Life 2024 ₦'000	Pension Adminis-tration 2024 ₦'000	Property Develop-ment 2024 ₦'000	Holding Company & Trustees 2024 ₦'000	Total 2024 ₦'000	Elimination & Others 2024 ₦'000	Consolidated 2024 ₦'000
Gross premium written	-	-	-	-	-	-	-	-
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 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)
Sale	-	-		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 from 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/(loss) 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	(7,129,224)
Profit/(loss) after tax and discontinued operations	**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

61 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.

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.

61.1 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.

61.2 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 material impact to the financial performance, brand or reputation of the Group.

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.

61.2.1 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;
- 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.

61.3 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.

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 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.

61.3.1 **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.

61.3.1.1 **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.

61.3.1.2 **Board Audit and Risk Committee**

The Board Committees:

61.3.1.3 **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.

61.3.1.4 **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.

61.4 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.

In thousands of naira	Group		Company	
	31-Dec-25 ₦'000	31-Dec-24 ₦'000	31-Dec-25 ₦'000	31-Dec-24 ₦'000
Trade and other payables	(110,882,595)	(55,982,087)	(2,118,765)	(2,353,850)
Less Cash and cash equivalents and short term financial assets	232,713,535	72,180,748	2,634,991	3,712,475
Cash (deficit)/surplus	121,830,940	16,198,661	516,226	1,358,625
Equity	**198,790,328**	**130,377,783**	**73,372,308**	**46,967,989**
Debt	**(8,974,804)**	**(3,380,004)**	**-**	**-**
Capital and net debt	189,815,524	126,997,779	73,372,308	46,967,989
Gearing ratio	5%	3%	0%	0%

61.5 **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

61.6 **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.
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".

61.7 **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.

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.

61.8 **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 polices 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.

61.9 **Risk Factors and Types**

61.9.1 **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.

61.9.1.1 **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.

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 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.

Because the assumptions used to estimate these liabilities require judgment, they are subject to great uncertainty.

61.9.1.2 **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 N625 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 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.

61.9.1.3 **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.

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 =N=15 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.

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

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:

(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
Mortality assumptions for the annuity portfolio was retained at PA(90) with an age rating of -5. The long-term expense inflation assumption was also retained at 15% in view of the inflation experience.

(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 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

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.

The concentration of non-life insurance by the location of the underlying risk is summarised below by reference to liabilities.

	GROSS		REINSURANCE		NET	
	2025 ₦'000	2024 ₦'000	2025 ₦'000	2024 ₦'000	2025 ₦'000	2024 ₦'000
Within Nigeria	100,893,786	66,250,057	44,993,160	28,295,569	55,900,626	37,954,488
Outside Nigeria	-	-	4,783,193	5,670,580	(4,783,193)	(5,670,580)
	100,893,786	66,250,057	49,776,353	33,966,149	51,117,433	32,283,908

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	
	2025 ₦'000	2024 ₦'000	2025 ₦'000	2024 ₦'000	2025 ₦'000	2024 ₦'000
Accident	9,390,864	7,060,109	4,838,413	2,949,115	4,552,451	4,110,994
Aviation	667,921	608,328	58,832	44,083	609,089	564,245
Bond	590,649	44,800	46,625	6,982	544,024	37,818
Engineering	2,666,562	1,713,227	252,737	(611,697)	2,413,825	2,324,924
Fire	27,044,404	19,347,408	15,121,834	12,655,813	11,922,570	6,691,595
Marine	6,859,749	4,299,723	1,144,824	1,437,833	5,714,925	2,861,890
Motor	15,313,401	9,966,116	24,655	251,152	15,288,746	9,714,964
Oil and Energy	38,360,236	23,210,346	28,288,433	17,232,868	10,071,803	5,977,478
	100,893,786	66,250,057	49,776,353	33,966,149	51,117,433	32,283,908

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 rations. 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	
2025	Change in assumptions ₦'000	Gross of reinsurance ₦'000	Net of reinsurance ₦'000	Gross of reinsurance ₦'000	Net of reinsurance ₦'000
Expected loss	10%	6,000,791	3,560,207	4,920,649	2,001,279
Inflation	1%	39,471,077	39,471,077	32,366,283	32,366,283
Expected loss	10%	(6,000,791)	(3,560,207)	(4,920,649)	(2,001,279)
Inflation	1%	(39,471,077)	(39,471,077)	(32,366,283)	(32,366,283)
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)
	1%	(32,419)	(25,208)	(26,584)	(20,671)

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 – Net

2025

Estimate of ultimates: End of accident year	2017 ₦'000	2018 ₦'000	2019 ₦'000	2020 ₦'000	2021 ₦'000	2022 ₦'000	2023 ₦'000	2024 ₦'000	2025 ₦'000	Total ₦'000
1 year later	4,076,419	5,672,662	6,469,742	2,186,660	3,836,936	2,538,022	3,038,248	6,792,762	10,863,134	-
2 years later	3,088,087	4,958,226	6,409,350	2,328,371	3,179,597	4,201,230	2,034,960	10,437,498	-	-
3 years later	2,973,164	4,250,979	5,697,968	1,734,869	2,620,633	4,045,862	5,780,077	10,684,810	-	-
4 years later	3,515,434	5,595,525	3,822,099	1,912,519	3,240,928	4,576,984	6,582,709	-	-	-
5 years later	3,005,179	3,986,713	3,804,642	2,209,778	3,422,182	4,900,111	-	-	-	-
6 years later	2,413,181	3,953,458	4,153,511	2,510,756	3,554,725	-	-	-	-	-
7 years later	2,636,280	3,686,568	4,472,762	3,044,008	-	-	-	-	-	-
8 years later	4,069,880	3,522,927	4,692,202	-	-	-	-	-	-	-
9 years later	4,540,952	3,940,009	-	-	-	-	-	-	-	-
10 years later	4,771,002									
Current estimate of ultimate claims										
Net cumulative claims liabilities – prior accident years	4,771,002	3,940,009	4,692,202	3,044,008	3,554,725	4,900,111	6,582,709	10,684,810	10,863,134	63,611,206
	189,059.00									189,059
	4,244,369	3,293,735	4,030,043	1,863,497	3,075,448	3,467,427	3,797,120	7,951,983	4,007,141	40,974,655
Net cumulative claims liabilities – accident years from 2016 to 2025	715,692	646,274	662,159	1,180,511	479,277	1,432,684	2,785,589	2,732,827	6,855,993	22,825,610
										(5,284,517)
Effect of the risk adjustment for non-financial risk										393,784
Net LIC for the contracts originated (refer to notes 20a)										17,934,878

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 -/+5% and -/+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 N2.38billion, whilst a -5 change in mortality will result in a reduction of the Life fund liability by N2.15 billion. A change in longevity by +5% will increase the Life fund liability by 1.07billion,whilst a -5% change in longevity will result in a reduction of the Life fund liability by N 1.03 million.
"

A movement of expenses by +10% will result in an increase in the Life fund liability by N1.05billion whilst a -10% change will reduce the Life fund liability by N1.05billion. Lapse rate moving by +10% will increase the life fund by N141 million whilst a -10% will reduce the Life fund liability by N177 million.

Sensitivity Of Life Business Insurance Contract Liabilities To Changes In Long Term Valuation Assumptions For The 31 December 2025 Valuation

Class of business	Base ₦'000	Mortality +5%	Mortality -5%	Longevity +5%	Longevity -5%	Lapse +10%	Lapse -10%	Expense +10%	Expense -10%
Endowment	16,560,350	(11,691)	11,701	-	-	(143,286)	179,818	(52,989)	52,989
Annuity	185,094,793	1,219	(1,288)	1,067,035	1,025,838	-	-	(970,283)	970,283
Risk	606,799	(21,646)	21,692	-	-	10,396	(10,949)	(10,102)	10,102
Savings	8,618,835	(2,129)	2,133	-	-	(7,716)	7,790	(15,605)	15,605
Group life	9,332,950	(2,304,220)	2,446,353	-	-	-	-	-	-
Reinsurance	(1,432,843)	(44,686)	(327,702)	-	-	-	-	-	-
Net liability	**218,780,884**								
Net impact on profit before tax/ equity		**(2,383,153)**	**2,152,889**	**1,067,035**	**1,025,838**	**(140,606)**	**176,659**	**(1,048,979)**	**1,048,979**
% Change in net liability		**-1.1%**	**1.0%**	**-0.5%**	**0.5%**	**-0.1%**	**0.1%**	**-0.5%**	**0.5%**

Sensitivity Of 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**								
Net impact on profit before tax/ equity		**(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%**

61.9.2 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.

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.

The Group's Banking susidiary has some specific credit risk objectives, as contained in the Risk Assets Acceptance Criteria (RAAC) and Credit Risk Policy, are:

- maintenance of an efficient risk assets portfolio;
- adequately diversify the Group's risk assets and minimise concentration risk;
- institutionalization of sound credit culture in the Group; and
- achieve consistent and continuous income stream for the Group.

The risk assets creating units – Fixed Income and currency trading Division and Corporate Grouping Division - are required to implement all credit policies and procedures in line with the approval limits granted by the Board. The business units are responsible for the quality and performance of their risk assets portfolio and for monitoring and controlling all credit risks in their portfolio. Internal Audit undertakes regular audits of business units, while the Risk Management and Control Group carries out regular credit quality reviews.

The Group continues to focus attention on intrinsic and concentration risks inherent in its business to manage the Group's portfolio risk. It sets portfolio concentration limits that are measured under the following parameters: limits per obligor, industry/sector and maturity bucket. Sector and maturity limits reflect the risk appetite of the Group. Credit risks arising on trading securities is managed independently, but reported as a component of market risk exposure.

61.9.2.1 Credit Risk Measurement, Control and Mitigation

Management of credit risk

The Board of Directors has delegated responsibility for the management of credit risk to the Board Credit Committee. Management Credit & Underwriting Committee (MCUC), is responsible for oversight of the Bank's credit risk, including:

- Formulating credit policies for the Group, covering collateral requirements, credit assessment, risk grading and reporting, documentary and legal procedures, and compliance with regulatory and statutory requirements.

- Establishing the authorisation structure for the approval and renewal of credit facilities. Authorisation limits are allocated to the Executive Committee and the Board Credit Committee/Board of Directors as appropriate.

- Reviewing and assessing credit risk in all credit exposures prior to making commitment to customers. Renewals and reviews of facilities are subject to the same review process.

- Developing and maintaining the Bank's criteria for categorising exposures, and to focus management on the attendant risks. The criteria as contained in the Risk Assets Acceptance Criteria (RAAC) and Credit Risk Policy takes care of exposures to Banks and related regulated institutions, and large quoted corporates, conglomerates and multinationals. The responsibility for approving and reviewing the Risk Assets Acceptance Criteria and Credit Risk Policy lies with the Board Credit Committee.

- Reviewing compliance of with exposure and concentration limits, and promotion of best practices throughout the Group in the management of credit risk.

Risk Limit Control and Mitigation Policies

The Group's banking subsidiary applies limits to control credit risk concentration and ensure proper diversification of its risk assets portfolio. The Group maintains limits for individual obligors, sectors and maturities/tenors. The Group's internal single obligor limit which is set at a maximum of 45% of the its shareholders' funds (SHF), is within the stipulated regulatory single obligor limit currently prescribed at 50% of the Group's shareholders' funds. Although the Group is guided by its internal single obligor rating regulatory limit, it also applies additional parameters internally in determining the suitable limits that a single borrower should have. These include: obligor rating, position in the industry and perceived requirements of key players, financial analysis, etc.

The Group, based on guidelines set by the regulators, imposes industry/economic sector limits to guide against concentration risk. The industry/sector limits are arrived at after rigorous analysis of the risks inherent in the industry or economic sector. The limits are usually recommended by the RiskManagement and Control Group and approved by the Board. The Group also imposes limits on the maturity buckets of the risk assets portfolio. The maturity bucket limits are a reflection of the risk appetite and liquidity profile of the Group. During the year, limits can be reviewed and realigned (outright removal, reduction or increase) to meet the exigencies of the prevailing macroeconomic events. Quest Merchant Bank also sets internal credit approval limits in the credit process. Approval decisions are guided by the Bank's strategic focus as well as thestated risk appetite and the other limits established by the board or regulatory authorities. The current risk assets approval limits are as follows:

The Bank ensures that each credit is reviewed and granted based on the strength of the borrowers' repayment capacity, measured by its cash flow. However, the Group also ensures its risk assets are well secured as a second way out strategy. The policies that guide collateral for facilities are embedded within the Bank's Credit Risk Policy. FBNQuest Merchant Bank maintains placement lines for its Bank counterparties and other financial institutions regulated by the Central Bank of Nigeria (CBN). The lines cover the settlement risks inherent in the Bank's activities with these counterparties. The limits are arrived at after conducting fundamental analysis of the counterparties, presentation of findings to, and approval by the Board. The lines are implemented by the Fixed income and currency trading group and monitored by the RiskManagement and Control Group. Intergroup placement limits are also guided by the regulatory single obligor limit, which currently is 50% of the Bank's shareholders' funds.

For the Insurance Entitites

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.

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 31 December 2025 - Group	Financial Services ₦'000	Government ₦'000	Consumers ₦'000	Construction & Materials ₦'000	Manufacturing & Petroleum ₦'000	Others ₦'000	Total ₦'000
Cash and cash equivalents	174,182,932	-	-	-	-	-	174,182,932
Debt instruments at amortised costs	57,434,808	70,114,440	1,093,191	-	-	-	128,642,439
Trade receivables	-	-	-	-	-	993,364	993,364
Other receivables	-	-	-	-	-	25,613,391	25,613,391
Loans and advances to customers	4,124,917.00	-	14,616,315	1,762,945	103,980,752	6,304,447	130,789,376
Reinsurance assets	-	-	-	-	-	13,863,039	13,863,039
Statutory deposits	-	26,058,065	-	-	-		26,058,065
	235,742,657	96,172,505	15,709,506	1,762,945	103,980,752	46,774,241	500,142,606
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

Industry analysis 31 December 2025 - Company	Financial Services ₦'000	Government ₦'000	Consumers ₦'000	Construction & Materials ₦'000	Manufacturing & Petroleum ₦'000	Others ₦'000	Total ₦'000
Cash and cash equivalents	2,634,991	-	-	-	-	-	2,634,991
Debt instruments at amortised costs	156,205	-	1,092,333	-	-	-	1,248,538
Other receivables	-	-	-	-	-	10,499,835	10,499,835
	2,791,196	-	1,092,333	-	-	10,499,835	14,383,364
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
	3,828,114	-	1,740,064	-	-	6,417,056	11,985,234

Geographical concentration of risks of financial assets with credit risk exposure

The following table breaks down the Group's credit exposure (without taking into account any collateral held or other credit support), as categorised by geographical region as at the reporting date. For this table, the Group has allocated exposures to regions based on the country of domicile of its counterparties.

