



Cornerstone Insurance Plc

UNAUDITED FIRST QUARTER

31 MARCH 2025

Notes to the Financial Statements

1.1 Reporting entity

Cornerstone Insurance Plc (the Company) was incorporated on 26 July 1991 as a private limited liability company and converted to a public limited liability company on 17 June 1997. The Company's principal activity continues to be the provision of risk underwriting and related financial services to its customers. Such service includes the provision of Life and Non-life insurance services for both corporate and individual customers.

The Company has three subsidiaries - Fin Insurance Company Limited, Hilal Takaful Nigeria Limited previously called Cornerstone Takaful

Fin Insurance Company Limited was incorporated in 1981 as Yankari Insurance Company Limited. The name was changed to Fin Insurance

The Company currently has authorized share capital of ₦9.25 billion divided into 18.5 billion units of ordinary shares of 50k each with a fully paid up capital of ₦9.083 billion. The Company currently has its corporate head office at Victoria Island, Lagos with branches spread across major cities and commercial centres in Nigeria. These consolidated financial statements comprise the financial records of Company and its subsidiaries (together referred to as "the Group").

The Group is domiciled in Nigeria with registered address at 136, Lewis street, Lagos Island, Lagos and Corporate head office at 21 Water Corporation drive, Victoria Island Lagos.

1.2 Principal activities

The Group is engaged in various business lines ranging from property-casualty insurance, life/ health insurance and leasing. The Group's products are classified at inception, for accounting purposes, as either Insurance contracts or Investment contracts.

A contract that is classified as insurance contract remains an insurance contract for the remainder of its lifetime, even if the insurance risk reduces significantly during this period; unless all rights and obligations are extinguished or expire. Investment contracts can, however, be reclassified as insurance contracts after inception if insurance risk becomes significant.

1.3 Going concern

This consolidated and separate financial statements have been prepared using appropriate accounting policies, supported by reasonable judgments and estimates. The Directors have a reasonable expectation, based on an appropriate assessment of a comprehensive range of factors, that the Group has adequate resources to continue as going concern for the foreseeable future and has no intention or need to reduce substantially its business operations. Liquidity ratio, compliance with regulatory requirements, maintaining a net asset position and continuous evaluation of current ratio of the Group is carried out to ensure that there are no going concern threats to the operation of the Group.

2.1 Basis of accounting

Statement of compliance

The consolidated and separate financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS Standard) as issued by the International Accounting Standards Board (IASB) and in the manner required by the Companies and Allied Matters Act (CAMA), 2020, the Financial Reporting Council Act, 2011, the Insurance Act 2003 and relevant National Insurance Commission (NAICOM) circulars. The financial statements were authorised by the Board of directors on 21 March 2025.

2.2 Functional and presentation currency

These consolidated and separate financial statements are presented in Nigerian Naira, which is the Group's and Company's functional and presentation currency. Except as indicated, financial information presented in Naira has been rounded to the nearest thousand.

2.3 Basis of measurement

These consolidated and separate financial statements have been prepared under the historical cost basis except for the following items which are measured on an alternative basis on each reporting date:

- financial instruments at fair value through profit or loss
- financial instruments measured at fair value through OCI
- Insurance and Reinsurance Contracts measured at fulfilment cash flows and if any contractual service margin (CSM).
- Investment properties measured at fair value

2.4 Use of estimates and judgements

The preparation of financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

Information about significant areas of estimation uncertainties and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the consolidated and separate financial statements are described in note 4.

Notes to the Financial Statements

2.5 Reporting period

The financial statements have been prepared for a 12-month period from 1 January 2024 to 31 December 2024.

2.6 List of Standards, Amendments to Standards and Interpretations effective for a 31 December 2024 year-end

- Amendments to IFRS 16: Lease Liability in a Sale and Leasedback
- Amendments to IAS 1 Classification of liabilities as current or non-current
- Amendments to IAS 7 and IFRS 7 Supplier Finance Arrangements

2.7 New standards and interpretations not yet effective for a 31 December 2024 year end

A number of new standards are effective for annual periods beginning after 1 January 2024 and earlier application is permitted; however, the Group has not early adopted the new or amended standards in preparing these financial statements. Those Standards, Amendments to Standards and Interpretations which may be relevant to the Group (or Company) are set out below. The Group and Company do not plan to adopt these standards early. The standards will be adopted in the period that they become mandatory unless otherwise indicated

