Custodian

CUSTODIAN INVESTMENT PLC

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UNAUDITED CONSOLIDATED FINANCIAL REPORTS

FOR THE NINE MONTHS ENDED

30TH SEPTEMBER 2026

Directors: Dr. (Mrs.) Omobola Johnson (Chairman), Wole Oshin (Managing), Adeniyi Falade (Executive), Richard Asabia, Mimi Ade-Odiachi, Ravi Sharma, Binta Max-Gbinije, Olakunle Ade-Ojo

RC 171209

Financial Statements
Executive summary / financial highlights

Asset and liability highlight

In thousands of naira	**Group 30-Sep-26**	**Group 31-Dec-25**	**Company 30-Sep-26**	**Company 31-Dec-25**
Cash and cash equivalents	193,807,109	174,182,932	273,230	2,634,991
Financial assets	754,425,717	596,524,909	407,103	381,748
Investment properties	41,405,881	41,404,206	14,722,206	14,722,206
Property, plant and equipment	25,180,938	25,160,897	189,964	287,563
Insurance contract liabilities	338,841,610	270,899,849	-	-
Equity attributable to owners of the parent	**235,185,330**	**198,790,328**	**81,008,611**	**73,372,308**
Total Assets	**1,398,272,006**	**1,064,733,159**	**88,869,536**	**80,075,876**

Income statement highlights

In thousands of naira	**Group 30-Sep-26**	**Group 30-Sep-25**	**Company 30-Sep-26**	**Company 30-Sep-25**
Gross Revenue	**255,414,006**	**173,846,699**	**24,526,741**	**18,239,298**
Insurance service revenue	*115,848,850*	*121,708,949*	-	-
Sales	*10,296,559*	*9,688,292*	-	-
Dividend Income	*1,956,917*	*2,310,204*	*23,912,202*	*17,553,307*
Interest Income	*110,142,303*	*33,173,920*	*397,225*	*457,358*
Fees and Commission	*16,584,105*	*6,477,018*	-	-
Other Operating Income	*585,272*	488,316	*217,314*	*228,633*
Operating Expenses	**(195,813,867)**	**(138,609,825)**	**-**	**-**
Insurance Service expenses	(58,626,867)	(71,235,769)	-	-
Interest Expense	(50,774,192)	-	-	-
Net expense from reinsurance contracts held	(39,572,196)	(38,205,305)	-	-
Cost of sales	(7,446,305)	(6,492,046)	-	-
Net insurance finance expenses	(39,394,307)	(22,676,705)	-	-
Management Expenses	(29,949,785)	(13,650,159)	(1,935,975)	(1,702,794)
Profit before taxation	**66,200,792**	**52,740,201**	**26,427,779**	**30,000,100**
Income tax expenses	(8,606,102)	(7,090,955)	(2,616,350)	(2,756,361)
Profit for the period	**57,594,690**	**45,649,246**	**23,811,429**	**27,243,739**
Total comprehensive income for the period, net of tax	**64,140,041**	**48,951,955**	**23,811,429**	**27,243,739**
EPS - Basic & Diluted (in kobo)	**827**	**759**	**405**	**463**

Consolidated and separate statement of financial position
As at 30 September 2026

In thousands of naira	Note	Group 30-Sep-26	Group 31-Dec-25	Company 30-Sep-26	Company 31-Dec-25
Assets					
Cash and cash equivalents	5	193,807,109	174,182,932	273,230	2,634,991
Trade receivables	8	859,807	993,364	-	-
Financial assets:	6	754,425,717	596,524,909	407,103	381,748
Loans and advances to customers	7	247,852,885	130,789,376	-	-
Inventories	9	1,646,970	3,219,098	-	-
Other receivables and prepayments	10	43,224,613	29,850,660	20,756,314	13,565,733
Reinsurance contract assets	20	23,538,249	15,016,067	-	-
Right-of-use-assets	19	9,919	44,727	-	-
Investment in subsidiaries	11	-	-	15,873,012	15,373,012
Other entity	12	-	-	32,742,219	29,182,781
Equity accounted investee	13	14,269,938	13,791,384	3,905,488	3,905,488
Investments in joint ventures	14	112,182	94,695	-	-
Investment properties	15	41,405,881	41,404,206	14,722,206	14,722,206
Property, plant and equipment	17	25,180,938	25,160,897	189,964	287,563
Intangible assets	16	3,047,771	2,617,811	-	-
Statutory deposits	18	43,905,059	26,058,065	-	-
Deferred tax asset	28	4,984,968	4,984,968	-	22,354
Total assets		**1,398,272,006**	**1,064,733,159**	**88,869,536**	**80,075,876**
Liabilities and equity					
Liabilities					
Current income tax payable	27	14,337,484	16,181,655	4,090,115	2,802,699
Trade payables	23	107,808,908	77,315,757	-	-
Other payables	26	35,697,128	39,478,764	1,997,136	2,118,765
Reinsurance contract liabilities	20	245,087	78,193	-	-
Due to Banks and other financial institutions	24	233,204,115	176,648,306		
Due to Customers	25	375,074,498	242,188,713		
Insurance contract liabilities	20	338,841,610	270,899,849	-	-
Investment contract liabilities	21	2,944,218	3,327,936	-	-
Interest bearing loans and borrowings	22	8,891,275	8,974,804	-	-
Deferred tax liabilities	28	5,065,272	11,093,022	1,773,674	1,782,104
Total liabilities		**1,122,109,595**	**846,186,999**	**7,860,925**	**6,703,568**
Equity					
Issued share capital	29	2,940,933	2,940,933	2,940,933	2,940,933
Share premium	30	6,412,357	6,412,357	6,412,357	6,412,357
Retained earnings	31	174,765,479	143,437,414	71,655,321	64,019,018
Contingency reserve	31	26,865,012	25,703,468	-	-
Fair value reserves	31	18,043,472	14,138,080	-	-
Revaluation reserve	31	3,055,867	3,055,867	-	-
Other Reserves	31	3,102,209	3,102,209	-	-
Equity attributable to owners of the parent		235,185,330	198,790,328	81,008,611	73,372,308
Non-controlling interests		40,977,082	19,755,832	-	-
Total equity		**276,162,411**	**218,546,160**	**81,008,611**	**73,372,308**
Total equity and liabilities		**1,398,272,006**	**1,064,733,159**	**88,869,536**	**80,075,876**

The accounts were approved by the Board of directors on 30th October 2026 and signed on its behalf by:

Dr. (Mrs.) Omobola Johnson	Wole Oshin	Friday Nwachukwu
Chairman	Managing Director	Chief Financial Officer
FRC/2018/PRO/DIR/003/00000018366	FRC/2013/PRO/DIR/003/00000003054	FRC/2013/PRO/ICAN/001/00000002207

Consolidated and separate statements of profit or loss and other comprehensive income
For the period ended 30 September 2026

In thousands of naira	Note	Group Q3 ended 30-Sep-26	Group Q3 ended 30-Sep-25	Group Year to date 30-Sep-26	Group Year to date 30-Sep-25	Company Q3 ended 30-Sep-26	Company Q3 ended 30-Sep-25	Company Year to date 30-Sep-26	Company Year to date 30-Sep-25
Interest income	32	39,378,602	12,081,595	110,142,303	33,173,920	298,542	155,730	397,225	457,358
Interest expense	33	(19,950,847)	-	(50,774,192)	-	-	-	-	-
Operating and Investment Income	34	8,951,927	5,150,847	29,422,853	18,963,830	5,811,391	2,782,879	24,129,516	17,781,940
Net fair value (losses)/gains	38	18,337,128	23,369,527	28,086,551	31,369,274	3,706,155	12,840,450	3,837,013	14,613,593
Net realised gains	39	3,625,766	(1,139,146)	6,569,542	(1,116,726)	-	(1,150,397)	-	(1,149,997)
Investment result		**50,342,576**	**39,462,823**	**123,447,057**	**82,390,298**	**9,816,088**	**14,628,662**	**28,363,754**	**31,702,894**
Insurance service revenue	35	39,462,540	32,337,409	115,848,850	121,708,949	-	-	-	-
Insurance service expenses	36	(15,870,466)	(9,011,415)	(58,626,867)	(71,235,769)	-	-	-	-
Net expense from reinsurance contract held	40	(13,335,832)	(12,090,346)	(39,572,196)	(38,205,305)	-	-	-	-
Insurance service result		**10,256,242**	**11,235,648**	**17,649,787**	**12,267,875**	**-**	**-**	**-**	**-**
Finance income (expenses) from insurance contracts (net)	41	(26,721,866)	(22,406,457)	(40,506,541)	(23,145,358)	-	-	-	-
Finance income from reinsurance contracts (net)	41	500,781	202,888	1,112,234	468,653	-	-	-	-
Net insurance finance expenses		**(26,221,085)**	**(22,203,569)**	**(39,394,307)**	**(22,676,705)**	**-**	**-**	**-**	**-**
Direct operating expenses	37	(1,592,617)	(2,352,803)	(7,446,305)	(6,492,046)				
Net income		**32,785,116**	**26,142,099**	**94,256,233**	**65,489,422**	**9,816,088**	**14,628,662**	**28,363,754**	**31,702,894**
Impairment (allowance)/write back	43	625,134	(269,100)	927,009	(477,389)	-	-	-	-
Finance costs	44	(31,424)	(34,484)	(111,040)	(346,520)	-	-	-	-
Management expenses	42	(10,746,316)	(3,813,749)	(29,949,785)	(13,650,159)	(669,545)	(566,004)	(1,935,975)	(1,702,794)
Share of result of equity accounted investee	13	448,338	236,232	1,078,376	1,724,847			-	-
Profit before taxation		**23,080,848**	**22,260,998**	**66,200,792**	**52,740,201**	**9,146,543**	**14,062,658**	**26,427,779**	**30,000,100**
Income tax expenses	27	(3,211,695)	(3,002,043)	(8,606,102)	(7,090,955)	(888,158)	(1,317,056)	(2,616,350)	(2,756,361)
Profit for the period		**19,869,153**	**19,258,955**	**57,594,690**	**45,649,246**	**8,258,385**	**12,745,602**	**23,811,429**	**27,243,739**
Other comprehensive income (OCI):									
Items that are or may be reclassified to profit or loss									
Net gain on debt instruments at fair value through other comprehensive income	45	3,271,618	4,040,804	1,781,268	3,224,222			-	-
Items that will not be reclassified to profit or loss								-	-
Equity-accounted investee -share of OCI	13	8,239	5,967	14,552	20,228			-	-
Net (loss)/gain on equity instrument at FVOCI	45	6,819,018	(1,493,774)	4,749,530	58,259	-	-	-	-
Other comprehensive income/(loss) for the period net of tax		10,098,875	2,552,997	6,545,350	3,302,709			-	-
Total comprehensive income for the period		**29,968,028**	**21,811,952**	**64,140,041**	**48,951,955**	**8,258,385**	**12,745,602**	**23,811,429**	**27,243,739**
Profit for the period attributable to:									
– Owners of the parent		23,440,160	18,898,140	48,664,736	44,656,514	8,258,385	12,745,602	23,811,429	27,243,739
– Non-controlling interests		(3,571,007)	360,815	8,929,955	992,732	-	-	-	-
		19,869,153	**19,258,955**	**57,594,690**	**45,649,246**	**8,258,385**	**12,745,602**	**23,811,429**	**27,243,739**
Total comprehensive income attributable to:									
– Owners of the parent		18,504,043	20,974,904	52,570,128	47,658,003	8,258,385	12,745,602	23,811,429	27,243,739
– Non-controlling interests		11,463,986	837,048	11,569,913	1,293,952			-	-
		29,968,028	**21,811,952**	**64,140,041**	**48,951,955**	**8,258,385**	**12,745,602**	**23,811,429**	**27,243,739**
Earnings per share:									
From continuing operations									
Basic/diluted earnings per share (kobo)	46	295	334	827	759	140	111	405	463
From continuing and discontinued operations									
Basic/diluted earnings per share (kobo)	46	295	334	827	759	140	111	405	463