	Within Nigeria	Rest of Africa	North America	Europe	Total
Cash and cash equivalents	110,312,840	1,566,094	10,622,023	51,681,975	174,182,932
Debt instruments at amortised cost	128,074,534	-	-	567,905	128,642,439
Other receivables	25,613,391	-	-	-	25,613,391
Loans and advances to customers	130,789,376	-	-	-	130,789,376
Trade receivables	993,364	-	-	-	993,364
Reinsurance assets	13,863,039	-	-	-	13,863,039
	409,646,544	1,566,094	10,622,023	52,249,880	474,084,541

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:

31 December 2025- Group	Investment Grade ₦'000	Non Investment Grade: Satisfactory ₦'000	Unrated ₦'000	Total ₦'000
Debt instruments at amortised cost	69,288,849	59,353,590	-	128,642,439
Cash and cash equivalents	-	174,182,932	-	174,182,932
Other receivables	-	-	25,613,391	25,613,391
Loans and advances to customers	130,789,376			130,789,376
Trade receivables	-	-	993,364	993,364
Reinsurance assets	-	-	13,863,039	13,863,039
	200,078,225	233,536,522	40,469,794	474,084,541
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
	62,506,362	102,600,943	31,833,438	196,940,743
31 December 2025 - Company				
Cash and cash equivalents	-	2,634,991	-	2,634,991
Other receivables	-	-	10,499,835	10,499,835
Debt instruments at amortised costs	-	113,882		113,882
	-	2,748,873	10,499,835	13,248,708
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
	-	5,568,178	6,417,056	11,985,234

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 unlikeliness 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.

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	2025 12mECL ₦'000	 LTECL ₦'000	 Total ₦'000	2024 12mECL ₦'000	 LTECL ₦'000	 Total ₦'000
AAA-A+			-		-	-	-
BBB-B+		175,609,939	-	175,609,939	44,571,905	-	44,571,905
C-CCC			-		-	-	-
Total Gross Amount		**175,609,939**	-	**175,609,939**	**44,571,905**	**-**	**44,571,905**
ECL		(1,427,007)	-	(1,427,007)	(582,868)	-	(582,868)
Total Net Amount		**174,182,932**	**-**	**174,182,932**	**43,989,037**	**-**	**43,989,037**
Financial assets - amortised cost							
AAA-A+			-		-	-	-
BBB-B+		132,934,007	-	132,934,007	123,966,939	-	123,966,939
C-CCC		-	-		-	-	-
Total Gross Amount		**132,934,007**	**-**	**132,934,007**	**123,966,939**	**-**	**123,966,939**
ECL		(2,442,488)		(2,442,488)	(2,848,671)	-	(2,848,671)
Total Net Amount		**130,491,519**	**-**	**130,491,519**	**121,118,268**	**-**	**121,118,268**
Unrated							
Other receivables		25,613,391	-	25,613,391	17,279,386	-	17,279,386
Total Gross Amount		**25,613,391**	**-**	**25,613,391**	**17,279,386**	**-**	**17,279,386**
ECL		(3,529,966)	-	(3,529,966)	(145,155)	-	(145,155)
Total Net Amount		**22,083,425**	**-**	**22,083,425**	**17,134,231**	**-**	**17,134,231**

Moody's Rating

Performing Cash and cash equivalents	Company	2025 12mECL ₦'000	 LTECL ₦'000	 Total ₦'000	2024 12mECL ₦'000	 LTECL ₦'000	 Total ₦'000
AAA-A+			-		-	-	-
BBB-B+		2,712,472	-	2,712,472	3,764,098	-	3,764,098
C-CCC			-		-	-	-
Total Gross Amount		**2,712,472**	**-**	**2,712,472**	**3,764,098**	**-**	**3,764,098**
ECL		(77,481)	-	(77,481)	(51,623)	-	(51,623)
Total Net Amount		**2,634,991**	**-**	**2,634,991**	**3,712,475**	**-**	**3,712,475**
Financial assets - amortised cost							
AAA-A+		-	-	-	-	-	-
BBB-B+		156,205	-	156,205	1,888,680	-	1,888,680
C-CCC		-	-	-	-	-	-
Total Gross Amount		**156,205**	**-**	**156,205**	**1,888,680**	**-**	**1,888,680**
ECL		(42,323)	-	(42,323)	(32,977)	-	(32,977)
Total Net Amount		**113,882**	**-**	**113,882**	**1,855,703**	**-**	**1,855,703**
Unrated							
Other receivables		9,353,412	(10,690)	9,342,722	6,405,066	(10,690)	6,405,066
Total Gross Amount		**9,353,412**	**(10,690)**	**9,342,722**	**6,405,066**	**(10,690)**	**6,405,066**
ECL		(12,734)	(10,690)	(23,424)	(11,684)	(10,690)	(11,684)
Total Net Amount		**9,340,678**	**(21,380)**	**9,319,298**	**6,393,382**	**(21,380)**	**6,393,382**

Collateral for other receivables
Some of the Group's receivables (e.g. mortgage loans and car loans) are collaterised with assets ranging from properties and cars. As at 31 December 2025, 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 2025, 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 2025, the Group had pledged assets worth N28.8 billion as collateral for any liability or payable balance (2024: nil)

Credit Collaterals
The Bank ensures that every risk asset is reviewed and granted based on the strength of the borrowers' cash flow. However, the Bank also ensures its credit facilities are well secured as a second way out. The policies that guide collateral for facilities are embedded within the Bank's collateral policy. All collateral offered must have the following attributes:

- There must be good legal title
- The title must be easy to transfer
- It should be easy and relatively cheap to value
- The value should be appreciating or at least stable
- The security must be easy to sell."

The Bank employs a range of policies and practices to mitigate credit risk. The most traditional of these is the taking of security for funds advances, which is common practice. The Bank implements guidelines on the acceptability of specific classes of collateral or credit risk mitigation. The principal collateral types for loans and advances are:

- Cash
- Treasury Bills/Bonds
- Charges over financial instruments such as debt securities and equities
- Bank guarantees
- Mortgages over landed properties.

The Bank ensures that every risk asset is reviewed and granted based on the strength of the borrowers' cash flow. However, the Bank also ensures its credit facilities are well secured as a second way out. The policies that guide collateral for facilities are embedded within the Bank's collateral policy. All collateral offered must have the following attributes:

- There must be good legal title
- The title must be easy to transfer
- It should be easy and relatively cheap to value
- The value should be appreciating or at least stable
- The security must be easy to sell.

In order to minimise the credit loss the Bank will seek additional collateral from the counterparty as soon as impairment indicators are identified for the relevant individual loans and advances.

Summary of collaterals held against loans and advances to customers
estimate of the fair value of any collateral and other security enhancements held against loans and advances to customers is shown below:

Group and Bank

In thousands of Nigerian naira	Gross amount	Collateral
Stage 3	4,327,570	3,600,000
Stage 2	-	-
Stage 1	133,050,348	202,986,034
	137,377,918	206,586,034

	Stage 1	Stage 2	Stage 3
Cash/Bonds	13,920,828	-	
Mortgage property	33,587,321	-	
Asset Debentures	149,101,322	-	3,600,000
Stock	4,088,474	-	
Corporate Guarantee	2,288,089	-	
	202,986,034	**-**	**3,600,000**

Settlement Risk

The Bank's activities may give rise to risk at the time of settlement of transactions and trade. Settlement risk is the risk of loss due to the failure of counterparty to honour its obligations to deliver cash, securities or other assets as contractually agreed. For certain types of transactions the Bank mitigates this risk by conducting settlements through a settlement clearing agent to ensure that a trade is settled only when both parties have fulfilled their contractual settlement obligations.

Climate-related Risk

Climate-related risks are potential negative impacts on the Group arising from climate change. Climate-related risks have an impact on the principal risk categories discussed above (i.e. credit, liquidity, market and operational risks), but due to their pervasive nature have been identified and managed by the Group on an overall basis.

The Group distinguishes between physical risks and transition risks. Physical risks arise as the result of acute weather events such as hurricanes, floods and wildfires, and longer-term shifts in climate patterns, such as sustained higher temperatures, heat waves, droughts and rising sea levels. Transition risks arise as a result of measures taken to mitigate the effects of climate change and transition to a lowcarbon economy – e.g. changes to laws and regulations, litigation due to failure to mitigate or adapt, and shifts in supply and demand for certain commodities, products and services due to changes in consumer behaviour and investor demand.

The Group is in the process of developing models that aim to assess how borrowers' performance is linked to climate change. The Group plans to use these models in pricing credit risk and in calculating ECLs.

The Group continues to monitor climate-related risks within its credit portfolio, particularly in the agricultural sector, which is highly sensitive to extreme weather events such as flooding, drought, and irregular rainfall. As at the reporting date, exposures in climate-vulnerable agricultural areas represent approximately 10% of total loans and advances.

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. The objective of the assessment is to identify whether a significant increase in credit risk has occurred for an exposure by comparing the remaining lifetime probability of default (PD) as at the reporting date; with the remaining lifetime PD for this point in time that was estimated at the time of initial recognition of the exposure (adjusted where relevant for changes in prepayment expectations, if any).

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.

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 no align with the point in time when the asset becomes 30 days past due;
- The average time between the identification of a significant increase in credit risk and default appears reasonable
- Exposures are not generally transferred from 12- month ECL measurement to credit impaired and
- There is no unwarranted volatility in loss allowance from transfers between 12-month ECL and Lifetime ECLmeasurement.

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.

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. The definition of default largely aligns with that applied by the BanKing subsidiary for regulatory capital purposes.

Write-off policy

The Bank Subsidiary writes off a risk asset or security balance (and any related allowances for impairment losses) when it determines that the risk assets or securities are uncollectible. This determination is reached after considering information such as the occurrence of significant changes in the borrower or issuer's financial position such that the borrower or issuer can no longer pay the obligation, or that proceeds from collateral will not be sufficient to pay back the full exposure. All write-offs are approved by the Board.

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.

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.

The Banking subsidiary generates Probability of Default (PD) estimates using its internal credit-risk models. PDs are based on the Group's historical default experience, internal credit ratings, behavioural indicators and relevant exposure characteristics. These estimates are adjusted to reflect current and forward-looking economic conditions, including projected movements in crude oil prices and prime lending rates, which are the Group's key forward-looking indicators. Through-the-cycle PDs derived from historical data are converted into point-in-time PDs by incorporating the impact of the current economic environment and the Group's forward-looking scenarios (base, optimistic and downturn). Lifetime PDs are then produced by projecting these point-in-time PDs over the remaining contractual period of the exposure.

The PD models are subject to regular calibration, back-testing and independent validation to ensure that they appropriately reflect credit risk and remain compliant with IFRS 9 requirements

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.

Analysis of inputs to the ECL model under multiple economic scenarios
31 December 2025

Macroeconomic variable	CL Scenario	Assigned Probabilities	2025	2026	2027	2028	2029
GDP Growth rate (%)	Upside	12%	4.02	4.34	4.54	4.04	3.64
	Base case	78%	3.98	4.30	4.50	4.00	3.60
	Downside	10%	3.94	4.26	4.46	3.96	3.56
Inflation rates (%)	Upside	12%	14.40	18.45	17.75	17.25	16.96
	Base case	78%	14.45	18.50	17.80	17.30	17.01
	Downside	10%	14.53	18.58	17.88	17.38	17.09
Oil Prices "USD"(price per barrel)	Upside	12%	105.67	113.33	120.84	113.18	105.67
	Base case	78%	64.55	72.21	79.72	72.06	64.55
	Downside	10%	35.39	43.05	50.56	42.90	35.39
Unemployment rates (%)	Upside	12%	47.81	54.81	55.81	58.81	54.31
	Base case	78%	43.00	50.00	51.00	54.00	49.50
	Downside	10%	47.81	54.81	55.81	58.81	54.31

31 December 2024 Key drivers Macroeconomic variable	ECL 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

The following tables outline the impact of multiple scenarios on the allowance

31 December 2025			Cash and cash equivalents ₦'000	Financial assets - amortised cost ₦'000	Other receivables ₦'000	Total ₦'000
	Group					
Upside		12%	171,241	293,099	423,596	887,935
Base case		78%	1,113,065	1,905,141	2,753,373	5,771,579
Downside		10%	142,701	244,249	352,997	739,947
			1,427,007	**2,442,488**	**3,529,966**	**7,399,461**
	Company					
		12%	9,298	5,079	2,811	17,187
Upside		78%	60,435	33,012	18,271	111,718
Base case		10%	7748.1	4232.3	2342.4	14,323
Downside			**77,481**	**42,323**	**23,424**	**143,228**
31 December 2024	**Group**					
Upside		13%	69,944	341,841	17,419	429,203
Base case		79%	454,637	2,221,963	113,221	2,789,821
Downside		8%	58,287	284,867	14,516	357,669
			582,868	**2,848,671**	**145,155**	**3,576,694**
	Company					
Upside		13%	6,195	3,957	2,685	12,837
Base case		79%	40,266	25,722	17,452	83,440
Downside		8%	5,162	3,298	2,237	10,697
			51,623	**32,977**	**22,374**	**106,974**

The table below shows the loss allowance on loans and advances to customers assuming each forward-looking scenario (e.g., base, optimistic and downturn) were weighted 100 percent instead of applying scenario probability weights across the three scenarios. For ease of comparison, the table also includes the probability-weighted amounts that are reflected in the financial statements. The table below lists the macroeconomic assumptions used in the base, optimistic and downturn scenarios. The assumptions represent the absolute percentage for prime lending rates and crude oil prices.

Forward looking information

		2025	2026	2027
Crude oil price ($ per barrel)	Base	73	65.45	69.16
	Optimistic	77.00	67.31	71.02
	Downturn	72.84	63.6	67.31
Prime lending rate (%)	Base	15.10	17.39	16.39
	Optimistic	13.29	16.89	15.89
	Downturn	16.91	17.89	16.89

The most significant year-end assumption used for the ECL estimate as at 31 December 2025

AGENCY- Crude oil price	2026	2027
Capital IQ	65.45	69.16
Fitch Solution	63.00	63.00
IMF	66.31	66.18
EIU	61.30	60.40

AGENCY- Prime lending rate		
Trading economics	17.4%	16.39%

The Group has updated its economic forecasts used in the ECL model as at 31 December 2025, reflecting revised expectations for crude oil prices and prime lending rates, alongside heightened uncertainty arising from geopolitical tensions. The Group develops three forward-looking scenarios, base, optimistic and downturn, and incorporates projected movements in crude oil prices and prime lending rates into each scenario, as these indicators significantly influence credit conditions in the markets where the Group operates.

Base Scenario

Under the base scenario, crude oil prices are expected to remain broadly stable over the next two years, driven by balanced global supply and demand conditions. Prime lending rates are assumed to decline gradually as monetary conditions ease, supporting a steady credit environment. These assumptions indicate moderate improvement in borrowers' repayment capacity over the medium term.

Optimistic Scenario

The optimitic scenario reflects stronger-than-expected increases in crude oil prices due to improved global demand and supportive fiscal conditions. Prime lending rates decline more quickly than anticipated, reflecting lower risk premiums and stronger market liquidity. This environment is supportive of higher credit absorption and improved borrower performance.

Downturn Scenario

The downturn scenario assumes a decline in crude oil prices caused by weaker global demand and market volatility. At the same time, prime lending rates rise marginally due to higher perceived credit risk and tighter monetary conditions. These assumptions reflect a more challenging credit environment, with reduced cash-flow resilience for certain borrowers. The Group continually monitors these key forward-looking indicators and updates scenario weightings based on the relevance and reliability of available information. The relationships between crude oil prices, prime lending rates and credit losses are calibrated using historical data covering the past 10 years.

	Loss allowance on loans and advances to customers Scenario probability weightings	
31 December 2025		
Optimistic	17%	4,821,219
Base	42%	4,848,000
Downturn	41%	4,874,753
Probability weighted		4,854,519

61.9.2.2 **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 financial and insurance assets and liabilities. 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.

