

**Capital Express
Indemnity
Insurance Limited**

AUDITED FINANCIAL STATEMENTS

31st December 2025

***Protecting What
Matters Most***

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CAPITAL EXPRESS INDEMNITY INSURANCE LTD.

AUDITED FINANCIAL STATEMENTS

31ST DECEMBER 2025

CAPITAL EXPRESS INDEMNITY INSURANCE LIMITED
FINANCIAL STATEMENTS, 31ST DECEMBER 2025

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CAPITAL EXPRESS INDEMNITY INSURANCE LIMITED
FINANCIAL STATEMENTS, 31ST DECEMBER 2025
CORPORATE INFORMATION

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Mission Statement	To provide wealth management and risk protection services using efficient technology	
Board of Directors	Dr. (Mrs.) 'Dere Awosika OON, MFR, mni. Mr. Adewale A. Koko Chief (Mrs.) Olayinka Aletor mni, JP Mr. Adewale Francis Oketola Mr. Olayinka Adaramola Alhaji Abdulaziz Mashi Abdullahi Mr. Adegboyega Fatimilehin Mr. Mathew Ogwezhi Mr. Segun Ajayi-Kadir mni	Chairman Managing Director/Chief Executive Officer Non-Executive Director Non-Executive Director Executive Director Technical/ Operation Independent Non-Executive Director Independent Non-Executive Director Non-Executive Director Independent Non-Executive Director
Company Secretary	Mrs. Uruemuesiri Oghen FRC/2016/PRO/NBA/004/00000014122	
Registered Office	No. 17, Bishop kale Close Off Saka Tinubu Victoria Island Lagos	
Registrars	Capital Express Securities No. 1626 C D Idejo Street ff Adeola Odeku Victoria Island, Lagos. FRC/2014/00000005120	
Auditor	BDO Professional Services 15, CIPM Avenue, CBD Alausa, Ikeja Lagos FRC/2024/COY/398515	
Reinsurers	African Reinsurance Corporation, Lagos, Nigeria FBS Reinsurance Limited, Lagos, Nigeria Continental Reinsurance Plc, Lagos, Nigeria WAICA Reinsurance, Sierra Leone	
Solicitor	Olusegun Adeleye & Co Suite B008 Quad Plaza Plot 563 Ameh Ebute Street, Wuye, Abuja	

**CAPITAL EXPRESS INDEMNITY INSURANCE LIMITED
FINANCIAL STATEMENTS, 31ST DECEMBER 2025
CORPORATE INFORMATION (CONT'D)**

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Principal Bankers	Access Bank Plc. Premium Trust Bank Limited United Bank for Africa Plc Sterling Bank Plc Keystone Bank Plc
Actuary	Becoda Consulting Limited 7, Ibiyinka Olorunber Close, Victoria Island, Lagos FRC/2021/00000013819
Property valuer	Austine Udoh & Partners Estate Surveyors & valuers 40/42 Ago Palace way, Tarred road B/stop, okota, Lagos FRC/2025/COY/000000849196
TIN	31691579-0001
Registration Number	RC 7377829
FRC Registered No.	FRC/2015/NAS/00000012946

In compliance with the Companies and Allied Matters Act, 2020 and Insurance Act 2003, the Directors have the pleasure of presenting their report on the affairs of CAPITAL EXPRESS INDEMNITY INSURANCE LIMITED. ("the Company") together with the audited financial statements and Independent auditor's report for the year ended 31st December 2025

Legal form and principal activities

The Company is a private limited liability company which was incorporated on 29 February, 2024 in accordance with the provisions of the Companies and Allied Matters Act 2020, transacting primarily as a General Insurance business, and commence commercial operation on 1 September 2024

Board of Directors

The Board of Directors of the Company during the year under review and to the date of this report is made up of the following:

DIRECTOR

CAPACITY

Dr. (Mrs.) 'Dere Awosika OON, MFR, mni.	Chairman
Mr. Adewale A. Koko	Managing Director
Mr. Edson Adaramola	Executive Director, Technical
Chief (Mrs.) Olayinka Aletor mni, JP	Non-Executive Director Non-
Mr. Adewale Francis Oketola	Executive Director
Alh. Abdulaziz Mashi Abdullahi	Independent Non-Executive Director
Mr. Adegboyega Fatimilehin	Independent Non-Executive Director
Mr. Mathew Ogwezhi	Non-Executive Director
Mr. Segun Ajayi-Kadir mni	Independent Non-Executive Director

The Directors do not have any interest in the issued share capital of the Company.

Directors' interests in contracts

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

ACTIVITIES OF THE BOARD

The Board's inaugural meeting was held within the year and was well attended, with sufficient notice given well in advance.

SN	NAMES	STATUS	Mar-28	May-27	Aug-19	Nov-27
1	Dr. (Mrs.) 'Dere Awosika OON, MFR,	Chairman	✓	✓	✓	✓
2	Chief (Mrs.) Olayinka Aletor mni, JP	NED	✓	✓	✓	✓
3	Mr. Adewale Oketola	NED	✓	✓	✓	✓
4	Alh. Abdulaziz Mashi Abdullahi	INED	✓	✓	✓	✓
5	Mr. Segun AjayiKadir mni	INED	✓	✓	0	✓
6	Mr. Mathew Ogwezhi	NED	✓	✓	✓	✓
7	Mr. Adegboyega Fatimilehin	INED	✓	✓	✓	✓
8	Mr. Adewale Adegoke Koko	MD/CEO	✓	✓	✓	✓
9	Mr. Olayinka Edson Adaramola	ED Technical	✓	✓	✓	✓

Results of the year ended 31st December 2025

The Directors are pleased to announce the trading results for the year ended 31st December 2025 as follows:

Twelve month period to	31 December 2025	Four month period to 31 December 2024
	N'000	N'000
Insurance contract revenue	4,156,702	183,982
Insurance service result	1,259,184	14,444
(Loss)/profit before tax	(1,962,554)	62,367
Income tax expense	(6,859)	(10,905)
(Loss)/profit after taxation	(1,969,413)	51,462
Transfer to contingency reserve	160,136	37,851

Shareholding analysis

According to the register of members, the Company's shareholdings including shareholders who held more than 5% of the issued share capital of the Company as at 31st December 2025 are shown below:

	31 December 2025	
	No. of Ordinary Shares	% Holding
Capital Express Holdings Limited	15,000,000,000	100
Total	15,000,000,000	100

	31 December 2025	
RANGE	NO. OF HOLDERS	% OF HOLDERS
1 10,000,000,000	1	100
TOTAL:	1	100

Property, plant and equipment

Information relating to the Company's property, plant and equipment is detailed in the Note 28 of the financial statements.

Donations

There were no donations and sponsorships to charitable organizations during the year ended 31st December 2025.

Employee involvement and training

The Company is committed to keeping its employees fully informed, as much as possible on its performance and progress, and seeking their views whenever practicable on matters which practically affect them as employees. Management's professional and technical expertise are the Company's major assets and investment in their further development continues. The Company's expanding skillbase has been extended by a range of training programs for its employees and opportunities for career development within the Company have thus been enhanced.

Employment of physically challenged persons

The Company in recognition of its special obligation to employ physically challenged persons maintains a policy of giving fair consideration to applications for employment made by physically challenged persons with due regard to their abilities and aptitude. All employees are given equal opportunities to develop themselves. As at 31 December 2025, no physically challenged person was employed in the Company.

Health, safety at work and welfare of employees

Employees are made aware of the health and safety regulations that are in force within the premises of the Company. The Company provides subsidy to all employees for transportation, housing, lunch and medical expenses, medical insurance, etc.

Research and development

The Company in its determination to maintain its status as one of the best in the industry continues to encourage research and development of existing and new products aimed at consistently improving the Company's position.

Events after the reporting date

There were no significant events after reporting date which could have had a material effect on the financial statements for the year ended 31st December 2025 which have not been adequately provided for or disclosed in the financial statements.

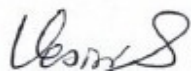
Auditor

In compliance with Section 22(1) of National Insurance Commission 2010 guidelines on the tenure of External Auditor, BDO Professional Services (Chartered Accountants) have indicated their willingness to continue as external Auditors of the Company in accordance with Section 401(2) of the Companies and Allied Matters Act 2020. A resolution will be proposed at the Annual General Meeting to authorize the Directors to determine their remuneration.

Compliance with the code of best practices on corporate governance

The Directors confirm that they have reviewed the structure and activities of the Company in view of the Code of Best Practices on Corporate Governance for the Insurance Industry in Nigeria published in February 2009. The Directors confirm that the Company has substantially complied with the provisions of the Code of Best Practices on Corporate Governance with regards to matters stated therein concerning the Board of Directors, the Shareholders and the Audit Committee.

BY ORDER OF THE BOARD



Mrs. Uruemuesiri Oghen
Company Secretary
FRC/2016/PRO/NBA/004/00000014122

This analysis is of the Company's performance as at 31 December 2025 should be read in conjunction with the statement of financial position and the notes.

Business Profile

CAPITAL EXPRESS INDEMNITY INSURANCE LTD. ("the Company") was incorporated on 29 February, 2024 as a Limited Liability Company. The Company is 100% Nigerian owned. The Company was established for the purpose of carrying on general insurance business. The Company operates as an insurer for all classes of general insurance business in Nigeria. The Company's head office is located at 17, Bishop Kale Close, Victoria Island, Lagos

Objectives and Strategies Our objectives and strategies include:

Objectives

- 1 To be one of the leading Insurance companies in Nigeria.
- 2 To strictly adhere to sound business principles that are paramount in the delivery of our brand promise, while also, protecting shareholders and other stakeholders from the ever evolving macroeconomic and regulatory dynamics of the operating environment.
- 3 To ensure sound business practices, effective compliance with all statutory and regulatory requirements and the code of good corporate governance as stipulated in the 2018 Corporate Governance Code.

Strategies

- 1 Relationship Management
- 2 Customer Satisfaction
- 3 New Business Initiatives
- 4 Market Penetration & Expansion
- 5 Technology
- 6 Branding & Visibility

Operating Results (in thousands of Nigerian Naira)

	Twelve month period to 31 December 2025	Four month period to 31 December 2024
Insurance revenue	4,156,702	183,982
Insurance service result	1,259,184	14,444
Investment income and other Income	(1,080,567)	674,666
Other operating expenses	(2,209,086)	(603,808)
(Loss)/profit before taxation	(1,962,554)	62,367
Tax expense	(6,859)	(10,905)
(Loss)/profit for the year/period after tax	(1,969,413)	51,462

Moving forward, the company has positioned itself for recapitalization in line with NAICOM requirement and intends to expand its operation base. Members of staff will continuously undergo internal and external training to keep them abreast of the changing environment and make them add value to the Company.

The Companies and Allied Matters Act 2020, The Insurance Act CAP 117, LFN 2004 (Now Nigerian Insurance Industry Reform Act, 2025), the National Insurance Commission's Operational Guidelines 2011 and the Financial Reporting Council of Nigeria (Amendment) Act, 2023, require the Directors to prepare financial statements which give a true and fair view of the state of affairs of the Company and the profit or loss and other comprehensive income for the period.

The Directors responsibilities include ensuring that:

- appropriate and adequate internal controls are established to safeguard the assets of the Company and to prevent • the Company keeps proper accounting records which disclose with reasonable accuracy the financial position of the Company and which ensures that the financial statements comply with the requirements of the Companies and Allied Matters Act, 2020, Insurance Act CAP 117, LFN, 2004 (Now the Nigerian Insurance Industry Reform Act, 2025), Financial Reporting Council (Amendment) Act, 2023 and the NAICOM Operational Guidelines and Circulars.
- the Company has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgments and estimates, and that all applicable accounting standards have been followed; and
- the financial statements are prepared on a going concern basis unless it is presumed that the Company will not continue in business.

The Directors accept responsibility for the preparation of the annual financial statements that give a true and fair view in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB); the Companies and Allied Matters Act, 2020, Insurance Act, CAP 117, LFN 2004 ((Now the Nigerian Insurance Industry Reform Act, 2025), the Financial Reporting Council of Nigeria (Amendment) Act, 2023, the Insurance Act 2003 and relevant National Insurance Commission of Nigeria ("NAICOM") Operational Guidelines and circulars.

The Directors are of the opinion that the Financial Statements give a true and fair view of the state of affairs of the Company and of the profit for the period. They further accept responsibility for maintaining adequate accounting records as required by the Companies and Allied Matters Act, 2020 and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement whether due to fraud or error.

The Directors have made assessment of the Company's ability to continue as a going concern and have no reason to believe that the Company will not remain a going concern in the year ahead.

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS:



Mr. Adewale Koko
Managing Director
FRC/2019/PRO/DIR/003/00000019246

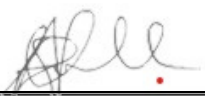


Dr. (Mrs.) 'Dere Awosika OON, MFR, mni.
Chairman
FRC/2019/PRO/DIR/003/00000019297

In line with the provisions of Section 405 of the Companies and Allied Matters Act, 2020; we have reviewed the audited financial statements of the Company for the year ended 31st December 2025 and based on our knowledge confirm as follows:

- a) the audited financial statements do not contain any untrue statement of material fact or omit to state a material fact excluding loss material, which would make the financial statements misleading;
- b) the audited financial statements and all other financial information included in the statements fairly present, in all material respects, the financial condition and results of operations of the Company as at and for the year ended 31st December 2025.
- c) the Company's internal controls have been designed to ensure that all material information relating to the Company is received and provided to the Auditor in the course of the audit.
- d) the Company's internal controls were evaluated within 90 days of the financial reporting date and are effective as at 31 December 2025.
- e) that we have disclosed to the Auditor that there are no significant deficiencies in the design or operation of the Company's internal controls which could adversely affect the Company's ability to record, process, summarise and report financial data, and have discussed with the Auditor any weaknesses in internal controls observed in the course of the Audit.
- f) that we have disclosed to the Auditor that there is no fraud involving management or other employees who have significant role in the Company's internal control; and
- g) there are no significant changes in internal controls or in other factors which could significantly affect internal controls subsequent to the date of this audit, including any corrective actions with regard to any observed deficiencies and material weaknesses.

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS:



Mr. Johnson Fagbemi
Chief Finance Officer

FRC/2013/PRO/ICAN/001/00000002943



Adewale Koko
Managing Director
FRC/2019/PRO/DIR/003/00000019246

The Company's governance system is strong and support the entity to attain its set objectives in a sustainable manner. It is a source of strength that encompasses the entire organizational structure, and it is collectively accepted as a corporate culture.

The Company's main governance structures comprises of the Shareholders in general meeting, the Board of Directors and its Committees, the Management, headed by the MD/CEO and the other Stakeholders. The composition and methods of operation of these corporate organs are tailored to elicit transparency and openness to ensure fairness, justice, good ethics, and fair judgments in their dealings. The Board and its committees' memberships are made up of Non-Executive Directors (NEDs), Independent Non-Executive Directors (INEDs) and Executive Directors (EDs). The position of the Chairman of the Board is separate from the MD/CEO. The Chairman is not a member of any Board Committee, and the Managing Director/Chief Executive Officer is not a member of the Audit Committee. The Executive Directors do not partake in discussions concerning their remunerations and disciplines and the Chief Internal Auditor reports to the Board Audit Committee with a dotted reporting line to the MD/CEO. The Company Secretary also reports to the Board with a dotted reporting line to the MD/CEO.

The Board in line with the above stated characteristics, and in line with the Nigerian Code of Corporate Governance (NCCG) 2018 principles and the operating NAICOM Corporate Governance Guidelines 2021, has evolved a good governance culture for the Company and the result is evident in the high disciplined operating environment. The Board and its Committees enjoy good harmony, there is strong moral ethics, effective and efficient processes and procedures, integrity, and reliability. The corporate governance culture has continued to flourish and constantly benchmarked against best practices.

In addition, the NCCG 2018 philosophy of Apply and Explain presents the opportunity of sharing the basis or reasoning in applying each of the NCCG 2018 principles in a particular manner based on the Company's antecedents and corporate trajectory which sometimes throw up the need to improve on the level of a particular principle or adopt different application modules to achieve better results.

The Board recognizes that the 2018 NCCG Principles represents minimum standards for private and public entities in Nigeria aimed at instilling and establishing good corporate governance systems. Based on the foregoing, the Board dynamically updates its corporate governance practices by benchmarking best practices continuously in other jurisdictions.

OVERVIEW

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people, systems and external events. In line with best practice, operational risk in the Company is composed of the following risk types: operations risk, legal risk, regulatory compliance risk, financial crime risk, people risk, property, technology, vendor, financial, and environmental risks.

The Company recognises the significance of operational risk, which is inherent in all areas of our business. Operational risk is managed within acceptable levels through an appropriate level of management focus and resources.

Objectives

The Company is committed to the management of operational risks. The Company's operational risk management framework aims to:

- Improve performance measurement - the Company's improved understanding of its operational risk profile shall enable appropriate allocation of risk and economic capital to individual lines of business, which would allow improved performance measurement and evaluation of activities;
- Ensure better control of operations - the Company expects that increased understanding of risk activities within various business units, the Board and senior management will lead to improvement in the control of operations and the emergence of a more proactive operational risk management culture;
- Provide early warning signals of deterioration in the Company's internal control system; and
- Raise awareness of operational risk in the Company from top to bottom through the implementation of an enterprisewide operational risk approach.

Philosophy and principles

The following philosophy and principles govern the management of operational risk in the Company:

- The Board of Directors is responsible for setting the operational risk strategy of the Company and its implementation.
- Operational risk in the Company is coordinated through a centralised and independent risk management function.
- Ownership, management and accountability for operational risk are decentralised with business and functional units.
- There are consistent standards for defining, evaluating, measuring, monitoring and reporting operational risk.
- The Company's operational risk management practices are in line with best practices.
- The Company's operational risk management practices are subject to regular independent review internally and externally.
- Operational risk management is governed by welldefined policies and procedures which are clearly communicated across the Company.
- Operational riskrelated issues are taken into consideration in business decisions including new product and process designs.
- Operational risk and loss events are reported openly and fully to the appropriate levels once they are identified.
- Adequate processes and systems for identifying, measuring, monitoring, reporting and controlling operational risks are being implemented by the Company.

Methodologies

In order to meet its operational risk management objectives, each business function within the Company is required to identify, assess, measure and control its operational risk in line with the policy set by the Board.

The following are some of the key tools and techniques used by each business unit, in line with the nature and scale of the business risks:

Operational risk reporting template

This template is used for operational risk reporting on a monthly basis. Issues to be reported using this template take the form of significant operational risk exposures, exceptions from Key Risk Indicators (KRI) analysis and trending, exceptions from Control Risk SelfAssessment (CRSA), operational and fraudulent losses incidences, significant control breakdowns rectified during the month, all exceptions to corporate governance standards and outstanding audit issues, and any other issues with operational risk implications.

Real time incidence reporting

This is for reporting urgent and significant operational risk issues/events that have to be escalated to relevant senior management stakeholders within 72 hours of the incidence without having to wait for the monthly risk reporting cycle. Examples of significant operational risk issues are: fraud, accidents and whistle blowers' alerts.

Risk and Control SelfAssessment (RCSA)

Risk and control selfassessment is a key component of the Company's operational risk framework and involves, on a quarterly basis, each business unit within the Company proactively identifying and assessing its significant operational risks and the controls in place to manage those risks.

Internal loss data

The tracking of internal loss event data is a key component of the Company's operational risk framework. Internal loss events and data are analysed with a view to focusing attention on where they are needed and to forestall reoccurrence through sharing lessons learnt.

Key Risk indicators (KRIs)

Key risk indicators are measures that track the risk profile of the Company. Each business unit within the Company develops and monitors key risk indicators for its significant risks, which:

- target key operational risk exposures for the business unit;
- enable management of the underlying causes of risk exposures;
- use thresholds aligned to the Company's risk appetite and enable riskbased decisionmaking;
- are monitored with a frequency that matches the nature of the risks;
- complement the selfassessment and lossevent collection processes; and
- are reported as part of monthly management reporting.