Consolidated and separate statement of changes in equity
For the period ended 30 September 2026

Group	Attributable to owners of the Parent									
In thousands of naira	Issued share capital	Share premium	Retained earnings	Contingency reserve	Revaluation Reserve	Fair Value Reserve	Other Reserves	Total	Non-controlling interests	Total equity
At 1 January 2026	2,940,933	6,412,357	143,437,414	25,703,468	3,055,867	14,138,080	3,102,209	198,790,328	19,755,832	218,546,160
Impact of IFRS 16 on Leases			-					-		-
Cumulative Adjustment to Retained Earnings								-		-
Share Capital Related Expenses		-	-					-		-
Profit for the period	-	-	48,664,736	-	-	-		48,664,736	8,929,955	57,594,690
Disposal of Investment in Associate	-	-	-					-		-
Disposal of Treasury Shares		-						-		-
Share Premium-Disposal of Treasury Shares		-						-		-
Share of OCI			-	-	-	-		-	-	-
Revaluation gain			-	-	-			-		-
Share of profit	-	-	-	-	-	-		-		-
Transactions with non-controlling interests	-	-	-	-	-	-	-	-	13,736,372	13,736,372
Other comprehensive income		-	-	-	-	3,905,392		3,905,392	2,639,958	6,545,350
Transfer between reserves	-	-	(1,161,544)	1,161,544	-	-		-	-	-
	2,940,933	6,412,357	190,940,605	26,865,012	3,055,867	18,043,472	3,102,209	251,360,456	45,062,117	296,422,573
Dividend Paid	-	-	(16,175,126)	-	-	-		(16,175,126)	(4,085,035)	(20,260,161)
At 30 September 2026	2,940,933	6,412,357	174,765,479	26,865,012	3,055,867	18,043,472	3,102,209	235,185,330	40,977,082	276,162,412

In thousands of naira	Issued share capital	Share premium	Retained earnings	Contingency reserve	Revaluation Reserve	Fair Value Reserve	Other Reserves	Total	Non-controlling interests	Total equity
At 1 January 2025 (Restated)	2,940,933	6,412,357	96,775,025	17,569,448	1,371,591	5,308,429		130,377,783	10,961,334	141,339,117
Profit for the period	-	-	65,839,136	-	-	-		65,839,136	1,791,302	67,630,438
Other comprehensive income		-	-	-	1,684,276	8,829,651		10,513,927	422,652	10,936,579
Arising from acquisition of FBN Quest								-	6,798,473	6,798,473
Transfer between reserves	-	-	(11,236,229)	8,134,020	-	-	3,102,209	-	-	-
	2,940,933	6,412,357	151,377,931	25,703,468	3,055,867	14,138,080	3,102,209	206,730,846	19,973,761	226,704,606
Dividend Paid	-	-	(7,940,517)	-	-	-		(7,940,517)	(217,929)	(8,158,446)
At 31 December 2025	2,940,933	6,412,357	143,437,414	25,703,468	3,055,867	14,138,080	3,102,209	198,790,328	19,755,832	218,546,160

Company	Attributable to owners of the Company							
In thousands of naira	Issued share capital	Share premium	Retained earnings	Contingency reserve	Revaluation Reserve	Fair value reserve		Total
At 1 January 2026	2,940,933	6,412,357	64,019,018	-	-	-	-	73,372,308
Profit for the period	-	-	23,811,429	-	-			23,811,429
Dividend Paid	-	-	(16,175,126)	-	-	-		(16,175,126)
Other comprehensive income						-		-
Transfer between reserves	-	-	-	-	-	-		-
At 30 September 2026	2,940,933	6,412,357	71,655,321	-	-	-	-	81,008,611
At 1 January 2025	2,940,933	6,412,357	37,162,473	-	-	452,226	-	46,967,989
Profit for the period	-	-	33,166,009	-	-	-		33,166,009
Dividend paid	-	-	(7,940,517)	-	-	-		(7,940,517)
Other comprehensive income						1,178,827		1,178,827
Transfer Between Reserves			1,631,053			(1,631,053)		-
At 31 December 2025	2,940,933	6,412,357	64,019,018	-	-	-		73,372,308

Consolidated and separate statement of cash flows
For the period ended 30 September 2026

In thousands of naira	Note	Group 30-Sep-26	Group 30-Sep-25	Company 30-Sep-26	Company 30-Sep-25
Cash flows from operating activities					
Profit before taxation		66,200,792	52,740,201	26,427,779	30,000,100
Adjustments for non-cash items:					
– Write back of excess tax provision		-	77,057	-	-
– Depreciation of property, plant and equipment	17	2,384,223	920,987	108,103	113,458
– Deprecition on right-of-use assets	19	34,808	50,257	-	-
– Impairment charge/(write back) on financial assets at amortised cos	43	(1,089,035)	435,186	-	-
– Amortisation of intangible assets and deferred expenses	16	139,084	74,729	-	-
– Profit on disposal of property, plant and equipment	39	(2,824)	(1,494)	-	(400)
– Gain or loss on disposal equities & other investment	39	(1,183,138)	1,140,040	-	1,150,397
– Fair value gains on financial assets FTPL	38	(32,079,152)	(14,505,040)	(3,837,237)	(355,612)
– Fair value gains on investment properties	35	-	(17,304,500)	-	(14,258,000)
– Exchange rate differential	38	3,992,601	440,266	224	19
– Share of result of equity accounted investee	13	(1,078,376)	(1,724,847)	-	-
– Share of profit from investment in joint venture	14	(17,487)	-	-	-
– WHT on dividend	27	-	-	-	(1,196,000)
– Dividend income	34	(1,956,917)	(2,310,204)	(23,912,202)	(17,553,307)
– Interest income	32	(75,690,031)	(5,920,792)	(388,430)	(402,091)
– Investment income	32	(34,452,272)	(27,253,128)	(8,795)	(55,267)
Changes in working capital:					
Increase in reinsurance assets	20	(8,522,182)	(4,831,325)	-	-
(Increase)/decrease in other receivables and prepayment	10	(13,373,953)	(3,851,499)	(7,190,581)	(11,463,065)
Increase in trade receivables	8	133,557	(967,015)	-	-
Increase/ (Decrease) in insurance contract liabilities	20	67,941,761	71,597,597	-	-
Increase/ (Decrease) in Reinsurance contract liabilities	18	166,894	119,026		
Increase in investment contract liabilities	21	(383,718)	(224,306)	-	-
Increase in other payables	26	(3,781,636)	5,703,440	(121,629)	(854,770)
Increase in trade payable	23	30,493,151	(24,980,585)	-	-
Decrease/(increase) in inventories	9	1,572,128	4,039,043	-	-
Increase in statutory deposit	18	(17,846,994)	(839,695)	-	-
Decrease in borrowings	22	(83,529)	(2,137,634)	-	-
Income tax paid	27	(8,547,019)	(3,679,622)	(1,315,010)	(695,123)
Net cash provided by operating activities		(27,029,263)	26,806,143	(10,237,778)	(15,569,661)
Cash flows from investing activities					
Purchase of property, plant and equipment	17	(2,609,498)	(2,793,352)	(10,503)	(280,395)
Proceeds on disposal of property, plant and equipment	39	208,059	135,760	-	401
Proceeds on disposal of investment property		-	-		-
Purchase of intangible	16	(569,044)	(29,597)	-	-
(Purchase)/redemption of investments (financial assets)		(51,958,906)	(36,729,998)	3,811,881	8,113,751
Purchase of investment in equity accounted investee	13	-	(799,729)	-	-
Dividend received	34	1,956,917	2,310,204	23,912,202	17,553,307
Investment income received	32	110,142,303	33,173,920	397,225	457,358
Net cash (used)/provided by investing activities		57,169,831	(4,732,792)	28,110,805	25,844,422
Cash flows from financing activities					
Interest paid		-	-	-	-
Redemption of Convertible Loan		-	-	-	-
Dividend Paid during the period		(20,260,161)	(7,940,517)	(16,175,126)	(7,940,517)
Deposit for shares		13,736,371	-	-	-
Investment in other entity	12	-	-	(4,059,438)	-
Net cash used in financing activities		(6,523,790)	(7,940,517)	(20,234,564)	(7,940,517)
Net increase in cash and cash equivalents		23,616,778	14,132,834	(2,361,537)	2,334,244
Cash and cash equivalents at begining of the year		174,182,932	43,989,037	2,634,991	3,712,475
Effect of change in exchange rate	38	(3,992,601)	(440,266)	(224)	(19)
Cash and cash equivalents at end of the period	5	193,807,109	57,681,605	273,230	6,046,700

Notes to the consolidated and separate financial statements

1 Corporate information

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

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

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

The financial statements of the Company and the consolidated and separate financial statements of the Group are as at, and for the period ended, 30 September 2026.

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.
- Custodian Asset Management Limited - a wholly owned subsidiary that carries on the business of asset and investment management.
- 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 30 September 2026 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.

Notes to the consolidated and separate financial statements

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

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
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 current conditions
- Current pricing information, when available

The measurement of fulfilment cash flows includes insurance acquisition cash flows which are allocated as a portion of premium to profit or loss (through insurance revenue) over the period of the contract in a systematic and rational way on the basis of the passage of time. The Group does not elect to accrete interest on insurance acquisition cash flows to be allocated to profit or loss.

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

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

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

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

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

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

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

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

The calculation of the effective interest rate includes all fees and points paid or received transaction costs, and discounts

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 surchar

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.

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.

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

2.15 Financial instrument

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

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

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

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

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

Business model assessment
There are three business models available under IFRS 9:

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

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
- 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 contractual 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
- 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)

- 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 entity 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 period ended 30 September 2026, except for the adoption of new standards effective as of 1 January 2026. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Several amendments apply for the first time in 2026 do not have a material impact on the condensed consolidated financial statements of the Group.

i) **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 became effective for annual reporting periods beginning on or after 1 January 2026 and did not result in any change in the measurement category of any of the Group's financial asset.

ii) **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 Group and its subsidiaries applied the amendments which are applicable for annual reporting periods beginning on or after 1 January 2026 and the application of the ammendments did not have any material impact on the Group's financial statments.