31 December 2025 - Group

Financial and insurance assets:	Carrying amount	Up to 1 year ₦'000	1-3 years ₦'000	3-5 years ₦'000	Over 5 years ₦'000	Gross nominal inflow/ (outflow)
Fair value through profit or loss	159,000,952	15,900,095	19,875,119.00	55,650,333	218,626,309	310,051,856
Fair value through OCI	307,032,438	76,758,110	130,488,786.15	107,461,353	145,840,406	460,548,657
Amortised cost						
- Federal	69,288,849	69,427,704	-	-	-	69,427,704
- State	825,591	99,071	728,175	-	-	827,245
- Corporate	58,570,368	27,427,871	31,259,873	-	-	58,687,743
- Others	2,400,119	2,404,929	-	-	-	2,404,929
Loans and advances to customers	130,789,376	140,461,976	27,891,826	11,649,287	11,645,646	191,648,735
Reinsurance contract assets	15,016,067	14,986,035	-	-	-	14,986,035
Trade receivables	993,364	993,364	-	-	-	993,364
Other receivables	29,850,660	25,613,391	-	-	-	25,613,391
Statutory deposits	26,058,065	-			26,005,949	26,005,949
Cash and cash equivalents	174,182,932	121,928,052	36,578,416	-	-	158,506,468
	974,008,781	496,000,598	246,822,194	174,760,974	402,118,310	1,319,702,078
Financial and insurance liabilities						
Insurance contract liabilities	270,899,849	16,519,253	7,630,906	67,823,021	203,174,887	295,148,067
Reinsurance contract liabilities	78,193	78,193	-	-	-	78,193
Investment contract liabilities	3,327,936	3,327,936	-	-	-	3,327,936
Trade payables	77,315,757	34,792,091	27,060,515	-		61,852,606
Due to Banks and other financial institutions	176,648,306	130,917,013	87,537,968	-	-	218,454,981
Due to Customers	242,188,713	204,269,098	37,919,616	-	-	242,188,714
Interest bearing loans and borrowings	8,974,804	1,906,248	164,020	520,000	8,000,000	10,590,269
Other payables	33,566,838	4,028,021	1,812,609	31,754,229	-	37,594,859
	813,000,396	395,837,853	162,125,635	100,097,250	211,174,887	869,235,624
Liquidity gap	**161,008,385**	100,162,745	84,696,559	74,663,724	190,943,423	450,466,454

31 December 2024 - Group

Financial and insurance assets:	Carrying amount	Up to 1 year ₦'000	1-3 years ₦'000	3-5 years ₦'000	Over 5 years ₦'000	Gross nominal inflow/ (outflow)
Fair value through profit or loss	110,719,420	-	26,573,900	25,650,333	80,719,420	132,943,653
Fair value through OCI	47,337,246	-	-	17,000,975	48,757,363	65,758,340
Amortised cost						
- Federal	62,506,362	38,063,945	-	-	30,008,765	68,072,710
- State	946,906	-	-		946,906	946,906
- Corporate	59,482,067	7,531,201	51,950,866	28,543,790	-	88,025,857
- Others	1,031,604	1,289,505	-	-	-	1,289,505
Reinsurance assets	11,847,577	11,847,577	-	-	-	11,847,577
Trade receivables	691,013	691,013	-	-	-	691,013
Other receivables	17,279,386	17,279,386	-	-	-	17,279,386
Cash and cash equivalents	43,989,037	33,113,107	10,875,930	-	-	43,989,037
	355,830,618	109,815,734	89,400,696	71,195,098	160,432,454	430,843,985
Financial and insurance liabilities:						
Insurance contract liabilities	204,150,159	46,519,253	17,630,906	50,009,231	87,965,400	202,124,790
Reinsurance contract liabilities	72,594	72,594	-	-	-	72,594
Investment contract liabilities	3,557,950	3,557,950	-	-	-	3,557,950
Trade payables	28,838,615	28,838,615	-	-	-	28,838,615
Interest bearing loans and borrowings	3,988,405	717,913	3,270,492	-	-	3,988,405
Other payables	21,622,410	21,622,410	-	-	-	21,622,410
	262,230,133	101,328,735	20,901,398	50,009,231	87,965,400	260,204,764
Liquidity gap	**93,600,485**	**8,486,999**	**68,499,298**	**21,185,867**	**72,467,054**	**170,639,220**

31 December 2025 - Company

Financial assets:	Carrying amount	Up to 1 year ₦'000	1-3 years ₦'000	3-5 years ₦'000	Over 5 years ₦'000	Gross nominal inflow/ (outflow)
Fair value through profit or loss	159,000,952	-	-	-	159,000,952	159,000,952
Fair value through OCI	307,032,438	-	-	-	307,032,438	307,032,438
Amortised cost	1,248,538	113,882	-	-	-	113,882
Other receivables	9,365,179	10,499,835	-	-	-	10,499,835
Cash and cash equivalents	2,634,991	2,634,991	-	-	-	2,634,991
	479,282,098	13,248,708	-	-	466,033,390	479,282,098
Financial liabilities:						
Other payables	2,118,774	2,118,765	-	-	-	2,118,765
	2,118,774	2,118,765	-	-	-	2,118,765

31 December 2024 - Company

Fair value through profit or loss	110,719,420	-	-	-	110,719,420	110,719,420
Fair value through OCI	47,337,246	-	-	-	47,337,246	47,337,246
Amortised cost	1,855,703	1,855,703	-	-	-	1,855,703
Other receivables	6,417,056	6,417,056	-	-	-	6,417,056
Cash and cash equivalents	3,712,475	3,712,475	-	-	-	3,712,475
	170,041,900	11,985,234	-	-	158,056,666	170,041,900
Financial liabilities:						
Other payables	2,353,850	2,353,850	-	-	-	2,353,850
	2,353,850	2,353,850	-	-	-	2,353,850

The table below summarises the expected utilisation of assets and liabilities

31 December 2025 - Group

Asset	Current ₦'000	Non Current ₦'000	Total ₦'000
Cash and cash equivalents	174,182,932	-	174,182,932
Financial assets	68,819,936	527,704,973	596,524,909
Trade receivables	993,364	-	993,364
Reinsurance assets	13,863,039	-	13,863,039
Inventory	3,219,098	-	3,219,098
Loans and advances to customers	140,461,976	-9,672,600	130,789,376
Other receivables and prepayments	29,850,660	-	29,850,660
Right-of-use assets	44,727	-	44,727
Equity accounted investee	-	7,879,458	7,879,458
Investment in joint venture	-	94,695	94,695
Investment properties	-	41,404,206	41,404,206
Property, plant and equipment	-	25,160,897	25,160,897
Intangible assets	-	2,617,811	2,617,811
Statutory deposits	-	26,058,065	26,058,065
Total assets	**431,435,732**	**621,247,505**	**1,052,683,237**
Liabilities			
Insurance contract liabilities	270,899,849	-	270,899,849
Investment contract liabilities	3,327,936	-	3,327,936
Interest bearing Loans and Borrowings	8,974,804	-	8,974,804
Trade payables	77,315,757	-	77,315,757
Due to Banks and other financial institutions	176,648,306	-	176,648,306
Due to Customers	242,188,713	-	242,188,713
Other payables	33,566,838	-	33,566,838
Current income tax payable	16,181,655	-	16,181,655
Deferred tax liabilities	-	11,093,022	11,093,022
Total liabilities	**829,103,858**	**11,093,022**	**840,196,880**

The table below summarises the expected utilisation of assets and liabilities

31 December 2024 - Group

Asset	Current ₦'000	Non Current ₦'000	Total ₦'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
Investment in associate	-	5,500,314	5,500,314
Investment in joint venture	-	120,141	120,141
Investment properties	-	18,174,500	18,174,500
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
Liabilities of disposal group classified as held for sale/distribution to owners	-		
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**

The table below summarises the expected utilisation of assets and liabilities

31 December 2025 - Company

Asset	Current ₦'000	Non Current ₦'000	Total ₦'000
Cash and cash equivalents	2,634,991	-	2,634,991
Financial assets	113,882	267,866	381,748
Other receivables and prepayments	13,565,733	-	13,565,733
Investments in subsidiaries	-	44,555,793	44,555,793
Investments in associate	-	3,905,488	3,905,488
Investment properties	-	14,722,206	14,722,206
Property, plant and equipment	-	287,563	287,563
Intangible assets	-	-	-
Total assets	16,314,606	63,738,916	80,053,522
Liabilities			
Other payables	-	-	-
Current income tax payable	(621,995)	-	-621,995
Deferred tax liabilities	-	1,782,104	1,782,104
Total liabilities	**(621,995)**	**1,782,104**	**1,160,109**

The table below summarises the expected utilisation of assets and liabilities

31 December 2024 - Company

Asset	Current ₦'000	Non Current ₦'000	Total ₦'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

61.9.3 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.

61.9.3.1 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. The Banking subsidiary is exposed to foreign exchange risks due to fluctuations in foreign currency exchange rates on its financial position and cash flows. The Board sets limits on the level of exposure by currency and in aggregate for both overnight and intra-day positions, which are monitored daily. The table below summarises the Bank's exposure to foreign currency exchange rate risk at 31 December 2025. Included in the table are the Bank's financial instruments at carrying amounts, categorised by currency.

Carrying amounts of the Group's foreign currency denominated assets.

2025 - Group

Asset	Sterling ₦'000	Euro ₦'000	US Dollars ₦'000	Total ₦'000
Assets	69	86,344	10,367,998	10,454,410
Cash and cash equivalents	-	-	109,572,158	62,111,310
Financial assets	-	-	4,783,193	4,783,193
Reinsurance assets	5,027	26,810,294	56,958,147	83,773,468
Loans and advances to customers	20,339	-	-	20,339
Other assets	25,435	26,896,638	181,681,496	161,142,721
Liabilities				
Insurance contract liabilities	-	-	7,781,675	7,781,675
Due to Banks and other financial institutions			39,586,629	39,586,629
Due to Customers	23,424	1,095,866	90,406,804	91,526,094
Net assets	**2,011**	**25,800,772**	**43,906,388**	**22,248,323**

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**

Carrying amounts of the Group's foreign currency denominated assets.

2025 - Company

Assets	Sterling ₦'000	Euro ₦'000	US Dollars ₦'000	Total ₦'000
Cash and cash equivalents	-	-	3,020	3,020
	-	**-**	**3,020**	**3,020**

2024 - Company

Assets				
Cash and cash equivalents	-	-	6,338	6,338
	-	**-**	**6,338**	**6,338**

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.

		2025		2024	
Group					
Cash and cash equivalent		Impact on profit before tax ₦'000	Impact on equity ₦'000	Impact on profit before tax ₦'000	Impact on equity ₦'000
Sterling	+10%	2,543	2,543	7	7
	-10%	(2,543)	(2,543)	(7)	(7)
Euro	+10%	2,689,664	2,689,664	5,738	5,738
	-10%	(2,689,664)	(2,689,664)	(5,738)	(5,738)
USD	+10%	439,064	439,064	955,156	955,156
	-10%	(439,064)	(439,064)	(955,156)	(955,156)
Company					
USD					
	+10%	634	634	634	634
	-10%	(634)	(634)	(634)	(634)

61.9.3.2 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.

Trading Portfolios

The principal tools used to measure and control market risk exposure within the Group's trading portfolios are the position and loss limits. Specific limits have been set on overall position, individual security and losses to prevent undue exposure. Risk Management and Control Group ensures that these limits and triggers are adhered to by the Group. The Group traded in the following financial instruments in the course of the year:

- Treasury Bills
- Bonds (Spot and Repo transactions)
- Money market products
- Foreign exchange products

Non-Trading Portfolios

The principal risk to which non-trading portfolios are exposed is the risk of loss from fluctuations in the future cash flows or fair values of financial instruments because of a change in market interest rates. Interest rate risk in the non-trading portfolios of the Group is managed principally through the monitoring of Earnings-At-Risk (EAR) and interest rate gaps, as well as carrying out scenario analysis. The Asset and Liability Committee (ALCO) is the body charged with monitoring exposures to interest rate risks and is assisted by the Risk Management and Control Group. The Group also performs regular stress tests on its trading and non-trading portfolios. In performing this, the Group ensures there are quantitative criteria in building the scenarios. The Group determines the effect of changes in interest rates on interest income; volatility in prices on trading income; and changes in funding sources and uses on the Group's liquidity. The key potential risks the Group was exposed to from these instruments were price risk, basis risk and risk to net margins. Interest rate movements affect reported equity in the following ways:

- Retained earnings arising from increase or decrease in net interest income.
- Fair value reserves arising from changes in the fair value of fair value through OCI financial instruments reported directly in other comprehensive income.

Overall non-trading interest rate risk positions are managed by the Treasury Group, which uses investment securities and intergroup takings to manage the overall position arising from the Group's non- trading activities.

The tables below summarise the Group's interest rate gap positions on all portfolios:

Group and Bank

Group Financial Assets	Carrying amount	Variable interest bearing	Fixed interest bearing	Non-interest bearing
Cash and cash equivalents	174,182,932	-	74,807,942	99,374,990
Trade receivables	993,364	-	993,364	-
Other receivables and prepayments	29,850,660	-	25,650,683	4,199,977
Financial assets:	596,524,909	-	596,524,909	-
- Fair value through profit or loss	159,000,952	-	159,000,952	-
- Fair value through OCI	307,032,438	-	302,474,008	4,558,430
- Debt securities at amortised cost	130,491,519	-	130,091,476	400,043
Loans and advances to customers	130,789,376	-	130,789,376	-
Reinsurance contract assets	15,016,067	-	-	15,016,067
	1,543,882,217	-	1,420,332,710	123,549,507
Financial liabilities				
Trade payables	77,315,757	-	77,315,757	-
Due to Banks and other financial institutions	176,648,306	-	114,544,523	62,103,783
Due to Customers	242,188,713	-	242,188,713	-
Other payables	33,566,838	-	33,566,838	-
Interest bearing loans and borrowings	8,974,804	-	8,974,804	-
Reinsurance contract liabilities	78,193	-	-	78,193
Insurance contract liabilities	270,899,849	-	-	270,899,849
Investment contract liabilities	3,327,936	-	3,327,936	-
	813,000,396	-	479,918,571	333,081,825

Company		
Financial Assets	479,282,098	479,282,098
Financial liabilities	2,118,765	2,118,765

Sensitivity analysis for trading portfolio

The Group carried out the following in determining the sensitivity of its profit and equity to interest rate fluctuations in its non-trading portfolio:

	Group		Company	
	Profit before tax	Profit after tax/Equity	Profit before tax	Profit after tax/Equity
Increase by 100bps	94,568	66,197	4,820	3,374
Decrease by 100bps	(94,568)	(66,197)	(4,820)	(3,374)

61.9.3.3 **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).

Group		2025		2024	
Cash and cash equivalent In thousands of naira		Impact on profit before tax	Impact on equity	Impact on profit before tax	Impact on equity
Fair value through profit or loss	+1%	2,626,732	2,626,732	1,978,245	1,978,245
	-1%	(2,626,732)	(2,626,732)	(1,978,245)	(1,978,245)
Fair value through OCI	+1%	957,139	957,139	570,110	570,110
	-1%	(957,139)	(957,139)	(570,110)	(570,110)
Company					
Fair value through profit or loss	+1%	170,532	170,532	173,725	173,725
	-1%	(170,532)	(170,532)	(173,725)	(173,725)

61.9.4 **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.

Operational risk is the risk of loss arising from inadequate or failed internal processes, people, systems, or external events. The Bank subsidiary manages operational risk through its Operational Risk Management Framework, which includes governance oversight, periodic risk and control self-assessments, incident reporting, monitoring of key risk indicators, and business continuity planning. The Bank maintains a centralized operational loss database and investigates all incidents to strengthen controls and prevent recurrence. Operational risk capital is computed in line with CBN guidelines and applicable Basel standards. Operational loss events during the year were not material and did not result in any breach of regulatory requirements.