Key operational risks

Major operational risks faced by the Company are financial crimes (internal fraud, external fraud and money laundering). Each incident is analysed, control failures identified and new controls designed. The Company is also investing in enhanced loss control. Key countermeasures put in place include:

- enhanced staff training;
- enhanced Know Your Policyholder (KYP) drive and background checks on employees;
- issuance of appropriate and deterrent circulars;
- job rotation and segregation;
- dissemination of email and SMS alerts to the Company's customers for each activity on their accounts;
- imposition of stiff disciplinary measures including prosecution of fraudulent staff, agents and brokers; and installation
- of panic alarm system, CCTV.

Strategy

Failure to manage operational risk effectively often results in significant financial losses, regulatory fines or censure, reputational damage, brand erosion or even the loss of insurance license, all of which directly impact shareholders' value. Accordingly, the Company's operational risk strategy aims to minimise the impact of operational risk on its shareholders' value. In more specific terms, the Company's strategy is to:

- reduce the likelihood of occurrence of unexpected events and related cost by managing the risk factors and implementing loss prevention or reduction techniques to reduce variation in earnings;
- minimise the impact of unexpected and catastrophic events including related costs through risk financing strategies that support the Company's longterm growth, cash flow management and statement of affairs protection, and;
- make all managers responsible for the management of operational risk and thus minimise actual or potential losses. TheCompanyrecognises that somelosses, such as operational errors, areinevitable and are normalbusiness cost but will ensure these costs are kept within acceptable levels and potential losses are minimised.

In implementing this strategy, the Company:

- has put in place bestpractice operational risk management policies and procedures. These include procedures to help identify, assess, control, manage and report on operational risk within the Company;
- ensures that roles and responsibilities are agreed and clearly understood by employees at all levels;

- ensures that all staff in business and support functions are aware of their responsibilities for operational risk management;
- considers the potential operational risk impact of its activities and products at the outset with a view to minimising these as far as possible;
- ensures that staff are provided with appropriate operational risk management training that is commensurate to their roles;
- establishes a workable business continuity plan (including disaster recovery and crisis management procedures) that minimises the impact of unexpected and catastrophic events on business operations and customer service;
- minimises the financial impact of operational losses, through management of risk factors and utilisation of insurance and other risk transfer strategies; and
- ensures that staff responsibility with respect to operational risk management is communicated through ongoing risk awareness workshops and management action.

Governance

The overall responsibility for operational risk management in the Company resides with the Board. The responsibility of the day-to-day management has been delegated as described in this section. On a regular basis, the Board receives reports on Company's operational risk profile through the Board Risk Committee.

To ensure consistency and prudent management of operational risks, the responsibility for managing operational risk has been split as follows:

- the overall governance owned by the Board and Board Committees (Board Audit & Risk Committees) and Management Risk Committee;
- the approval of operational risk policies and standards of risk identification, measurement, assessment, monitoring and reporting is the responsibility of the Board and Board Committees;
- the operational risk management framework implementation and review is owned by the Risk Management department;
- the implementation of the operational risk framework within the branches, departments/business units and the day-to-day management of operational risks is owned by their respective core processes and executed through their management structure; and
- the assurance role that operational risk management controls are effective is owned by the internal audit function.

The Board and Board Committees

The Board of Directors, Board Audit & Risk Committees and the Management Risk Committee shall have overall oversight function for operational risk management. It shall be their responsibility to ensure effective management of operational risk and adherence to the approved operational risk policies.

The Board of Directors:

- Sets the Company's operational risk strategy and direction in line with the Company's corporate strategy;
- Gives final approval for the Company's operational risk management framework, policies and procedures; and
- Periodically reviews the framework to ensure its relevance and effectiveness; and ensures that senior management is performing its risk management responsibilities.

Board Enterprise Risk Management and Governance Committee

The Board Committees:

- Ensures that the operational risk management framework is comprehensive and in line with the Company's strategy;
- Approves the operational risk management framework and oversees its implementation;
- Establishes a management structure capable of implementing the framework with clear lines of responsibility, accountability and reporting; and
- Reports significant operational risk issues to the Board of Directors.

Management Risk Committee

The Company's Management Risk Committee:

- Ensures that the framework is implemented consistently across the Company;
- Ensures policies and procedures are developed for operational risk management;
- Ensures that all levels of staff understand their responsibilities with respect to operational risk management;
- Reviews the Company's risk dashboard and assesses potential impact on the activities of the Company or business unit;
- Ensures the Company's risk profile is within established risk parameters;
- Ensures that staff are adequately trained and have access to the necessary resources;
- Obtains and reviews periodic reports on operational loss events, risk profiling and control failures Companywide and ensures corrective measures are being implemented;
- Ensures that the outputs from the operational risk management process are factored into the daytoday management decisions of the Company; and
- Ensures that the Company's operational policies and procedures promote the desired risk culture.

Chief Risk Officer

The Chief Risk Officer shall:

Lead the development and implementation of operational risk management across the Company.

- Develop operational risk management strategy, principles, framework and policy.
- Implements appropriate operational risk management processes and methodologies.
- Advise and coach management and business units on risk management.
- Coordinate the appropriate and timely delivery of risk management information.
- Exercise supervisory responsibilities over operational risk management in addition to responsibility over insurance risk, market risk, credit risk and other key risk types.
- Approve all reports, operational risk policy proposals, recommendations and other documents prepared for presentation to the Management Risk Committee, and Board Audit & Risk Committees.

Regulatory framework

Regulators are primarily interested in protecting the rights of policyholders and monitor them closely to ensure that the Company is satisfactorily managing affairs for their benefit. At the same time, regulators are also interested in ensuring that the Company maintains an appropriate solvency position to meet unforeseen liabilities arising from economic shocks or natural disasters, monitor them closely to ensure that the Company is satisfactorily managing affairs for their benefit.

Future outlook

The Company is on a journey to embedding a robust operational risk management practice, culture and environment beyond complying with regulatory requirements. The goal is to make risk management a value driver that enhances and contributes to stakeholders' value and the longterm existence and survival of the institution. To this end, a number of initiatives and projects are being initiated. When completed, it will enhance the risk management culture and practices within the organisation and by extension significantly reduce the Company's operational risk exposures and incidences, monitor them closely to ensure that the Company is satisfactorily managing its affairs for their benefit. At the same time, regulators are also interested in ensuring that the Company maintains an appropriate solvency position to meet unforeseen liabilities arising from natural disasters.

Some of these key initiatives and projects are as follows:

- Sourcing of a risk solution that has capacity to support the management of insurance risks, operational risk, credit risk and market risk in line with best practices and ultimately complying with riskbased capital regulation in anticipation;
- Structuring a business continuity management framework and infrastructure;
- Review and update of existing operational risk management processes and introduction of new ones; and
- Ongoing aggressive Companywide operational risk awareness campaign to increase employees' riskawareness level, competence and involvement in managing risks.

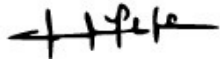
To the members of CAPITAL EXPRESS INDEMNITY INSURANCE LIMITED:

In accordance with the provision of Section 404 (7) of the Companies and Allied Matters Act, 2020, the members of the Statutory Audit Committee of CAPITAL EXPRESS INDEMNITY INSURANCE LIMITED hereby report as follows:

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

We confirm that the accounting and reporting policies of the Company are in accordance with legal requirements and agreed ethical practices, and that the scope and planning of both the external and internal audits for the period ended 31 December were satisfactory and reinforce the Company's internal control systems.

We have deliberated with the external auditors, who have confirmed that necessary co-operation was received from management in the course of their statutory audit and we are satisfied with the management's response to the external auditors' recommendations on accounting and internal control matters and with the effectiveness of the Company's system of accounting and internal control.



Mr Gboyega Fatimilehin
Chairman

FRC/2013/PRO/NIESV/00004/00000000754

Members of the Audit Committee are:

Mr. Gboyega Fatimilehin	Chairman
Mr. Tony EromoNon-Executive Director	Shareholder Representative
Chief Mrs. Olayinka Aletor mni, JP	Non-Executive Director
Mr. Adewale Oketola	Non-Executive Director

The Company Secretary/Legal Adviser acted as the Secretary to the committee

**CAPITAL EXPRESS INDEMNITY INSURANCE LIMITED
CERTIFICATION OF INTERNAL CONTROL OVER FINANCIAL REPORTING
FOR THE YEAR ENDED 31ST DECEMBER 2025**

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We, Adewale Koko and Johnson Fagbemi of Capital Express Indemnity Insurance Limited, certify that:

We have reviewed the Management Report on the Assessment of Internal Control Over Financial Reporting of Capital Express Indemnity Insurance Limited;

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

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

We

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

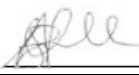
Based on our most recent evaluation of internal control system, we have disclosed to the Company's auditor and the audit committee of the board of directors (or persons performing the equivalent functions):

- (i) that there are no significant deficiencies or material weaknesses in the design or operation of the internal control system that could reasonably likely to adversely affect the Company's ability to record, process, summarize, and report financial information.
- (ii) that no fraud, whether material or not, involving management or employees with a significant role in the internal control system has been identified.

We have also disclosed in this report whether there have been any significant changes in internal controls or other factors that could significantly affect internal controls subsequent to the date of their evaluation including any corrective actions with regard to significant deficiencies and material weaknesses.



Adewale Koko
Managing Director
FRC/2019/PRO/DIR/003/00000019246



Johnson Fagbemi
Chief Finance Officer
FRC/2013/PRO/00000002943

CAPITAL EXPRESS INDEMNITY INSURANCE LIMITED
MANAGEMENT REPORT ON THE ASSESSMENT OF INTERNAL CONTROL OVER FINANCIAL REPORTING
FOR THE YEAR ENDED 31ST DECEMBER 2025

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

The Company's internal control system is supported by written policies and procedures, incorporates self monitoring mechanisms, and is subject to internal audit reviews. When deficiencies are identified, Management takes appropriate corrective actions. However, like all internal control systems, inherent limitations exist, including the potential for circumvention or overriding of controls.

As of 31 December 2025, Management conducted an assessment of the effectiveness of internal control over financial reporting using the COSO 2013 Internal Control- Integrated Framework, issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

Based on this assessment, Management ascertain that, as of 31 December 2025, the Company's internal control over financial reporting was properly designed and effectively operating. Furthermore, no material weaknesses were identified in the Company's internal control over financial reporting.

The effectiveness of the Company's internal control over financial reporting as of 31 December 2025, has been audited by an independent registered accounting firm.



Adewale Koko
Managing Director
FRC/2019/PRO/DIR/003/00000019246



Johnson Fagbemi
Chief Finance Officer
FRC/2013/PRO/00000002943

**Assurance Report of Independent Auditor
To the Shareholders of Capital Express Indemnity Insurance Limited
Assurance Report on Management's Assessment of Controls over Financial Reporting**

We have performed a limited assurance engagement on Capital Express Indemnity Insurance Limited internal control over financial reporting as of 31 December 2025, based on Financial Reporting Council (FRC) Guidance on Management Report on Internal Control Over Financial Reporting. Capital Express Indemnity Insurance Limited Board of Directors and Management are responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's Internal Control over Financial Reporting based on our Assurance engagement.

In our opinion, nothing has come to our attention that the internal control procedures over financial reporting put in place by management are not adequate as of the specified date, based on the FRC Guidance on Management Report on Internal Control Over Financial Reporting.

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

The Firm applies the International Standard on Quality Management 1, Quality Management for firms that perform audit or review of financial statements, or other assurance or related services engagement which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

We conducted our Assurance engagement in accordance with FRC Guidance on Assurance Engagement Report on Internal Control over Financial Reporting. That Guidance requires that we plan and perform the Assurance engagement and provide a limited assurance report on the entity's internal control over financial reporting based on our assurance engagement.

As prescribed in the Guidance, the procedures we performed included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our engagement also included performing such other procedures as we considered necessary in the circumstances. We believe the procedures performed provide a basis for our report on the internal control put in place by management over financial reporting.

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

pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and disposition of the assets of the Company;

provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorization of management and directors of the Company; and

provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

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


BDO Professional Services FRC/2024/COY/398515
Olugbemiga A. Akibayo, FCA FRC/2013/PRO/ICAN/004/00000001076
For: **BDO Professional Services**
Lagos, Nigeria
29 July 2026



**INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF CAPITAL EXPRESS INDEMNITY INSURANCE LIMITED
REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS**

Opinion

We have audited the accompanying financial statements of Capital Express Indemnity Insurance Limited, which comprise, the statement of financial position as at 31 December 2025, the statements of profit or loss and other comprehensive income, statements of changes in equity, and statement of cash flows for the year then ended; and notes to the financial statement, including a summary of material accounting policies and other explanatory notes.

In our opinion the accompanying financial statement give a true and fair view of the Company as at 31 December 2025 and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, issued by the International Accounting Standards Board and in compliance with the relevant provisions of the Financial Reporting Council of Nigeria (Amendment) Act, 2023, the Companies and Allied Matters Act, 2020, Insurance Act, 2003 and the Prudential Guidelines issued by National Insurance Commission.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statement paragraph of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to our audit of the financial statements in Nigeria, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the International Ethics Standards Board Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

Revenue recognition

Due to the large number of policies underwritten by the Company and the flow of premium information from the underwriting department to the financial reporting ledger, there is a risk that the revenue recorded in the financial statements may not be completely accounted for.

Response

We have tested the design and implementation of the key controls over revenue recognition, focusing on the flow of information from the underwriting department to the financial reporting ledger. In addition, we performed substantive analytical procedures on the gross and unearned premium balances amongst **Valuation of investment properties**

The Directors have estimated the Company's investment properties to be N2.95 billion as at 31 December 2025. Independent external valuation carried out as at 31 December 2025 were obtained in order to support the value in the Company's financial statements. These valuations are based on certain key assumptions and significant judgements including capitalisation on rate and fair market rents.

Our response***We ascertained the following***

- Evaluated the independent external valuers' competence, capabilities and objectivity
- Assessed the methodologies used and the appropriateness of the key assumptions.
- Checked the accuracy and relevance of the input data used.

Valuation of insurance contracts liabilities.

The Directors have estimated the value of insurance contract liabilities in the Company's financial statements to be N2.56billion for year ended 31 December 2025 based on the actuarial valuation and liability adequacy test carried out by the Actuary.

The valuation has been made on the following key assumptions which were determined by the Actuary:

- Reserves were calculated via a cash flow projection approach, taking into account future premiums, expenses and benefit payments including an allowance for benefits.
- The unexpired premium reserve for general business is calculated on the assumption that risk will occur evenly during the duration of the policy.
- The Company's claim payment approach will be sustained into the future.
- Weighted past average inflation will remain unchanged over the claim projection period.
- Gross claim amount includes all related claim expenses.
- An allowance was made for IBNR(Incurred But Not Reported) claims in general business to take care of the delay in reporting claims.

Our response***We:***

- Evaluated and validated controls over insurance contract liabilities,
- Evaluated the independence, competence, capability, and objectivity of the Actuary.
- Assessed the methodologies used and the appropriateness of the key assumptions,
- Checked the accuracy and relevance of data provided to the Actuary
- Reviewed the result based on the assumptions.
- Obtained management representation of the value of insurance contracts liabilities included in the financial statements

Other Information

The Directors are responsible for the other information. The other information comprises the information included in the Chairman's statement and Directors' report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

Responsibilities of the Directors for the Financial Statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board, and in compliance with the relevant provisions of the Financial Reporting Council of Nigeria (Amendment) Act, 2023, the Companies and Allied Matters Act, 2020, Insurance Act, 2003 and the Prudential Guidelines issued by National Insurance Commission, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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

* Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the Company's financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

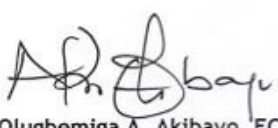
We communicate with the directors regarding, among other matters, the planned scope and timing of the audit, and significant audit findings and any significant deficiencies in internal control that we identify during our audit.

Report on other legal and regulatory requirements

The Companies and Allied Matters Act, 2020 and Insurance Act, 2003 require that in carrying out our audit we consider and report to you on the following matters. We confirm that:

- i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit
- ii) in our opinion, proper books of account have been kept by the Company
- iii) the Company's statement of financial position, and its statement of profit or loss and other comprehensive income are in agreement with the books of account.

Lagos, Nigeria
29 July 2026


Olugbemiga A. Akibayo, FCA
FRC/2013/PRO/ICAN/004/00000001076
For: BDO Professional Services
Chartered Accountants



CAPITAL EXPRESS INDEMNITY INSURANCE LTD.
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2025

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		Twelve month period to 31 December 2025 N'000	Four month period to 31 December 2024 N'000
	Notes		
Insurance revenue	8	4,156,702	183,982
Insurance service expenses	9	(2,349,657)	(141,298)
Insurance service result before reinsurance contracts held		1,807,045	42,684
Net expenses on reinsurance contracts	10	(547,861)	(28,240)
Insurance service result		1,259,184	14,444
Investment income	11	557,266	223,052
Unrealised foreign exchange loss on fixed deposits	11.1	(2,305)	(21,196)
Net fair value loss on financial assets at FVTPL	12	(1,641,900)	(82)
Fair value gains on investment properties	13	40	450,000
Impairment write-back/(loss)	16	798	(798)
Net investment income		(1,086,101)	650,976
Insurance finance income from insurance contracts issued	13.1	85,205	868
Insurance finance expenses from reinsurance contracts held	13.2	(17,290)	(1,809)
Net insurance finance expenses		67,915	(941)
Net insurance and investment results		240,998	664,479
Other operating income	14	6,332	1,696
Other operating expenses	15	(2,209,884)	(603,808)
(Loss)/profit before taxation		(1,962,554)	62,367
Income tax expense	17	(6,859)	(10,905)
(Loss)/profit for the year/period		(1,969,413)	51,462
Other comprehensive income			
<i>Item that are or may be reclassified subsequently to profit or loss</i>		-	-
<i>Item that will not be reclassified to profit or loss</i>			
Net fair value gain on financial assets at FVTOCI	20.2	-	-
Total other comprehensive income			
Total comprehensive (loss)/ income for the year/period, net of tax		(1,969,413)	51,462
Contingency reserve	37	160,136	37,851
(Loss)/earnings per share - Basic and Diluted (kobo)	18	(13.1)	0.51

The statement of significant accounting policies and the accompanying notes and other national disclosures form an integral part of these financial statements.

Auditor's report, pages 1 to 4

		Twelve month period ended 31 December 2025	Four month period ended 31 December 2024
Assets	Notes	N'000	N'000
Cash and cash equivalents	19	410,653	1,064,958
Financial assets:			
At fair value through profit or loss	20.1	9,059,200	556,565
At amortised cost	21	-	1,760,568
Reinsurance contract assets	22	704,374	181,228
Premium receivables	23	135,933	201,691
Other receivables and prepayments	24	265,788	236,754
Investment properties	25	2,950,040	2,950,000
Intangible assets	26	235,678	298,436
Right-of-use assets	27	272,255	309,880
Property, plant and equipment	28	2,145,787	2,644,060
Statutory deposit	29	1,000,000	1,000,000
Total assets		17,179,708	11,204,140
Liabilities			
Insurance contract liabilities	30	2,560,204	1,004,640
Other payables and accruals	31	741,936	137,133
Current tax payable	32	627	627
Deferred tax liabilities	33	10,278	10,278
Deposit for shares	34	174,431	-
Total liabilities		3,487,476	1,152,678
Equity			
Issued share capital	35	15,000,000	10,000,000
Share premium	36	610,182	-
Contingency reserve	37	197,988	37,851
Retained earnings	38	(2,115,938)	13,611
Total equity		13,692,232	10,051,462
Total liabilities and equity		17,179,708	11,204,140

These financial statements were authorised for issued and approved by the Board of Directors and authorised for issue on 23 June 2026 and signed on its behalf by:



Dr. (Mrs.) 'Dere Awosika OON, MFR, mni.
Chairman



Adewale Koko
Managing Director/Chief Executive Officer
FRC/2019/PRO/DIR/003/00000019246



Johnson Fagbemi
Chief Finance Officer
FRC/2013/PRO/ICAN/001/00000002943

The statement of significant accounting policies and the accompanying notes and other national disclosures form an integral part of these financial statements.