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.

Paragraph 5.1.3 of IFRS 9 has been amended to replace the reference to 'transaction price as defined by IFRS 15

- ***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'.

iii) **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 had no material impact on the Gorups financial statements upon application on 1st January 2026. .

3.2 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. In June 2026, the IASB issued Amendments to the Fair ValueOption for Investments in Associates and Joint Ventures. The amendments clarify which entities can apply the fair value option in IAS 28 Investments in Associated and Joint Ventures. The amendments respond to stakeholder feedback highlighting diversity in practice in applying the fair value option and how this interacts with the classification requirements introduced by IFRS 18

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) **IFRS 20 - Regulatory Assets and Regulatory Liabilities**

On 27 May 2026, the Board issued IFRS 20 Regulatory Assets and Regulatory Liabilities. IFRS 20 sets out the requirements for the recognition, measurement, presentation and disclosure of regulatory assets, regulatory liabilities, regulatory income and regulatory expense. IFRS 20 introduces requirements that will result in information that supplements the information an entity already provides by applying IFRS accounting standards, such as IFRS 15. Such information enables users of financial statements to understand the total allowed compensation for regulatory goods or services supplied in each reporting period and the related rights and obligations

IFRS 20, and the consequential amendments to the other accounting standards, is effective for reporting periods beginning on or after 1 January 2029 and is applied either retrospectively in accordance with IAS 8 or using the modified retrospective approach which includes certain transition reliefs from the application of IAS 8. Early adoption is permitted and has to be disclosed

The Company is currently assessing the impact of the standards which will be effective from 1 January 2029 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.

vi) **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.

vii) **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

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 Bornhuetter Ferguson method. Same methodology is applied to claims generated by direct contracts and claim recovered from reinsurance contracts

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

Notes to the consolidated and separate financial statements
For the period ended 30 September 2026

5 Cash and cash equivalents

In thousands of naira	Group 30-Sep-26	Group 31-Dec-25	Company 30-Sep-26	Company 31-Dec-25
Cash-in-hand	269	164	20	20
Balances held with local banks	8,309,403	24,446,441	26,418	2,259,427
Balances held in domiciliary accounts	405,835	64,492,012	2,795	3,020
Placements with banks	186,580,844	86,671,322	321,478	450,005
	195,296,351	**175,609,939**	**350,711**	**2,712,472**
Less: Allowance for credit losses	(1,489,242)	(1,427,007)	(77,481)	(77,481)
	193,807,109	**174,182,932**	**273,230**	**2,634,991**

Bank placements are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Group.

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.

6 Financial assets

In thousands of naira	Group 30-Sep-26	Group 31-Dec-25	Company 30-Sep-26	Company 31-Dec-25
The Group's financial assets are summarised by categories as follows:				
Fair value through profit or loss	223,882,256	159,000,952	407,103	267,866
Fair value through OCI (see note 6.1 below)	343,822,224	307,032,438	-	
Debt securities at amortised cost (see note 6.2 below)	186,721,237	130,491,519	-	113,882
Total financial assets	**754,425,717**	**596,524,909**	**407,103**	**381,748**

Included in financial assets of the group and company are N654.7 million (2025: N758.53billion) and N481million (2025: N538.08million) respectively, being unclaimed dividend that have been returned by the Registrars to be held against claims by the beneficiaries.

***6.1* Fair value through OCI**

In thousands of naira	Group 30-Sep-26	Group 31-Dec-25	Company 30-Sep-26	Company 31-Dec-25
Quoted equity securities	253,926,197	1,488,199	-	-
Bonds Securities held at FVTOCI	69,819,239	284,834,855	-	-
Unquoted securities	20,076,788	20,709,384	-	
Total Fair value through OCI	343,822,224	307,032,438	-	-

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).
Other 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.

iii 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.

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.

6.2 Debt securities at amortised cost

In thousands of naira	Group 30-Sep-26	Group 31-Dec-25	Company 30-Sep-26	Company 31-Dec-25
Federal Government Bonds	76,698,307	69,288,849	-	-
State Government Bonds	643,159	825,591	-	-
Corporate Bonds	18,085,831	31,197,353	-	-
Treasury Bills and Tenor Deposits Greater than 90 days and Others	62,585,349	27,373,015	-	-
Pledged assets	31,400,000	2,942,271		
Loan to Customers	-		-	-
Loan to policy holders	-		-	
Commercial papers	-	1,306,928	-	156,205
	189,412,646	132,934,007	-	156,205
Less: Allowance for credit losses	(2,691,409)	(2,442,488)	-	(42,323)
Total	186,721,237	130,491,519	-	113,882

7 Loans and advances to customers

In thousands of naira	Group 30-Sep-26	Group 31-Dec-25	Company 30-Sep-26	Company 31-Dec-25
Loans and advances to customers	252,424,741	135,643,896	-	-
Total allowance for impairment on loan	(4,571,856)	(4,854,520)	-	-
	247,852,885	130,789,376	-	-

8 Trade receivables

In thousands of naira	Group 30-Sep-26	Group 31-Dec-25	Company 30-Sep-26	Company 31-Dec-25
Insurance receivables (see note 7.1 below)	566,936	314,888	-	-
Other trade receivables	1,472,753	1,858,358	-	-
Impairment on trade receivables (see note 7.2 below)	(1,179,882)	(1,179,882)	-	-
	859,807	**993,364**	**-**	**-**

***8.1* Insurance receivables**

	Group 30-Sep-26	Group 31-Dec-25	Company 30-Sep-26	Company 31-Dec-25
Brokers	562,627	314,888	-	-
Insurance companies	4,309	-	-	-
	566,936	**314,888**	**-**	**-**

Notes to the consolidated and separate financial statements
For the period ended 30 September 2026

8.2 **Impairment on trade receivables**

	Group	Group	Company	Company
	30-Sep-26	**31-Dec-25**	**30-Sep-26**	**31-Dec-25**
At 1 January	1,179,882	890,645	-	-
Charge/(reversal) for the period	-	289,237	-	-
	1,179,882	**1,179,882**	**-**	**-**

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 period 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.

9 **Inventories**

	Group	Group	Company	Company
In thousands of naira	**30-Sep-26**	**31-Dec-25**	**30-Sep-26**	**31-Dec-25**
At 1 January	3,219,098	8,729,998	-	-
Additions	4,109,892	1,389,671	-	-
Disposal	(5,682,020)	(6,900,571)	-	-
Impairment	-	-	-	-
At period end	1,646,970	3,219,098	-	-

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	Group	Company	Company
In thousands of naira	**30-Sep-26**	**31-Dec-25**	**30-Sep-26**	**31-Dec-25**
Administration fee receivable	60,971	1,013,344	-	-
Management fee receivable	3,343,736	6,937,271	-	-
Deposit for shares	13,366,349	9,011,456	13,366,349	9,008,193
Deposit for assets	159,973	6,219	158,473	6,219
Loan to policy holders		166,210		
Shareholder's Loan to subsidiary	-		887,745	1,130,573
Staff Loans	950,267	926,981	135,403	4,083
Due from related parties	81,157	91,494	678,872	339,000
Balances due from joint ventures	1,705,368	499,758		-
Mobilization payment to contractors*	3,115,814	5,178,524	-	-
Service charge reimbursables		-		-
Other debit balances**	7,850,548	1,045,066	11,741	11,767
Minimum deposit on premium paid	26,038	91,500	-	-
Due from reinsurance brokers/intermidiaries	348,269	645,568	-	-
	31,008,490	25,613,391	15,238,583	10,499,835
WHT receivables	6,470,928	5,574,899	5,251,474	3,006,145
Prepayment	7,043,329	2,192,336	332,004	83,177
	13,514,257	7,767,235	5,583,478	3,089,322
	44,522,747	33,380,626	20,822,061	13,589,157
Less: Allowance for ompairment loss on other receivables other debit balances	(1,298,134)	(3,529,966)	(65,747)	(23,424)
	43,224,613	**29,850,660**	**20,756,314**	**13,565,733**

Deposit for shares represents strategic investment commitment in companies currently undergoing incorporation/registration and amounts placed with stockbrokers for the purchase of securities.

*****Mobilization payment to contractors represents payments made to contractors on projects, which have not been completed.

**Other debit balances relates to payments in respect of projects in progress. Also included in Other debit balances are expected reimbursment from pension custodians in respect of disbursments made on annuity contracts.

11 **Investment in subsidiaries**

			Group	Group	Company	Company
In thousands of naira	**Equity interest**	**Segment**	**30-Sep-26**	**31-Dec-25**	**30-Sep-26**	**31-Dec-25**
Custodian and Allied Insurance Limited	100%	Property/Casualty Insurance	-	-	3,584,607	3,584,607
Custodian Life Assurance Limited	100%	Life Insurance	-	-	3,184,717	3,184,717
Crusader Sterling Pensions Limited	76.55%	Pension Asset Management	-	-	1,139,460	1,139,460
Custodian Trustees Limited	100%	Trusteeship/Company Secretary Services	-	-	400,885	400,885
Crusader Hotels and Apartments Limited*	100%	Hospitality	-	-	1,000	1,000
Custodian Asset Management Limited**	100%	Asset Management	-	-	700,000	200,000
UPDC Plc	51%	Property development and management	-	-	6,862,343	6,862,343
			-	**-**	**15,873,012**	**15,373,012**

Custodian Investment Plc is the ultimate holding company with significant equity interests in the subsidiary companies as indicated by the equity interest stated above.
* The company is yet to commence operations
**The company obtained approval from the Security and Exchange Commission to commence operations as an Asset Management company during the year.

The Company along with its subsidiaries make up the Custodian Group.

12 Other entity

	Group 30-Sep-26	Group 31-Dec-25	Company 30-Sep-26	Company 31-Dec-25
Investment in Quest Merchant Bank Limited	-	-	32,742,219	29,182,781

To comply with the revised regulatory capital requirements for merchant banks, the Bank raised additional capital by broadening its shareholder base. During the year, Custodian Investment Plc fully subscribed to its rights entitlement and invested an additional ₦3.56 billion. As a result of the capital raise, Custodian Investment Plc's ownership interest in the Bank was diluted to 49%

13 Equity accounted investee

In thousands of naira	Principal activities	Group 30-Sep-26	Group 31-Dec-25	Company 30-Sep-26	Company 31-Dec-25
Interstate Securities Limited (see note 13.1 below)	Stockbroking and Issuing House	1,846,773	1,356,445	525,364	525,364
UPDC REIT (see note 13.2 below)	Real Estate investments	12,423,165	12,434,939	3,380,124	3,380,124
		14,269,938	**13,791,384**	**3,905,488**	**3,905,488**

13.1 Equity accounted investee: Interstate Securities Ltd

The Group invested in the equity of Interstate Securities Limited, a stock broking firm and a dealing member of Nigerian Exchange Ltd in line with its strategy to further diversify its businesses. The investment is made up of 336,249,499 ordinary shares representing 46.86% of the company's issued ordinary shares; and 82,500,000 5% Convertible Preference shares. The net assets of the company as at 30 September 2026 was N4.22billion (2025: N2.95billion).