<i>Standard/Interpretation</i>	Date issued	Effective date Periods beginning	Summary of the requirements and impact assessment
<i>Amendments to IAS 21</i> <i>Lack of exchangeability</i>	Aug-23	1-Jan-25	<p>The amendments clarifies:</p> <ul style="list-style-type: none"> • when a currency is exchangeable into another currency; and • how a company estimates a spot rate when a currency lacks exchangeability. <p>Assessing exchangeability: When to estimate a spot rate. A currency is exchangeable into another currency when a company is able to exchange that currency for the other currency at the measurement date and for a specified purpose. When a currency is not exchangeable, a company needs to estimate a spot rate.</p> <p>Estimating a spot rate: Meeting the estimation objective A company's objective when estimating a spot rate is only that it reflects the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions. The amendments contain no specific requirements on how to estimate a spot rate.</p> <p>Therefore, when estimating a spot rate a company can use:</p> <ul style="list-style-type: none"> • an observable exchange rate without adjustment; or • another estimation technique. <p>Under the amendments, companies will need to provide new disclosures to help users assess the impact of using an estimated exchange rate on the financial statements. This may include:</p> <ul style="list-style-type: none"> • the nature and financial impacts of the currency not being exchangeable • the spot exchange rate used; • the estimation process; and • risks to the company because the currency is not exchangeable <p>The group is still evaluating the impact of the amendments on the group,</p>
<i>Amendments to IFRS 9 and IFRS 7 Classification and Measurement of Financial Instruments</i>	May-24	1-Jan-26	<p>The International Accounting Standards Board (IASB) issued amendments to the classification and measurement requirements in IFRS 9 Financial Instruments. The key amendments include the following:</p> <ul style="list-style-type: none"> •Settlement of financial liabilities through electronic payment systems: The amendments clarify that a financial liability is derecognised on the 'settlement date'. However, the amendments provide an exception for the derecognition of financial liabilities. This exception allows the company to derecognise its trade payable before the settlement date when it uses an electronic payment system, provided that specified criteria are met. •Additional SPPI Test for Contingent Features: The amendments introduce an additional SPPI test for financial assets with contingent features that are not directly related to a change in basic lending risks or costs – for example, where the cash flows change depending on whether the borrower meets an ESG target specified in the loan contract. Under the amendments, certain financial assets, including those with ESG-linked features, could now meet the SPPI criterion, provided that their cash flows are not significantly different from an identical financial asset without such a feature. •Clarification on Contractually Linked Instruments (CLIs): The amendments clarify the key characteristics of CLIs and how they differ from financial assets with non-recourse features. They also include factors that a company needs to consider when assessing the cash flows underlying a financial asset with non-recourse features (the 'look through' test). •Additional Disclosure Requirements: The amendments require additional disclosures for investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features that are not directly related to a change in basic lending risks or costs and are not measured at fair value through profit or loss. These amendments are not expected to materially impact the group or company.