Auditor's report, pages 1 to 4

CAPITAL EXPRESS INDEMNITY INSURANCE LTD.
STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 2025

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	Issued share capital	Retained earnings	Share premium	Contingency reserve	Total
	N'000	N'000	N'000	N'000	N'000
Balance at 1 January 2025	10,000,000	13,611	-	37,852	10,051,463
Shares issued	-	-	-	-	-
Loss for the year	-	(1,969,413)	-	-	(1,969,413)
Transfer to contingency reserve	-	(160,136)	-	160,136	-
Transactions with owners recorded directly in equity					
Shares issued	5,000,000	-	610,182	-	5,610,182
Balance at 31 December 2025	<u>15,000,000</u>	<u>(2,115,938)</u>	<u>610,182</u>	<u>197,988</u>	<u>13,692,232</u>

	N'000	N'000	N'000	N'000	N'000
Balance at 1 September 2024	-	-	-	-	-
Profit for the period	-	51,462	-	-	51,462
Transfer to contingency reserve	-	(37,851)	-	37,851	-
Transactions with owners recorded directly in equity					
Shares issued	10,000,000	-	-	-	10,000,000
Balance at 31 December 2024	<u>10,000,000</u>	<u>13,611</u>	<u>-</u>	<u>37,851</u>	<u>10,051,462</u>

The statement of significant accounting policies and the accompanying notes and other national disclosures form an integral part of these financial statements.

Auditor's report, pages 1 to 4

CAPITAL EXPRESS INDEMNITY INSURANCE LTD.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2025

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	Notes	Twelve month period to 31 December 2025 N'000	Four month period to 31 December 2024 N'000
Operating activities:			
Reinsurance premium paid	22.3	(1,108,639)	(211,277)
Gross claims paid	30.3	(228,191)	(88,728)
Insurance acquisition cash flows paid	30.3	(814,582)	(124,791)
Premium received	30.3	5,337,862	1,060,022
Payments to employees	42.1	(379,594)	(89,634)
Expenses paid	30.3	(847,276)	-
Other operating cash payments	42.2	(712,706)	(406,979)
Other income received	42.4	9,435	1,696
Tax paid	17	(6,859)	-
Net cash generated from operating activities		<u>1,249,450</u>	<u>140,309</u>
Investing activities:			
Purchase of financial assets at amortised cost	21	-	(1,761,366)
Proceed from sales of financial assets	20.1	556,565	750,000
Purchase of investment properties	25	-	(2,500,000)
Purchase of financial assets at fair value through profit or loss	20.1(a)	(3,000,000)	(1,306,647)
Purchase of intangible assets	26	(552)	(317,956)
Payment for Right-of-use assets	27	-	(324,850)
Purchase of property, plant and equipment	28	(17,034)	(2,740,281)
Statutory deposit	25.4	-	(1,000,000)
Investment income received	42.3	557,266	125,749
Net cash used in investing activities		<u>(1,903,755)</u>	<u>(9,075,351)</u>
Financing activities:			
Share capital		-	10,000,000
Net cash generated from financing activities		<u>-</u>	<u>10,000,000</u>
 Net (decrease)/increase in cash and cash equivalents		 (654,305)	 1,064,958
Cash and cash equivalents at 1 January	19	<u>1,064,958</u>	<u>-</u>
Cash and cash equivalents at 31 December	19	<u>410,653</u>	<u>1,064,958</u>

The statement of significant accounting policies and the accompanying notes and other national disclosures form an integral part of these financial statements.

Auditor's report, pages 1 to 4

Company information and Statement of accounting policies

1. Reporting entity

CAPITAL EXPRESS INDEMNITY INSURANCE LTD. ("the Company") was incorporated on 29 February, 2024 as a Limited Liability Company. The Company is 100% Nigerian owned. The Company was established for the purpose of carrying on general insurance business. The Company operates as an insurer for all classes of general insurance business in Nigeria. The Company's head office is located at 17, Bishop Kale Close, Victoria Island, Lagos

(a) Statement of compliance with International Financial Reporting Standards

The financial statements have been prepared in accordance and comply with the International Financial Reporting Standards (IFRSs), the Companies and Allied Matters Act, 2020 and the Financial Reporting Council of Nigeria (Amendment) Act, 2024, the Insurance Act, 2023 (now the Nigerian Insurance Industry Reform Act, 2025) and relevant National Insurance Commission of Nigeria Circulars.

The financial statements include the statements of financial position, statements of profit or loss and other comprehensive income, the statements of cash flows, the statement of changes in equity, summary of significant accounting policies and other explanatory information.

(b) 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.

(c) Basis of measurement

The financial statements have been prepared on a historical cost basis except for the following:

1. Financial assets at fair value through profit or loss are measured at fair value;
2. Financial assets at fair value through other comprehensive income are measured at fair value;
3. Investment properties are measured at fair value;
4. Insurance and reinsurance contracts are measured with fulfilment contractual cash flows and the contractual service margin;
5. Defined benefit liabilities are measured at fair value.

(d) Use of Critical Accounting Estimates, Judgments and Assumptions

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. 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 judgments 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. Changes in assumptions may have a significant impact on the financial statements in the period the assumptions changed. Management believes that the underlying assumptions are appropriate and that the Company's financial statements therefore present the financial positions and results fairly. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 8 to 10.

(e) Going Concern

These accounts have been prepared under the going concern assumption as Management does not have the intention to liquidate or to materially curtail the scale of its operations.

The following are the significant accounting policies adopted by the Company in the preparation of these financial statements.

(f) Reporting period

The financial statements have been prepared as at 31 December 2025.

2 **New standards, interpretations and amendments**

(a) **New standards, interpretations and amendments adopted from 1 January 2025**

The following amendments are effective for the period beginning 1 January 2025:

Lack of exchangeability (Amendment to IAS 21 The Effects of Changes in Foreign Exchange Rates)

On 15 August 2023, the IASB issued amendments to IAS 21 titled Lack of Exchangeability. These amendments introduce guidance on assessing when a currency is exchangeable into another currency and when it is not. Where a currency is determined to be not exchangeable, an entity is required to estimate the spot exchange rate for use in applying IAS 21.

These amendments did not have an impact on the Company's financial statements

(b) **New standards, interpretations and amendments not yet effective**

There are a number of standards, amendments to standards, and interpretations which have been issued by the IASB that are effective in future accounting periods that the Company has decided not to adopt early.

The following amendments are effective for the period beginning 1 January 2025:

- Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures)

Clarification that financial liabilities are derecognised on the settlement date, with an accounting policy choice (subject to specific conditions) to derecognise liabilities settled via electronic payment systems before the settlement date.

Additional guidance on assessing contractual cash flows for financial assets with environmental, social and governance (ESG) or similar features.

Clarifications on non-recourse features and the characteristics of contractually linked instruments.

New disclosure requirements for financial instruments with contingent features and enhanced disclosures for equity instruments measured at fair value through other comprehensive income (OCI).

The amendments are effective for annual periods beginning on or after 1 January 2026, with early application permitted for the classification of financial assets and related disclosures. The Company does not expect these amendments to have a material impact on its financial statements.

- Contracts Referencing Nature-dependent Electricity - Amendments to IFRS 9 and IFRS 7

Issued in December 2024, these amendments apply to contracts referencing nature-dependent electricity and:

Clarify the application of the 'own-use' requirements.

Modify designation requirements for hedged items in cash flow hedging relationships.

Introduce new disclosure requirements to explain the impact of these contracts on financial performance and cash flows.

The amendments are effective for annual periods beginning on or after 1 January 2026 (early application permitted). Own-use amendments apply retrospectively; hedge accounting amendments apply prospectively to new hedging relationships. IFRS 7 disclosures must be implemented with IFRS 9 amendments.

The Company does not expect these amendments to have a material effect on its financial statements.

- Annual Improvements to IFRS Accounting Standards - Volume 11 Issued in July 2024, these nine narrow-scope amendments provide clarifications and corrections to improve consistency in:

IFRS 1 *First-time Adoption of IFRS*

IFRS 7 *Financial Instruments: Disclosures* (including implementation guidance)

IFRS 9 *Financial Instruments*

IFRS 10 *Consolidated Financial Statements*

IAS 7 *Statement of Cash Flows*

The amendments are effective for annual periods beginning on or after 1 January 2026 (early application permitted).

The Company does not expect these amendments to have a material effect on its financial statements.

The following standards and amendments are effective for the annual reporting period beginning 1 January 2027:

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

IFRS 18 Presentation and Disclosure in Financial Statements, which was issued by the IASB in April 2024 supersedes IAS 1 and will result in major consequential amendments to IFRS Accounting Standards including IAS 8 Basis of Preparation of Financial Statements (renamed from Accounting Policies, Changes in Accounting Estimates and Errors). Even though IFRS 18 will not have any effect on the recognition and measurement of items in the consolidated financial statements, it is expected to have a significant effect on the presentation and disclosure of certain items. These changes include categorisation and sub-totals in the statement of profit or loss, aggregation/disaggregation and labelling of information, and disclosure of management-defined performance measures

These new requirements are expected to impact all reporting entities. IFRS 18 and all consequential amendments are effective for reporting periods beginning on or after 1 January 2027, with earlier application permitted. Retrospective application is required.

The Company is currently assessing the effect of these new accounting standards and amendments

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

IFRS 19 was issued in May 2024, IFRS 19 introduces a reduced-disclosure framework for subsidiaries that:

- Do not have public accountability; and

- Are included in consolidated financial statements of a parent applying full IFRS

Under IFRS 19, eligible subsidiaries apply recognition, measurement, and presentation requirements of IFRS Standards but follow simplified disclosure requirements set out in IFRS 19. IFRS 19 will become effective for reporting periods beginning on or after 1 January 2027, with early application permitted.

The Company is assessing the potential adoption of IFRS 19 for qualifying subsidiaries. No decision has been finalized, and the impact on future financial statements is under review.

On 28 November 2025, the IASB issued Disclosures about Uncertainties in the Financial Statements - Illustrative Examples, which provide guidance on how entities can apply IFRS Accounting Standards when reporting the effects of uncertainties in their financial statements. These examples accompany existing IFRS Accounting Standards and do not have an effective date. A near-final staff draft was published in July 2025. The amendments do not have effective date.

The Company considered these illustrative examples in preparing its financial statements and concluded that no additional disclosures or changes in presentation were necessary.

3. Significant Accounting Policies

Significant accounting policies are defined as those that reflect significant judgments and uncertainties, and potentially give rise to different results under different assumptions and conditions.

Except for the changes explained in Note 2 above, the Company consistently applied the following accounting policies to the periods presented in the financial statements.

IFRS 17 - Insurance contracts

IFRS 17, Insurance contract establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of the standard. The standard was issued by IASB on 1 June 2020 and is effective from 1 January 2024.

(a) Insurance contract liabilities

The measurement of Company's liability resulting from the insurance contracts that it issues requires a significant use of estimates and judgements. The Company estimates the liability for future insurance contract obligations, taking into account the expected cash flows for fulfilling these contracts. This involves making assumptions about future claim payments, premium income, and discount rates.

(b) Reinsurance contracts

The Company assesses the impact of the reinsurance contracts that it holds on its financial statements, including estimating the expected recoveries from reinsurers. This involves evaluating the terms of reinsurance agreements, the creditworthiness of reinsurers, and the effect on the measurement of re-insurance contract assets and liabilities.

(c) Fulfillment Cash Flows

In estimating its liabilities and assets as it relates to insurance and reinsurance contracts, the Company makes significant assumptions relating to the future cash flows that will arise from fulfilling insurance contracts, considering variables such as claims experience, lapses, and policyholder behavior. These estimates require judgment and are influenced by historical data and actuarial projections.

The Company incorporates, in an unbiased way, all reasonable and supportable information that is available without undue cost or effort at the reporting date. This information includes both internal and external historical data about claims and other experience, updated to reflect current expectations of future events. The estimates of future cash flows reflect the Company's view of current conditions at the reporting date, using market variables consistent with observable market prices, where applicable.

(d) Risk adjustment

In the measurement of risk adjustment, the Company makes use of significant judgements including estimations, actuarial projections and historical data in determining a reasonable compensation for bearing non-financial risks as it relates to insurance contracts that it issues. It also employs similar assumptions and methodologies in estimating the expected reinsurance portion or recoverable as it relates to risk adjustment.

(e) Discount rates

The determination of appropriate discount rates to value future cash flows is critical in the application of IFRS 17. The Company considers factors such as the time value of money, credit risks and illiquidity premiums in selecting its discount rates. Significant judgement is used by the Company to ensure that the selected rates reflect the characteristics of the cashflows and the risks associated with insurance contracts.

(f) Key types of insurance contracts issued, and reinsurance contracts held

Non-Life Business - the Company issues non-life insurance to individuals and commercial businesses. Non-life insurance products offered include Motor, Property, Marine & Aviation, Bond, Engineering, Oil and Gas, fire, Agriculture and General Accident. These products offer financial protection to policyholder's assets and indemnification of other parties against financial loss prompted by the action of the policyholder.

The Company accounts for these contracts applying the principles underlying International Financial Reporting Standard (IFRS 17) Insurance Contracts and other relevant International Account Standards (IAS).

The Company also holds appropriate types of reinsurance contracts to mitigate risk exposure, including: proportional and non-proportional facultative arrangements.

(g) Definition and classification

Products sold by the Company are classified as insurance contracts when the Company accepts significant insurance risk from a policyholder by agreeing to compensate the policyholder if a specified uncertain future event adversely affects the policyholder's finances.

The Company's accounting and financial assessment are made on a cohort basis and on a contract-by-contract basis at the contract issue date. In making this assessment, the Company considers all its substantive rights and obligations, whether they arise from contract, law or regulation.

The Company determines whether a contract contains significant insurance risk by assessing if an insured event could cause the Company to pay to the policyholder additional amounts that are significant in any single scenario with commercial substance even if the insured event is extremely unlikely or the expected present value of the contingent cash flows is a small proportion of the expected present value of the remaining cash flows from the insurance contract. The Company does not issue any pure life insurance contracts or any life insurance contracts with direct participating features or any contract of insurance with investment component. The Company issues only non-life (General Business) insurance to individuals and commercial businesses.

(h) Separating components from insurance and reinsurance contracts

The Company assesses its insurance and reinsurance products to determine whether they contain components which must be accounted for under another applicable IFRS rather than IFRS 17 (distinct non-insurance components). After separating any distinct components, the Company applies IFRS 17 to all remaining components of the (host) insurance contract on a cohort basis right from initial recognition and subsequent recognition until expiration of insurance service on the contract. Currently, the Company's products do not include distinct non-insurance components such as investment components, goods and services, embedded derivatives that require separation.

(i) Level of aggregation

Under IFRS 17 the Company determines a granular grouping of individual contracts for the purpose of measuring insurance contract liability and in the recognition of profitability. The Company identifies portfolios by aggregating insurance contracts that are subject to similar risks and managed together.

In grouping insurance contracts into portfolios, the Company considers the similarity of risks rather than the specific labelling of product lines. The Company has determined that all contracts within each product line, as defined for management purposes, have similar risks. Therefore, when contracts are managed together, they represent a portfolio of contracts. The Company's insurance contracts portfolios are disaggregated into annual cohorts or cohorts of periods that are not more than one year apart. Limiting groups to contracts issued within one year or less apart improves the transparency of profitability to be reported in the Company's set of financial statements.

Each portfolio is subdivided into groups of contracts to which the recognition and measurement requirements of IFRS 17 are applied.

At initial recognition, the Company segregates contracts based on when they were issued. A cohort contains all contracts that were issued within a 12-month period. Each cohort is then further disaggregated into three groups of contracts:

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

For short term contracts accounted for applying the Premium Allocation Approach (PAA), the Company determines that its contracts are not onerous on initial recognition, unless there are facts and circumstances indicating otherwise. As IFRS 17 does not define what "facts/circumstances" entail; the following are considered on their impact on expected cashflows and resulting profitability:

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

All the Company's short-term contracts currently held have been assessed as having no possibility of becoming onerous. In subsequent periods, non-onerous contracts are re-assessed based on the likelihood of prevailing facts and circumstances leading to significant possibility of becoming onerous.

(j) Reinsurance contracts held

Reinsurance contracts held (loss-occurring reinsurance contracts) are for one year or less. For Risk-attaching reinsurance contracts, the Company reasonably expects that the resulting measurement of the assets for remaining coverage would not differ materially from the result of applying the accounting policies that are the same as the underlying the measurement model for the insurance contracts they protect. Reinsurance contracts are assessed for aggregation on an individual contract basis and are assessed separately from insurance contracts. The smallest unit of account is a reinsurance contract, even where this contract covers more than one type of insurance product. However, there are cases where a reinsurance contract covers separate and identifiable product lines which are only included in the same legal document for administrative convenience. These contracts have been separated into its different components.

(k) Recognition

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

(l) Contract boundaries

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

- The Company has the practical ability to reassess the risks of the 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 Company has the practical ability to reassess the risks of the portfolio of insurance contracts that contain the contract and, as a result, can set a price or level of benefits that fully reflects the
- 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 are not recognized. Such amounts relate to future insurance contracts.

(m) Measurement of insurance contracts issued

Initial Measurement

The Company measures a group of contracts on initial recognition as the sum of the expected fulfilment cash flows within the contract boundary and the contractual service margin representing the unearned profit in the contracts relating to services that will be provided under the contracts

ii Fulfilment cash flows within contract boundary

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

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

- Premiums and any additional cash flows resulting from those premiums.
 - Reported claims that have not yet been paid, claims incurred but not yet reported, future claims expected to arise from the policy and potential cash inflows from recoveries on future claims covered by existing insurance contracts.
 - Policy administration and maintenance costs including recurring commissions expected to be paid to intermediaries for policy administration services only (recurring commissions that are insurance acquisition cash flows are treated as such in the estimate of future cash flows)
 - Transaction-based taxes
-
- An allocation of fixed and variable overheads directly attributable to the fulfilment of insurance contracts including overhead costs such as accounting, human resources, information technology and support, building depreciation, rent, and maintenance and utilities
 - Costs incurred for performing investment activities that enhance insurance coverage benefits for the policyholder.

- Costs incurred for providing investment-related service and investment-return service to policyholders.
- Other costs specifically chargeable to the policyholder under the terms of the contract

The Company does not provide investment-return services in respect of contracts that it issues, nor does it perform investment activities for the benefit of policyholders.

The Company incorporates, in an unbiased way, all reasonable and supportable information available without undue cost or effort about the amount, timing and uncertainty of those future cash flows.

The Company estimates the probabilities and amounts of future payments under existing contracts based on information obtained, including:

- Information about claims already reported by policyholders
- Other information about the known or estimated characteristics of the insurance contracts
- Historical data about The Company's own experience, supplemented, when necessary, with data from other sources.

Historical data is adjusted to reflect current conditions.

- Current pricing information, when available

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

iii Discount Rate

In line with IFRS17(59) (B), IAS8(36) The Company adjusts the measurement of the liability for incurred claims (LIC) for the impact of the time value of money and other financial risk of the claims not settled within 12 months, time value of money is measured separately from expected future cash flows with changes in financial risks recognized in profit or loss at the end of each reporting period and the Company has elected an accounting policy to present the time value of money separately in profit or loss and other comprehensive income. The Company measures the time value of money using discount rates that reflect the liquidity characteristics of the insurance contracts and the characteristics of the cash flows, consistent with observable current market prices. They exclude the effect of factors that influence such observable market prices but do not affect the future cash flows of the insurance contracts (e.g., credit risk).

For all insurance contracts, the Company agrees to adopt the Premium allocation approach in which determined interest rate (locked in rate) is used to calculate the present value of future cash flows at the date of initial recognition of the group of insurance contracts in line with IFRS17 Para B72b. The locked-in interest rate is used for accruing interest rate accruing on the value of the contracts at initial recognition and loss components changes as a result of changes in Fulfilment Cash flow (FCF) that relate to future years service.

To derive the current discount rates which are judged to be used for the contracts cash flows, the Company uses the 'bottom-up approach' while adopting the cost of capital methodology to estimate discount rates starting from a risk-free rate of assets (high quality bonds) with similar characteristics as the underlining liability cash flows plus an illiquidity premium where applicable. Risk free rates are determined by reference to the yields of highly liquid FGN Bonds.

iv Risk adjustment (RA) for non-financial risk

The risk adjustment measures the compensation The Company would require for bearing the uncertainty about the amount and timing of cash flows arising from insurance contracts, other than those relating to financial risk. The Company chooses a technique which aligns with the principles of risk adjustment and disclose significant judgement which has been made in determining the risk adjustment and the equivalent confidence level utilized. The Company has service level agreements that enhances prompt claim settlement except when circumstances warranted such delay. Amount recoverable from risk adjustment is recognized in the financial statement.