In thousands of naira	Group 30-Sep-26	Group 31-Dec-25	Company 30-Sep-26	Company 31-Dec-25
At January 1	1,356,445	911,278	525,364	525,364
Addition during the the year	-	-	-	-
Share of (loss)/profit	475,776	397,901	-	-
Prior year share of profit difference	-	-		
Share of OCI	14,552	47,266	-	-
Dividend received	-	-	-	-
At period end	1,846,773	1,356,445	525,364	525,364

13.2 Equity accounted investee: UPDC REIT

The company had acquired 935,119,850 units of UPDCREIT over the years in pursuant to its strategy to invest in long term asset backed unit trust funds. This investment represents 35.05% (2025 : 35.05%) of total units in issue. The net assets of the company as at 30 September 2026 was N36.23billion (2025: 33.05billion)

In thousands of naira	Group 30-Sep-26	Group 31-Dec-25	Company 30-Sep-26	Company 31-Dec-25
At January 1	12,434,939	11,401,327	3,380,124	3,380,124
Addition during the the year	-	-	-	-
Dimunition in value of investment		-	-	-
Share of profit	602,600	1,472,930	-	-
Prior year share of profit difference	-	-		-
Share of OCI	-	-	-	-
Dividend received	(614,374)	(439,318)		
At period end	12,423,165	12,434,939	3,380,124	3,380,124

14 Investments in joint ventures

In thousands of naira	Project	% Holding 30-Sep-26	Group 30-Sep-26	Group 31-Dec-25	Company 30-Sep-26	Company 31-Dec-25
First Restoration Dev. Co. Limited	Olive court	51%	112,182	94,695	-	-
At 1 January			94,695	120,141	-	-
Share of profit/(loss) from joint venture **			17,487	(25,446)	-	-
			112,182	94,695		

Nature of investment in joint venture

Name	Project	Country of incorporation	Country of incomporation	Nature of relationship	Nature of relationship	% interest held
First Restoration Dev. Co. Limited	Olive court	Nigeria	Nigeria	Joint venture	Joint venture	51%
Transit Village Dev. Co. Ltd	Transit Village	Nigeria	Nigeria	Joint venture	Joint venture	40%

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. 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 rpofit/(loss) of First restoration recognised for the year and prior year using equity method of accounting for investment in joint venture.

15 Investment properties

In thousands of naira	Group 30-Sep-26	Group 31-Dec-25	Company 30-Sep-26	Company 31-Dec-25
At 1 January	41,404,206	18,174,500	14,722,206	10,509,000
Additions	-	-	-	-
Fair value gains/(losses) on investment properties	1,675	23,829,706	-	9,080,139
Reclassifications (see note 9)	-	-	-	-
Disposals during the period	-	(600,000)	-	(4,866,933)
	41,405,881	**41,404,206**	**14,722,206**	**14,722,206**

i. Investment properties are stated at fair value, which has been determined based on valuations performed by Barin Epega & Company. Barin Epega & Company are industry specialists in valuing these types of investment properties. They are registered with the Financial Reporting Council of Nigeria (FRC\2020\00000013769). The fair value was determined based on the capitalization of net rental income method, where the market rentals of all lettable units of the properties are assessed by reference to the rentals achieved in the lettable units as well as other lettings of similar properties in the neighbourhood. This is also supported by market evidence and represents the amount at which the assets could be exchanged between a knowledgeable, willing buyer and a knowledgeable, willing seller in an arm's length transaction at the date of valuation, in accordance with the standards issued by the International Valuation Standards Committee.

Valuations are performed on an annual basis and the fair value gains and losses are reported in income statement. There has been no change to the valuation technique during the year. The valuation reports were signed on behalf of the firm by its principal partner, Sir. Obarinsola Epega KJW (FRC\2012\NIESV\0000000597).

ii There are no restrictions on the realisability of investment property or the remittance of income and proceeds of disposal. The Company has no contractual obligations to purchase, construct or develop investment property or for repairs or enhancement.

16 Intangible assets

i Group

In thousands of naira	Core deposit and Customer relations	Software	Total
Cost:			
At 1 January 2025		1,731,415	1,731,415
Arising from acquisition of Quest Merchant Bank	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
At 1 January 2026	2,296,400	5,531,953	7,828,353
Additions		569,044	569,044
At 30 September 2026	2,296,400	6,100,997	8,397,397
Amortization and impairment losses			
At 1 January 2025		1,454,142	1,454,142
Arising from acquisition of Quest Merchant Bank		1,571,740	1,571,740
Reclassification/write off		-	-
Amortization for the period		2,184,660	2,184,660
At 31 December 2025		5,210,542	5,210,542
At 1 January 2026		5,210,542	5,210,542
Amortization for the period		139,084	139,084
At 30 September 2026		5,349,626	5,349,626
Carrying Amount			
At 1 January 2026	2,296,400	321,411	2,617,811
At 30 September 2026	**2,296,400**	**751,371**	**3,047,771**

ii Company

In thousands of naira	Software	Total
Cost:		
At 1 January 2026	25,132	25,132
Additions	-	-
At 30 September 2026	25,132	25,132
Amortization and impairment losses		
At 1 January 2026	25,132	25,132
Amortization for the period	-	-
At 30 September 2026	25,132	25,132
Carrying Amount		
At 1 January 2026	-	-
At 30 September 2026	**-**	**-**

17 Property, plant and equipment

i Group

In thousands of naira	Freehold property	Office equipment	Computer equipment	Furniture and fittings	Motor Vehicles	Total
Cost/Valuation						
At 1 January 2025	12,919,302	1,305,701	1,122,605	718,129	2,536,951	18,602,688
Additions	473,287	177,483	1,630,845	293,578	2,207,031	4,782,224
Arising from acquisition of Quest Merchant Bank	2,846,896	391,715	549,666	102,656	3,026,905	6,917,838
Reclassification/Revaluation*	3,210,961	68,508	-	-	-	3,279,469
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	3,300,879	1,114,363	7,452,752	33,171,054
At 1 January 2026	19,360,148	1,942,912	3,300,879	1,114,363	7,452,752	33,171,054
Additions	1,277,588	83,969	190,794	102,439	954,707	2,609,498
Relassification/Revaluation*	(671,665)	9,156	63,691	69,017	529,801	-
Disposals	-	(2,933)	(16,509)	(2,212)	(530,013)	(551,668)
At 30 September 2026	**19,966,071**	**2,033,104**	**3,538,855**	**1,283,607**	**8,407,247**	**35,228,884**
Accumulated depreciation						
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 Quest Merchant Bank	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
At 1 January 2026	1,233,808	1,007,764	2,483,449	694,724	2,590,411	8,010,156
Charge for the period	361,125	196,898	361,348	56,434	1,408,417	2,384,223
Elimination on Revaluation	-		-	-	-	-
Disposals	-	(2,933)	(5,424)	(2,030)	(336,046)	(346,433)
At 30 September 2026	**1,594,933**	**1,201,729**	**2,839,373**	**749,128**	**3,662,782**	**10,047,946**
Carrying Amount						
At 1 January 2026	18,126,340	935,148	817,430	419,639	4,862,341	25,160,898
At 30 September 2026	**18,371,138**	**831,375**	**699,482**	**534,479**	**4,744,465**	**25,180,938**

ii Company

In thousands of naira	Office equipment	Computer equipment	Furniture and fittings	Motor Vehicles	Total
Cost/Valuation					
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
At 1 January 2026	40,053	22,474	50,154	685,200	797,881
Additions	-	10,503	-	-	10,503
Disposals	-	-	-	-	-
At 30 September 2026	**40,053**	**32,977**	**50,154**	**685,200**	**808,384**
Accumulated depreciation					
At 1 January 2025	27,434	18,930	44,492	322,585	413,441
Additions	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
At 1 January 2026	33,386	20,885	46,269	409,777	510,317
Charge for the period	3,478	1,513	1,283	101,829	108,103
Disposals	-	-	-	-	-
At 30 September 2026	**36,864**	**22,398**	**47,552**	**511,606**	**618,420**
Carrying Amount					
At 1 January 2026	6,667	1,589	3,885	275,423	287,563
At 30 September 2026	**3,189**	**10,579**	**2,602**	**173,594**	**189,964**

18 Statutory deposits

In thousands of naira	Group **30-Sep-26**	Group **31-Dec-25**	Company **30-Sep-26**	Company **31-Dec-25**
Statutory deposit	43,905,059	26,058,065	-	-
	43,905,059	**26,058,065**	**-**	**-**

In line with Section 16(3) of the Nigerian Insurance Industry Reform Act (NIIRA) 2025, a deposit equivalent to 10% of the minimum capital requirement stipulated in Section 15 of the Act for non-life insurance business and life insurance business is kept with the Central Bank of Nigeria. The cash amount held is considered to be a restricted cash balance. 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 entity's mandatory reserve deposits with Central Bank of Nigeria which is subject to restrictions imposed by the CBN.

19 Right-of-use-assets

In thousands of naira	Group **30-Sep-26**	Group **31-Dec-25**	Company **30-Sep-26**	Company **31-Dec-25**
Balance at 1 January	44,727	111,737	-	-
Addition for the period	-	-	-	-
Remeasurement	-	-	-	-
Depreciation expense on ROU asset for	(34,808)	(67,010)	-	-
Balance at 30 September	**9,919**	**44,727**	**-**	**-**

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20 Insurance contract liabilities issued / Reinsurance contracts held

Portfolios of insurance and reinsurance contract assets and liabilities

	2026			2025		
	Non Life Insurance	Life insurance		Non Life Insurance	Life insurance	Total
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Insurance contracts issued						
Insurance contract assets	-	-	-			
Insurance contract liabilities	68,935,347	269,906,263	338,841,610	50,686,122	220,213,727	270,899,849
Reinsurance contracts held						
Reinsurance contract assets	20,745,322	2,792,927	23,538,249	10,426,226	1,421,351	15,016,067
Reinsurance contract liabilities	-	245,087	245,087	-	72,594	78,193