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.

61.9.5 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.
- 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.

61.10 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.

Group	Fair value through profit or loss ₦'000	Fair value through OCI ₦'000	Fair value ₦'000
31 December 2025			
Quoted equities at FVTPL	159,000,952	-	159,000,952
Fair value through OCI - quoted	-	-	-
Fair value through OCI - unquoted	-	307,032,438	307,032,438
	159,000,952	307,032,438	466,033,390
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
Company			
31 December 2025			
Quoted equities at FVTPL	267,866	-	267,866
Fair value through OCI - unquoted	-	-	-
	267,866	-	267,866
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

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.

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.

iii 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.

iv 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.

Quantitative information of significant observable inputs - unquoted equity instruments

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%	2025: N15,423
			2024: 5%	2024: N26,212
		Discount to average multiple (10%)		
			2025: 1%	2025: N13,507
			2024: 1%	2024: N5,825
Interswitch Limited	Market approach	Market value adjustment	2025: 1%	2025: N22,972
			2024: 1%	2024: N113,374
WSTC Financial Services Limited	Income approach	Cost of capital (10.9%/16.78%)	2025: 5%	2025: N3,342
			2024: 5%	2024: N2,562
		Dividend growth rate (2.51/7.62)	2025: 5%	2025: N1,215
			2024: 5%	2024: N1,833

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)
Energy and Allied Insurance Pool of Nigeria	Adjusted NAV	Discount for lack of liquidity	Unappropriated reserves	2025: N50,732 2024: N72,179
African Oil and Energy Pool	Adjusted NAV	Discount for lack of liquidity	Unappropriated reserves	2025: N27,805 2024: N Nil
FBS Re Limited	Adjusted NAV	Discount for lack of liquidity	2025: 1% 2024: 1%	2025: N5,624 2024: N2,234

Group

Financial assets measured at fair value	2025 ₦'000	2024 ₦'000
Quoted prices in active markets (level 1)	159,000,952	110,732,089
Valuation technique:		
Market observable data (level 2)	-	-
Other than observable market data (level 3)	284,834,855	34,952,521
	443,835,807	145,684,610
Financial assets measured at amortised cost		
Amortised cost	130,491,519	121,118,268
	130,491,519	121,118,268

Company

Financial assets measured at fair value		
Quoted prices in active markets (level 1)	267,866	9,190,878
Valuation technique:		
Market observable data (level 2)	-	-
Other than observable market data (level 3)	-	-
	267,866	9,190,878
Financial assets measured at amortised cost		
Amortised cost	113,882	1,855,703
	113,882	1,855,703

61.11 **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 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.

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 2025 - Group Items measured at fair value	Level 1 ₦'000	Level 2 ₦'000	Level 3 ₦'000	Total ₦'000
Financials assets at FVTPL				
- Quoted equities	159,000,952	-	-	159,000,952
Financials assets at FVTOCI				-
- Quoted equities	1,488,199	-	-	1,488,199
- Unquoted equities	-	-	307,032,438	307,032,438
Freehold properties	-	-	41,404,206	41,404,206
Items whose fair values are disclosed				-
Debt instruments at amortised cost	-	131,584,710	-	131,584,710
31 December 2024 - Group				
- Quoted equities	110,719,420	-	-	110,719,420
Financials assets at FVTOCI				-
- Quoted equities	-	-	-	-
- Unquoted equities	-	-	47,337,246	47,337,246
Freehold properties	-	-	23,090,000	23,090,000
Items whose fair values are disclosed				-
Debt instruments at amortised cost	-	121,118,268	-	121,118,268

Reconciliation of fair value measurement of non-listed equity investments classified as equity instruments designated at fair value through OCI:

	Group	
	2025 ₦'000	2024 ₦'000
At 1 January	47,337,246	33,631,630
Acquisition	159,011,288	16,068,334
Accrued Interest	7,389,999	5,011,583
Fair value gain/(loss) recognised in OCI	8,898,928	4,797,202
Sales	(118,014,230)	(12,411,294)
Realised gain during the year	(6,242,830)	239,791
At 31 December	307,032,438	47,337,246

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 2025 - Company Items measured at fair value	Level 1 ₦'000	Level 2 ₦'000	Level 3 ₦'000	Total ₦'000
Financials assets at FVTPL				
- Equities	267,866	-	-	267,866
Financials assets at FVTOCI				
- Equities	-	-	-	-
Items whose fair values are disclosed				
Debt instruments at amortised cost	113,882	-	-	113,882
31 December 2024 - Company				
- 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

Fair Value of Financial Assets

	2025		2024	
Group				
Financial assets	Carrying Value ₦'000	Fair Value ₦'000	Carrying Value ₦'000	Fair Value ₦'000
Financials assets at FVTPL	159,000,952	159,000,952	110,719,420	110,719,420
Financials assets at FVTOCI	307,032,438	307,032,438	47,337,246	47,337,246
Debt instruments at amortised cost	130,491,519	125,010,875	121,118,268	116,031,301
Company				
Financials assets at FVTPL	267,866	267,866	9,190,878	9,190,878
Financials assets at FVTOCI	-	-	893,473	893,473
Debt instruments at amortised cost	113,882	111,604	1,855,703	1,818,589

61.12 Capital Management

For the purpose of the Group's capital management, capital includes issued capital, convertible preference shares, 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 and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. 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's policy is to keep the gearing ratio between 20% and 40%. The Group includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and short-term deposits, excluding discontinued operations. The Group has established a supplier finance arrangement to manage its working capital

	Group		Company	
	2025	2024	2025	2024
Trade payables	77,315,757	28,838,615	-	-
Other payables	33,566,838	27,143,472	2,118,765	2,353,850
Current income tax payable	16,181,655	4,310,487	2,802,699	2,070,231
Due to Banks and other financial institutions	176,648,306	-	-	-
Due to Customers	242,188,713	-	-	-
Interest bearing loans and borrowings	8,974,804	3,380,004	-	-
Reinsurance contract liabilities	78,193	72,594	-	-
Insurance contract liabilities	270,899,849	195,359,004	-	-
	825,854,115	259,104,176	4,921,464	4,424,081
Cash and cash equivalents	174,182,932	43,989,037	2,634,991	3,712,475
Trade receivables	993,364	691,013	-	-
Other receivables and prepayments	29,850,660	20,027,838	13,565,733	7,879,365
Statutory deposits	26,058,065	4,037,175		
Financial assets:	596,524,909	279,174,934	-	-
Loans and advances to customers	130,789,376	-	-	-
Reinsurance contract assets	15,016,067	11,847,577	-	-
	973,415,373	359,767,574	16,200,724	11,591,840
Net debt	147,561,258	100,663,398	11,279,260	7,167,759
Total capital	218,546,160	141,339,117	73,372,308	46,967,989
Capital and net debt	70,984,902	40,675,719	62,093,048	39,800,230
Gearing ratio	68%	71%	15%	15%

In order to achieve this overall objective, the Group's capital management, among other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches of the financial covenants of any interest-bearing loans and borrowing in the current period. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2025 and 2024.

The Bank Subsidiary's objectives in managing capital are (i) to comply with the capital requirements set by the Central Bank of Nigeria, (ii) to safeguard the group's ability to continue as a going concern and (iii) to maintain an optimal capital structure suitable for the group's business strategy.

The Bank is directly supervised by its regulator, the Central Bank of Nigeria (CBN), who sets and monitors capital requirements for the group. In 2015, CBN revised the Capital Adequacy Ratio (CAR) reporting template and existing guidance notes on regulatory capital, credit risk, market risk and operational risk disclosure requirement for Basel II implementation in the Industry. The Apex Bank directed all Nigerian Banks and Banking groups to re-compute capital adequacy ratio in line with the revised guidance notes. To this end, the Bank's Capital Adequacy Ratio (CAR) under Basel II has been re-computed in accordance to the new guidelines.

The CBN specifies approaches for quantifying the risk weighted assets for credit, market and operational risk for the purpose of determining regulatory capital. In compliance with CBN, the Bank adopted the Standardized Approach (SA) in determining capital charge for credit risk and market risk while capital charge for operational risk was determined using the Basic Indicator Approach (BIA).

The Bank's policy is to maintain a strong capital base so as to maintain investor and market confidence and to sustain future development of the business. The impact of the level of capital on shareholders' return is also recognised and the Bank recognises the advantages and security afforded by a sound capital position. The Bank has complied with all externally imposed capital requirements throughout the year. There have been no material changes in the Bank's management of capital during the year.

Capital adequacy ratio

The capital adequacy ratio, which is the quotient of the capital base of the Bank's risk weighted asset base, has been computed using the Basel III implementation guidelines provided by the Central Bank of Nigeria (CBN). CAR is measured as Total regulatory capital divided by the sum of Credit Risk Weighted Assets , Market Risk Weighted Assets, Operational Risk Weighted Assets

The Bank's regulatory capital is analysed into two tiers:
Tier 1 capital includes ordinary share capital, share premium, retained earnings and statutory reserves. Intangible assets and deferred tax asset were also deducted from Tier I capital for capital adequacy purposes.

Tier 2 capital comprises fair value reserves
The Bank complied with all externally imposed capital requirements throughout the year. There have been no material changes in the Bank's management of capital during the year.

The Bank throughout the review period, operated above its targeted capitalization range and well over the CBN mandated regulatory minimum of 10% on an ongoing basis. As at 31 December 2025, the Bank's capital adequacy ratio was 23.73% (31 December 2024: 8.34%).

The following table shows the composition of regulatory capital and risk weighted assets for the Bank:

Capital adequacy ratio (Bank)

	2025 ₦'000
Tier 1 capital	
Share capital	4,301,577
Share premium	3,904,731
Retained earnings 25,287,269	27,067,061
Statutory reserve	13,103,358
	48,376,727
Regulatory deductions	
Deferred tax asset	6,138,300
Other intangible assets	107,554
Total regulatory deduction	**6,245,854**
Tier 1 capital after regulatory deductions	42,130,873
Other deductions - Investment in subsidiaries	1,000
Eligible Tier 1 Capital	**42,129,873**
Tier 2 capital	
Sub-ordinated debt	8,022,353
Fair value reserves 6,078,790 (3,959,400)	6,078,790
Total tier 2 capital	14,101,143
Eligible Tier 2 Capital	14,043,624
Total eligible capital	56,173,496
Risk-weighted assets	
Credit risk	193,644,969
Operational risk	30,900,194
Market risk	4,282,762
Total risk-weighted assets	228,827,925
Capital adequacy ratio	**24.55%**
Tier 1 capital	**18.41%**

62 **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.

63 Contravention

The Group incurred and paid the sum of N419,130,000 (2024: N19,173,000) as a penalty for a contravention during the year.

	2025 ₦'000	2024 ₦'000
CBN: Contravention of the concerted intraday liquidity facility (ILF) on the CBN Bond Trad	240,000	-
Contravention of regulation 12 & 13 of the CBN Customer Due Diligence Regulations, 2023	76,000	-
Failure to effect internal auditors' correction on the wrongly classified high risk customer as	75,000	-
"National Environmental Standard and Regulation Enforcement Agency (NESREA):		
Failure to pay the triennial environmental fee on time		
SEC: Failure to submit the allotment proposal and timely post-allotment report for the	5,000	-
FBN Infrastructure Fund (Series 1)	1,500	-
Administrative sanction by PENCOM	-	14,300
Late filing of ICFR management assessment report to FRCN	10,000	
Violation of Section 49(3)(a) of the NAICOM Act 1997.	-	-
AML/CFT CPF Risk based Supervision Examination	9,930	-
Late submission of post placement report in 2019	-	173
Late filing of UPDC financial statements to NGX	1,700	4,700
	419,130	**19,173**

The N240 million contravention relates to trading activities carried out on behalf of Sterling Bank, which has since been recovered in full from the counter party.

64 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 ₦'000
Goldwyns - Anthony Molade	FRC/2013/ICAN/00000003138	Tax Consultant	13,000
BARIN EPEGA & Co - Epega Obarinsola	FRC/2012/PRO/NIESV/004/00000000597	Property Valuation Specialist	15,000
Society for Corporate Governance Nigeria - Chioma Mordi (Mrs.)	FRC/2014/NIM/00000007899	Board Evaluation Consultant	8,546
Ernst &Young - Kingsley Miller	FRC/2012/NAS/00000002392	Actuarial service	10,000
Zamara Consulting- Actuaries - 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 2025(2024: N8,000) are stated below:

Services rendered	Name of signer	Amount (N)
Attestation services on internal control over financial reporting	Ayonike Faturoti-FRC/2022/PRO/ICAN/004/611525	**8,000,000**

65 Correction of an error

With respect to the financial statement prepared for the year ended 31 December 2025, the Directors considered and corrected the treatment of certain transactions in the consolidated financial statement of Custodian Investment Plc for prior years previously reported. The errors which were discovered during the current financial year has been appropriately corrected in-line with the requirements of IAS 8.

The nature of errors corrected are detailed below in the notes to restatement.

i Impact on statement of financial position

	Impact of correction of error					
As at Assets	As previously reported 1-Jan-24	Adjustments	As restated 1-Jan-24	As previously reported 31-Dec-24	Adjustments	As restated 31-Dec-24
Cash and cash equivalents	25,059,031		25,059,031	43,989,037		43,989,037
Trade receivables	814,563		814,563	691,013		691,013
Financial assets	190,392,209		190,392,209	279,174,934		279,174,934
Reinsurance contract assets	7,916,456		7,916,456	11,847,577		11,847,577
Inventory	3,200,157		3,200,157	8,729,998		8,729,998
Other receivables and prepayments	7,263,403		7,263,403	20,027,838		20,027,838
Right-of-use assets	13,448		13,448	111,737		111,737
Investments in joint ventures	120,141		120,141	120,141		120,141
Investment in associates	4,452,558	5,082,706	9,535,264	5,500,314	6,812,291	12,312,605
Investment properties	13,259,000		13,259,000	18,174,500		18,174,500
Assets of disposal group classified as held for sale	0		-			
Property, plant and equipment	13,886,881		13,886,881	14,612,511		14,612,511
Deferred tax assets	-	-	-	2,132,209		2,132,209
Intangible assets	231,809		231,809	277,273		277,273
Statutory deposits	3,190,651		3,190,651	4,037,175		4,037,175
Total assets	**269,800,307**	**5,082,706**	**274,883,014**	**409,426,257**	**6,812,291**	**416,238,549**
Total liabilities	**188,334,038**	**-**	**188,334,038**	**274,899,432**	**-**	**274,899,432**

i Impact on statement of financial position

	Impact of correction of error					
As at Assets	As previously reported	Adjustments	As restated	As previously reported	Adjustments	As restated
Equity	**1-Jan-24**		**1-Jan-24**	**31-Dec-24**		**31-Dec-24**
Share capital	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
Retained earnings	45,666,889	5,082,706	50,749,595	89,962,733	6,812,291	96,775,024
Contingency reserve	14,303,164		14,303,164	17,569,448		17,569,448
Fair value reserve	1,108,348		1,108,348	5,308,429		5,308,429
Asset revaluation reserve	1,113,597		1,113,597	1,371,591		1,371,591
Equity attributable to owners of the parent	**71,545,288**	**5,082,706**	**76,627,994**	**123,565,491**	**6,812,291**	**130,377,782**
Non-controlling interests	**9,920,981**		**9,920,981**	**10,961,334**	**-**	**10,961,334**
	81,466,269	**5,082,706**	**86,548,975**	**134,526,825**	**6,812,291**	**141,339,116**
Total liabilities and equity	**269,800,307**	**5,082,706**	**274,883,014**	**409,426,257**	**6,812,291**	**416,238,548**

Impact on statement of profit or loss (increase/(decrease) in profit)

As at Assets	As previously reported	Adjustments	As restated
Equity	**31-Dec-24**		**31-Dec-24**
Net income	53,960,204	-	53,960,204
Impairment (allowance)/write back	(642,249)	-	(642,249)
Finance costs	(238,296)	-	(238,296)
Unrealised foreign exchange gain	23,248,246	-	23,248,246
Management expenses	(16,449,185)	-	(16,449,185)
Remeasurement of carring amount on additional units acquired		662,869	662,869
Share of result of equity accounted investee	793,848	1,066,716	1,860,564
Profit before taxation	**60,672,568**	**1,729,585**	**62,402,153**
Income tax expenses	(7,129,223)	-	(7,129,223)
Profit from continuing operation	**53,543,345**	**1,729,585**	**55,272,930**
Earnings per share	**889**	**29**	**918**
Impact on statement of cash flow			
Cash flows from operating activities			
Profit before taxation	**60,672,568**	**1,729,585**	**62,402,153**
– Share of result of equity accounted investee	(793,848)	(1,729,585)	(2,523,433)
Net cash provided by/(used in) operating activities	**54,463,517**	**-**	**54,463,517**

The investment in UPDC Reit was previously measured using the cost of investment and subsequently adjusted for by the share of profit and loss of the investee company. This is not in accordance with the requirement of IAS 28: 23 which requires that on acquisition of the investment in an associate, any difference (whether positive or negative) between the cost of acquisition and the investor's share of the fair values of the net identifiable assets of the associate is accounted for like goodwill/gain on bargain purchase in accordance with IFRS 3 Business Combinations.