For the purposes of the financials, a cost of capital approach was adopted in determining the risk adjustment margin. A confidence level of the 75th percentile was adopted to be 10.85%.

vContractual Service Margin (CSM)

As Section 4.4.3 of the NAICOM guidance is about the Contractual service margin (CSM) and explaining how locked in rates work. The Company considers the calculation of Contractual service margin (CSM) as irrelevant in its case, as it adopts the premium allocation approach (PAA) approach for non-life insurers. Under PAA there is no CSM (said otherwise, the CSM is zero under PAA), The CSM is a component of the overall carrying amount of a group of insurance contracts representing unearned profit that the Company will recognize as it provides insurance contract services over the coverage period.

viMethodology: Premium Allocation Approach(PAA)

At initial recognition, the Company measures the carrying amount of the liability for remaining coverage (LRC) as the premiums received on initial recognition minus any insurance acquisition cash flows allocated to the Company of contracts at that date, and adjusted for any amount arising from derecognition of any assets or liabilities previously recognized for cash flows related to the Company (including assets for insurance acquisition cashflows). The Company has not chosen to expense insurance acquisition cash flows when they are incurred. Subsequently, the carrying amount of the LRC is increased by any premiums received and the amortization of insurance acquisition cash flows recognized as expenses and decreased by amount recognized as insurance revenue for services provided and any additional insurance acquisition cash flows allocated after initial recognition. On initial recognition the Company expects that the time between providing part of the services and the related premium due date is not more than a year. The portion that is above one year based on volume of premium is 0.74%, 0.02% and 2.99% for 2021, 2023 and 2024 respectively, while the portion above 365 days based on policy count is 0.76%, 0.06% and 0.66% for 2021, 2023 and 2024 respectively, and the Company considers these to be immaterial as to significantly impact the result of the premium allocation approach.

If at any time during the coverage period, facts and circumstances indicate that a group of contracts is onerous, then the company recognizes a loss in profit or loss and increase the liability for remaining coverage to the extent that the current estimates of the fulfilment cashflows that relate to remaining coverage exceed the carrying amount of the liability for remaining coverage. The fulfilment cash flows are discounted (at current rates) if the liability for incurred claims is also discounted. The Company recognizes the liability for incurred claims of a group of insurance contracts at the amount of the fulfilment cash flows relating to incurred claims. The future cash flows are discounted (at current rates) unless they are expected to be paid in one year or less from the date the claims are incurred.

If a loss -recovery component is created for group of reinsurance contracts measured under the PAA, then The Company adjusts the carrying amount of the assets for remaining coverage instead of adjusting the profit element.

For contracts that are measured under PAA, the assumption is that there are no onerous contracts at initial recognition, unless facts and circumstances indicate otherwise. If the measurement of the LIC results in a loss-making group, this does not translate to the LRC being onerous. In this case, The Company will be assessed as to whether its LRC will be similar to the incurred experience and hence considered to be onerous. For example, actions taken to improve profitability on the motor portfolio which is loss-making may indicate that the LRC will have a different loss experience.

viiSubsequent Measurement of Insurance contracts under PAA

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

The LRC represents The Company's obligation to investigate and pay valid claims under existing contracts for insured events that have not yet occurred, amounts that relate to other insurance contract services not yet provided (i.e. provision of investment-return and investment-related services) and investment components and other amounts not related to insurance contract services that have not yet been transferred to the LIC.

The Company measures the liability for remaining coverage at each subsequent reporting date as follows: Sum of:

- (a) Previous carrying amount,
 - (b) Premium received in the period
 - (c) Amortization of insurance acquisition cashflows
- Less:

- (d) Capitalized insurance acquisition cashflows
- (e) insurance revenue recognized and
- (f) investment paid or transferred to the liability for incurred claims

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

viii PAA Eligibility Calculation and Materiality

The Company determine that its businesses satisfies the criteria for adopting the use of the simplified measurement model(PAA) as follows:

- (a) That such simplification would produce a measurement of the liability for remaining coverage that would not differ materially from that produced applying the General Model; or
- (b) That the coverage period of each contract in the Company is one year or less.

In determining the level of materiality, the Company has taken a view that if the total volume of premiums in a cohort of contracts with coverage period of more than one year is less than 10%, then this would be deemed as immaterial to the justification of using the implied measurement model PAA statistically insignificant in line with paragraph 5.2.2 of Guidance note on IFRS17 issued by NAICOM .

The Company has opted to test the PAA eligibility for the entire group (population) of contracts instead of just a sample within the population of insurance contracts, using a quantitative assessment approach involving application of simplified mathematical approach

ix Insurance acquisition cash flows

In line with IFRS17(59)(a), 97(c), the Company chooses to amortize acquisition cashflows over the contracts' coverage period, provided that the coverage period of each contract in the Company at initial recognition is no more than one year. The Company includes insurance acquisition cash flows in the measurement of a group of insurance contracts if they are directly attributable to either the individual contracts in a group, the Company itself or the portfolio of insurance contracts to which the Company belongs.

The Company estimates, at a portfolio level, insurance acquisition cash flows not directly attributable to The Company but directly attributable to the portfolio. The Company then allocates them to The Company of newly written and renewed contracts on a systematic and rational basis.

The Company 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 years, the Company did not allocate any insurance acquisition cash flows to future groups of insurance contracts, as it did not expect any renewal contracts to arise from new contracts issued in the period.

In the current and prior year, the Company did not identify any facts and circumstances indicating that the assets may be impaired.

xChanges in fulfilment cash flows

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

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

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

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

(n)Measurement of Reinsurance Contracts

i Recognition

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

For example, if we enter a surplus fire reinsurance contract on 1 January 2023 and the first fire insurance policy in the treaty is written in February 2023, then the date of recognition of the surplus reinsurance contract will be February 2023. Though the contract agreement is in place in January, cashflows on the contract don't start until February. Non-Proportionate reinsurance coverage will be recognized at the beginning of the coverage period of the contract.

iiReinsurance contracts held measured under the PAA.

The Company applies the same accounting policies to measure its group of reinsurance contracts, adapted where necessary to reflect features that differ from those of insurance contracts. Reinsurance contracts held are generally assets, rather than liabilities. They are separate from underlying insurance contracts; however, they correspond with them. To ensure that the impact of reinsurance is smoothened out over the period of the underlying contracts, The Company has a policy to recognizing reinsurance contract held over the coverage period as each underlying contract is recognized. If a loss-recovery component is created for a group of reinsurance contracts measured under the PAA, then The Company adjusts the carrying amount of asset for remaining coverage instead of adjusting CSM(irrelevant under PAA). All reinsurance contracts with contract boundaries not exceeding one year are automatically considered to meet PAA eligibility. Most of The Company's Surplus reinsurance contracts are immediately eligible for PAA as they are written on a clean-cut basis. At the end of the period, the reinsurer withdraws from the contract and the reinsurance held portfolio (including outstanding recoveries and ceded portion of unexpired premiums) is transferred to a new reinsurer.

A smaller number of surplus reinsurance contracts and all Facultative contracts are written on an underwriting year basis. This basis extends the contract boundary beyond one year as coverage of contracts ceded to the treaty may continue even after the underwriting year has ended.

The Company incurs incremental administrative costs that are insurance services expenses, namely cashflows that relate directly to the fulfilment of the underlying insurance contracts issued and are to be included in the measurement of the reinsurance contracts assets. The Company treats the actual incurred cost as insurance service expense. Where the reinsurance contracts held covers a group of onerous underlying insurance contracts, The Company adjusts the carrying amount of the asset for remaining coverage and recognizes a gain when, in the same period, it reports a loss on initial recognition of an onerous group of underlying insurance contracts or on addition of onerous underlying insurance contracts to a group. The recognition of this gain results in the recognition for the loss recovery component of the asset for the remaining coverage of a group of reinsurance contracts held.

iii Methods of Presenting Reinsurance Premiums and Recoveries from Reinsurance Contracts Held

For reinsurance contracts held, inline with IFRS17.86, the company has accounting policy of presenting income or expenses from reinsurance contracts held (other than insurance finance income or expenses) as separate amounts: the amounts recovered from the insurer and allocation of the premiums paid. Both the recovered amount and the allocated premiums paid together should give a net amount equal to the equivalent single amount option. The allocation of premium paid is not used as a reduction to premium revenue for the reinsurance contracts held.

iv Accounting for Fixed Commissions by the Reinsurer

The Company treats ceding commission that are not contingent on claims as a reduction in premiums. Reinsurance Contracts may include fixed ceding commission payable to the Company.

(o) Presentation

The Company has presented separately in the Company's statement of financial position the carrying amount of portfolios of insurance contracts that are assets and those that are liabilities, and the portfolios of reinsurance contracts held that are assets and those that are liabilities.

The Company disaggregates the amounts recognized in the consolidated statement of profit or loss and other comprehensive income into an insurance service result sub-total that comprises insurance revenue and insurance service expenses and, separately from the insurance service result, the 'net insurance finance income or expenses' sub-total. The Company has voluntarily included the net insurance finance income or expenses line in another sub-total: net insurance and investment result, which also includes the income from all the assets backing the Company's insurance liabilities.

The Company includes any assets for insurance acquisition cash flows recognized before the corresponding groups of insurance contracts are recognized in the carrying amount of the related

(q) Insurance Revenue

The Company measures the insurance revenue for each period as the expected premium receipts for providing services in the period. The Company allocates the expected premium receipts to each period on the following bases: - certain property contracts: the expected timing of incurred insurance service expenses and other contracts: the passage of time. As the Company provides insurance services under a group of insurance contracts issued, it reduces its LRC and recognizes insurance revenue, which is measured at the amount of consideration, the Company expects to be entitled to in exchange for those services.

For groups of insurance contracts measured under the General Model, insurance revenue consists of the sum of the changes in the LRC due to:

- The insurance service expenses incurred in the period measured at the amounts expected at the beginning of the period, excluding:
 - Amounts allocated to the loss component.
 - Amounts that relate to transaction-based taxes collected on behalf of third parties.
 - Insurance acquisition expenses.
 - Amounts relating to risk adjustment for non-financial risk.
- The change in the risk adjustment for non-financial risk, excluding:
 - Changes that relate to future service that adjust the CSM.
 - Amounts allocated to the loss component.
- The amount of CSM for the services provided in the period.

• Other amounts, such as experience adjustments for premium receipts that relate to current or past service, if any Insurance revenue also includes the portion of premiums that relate to recovering those insurance acquisition cash flows included in the insurance service expenses in each period. Both amounts are measured in a systematic way on the basis of the passage of time.

When applying the PAA, the Company recognizes insurance revenue for the period based on the passage of time by allocating expected premium receipts including premium experience adjustments to each. At the end of each reporting period, the Company considers whether there was a change in facts and circumstances indicating a need to change, on a prospective basis, the premium receipt allocation due to changes in the expected pattern of claim occurrence.

Insurance service expenses arising from insurance contracts issued are recognized in the profit or loss generally as they are incurred. The company's insurance expenses comprises:

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

(q)Income or expenses from reinsurance contracts held.

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

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

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

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

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

(r)Insurance finance income and expenses

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

(s)The use of OCI presentation for insurance finance income and expenses

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

Currently the company present all the period's insurance finance income or expenses in the profit or loss. The company does not write participating contracts and does need to reassess its accounting policy choice in respect of such policies.

(w)PAA Eligibility Test

According to Paragraph 5.2 of the NAICOM guideline, An Insurer may adopt the simplified measurement model if one of the following two criteria is satisfied:

- Whether such simplification would produce a measurement of the liability for remaining coverage that would not differ materially from that produced applying the GMM; or
- The coverage period of each contract in the group is one year or less.

With respect to the coverage period in “a” above IFRS 17 does not provide guidance as to what is meant by “differ materially”. Therefore, the Insurer would need to define its own assessment criteria for materiality. However, an Insurer may consider applying 5% - 10% threshold as a rule of thumb to assess whether the outcome of the measurement using the PAA and GMM differs materially.

The Insurer may opt to test the PAA eligibility for the entire group of contracts or may test a selection of contracts within the group of insurance contracts.

Summary of gross premium for contracts issued in 2025				
Portfolios	One year or less (PAA eligible)	Above one year	Total	Percentage Difference
Fire	691,805,797	16,143,820	707,949,616	2.3%
General Accidents	512,847,595	10,529,688	523,377,282	2.0%
Motor	2,735,087,171	-	2,735,087,171	0.0%
Marine	193,590,343	6,375,515	199,965,858	3.2%
Aviation	10,970,902	-	10,970,902	0.0%
Oil & Gas	702,535,157	6,572,731	709,107,888	0.9%
Engineering	100,807,226	208,130,541	308,937,767	67.4%
Bond	142,465,678	-	142,465,678	0.0%
Total	5,090,109,868	247,752,295	5,337,862,163	4.6%

Engineering	Measurement method
PAA	215,205,175
GMM	219,203,902
Difference	- 3,998,727
% Difference	-1.9%

II Financial instruments

(a) Recognition and initial measurement

All financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price. The Company has the following financial assets and financial liabilities as at year end:

- Cash and cash equivalents;
- Other receivable;
- Statutory deposits
- Financial assets at amortised cost;
- Financial assets at Fair Value Through Profit or Loss;
- Financial assets at Fair Value Through Other Comprehensive Income;
- Other liabilities

(b) Classification and subsequent measurement

(1) Financial assets

On initial recognition, a financial asset is classified as measured at: amortized cost.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at fair value through profit or loss

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

Business model assessment

The Company makes an assessment of the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management's strategy focuses on earning contractual interest revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realizing cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and its strategy for how those risks are managed;
- how managers of the business are compensated (e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected)

Assessment of whether contractual cash flows are SPPI

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as profit margin.

In assessing whether the contractual cash flows are SPPI, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Company considers:

- contingent events that would change the amount and timing of cash flows;
- prepayment and extension terms;
- terms that limit the Company's claim to cash flows from specified assets and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features)

Subsequent measurement and gains and losses

Financial assets at amortized costs

These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses (if any) and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

(c) Financial liabilities - Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortized cost only. Financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

(d) Derecognition

Financial assets

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

On derecognition of financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset transferred), and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognized in other comprehensive income is recognized in statement of profit or loss.

Financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged, cancelled or expire. The Company also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

(e) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

(f) Determination of fair value

A number of the Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. Where applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability. When measuring the fair value of an asset or a liability, the Company uses observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the assets and liabilities that are not based on observable market data (i.e. unobservable inputs).

The Company recognises transfers between levels of fair value hierarchy at the end of the reporting period during which the change has occurred.

(g) Impairment of financial assets

(i) Recognition of ECL

The Company recognises loss allowances for expected credit loss (ECL) on financial assets that are debt instruments and are not measured at FVTPL.

The Company measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's informed credit assessment, that includes forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Company considers a financial asset to be in default when:

- the debtor is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

(ii) Measurement of ECL

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured 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 Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

(iii) Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortized cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- Significant financial difficulty of the borrower or issuer;
- A breach of contract such as a default or past due event;
- The restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- The disappearance of an active market for a security because of financial difficulties.

(iv) Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets

(v) Write-off

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. This is generally the case when the Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. This assessment is carried out on the borrower's collective asset.

Recoveries of amounts previously written off are included in 'other income' in the statement of profit or loss and other comprehensive income. Financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

(h) Trade receivables

Trade receivables comprise premium receivables. Premium receivables are those for which credit notes issued by brokers are within 30 days, in conformity with the “NO PREMIUM NO COVER” policy.

Individual reinsurance receivables that are identified as impaired are assessed for specific impairment. All other reinsurance receivables are assessed for collective impairment. The model for collective impairment is based on incurred loss model. The probability of default and the age of the debts are also taken into account in arriving at the impairment amount. When an insurance receivable is considered uncollectible, it is written off against the impairment allowance account. Trade receivables are classified as loans and receivables and subsequently measured at amortised cost.

(i) Cash and cash equivalents

Cash and cash equivalents include cash in hand, bank and call deposits and other short-term highly liquid investments with original maturities of three months or less, which are subject to insignificant risk of changes in their fair value and used by the Company to manage its short term commitments. Cash and cash equivalents are measured at amortised cost in the statement of financial position.

(j) Other receivables and prepayments

Other receivables balances include dividend receivable and accrued investment income. The Company has an internal system of assessing the credit quality of other receivables through established policies and approval systems. The Company constantly monitors its exposure to their receivables via periodic review.

Prepayment are essentially prepaid rents and prepaid employee benefits. Other receivables and prepayments are carried at cost less accumulated amortisation and impairment losses.

III Investment properties

Investment properties are properties held to earn rentals or for capital appreciation (including property under construction for such purposes) or for both purposes, but not for sale in the ordinary course of business.

Recognition and measurement

Investment properties are measured initially at cost plus any directly attributable expenses.

Subsequent to initial recognition, investment properties are measured at fair value, which reflects market conditions at the reporting date. Gains or 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 of the investment properties are evaluated and assessed annually by an accredited external valuer.

De-recognition

An investment property is derecognized 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 de-recognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognized in profit or loss in the period of de-recognition. The carrying amount of the asset represents the fair value of the asset as at the date of the latest valuation before disposal.

Transfers

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner occupied property, the deemed cost for subsequent accounting is the fair value at the date of change. If owner-occupied property becomes an investment property, the Company accounts for such property in accordance with the policy stated under property and equipment up to the date of change. Subsequently, the property is re-measured to fair value and reclassified as investment property.

IV Property and equipment

Recognition and measurement

All items of property and equipment are initially recognized at cost and subsequently measured at cost less accumulated depreciation and impairment losses, except land & building which are measured at the revalued amount being the fair value as at reporting date. Property and equipment comprise motor vehicles, office furniture, office equipment and computer equipment. Assessment for impairments of properties, plant and equipment are carried out annually.

Subsequent costs

The cost of replacing part of an item of property or equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be reliably measured. The costs of the day-to-day servicing of property and equipment are recognized in profit or loss when incurred. Subsequent costs on replacement parts on an item of property are recognized in the carrying amount of the replaced or the renewed component.

Depreciation

Depreciation is recognized so as to write off the cost or valuation of assets less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

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

Land	Not depreciated
Building	20 years
Computer	3 years
Office furniture and fittings	5 years
Motor vehicles	4 years

De-recognition and impairment of non financial asset

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the statement of profit or loss of the year that the asset is de-recognized.

The carrying amounts of the Company's non-financial assets are considered to be impaired when there exists any indication that the asset's recoverable amount is less than the carrying amount. Assessment for impairment should be carried out annually. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are carried at the lowest levels for which there are separately identifiable cash flows (cash generating units). Impairment losses are recognized in profit or loss.

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 amortization, if no impairment loss had been recognized. Reversals of impairment losses are recognized in profit or loss.

Intangible assets

Acquired computer software

Acquired computer software licenses are capitalized on the basis of the costs incurred to acquire and bring to use the specific software. Computer software is stated at cost less amortization and impairment losses. Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. Costs associated with maintaining computer software programmes are recognized as an expense as incurred.

Amortization

Computer software costs, whether developed or acquired, are amortized for a period of five years using the straight line method.

"Intangible assets are tested for impairment annually. Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate

An intangible asset shall be derecognized by the Company on disposal; or when no future economic benefit are expected from its use or disposal. Any gain or loss arising on de-recognition of the assets (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 the asset is recognised.

VI Foreign currency transactions

The Nigerian Naira is the Company'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.

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

VII Hypothecation of assets

The Company structured its assets to meet the requirements of the Insurance Act 2003 such that policyholders' assets and funds are not co-mingled with shareholders'.

In particular, investment properties, investment securities (equities and fixed income securities) and insurance funds hypothecated to policyholders are distinguished from those owned by the shareholders. The assets hypothecated are shown in the financial statements, note 7.