(a) Insurance contracts issued

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

Insurance contracts issued		**2026**					**2025**				
		Liabilities for Remaining Coverage		Liability for incurred claims		Total	Liabilities for Remaining Coverage		Liability for incurred claims		Total
	Note	Excluding loss component	Loss- component	Present value of future cash flows	Risk adjustment		Excluding loss component	Loss- component	Present value of future cash flows	Risk adjustment	
		₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Opening insurance contract assets		-		-	-	-	-		-	-	-
Opening insurance contract liabilities		21,850,723	2,140	26,259,797	2,573,462	50,686,122	14,934,907	-	19,992,440	1,959,266	36,886,613
Net Opening balance		21,850,723	2,140	26,259,797	2,573,462	50,686,122	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	35	(79,671,109)	-	-	-	(79,671,109)	(100,893,787)	-	-	-	(100,893,787)
		(79,671,109)	-	-	-	(79,671,109)	(100,893,787)	-	-	-	(100,893,787)
Insurance service expenses											
Incurred claims and other expenses		-	-	29,371,316	(183,772)	29,187,544	-	-	9,251,966	(250,842)	9,001,124
		-	-	-		-	-	-	-	-	-
Acquisition expenses		10,109,888	25	-		10,109,913	11,053,552	-	-	-	11,053,552
Changes that relate to future services: losses on onerous 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)		-	-	(13,411,889)	533,236	(12,878,652)	-	-	12,414,369	894,884	13,309,253
	36	10,109,888	25	15,959,427	349,464	26,418,805	11,053,552	2,140	21,666,335	644,042	33,366,069
Insurance finance expenses											
Insurance finance expenses		-	-	3,205,521	21,900	3,227,421	-	-	1,363,416	(29,846)	1,333,570
	41	-	-	3,205,521	21,900	3,227,421	-	-	1,363,416	(29,846)	1,333,570
Total changes in the statement of profit or loss and OCI		**(69,561,221)**	**25**	**19,164,948**	**371,364**	**(50,024,883)**	**(89,840,235)**	**2,140**	**23,029,751**	**614,196**	**(66,194,148)**
Cash flows											
Premiums received- premium fron insurance contract (1)		96,050,661	-	-	-	96,050,661	83,687,125	-	-	-	83,687,125
Claims and other expenses paid		-	-	(15,375,519)	-	(15,375,519)	-	-	(16,762,394)	-	(16,762,394)
Acquisition cash flows paid		(12,401,032)	-	-	-	(12,401,032)	(12,077,184)	-	-	-	(12,077,184)
		83,649,629	-	(15,375,519)	-	68,274,110	71,609,941	-	(16,762,394)	-	54,847,547
Non- cashflow Items											
Premiums received- premium fron insurance contract (2)		-	-	-	-	-	25,146,110				25,146,110
		-		-	-	-	25,146,110	-	-	-	25,146,110
								-	-	-	
Closing insurance contract assets		-	-	-	-	-		-	-	-	
Closing insurance contract liabilities		35,939,131	2,165	30,049,226	2,944,826	68,935,349	21,850,723	2,140	26,259,797	2,573,462	50,686,122
Net closing balance		**35,939,131**	**2,165**	**30,049,226**	**2,944,826**	**68,935,349**	**21,850,723**	**2,140**	**26,259,797**	**2,573,462**	**50,686,122**

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20 Insurance contract liabilities issued / Reinsurance contracts held
20 Insurance contract liabilities issued / Reinsurance contracts held

(iii) Contracts initially recognised in the year

(b) Reinsurance contracts held

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

Reinsurance contracts held

		2026					2025				
		Assets for Remaining Coverage		Asset for incurred claims		Total	Assets for Remaining Coverage		Asset for incurred claims		Total
	Note	Excluding loss recovery component	Loss-recovery component	Present value of future cash flows	Risk adjustment		Excluding loss recovery component	Loss-recovery component	Present value of future cash flows	Risk adjustment	
		₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Opening reinsurance contract assets		(2,606,647)	-	(8,718,710)	(2,179,674)	(13,505,031)	(2,155,498)	-	(6,616,583)	(1,654,145)	(10,426,226)
Opening reinsurance contract liabilities		-	-	-	-	-	-	-	-	-	-
Net Opening balance		(2,606,647)	-	(8,718,710)	(2,179,674)	(13,505,031)	(2,155,498)	-	(6,616,583)	(1,654,145)	(10,426,226)
Changes in the statement of profit or loss and OCI											
Reinsurance expenses		44,393,471	-	-	-	44,393,471	60,175,069	-	-	-	60,175,069
		44,393,471	-	-	-	44,393,471	60,175,069	-	-	-	60,175,069
Net income (expenses) from reinsurance contracts held											
Reinsurance service expenses											
Incurred claims recovery		-	-	(5,755,910)	137,267	(5,618,643)	-	-	(2,998,143)	369,694	(2,628,449)
Other incurred directly attributable expenses		(3,723,115)	-			(3,723,115)	(3,791,081)	-	-	-	(3,791,081)
Changes that relate to future services: losses on onerous contracts and reversals		-	-	-	-	-	-	-	-	-	-
Changes that relate to past services: changes to liabilities for incurred claims (including reinsurer's non-performance risk)				1,904,021	(503,324)	1,400,697	-	-	(3,054,153)	(925,031)	(3,979,184)
		(3,723,115)	-	(3,851,889)	(366,057)	(7,941,061)	(3,791,081)	-	(6,052,296)	(555,337)	(10,398,714)
Reinsurance service result	40	40,670,356	-	(3,851,889)	(366,057)	36,452,411	56,383,988	-	(6,052,296)	(555,337)	49,776,355
Insurance finance expenses/income from reinsurance contracts held											
Reinsurance finance expenses/income		-	-	(981,993)	(10,288)	(992,282)	-	-	(404,015)	29,808	(374,207)
	41	-		(981,993)	(10,288)	(992,282)	-	-	(404,015)	29,808	(374,207)
Total changes in the statement of profit or loss and OCI		**40,670,356**	**-**	**(4,833,882)**	**(376,345)**	**35,460,128**	**56,383,988**	**-**	**(6,456,311)**	**(525,529)**	**49,402,148**
Cash flows											
Reinsurance Premiums paid - reinsurance premium on reinsurance contract-1		(53,871,627)	-	-	-	(53,871,627)	(61,004,744)	-	-	-	(61,004,744)
Recoveries from reinsurance		-	-	3,328,501	-	3,328,501	-	-	4,354,185	-	4,354,185
Acquisition cash flows for ceding commissions and other directly attributable expenses paid		4,424,071	-	-	-	4,424,071	4,280,491	-	-	-	4,280,491
		(49,447,556)	-	3,328,501	-	(46,119,055)	(56,724,253)	-	4,354,185	-	(52,370,068)
Non- cash flow Items											
Reinsurance Premiums payable - reinsurance premium on reinsurance contracts (2)		3,418,635	-	-	-	3,418,635	(110,884)	-	-	-	(110,884)
Commission receivable - commission on reinsurance contract (2)		-	-	-	-	-	-	-	-	-	-
		3,418,635	-	-	-	3,418,635	(110,884)	-	-	-	(110,884)
Closing reinsurance contract assets		(7,965,212)	-	(10,224,091)	(2,556,019)	(20,745,322)	(2,606,647)	-	(8,718,710)	(2,179,674)	(13,505,031)
Closing reinsurance contract liabilities		-	-	-	-	-	-	-	-	-	-
Net closing balance		**(7,965,212)**	**-**	**(10,224,091)**	**(2,556,019)**	**(20,745,322)**	**(2,606,647)**	**-**	**(8,718,710)**	**(2,179,674)**	**(13,505,031)**

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For the period ended 30 September 2026

20 Insurance contract liabilities issued / Reinsurance contracts held

(a) Insurance contracts issued

(i) Analysis by remaining coverage and incurred claims

Insurance contracts issued		General Model Measurement (GMM)				Premium Allocation Approach (PAA)				Total insurance contracts		
		Liabilities for remaining coverage		Liabilities for incurred claims	Total	Liabilities for remaining coverage	Liabilities for incurred claims		Total	Liabilities for remaining coverage	Liabilities for incurred claims	Total
30 September 2026	**Note**	**Excluding loss components**	**Loss components**				**Present value of future cash flows**	**Risk adjustment**				
		₦'000	**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**
Opening insurance contract assets		-	-	-	-	-	-	-	-	-	-	-
Opening insurance contract liabilities		186,923,291	20,279,720	3,677,766	210,880,777	1,540,635	6,994,896	797,419	9,332,950	208,743,646	11,470,081	220,213,727
Net Opening balance		186,923,291	20,279,720	3,677,766	210,880,777	1,540,635	6,994,896	797,419	9,332,950	208,743,646	11,470,081	220,213,727
Insurance revenue												
Insurance revenue	35	(24,884,683)	-	-	(24,884,683)	(11,293,058)	-	-	(11,293,058)	(36,177,741)	-	(36,177,741)
		(24,884,683)	-	-	(24,884,683)	(11,293,058)	-	-	(11,293,058)	(36,177,741)	-	(36,177,741)
Insurance service expenses												
Incurred claims and other directly attributable expenses		-	(2,003,346)	32,244,386	30,241,040	-	636,963	(162,052)	474,911	(2,003,346)	32,719,297	30,715,951
Acquisition expenses		705,524	-	1,426,778	2,132,302	1,256,252	1,148,794	-	2,405,046	1,961,776	2,575,572	4,537,348
Changes that relate to past services: changes to liabilities for incurred claims (including reinsurer's non-performance risk)		-	109,078	(8,164,266)	(8,055,188)	-	3,797,513	329,528	4,127,041	109,078	(4,037,225)	(3,928,147)
Changes that relate to future services: losses on onerous contracts & reversals		-	882,911	-	882,911	-	-	-	-	882,911	-	882,911
	36	705,524	(1,011,357)	25,506,898	25,201,065	1,256,252	5,583,270	167,476	7,006,998	950,419	31,257,644	32,208,063
Insurance service result		(24,179,159)	(1,011,357)	25,506,898	316,382	(10,036,806)	5,583,270	167,476	(4,286,060)	(35,227,322)	31,257,644	(3,969,678)
Investment components										-	-	
Investment components		(9,267,661)	-	9,267,661	-	-	-	-	-	(9,267,661)	9,267,661	-
		(9,267,661)	-	9,267,661	-	-	-	-	-	(9,267,661)	9,267,661	-
Insurance finance expenses												
Insurance finance expenses	41	33,782,356	2,590,505	-	36,372,861	-	892,197	14,063	906,260	36,372,861	906,260	37,279,121
		33,782,356	2,590,505	-	36,372,861	-	892,197	14,063	906,260	36,372,861	906,260	37,279,121
Total amounts recognised in comprehensive income		335,536	1,579,148	34,774,559	36,689,243	(10,036,806)	6,475,467	181,539	(3,379,800)	(8,122,122)	41,431,565	33,309,443
Cash flows												
Premiums received		45,869,269	-		45,869,269	12,672,786	-	-	12,672,786	58,542,055	-	58,542,055
Claims and other expenses paid		-	-	(33,671,164)	(33,671,164)	-	(4,883,023)	-	(4,883,023)	-	(38,554,187)	(38,554,187)
Acquisition cash flows paid		(3,584,137)	-	-	(3,584,137)	(1,014,153)	-	-	(1,014,153)	(4,598,290)	-	(4,598,290)
Total cash flows		42,285,132	-	(33,671,164)	8,613,968	11,658,633	(4,883,023)	-	6,775,610	53,943,765	(38,554,187)	15,389,578
Non-cash flow items												-
Movement in premium receivable - premium for insurance contracts		-	-	-	-	150,171	-	-	150,171	150,171	-	150,171
Previous year's deposit for premium		-	-	-	-	1,165,112	-	-	1,165,112	1,165,112	-	1,165,112
Acquisition cost payable - acquisition on insurance cost		-	-	-	-	(321,768)	-	-	(321,768)	(321,768)	-	(321,768)
		-	**-**	**-**	**-**	**993,515**	**-**	**-**	**993,515**	**993,515**	**-**	**993,515**
Closing insurance contract assets		-	-	-	-	-	-	-	-	-	-	-
Closing insurance contract liabilities		229,543,959	21,858,868	4,781,161	256,183,988	4,155,977	8,587,340	978,958	13,722,275	255,558,804	14,347,459	269,906,263
Net closing balance		**229,543,959**	**21,858,868**	**4,781,161**	**256,183,988**	**4,155,977**	**8,587,340**	**978,958**	**13,722,275**	**255,558,804**	**14,347,459**	**269,906,263**