The Directors assessed the impact of remeasuring the investment in associate based on the requirement of the standard and this resulted in restating the prior year balances for investment in UPDC Reit Plc. with 1 January 2024 being the earliest year of restatement.



OTHER NATIONAL DISCLOSURES

Statement Of Value Added

For The Year Ended 31 December 2025

	Group				Company			
	2025 ₦'000	%	2024 ₦'000	%	2025 ₦'000	%	2024 ₦'000	%
Interest income	53,535,041		34,425,990		493,819		514,592	
Other investment and sundry income	29,753,459		21,357,894		19,479,401		7,450,010	
	83,288,500		55,783,884		19,973,220		7,964,602	
Operating Expenses	(9,286,078)		(7,984,989)		-		-	
Other incomes	42,356,662		(24,326,809)		17,942,019		14,015,376	
Other operating expenses - Local	(38,823,910)		(3,695,295)		(1,051,884)		(946,434)	
Value added	**77,535,174**	**100**	**67,363,693**	**100**	**36,863,355**	**100**	**21,033,544**	**100**
Applied as follows:								
To pay employees:								
Salaries, wages and benefits	8,596,787	11	5,994,975	9	2,115,879	6	1,871,555	9
To pay Government:								-
Current income tax expense	196,322	0	4,457,339	7	1,427,591	4	1,298,018	6
Retained for asset replacement and future expansion of business:								
- Depreciation and amortization	1,111,627	2	696,150	1	153,876	-	119,569	-
- Deferred tax	-	-	2,671,884	4	-	-	1,215,902	6
- Profit for the year	67,630,438	88	53,543,345	79	33,166,009	90	16,528,500.00	78
Value added	**77,535,174**	**100**	**67,363,693**	**100**	**36,863,355**	**100**	**21,033,544**	**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				
Assets	**2025 ₦'000**	**2024 ₦'000**	**2023 ₦'000**	**2022 ₦'000**	**2021 ₦'000**
Cash and cash equivalents	174,182,932	43,989,037	25,059,031	22,044,849	9,362,870
Trade receivables	993,364	691,013	814,563	1,653,611	134,664
Financial assets	596,524,909	278,776,002	190,710,235	136,467,520	81,156,589
Loans and advances to customers	130,789,376	-	-	-	-
Reinsurance contract assets	15,016,067	11,847,577	7,916,456	8,801,064	9,151,153
Inventory	3,219,098	8,729,998	3,200,157	5,265,758	-
Deferred acquisition costs	-	-	-	-	667,740
Other receivables and prepayments	29,850,660	20,426,770	6,945,377	6,441,937	2,655,370
Right-of-use assets	44,727	111,737	13,448	28,397	3,278
Investments in joint ventures	94,695	120,141	120,141	125,647	-
Investment in associates	7,879,458	12,312,605	9,535,264	3,290,257	547,847
Investment properties	41,404,206	18,174,500	13,259,000	11,901,485	-
Assets of disposal group classified as held for sale	-	-	-	-	9,276,977
Property, plant and equipment	25,160,897	14,612,511	13,886,881	13,279,230	4,278,501
Deferred tax assets	4,984,968	2,132,209	231,809	-	-
Intangible assets	2,617,811	277,273	3,190,651	239,712	222,781
Statutory deposits	26,058,065	4,037,175	-	2,672,415	560,000
Total assets	**1,064,733,159**	**416,238,549**	**274,883,014**	**212,211,882**	**118,017,770**
Liabilities					
Insurance contracts liabilities	270,899,849	195,359,004	144,509,540	112,501,245	59,072,075
Investment contract liabilities	3,327,936	3,557,950	3,861,091	3,686,050	3,985,348
Interest bearing Loans and Borrowings	8,974,804	3,380,004	2,146,881	2,179,173	
Lease liabilities	-	-	-	-	744
Liabilities of disposal group classified as held for sale/distribution to owners	-	-	-	-	-
Reinsurance contract liabilities	78,193	72,594	45,341	31,094	
Trade payables	77,315,757	28,838,615	16,083,167	12,268,358	3,323,126
Due to Banks and other financial institutions	176,648,306	-	-	-	-
Due to Customers	242,188,713	-	-	-	-
Other payables	39,478,764	27,143,472	12,755,354	11,231,945	3,385,347
Current income tax	16,181,655	4,310,487	1,876,005	3,346,153	2,114,754
Deferred tax liabilities	11,093,022	12,237,306	7,056,659	2,066,875	1,397,066
Total liabilities	**846,186,999**	**274,899,432**	**188,334,038**	**147,310,893**	**73,278,460**

Five-year Financial Summary - Group Contd

STATEMENT OF FINANCIAL POSITION - GROUP

	IFRS17				
Equity	**2025 ₦'000**	**2024 ₦'000**	**2023 ₦'000**	**2022 ₦'000**	**2021 ₦'000**
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	143,437,414	96,775,025	50,749,595	31,454,499	23,132,865
Contingency reserve	25,703,468	17,569,448	14,303,164	13,575,751	10,315,451
Fair value reserve	14,138,080	5,308,429	1,108,348	477,604	364,235
Asset revaluation reserve	3,055,867	1,371,591	1,113,597	630,498	550,273
Other reserves	3,102,209	-	-	-	-
Equity attributable to owners of the parent	198,790,328	130,377,783	76,627,994	55,491,642	43,716,114
Non-controlling interests	19,755,832	10,961,334	9,920,981	9,409,347	1,023,196
Total equity	218,546,160	141,339,117	86,548,975	64,900,989	44,739,310
Total liabilities and equity	1,064,733,159	416,238,549	274,883,014	212,211,882	118,017,770

Five-year Financial Summary - Group Contd

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME - GROUP

	IFRS17				IFRS4
	2025 ₦'000	2024 ₦'000	2023 ₦'000	2022 ₦'000	2021 ₦'000
Profit before income tax expense	77,351,876	62,402,153	25,991,127	11,475,761	13,686,047
Income tax expense	(9,721,438)	(7,129,223)	(6,313,774)	(2,614,463)	(869,935)
Profit from continuing operation	67,630,438	55,272,930	19,677,353	8,861,298	12,816,112
Loss from discontinued operation	-	-	-	-	(101,617)
Other comprehensive income/(loss) for the year, net of tax	10,936,580	4,549,597	1,336,110	35,650	322,260
Total comprehensive income for the year	78,567,018	59,822,527	21,013,463	8,896,948	13,036,755
Total comprehensive income attributable to;					
- Owners of the parent	76,651,508	58,455,280	20,170,951	8,484,589	11,706,533
- Non-controlling interests	1,915,511	1,367,247	842,512	412,358	1,303,222
	78,567,019	59,822,527	21,013,463	8,896,947	13,009,755
Basic earnings per share (kobo)	1,119	918	324	142	196
Net assets per share (kobo)	3,716	2,217	1,216	943	810

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

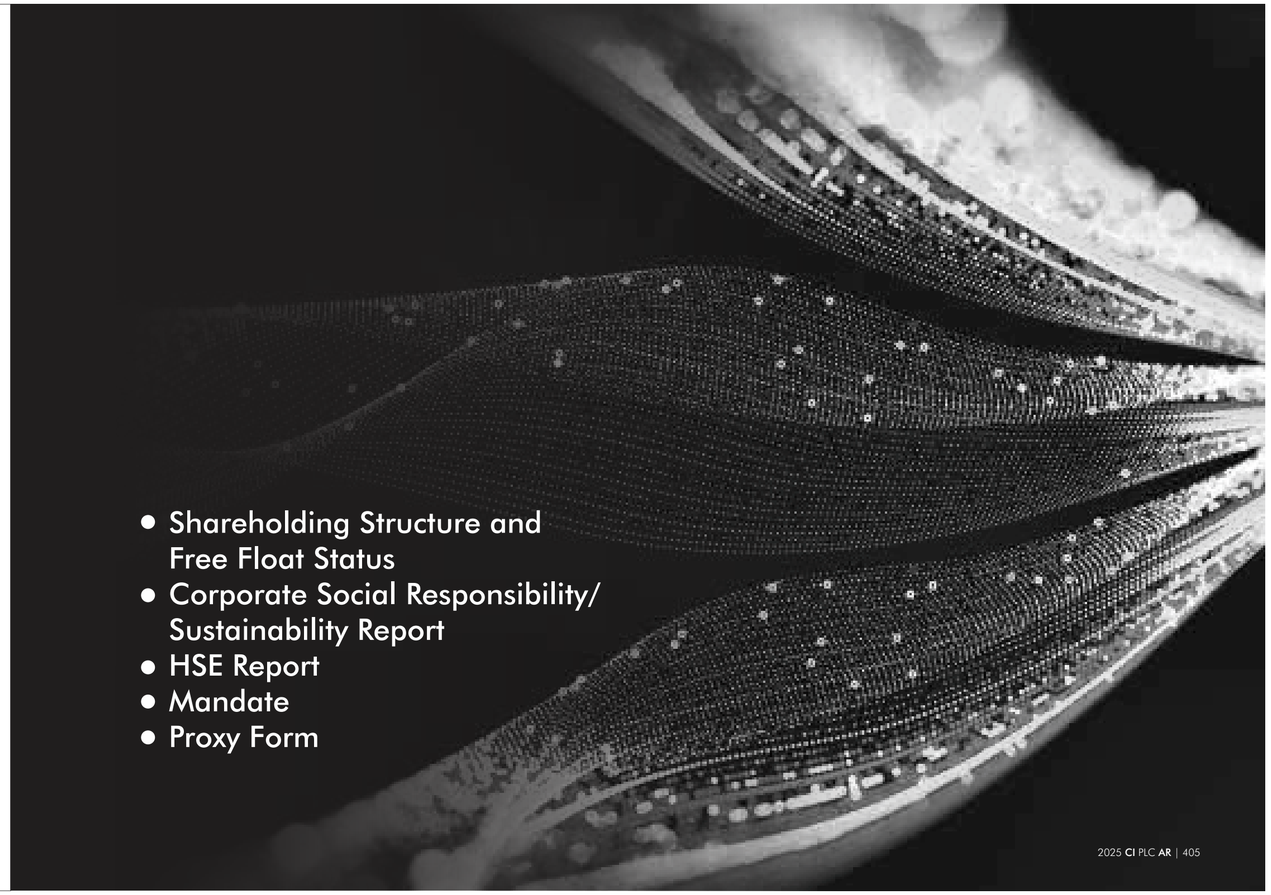
Asset	2025 ₦'000	2024 ₦'000	2023 ₦'000	2022 ₦'000	2021 ₦'000
Cash and cash equivalents	2,634,991	3,712,475	1,633,189	1,855,128	1,654,286
Financial assets	381,748	11,940,054	5,310,224	3,842,238	2,567,836
Other receivables and prepayments	13,565,733	7,879,365	4,466,713	2,334,405	2,468,286
Investment in subsidiaries	44,555,793	15,373,012	15,373,012	15,373,012	15,254,287
Investment in associates	3,905,488	3,905,488	3,296,161	3,109,987	525,364
Investment properties	14,722,206	10,509,000	7,921,000	7,081,416	4,636,980
Property, plant and equipment	287,563	159,084	293,944	401,425	56,776
Intangible assets	-	-	8,377	16,755	-
Deferred tax assets	22,354	38,549	-	-	-
Total assets	**80,075,876**	**53,517,027**	**38,302,620**	**34,014,366**	**27,163,815**
Liabilities					
Other payables	2,118,765	2,353,850	1,572,472	1,523,843	1,035,072
Current income tax	2,802,699	2,070,231	1,217,134	1,294,989	563,773
Deferred tax liabilities	1,782,104	2,124,957	820,259	636,163	367,398
Total liabilities	**6,703,568**	**6,549,038**	**3,609,865**	**3,454,995**	**1,966,243**
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	64,019,018	37,162,473	25,339,465	21,206,081	15,844,282
Fair value reserves	-	452,226	-	-	-
Total equity	73,372,308	46,967,989	34,692,755	30,559,371	25,197,572
Total liabilities and equity	**80,075,876**	**53,517,027**	**38,302,620**	**34,014,366**	**27,163,815**

Five-year Financial Summary - Company Contd

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME - COMPANY

	2025 ₦'000	2024 ₦'000	2023 ₦'000	2022 ₦'000	2021 ₦'000
Profit before income tax expense	34,266,942	19,042,420	9,319,304	5,623,742	8,204,398
Income tax expense	(1,100,933)	(2,513,920)	(1,068,615)	(663,747)	(7,004)
Profit for the year	33,166,009	16,528,500	8,250,689	4,959,995	8,197,394
Total comprehensive income for the year net of tax	33,166,009	16,528,500	8,250,689	4,959,995	8,197,394
Basic and diluted earnings per share (kobo)	584	281	140	84	139
Net assets per share (kobo)	1,247	799	590	520	428

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 2025

Company Name:	Custodian Investment Plc
Board listed	Main Board
Reporting period	Year ended 31 December 2025
Share price (N)	N43.00 (2024: N17.10)

	31 December 2025		31 December 2024	
	Units	Percentage	Units	Percentage
Issued Share Capital	5,881,864,195	100%	5,881,864,195	100%
Subsatantial Shareholdings (5% and above):				
GRATITUDE AFRICA LIMITED*	1,478,829,992	25.14%	1,372,259,400	23.33%
MIKEADE INVESTMENTS LTD.**	1,148,027,597	19.52%	924,907,141	15.72%
UBAPC/SIGMA PENSION PFA FUND III - MAIN	-	0.00%	-	-
Total outstanding Shareholding	**2,626,857,589**	**44.66%**	**2,277,635,291**	**39.09%**
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	-	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	187,043	0.00%	-	0.00%
MR. RAVI SHARMA	6,000,000	0.10%	6,000,000	0.10%
MR. ADENIYI FALADE	3,005,585	0.02%	232,000	0.00%
Total Directors' Shareholding	**253,251,346**	**4.31%**	**285,140,718**	**4.85%**

Shareholding Structure and Free Float Status Contd

	31 December 2025		31 December 2024	
	Units	Percentage	Units	Percentage
Other Influential Shareholding				
NIL				
NIL				
Total Other Influential Shareholding	-	0.00%	-	0.00%
Free Float in Units and Percentage	3,001,755,260	51.03%	3,319,088,186	56.43%
Free Float in Value (Naira)	129,075,476,180		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 51.03% as at December 31, 2025, 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 N129,075,476,180 as at December 31, 2025, is compliant with The Exchange's free float requirements for companies listed on the main Board.