VIII Deferred income

Deferred income comprises deferred rental income and deferred acquisition income. Deferred rental income relates to rents received in advance. These are amortized and transferred to the statement of profit or loss over the periods that they relate. Deferred acquisition income relates to commissions received on ceded reinsurance businesses but not yet earned as at reporting date. Deferred acquisition income are amortized systematically over the life of the contracts at each reporting date.

IX Provisions and Contingent liabilities

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

Contingent liabilities are possible obligations of the Company, the existence of which will only be confirmed by the occurrence or non-occurrence of uncertain future events not wholly within the control of the Company and present obligations of the Company where it is probable that an outflow of economic benefits will be required to settle the obligations or where the amount of the obligation cannot be measured reliably, which are not recognised in the Company's statement of financial position but are disclosed in the notes to the financial statements.

X Employee benefits liabilities

(i) Short-term benefits

Staff benefits such as wages, salaries, paid annual leave allowance, and non-monetary benefits are recognized as employee benefit expenses. The expenses are accrued when the associated services are rendered by the employees of the Company. Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

(ii) Defined contribution plans

The Company operates a defined contribution plan in accordance with the provisions of the Pension Reform Act 2014. The Company and employees contribute 10% and 8% respectively (2024: 10% and 8%) each of the qualifying monthly emoluments in line with the Pension Reform Act.

(i) The Company's monthly contribution to the plan is recognized as an expense in profit or loss as part of staff cost. The Company remits contributions to privately administered pension fund administration on a monthly basis. The Company has no further payment obligation once the contributions have been remitted. Prepaid contributions are recognized as an asset to the extent that a cash refund or reduction in the future payments is available.

(ii) Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

XI Trade and other payables

Trade payables

Trade payables are recognized when due. These include amounts due to agents, reinsurers, co-assurers and insurance contract holders. Trade payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method. The fair value of a non-interest bearing liability is its discounted repayment amount. If the due date is less than one year, discounting is not applied and the impact will not be material.

Accruals and other payables

Other payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest rate method. The fair value of a non-interest bearing liability is its discounted repayment amount. If the due date is less than one year, discounting is not applied and the impact will not be material.

XII Income and deferred tax

(i) Current tax

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

Current tax is the expected tax payable on taxable income for the year. Taxable profit differs from profit as reported in the Company's statement of profit or loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted by the end of the reporting period.

(ii) Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the Company's financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are recognized on all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from goodwill (arising in a business combination) or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The current taxes include: Company Income Tax at 30% of taxable profit; Education Tax at 3% (now Development levy at 4%) of assessable profit; Capital Gain Tax at 30% of chargeable gains; and Information Technology Development levy at 1% of accounting profit. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

XIII Statutory deposits

Statutory deposits are cash balances held with the Central Bank of Nigeria (CBN) in compliance with the Insurance Act, CAP 117, LFN 2004 (now the Nigerian Insurance Industry Reform Act, 2025) for the general insurance companies. The deposits are only available as a last resort to the Company if it goes into liquidation and are measured at amortised cost.

XIV Capital and reserves

(i) Share capital

The equity instruments issued by the Company are classified as equity in accordance with the substance of the contractual arrangements and the definitions of an equity instrument.

Equity instruments issued by the Company are recognized as the proceeds are received, net of direct issue costs.

(ii) Share premium

This represents the excess amount paid by shareholders on the nominal value of the shares. This amount is distributable to the shareholders at their discretion. The share premium is classified as an equity instrument in the statement of financial position.

(iii) Contingency reserve

The Company maintains contingency reserves for the general business in accordance with the provisions of S.21 (1) of the Insurance Act 2003. In compliance with this regulatory requirement, the Company maintains contingency reserve at the rate equal to the higher of 3% of gross premium or 20% of the total profit after taxation until the reserve reaches the greater of minimum paid up capital or 50% of net premium.

(iv) Accumulated profit

The reserve comprises undistributed profit for the four (4) month period. Retained profit is classified as part of equity in the statement of financial position.

XV Segment reporting

Operating segments are identified and reported in consonance with the internal reporting policy of the Company that are regularly reviewed by the Chief Executive who allocates resources to the segment and assesses their performance thereof. The Company's reportable segments, for management purpose, are organized into business units based on the products and services offered as follows:

- Motor;
- Marine and Aviation;
- General accident;
- Fire.

This is the measure used by the Company's Chief Executive for the purposes of resource allocation and assessment of segment performance.

XVI Investment Income

Investment income consists of dividends, interest and rental income on investment properties, interest income on loans and receivables, realized gains and losses as well as unrealized gains and losses on fair value assets. Rental income is recognized on an accrual basis.

(i) Interest income

Interest income is recognized in profit or loss as it accrues and is calculated by using the effective interest rate method. Fees and commissions that are an integral part of the effective yield of the financial asset or liability are recognized as an adjustment to the effective interest rate of the instrument. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability.

(ii) Dividend income

Dividend income from investments is recognized when the shareholders' rights to receive payment have been established.

(iii) Realized gains and losses and unrealized gains and losses

Realized gains and losses on investments include gains and losses on financial assets and investment properties. Gains and losses on the sale of investments are calculated as the difference between net sales proceeds and the original amortized cost and are recorded on occurrence of the sale transaction. Unrealized gains or losses represent the difference between the carrying value at the year end and the carrying value at the previous year end or purchase value during the year, less the reversal of previously recognized unrealized gains and losses in respect of disposals during the year.

XVII Other operating income

Other operating income represents income generated from sources other than premium revenue and investment income. It includes rental income, profit on disposal of property and equipment, salvage recoveries and other sundry income.

XVIII Other operating expenses

Other operating expenses are recognised in profit or loss when goods are received or services rendered. They are expenses other than claims, maintenance and underwriting expenses and include employee benefits, depreciation charges and other operating expenses.

XIX Earnings per share

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss that is attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted earnings per share is calculated by adjusting the net profit attributable to ordinary shareholders and the weighted average number of shares outstanding for the effects of all dilutive potential ordinary shares. The Company has no type of shares that would have dilutive effect.

4. Critical accounting estimates and judgments

The Company makes estimates and assumptions that affect the reported amounts of assets and liabilities within the financial year. Estimates and judgments are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Assumptions and estimation uncertainties

The preparation of financial statements requires management to make judgments, 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 circumstances, the results of which form the basis of making judgments 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. The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised thus:

- 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.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year and about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are stated below:

Judgments

The following are the critical judgments, apart from those involving estimations (which are dealt with separately below), that the Directors have made in the process of applying the Company's accounting policies and that have the most significant effect on amounts recognized in financial statements:

(a) Fair value measurement

The Directors are required to make judgment in selecting an appropriate valuation technique for some financial assets. The significant estimates and judgments applied in determination of fair value of financial assets are as follows:

(b) Impairment of non-financial assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest Company of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. 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 for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease and recognised in other comprehensive income.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase and recognise in other comprehensive income.

(c) Trade receivable

Trade receivable is strictly in compliance with the National Insurance Commission (NAICOM) guideline which requires that the receipt of an insurance premium shall be a condition precedent to a valid contract of insurance and there shall be no cover in respect of an insurance risk unless the premium is paid in advance. However, a receivable period of 30 days is allowed in a brokered business, otherwise, the receivable is considered impaired and an impairment loss recognised in profit or loss.

5. Financial & Insurance Risk Management

The primary objective of the company's risk and financial management framework is to protect the company's shareholders from events that hinder the sustainable achievement of financial performance objectives, including failing to exploit opportunities. Key management recognises the critical importance of having efficient and effective risk management systems in place.

The company has established a risk management function with clear terms of reference from the board of directors, its committees and the associated executive management committees. This is supplemented with a clear organisational structure with documented delegated authorities and responsibilities from the board of directors to executive management committees and senior managers. Lastly, a company policy framework which sets out the risk profiles for the company, risk management, control and business conduct standards for the company's operations has been put in place. Each policy has a number of senior management charged with overseeing compliance with the policy throughout the company.

(a) Financial asset valuation

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date. Fair values are subject to a control framework designed to ensure that input variables and output are assessed independent of the risk taker. The Company has several financial instruments. These assets were valued making use of other valuation methods other than quoted prices, such as net asset method and income method.

Fair values are subject to a control framework designed to ensure that input variables and output are assessed independent of the risk taker. The Company has several financial instruments. These assets were valued making use of other valuation method other than quoted prices.

Fair value hierarchy

IFRS 13 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources; unobservable inputs reflect the Company's market assumptions. These two types of inputs have created the following fair value hierarchy:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities. This level includes listed equity securities and debt instruments on exchanges.

Level 2 - Valuation techniques based on observable inputs. This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

Level 3 - This includes financial instruments, the valuation of which incorporate significant inputs for the asset or liability that is not based on observable market data (unobservable inputs). Unobservable inputs are those not readily available in an active market due to market illiquidity or complexity of the instrument. These inputs are generally determined based on inputs of a similar nature, historic observations on the level of the input or analytical techniques.

This hierarchy requires the use of observable market data when available. The Company considers relevant and observable market prices in its valuations where possible.

The following table analyses financial instruments measured at fair value at the reporting date by the level of the fair value hierarchy into which the fair value measurement is categorised. The fair values include any deferred differences between the transaction price and the fair value on initial recognition when the fair value is based on valuation technique that uses unobservable inputs

31 December 2025

Financial Assets:	Notes	Level 1	Level 2	Level 3	Total
		N'000	N'000	N'000	N'000
Financial assets:					
Listed equity shares	20.1	9,059,200	-	-	9,059,200
Total financial assets measured at fair value		9,059,200	-	-	9,059,200

Financial instruments not measured at fair value	Level 1	Level 2	Level 3	Total
	N'000	N'000	N'000	N'000
31 December 2025				
At amortised cost	-	-	-	-

No fair value disclosures are provided for trade receivables, other receivables, trade payables, accruals and other payables that are measured at amortised cost because their carrying value are a reasonable approximation of fair value.

Cash and cash equivalents

Cash and cash equivalents consists of cash on hand and current balances with banks.

The carrying amounts of current balances with banks and other financial institutions is a reasonable approximation of fair value which is the amount receivable on demand.

Trade receivables and other receivables

The carrying amounts of trade receivables and other receivables are reasonable approximation of their fair values which are receivable on demand.

Trade payables, accruals and other payables

The carrying amounts of trade payables, accruals and other payables are reasonable approximations of their fair values which are repayable on demand.

The Company is exposed to the following categories of risk as a consequence of offering different financial products and services by the Company;

(i) Market risk

Market risk is the risk that changes in market prices, such as interest rates, equity prices, foreign exchange rates and credit spreads (not relating to changes in the obligor's / issuer's credit standing) will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on risk.

The Company has put in place a clearly defined market risk management framework that provides the Board of Directors and Management with guidance on market risk management processes. The company has also prescribed tolerable market related losses, vis-a -vis the quantum of available capital and level of other risk exposures.

The company's market risk policy and strategy are anchored on the following:

- product diversification which involves trading, application and investment in a wide range and class of products such as debt, equity, foreign exchange instruments, corporate securities and government securities;
- risk taking within well-defined limits with the sole purpose of creating and enhancing shareholder value and competitive advantage;

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NOTES TO THE FINANCIAL STATEMENTS

- effective utilisation of risk capital;
- continuous re-evaluation of risk appetite and communication of same through market risk limits;
- independent market risk management function that reports directly to Management;
- robust market risk management infrastructure reinforced by a strong automated system for controlling, monitoring and reporting market risk;
- deployment of a variety of tools to monitor and restrict market risk exposures such as position limits, sensitivity analysis, ratio analysis and management action triggers.

Foreign Currency risk

This is the risk of the fair value of financial instruments being affected by changes in foreign exchange rates.

The Company receives certain premiums in foreign currency, in addition to Naira, from its clients; hence, exposures to exchange rate fluctuations arise. The Company is also exposed to foreign currency denominated in dollars through a domiciliary bank balance.

Foreign exchange risk arises from other recognized assets and liabilities denominated in other currencies, and their total sum.

Foreign currency risks arising from insurance contract liabilities have been considered by the Actuary in estimating insurance contract liabilities.

The carrying amounts of the Company's foreign currency denominated assets are as follows:

31 December 2025

	NGN'000	Total NGN'000
Assets (Cash & cash equivalents)	209,823	209,823

Foreign currency sensitivity

The following table details the Company's sensitivity to a 10% increase and decrease in foreign currency rates against the Naira. A 10% sensitivity rate is used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. For each sensitivity scenario, the impact of change in a single factor is shown, with other assumptions or variables held constant.

31 December 2025	Base NGN'000	NGN'000	Total NGN'000
10% increase	209,823	20,982	230,805
10% decrease	209,823	(20,982)	188,840
31 December 2025	Base		Total

Interest rate risk

The Company's exposure to interest rate risk relates primarily to the market price and cash flow variability of assets and liabilities associated with changes in interest rates. Changes in interest rates result to reduction in income 'spread' or the difference between the amounts that the Company is required to pay under the contracts and the rate of return the Company is able to earn on investments intended to support obligations under the contracts. Investment spread is, arguably, one of the key components of the net income of insurers.

The Company's mitigation efforts with respect to interest rate risk are primarily focused on maintaining an investment portfolio with diversified maturities that has a weighted average duration or tenor approximately equal to the duration of our liability cash flow profile.

Also, the Company manages this risk by adopting close asset/liability matching criteria, to minimize the impact of mismatches between asset and liability values arising from interest rate CHANDEs.

Furthermore, the Company uses sensitivity analysis to measure the impact of interest rate changes and CHANDEs on the value of our financial assets scenarios.

The Company's exposure to interest rate risk is limited to changes in fixed income and money market instruments interest rates. These instruments have fixed interest rates.

Interest rate profile

At the end of the reporting period the interest rate profile of the Company's interest bearing financial instruments as reported to the Management of the Company are as follows:

Financial instruments	Notes	2025
<i>In thousands of Naira</i>		
Cash and cash equivalents	19	360,653
At amortised cost	21	-
Statutory deposits	29	1,000,000
		<u>1,360,653</u>

Interest rate sensitivity analysis

The sensitivity analysis below have been determined based on the exposure to interest rates for non-derivative instruments at the balance sheet date. A 10% increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

	Base	2025
	N'000	N'000
10% increase	1,360,653	136,065
10% decrease	1,360,653	(136,065)

Other price risk management

The Company is exposed to equity price risks arising from equity investments both quoted and unquoted equity. The shares included in financial assets represent investments in listed securities that present the Company with opportunity for return through dividend income and capital appreciation.

The carrying amounts of the Company's equity investments are as follows:

	Notes	2025
		N'000
Equity Securities - Quoted	20.1	9,059,200
		<u>9,059,200</u>

Equity price sensitivity analysis

The sensitivity analysis below have been determined based on the exposure to equity price changes for both listed and unlisted equities at the balance sheet date. A 10% increase or decrease is used when reporting price change risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

Quoted Equity

	Base	2025
	N'000	N'000
10% increase	9,059,200	905,920
10% decrease	9,059,200	(905,920)

(ii) Credit risk

Credit risk refers to the risk that counterparties will default on their contractual obligations resulting in financial loss to the Company. The key areas of exposure to credit risk for the Company are in relation to its investment portfolio, reinsurance program and receivables from reinsurers and other intermediaries.

The Company has adopted a policy of dealing with only creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. This information is supplied by independent rating agencies, where available, and if not available, the Company uses other publicly available financial information and its own trading records to rate its major policyholders and reinsurers.

The Company's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the risk management committee annually.

Reinsurance assets are reinsurers' share of outstanding claims and prepaid reinsurance. They are allocated below on the basis of ratings for claims paying ability.

Financial & Underwriting Risk Management (Cont'd)

Analysis of financial assets based on past due status

2025	Financial assets at amortised cost N'000	Reinsurance contract assets N'000	Other receivables N'000	Premium receivables N'000	Total N'000
Past due and impaired (specific)	-	-	-	-	-
Past due more than 90 days	-	-	265,788	-	265,788
Past due 31 to 90 days	-	-	-	-	-
Past due less than 30 days	-	-	-	-	-
Neither past due nor impaired	-	704,374	-	135,933	840,307
Total Carrying Amount	-	704,374	265,788	135,933	1,106,095

An analysis of counterparty credit exposure for financial assets which are neither past due nor impaired is as shown in the table below:

31 December 2025	Unrated N'000	A/A- N'000	AA N'000	B/B+ N'000	BB- N'000	BBB N'000	Total N'000
Financial assets at amortised cost	-	-	-	-	-	-	-
Reinsurance contract assets	704,374	-	-	-	-	-	704,374
Other receivables	265,788	-	-	-	-	-	265,788
	1,106,095	-	-	-	-	-	1,106,095

Concentration of credit risk

The company monitors concentration of credit risk by sector

31 December 2025

	Financial Institutions N'000	Government N'000	Individuals N'000	Total N'000
Financial assets at amortised cost	-	-	-	-
Reinsurance contract assets	704,374	-	-	704,374
Other receivables	-	-	265,788	265,788
Trade receivables	135,933	-	-	135,933
	840,307	-	265,788	1,106,095

(iii) Liquidity risk

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

Management of liquidity risk

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

The finance unit receives information from operations unit regarding the liquidity profile of their financial assets and liabilities and details of other projected cash flows arising from projected future business. The finance unit then maintains a portfolio of short-term liquid assets, largely made up of short-term liquid trading securities to ensure that sufficient liquidity is maintained within the Company as a whole.

All liquidity policies and procedures are subject to review and approval by the Board of Directors. Daily reports cover the liquidity position of the Company. A summary report, including any exceptions and remedial action taken, is submitted regularly to the Company's finance unit. The Company relies on the fixed deposit balances with the Banks in meeting its liquidity need.

Maturity profile

The following table shows the Company's expected maturity for its non-derivative assets. The table has been drawn up based on the undiscounted contractual maturities of the assets including interest that will be earned on those assets except where the Company anticipates that the cash flow will occur in a different period.

It also shows details of the expected maturity profile of the Company's undiscounted obligations with respect to its financial liabilities and estimated cash flows of recognized insurance contract liabilities. It includes both interest and principal cash flows.

2025	Notes	Carrying amount N'000	Gross Nominal inflow/(outflow) N'000	< 1 month N'000	1 - 3 months N'000	3 - 12 months N'000	1 - 5 years N'000	> 5 years N'000
Non-derivative financial								
Cash and cash equivalents	19	410,653	410,653	360,653	50,000	-	-	-
At fair value through profit or loss	20.1	9,059,200	9,059,200	-	-	9,059,200	-	-
Reinsurance contract assets		704,374	704,374	-	-	704,374	-	-
Trade receivables	23	135,933	135,933	135,933	-	-	-	-
Other receivables (excluding prepayments and WHT receivables)	24	265,788	265,788	-	-	265,788	-	-
Statutory deposits	29	333,654	333,654	-	-	-	-	333,654
		10,909,602	10,909,602	496,586	50,000	10,029,362	-	333,654
Non-derivative financial liabilities								
Insurance contract liability	30	(2,560,204)	(2,560,204)	-	(2,560,204)	-	-	-
Accruals & other payables (excluding statute based deductions and unearned rent income)	31	(741,936)	(741,936)	-	-	(741,936)	-	-
		(741,936)	(741,936)	-	-	(741,936)	-	-
Gap (asset - liabilities)		10,167,666	10,167,666	496,586	50,000	9,287,426	-	333,654

The Company expects to meet its other obligations from operating cash flows and proceeds of maturing financial assets and other sources listed in "Sources of Liquidity" above.

(iv) Underwriting risk management

The Company accepts insurance risk through its insurance contracts where it assumes the risk of loss from persons or organisations that are directly subject to the underlying loss. The Company is exposed to the uncertainty surrounding the timing, frequency and severity of claims under these contracts.

The Company manages its risk via its underwriting and reinsurance strategy within an overall risk management framework. Pricing is based on regulations which have regard to trends and past experience. Exposures are managed by having documented underwriting limits and criteria. Reinsurance is purchased to mitigate the effect of potential loss to the Company from individual large or catastrophic events and also to provide access to specialist risks and to assist in managing capital. Reinsurance policies are written with approved reinsurers on either a proportional or excess of loss treaty basis.

Regulatory capital is also managed (though not exclusively) by reference to the insurance risk to which the Company is exposed.