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For the period ended 30 September 2026

20 Insurance contract liabilities issued / Reinsurance contracts held

Insurance contracts issued	**General Model Measurement (GMM)**				**Premium Allocation Approach (PAA)**				**Total insurance contracts**		
	Liabilities for remaining coverage		**Liabilities for incurred claims**	**Total**	**Liabilities for remaining coverage**	**Liabilities for incurred claims**		**Total**	**Liabilities for remaining coverage**	**Liabilities for incurred claims**	**Total**
31 December 2025	**Excluding loss components**	**Loss components**				**Present value of future cash flows**	**Risk adjustment**				
	₦'000	**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'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)	35,730,695	33,684,943	-	3,321,591	(1,537)	3,320,054	(2,045,752)	39,050,749	37,004,997
Other directly attributable expenses			1,757,580	1,757,580				-	-	1,757,580	1,757,580
Acquisition expenses	1,824,363	-	-	1,824,363	894,984	-	-	894,984	2,719,347	-	2,719,347
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)	-	5,918,780	272,960	6,191,740	5,520,852	(3,708,029)	1,812,823
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	9,240,371	271,423	10,406,778	6,516,676	37,100,300	43,616,976
Insurance service result	(27,821,370)	3,797,329	27,588,506	3,564,465	(10,011,844)	9,240,371	271,423	(500,050)	(34,035,885)	37,100,300	3,064,415
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	36,967,370	33,224,239	(10,011,844)	9,520,281	261,887	(229,676)	(13,754,975)	46,749,538	32,994,563
Cash flows											
Premiums received	68,179,459	-	-	68,179,459	7,653,582	-	-	7,653,582	75,833,041	-	75,833,041
Claims and other expenses paid	-	-	(35,730,694)	(35,730,694)	-	(6,059,180)	-	(6,059,180)	-	(41,789,874)	(41,789,874)
Other directly attributable expenses paid		-	(1,757,580)	(1,757,580)	-	(1,163,852)	-	(1,163,852)	-	(2,921,432)	(2,921,432)
Acquisition cash flows paid	(4,776,056)	-	-	(4,776,056)	(276,629)	-	-	(276,629)	(5,052,685)	-	(5,052,685)
Total cash flows	63,403,403	-	(37,488,274)	25,915,129	7,376,953	(7,223,032)	-	153,921	70,780,356	(44,711,306)	26,069,050
Non-cash flow items											-
Movement in premium receivable - premium for insurance contracts	-	-	-	-	2,338,542	-	-	2,338,542	2,338,542	-	2,338,542
Previous year's deposit for premium	-	-	-	-	966,112	-	-	966,112	966,112	-	966,112
Acquisition cost payable - acquisition on insurance cost	-	-	-	-	(626,931)	-	-	(626,931)	(626,931)	-	(626,931)
	-	**-**	**-**	**-**	**2,677,723**	**-**	**-**	**2,677,723**	**2,677,723**	**-**	**2,677,723**
Closing insurance contract assets	-	-	-	-	-	-	-	-	-	-	-
Closing insurance contract liabilities	186,923,291	20,279,720	3,677,766	210,880,777	1,540,635	6,994,896	797,419	9,332,950	208,743,646	11,470,081	220,213,727
Net closing balance	**186,923,291**	**20,279,720**	**3,677,766**	**210,880,777**	**1,540,635**	**6,994,896**	**797,419**	**9,332,950**	**208,743,646**	**11,470,081**	**220,213,727**

Notes to the consolidated and separate financial statements
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20 Insurance contract liabilities issued / Reinsurance contracts held

(b) Life business - Reinsurance contracts held

(i) Analysis by remaining coverage and incurred claims - Premium Allocation Approach (PAA)

Life business - Reinsurance contracts held	**30 September 2026**				**31 December 2025**			
		Assets for incurred claims				**Assets for incurred claims**		
	Assets for Remaining Coverage	**Present value of future cash flows**	**Risk adjustment**	**Total**	**Assets for Remaining Coverage**	**Present value of future cash flows**	**Risk adjustment**	**Total**
	₦'000	**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**
Opening reinsurance contract assets	543,568	773,972	193,496	1,511,036	321,598	879,801	219,952	1,421,351
Opening reinsurance contract liabilities	(78,193)	-	-	(78,193)	(72,594)	-	-	(72,594)
Opening net reinsurance contract assets/(liabiltiies)	465,375	773,972	193,496	1,432,843	249,004	879,801	219,952	1,348,757
Reinsurance premium expense								
Reinsurance premium expense	(5,308,821)	-	-	(5,308,821)	(3,676,822)	-	-	(3,676,822)
	(5,308,821)	-	-	(5,308,821)	(3,676,822)	-	-	(3,676,822)
Reinsurance service income								
Incurred claims recovery and other income	1,452,589	371,540	36,313	1,860,442	538,785	191,367	(172,108)	558,044
Acquisition income earned on reinsurance contracts held	-	-	-	-				-
Changes that relate to past services: changes to liabilities for incurred claims (incl. reinsurer's non-performance risk)	-	300,898	27,696	328,594	-	660,885	149,497	810,382
Changes that relate to future services: losses on onerous contracts and reversals (resulting from underlying GoC for reinsurance)	-	-	-	-	-	-	-	-
	1,452,589	672,438	64,009	2,189,036	538,785	852,252	(22,611)	1,368,426
Net reinsurance expense	**(3,856,232)**	**672,438**	**64,009**	**(3,119,785)**	(3,138,037)	852,252	(22,611)	(2,308,396)
Reinsurance finance income/(expense)								
Reinsurance finance income/(expense)	-	114,504	5,448	119,952	-	39,782	(3,845)	35,937
	-	114,504	5,448	119,952	-	39,782	(3,845)	35,937
Total changes in the statement of profit or loss and OCI	**(3,856,232)**	**786,942**	**69,457**	**(2,999,833)**	**(3,138,037)**	**892,034**	**(26,456)**	**(2,272,459)**
Cash flows								
Premiums paid on reinsurance contracts	6,471,890	-	-	6,471,890	4,167,614	-	-	4,167,614
Recoveries from reinsurance	-	(509,114)	-	(509,114)	-	(997,863)	-	(997,863)
Ceding commission received and other income	(1,681,052)	-	-	(1,681,052)	(807,607)	-	-	(807,607)
Total cash flows	4,790,838	(509,114)	-	4,281,724	3,360,007	(997,863)	-	2,362,144
Movement in premium receivable - premium for insurance contracts								
Reinsurance premium payable - premium on reinsurance contracts	(166,894)	-	-	(166,894)	(5,599)	-	-	(5,599)
Commission receivable - commission on reinsurance contracts	-	-	-	-	-	-	-	-
-	(166,894)	-	-	(166,894)	(5,599)	-	-	(5,599)
Closing net reinsurance contract assets/(liabiltiies)	1,399,981	1,051,800	262,953	2,714,734	470,974	773,972	193,496	1,438,442
Closing reinsurance contract assets	1,478,174	1,051,800	262,953	2,787,327	543,568	773,972	193,496	1,511,036
Closing reinsurance contract liabilities	(245,087)	-	-	(245,087)	(78,193)	-	-	(78,193)
Closing net reinsurance contract assets/(liabiltiies)	**1,233,087**	**1,051,800**	**262,953**	**2,547,840**	**465,375**	**773,972**	**193,496**	**1,432,843**

For insurance contracts issued within the Group Life portfolio as well as reinsurance contracts held, the Group has not disclosed a reconciliation from the opening balance to the closing balance separately for the loss component of the liabilities for remaining coverage, or the loss recovery component of the assets for remaining coverage, respectively, or the additional liabilities or assets for contracts measured under PAA, because there are no onerous contracts.

Notes to the consolidated and separate financial statements
For the period ended 30 September 2026

20 Insurance contract liabilities/ Reinsurance contracts held

	Group	Group	Company	Company
In thousands of naira	**30-Sep-26**	**31-Dec-25**	**30-Sep-26**	**31-Dec-25**
i *Insurance contract liabilities*				
Non life business	68,935,347	50,686,122	-	-
Life business	269,906,263	220,213,727	-	-
	338,841,610	**270,899,849**	**-**	**-**
ii *Reinsurance contract held(Asset)*				
Non life business	20,745,322	13,505,031	-	-
Life business	2,792,927	1,511,036	-	-
	23,538,249	**15,016,067**	**-**	**-**
iii *Reinsurance contract held(Liabilities)*				
Non life business	**-**	**-**		
Life business	245,087	78,193		
	245,087	**78,193**	**-**	**-**

21 Investment contract liabilities

	Group	Group	Company	Company
In thousands of naira	**30-Sep-26**	**31-Dec-25**	**30-Sep-26**	**31-Dec-25**
Welfare- Mobil Scheme	-	-	-	-
Welfare	2,944,218	3,327,936	-	-
	2,944,218	**3,327,936**	**-**	**-**

Movement in investment contract liabilities

	Group	Group	Company	Company
In thousands of naira	**30-Sep-26**	**31-Dec-25**	**30-Sep-26**	**31-Dec-25**
At 1 January	3,557,950	3,861,091	-	-
Deposit	161,439	667,404	-	-
Withdrawal	(858,669)	(1,244,216)	-	-
Guaranteed interest	83,498	273,671	-	-
Balance at 31 December	2,944,218	3,557,950	-	-

22 Interest bearing loans and borrowings

	Group	Group	Company	Company
In thousands of naira	**30-Sep-26**	**31-Dec-25**	**30-Sep-26**	**31-Dec-25**
Shareholders' loan to UPDC	745,000	952,451	-	-
Bank loan to CSP			-	-
Corporate bonds issued- Quest Merchant Bank	8,146,275	8,022,353		
	8,891,275	8,974,804	-	-

23 Trade payables

	Group	Group	Company	Company
In thousands of naira	**30-Sep-26**	**31-Dec-25**	**30-Sep-26**	**31-Dec-25**
Premium received in advance	2,656,904	16,942,058	-	-
Trade liabilities on Letter of credits (See note ii)	61,058,472	57,184,204	-	-
Other trade payables*	44,093,532	3,189,495	-	-
	107,808,908	**77,315,757**	**-**	**-**

Trade payables comprise amounts outstanding for reinsurance companies, brokers, deferred premium, trade purchases and ongoing costs. All amounts are payable within a year. The carrying amount approximates fair value.