CUSTODIAN TRUSTEES LTD
AUTHORISED

ADEYINKA JAFOJO
FRC/2013/PRO/NBA/002/00000002403
Custodian Trustees Limited
Company Secretary

Corporate Social Responsibility/Sustainability Report

2025 was a defining year in global history. There were on-going conflicts and rising tension, especially in the Middle East. There were issues of international cooperation and collaboration brought about by the increase in conflict and contention caused by the United States world order. The U.S. foreign policy was amended in several ways, including their immediate and planned withdrawal of support from many international organizations including the World Health Organization (WHO) and the Paris Agreement on climate change, with the country preferring to focus on national interest rather than global organizations. These actions obviously are triggers for severe funding gaps especially regarding health and education programs in developing nations, such as Nigeria. Loss of funding would have grave consequences as it would hinder health preparedness against possible pandemics and limit disease control.

Different countries have had to engage different tactics to prevent disaster in their countries. In Nigeria, the government has had to redirect funds and make large allocations from the national budget to bridge the financial gap. There was increased global economic strain prompted by the United States' introduction of a new trade policy that imposed tariffs on imports from other countries, including Nigeria, aimed at reducing trade deficits in response to perceived policies and high tariffs on US goods entering Nigeria. 15% reciprocal tariffs were placed on non-oil exports such as cocoa, cashew nuts and fertilizers, leading to a decrease in US imports from Nigeria, translating to a significant decline in non-oil exports and increased costs for US importers.

In addition to this, the year was also marked by extreme weather, including floods and fires. The on-going conflict between Russia and Ukraine persisted as well as other problems such as the rising tension in Iran and war in Sudan.

The issues of conflict and security were not restricted only to other countries but experienced locally too, as there was a resurgence of mass kidnappings and attacks almost throughout the year in Nigeria. Beginning from January, at least 40 farmers were killed in an attack by suspected Boko Haram militants in Borno State, while in the same state, over 200 internally displaced people mostly children were abducted by suspected Boko Haram in February. In September, fighters reportedly killed at least 170 people mostly men and boys in Yobe State, whilst 25 girls were abducted by bandits from a Kebbi State school in November. Before then, 315 persons made up of 303 students and 12 staff of a Catholic school in Niger State were abducted by gunmen, though by December, the first batch of about 100 abductees were released.

A major night raid in Yelewata, Guma Local Government of Benue State led to the death of about 100 people. As kidnappings and abductions became rampant, the Government was forced to declare a nationwide security emergency and increase efforts against banditry, especially in the north.

Meanwhile, regarding the environment, there were reported cases of severe flooding in various parts of the country including Mokwa, Niger State, where about 200 people were killed and 3,000 residents displaced and at Okrika, Rivers State where flooding and landslides killed at least 25 people.

Poverty and inequality were still rampant in the country, because of the economic reforms introduced from about 2023 – including the removal of fuel subsidy and foreign exchange rates liberalization, which contributed to high inflation accompanied by a raised cost of living.

As a result of economic and policy changes by the Nigerian Government, there were serious implications for the populace. One of the more significant changes with far-reaching consequences was the signing of the Tax Reform Act announced and signed by the President during the year, to be effective in 2026. This marked a major shift in Nigeria's fiscal policy architecture which overhauls the country's tax system with the aim of enhancing efficiency, boosting revenue generation and protecting low-income earners.

In 2025 at Custodian, we maintained our usual high level of operations focused on meeting our various clients' needs across the subsidiaries and ensuring that we took advantage of opportunities leading to further growth. During the year, the processing of regulatory approval for Asset Management commenced, whilst later in the year EverQuest Acquisition LLP, a consortium led by Custodian Investment Plc acquired FBNQuest Merchant Bank from First HoldCo Plc. Though CSRF in the last few years has focused on Health, we moved on to initiatives around Education in 2025. Going forward, we will continue to explore diverse ways to positively impact the environment and communities within the country.

At Custodian, we offer both Life and General Insurance services by ensuring the restoration of life and assets to the former position in the event of a loss or accident. We are also in the business of Trustees, offering advice on protection and transfer of assets; Pensions, maintaining the quality of life of Retirees; Real Estate, providing affordable housing options to the public and Wealth and Asset Management, helping owners of assets grow their portfolios.

The Custodian Group
Custodian Investment Plc (CIP) is a diversified group, classified as a conglomerate by the Nigeria Exchange (NGX). The group has a significant holding in subsidiaries offering various services.

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.
- 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

The preliminary focus areas of CSRF, our Foundation are:

- Education
- Health
- Community Development
- 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 Activities for 2025

Education

Education is the deliberate process of acquiring and transmitting knowledge, skills and values through instruction, training and research. In Nigeria, over time, we have had to deal with significant gaps in the field and obviously, the development of education cannot be handled by the Government alone. That is a key reason why we decided early on to commit to the promotion of education, as one of our four key focal areas of intervention.

Though there were notable reforms in the sector as the Federal Government in 2025 increased the education budget substantially, systematic weaknesses undermined outcomes, leaving the sector troubled. Approximately 10.2 million children in the age range of 5 – 14years remained out of school according to UNICEF Nigerian Child 2025 report and over 18 million children faced educational exclusion. School children were often targets of kidnappings and mass abductions especially in the north, with an estimated 670 children affected across the country in under two years, according to Save the Children International. (Source The Punch newspaper of 31st December 2025). Again, the national literacy rate though given as above 70% average last year had huge regional disparities (with some states in the eastern region such as Imo recording over 95%, while some in the north as low as under 8%).

The field of education is wide, and it encompasses formal and informal learning. However, our goal is to use our resources to influence and support education in our local community in both sectors, especially in the priority areas of Vocational Training and Skills Acquisition, professional development for Primary school Teachers, Internship programs for tertiary students, scholarships especially at the primary and secondary school levels, extending to helping to develop infrastructure, where needed.

In 2025, we continued to maintain our previous projects and took up new ones.

1. **Maintenance of previous projects**

   ILUPEJU PUBLIC e-LIBRARY

   We continued to maintain the 14 computers and server we donated to the then Ilupeju Public library, which we helped transform into an e-library, equipped with hundreds of hard copy books we donated directly and through one of our Group Directors, as well as gave access to hundreds of downloaded e-books for online readers.

   Lagos City Senior College Computer Center

   CSRF continued to provide regular maintenance of the 25 systems and inverter donated to the college back in 2017, ensuring that every issue was resolved at the shortest possible time, to allow continuous access by the students. This enabled continuity in the practical aspect of computer training, especially for the senior secondary students preparing for and writing exams.

2. **Awesome Hope Academy, Gboko, Benue State – Completion of two-class block**

   CSRF was made aware of the existence of a primary school located in Joo village, within Yandev settlement in Gboko, Benue State.

   The school which was founded as a private nursery and primary school on 1st July 2019 started in a church hall with a handful of teachers and a few students. As the school began to grow, the Founders acquired five plots of land at the current location in a peaceful area of Benue State from personal means and proceeds from the rearing of livestock including pigs, goats and chicken and a token from a few parents. Proceeds from the cultivation of livestock and contributions from individual Donors, were used to pay the few teachers and put structures in place. By 2023/24, the school with a population of about 387 students had to put structures in place to separate the children according to age and classes.

In 2025, there are seven classes consisting of the following:

- Pre-nursery
- Nursery one
- Nursery two
- Nursery three
- Basic one
- Basic two
- Basic three

The structures put in place to house the students include one round hut, used as the school office, two round huts with thatched roofs representing two classrooms, a large tent, housing three classrooms, whilst work began in earnest on a 2-classroom block.

It was at the point where blocks laid though joint effort of students and workers that Custodian took over and completed the two-classroom block. CSRF paid for workers to complete the block laying, plastering of the building, roof, installation of windows and burglar bars and painting. The classrooms were also furnished with desks and chairs for the students.





Before takeover





Development by CSRF





Completed Building

Without adequate infrastructure in place, the school lost some students and teachers. The Founders nonetheless got the school registered by the Benue State Government. With the help of CSRF, the newly built classrooms have transformed the school and are beneficial to the community. Also, the engagement of direct labor and carpenters contributed to the welfare and economic sustainability of the locals.

The dream of the Founders of Awesome Hope Academy is to continue to expand the school by erecting additional structures to accommodate all the students who can learn under a roof without exposure to the elements, employ more teachers and possibly have a means of transportation to bring teachers living far away to school. Custodian plans as much as possible to contribute to the actualization of this dream as time goes on.

3. Center for Actuarial Science and Insurance Development, University of Lagos

The Faculty of Management Services, University of Lagos, a center of knowledge for many corporate heads and Board room gurus, was identified as lacking a state-of-the-art physical structure that would house a Centre for Risk Management and Actuarial Science Development meeting international standards. Such a structure would in addition to the faculties be environmentally friendly, with energy-conservation measures. Also, the building would provide amenities such as:

- Large and airy lecture halls
- Small and large Classrooms
- Computer Labs.
- Prometric Centre
- Lecturer's Offices
- Resource Centre/Library

We engaged the faculty staff on the possibility of providing a suitable building to meet the needs of the Management Sciences and modalities were being worked on during the year.

Custodian Mentors Conference

The seventh edition of our Mentors Conference took place on August 23rd, 2025, with a total of over 100 physical attendees and over 800 online participants via YouTube and Facebook. Of the physical attendees, 91 new Mentees attended out of the 111 invited. This means that from inception in 2018 to date, the program has benefitted over 6,000 Mentees, making it a solid corporate mentorship initiative.

Our Mentors Conference stands out because of the quality of external Mentors engaged each time – people who are successful in their various fields of endeavor with varied but unique experience, from all walks of life, who share knowledge and wisdom based on their experience. At the 2025 edition, the three external Mentors Speakers were Prince Abimbola Olashore, Architect (Mrs.) Olajumoke Adenowo and Mr Bolaji (BJay Sax) Banjoko. Prince Olashore is a Chartered Accountant and Founder /Director of Lead Capital PLC and current President and Chairman of Council of the Nigerian – British Chamber of Commerce (NBCC), Vice President of the Lagos Chamber of Commerce and Industry and Chairman of the Board of Olashore International school. He spoke on Patience, Pursuit and Diligence as foundations of leadership, emphasizing that pursuit is proof of desire. Mrs. Adenowo, an award-winning Architect recognized in both Nigerian and International media for her contribution to contemporary African architecture is the Founder of AD Consulting Limited, a boutique architecture and Interior Design firm. She spoke on Vision Clarity and Purpose-driven Success, asserting that Your destiny is yours to make up. B Jay Sax, a Mechanical Engineer by profession and a musician with strong Christian ethics is an international and multi-talented Saxophonist. He spoke on authenticity and personal branding with the learning point speaking of the uniqueness of individuals, hence the need to embrace your logo, as no one can be you. The session which was as entertaining as it was enriching had the following as key learnings:

- Every Mentee should evolve into a Mentor to sustain leadership pipelines
- Individual identity and values drive long-term credibility
- Growth demands structured learning, patience and clarity of purpose.



From Left: Mr. Bolaji Banjoko (BJay Sax), Mr. Wole Oshin, Arc. (Mrs.) Olajumoke Adenowo, Prince Abimbola Olashore



Mr. Oshin, Mrs., Aderemi and the Custodian Mentors with First Cohort of Mentees



Custodian Mentees 2025 Class



R-L: Mr. Adebiyi, Mr. Oshin, Mrs. Aderemi, Mr. Falade, Mr. Nlebemuo, Mr. Oyesola (Custodian Executives) in attendance

The 2025 Mentors Conference attracted almost 1,000 physical and virtual participants, including representatives of the cohort of Mentees who participated in the last Custodian mentoring Program - a year-long learning experience where Custodian Mentors regularly guide Mentees from the Mentors Conference, whilst external facilitators are engaged on a quarterly basis to share with them virtually – as well as Executive Management staff of Custodian subsidiaries and other staff. The Custodian Mentors Conference has become a yearly event to look forward to, as it drives our vision of empowered, purpose-driven future leadership in Nigeria.

Our plan for Education

As far back as 2017/18, we collaborated and worked closely with a qualified institution to birth the Vocational and Professional Development Academy (VPDA), with the aim of enabling skill building for our youths across different industries. Whilst several hundreds were impacted by the various programs offered and several scholarships offered to indigent students from time to time, the Academy was unable to recover following the disruption caused by the onset of the global COVID pandemic. As we see vocational training as a

viable alternative to formal training that would take a lot of the unemployed youths from the streets, we plan to organize vocational bootcamps for unemployed youths especially in rural communities or urban slums, and possibly with the disadvantaged including those of the female gender and the disabled in partnerships with government agencies, local community leaders and institutes offering accredited programs in future.

We also plan to offer professional development for teachers, especially primary school teachers, who need to imbibe in their student's quality education to ensure a solid foundation. Records indicate that up to about half of registered teachers in Nigeria lack the needed competence to deliver a 21st century curriculum, which demands a mastery of many skills.

As we have done in the past, we will continue to encourage internship programs for tertiary students. Some tertiary institutions have integrated work placements into their curriculum, where students are exposed to practical situations, thereby gaining relevant and practical experience. Though we did not have Interns in the company in 2025, this will be done in the coming years.

Due to the high numbers of out of school children in Nigeria, (with given statistics of over 10 million primary school age children out of school in 2025), we were determined to intervene by providing scholarships to brilliant but indigent students at the primary school level. However, this desire to offer scholarships at the primary education level in Lagos State in 2025 was unfulfilled mostly because the State offers free education to students. We are determined to still offer scholarships to brilliant and indigent students at the primary school level in other States and possibly at the Secondary school level across the nation wherever we find the need to do so.

Health

Health is not only a state of complete physical, mental and social well-being, but is also absence of disease. We therefore make it a focal area of priority, as it pertains to human beings whose lives we want to impact. Our activities in the health sector are aimed at improving the quality and well-being of people, thereby saving lives. This we do through making donations or undergoing projects that are health related. Private intervention is crucial if health targets are to be met and achieved and we always aim to contribute our own quota for improvements in the health sector.

In 2025, the health sector in Nigeria recorded limited progress. Whilst there was improvement in the provision of infrastructure, (including the donation of our Accident and Emergency Center within the former Epe General Hospital, now known as the Federal Medical Center Epe) and upgrade of over 2000 primary health care centers across Nigeria, there were persistent challenges such as funding shortages, brain drain challenges which keeps affecting the sector and increased mortality rate. Nigeria still faced high under-five mortality rate with about 2,300 children dying daily especially because of poor care and malnutrition. Last year, there were disease outbreaks like Lassa fever, which led to many deaths particularly in January. Looking at statistics, there were well over 10,000 road crashes in Nigeria, according to the Federal Road Safety Corps in the year, representing a 9.2% rise. Though that was an increase in numbers, the fatality rate declined by 2.4%.