Financial & Underwriting Risk Management (Cont'd)

The Company writes fire, general accident, marine & aviation and motor risks primarily over a duration usually twelve month. The most significant risks arise from natural disasters, climate change and other catastrophes (i.e. high severity, low frequency events). A concentration of risk may also arise from a single insurance contract issued to a particular demographic type of policyholder, within a geographical location or to types of commercial business. The relative variability of the outcome is mitigated if there is a large portfolio of similar risks.

The table below shows the carrying amounts of the Company's insurance contracts (net of reinsurance) by country of issue.

	Gross	Reinsurance Net	
	2025	2025	2025
	N'000	N'000	N'000
- Within Nigeria	2,560,204	704,374	1,855,830
- Outside Nigeria	-	-	-
	2,560,204	704,374	1,855,830

The carrying amounts of the Company's non-life insurance contracts (net of reinsurance) are analysed by type of product below:

	Gross	Reinsurance	Net
	2025	2025	2025
	N'000	N'000	N'000
General Accident	463,170	172,660	290,510
Fire	249,360	8,953	240,407
Marine & Aviation	455,469	220,098	235,371
Motor	1,027,532	61,340	966,192
Oil & Gas	364,672	241,323	123,349
TOTAL	2,560,204	704,374	1,855,830

Outstanding claims on insurance contracts

Outstanding claim represents the estimated ultimate cost of settling all claims arising from incidents occurring as at the date of the statement of financial position.

(a) Methodology**(i) Valuation**

Bekoda UK adopted the 365th (time apportionment) method. Each policy's unexpired insurance period (UP) was calculated as the exact number of days of insurance cover available after the valuation date.

(ii) Discounting

No allowance has been made for discounting as it is not expected to have a significant impact given the relatively short-tailed claims run-off.

(iii) Reserving Methods and Assumptions - 31 December 2025

The volume of data in the reserving classes influenced the methodologies used. Four methods were used for the projection of claims;

(a) The Basic Chain Ladder Method (BCL)

The Basic Chain Ladder method forms the basis to the deterministic reserving methods explained below. For each class of business, historical paid claims were grouped into accident year cohorts representing when they were paid after their accident year. These cohorts form the development triangles. Each accident years, paid claims were accumulated to the valuation date and projected into the future to attain the expected ultimate claim arising in the year. This assumes the trends observed in the historical data will continue. The gross claim reserve is calculated as the difference between the cumulated paid claims and the estimated ultimate claims. For the later years where the cohorts are underdeveloped or has less than expected claims, the Bornheutter Ferguson (BF) method was used to estimate the ultimate claims. The appropriate loss ratio used in estimating the BF ultimate claim was the average of fully developed historical years.

(b) The loss ratio method

This method is simple and gives an approximate estimate. This method was adopted as a check on the actuary's ultimate projections and also where there were insufficient data to be credible to use for the statistical approaches. Under this method, Ultimate claims were obtained by studying the historical loss ratios, investigating any differences and using judgments to derive a loss ratio. Paid claims already emerged were then deducted from the estimated Ultimate claims to obtain our reserves.

(c) A Bornheutter Ferguson method.

This method essentially combines the estimates attained from the above two methods. The BF method takes a weighted average of the two estimates, where the weights are related to the number of claims already reported. Therefore, the more past information there is available, the higher the weighting given to the chain ladder estimate.

(d) Frequency and Severity Method

This method investigates the trend of the claim frequency and average cost per claim for each accident year. An Average of the fully run off accident years was used as a guide on the ultimate claim frequency and ultimate average cost which was then adopted for the accident years that are not fully run off. Large losses distorting the claims payment trend was excluded from all our chain ladder projections and analyzed separately using the Average Cost per claim method.

Choice of Method

The IBNR reserves are determined using deterministic calculations which provide a "best estimate" of the reserve. The "best-estimate" is determined by applying a combination of the Chain Ladder("CL") and the Bornhuetter-Ferguson ("BF") methods to attritional paid claims triangles. The combination between a CL and BF methods aims to reflect the reliability of information when estimating the IBNR. For earlier accident years, where the development is reasonably mature, a CL approach was used which relied more heavily on the data to set the ultimate level of claims. For later accident periods where there still exists a large degree of uncertainty about the ultimate level of claims and the reported to date is a less reliable estimate of the ultimate loss, a BF method is used which makes use of an estimate of the ultimate loss ratio. The results of the Inflation Adjusted Chain Ladder method (Discounted) and Bornhuetter-Ferguson are dependent upon the stability of the triangulated claims information used to derive the claims development patterns. The triangulations are examined for any anomalous CHANDEs that may have distorted the estimated patterns in order to smooth these out. This prevents distortion of the results by once-off extreme CHANDEs and therefore ensures a stable result from year to year.

Financial & Insurance Risk Management (Cont'd)**fCapital Management**

Our capital management framework is primarily based on statutory risk-based capital and solvency margin measures. The Company manages its capital to ensure that it continues as a going concern and complies with the regulators' capital requirements while maximizing the return to stakeholders through the optimization of its equity balance. The capital structure of the Company consists of equity attributable to equity holders of the Company, comprising issued capital, reserves and a retained loss. Reinsurance is also used as part of capital management.

The regulatory capital (as required under Insurance Act 2003 and NAICOM Guideline) within the Company has been maintained and preserved over the reporting periods. The minimum regulatory capital for general insurers in Nigeria is N3 billion.

The Company equally measures its capital using an economic capital model which is the Company's own assessment of the amount of capital it needs to hold which takes into account both financial and non-financial assumptions. In most cases the internally required capital is determined by the application of percentages to premiums, claims, reserves and expenses.

There was no change made neither to the capital base nor to the objectives, policies and processes for managing capital. Under our capital management policy approved by the Board of Directors, the Managing Director and the Chief Financial Officer are authorized to approve capital actions on behalf of the Company and to further delegate authority with respect to capital actions to appropriate officers. Any capital commitment that exceeds the authority granted to senior management is separately authorized by the Board.

The Insurance Act 2003 (Section 24) prescribed that an insurer shall in respect of its business other than life insurance business, maintain a margin of solvency being the excess of the value of its admissible assets in Nigeria over its liabilities in Nigeria.

In thousands of Naira**Statement of Solvency Margin Computation**

Under S.24 (1) of the Insurance Act 2004

Admissible assets	Total	2025	2025	2024
		N'000	N'000	N'000
		Inadmissible	Admissible	Admissible
Cash and cash equivalents	360,653	-	360,653	264,146
Treasury Bills	-	-	-	106,111
Placement financial institution	50,000	-	50,000	556,488
Government Bonds	-	-	-	99,955
Commercial Papers	-	-	-	1,149,479
Private notes	-	-	-	399,819
Quoted shares	9,059,200	-	9,059,200	-
Reinsurance contract assets	704,374	-	704,374	181,228
Trade receivables	135,933	-	135,933	201,691
Other receivables and prepayments	265,788	265,788	-	-
Investment properties	2,950,040	2,309,989	640,051	-
Intangible asset	235,678	235,678	-	298,436
Right-of-use assets	272,255	272,255	-	-
Property, plant and equipment	2,145,787	-	2,145,787	2,644,060
Statutory deposit	1,000,000	-	1,000,000	1,000,000
Total assets	17,179,708	3,083,710	14,095,998	6,901,412

		2025 N'000	2025 N'000	2024 N'000
	Total	Inadmissible	Admissible	Admissible
Less admissible liabilities				
Insurance contract liabilities	2,560,204	-	2,560,204	1,004,640
Other payables and accruals	741,936	-	741,936	137,133
Current tax payable	627	-	627	627
Deferred tax liabilities	10,278	10,278	-	-
Deposit for shares	174,431	-	174,431	-
Total liabilities	3,487,476	10,278	3,477,198	1,142,400
Available Solvency Margin (A)			10,618,800	5,759,012
Minimum Capital Required (C)			3,000,000	3,000,000
Solvency margin (D) (A-B) = D			7,618,800	2,759,012

Solvency margin

Level of Solvency

Available solvency/Required solvency*100

354%

192%

		Company	NAICOM	CEIL Solvency Control Level	CEIL Solvency Control Level
	%				
Solvency Control Level 1	x = > 200%	Sustain status	No action required	Level 1	
Solvency Control Level 2	x = 151 - 200	Need for a Business Plan	Intensive monitoringuntil return to1		Level 2
Solvency Control Level 3	x = 101 - 150	Inject additional Fund	Interventionto be considered		
Solvency Control Level 4	x = 1 - 100	Contingency Recovery and Resolution Plan	Other measure as may be determined by the Commission		

	2025		2025		2024
	Total	N'000 Inadmissible	N'000 Admissible	N'000 Admissible	
Admissible assets					
Cash and cash equivalents	360,653	-	360,653		264,146
Treasury Bills	-	-	-		106,111
Placement financial institute	50,000	-	50,000		556,488
Corporate Governance	-	-	-		99,955
At fair value through other comprehensive income	-	-	-		-
Commercial Papers	-	-	-		1,149,479
Private notes	-	-	-		399,819
Quoted shares	9,059,200	-	9,059,200		-
Reinsurance contract assets	704,374	-	704,374		181,228
Trade receivables	135,933	-	135,933		201,691
Other receivables and prepayments	265,788	265,788	-		-
Investment properties	2,950,040	-	2,950,040		-
Intangible asset	235,678	235,678	-		298,436
Right-of-use assets	272,255	272,255	-		-
Property, plant and equipment	2,145,787	2,145,787	-		-
Statutory deposit	1,000,000	-	1,000,000		1,000,000
Total assets	17,179,708	2,919,508	14,260,200		4,257,352
Less admissible liabilities					
Insurance contract liabilities	2,560,204	-	2,560,204		1,004,640
Other payables and accruals	741,936	-	741,936		137,133
Current tax payable	627	-	627		627
Deferred tax liabilities	10,278	10,278	-		-
Deposit for shares	174,431	-	174,431		-
Total liabilities	3,487,476	10,278	3,477,198		1,142,400
Available balance (A)			10,783,002		3,114,952
Minimum Capital Required (C)			(15,000,000)		(3,000,000)
Solvency margin (D) (A-B) = D			(4,216,998)		114,952

Classification of financial assets and liabilities

Financial assets and liabilities

The table below sets out the Company's classification of each class of financial assets and liabilities and their fair values.

2025	Notes	At fair value through profit or loss N'000	At fair value through other comprehensive income N'000	At amortised cost N'000	Other financial asset/(liabiliti es) at amortised cost N'000	Total carrying amount N'000	Fair value N'000
Fair value through profit or loss	20.1	9,059,200	-	-	-	9,059,200	9,059,200
Trade receivables	23	-	-	135,933	-	135,933	135,933
Other Receivables (excluding prepayments and WHT Receivables)	24	-	-	265,788	-	265,788	265,788
Statutory deposits	27	-	-	1,000,000	-	1,000,000	1,000,000
		9,059,200	-	1,401,721	-	10,460,921	10,460,921
Accruals & other payables (excluding statue based deductions and unearned rent income)	31	-	-	(741,936)	-	(741,936)	(741,936)
		-	-	(741,936)	-	(741,936)	(741,936)

7. Hypothecation of insurance fund on assets

The Company structured its assets to meet the requirements of the Insurance Act 2003 such that policyholders' assets and funds are not co-mingled with shareholders'.

In particular, investment properties, investment securities (equities and fixed income securities) and insurance funds hypothecated to policyholders are distinguished from those owned by the shareholders.

The assets hypothecated are shown below:

31 December 2025			
	Insurance funds N'000	Shareholders funds N'000	Total N'000
Assets			
Cash and cash equivalents	410,653	-	410,653
Corporate Governance			
At fair value through profit or loss	3,000,000	6,059,200	9,059,200
At amortised cost	-	-	-
Reinsurance contract assets	704,374	-	704,374
Trade receivable	-	-	-
Other receivables and prepayments	-	-	-
Investment properties	-	640,051	640,051
Intangible asset	-	-	-
Right of use asset	-	-	-
Property and equipment	-	-	-
Statutory deposit	-	-	-
Total assets	4,115,027	6,699,251	10,814,278
Liabilities			
Insurance contract liabilities	2,560,204	-	2,560,204
Other payables and accruals	-	-	-
Current tax payable	-	-	-
Deferred tax liabilities	-	-	-
Deposit for shares	-	-	-
Total liabilities	2,560,204	-	2,560,204
Surplus	1,554,823	6,699,251	8,254,074

6. Segment Reporting

The accounting policies of the reportable segments are the same as the Company's accounting policies.

Segment result represents the result of each segment without allocation of certain expenses, finance costs and income tax. This is the measure reported to the Company's Chief Executive for the purpose of resource allocation and assessment of segment performance.

The following is an analysis of the Company's revenue and result by reportable segment in 2025.

2025	Motor	General accident	Marine and Aviation	Fire	Total
Income:	N'000	N'000	N'000	N'000	N'000
Insurance revenue	2,256,222	1,256,071	151,672	492,737	4,156,702
Insurance service expense	(1,201,003)	(698,597)	(99,269)	(350,788)	(2,349,657)
Net expenses on reinsurance contracts	(76,363)	(333,411)	(13,975)	(124,112)	(547,861)
Insurance service result	978,856	224,063	38,428	17,837	1,259,184

2025	Motor	General accident	Marine and Aviation	Fire	Total
Income:	N'000	N'000	N'000	N'000	N'000
Insurance revenue	1,842,977	996,926	126,012	434,102	3,400,017
Insurance service expense	(1,017,605)	(583,589)	(87,881)	(324,766)	(2,013,841)
Net expenses on reinsurance contracts	(66,112)	(326,983)	(13,338)	(122,658)	(529,091)
Insurance service result	759,259	86,355	24,792	(13,321)	857,085

2025	Motor	General accident	Marineand Aviation	Fire	Total
Income:	N'000	N'000	N'000	N'000	N'000
Insurance revenue	413,245	259,145	25,660	58,635	756,685
Insurance service expense	(183,398)	(115,008)	(11,388)	(26,022)	(335,816)
Net expenses on reinsurance contracts	(10,251)	(6,428)	(637)	(1,454)	(18,770)
Insurance service result	219,597	137,708	13,636	31,158	402,099

8 Insurance revenue

Amounts relating to changes in LFRC:						Twelve month period to 31 December 2025
	Motor N'000	Fire N'000	Marine and aviation N'000	General accident N'000	Oil and gas N'000	Total N'000
Expected benefits incurred	2,256,222	492,737	151,672	594,555	661,516	4,156,702
Expected expenses incurred	-	-	-	-	-	-
Loss Component: systematic allocation	-	-	-	-	-	-
Change in the risk adjustment	-	-	-	-	-	-
CSM recognized	-	-	-	-	-	-
Recovery of acquisition cash flows	-	-	-	-	-	-
Contracts measured under PAA	<u>2,256,222</u>	<u>492,737</u>	<u>151,672</u>	<u>594,555</u>	<u>661,516</u>	<u>4,156,702</u>
Corporate Governance	-	-	-	-	-	-
Total insurance revenue	<u>2,256,222</u>	<u>492,737</u>	<u>151,672</u>	<u>594,555</u>	<u>661,516</u>	<u>4,156,702</u>

						Fourmonth period to 31 December 2024
	N'000	N'000	N'000	N'000	N'000	N'000
Expected benefits incurred	95,967	13,062	9,715	18,427	46,811	183,982
Expected expenses incurred	-	-	-	-	-	-
Loss Component: systematic allocation	-	-	-	-	-	-
Change in the risk adjustment	-	-	-	-	-	-
CSM recognized	-	-	-	-	-	-
Recovery of acquisition cash flows	-	-	-	-	-	-
Contracts measured under PAA	<u>95,967</u>	<u>13,062</u>	<u>9,715</u>	<u>18,427</u>	<u>46,811</u>	<u>183,982</u>
Corporate Governance	-	-	-	-	-	-
Total insurance revenue	<u>95,967</u>	<u>13,062</u>	<u>9,715</u>	<u>18,427</u>	<u>46,811</u>	<u>183,982</u>

	Twelve month period to 31 December 2025					
9Insurance service expenses	Motor N'000	Fire N'000	Marine and aviation N'000	General accident N'000	Oil and gas N'000	Total N'000
Incurred claims	182,175	91,532	-	66,824	22,500	363,031
Incurred fulfilment expenses	434,135	112,096	31,643	156,625	112,208	846,707
Amortisation of insurance acquisition cash flows	155,557	121,340	32,922	135,045	77,000	521,864
changes in BEL related to LIC	396,721	20,513	31,879	19,457	98,950	567,520
changes in RA related to LIC	32,415	5,307	2,825	2,097	7,891	50,535
	1,201,003	350,788	99,269	380,048	318,549	2,349,657

	Four month period to 31 December 2024					
	N'000	N'000	N'000	N'000	N'000	N'000
Incurred claims	-	-	-	900	-	900
Incurred Fulfilment expenses	36,779	4,282	3,201	28,496	15,970	88,728
Amortisation of insurance acquisition cash flows	5,943	3,243	2,254	5,281	2,841	19,562
changes in BEL related to LIC	13,291	2,887	2,271	3,700	7,556	29,705
changes in RA related to LIC	1,111	208	201	339	543	2,402
	57,124	10,620	7,927	38,716	26,910	141,297

	Twelve month period to 31 December 2025					
10Net income or expense from reinsurance contracts held	Motor N'000	Fire N'000	Marine and aviation N'000	General accident N'000	Oil and gas N'000	Total N'000
Expected expenses for contracts measured under PAA						
Allocation of reinsurance premium paid	112,012	138,961	27,318	132,877	282,904	694,072
Expected recovery of service expenses	-	-	-	-	-	-
Reinsurance RA allocation	-	-	-	-	-	-
Reinsurance CSM allocation	-	-	-	-	-	-
Allocation of reinsurer Insurance Revenue	112,012	138,961	27,318	132,877	282,904	694,072
Reinsurance Recoveries:						
Incurred reinsurance claims	(1,058)	(13,756)	-	(12,727)	-	(27,541)
Changes related to past service-AIC	(32,171)	(599)	(12,365)	(8,734)	(56,826)	(110,695)
Changes related to past service- RA	(2,420)	(494)	(978)	(495)	(3,588)	(7,975)
Allocation of reinsurer Insurance Revenue	76,363	124,112	13,975	1 10,921	222,490	547,861

						Four month period to 31 December 2024
	N'000	N'000	N'000	N'000	N'000	N'000
Expected expenses for contracts measured under PAA						-
Allocation of reinsurance premium paid	(3,783)	(2,499)	30	50,496	(7,743)	36,501
Expected recovery of service expenses	-	-	-	-	-	-
Reinsurance RA allocation	-	-	-	-	-	-
Reinsurance CSM allocation	-	-	-	-	-	-
Allocation of reinsurer Insurance Revenue						
Amounts recoverable for claims	(3,783)	(2,499)	30	50,496	(7,743)	36,501
Amount recoverable for other expenses incurred	-	-	-	-	-	-
Changes related to past service- AIC	(327)	(1,705)	-732	(801)	(4,238)	(7,803)
Changes in RA related to reinsurance LIC	-	-	-	-	-	-
Changes to reinsurance BEL that do not adjust the CSM	-	-	-	-	-	-
Changes related to past service- RA	(20)	(110)	(59)	(18)	(251)	(458)
Allocation of reinsurer Insurance Revenue	(4,130)	(4,314)	(761)	49,677	(12,232)	28,240