Notes to the Financial Statements

<p>Presentation and Disclosure in Financial Statements (IFRS 18)</p> <p>IFRS 18 Presentation and Disclosure in Financial Statements replaces IAS 1 Presentation of Financial Statements.</p>	<p>Apr-24</p>	<p>1-Jan-27</p>	<p>The new standard introduces the following key new requirements:</p> <ul style="list-style-type: none"> •It promotes a more structured income statement, in particular, it introduces a newly defined ‘operating profit’ subtotal and a requirement for all income and expenses to be classified into three new distinct categories, operating, investing, and financing, based on a company’s main business activities. •All companies are required to report the newly defined ‘operating profit’ subtotal – an important measure for investors’ understanding of a company’s operating results – i.e. investing and financing results are specifically excluded. This means that the results of equity-accounted investees are no longer part of operating profit and are presented in the ‘investing’ category. •Management-defined performance measures (MPMs) are disclosed in a single note in the financial statements. •Enhance guidance is provided on how to group information in the financial statements. This includes guidance on whether information is included in the primary financial statements or is further disaggregated in the notes. Companies are discouraged from labelling items as ‘other’ and will now be required to disclose more information if they continue to do so. •Entities are required to use the operating profit subtotal as the starting point for the statement of cash flows when presenting operating cash flows under the indirect method. •It also requires Companies to analyse their operating expenses directly on the face of the income statement – either by nature, by function or using a mixed presentation. If any items are presented by function on the face of the income statement (e.g. cost of sales), then a company provides more detailed disclosures about their nature. The group is still evaluating the impact of the standard on the group or company operation.
<p>Annual Improvements to IFRS Accounting Standards (Amendments to IFRS 7, IFRS 9 and IAS 7)</p>	<p>Jul-24</p>	<p>1-Jan-26</p>	<p>IFRS 7 Financial Instruments: Disclosures</p> <ol style="list-style-type: none"> 1. Gain or loss on derecognition. The amendment addresses a potential confusion in paragraph B38 of IFRS 7 arising from an obsolete reference to a paragraph that was deleted from the standard when IFRS 13 Fair Value Measurement was issued. These amendments are not expected to have material impact on the group or company. 2. Disclosure of deferred difference between fair value and transaction price. The amendment addresses an inconsistency between paragraph 28 of IFRS 7 and its accompanying implementation guidance that arose when a consequential amendment resulting from the issuance of IFRS 13 was made to paragraph 28, but not to the corresponding paragraph in the implementation guidance. 3. Introduction and credit risk disclosures. The amendment addresses a potential confusion by clarifying in paragraph IG1 that the guidance does not necessarily illustrate all the requirements in the referenced paragraphs of IFRS 7 and by simplifying some explanations. <p>IFRS 9 Financial Instruments</p> <ol style="list-style-type: none"> 1. Initial measurement of Trade receivables. The amendments remove the conflict between IFRS 9 and IFRS 15 over the amount at which a trade receivable is initially measured. Under IFRS 15, a trade receivable may be recognised at an amount that differs from the transaction price – e.g. when the transaction price is variable. Conversely, IFRS 9 requires that companies initially measure Trade receivables without a significant financing component at the transaction price. The IASB has amended IFRS 9 to require companies to initially measure a trade receivable without a significant financing component at the amount determined by applying IFRS 15. Amendment on Trade receivables could prompt accounting policy change. 2. Derecognition of a lease liability. If a lease liability is derecognised, then the derecognition is accounted for under IFRS 9. However, when a lease liability is modified, the modification is accounted for under IFRS 16 Leases. The group is still evaluating the impact of the amendments on the group and company operation. <p>The IASB’s amendment states that when lease liabilities are derecognised under IFRS 9, the difference between the carrying amount and the consideration paid is recognised in profit or loss.</p> <p>IAS 7 Statement of Cash Flows</p> <p>This amendment replaces the term ‘cost method’ in paragraph 37 of IAS 7 with ‘at cost’.</p>
<p>Amendments to IFRS 10 and IAS 28</p> <p>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</p>	<p>Sep-14</p>	<p>Deferred indefinitely</p>	<p>The amendments require the full gain to be recognised when assets transferred between an investor and its associate or joint venture meet the definition of a ‘business’ under IFRS 3 Business Combinations. Where the assets transferred do not meet the definition of a business, a partial gain to the extent of unrelated investors’ interests in the associate or joint venture is recognised. The definition of a business is key to determining the extent of the gain to be recognised.</p> <p>When a parent loses control of a subsidiary in a transaction with an associate or joint venture (JV), there is a conflict between the existing guidance on consolidation and equity accounting. Under the consolidation standard, the parent recognises the full gain on the loss of control. But under the standard on associates and JVs, the parent recognises the gain only to the extent of unrelated investors’ interests in the associate or JV.</p> <p>In either case, the loss is recognised in full if the underlying assets are impaired. The IASB has decided to defer the effective date for these amendments indefinitely. There is no impact on the Group’s activities.</p>

Notes to the Financial Statements

3 Material Account Policies

Accounting policies are the specific principles, bases, conventions, rules and practices applied by an entity in preparing and presenting financial statements.

The accounting policies set out below have been consistently applied to all periods presented in these financial statements.

3.1 Basis of Consolidation

Business combination and goodwill

The Group accounts for business combinations using the acquisition method when control is transferred to the Group. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The Group reassesses whether it has control if there are changes to one or more of the elements of control. This includes circumstances in which protective rights held (e.g. those resulting from a lending relationship) become substantive and lead to the Group having power over an investee.