Our interventions in Health include blood donation, donation to the disabled and Health infrastructure.

1. **Blood Donation Exercise**

The yearly blood donation exercise whereby employees voluntarily donate blood for the benefit of the needy continued in 2025. On 4th December, our usual facilitators from the Lagos Sate Blood Transfusion Service sensitized staff on the need for and benefits of donating blood and carried out the exercise on 9th December. The results of the donation are stated on the next page:

Breakdown of blood collected during blood drive with the Lagos State Blood transfusion Service on the 5th of November 2024 at Custodian Allied Plc Sabo, Yaba

Units of Blood Collected	-	33
Red Blood Cells	-	33
Platelets	-	13
Fresh Frozen Plasma (FFP)	-	20
Patient saved with blood and products	**-**	**66**

All unit of blood collected were negative for Transfusion Transmissible Infection (TTI)

Breakdown by Health Facilities and their Usage

S/N	Hospital	Usage	Red Cells/FFP
1	General Hospital, Lagos Island	2 Platelets. 3 Red Cells. 3 FFP	Red Cells, Platelets and FFP
2	Lagos State University Teaching Hospital, Ikeja (LASUTH)	11 Red Cells. 3 Platelets. 6 FFP	Red Cells and Platelets
3	Massey Street Children's Hospital	4 Red Cells	Red Cells
4	Lagos Island Maternity Hospital	3 Red Cells. 2 Platelets. 1 FFP	Red Cells, Platelets and FFP
5	Gbagada General Hospital	7 Red Cells. 3 Platelet. 4 FFP	Red Cells, FFP and Platelets
6	Orile Agege General Hospital	1 Red Cells. 2 Platelets. 1 FFP	Red Cells, Platelets and FFP
7	Ikorodu General Hospital	3 Red Cells. 2 FFP	Red Cells and FFP
8	Randle General Hospital	1 Red Cells. 1 Platelets. 3 FFP	Red Cells, Platelets and FFP
		33 Red Cells. 13 Platelets. 20 FFP	
	Total	**66 Units**	

Analysis of the figures below shows a slight increase in the units of blood collected year on year, whilst the number of patients saved with blood also increased marginally by 6.5%. This time around, the blood was distributed to eight different hospitals as indicated in the chart above.

2. **Donation to the disabled**

The sum of five million Naira only (N5m) was donated to the Federal Nigeria Society for the Blind in November 2025. This support was given to uplift and empower the visually impaired. We believe that as much as possible, the disabled in our society should be encouraged as this brings joy, hope and encouragement to them. The donation will assist in enabling them acquire skills and engaging in activities that will help make them more productive.

3. **Handover of the Custodian Accident and Emergency Centre (CAEC).**

The Custodian Accident and Emergency Center, a Level 4 trauma center with a twenty-bed capacity, was completed and handed over to the Lagos State Government, through Governor Babajide Sanwo- Olu on 9th May 2025. The occasion attracted many distinguished personalities including Government officials led by the Governor and Commissioner for Health, Prof Akin Abayomi and other top Government officials, royal fathers, top members of the health ministry, executive management staff of Custodian Group subsidiaries and others.

The center, which is the only such facility in the entire Epe area and its environment was strategically located to serve as the go-to center for accident victims in the area. With recent developments in the area, upgrade of the roads especially the Sagamu – Benin expressway leading to higher traffic, which would possibly lead to higher accident rates, the CAEC will be beneficial to the community and to travelers. It is hoped that with this intervention, human lives will be saved.

Available records obtained from the Federal Medical Center Epe (former Epe General Hospital) reveal that the total number of road traffic accidents of vehicles, motorcycles and tricycles in the Epe area reduced by 49.69% year on year, to 245 in 2025 from 487 in 2024. Vehicular accidents were reduced by 46.21%, motorcycle accidents were reduced by 57.5% and tricycle accidents by 34.9%. Whilst statistics show a general downward trend, it is hoped that this will continue to be the case and once the CAEC becomes fully operational, more victims will be stabilized and fewer lives would be lost. A record of saved lives will be documented regularly.

The 2025 Road Traffic Accident chart and hand-over ceremony pictures are shown below:

	Motor Vehicle		Motor Cycle		Tricycle	
Month	Male	Female	Male	Female	Male	Female
January	4	2	9	3	-	-
February	13	4	7	4	3	1
March	11	2	3	3	3	4
April	11	11	12	1	2	1
May	6	-	4	3	-	-
June	2	-	1	-	1	1
July	3	1	7	1	-	-
August	7	3	-	1	1	2
September	17	11	3	2	-	-
October	8	3	4	4	2	-
November	7	4	5	1	2	1
December	5	-	2	2	3	1
Total	94	41	57	25	17	11



Front View of CAEC on Handover Day



Cutting of the ribbon at the hand over ceremony of the CAEC by Gov. Babajide Sanwo-Olu



L-R: A Royal Father, Mr. Oshin, Gov. Sanwo-Olu and Pro. Akinabyomi



L-R: Dr. Arogundade, Mr. Oshin, Gov. Babajide Sanwo-Olu, Dr. (Mrs.) Kemi Ogunyemi and Dr. Ogboye



The GMD, Mr. Wole Oshin with Custodian Management Staff

Following the hand-over, it is hoped that the ideals for which CAEC will stand remain to complement the Lagos State Government's effort in the health sector by ensuring accident victims are given immediate attention and stabilized, before being transferred to the hospital. We are hoping that human lives which could have been lost hitherto will be saved and that our Foundation, the CSRF will be known for contributing something tangible to society.

Our plan for Health

We look forward to the time that the CAEC will be fully operational and plan to support them as much as possible. We plan to continue the voluntary blood donation exercise and will ensure that a substantial portion of the blood collected will be given to the trauma center.

Where funding permits, we plan to endeavor as much as possible to maintain the appearance of the CAEC building by painting it as we deem fit. We shall also consider the setting up of trauma care centers in underserved communities in the future.

Community Development/ad-hoc Project Interventions

Community development projects aim to build up local communities and CSFR strives to do this wherever possible, knowing that such projects improve the quality of life of those in communities and empower individuals.

As the need arises, our Foundation will continue to provide emergency response interventions in the event of disease outbreak, especially with grave public health implications, particularly for vulnerable groups. We shall also consider emergency interventions in the event of natural disasters such as drought, flood, storm etc. that may have dire consequences on life and property. We will also provide public utilities to needy communities, such as initiatives improving access to clean water, electricity and other essential services.

CSRF has in the past taken on ad-hoc projects, which are specific initiatives implemented on a case-by-case basis as emergency cases arise. Projects involved with in the past include provision of a borehole in the community where the Head office of the Group company was formerly located, provision of mattresses to flood victims in Delta State, donation of foodstuff to the Modupe Cole Memorial Child Care and Treatment Home School for the handicapped, Akoka, provision of food stuff to members of the Yaba community during the COVID pandemic through the local community association GASYCODA, rehabilitation of dilapidated roads around Commercial Avenue, Yaba and more recently, by giving palliatives to the Bodija Ibadan explosion victims in Ibadan, Oyo State.

On an annual basis, during the yuletide, we beautify the Yaba environment by decorating the Sabo roundabout in festive ornaments, to add to the celebrations and camaraderie. The community has always looked forward to this, and we have never failed to meet their expectations in that regard.

Our plan for Community Development

It has been observed that virtually every year during the rainy season, our local community around the Group Head Office is usually flooded, making life difficult for many in the area. In some cases, buildings with basements and low entry levels get flooded. Our plan is to embark on regular drainage maintenance to prevent future flooding of the environment.

Sustainability

Sustainability is the avoidance of the depletion of natural resources to maintain an ecological balance. It focuses on preserving future generations and improving the quality of life of people. Usually, the sustainability pillars include Environmental, Economic, Social and Human, and Governance. Sustainability revolves around reduction of energy use or resources consumed, reuse whenever possible to extend a product's life or finding a new purpose for items; refusing to purchase unnecessary items especially single-use items; recycling, which is conversion of articles into reusable material or processing of materials that cannot be reduced, reused, or refused to create new products; repairing which is restoring an article to a good condition and rethinking, which involves considering or assessing a course of action to change it or questioning consumption habits by considering if a product is really necessary. The aim of all the above is to help break the cycle of high consumption and prevent wastage which helps sustainability. If everybody on earth is mindful of their consumption by extending product lifespan, thereby prioritizing waste reduction before disposal, our world would be a safer place and will have a glorious future.

Though the above considerations further the growth of sustainability in a society, in Nigeria, lack of adequate environmental education has resulted in challenges affecting the environment. If more Nigerians were made aware of the consequences of neglecting the environment, better progress would have been made. Going by recent data from the Federal Ministry of Environment, Nigeria produces about 32 tonnes of municipal solid waste annually. In 2025, Nigeria was faced with severe agricultural waste estimated at 30 to 40 million tonnes of food waste due to post-harvest losses. This translated to dumping of food waste on the environment and no doubt had serious economic impact on many, especially the farmers who would have had increased income had the products not wasted. An estimated 2.5 million tonnes of waste generated in Nigeria was plastic waste, disposed of inappropriately in sewers, gutters, beaches, open dumps and along streets. This high volume of waste is driven by rapid urbanization and poor infrastructure. Poor waste management worsens climate change and threatens marine and wildlife and worsens public health. Waste disposed carelessly contaminates the air we breathe, the soil we plant in, water we fish from and prevents opportunities for recycling. At Custodian, we actively ensure that subsidiary companies use materials that will not adversely affect the environment and promote safe environment risk practices, whilst keeping abreast of global trends.

Economic sustainability promotes long-term economic growth, financial stability and prosperity without negatively impacting society. The emphasis is on efficient resources management that will consequently lead to adequate needs being met with certainty that future citizens will be able to meet theirs. It is worth noting that activities in society must be beneficial to citizens and not be harmful to them, by ensuring available resources are optimized, whilst society must engage in responsible practice. Economic sustainability also relates to promotion of fair compensation, availability of employment opportunities and social development. At Custodian, we always ensure that compensation is fair and there are always opportunities for high performers to fill available gaps. The company participates in welfare surveys from time to time to ensure we are kept abreast of events in the industry. There are also opportunities for employment and avenues for social development.

This dovetails into social sustainability, which is the ability of a system or organization to maintain and improve social well-being, equity and togetherness for existing and future generations. Social sustainability includes social equity and human rights, community well-being, empowerment, inclusion and sound labour practices. In our company, we realize that our operations and activities impact on the wellbeing of members of the organization in the various subsidiaries and we are careful to ensure that adequate support is provided for all members, whilst ensuring the practice is sustained for future members. Related to this is Human sustainability, which is a component of social sustainability involving managing, developing and protecting people to ensure long-term well-being and productivity, rather than treating them as disposable resources. We endeavor to invest in our members by providing an enabling, healthy and safe environment, work-life balance, mental wellbeing, leading to career growth and encouraging creativity that will further ensure greater success for the organization.

Generally, we ensure that all stakeholders, including our clients, shareholders and workers are well catered to. Should any of the employees leave, as an organization, we ensure they are better skilled and healthier than when they joined. This leads to higher engagement and lower turnover, better performance and higher sense of wellbeing.

Governance is a key principle that supports environmental, economic and social sustainability. It involves a process whereby decision-making by organizations are based on ethical and responsible principles.

Our plans for Sustainability

As Nigeria adopted the International Sustainability Standards Board's standards with a roadmap unveiled back in 2024, we are mindful the standards will become mandatory very shortly and are planning to take advantage of the voluntary adoption phase ahead of the mandatory adoption. This we will start by creating awareness at the Board levels across our various businesses, followed by the rest of the Management and staff. We will need to develop the roadmap required for identified gaps in the adoption of IFRS S1(the general requirements for disclosure of sustainability-related financial information) and IFRS S2(climate-related disclosures) and develop policies and strategic actions required to drive the implementation.

We plan to build the required skills and capacity, carry out adoption readiness assessments and develop ISSB transition plans and as we do so, this will help to build investors' confidence.

Our Frameworks

As we implement initiatives around our four core pillars, we currently align with both national and international guidelines for sustainability, which are:

1. **PRINCIPLES OF SUSTAINABLE INSURANCE (PSI)**

   As the Group company emerged from Custodian and Allied Insurance Limited, the General Insurance subsidiary, it was fitting that we became the first Nigerian Insurance company signatory of the UNEP-FI's Principles of Sustainable Insurance (PSI). The PSI which was launched by the United Nations Environment Program's Finance Initiative (UNEP-FI) are a global voluntary framework aiming to embed environmental, social and Governance (ESG) risks and opportunities into insurance core business strategies. The four principles focus on risk management, Client awareness, Government /Regulatory engagement and public accountability for a sustainable future.

Principle 1 - Risk Management

We will embed environmental, social governance (ESG) issues into decision-making, including risk management, underwriting, product development and claims management.

Principle 2 - Client Awareness

We will work with clients and business partners to raise awareness of ESG issues, manage risk and develop sustainable solutions.

PSI Principles

Principle 4 - Governance and Collaboration

We will collaborate with governments, regulators and stakeholders to promote widespread action on ESG issues across the Insurance industry.

Principle 4 - Accountability and Transparency

We will demonstrate accountability and transparency by regularly disclosing progress in implementing the principles.

The principles collectively address fundamental issues like natural disasters and inequalities with the aim of attaining an inclusive and green economy. We intentionally incorporate PSI into our daily activities and endeavor to strengthen our implementation of the principles as we go forward.

2. SUSTAINABLE DEVELOPMENT GOALS (SDGs)

The sustainable Development Goals (SDGs) were adopted by the United Nations in 2015, with the aim to end poverty, protect the planet and that by year 2030, everyone will enjoy peace and prosperity. All the 17 goals are interrelated as action in any will affect the outcomes of the others. As we near 2030 though and considering recent setbacks occasioned by top supporters withdrawing support that might have made the deadline realistic, it would appear doubtful that all the goals will be met on target.

At Custodian, we are committed to contributing to the achievement of the SDGs in our own way, as the activities of CSRF which are related to our four focal areas of support can be directly linked to the 17 SDG goals.



3. **NGX Sustainable Disclosure Guidelines**

The guidelines published in 2019 are a guide for all listed companies of the Nigerian Stock Exchange to ensure that their sustainability report contains basic information considered relevant and meaningful to stakeholders. These guidelines consist of nine principles relating to how business should be conducted.

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 ad 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.

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.

Sustainability/ESG Practice at Custodian

Sustainability is practiced in Custodian through the policies guiding our operations which are embedded in our daily activities.

1. **Environment**

- Use of natural resources: As much as possible at Custodian, we use natural resources in an optimal manner by ensuring sustainability of resources by reducing consumption of energy through the choice of LED used, reusing things like paper and envelopes internally, repairing items that can still be restored to a good condition such as furniture and other assets, rethinking by constantly reviewing our processes to discard wasteful ones and possibly changing them, refusing to buy unnecessary items and recycling items like plastic products generated and kept for recycling companies to convert to useful materials.
- We are mindful of our environment wherever we operate from and maintain cleaning companies that keep our environment clean and free of pollution.
- As much as possible we promote the use of renewable energy, especially at the Head Office.

2. **Social**

- Across our businesses, employees are free to associate with one another within their subsidiaries and across it. We ensure that there are engagements throughout the year where employees jointly participate, mingle and compete within their subsidiaries and the group.