							Twelve month period to 31 December 2025	Four month period to 31 December 2024
11Investment income							N'000	N'000
Interest income on statutory deposit with CBN							205,918	162,350
Interest income on fixed deposits							163,160	46,336
Interest on current account							28	13,654
Dividend income							188,160	712
							<u>557,266</u>	<u>223,052</u>
							<u>N'000</u>	<u>N'000</u>
11.1Unrealised foreign exchange loss on fixed deposits							2,305	21,196
Unrealised foreign exchange loss on fixed deposits								
12Net fair value loss on financial assets								
(a)Net fair value loss on financial assets at FVTPL							N'000	N'000
Net changes in fair value - Quoted equity							1,641,900	82
							<u></u>	<u></u>
13Fair value gains on investment properties							N'000	N'000
Fair value gains on investment properties (Note 25)							40	450,000
							<u></u>	<u></u>
								12 month period to 31 December 2025
13.1Net insurance finance expenses								
	Motor	Fire	Marine and aviation	General accident	Oil and gas	Total		
	N'000	N'000	N'000	N'000	N'000	N'000		
Unwind of discount on FCFs: LRC	(1,312)	(285)	(224)	(454)	(746)	(3,021)		
Unwind of discount on FCFs: LIC	-	-	-	-	-	-		
Effect of change in economic assumptions: LIC	53,214	10,172	4,052	5,229	15,559	88,226		
	<u>51,902</u>	<u>9,887</u>	<u>3,828</u>	<u>4,775</u>	<u>14,813</u>	<u>85,205</u>		
								Four month period to 31 December 2024
Unwind of discount on FCFs: LRC	-	-	-	-	-	-		
Unwind of discount on FCFs: LIC	-	-	-	-	-	-		
Effect of change in economic assumptions: LIC	377	82	64	131	214	868		
	<u>377</u>	<u>82</u>	<u>64</u>	<u>131</u>	<u>214</u>	<u>8 68</u>		

						Twelve month period to 31 December 2025
13.2 Reinsurance finance income	Motor N'000	Fire N'000	Marine and aviation N'000	General accident N'000	Oil and gas N'000	Total N'000
Interest accreted to reinsurance contracts (locked-in rates)	-	-	-	-	-	-
Impacting of discounting Reinsurance LIC	(3,872)	(1,113)	(1,554)	(927)	(7,085)	(14,551)
Unwind of discount on reinsurance FCFs: LIC	23	150	66	27	343	609
Changes in non-performance risk of reinsurer	(186)	(375)	(133)	(1,090)	(1,564)	(3,348)
Net foreign exchange income or expense	-	-	-	-	-	-
Total Net finance expenses from reinsurance contracts	(4,035)	(1,338)	(1,621)	(1,990)	(8,306)	(17,290)
						Four month period to 31 December 2024
Interest accreted to reinsurance contracts (locked-in rates)	-	-	-	-	-	-
Impacting of discounting Reinsurance LIC	(7)	(44)	(18)	(7)	(99)	(175)
Unwind of discount on reinsurance FCFs: LIC	-	-	-	-	-	-
Changes in non-performance risk of reinsurer	(91)	(183)	(64)	(532)	(764)	(1,634)
Net foreign exchange income or expense	-	-	-	-	-	-
Total Net finance expenses from reinsurance contracts	(98)	(227)	(82)	(539)	(863)	(1,809)
						Twelve month period to 31 December 2025
14 Other operating income						N'000
Shares of expired premium on third party from NIA						6,322
Expired cash premium deposit into the Access NIA account						10
						6,332
						Four month period to 31 December 2024
						N'000
						1,696
						-
						1,696

	Twelve month period to 31 December 2025 N'000	Four month period to 31 December 2024 N'000
15. Other operating expenses		
Depreciation of property, plant and equipment (Note 28)	515,307	96,221
Amortisation of intangible assets (Note 26)	63,309	19,520
Amortisation of right of use assets (Note 27)	37,625	14,970
Auditor's remuneration	8,288	3,000
Staff cost (Note 15.1)	379,594	89,634
Legal and professional fees	1,118	264
Administrative expenses (Note 15.2)	1,204,643	380,199
	2,209,884	603,808
	N'000	N'000
15.1 Staff cost	358,248	85,721
Wages and salaries	21,346	3,913
Pension costs	379,594	89,634
	N'000	N'000
15.2 Administrative expenses	22,076	5,356
Fuel	692	759
Transportation	87,537	16,140
Office Maint. expenses	19,492	2,318
Entertainment	-	2
Development levy	-	10
Business premises	14,624	-
Stationeries	18,780	1,900
Directors fees and allowances	20,779	7,480
Directors expenses	12,079	2,806
Professional development	-	139,425
Share capital expenses	250	-
Books & periodicals	23,568	-
Professional fees	707	-
Utilities-water	197,827	11,781
Subscription	3,553	-
Survey fees	18,645	174
Advertising	11,471	100
Electricity	37,161	900
Donation and contributions	38	-
Postage	97,734	24,960
Training & Dev. expenses	61,594	113,020
Naicom dues	74,249	17,180
Travelling and accommodation expense	13,633	1,254
Bank charges	6,024	150
Industrial training fund	48,620	5,663
Support staff salaries	11,730	2,016
Telephone	2,112	-
NSITF expenses	30,767	-
Motor vehicle insurance expenses	9,060	-
Group life insurance expenses	39,016	-
Maint. & Rep. of software	1,446	-
Recapitalization expenses	1,928	-
Generator oil & lubricant	500	-
Fines & penalty	23,907	15,788
Printing expenses	6,598	-
Staff terminal benefit	105,983	-
Performance index pay	129,381	9,795
VAT on commission	6	-
Withholding tax-others	284	-
IT Connectivity expenses	50,044	1,222
Computer consumables	1,204,643	380,199

Office running expenses include car repairs and maintenance expenses.

No non-audit services were provided by the Company's auditor (2024: Nil)

	Twelve month period ended 31 December 2025	Four month period ended 31 December 2024
16 Impairment loss on financial assets at amortised cost	N'000	N'000
Expected credit loss on financial assets at amortised cost (Note 21.4)	798	(798)
17 Current tax		
Recognised in profit or loss	N'000	N'000
Income tax	-	-
Tertiary education tax	-	624
National Information Technology Development Fund (NITDF) Levy	-	3
	-	627
Underprovision in prior:		
Minimum tax paid	4,460	-
Tertiary Education tax	1,338	-
National Information Technology Development Fund (NITDF) Levy	1,056	-
Police Trust Fund	5	-
Deferred tax	-	10,278
	6,859	10,905

The Company is not liable to income tax because it has no taxable profit in accordance with the Nigeria Tax Act, 2025.

The Company is not liable to development levy because it has no assessable profit in accordance with the Nigeria Tax Act, 2025.

18 (Loss)/earnings per share

(Loss)/earnings per share is calculated by dividing the result attributable to the ordinary shareholders by the weighted average number of ordinary shares in issue during the year outstanding at the reporting date. There are no potential diluted shares

	N'000	N'000
(Loss)/profit attributable to ordinary shareholders	(1,969,413)	51,462
Weighted average number of ordinary shares issued	15,000,000	10,000,000
Basic and diluted (loss)/earnings per ordinary share (Kobo)	(13.13)	0.51

19 Cash and cash equivalents

Cash and cash equivalent comprises :

	N'000	N'000
Cash in hand	-	70
Balance held with banks in Nigeria	360,653	513,605
Placements (Note 20.1)	50,000	551,283
	410,653	1,064,958
Representing:		
Policyholder's fund	360,653	513,675
Shareholder's fund	50,000	551,283
	410,653	1,064,958

19.1 Placements (Note 20.1)

	N'000	N'000
At 1 January	551,283	-
Addition for the year/period	-	551,283
Termination	(501,283)	-
Expected credit loss	-	-
At 31 December	50,000	551,283

Placements comprise deposits with maturity periods of less than 90 days from the value date of the instruments.

The carrying amounts disclosed above reasonably approximate fair value at the reporting date and are all current balances. There was no impairment loss recognised on cash and cash equivalents during the year.

20 Financial assets

The company's financial assets are summarized by categories as follows:

	N'000	N'000
Fair value through profit or loss (Note 21)	9,059,200	556,565
Financial assets at amortised cost (Note 21.a)	-	1,760,568
	9,059,200	2,317,133

	Twelve month period ended 31 December 2025	Four month period ended 31 December 2024
20.1 Financial assets at fair value through profit or loss	N'000	N'000
This represents the value of quoted equity instruments		
Balance at the beginning of the year/period	556,565	-
Addition during the year/period	9,059,200	1,306,647
Fair value gain/(loss)	-	(82)
Disposal	(556,565)	(750,000)
Balance at the end of the year/period	9,059,200	556,565
20.1(a) Movement of Vetiva shares	N'000	N'000
Balance as at beginning	-	-
Purchase consideration	3,000,000	-
Equity contribution by shareholder	5,663,200	-
Fair value loss during the year	(1,641,900)	-
Balance as at year end	7,021,300	-
20.2 List of stocks	N'000	N'000
Charms Plc	1,049,100	556,565
Vetival Griffin 30 ETF fund (Note 20.1 (a))	7,021,300	-
Zenith Bank Plc	988,800	-
	9,059,200	556,565
21 Financial assets	N'000	N'000
The company's financial assets are summarized by categories as follows:		
Fair value through profit or loss (Note 20.1)	9,059,200	556,565
Financial assets at amortised cost (Note 21(a))	-	1,760,568
(a) Movement in financial assets at amortised cost during the year is as follows:	N'000	N'000
At 1 January	1,760,568	1,761,366
Interest accrued	46,336	-
Addition	-	-
Fair value again/(loss)	-	-
Expected credit losses (Note 21b)	-	(798)
Reclassification	(1,806,904)	-
Carrying amount	-	1,760,568
Classification	N'000	N'000
Current	-	1,760,568
Non-current	-	-
	-	1,760,568

This value was transferred to fund manager Apel Asset management during the year.

(a)(i)	2025				2024	
	Amortized Cost	CHAMS	ZENITH	VERTIVA	TOTAL	FVTPL
Opening balance as at January 1	1,760,568	56,565			1,817,133	556,565
Asset management and Trustees						
Interest on Amortized cost	46,336				46,336	
Disposal of Chams PLC shares						(500,000)
Reclassification to FVTPL to CHAMS & Zenith	(1,806,904)				(1,806,904)	
Reclassification from amortized cost to FVTPL		818,104	988,800		1,806,904	
Transfer of The Group Cos shares in CHAMS PLC to the company in exchange of additional shares in the Company						
Vetiva purchase during the year		174,431			174,431	
Additional vetiva investment by shareholder				3,000,000	3,000,000	
Fair value loss on Vetiva quoted share during the year				5,663,200	5,663,200	
				(1,641,900)	(1,641,900)	
Closing balance as at December 31	-	1,049,100	988,800	7,021,300	9,059,200	56,565

As part of its recapitalization strategy, the Board approved the acquisition of 130,000,000 units of the Vetiva Griffin 30 ETF shares at a total value of ₦8.663 billion. The investment was funded through a shareholders' equity contribution of ₦5.663 billion and the company contribution of ₦3.000 billion, settled through consideration. The aim is to avail itself of the expansive growth in the capital market as the portfolio was to mirror the 30 growth stock in the stock exchange.

(b) Movement in expected credit losses	N'000	N'000
At 1 January	798	-
Addition (Note 12)	-	798
Impairment write-back	(798)	-
At 31 December	-	798
22 Reinsurance contract assets	N'000	N'000
Assets for remaining coverage (Note 22.1)	589,343	174,776
Asset for incurred claims (Note 22.2)	115,031	6,452
	704,374	181,228
22.1 Asset for remaining coverage by class	N'000	N'000
General accident	165,347	49,236
Fire	99	18,742
Marine	207,740	7,056
Motor	30,575	8,912
Oil and gas	185,582	90,828
	589,343	174,774

22.2 2025	Assets for		Asset for	Risk	Total 2025	Total 2024
	Incurring Claims	Incurred But Not				
	(AIC)	Reported				
	N'000	N'000	N'000	N'000	N'000	N'000
General accident	4,083	2,707	6,790	523	7,313	280
Fire	7,410	741	8,151	703	8,854	1,588
Marine	-	11,391	11,391	967	12,358	707
Motor	-	28,365	28,365	2,400	30,765	248
Oil and gas	-	51,900	51,900	3,841	55,741	3,629
	11,493	95,104	106,597	8,434	115,031	6,452

Reconciliation of Reinsurance
22.3 contracts held, 31 December 2025

Reconciliation of Reinsurance contracts held, 31 December 2025	Asset for Remaining Coverage (ARC)		Asset For Incurred Claims the Present Value of the		
	Non-onerous	Onerous	Future cashflows	Risk Adjustment	Total
Opening reinsurance contract assets	174,776	-	5,994	458	181,228
Opening reinsurance contract liabilities	-	-	-	-	-
Net opening balance	174,776	-	5,994	458	181,228
Allocation of reinsurance premium paid	(694,072)	-	-	-	(694,072)
Reinsurance recoveries:					
Incurred Claims Recovery	-	-	27,541	-	27,541
Changes related to future service	-	-	-	-	-
Changes related to past service	-	-	110,695	7,975	118,670
Reinsurance service result	-	-	138,236	7,975	146,211
Investment components	-	-	-	-	-
Net expense from reinsurance contract held	(694,072)	-	138,236	7,975	(547,861)
Reinsurance finance expenses	-	-	(17,290)	-	(17,290)
Total changes in the statement of profit or loss and OCI	(694,072)	-	120,946	7,975	(565,151)
Premiums paid net of commission	1,108,639	-	-	-	1,108,639
Recoveries from reinsurance	-	-	(20,343)	-	(20,343)
Closing reinsurance contract assets	1,108,639	-	(20,343)	-	1,088,296
Closing reinsurance contract liabilities	589,343	-	106,597	8,433	704,373
Net closing balance	589,343	-	106,597	8,433	704,373

22.4 contracts held, 31 December 2024

	Asset for Remaining Coverage (ARC)		Asset For Incurred Claims Estimates of the Present Value of the Future Risk cashflows Adjustment		Total
	Non-onerous	Onerous			
Opening reinsurance contract assets	-	-	-	-	-
Opening reinsurance contract liabilities	-	-	-	-	-
Net opening balance	-	-	-	-	-
Allocation of reinsurance premium paid	(36,501)	-	-	-	(36,501)
Reinsurance Recoveries:					
Incurred reinsurance claims	-	-	-	-	-
Acquisition expenses	-	-	-	-	-
Changes related to future service	-	-	-	-	-
Changes related to past service	-	-	7,803	458	8,261
Reinsurance service result	-	-	7,803	458	8,261
Investment components	-	-	-	-	-
Net expense from reinsurance contract held	-	-	7,803	-	-
Reinsurance finance expenses	(36,501)	-	-	458	(28,240)
Total changes in the statement of profit or loss and OCI	-	-	(1,809)	-	(1,809)
Premiums paid net of commission	(36,501)	-	5,994	458	(30,049)
Recoveries from reinsurance	211,277	-	-	-	211,277
Acquisition costs paid	-	-	-	-	-
Net cash inflow	211,277	-	-	-	211,277
Closing reinsurance contract assets	174,776	-	5,994	458	181,228
Closing reinsurance contract liabilities	-	-	-	-	-
Net closing balance	174,776	-	5,994	458	181,228

23 Premium receivables

	N'000	N'000
Gross insurance receivables	135,933	201,691
Impairment allowance	-	-
	135,933	201,691
Trade receivables comprises the followings:	N'000	N'000
Insurance companies	-	-
Broker	135,933	201,691
	135,933	201,691
Change in trade receivables	N'000	N'000
At 1 January	201,691	-
Movement during the year/period	(65,758)	201,691
At 31 December	135,933	201,691

		Twelve month period ended 31 December 2025	Fourmonth period ended 31 December 2024
Age analysis of trade receivables			
Age of debt	No. of policies	N'000	N'000
Within 14 days	-	-	-
Within 15- 30 days	76	135,933	201,691
Within 31 - 90 days	-	-	-
Within 91- 180 days	-	-	-
Above 180 days	-	-	-
Total	76	135,933	201,691

Movement in insurance premium during the year/period

	2025 N'000	2024 N'000
At 1 January	201,691	-
Gross insurance premium (gross written premium - GWP) during the year/period	5,272,104	1,261,713
Gross insurance premium (GWP) received during the year/period	(5,337,862)	(1,060,022)
Premium deposit	-	-
Impairment charge	-	-
At 31 December	135,933	201,691

24. Other receivables and prepayments

	N'000	N'000
Prepaid staff expense	2,158	-
Staff loan	4,790	-
Interest receivable (Note 24.2)	236,449	97,303
Withholding tax receivable	-	738
Receivables from Capital Express Life Assurance Limited	-	100,000
Prepayments	22,391	38,713
	265,788	236,754
Impairment charged on other receivables (Note 24.1)	-	-
	265,788	236,754
Classification	N'000	N'000
Current	265,788	236,754
Non-current	-	-
	265,788	236,754

24.1 Movement on impairment of other receivables

	N'000	N'000
At 1 January	-	-
Change in carrying amount disclosed above reasonably approximate the fair value at the reporting date. All other receivable amounts are within one year. Prepayments are also utilisable within one year.	-	-
At 31 December	-	-

24.2 Interest receivables

		N'000	N'000
CBN Statutory deposit	Statutory deposit	47,208	47,208
Premium Trust Bank	Term deposit	1,036	267
Fidelity Bank	Term deposit	-	288
Keystone Bank	Term deposit	-	823
Premium Trust	Term deposit	-	389
Providus Bank	Term deposit	-	419
Sterling Bank	Term deposit	-	547
Wema Bank	Term deposit	-	510
Capital Express securities	Term deposit	-	46,852
VETIVA GRIFIN 30 ETF	Quoted equity	188,205	-
		236,449	97,303

Interest receivables of the Company comprises of unearned interest and dividends due from statutory deposit, term deposit and quoted equity as at December 31, 2025.

25. Investment properties

	2025 N'000	2024 N'000
Reconciliation of carrying amount		
At 1 January	2,950,000	-
Addition	-	2,500,000
Fair value gain	40	450,000
At 31 December	2,950,040	2,950,000

Valuations are performed on an annual basis and the fair value gains and losses were recorded within the profit or loss.

Description of valuation techniques used and key inputs to valuation on investment

The valuation of the properties is based on the price for which comparable land and properties are being exchanged hands on or are being marketed for sale (investment method). By nature, detailed information on concluded transactions is difficult to come by. We have therefore relied on past transactions and recent adverts in deriving the value of the subject properties. At least eight properties were analysed and compared with the subject property.

There are no restrictions on the reliability 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.

25.1	Valuation	
	Description	Details
	Location of Investment property	Hotspot drive off Guestimate avenue, off etal avenue, off Kudira Abiola way, Oregon, Ikeja, Lagos
	Name of valuer	Abiola way, Oregon, Ikeja, Lagos
	Address of valuer	Austine Udoh & Partners
	ERC number	40/42 Ago Palace way, Tarred road B/stop, Okota, Lagos
	NIESVA Reg. No	FRCN/2013/NIESV/00000004380
	Value (2025 N'000)	
		2,950,040

Description of valuation techniques used and key inputs to valuation on investment properties.

The valuation of the properties is based on the price for which comparable land and properties are being exchanged or are being marketed for sale. (Open Market Basis Approach)

25.2	Location of Investment property	Hotspot drive off Guestimate avenue, off etal avenue, off Kudira Abiola way, Oregon, Ikeja, Lagos
	Level	Level 3
	Valuation technique	Investment approach was adopted in arriving at the fair value through the analysis of comparable of recent rental values of similar properties within the neighbourhood.
	Analysis	8 plots of land measured at 720 SQM each

By nature, detailed information on concluded transactions is difficult to come by. Therefore reliance was placed on past transactions and recent adverts in deriving the value of the subject properties. At least, eight properties were analysed and compared with the subject property.

Significant increases/(decreases) in estimated rental value and rent growth per annum in isolation would result in a significantly higher/(lower) fair value of the properties. Significant increases/(decreases) in the long-term vacancy rate and discount rate (and exit yield) in isolation would result in a significantly lower/(higher) fair value.

Generally, a change in the assumption made for the estimated rental value is accompanied by a similar change in the rent growth per annum and discount rate (and exit yield), and an opposite change in the long term vacancy rate.

There are no restrictions on the reliability 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.

During the reporting year ended 31 December 2025, there were no transfers between level 1 and 2 and in and out of level 3.