The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related Non-controlling interest (NCI) and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Non-controlling interests

Non-controlling Interest (NCI) are measured at their proportionate share of the acquiree's identifiable net assets at the acquisition date.

Transaction eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses (except for foreign currency transaction gains or losses) arising from intra-group transactions, are eliminated.

Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

3.2 Insurance contracts

(i) Insurance and reinsurance contracts

The definition of an insurance contract refers to 'insurance risk' which is defined as 'risk, other than financial risk, transferred from the holder of a contract to the issuer'

The Company issues insurance contracts in the normal course of business, under which it accepts significant insurance risk from its policyholders. As a general guideline, the Company determines whether it has significant insurance risk, by comparing benefits payable after an insured event with benefits payable if the insured event did not occur. Insurance contracts can also transfer financial risk. The Company issues non-life insurance to individuals and businesses. Non-life insurance products offered include motor insurance, combined fire and burglary, general accident, bond, marine, engineering, oil & gas and aviation. These products offer protection of policyholder's assets and indemnification of other parties that have suffered damage as a result of a policyholder's accident.

The Company does not issue any contracts with direct participating features.

Notes to the Financial Statements

Separating components from insurance and reinsurance contracts

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

Therefore, the Group:

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

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

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

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

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

The Company assesses its non-life insurance products to determine whether they contain distinct components which must be accounted for under another IFRS instead of under IFRS

After identifying and separating any distinct components, the Company applies IFRS 17 to the remaining components of the host insurance contract. Currently, the Company's products do not include any distinct components that require separation.

Level of aggregation

IFRS 17 defines the level of aggregation to be used for measuring insurance contracts and their related profitability. This is a key issue in identifying onerous contracts and in determining the recognition of profit or loss and presentation in the financial statements. The starting point for aggregating contracts is to identify portfolios of insurance contracts. A portfolio comprises contracts that are subject to similar risks and managed together. IFRS 17 requires the Group to determine the level of aggregation for applying its requirements. The level of aggregation for the Group is determined firstly by dividing the business written into portfolios using the current lines of business framework with consideration for the reserving segmentation and product types within each line of business to support the definition of similar risk. These lines of business are motor Insurance, home insurance, combined fire, and burglary, marine, engineering, oil and gas, goods in transit, gadget protection and drone insurance. Group makes an evaluation of whether a series of contracts need to be treated together as one unit based on reasonable and supportable information, or whether a single contract contains components that need to be separated and treated as if they were stand-alone contracts. As such, what is treated as a contract for accounting purposes may differ from what is considered as a contract for other purposes (i.e., legal or management).

Notes to the Financial Statements

IFRS 17 also requires that no group for level of aggregation purposes may contain contracts issued more than one year apart.

The Group elected to group together those contracts that would fall into different groups only because law or regulation specifically constrains its practical ability to set a different price or level of benefits for policyholders with different characteristics. Currently, there is no law or regulation that constrained the Group's practical ability to set a different price or level of benefits for policyholder with different characteristics. The Group divides portfolios of reinsurance contracts held applying the same principles set out above.

Initial recognition of insurance contracts

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

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

Initial recognition of reinsurance contracts held

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

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

And

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

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

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

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

Initial recognition of insurance acquisition cash flows

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

The company has aggregated its directly attributable expenses into the following classes including administrative and maintenance expense, claims and benefits expenses, management expenses and other operating expenses. The company allocates acquisition cost to policies based on applicable rate per policy, claims expenses are allocated based on number of claims on the policies and, a portion of maintenance cost is allocated based on the proportion of premium written.

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

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

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

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

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

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

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

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

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

Initial recognition of investment contracts with discretionary participation features

The date of initial recognition of an investment contract with discretionary participation features is the date that the entity becomes party to the contract. This is consistent with the requirements for recognition of a financial instrument in IFRS 9 and is likely to be earlier than the date of initial recognition for an insurance contract. Currently the Company does not issue investment contracts with discretionary participation features.