- We ensure there is work-balance for all employees especially women. Employees are expected to strive to give their best during regular working hours and are discouraged from working late into the night. This is enforced by strict adherence to power outage in the office beyond the set time, except on very rare occasions.
- We offer a safe workplace environment for employees, and in the Head office, there is provision of a ramp for easy accessibility and special toilets for the use of the physically disabled.
- We do not engage in any form of involuntary labour in any of our businesses
- All employees of the company are engaged after standard interviews are carried out and are found to be fit for employment. We ensure that employees are provided with learning opportunities on a non-discriminatory basis.

3. Governance

- Our Mission statement reveals that ours is an ethical organization. We therefore promote practices which are ethical and not corrupt
- Whilst the Society for Corporate Governance, Nigeria carries out a Board evaluation, the report, including last year's always reveal the Board of Directors conducted its affairs in an acceptable manner.
- Our Code of Ethics is well documented and disseminated, which spells out the minimum acceptable standards of conduct expected of all employees across the Group.

4. Economic

- We review our processes constantly by making attractive products available to current and potential clients, especially in insurance and pensions businesses. These products are available to all segments of society. For instance, we have products that are characterized by low entry barriers to encourage financial; inclusion of the poor, such as Esusu, Thrift financing and Safety Plus.

- We constantly have teams meet on a regular basis to review our digitization processes.
- We operate an efficient system that cuts out waste. By eliminating mistakes as much as possible and focusing on given tasks, productivity increases, which lead to healthy results pleasing all stakeholders.

Activities we engaged in during 2025 are further spelt out in the chart below:

Year 2025 ESG Status/Performance Indicators

Theme/Description	Activity highlights	Indicators	Principles PSI	NGX	SDG
Environment					
Service Responsibility	• We are the first Nigerian Insurance Company Signatory to the WEP(FI) (PSI). • We added value by acting in our clients' needs and maintained high quality service, minimizing negative environmental impacts • Our Head office and new offices have ramps installed for easy accessibility to people living with disabilities • Our Claims and complaints management processes are digitized and accessible.	On-going	Principles 1,2 & 3	Principle 1 Principles 6 & 7 Principle 3	Goals 8 & 9

Theme/Description	Activity highlights	Indicators	Principles PSI	NGX	SDG
Environment					
Service Responsibility	• We have the whistleblower installed on our website for easy resolution of clients' complaints and issues • Our customer service query resolution increased by 60% and Total number of queries resolved across different touch points by 63% from 2024 to 2025. • We have several sustainable solutions in the form of Micro-Licenses products.	On-going Done		Principle 4	
Energy Efficiency	• Our Head Office, Lagos offices and newly built structures are mostly powered by Light Emitting Diode (LED), whilst there is a planned gradual replacement of traditional bulbs in all our offices situated outside Lagos • Mindful of the emissions, air and noise pollution and health hazards caused by generator usage, we continue to manage usage of generators around our offices. Strict rules apply to daily usage.	On-going		Principle 9 Principle 9	Goal 7 Goal 11

Theme/Description	Activity highlights	Indicators	Principles PSI	NGX	SDG
Environment					
Water Reduction	• Water usage is managed efficiently. All our water closets in the head office have dual-flush mechanisms • We continue to encourage the use of hand sanitisers especially in the head office, thereby reducing water usage	On-going		Principle 5	Goals 6 & 12 Goal 6
Waste Management	• Waste generated in our head office is sorted into plastic and other waste products. The plastic waste is bagged and kept for recycling companies to manufacture useful products. • Wastewater generated at our Head office is processed in the sewage treatment plant in the basement, allowing water generated to drain into public gutters. The Lagos State Wastewater Management officials visit regularly to ensure enforcement.	On-going		Principle 9 Principle 9	Goal 6 Goal 6

Theme/Description	Activity highlights	Indicators	Principles PSI	NGX	SDG
Environment					
Paper Reduction Strategies	• Paper recycling is embedded in our systems. Members across our subsidiaries communicate via technology like email and telephone • For internal usage, where paper must be used, recycled paper is encouraged. Stakeholders are engaged as much as possible electronically. • Our systems are digitized, so meetings are held via Microsoft Teams or Zoom and internal processes like applications for leave, appraisal, approvals for payment are done electronically.	On-going			Goal 9 Goals 8, 9 &13
Generator Usage	• Mindful of the emissions, air and noise pollution and health hazards caused by generator usage, we continue to manage usage of generators around our offices. Strict rules apply to daily usage.	On-going		Principle 9	Goals 9, 11 & 12

Theme/Description	Activity highlights	Indicators	Principles PSI	NGX	SDG
Social					
Employee wellbeing	• We provide a safe and comfortable working environment for employees across our businesses. Our offices are well furnished with adequate ventilation. • We have an in-house canteen at the Head office, run by carefully selected food vendors to cater to Management and senior staff of the office free of charge. Other categories of staff are given allowances in lieu. • We continue to run our Fit Fam twice a week, to ensure fitness of employees, within the Head office. • We continue to operate staff buses plying different routes in Lagos for the comfort and safety of staff who are not entitled to official cars. This reduces hardship faced by many due to exorbitant transport costs in Lagos.	On-going		Principle 5 Principle 5 Principle 5 Principle 4 & 5	Goal 3 Goal 2 Goal 3 Goal 8

Theme/Description	Activity highlights	Indicators	Principles PSI	NGX	SDG
Social					
Employee wellbeing	• For the convenience of male and female employees working around the Head office, we continue to run a creche free of charge, The creche managed by trained and dedicated handlers is for babies up to the age of a year and a half.	On-going		Principle 4 & 5	Goal 10
Diversity and Inclusion in the Workplace	• We engage employees of different genders, ethnicity, religion, age and social class. Our employees create a culture where diverse perspectives are entertained, valued and empowered. • We have a fair representation of women on our various Boards across the group and continue to work on this.	On-going		Principle 6 Principle 8	Goal 10 Goals 5 &10

Theme/Description	Activity highlights	Indicators	Principles PSI	NGX	SDG
Social					
Labour Practices	• We focus on the safety, health and welfare of all employees engaged across our businesses. see HSE report for details).	On-going		Principles 5 & 7	Goal 3
Social Interaction	• To encourage social interaction across the group, we have the Custodian Olympics where teams from the subsidiaries compete with one another. We also have a quarterly newsletter so employees of other subsidiaries can learn about others.			Principle 5	Goal 3
Employee Engagement and Training	• The two-month Custodian Graduate Trainee Program (CGTP) aimed at attracting intelligent and young graduates still runs. This ensures fresh blood is injected into the system regularly, helping to develop a strong workforce base of home-grown talent. • We have an annual mentors conference with about 100 youths attend the conference and go through a yearly mentoring program.	On-going			Goal 4 Goal 4

Theme/Description	Activity highlights	Indicators	Principles PSI	NGX	SDG
Social					
Human Rights	• The human rights of each employee are protected at Custodian.	On-going		Principle 7	
Society	• We impact the environment around us by improving infrastructure and making donations. This year we donated N5 Million to The Federal Nigeria Society for the Blind.	Done			Goal 2
Governance					
Anti-corruption	• We have zero tolerance for bribery and corrupt practices. Every employee across the group is assigned the staff handbook within which the Code of Conduct defines acceptable behaviour and ethical standards. The Code of conduct promotes a culture of integrity, professionalism, confidentiality, accountability and commitment to the highest ethical standards in internal and external relations.	Done		Principle 1	Goal 16

Theme/Description	Activity highlights	Indicators	Principles PSI	NGX	SDG
Governance					
Anti-corruption	• All vendors, Agents and Consultants are vetted to confirm their reputations and backgrounds	Done		Principles 1 & 4	
	• Our Internal Audit team conduct regular and sometimes, on-the-spot audits of financial records and stores, looking out for unusual payments and confirm stock.	Done		Principle 2	
	• Duties are segregated so that more than a single person is involved in all aspects of financial transactions.	Done		Principle 1	
Training	• It is mandatory for all Management and employees to attend anti-corruption training at least twice in a year.t twice a year	Done			Goal 4

Theme/Description	Activity highlights	Indicators	Principles PSI	NGX	SDG
Governance					
Risk Management	• The whistle-blower mechanism is operational on all our systems for all stakeholders to report suspicious activities. We maintained compliance with regulations specified by our Regulators in the businesses we engage in • All Documents and Application Assets are Secured via Cloud (Microsoft Azure) and Offsite Replication.	Done Done/ On-going		Principle 1	Goal 16
Economic					
Sustainable Investment	• Our in-house investment Committee meets often and regularly to make investment decisions, guided by relevant regulations. • In the coming year we are building an Actuarial Science and Insurance Studies Centre at UNILAG	On-going Yet to Start		Principle 4	Goal 9

Theme/Description	Activity highlights	Indicators	Principles PSI	NGX	SDG
Economic					
Sustainable Investment	• For Sustenance of Life, we built and handed over a Level 4 Trauma Centre at the Federal Medical Centre Epe to cater to accident victims that might die without immediate help needed at such a centre. • We took over and completed a block of two classrooms at Awesome Hope Academy in Benue State, contributing to the engagement and prosperity of local human resources.	Done Done		Principle 6 Principles 3,6 & 8	Goal 9 Goal 4 & 9
Responsible Products and Services	• The Claims process of our Insurance subsidiaries have long been digitized to facilitate easy use by Claimants. We ensure claims are settled usually within three days • We operate ethical procurement practices to ensure fairness in the selection of vendors. We do not encourage/patronize	On-going On-going		Principle 3	

Theme/Description	Activity highlights	Indicators	Principles PSI	NGX	SDG
Economic					
Suppliers Management and Ethics	• We have various solutions to meet all our clients across the group, considering the different economic and demographic characteristics, so they can exercise their freedom of choice. • We have in place a reliable disaster-recovery apparatus, should there be an unexpected disaster that would ensure continuity of business in the event of unforeseen circumstances.	On-going On-going			

HSE Report

HSE Report

At Custodian, the health, safety and wellbeing of employees, contractors, clients and visitors remain a core priority. As a conglomerate (a financial services and investment company), our operations are predominantly office-based; hence, we acknowledge the fact that workplace health risks—both physical and psychosocial-can materially affect employee performance, business continuity and long-term value creation.

As a responsible corporate entity, our Health, Safety & Wellbeing structure is aligned with the relevant Nigerian occupational safety regulations, and principles.

The Executive Management is responsible for implementing approved health and safety policies and ensuring compliance.
The company reviews the policies periodically to ensure alignment with regulatory changes, current, perceived or emerging risks, and best practices.

The company's key Workplace Health & Safety focus areas include:

- Ergonomic workstations: we ensure the proper setup of workstations to prevent musculoskeletal strain and disorder. This is achieved by regular assessment of chairs, screens and lights. The office workstation arrangement/layout is also considered important, this is to prevent trips, slips and falls

- Fire prevention systems and emergency evacuation procedures: regular preventive maintenance of the fire detection systems is carried out on a periodic basis, fire extinguisher maintenance, clearly marked emergency exits, muster point and periodic fire drills are all in place to ensure a safe environment

- Electrical and building safety compliance: periodic audit of the building by officials of the Fire Service Department and the state safety agency

- Safe use of office equipment: as a part of the company safety policy, there is periodic maintenance of equipment to ensure the safety of users. Where applicable, fit for use certification by relevant agencies is obtained. We ensure routine inspections are conducted to identify hazards and implement corrective actions promptly to eliminate possible downtime or safety risk.

HSE Report Contd

With priority on Employee Health & Wellbeing, the company ensures that employee wellbeing extends beyond physical safety, hence the adoption of initiatives which include:

- Health insurance and access to medical care through Health Maintenance Organizations
- Mental health awareness and stress-management programs through the engagement of qualified professionals to give presentations and talks using the Custodian knowledge sharing platform known as CAI Idols
- Having in place policies supporting work-life balance
- Employee wellness campaigns focusing on diseases prevention. Example is the sharing of disease prevention tips via the use of posters in common areas such as the elevator, restrooms and so on

We recognize that these initiatives support productivity, engagement and long-term workforce sustainability.

In achieving our goal of preventing illness, injury, and long-term harm to workers, the company has continued to adopt structured and proactive ways of identifying, assessing, controlling, and monitoring health risks that arise from work activities.
We proactively identify and manage occupational health risks through:

- Periodic risk assessments for office environment
- Clear incident reporting and investigation procedures
- Preventive controls to reduce work-related health concerns

All reported incidents are documented and reviewed to prevent recurrence and improve controls.

We have continued to promote a strong safety culture over the years, through employee training and engagement. Our corporate strategy on improving Health and Safety of employee includes:

- Health and safety induction for new employees: mandatory health & safety induction for new joiners

HSE Report

- Periodic refresher training and awareness sessions: we have adopted continuous staff training on safety procedures for all categories of employees and outsourced staff.
- Emergency preparedness and first-aid awareness, including demonstrations and trainings by professionals including local fire service department and recently the Nigerian Red Cross Society
- Continuous communication to reinforce personal responsibility for safety
- Emergency Preparedness & Business Continuity
- Data security awareness to reduce cyber-related risks

Our policy caters for other stakeholders such as Contractors, Suppliers, Service Providers and Visitors to our premises are mandated to adhere to our safety standards through:

- Clear health and safety requirements for third parties
- Controlled access to office premises
- Vendor risk assessments (where applicable)
- Performance & Continuous Improvement
- Ensure that every contractor working at height is well kitted with relevant Personal Protective Equipment

As part of workplace safety, we adopt a deliberate and structured approach to emergency preparedness. We have continued to fine-tune the process over the years and our emergency preparedness plan includes:

- Fire and emergency response plans: this includes the regular maintenance of firefighting equipment and having them ready for use. The establishment of a safety team, trained in emergency evacuation and use of equipment such as the fire extinguishers, manual call points etc

- Taking proactive and preventive measures against diseases. An example is the installation of hand sanitizer dispensers at strategic locations within the office building

HSE Report

- Business continuity and disaster recovery planning. This is aimed at achieving zero down-time in our business operations in case of an emergency
- Regular testing and review of response procedures
- Contractor & Visitor Safety

We have adopted the following indicators for our appraisals with the aim of measuring our performance.

- Workplace incidents (our target is zero lost-time injuries)
- Health-related absenteeism trends
- Employee engagement and wellbeing feedback
- Continuous improvements to Health, Safety And Environment policies and controls

We remain committed to our objective of continuously improving in health, safety and wellbeing of our employees and other stakeholders to sustain long-term value.

Proxy Form

31st Annual General Meeting of Custodian Investment Plc will hold virtually via https://attend.meristemregistrars.ng/index.html on May 8, 2026, at 10.00a.m.

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 31st Annual General Meeting of the Company to be held on Friday, May 8, 2026.

Dated this..... day of..... 2026

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
1.To lay before the members the Audited Financial Statements for the year ended December 31, 2025, 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. Mrs. Mimi Ade-Odiachi ii. Mr. Olakunle Ade-Ojo iii. Mrs. Binta Max-Gbinije	 _____ _____	 _____ _____
4.To approve the appointment of Dr. Tunde Sodade as an Independent Non-Executive Director and Mr. Folasope Aiyesimoju as a Non-Executive Director.		
5.To authorise the Directors to fix the remuneration of the External Auditors for the 2026 financial year.		
6.To elect members of the Statutory Audit Committee in accordance with Section 404(6) of the Companies and Allied Matters Act, 2020.		
7.To disclose the remuneration of Managers in the employment of the Company.		
Special Business		
8.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, 31ST ANNUAL GENERAL MEETING TO BE HELD ON FRIDAY MAY 8, 2026 AT 10AM VIA https://attend.meristemregistrars.ng/index.html

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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