25.3 Fair value disclosure on investment properties is as follows:

		Fair value measurement using			
		Quoted prices in active market Level 1	Significant observable inputs Level 2	Significant unobservable inputs Level 3	Total
		N'000	N'000	N'000	N'000
Date of valuation - 31 December 2025	Investment property	-	-	2,950,040	2,950,040
		-	-	2,950,040	2,950,040

	Twelve month period ended 31 December 2025	Four month period ended 31 December 2024
25.4 Rental income derived from investment properties	N'000	N'000
Direct operating expenses (including repairs & maintenance)	-	-
Profit arising from investment properties carried at fair value	-	-
	<u>-</u>	<u>-</u>
At 31 December		
	N'000	N'000
Classification		
Current	2,950,040	2,950,000
Non-current	-	-
	<u>2,950,040</u>	<u>2,950,000</u>
26 Intangible assets		
Costs	N'000	N'000
At 1 January	317,956	-
Additions	552	317,956
At 31 December	<u>318,507</u>	<u>317,956</u>
Accumulated amortisation and impairment:		
At 1 January	19,520	-
Amortisation	63,309	19,520
At 31 December	<u>82,829</u>	<u>19,520</u>
Carrying amount:		
At 31 December	<u>235,678</u>	<u>298,436</u>
The Company intangible assets relates to software application licence. The intangible assets are non-current. None of the Company's intangible assets is used as a pledged as security for borrowings or loans		

	Twelve month period ended 31 December 2025	Four month period ended 31 December 2024
27 Right-of-use assets	N'000	N'000
Costs		
At 1 January	324,848	-
Additions	-	324,848
At 31 December	<u>324,848</u>	<u>324,848</u>
Accumulated depreciation		
At 1 January	14,968	-
Depreciation	37,625	14,968
At 31 December	<u>52,593</u>	<u>14,968</u>
Carrying amount:		
At 31 December	<u>272,255</u>	<u>309,880</u>
The right of use asset is non-current.		

The Company entered into a right-of-use asset for its Head Office property at 17 Bishop Kale Close, Victoria Island, Lagos State with Union Property Developers Limited. The tenor for the lease is 10 years, a rent free period of 3 month was given to allow for improvement for office use from 1 March 2024 to 31 May 2024.

The discounted liability was not recognised because the full payment for the right of use asset was made by the holding company at the formation of the company.

Additional 5 years lease of N100 million was paid for the right of use asset during the year.
The lease asset was not used as a collateral for any liability as at 31 December 2025.

28 Property, plant and equipment

	Motor Vehicles N'000	Office Equipments N'000	Computer Equipment N'000	Plant and Equipments N'000	Furniture and fittings N'000	Total N'000
Cost/revalued amount						
At 1 September 2024	-	-	-	-	-	-
Additions	2,307,200	35,171	138,609	148,306	110,995	2,740,281
Disposals	-	-	-	-	-	-
At 31 December 2024	2,307,200	35,171	138,609	148,306	110,995	2,740,281
At 1 January 2025	2,307,200	35,171	138,609	148,306	110,995	2,740,281
Additions	1,355	2,391	10,829	-	2,460	17,034
Disposals	-	-	-	-	-	-
At 31 December 2025	2,308,555	37,562	149,438	148,306	113,454	2,757,315
Accumulated depreciation						
At 1 September 2024	-	-	-	-	-	-
Charge for the period	79,071	1,759	6,747	4,944	3,700	96,221
On disposals	-	-	-	-	-	-
At 31 December 2024	79,071	1,759	6,747	4,944	3,700	96,221
At 1 January 2025	79,071	1,759	6,746	4,944	3,701	96,221
Charge for the year	461,643	5,465	22,116	14,831	11,252	515,307
On disposals	-	-	-	-	-	-
At 31 December 2025	540,714	7,224	28,862	19,775	14,953	611,528
Carrying amount						
At 31 December 2025	1,767,841	30,338	120,576	128,531	98,501	2,145,787
At 31 December 2024	2,228,129	33,412	131,862	143,362	107,295	2,644,060

- (a) All categories of property and equipment are initially recorded at cost.
(b) There were no impairment losses on any class of assets during the year (2024: Nil)
(c) There were no lien or encumbrances on any asset
(d) All classes of property and equipment were non-current

		Twelve month period ended 31 December 2025 N'000	Four month period ended 31 December 2024 N'000		
29	Statutory deposit	1,000,000	1,000,000		
	This represents the amount deposited with the Central Bank of Nigeria as at December 31, 2025 N1 billion in accordance with Section 10 (3) of Insurance Act 2003. Interest income was earned at an average rate of 10% per annum and this has been included within investment income.				
30	Insurance contract liabilities	N'000	N'000		
	Liability for remaining coverage (Note 30.1)	1,860,946	972,502		
	Liability for incurred claims (Note 30.2)	699,258	32,138		
		2,560,204	1,004,640		
	Insurance contract liabilities	N'000	N'000		
	Insurance contract liabilities(excluding insurance acquisition cash flow)	2,852,921	1,109,870		
	Insurance acquisition cash flow assets	(814,582)	(124,792)		
	Insurance acquisition cash flow already expenses	521,865	19,562		
	Insurance contract liabilities	2,560,204	1,004,640		
30.1	Liability for remaining coverage by class	N'000	N'000		
	General Accident	403,650	125,053		
	Fire	186,010	34,609		
	Marine	64,225	24,447		
	Motor	964,801	559,977		
	Oil & Gas	242,260	228,416		
		1,860,946	972,502		
30.2	Liability for incurred claims	N'000	N'000		
	General Accident	59,520	4,807		
	Fire	63,350	3,013		
	Marine	391,244	2,408		
	Motor	62,731	14,025		
	Oil & Gas	122,413	7,885		
		699,258	32,138		
30.3	Reconciliation of Insurance contracts issued, 31 December 2025				
		Liability for Remaining Coverage (LRC)			
		Liability for Incurred claims			
		Risk			
		adjustment			
		Total			
		N'000			
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Portfolios	Prior year 2024		Reconciliation of Acquisition Expenses				Carried
	Opening	Recognised	Carried forward	Additions	Total for period	Recognised in forward (adjust LRC)	(adjust LRC)
	Acquisition cost					P&L	
Motor	42,915,440	(5,943,705)	3 6,971,735	192,627,274	229,599,009	(155,557,547)	74,041,462
Fire	14,665,757	(3,241,747)	1 1,424,010	173,727,753	185,151,762	(121,339,911)	63,811,851
General Accidents	7,825,014	(2,754,473)	5,070,541	109,653,081	114,723,622	(82,125,998)	32,597,623
Marine	9,640,584	(2,254,182)	7,386,401	42,827,572	50,213,973	(30,781,911)	19,432,062
Bond	4 48,664	(14,751)	433,914	28,493,136	28,927,050	(11,306,186)	17,620,864
Oil & Gas	17,599,615	(2,840,994)	1 4,758,621	95,990,707	110,749,328	(77,000,637)	33,748,691
Engineering	31,696,058	(2,512,197)	2 9,183,862	63,839,255	93,023,117	(41,612,799)	51,410,318
Aviation	-	-	-	2,194,180	2,194,180	(2,140,334)	53,846
Total	124,791,133	(19,562,050)	1 05,229,083	709,352,958	814,582,041	(521,865,322)	292,716,718

Reconciliation of Insurance contracts issued, 31 December 2024

Reconciliation of carrying amounts by LRC/LIC: insurance	Liability for Remaining Coverage (LRC)		Liability for Incurred claims		Total
	Non-onerous	Loss component	Incurred claims	Risk adjustment	
	N'000	N'000	N'000	N'000	N'000
Opening insurance contract assets	-	-	-	-	-
Opening insurance contract liabilities	-	-	-	-	-
Net opening balance	-	-	-	-	-
Insurance revenue	(183,982)	-	-	-	(183,982)
Insurance service expenses	-	-	-	-	-
Incurred claims	-	-	900	-	900
Other expenses	-	-	88,728	-	88,728
Acquisition expenses	19,562	-	-	-	19,562
Changes related to future service	-	-	-	-	-
Changes related to past service	-	-	29,705	2,402	32,107
Total Insurance service expenses	19,562	-	119,333	2,402	141,297
Investment components	-	-	-	-	-
Insurance service result	(164,420)	-	119,333	2,402	(42,685)
Insurance finance expenses	-	-	(868)	-	(868)
Total change in comprehensive income	(164,421)	-	118,465	2,402	(43,553)
Premiums received	1,060,022	-	-	-	1,060,022
Claims and expenses paid	-	-	(88,728)	-	(88,728)
Acquisition costs paid	(124,791)	-	-	-	(124,791)
Total cash flows	935,231	-	(88,728)	-	846,503
Closing insurance contract assets	-	-	-	-	-
Closing insurance contract liabilities	770,810	-	29,737	2,403	802,949
Impact of premium receivable on policy recognised during the year	201,691	-	-	-	201,691
Net closing balance	972,500	-	29,737	2,403	1,004,640

Twelve month period ended 31 December 2025
Four month period ended 31 December 2024

2025	Outstanding		Liability for incurred claims	Risk Adjustment	Liability for incurred claims	Liability for incurred claims
	Reported	Incurred But Not Reported				
	N'000	N'000	N'000	N'000	N'000	N'000
General accident	23,955	27,783	51,738	7,782	59,520	4,807
Fire	61,087	2,095	63,182	168	63,350	3,013
Marine	-	357,203	357,203	34,041	391,244	2,408
Motor	32,629	27,591	60,220	2,511	62,731	14,025
Oil and gas	22,500	91,479	113,979	8,434	122,413	7,885
	140,171	506,151	646,322	52,936	699,258	32,138

Classification

Current

Non-current

Twelve month period ended 31 December 2025 N'000	Four month period ended 31 December 2024 N'000
2,560,204	1,004,600
-	-
<u>2,560,204</u>	<u>1,004,600</u>

30.5 Outstanding claims provision: represents the ultimate cost of settling all claims arising from incidents reported as at the reporting date.

Of the outstanding claims, 5% are within 95 days holding days period whilst 90% are above 90 days holding period. Most of the claims in these bands are largely outstanding due to Guinea's participation as co-insurer and not the lead, thus making it difficult to get relevant claims documents from the insured/brokers without going through the Lead on the accounts.

Age analysis of outstanding claims is as follows:

Days	No. of Claimants	N'000	N'000
0-90	39	17,605	29,736
91-180	81	104,022	-
181-270	26	7,803	-
271-365	24	7,023	-
Above 365	-	-	-
		<u>136,453</u>	<u>29,736</u>

S/N	Reasons	0 - 60 days		61 - 180 days		181 - 270 days		271 - 365 days		Above 365 days		Total N'000	ACTIONS/STEPS TAKEN BY THE COMPANY
		Qty	N'000	Qty	N'000	Qty	N'000	Qty	N'000	Qty	N'000		
1	Claims reported with full documentation			7	2,200		-	19	5,103	-	-	7,303	THE CLAIMS ARE BEING PROCESSED FOR SETTLEMENT
2	Claims reported with incomplete documentation	26	11,941	37	10,842	13	2,308	-	-	-	-	25,091	WE SENT MAILS TO CONCERNED PARTIES
3	Claims reported and under verification		-	2	950		-	-	-	-	-	950	AFFECTED CLAIMS HAVE NOW BEEN VERIFIED
4	Claims awaiting adjusters final report		-	7	20,008	3	2,200	-	-	-	-	22,208	WE HAVE CONTACTED THE APPOINTED LOSS ADJUSTERS FOR UPDATE
5	Discharge Vouchers issued but not yet returned	3	888	6	14,353		-	-	-	-	-	15,241	AWAITING EXECUTED DISCHARGE VOUCHERS FROM LEAD U/W, BROKERS & CLIENTS
6	awaiting lead insure instruction	10	4,776.18	22	55,668	10	3,295	5	1,920	-	-	65,659	REMINDER LETTERS TO THE LEAD UNDERWRITERS / BROKERS
	Total	39	17,605	81	104,022	26	7,803	24	7,023	-	-	136,453	

31 **Other payables and accruals**

	N'000	N'000
Audit fees	2,419	3,000
Due to CAPEX Cooperative NAICOM levy	1,872	354
Pension	54,243	12,618
PAYE	4,682	2,228
Withholding Tax payables	930	589
VAT Payable	2,434	590
Co-insurance Payables Commission payable	709	10,410
Premium refundable	-	14,910
Security Allowance payable	88,888	75,445
Due to CAPEX Life	3,768	16,779
Provision on M & D	-	210
ITF Provision	500,000	-
Prov for Performance Index	13,725	-
Liability for Undocumented inflow	5,974	-
Other payables	43,131	-
	7,153	-
	<u>12,008</u>	<u>-</u>
	<u>741,936</u>	<u>137,133</u>

		Twelve month period ended 31 December 2025 N'000	Four month period ended 31 December 2024 N'000
	Current	741,936	137,133
	Non-current	-	-
		<u>741,936</u>	<u>137,133</u>
32	Current tax liability		
	The Change on tax payable account during the year is as follows:		
32.1	Current tax payable	N'000	N'000
	At 1 January	627	-
	Payments during the year/period	-	-
	Charge for the year/period	-	627
	At 31 December	<u>627</u>	<u>627</u>
33	Deferred tax liabilities	N'000	N'000
	At 1 January	10,278	-
	Provision for the Year/period	-	10,278
	At 31 December	<u>10,278</u>	<u>10,278</u>
Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.			
34	Deposit for shares	N'000	N'000
	At 1 January	-	-
	Addition	174,431	-
	At 31 December	<u>174,431</u>	<u>-</u>
	This represents the excess of stocks inflow from Apel Asset & Trust Ltd on behalf of the core investors		
35	Share capital and reserve		
35.1	Issued and fully paid value	N'000	N'000
	At 1 January	10,000,000	-
	Addition during the year/period	5,000,000	10,000,000
	At 31 December	<u>15,000,000</u>	<u>10,000,000</u>
	Number of ordinary shares of N1 each	Number	Number
	At 1 January	10,000,000	10,000,000
	Addition during the year/period	5,000,000	-
	At 31 December	<u>15,000,000</u>	<u>10,000,000</u>
35.2	Shareholding structure	2025	2024
		Unit	Percentage
	Capital Express Holdings Limited	10,000,000	100%
"On the 19th day of August 2025 and in furtherance of the directives of the National Insurance Commission as provided in Part IV of the Nigerian Insurance Industry Reform Act (NIIRA), 2025 and Section 3 of the MCR 2025, the Board of Directors be and is hereby authorized to increase the issued and Paid up capital of the Company from N10,000,000,000 (Ten Billion Naira) to N15,000,000,000 (Fifteen Billion Naira) by the creation of 5,000,000,000 (Five Billion) additional ordinary shares of N1.00 each, ranking pari passu with the existing shares". This was achieved and duly filed with CAC on 19th February 2026 appropriately.			
36	Share premium	N'000	N'000
	At 1 January	-	-
	Addition during the year/period	610,182	-
	At 31 December	<u>610,182</u>	<u>-</u>
	This is the balance of excess on Vetiva ETF Fund stocks taking to Share Premium reserve		

37 **Statutory contingency reserve**

In accordance with the Insurance Act of Nigeria, a contingency reserve is credited with the greater of 3% of total premium or 20% of profit of general insurance business and 1% of total premium or 10% profit for life business. This shall accumulate until it reach the amount of greater of minimum paid up capital or 50% of net premium.

		Twelve month period ended 31 December 2025	Four month period ended 31 December 2024
		N'000	N'000
	At 1 January	37,852	-
	Transfer from retained earnings (Note 38)	160,136	37,851
	At 31 December	197,988	37,851
		N'000	N'000
37.1	Transfer from statement of profit or loss: 3% of gross premium	160,136	37,851
	Transfer from statement of profit or loss: 20% of net profit	(393,883)	10,292
38	Retained earning	N'000	N'000
	At 1 January	13,611	-
	(Loss)/profit for the year/period	(1,969,413)	51,462
	Transfer to contingency reserve	(160,136)	(37,851)
	At 31 December	(2,115,938)	13,611
39	Contingencies and commitments		
	<i>(a) Legal proceedings and regulations</i>		
	The Company had no capital legal proceedings against it (2024: Nil)		
	<i>(b) Capital commitments</i>		
	The Company had no capital commitments as at year end (2024: Nil)		

40 **Related party disclosures**

40.1 Related parties include the Board of Directors,the Managing Director,Finance Director and their close family members and any other employee who is able to exert significant influence on the operating policies of the Company.

40.2 **Transactions with key management personnel**

The Company's key management personnel and persons connected with them are also considered to be related parties for disclosure purposes.The definition of Key management includes the Managing Director, Finance Director and their close family members and entity over which control can be exercised.The key management personnel have been identified as those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, (whether executive or otherwise).

The Company entered into transaction with shareholders of the Company and key management personnel in the normal course of business.

(a) Details of significant transactions carried out with related parties during the year are as follows:

Transactions during the period

			Twelve month period ended 31 December 2025	Four month period ended 31 December 2024
			N'000	N'000
	Company/Individual	Type of relationship	Nature of transaction	
41	Employees and directors			
41.1	Employees			
	The average number of persons employed by the Company during the year was as follows:		Number	Number
	Executive directors		2	2
	Management		8	5
	Non-management		41	24
			51	31

The number of employees of the Company, other than non executive directors, who received emoluments in the following ranges (excluding pension contributions and certain benefits) were:

Less than N800,001
N800,001 - N2,000,000
N2,000,001 - N2,800,000
N2,800,001 - N3,500,000
N3,500,001 - and Above

Twelvemonth period to 31 December 2025	Four month period to 31 December 2024
Number	Number
37	19
14	12
-	-
-	-
-	-
51	31

41.2 Directors

Remuneration paid to the Company's directors (excluding pension contribution) was:

Fees and sitting allowances
Executive compensation

N'000	N'000
15,400	5,900
42,499	13,847
57,899	19,747
N'000	
2,000	1,500
22,500	7,617

The chairman

The highest paid director

Executive compensation is included as part of staff cost.

The number of directors who received fees and other emoluments (excluding pension contributions, certain benefits and reimbursable expenses) in the following ranges was:

42 Notes to statement of cash flows

42.1 Payments to employees

Employee benefits expenses
Pension costs

Notes

N'000	N'000
(358,248)	(85,721)
(21,346)	(3,913)
(379,594)	(89,634)

42.2 Other operating cash payments

Other operating expenses
Foreign exchange gains
Change in other receivables and prepayments
Change in financial assets
Depreciation of right-of-use asset
Amortisation of intangible assets
Depreciation of property, plant and equipment
Impairment loss on financial assets
Loss on fair value on amortised cost
Fair value loss on stocks
Fair value gain on investment property
Change in Reinsurance contract assets
Change in other insurance contract liabilities
Change in other payables and accruals
Others

	N'000	N'000
15	(2,209,884)	(514,174)
11.1	2,305	21,196
24	(29,034)	(139,451)
	-	-
15	37,625	14,970
15	63,309	19,520
15	515,307	96,221
21		7 98
21	(46,336)	82
12	1,641,900	-
13	(40,000)	(450,000)
22	(523,146)	(181,228)
26	(1,555,564)	1,004,640
29	604,803	137,133
31	826,009	(327,500)
	(712,706)	(317,793)

42.3 Gross written premium during the year/period
Premium receivable
Premium received during the year/period

23	5,337,862	1,261,713
	-	(201,691)
	5,337,862	1,060,022

42.3 Investment income received

Investment income
Accrued interest income on fixed deposit

	N'000	N'000
11	557,266	223,052
24	-	(97,303)
	557,266	125,749

42.4 Other income received

Other operating income
Impairment write-back on financial assets
Gain on disposal of property, plant and equipment
Foreign exchange gains

	N'000	N'000
14	6,332	1,696
	798	-
14	-	-
14	2,305	-
	9,435	1,696

	Twelve month period to 31 December 2025 N'000	%	Four month period to 31 December 2024 N'000	%
Insurance revenue	4,156,702		183,982	
Amortisation of acquisition cost	521,864		(169,538)	
Investment and other income	557,266		674,748	
Other service expenses	(6,080,040)		(383,599)	
Value (eroded)/added	<u>(844,208)</u>	<u>(100)</u>	<u>305,593</u>	<u>100</u>
Applied as follows:				
Employees				
Employees benefits expenses	379,594	45	89,634	29
Government:				
Income tax	6,859	1	10,905	4
Retained in the business:				
Depreciation and amortization of property and equipment and Intangible assets	578,616	69	115,741	38
Appropriation to contingency reserve	160,136	19	37,851	12
(Loss)/profit for the year/period	(1,969,413)	(233)	51,462	17
	<u>(844,208)</u>	<u>(100)</u>	<u>305,593</u>	<u>100</u>