*Other trade payables comprise amounts outstanding for trade purchases and ongoing costs. The Directors consider the carrying amount of trade and other payables to approximate its fair value due to their short term maturity period and no significant discounts is expected on payments of the obligations.

24 Due to Banks and other financial institutions

	Group	Group	Company	Company
In thousands of naira	**30-Sep-26**	**31-Dec-25**	**30-Sep-26**	**31-Dec-25**
Tenored interbank takings- banks	71,775,545	42,611,205		
Open buy Back	20,021,901			
Tenored takings - other financial institutions	136,285,349	134,037,101	-	-
Current balances due to banks	5,121,320			
	233,204,115	176,648,306	-	-

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

25 Due to Customers

	Group	Group	Company	Company
In thousands of naira	**30-Sep-26**	**31-Dec-25**	**30-Sep-26**	**31-Dec-25**
Call deposits	13,653,737	4,605,704	-	-
Tenored deposits	361,420,761	237,583,009	-	-
	375,074,498	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

Notes to the consolidated and separate financial statements
For the period ended 30 September 2026

26 Other payables

In thousands of naira	Group 30-Sep-26	Group 31-Dec-25	Company 30-Sep-26	Company 31-Dec-25
Staff pension	1,419	1,421	1,419	1,421
Statutory payables	1,668,957	2,911,437	33,195	4,347
Information Technology Development levy	214,828	422,685	-	310,647
Unclaimed Dividend	654,735	758,527	481,053	538,075
Unearned income (see note 22(i) below)	887,391	646,942	31,400	23,896
	3,427,330	4,741,012	547,067	878,386
Dividend Payable	-	-	-	-
Accruals (see note 23(ii) below)	9,344,377	25,584,553	1,425,403	1,172,724
Due to related party	245,728	-	1	1,000
Customer deposit liabilities (see note 27(iv) below)	5,407,284	3,975,707		
Payable to Pension Fund Administrators (PFAs)	1,257,652	636,696	-	-
Fees payable				
Trade & Commission payable (see note 22(iii) below)	321,768	2,006,367	-	-
Deposit for shares/asset replacement	4,974,899	692,845	-	-
Tenants' Security Deposit	1,500	1,500	1,500	1,500
Sundry creditors (see note 22(v) below)	10,716,590	1,840,084	23,165	65,155
	32,269,798	34,737,752	1,450,069	1,240,379
	35,697,128	39,478,764	1,997,136	2,118,765

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.

iv 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.

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

27 Taxation

Per profit or loss account:

In thousands of naira	Group 30-Sep-26	Group 30-Sep-25	Company 30-Sep-26	Company 30-Sep-25
Income tax based on profit for the profit	8,492,459	5,246,076	2,593,426	90,000
Education tax for the period	99,719	80,277	9,000	9,000
Dividend tax	-	-	-	1,196,000
	8,592,178	5,326,353	2,602,426	1,295,000
Deferred taxation	13,924	1,764,602	13,924	1,461,361
Tax charge to profit and loss	8,606,102	7,090,955	2,616,350	2,756,361

Current income tax
Per Balance Sheet:

In thousands of naira	Group 30-Sep-26	Group 31-Dec-25	Company 30-Sep-26	Company 31-Dec-25
At 1 January	16,181,655	4,310,487	2,802,699	2,070,231
Capital gain tax	-	1,315,010	-	1,315,010
Current Income tax expense	8,592,178	10,812,551	2,602,426	112,581
Withholding tax (expense)/credit offset	(1,889,330)	(226,440)	-	(73,128)
Underprovision in prior year	-	196,322	-	-
Arising from Quest Merchant Bank acquisition	-	3,538,542	-	-
Payments during the period	(8,547,019)	(3,764,817)	(1,315,010)	(621,995)
At the end of the period	14,337,484	16,181,655	4,090,115	2,802,699

28 Deferred tax liabilities

In thousands of naira	Group 30-Sep-26	Group 31-Dec-25	Company 30-Sep-26	Company 31-Dec-25
Capital gains to be reinvested	(6,138,300)	116,291	-	-
Unutilized tax credit	-	(3,857,888)	-	-
Fair value gains on investment properties	2,648,161	6,278,035	84,434	1,851,792
Arising from acquisition of FBN Quest	-	757,800		-
Accelerated depreciation for tax purposes	925,804	(62,426)	52,607	(507,193)
Unrealised foreign exchange gains	2,539,558	1,407,511	1,253,006	437,505
Revaluation Surplus	434,810	(58,625)	433,053	-
Impairment of Financial Assets	(2,056,399)	(1,184,746)	(49,426)	
	(1,646,366)	**3,395,952**	**1,773,674**	**1,782,104**
Deferred tax related to items recognised in OCI				
Net (gain)/Loss on equity instruments designated at fair value through OCI	1,726,670	2,712,102	-	-
Net deferred tax liabilities	**80,304**	**6,108,054**	**1,773,674**	**1,782,104**
Deferred tax assets	(4,984,968)	(4,984,968)	-	(22,354)
Deferred tax liabilities	5,065,272	11,093,022	1,773,674	1,782,104
Net deferred tax asset/ liabilities	**80,304**	**6,108,054**	**1,773,674**	**1,759,750**

Notes to the consolidated and separate financial statements
For the period ended 30 September 2026

29 Issued share capital and reserves

In thousands of naira	Group **30-Sep-26**	Group **31-Dec-25**	Company **30-Sep-26**	Company **31-Dec-25**
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	**30-Sep-26**	**31-Dec-25**	**30-Sep-26**	**31-Dec-25**
At 1 January	2,940,933	2,940,933	2,940,933	2,940,933
At 30 April	2,940,933	2,940,933	2,940,933	2,940,933

30 Share premium

In thousands of naira	**30-Sep-26**	**31-Dec-25**	**30-Sep-26**	**31-Dec-25**
At 1 January	6,412,357	6,412,357	6,412,357	6,412,357
At 30 April	6,412,357	6,412,357	6,412,357	6,412,357

31 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.

Non Controlling Interest
The non-controlling interests of Custodian Investment Plc comprised holdings in CrusaderSterling Pensions Limited (23.45%), Quest Merchant Bank Limited (51%), and UPDC Plc (49%).

Notes to the consolidated and separate financial statements
For the period ended 30 September 2026

32 Interest income

In thousands of naira	Group Q3 ended 30-Sep-26	Group Q3 ended 30-Sep-25	Group Year to date 30-Sep-26	Group Year to date 30-Sep-25	Company Q3 ended 30-Sep-26	Company Q3 ended 30-Sep-25	Company Year to date 30-Sep-26	Company Year to date 30-Sep-25
Interest income on investments measured at ammortised cost	10,885,298	10,339,465	34,452,272	27,253,128	-	21,802	8,795	55,267
Interest income on call and deposit accounts	28,493,304	1,742,130	75,690,031	5,920,792	298,542	133,928	388,430	402,091
	39,378,602	12,081,595	110,142,303	33,173,920	298,542	155,730	397,225	457,358

33 Interest expense

In thousands of naira	Group Q3 ended 30-Sep-26	Group Q3 ended 30-Sep-25	Group Year to date 30-Sep-26	Group Year to date 30-Sep-25	Company Q3 ended 30-Sep-26	Company Q3 ended 30-Sep-25	Company Year to date 30-Sep-26	Company Year to date 30-Sep-25
Deposits from customers	12,038,611		28,825,145	-	-	-	-	-
Borrowings	(255,718)		-	-	-	-	-	-
Banks and Other Financial Institutions	8,167,954	-	21,949,047	-	-	-	-	-
	19,950,847	-	50,774,192	-	-	-	-	-

34 Operating and investment income

In thousands of naira	Group Q3 ended 30-Sep-26	Group Q3 ended 30-Sep-25	Group Year to date 30-Sep-26	Group Year to date 30-Sep-25	Company Q3 ended 30-Sep-26	Company Q3 ended 30-Sep-25	Company Year to date 30-Sep-26	Company Year to date 30-Sep-25
Dividend income	555,190	-644,529	1,956,917	2,310,204	5,800,961	2,707,952	23,912,202	17,553,307
Fees and Commission income	6,273,634	2,377,422	16,584,105	6,477,018	-	-	-	-
Sales	2,283,977	3,256,585	10,296,559	9,688,292	-	-	-	-
Other Operating Income (see note 33(i) below)	-160,874	161,369	585,272	488,316	10,430	74,927	217,314	228,633
	8,951,927	5,150,847	29,422,853	18,963,830	5,811,391	2,782,879	24,129,516	17,781,940

i **Other operating income**

In thousands of naira	Group Q3 ended 30-Sep-26	Group Q3 ended 30-Sep-25	Group Year to date 30-Sep-26	Group Year to date 30-Sep-25	Company Q3 ended 30-Sep-26	Company Q3 ended 30-Sep-25	Company Year to date 30-Sep-26	Company Year to date 30-Sep-25
Rental income	79,867	51,603	201,502	128,695	9,700	5,540	29,100	13,380
Foreign exchange loss	(637,639)	-	(637,639)	-	-	-	-	-
Sundry income	396,898	109,766	1,021,409	359,621	730	69,387	188,214	215,253
	(160,874)	161,369	585,272	488,316	10,430	74,927	217,314	228,633

35 Insurance service revenue

In thousands of naira	Group Q3 ended 30-Sep-26	Group Q3 ended 30-Sep-25	Group Year to date 30-Sep-26	Group Year to date 30-Sep-25	Company Q3 ended 30-Sep-26	Company Q3 ended 30-Sep-25	Company Year to date 30-Sep-26	Company Year to date 30-Sep-25
Non life insurance service revenue	26,994,093	25,372,018	79,671,109	74,014,403	-	-	-	-
Life insurance insurance service revenue	12,468,447	6,965,391	36,177,741	47,694,546	-	-	-	-
	39,462,540	32,337,409	115,848,850	121,708,949	-	-	-	-

36 Insurance service expense

In thousands of naira	Group Q3 ended 30-Sep-26	Group Q3 ended 30-Sep-25	Group Year to date 30-Sep-26	Group Year to date 30-Sep-25	Company Q3 ended 30-Sep-26	Company Q3 ended 30-Sep-25	Company Year to date 30-Sep-26	Company Year to date 30-Sep-25
Non life insurance service revenue	6,762,621	7,211,119	26,418,804	22,961,964	-	-	-	-
Life insurance insurance service revenue	9,107,845	1,800,296	32,208,063	48,273,805	-	-	-	-
	15,870,466	9,011,415	58,626,867	71,235,769	-	-	-	-

37 Direct operating Expenses

In thousands of naira	Group Q3 ended 30-Sep-26	Group Q3 ended 30-Sep-25	Group Year to date 30-Sep-26	Group Year to date 30-Sep-25	Company Q3 ended 30-Sep-26	Company Q3 ended 30-Sep-25	Company Year to date 30-Sep-26	Company Year to date 30-Sep-25
Cost of sales	1,592,617	2,352,803	7,446,305	6,492,046	-	-	-	-

38 Net fair value (losses)/gains

In thousands of naira	Group Q3 ended 30-Sep-26	Group Q3 ended 30-Sep-25	Group Year to date 30-Sep-26	Group Year to date 30-Sep-25	Company Q3 ended 30-Sep-26	Company Q3 ended 30-Sep-25	Company Year to date 30-Sep-26	Company Year to date 30-Sep-25
Changes in fair value of financial assets	19,332,479	12,700,038	32,079,152	14,505,040	3,706,261	1,382,565	3,837,237	355,612
Fair value gains on investment property	-	13,204,500	-	17,304,500	-	11,458,000	-	14,258,000
Net unrealised loss on foreign exchange	(995,351)	(2,535,011)	(3,992,601)	(440,266)	(106)	(115)	(224)	(19)
	18,337,128	23,369,527	28,086,551	31,369,274	3,706,155	12,840,450	3,837,013	14,613,593

Notes to the consolidated and separate financial statements
For the period ended 30 September 2026

39 Net Realized Gains

In thousands of naira	Group Q3 ended 30-Sep-26	Group Q3 ended 30-Sep-25	Group Year to date 30-Sep-26	Group Year to date 30-Sep-25	Company Q3 ended 30-Sep-26	Company Q3 ended 30-Sep-25	Company Year to date 30-Sep-26	Company Year to date 30-Sep-25
Profit on disposal of property and equipment	2,600	894	2,824	1,494	-	-	-	400
Net realised gain/(loss) on foreign exchange	3,107,666	-	5,383,580	21,820	-	-	-	-
Realised gain/(loss) on financial assets	515,500	-1,140,040	1,183,138	(1,140,040)	-	(1,150,397)	-	(1,150,397)
	3,625,766	(1,139,146)	6,569,542	(1,116,726)	-	(1,150,397)	-	(1,149,997)

40 Net expense from reinsurance contract held

In thousands of naira	Group Q3 ended 30-Sep-26	Group Q3 ended 30-Sep-25	Group Year to date 30-Sep-26	Group Year to date 30-Sep-25	Company Q3 ended 30-Sep-26	Company Q3 ended 30-Sep-25	Company Year to date 30-Sep-26	Company Year to date 30-Sep-25
Non life insurance service revenue	12,880,338	11,296,486	36,452,411	36,450,246	-	-	-	-
Life insurance insurance service revenue	455,494	793,860	3,119,785	1,755,059	-	-	-	-
	13,335,832	12,090,346	39,572,196	38,205,305	-	-	-	-

41 Net insurance finance expenses

In thousands of naira	Group Q3 ended 30-Sep-26	Group Q3 ended 30-Sep-25	Group Year to date 30-Sep-26	Group Year to date 30-Sep-25	Company Q3 ended 30-Sep-26	Company Q3 ended 30-Sep-25	Company Year to date 30-Sep-26	Company Year to date 30-Sep-25
Non Life insurance business								
- Finance (expenses)/income from insurance contracts issued	(1,733,668)	(846,007)	(3,227,420)	(1,584,908)	-	-	-	-
- Finance (expense)/income on reinsurance contracts held	439,650	161,127	992,282	426,892	-	-	-	-
Life insurance business								
- Finance (expenses)/income from insurance contracts issued	(24,988,198)	(21,560,450)	(37,279,121)	(21,560,450)	-	-	-	-
- Finance (expense)/income on reinsurance contracts held	61,131	41,761	119,952	41,761	-	-	-	-
	(26,221,085)	(22,203,569)	(39,394,307)	(22,676,705)	-	-	-	-

42 Management expenses

In thousands of naira	Group Q3 ended 30-Sep-26	Group Q3 ended 30-Sep-25	Group Year to date 30-Sep-26	Group Year to date 30-Sep-25	Company Q3 ended 30-Sep-26	Company Q3 ended 30-Sep-25	Company Year to date 30-Sep-26	Company Year to date 30-Sep-25
Staff cost (see note 37(i) below)	3,943,671	1,433,007	10,073,685	4,965,924	348,398	191,359	1,046,599	804,862
Auditors' remuneration	37,778	27,190	216,883	87,620	8,063	4,568	24,188	13,706
Amortisation of intangible assets	62,998	30,977	122,504	76,225	-	-	-	-
Depreciation of property, plant and equipment	907,663	378,042	2,050,448	864,220	34,655	46,433	108,103	113,458
Impairment (gains)/loss on insurance receivable	-	1,534	-	1,534	-	-	-	-
Depreciation of right of use asset	12,650	49,267	40,563	49,267	-	-	-	-
Occupancy expenses	111,439	80,514	371,124	245,932	16,881	13,556	38,276	34,737
Directors fees and expenses	160,876	80,926	1,263,779	360,828	85,499	50,848	264,393	126,577
Printing, stationery & office supplies	7,336	30,503	41,246	42,127	2,886	3,275	26,076	24,148
Marketing and administration expenses	4,212,154	369,984	6,508,937	3,781,968	82,109	74,847	191,247	164,233
AGM, dividend processing & related costs	6,185	4,362	30,681	25,597	6,185	4,362	30,681	25,597
Penalties	-	9,942	-	20,009	-	-	-	10,000
Pension protection fund charge	96,396	69,857	267,885	189,659	-	-	-	-
Fees, levy & assessment	906,697	602,869	3,604,959	2,091,302	84,583	176,202	205,184	384,084
Other expenses	280,473	644,774	5,357,091	847,947	286	554	1,228	1,392
	10,746,316	**3,813,749**	**29,949,785**	**13,650,159**	**669,545**	**566,004**	**1,935,975**	**1,702,794**

43 Impairment allowance

In thousands of naira	Group Q3 ended 30-Sep-26	Group Q3 ended 30-Sep-25	Group Year to date 30-Sep-26	Group Year to date 30-Sep-25	Company Q3 ended 30-Sep-26	Company Q3 ended 30-Sep-25	Company Year to date 30-Sep-26	Company Year to date 30-Sep-25
Charge/(write back) on cash and cash equivalents (ECL)	95,152	42,203	162,026	42,203	-	-	-	-
Charge/(write back) on financial assets at amortised costs (ECL)	(720,286)	226,897	(1,089,035)	435,186	-	-	-	-
	(625,134)	269,100	(927,009)	477,389	-	-	-	-

44 Finance costs

In thousands of naira	Group Q3 ended 30-Sep-26	Group Q3 ended 30-Sep-25	Group Year to date 30-Sep-26	Group Year to date 30-Sep-25	Company Q3 ended 30-Sep-26	Company Q3 ended 30-Sep-25	Company Year to date 30-Sep-26	Company Year to date 30-Sep-25
Finance cost	31,424	34,484	111,040	346,520	-	-	-	-
	31,424	34,484	111,040	346,520	-	-	-	-

Finance income and finance cost were calculated using the effective interest rate.

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45 Net gain/(loss) on fair value through OCI assets

In thousands of naira	Group Q3 ended 30-Sep-26	Group Q3 ended 30-Sep-25	Group Year to date 30-Sep-26	Group Year to date 30-Sep-25	Company Q3 ended 30-Sep-26	Company Q3 ended 30-Sep-25	Company Year to date 30-Sep-26	Company Year to date 30-Sep-25
Net gain on debt instruments at FVTOCI	3,271,618	4,040,804	1,781,268	3,224,222				
Equity-accounted investee -share of OCI	8,239	(14,261)	14,552					
Net (loss)/gain on equity instrument at FVOCI	6,819,018	(1,493,774)	4,749,530	58,259			-	-
Gain/(loss) during the period	10,098,875	2,532,769	6,545,350	3,282,481		-	-	-

46 Earnings per share

In thousands of naira	Group Q3 ended 30-Sep-26	Group Q3 ended 30-Sep-25	Group Year to date 30-Sep-26	Group Year to date 30-Sep-25	Company Q3 ended 30-Sep-26	Company Q3 ended 30-Sep-25	Company Year to date 30-Sep-26	Company Year to date 30-Sep-25
Profit for the period from continuing activities	20,927,380	19,258,955	57,594,690	45,649,246	8,258,385	6,537,214	23,811,429	27,243,739
Less: Non-controlling interests	(3,571,007)	360,815	(8,929,955)	(992,732)	-	-	-	-
Net profit from continuing activities attributable to ordinary shareholder	17,356,373	19,619,770	48,664,736	44,656,514	8,258,385	6,537,214	23,811,429	27,243,739
Number of ordinary share in issue as at year end								
Share capital	5,881,866	5,881,866	5,881,866	5,881,866	5,881,866	5,881,866	5,881,866	5,881,866
Basic/diluted earnings per ordinary share from continuing activities (kobo)	**295**	**334**	**827**	**759**	**140**	**111**	**405**	**463**
Basic/diluted earnings per ordinary share from continuing and discontinued activities (kobo)	**295**	**334**	**827**	**759**	**140**	**111**	**405**	**463**

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.

47 Shareholding Structure and Free Float Status

Company Name:	Custodian Investment Plc
Board listed	Main Board
Reporting period	Period ended 30 September 2026
Share price (N)	N70 (2025: N40.80)

	30 September 2026 Units	30 September 2026 Percentage	30 September 2025 Units	30 September 2025 Percentage
Issued Share Capital	5,881,864,195	100%	5,881,864,195	100%
Subsatantial Shareholdings (5% and above):				
GRATITUDE CAPITAL LIMITED*	1,498,361,242	25.47%	1,391,790,650	23.66%
MIKEADE INVESTMENTS LTD.**	1,148,027,597	19.52%	1,148,027,597	19.52%
Total outstanding Shareholding	**2,646,388,839**	**44.99%**	**2,539,818,247**	**43.18%**
Directors' Shareholding (direct and indirect) excluding substantial interest held				
DR. MRS. OMOBOLA JOHNSON	155,000	0.003%	155,000	0.003%
MR. WOLE OSHIN	238,674,353	4.06%	238,674,353	4.06%
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%	187,043	0.00%
MR. RAVI SHARMA	6,000,000	0.10%	6,000,000	0.10%
ADENIYI FALADE	3,005,585	0.05%	3,005,585	0.05%
Total Directors' Shareholding	**253,251,346**	**4.31%**	**253,251,346**	**4.31%**
Other Influential Shareholding				
NIL				
NIL				
Total Other Influential Shareholding	**-**	**0.00%**	**-**	**0.00%**
Free Float in Units and Percentage	**2,982,224,010**	**50.70%**	**3,088,794,602**	**52.51%**
Free Float in Value (Naira)	**208,755,680,700**		**126,022,819,762**	

* 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 50.7% as at September 30, 2026, 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 N208,761,073,710.00 as at September 30, 2026, is compliant with The Exchange's free float requirements for companies listed on the main Board.

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