Notes to the Financial Statements

Onerous groups of contracts

The Company issues some contracts before the coverage period starts and the first premium becomes due. Therefore, the Company has determined whether any contracts issued form a group of onerous contracts before the earlier of the beginning of the coverage period and the date when the first payment from a policyholder in the group is due. The Company looks at facts and circumstances to identify if a group of contracts are onerous based on:

- Pricing information
- Results of similar contracts it has recognised
- Environmental factors such as a change in market experience or regulations
- Other Relevant risk factor which includes age, gender, occupation, geographical location and size of sum assured

For groups of contracts measured using the premium allocation approach (PAA), the Company assumes all groups of insurance contracts to be non-onerous unless the board has approved the sales of loss-making contracts through an official process. The company will assess the probability of non-onerous contracts becoming onerous in the future base on expert judgement of the projected combined ratio. For subsequent measurement, the company use combined ratio as facts and circumstances hence, a group of contracts will be deemed onerous if there has been a combined ratio of over 100% in two (2) subsequent annual reporting periods.

Measurement – Premium Allocation Approach

Insurance contract – Initial measurement

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

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

The Company applies the premium allocation approach (PAA) to all the insurance contracts that it issues and reinsurance contracts that it holds, as:

- The coverage period of each contract in the group is one year or less, including insurance contract services arising from all premiums within the contract boundary
- Or
- For contracts longer than one year, the Company has modelled possible future scenarios and reasonably expects that the measurement of the liability for remaining coverage for the group containing those contracts under the PAA does not differ materially from the measurement that would be produced applying the general model. In assessing materiality, the Company has also considered qualitative factors such as the nature of the risk and types of its lines of business.

All the Non-life products are measured using the PAA approach because the coverage period of each contract it issues is for a period of One (1) year except for the engineering, and oil and gas portfolio which could be issued for a period of more than one year. For this product, the company will perform the PAA eligibility test as required by the second criteria stated above and has set materiality level for difference in the liability for remaining coverage at plus or minus 5% for total portfolio and not more than plus or minus 10% for each group of insurance contracts or portfolio.

The company interprets “reasonably expects” to mean the liability for remaining coverage under the premium allocation approach (PAA) and general measurement model (GMM) under all probable scenarios is Immaterial. Hence the company has defined probable scenario for both economic and non-economic assumptions which includes interest rate sensitivity of +/- 1%, expected combined ratio of +/-10%, lapse at +/-10%. The Company does not apply the PAA if, at the inception of the group of contracts, it expects significant variability in the fulfilment cash flows that would affect the measurement of the liability for the remaining coverage during the period before a claim is incurred. Variability in the fulfilment cash flows increases with, for example:

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

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

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

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For engineering contracts and, oil and gas contracts, the liability for remaining coverage (LFRC) is discounted to reflect the time value of money and the effect of financial risk. For all other business, there is no allowance for time value of money as the premiums are received within one year of the coverage period.

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

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

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

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

Reinsurance contracts held – initial measurement

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

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

Insurance contracts – subsequent measurement

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

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

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

Notes to the Financial Statements

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

Subsequent measurement – liability for incurred claims

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

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

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

Reinsurance contracts held – subsequent measurement

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

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

Insurance contracts – modification and derecognition

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

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

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

Notes to the Financial Statements

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

The Company derecognises insurance contracts when:

- The rights and obligations relating to the contract are extinguished (i.e., discharged, cancelled or expired)

Or

- The contract is modified such that the modification results in a change in the measurement model or the applicable standard for measuring a component of the contract, substantially changes the contract boundary, or requires the modified contract to be included in a different group. In such cases, the Company derecognises the initial contract and recognises the modified contract as a new contract

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

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

Derecognition resulting from extinguishment

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

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

Derecognition resulting from transfer

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

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

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

Derecognition resulting from modification

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

- Adjusts the fulfilment cash flows allocated to the group relating to the rights and obligations that have been derecognised, as discussed above
- Adjusts the contractual service margin of the group, from which the contract has been derecognised for the difference between the change in the contractual cash flows resulting from derecognition and the hypothetical premium the Company would have charged, had it entered into a contract with terms equivalent to the new contract at the date of the contract modification, less any additional premium charged for the modification (unless the decrease in fulfilment cash flows is allocated to the loss component of the liability for remaining coverage)

And

- Measures the new contract recognised assuming the Company received the hypothetical premium that it would have charged, had it entered into the modified contract at the date of the contract modification.

Presentation

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

Any assets for insurance acquisition cash flows recognised before the corresponding insurance contracts are included in the carrying amount of the related groups of insurance contracts are allocated to the carrying amount of the portfolios of insurance contracts that they relate to.

The Company disaggregates the total amount recognised in the statement of profit or loss and other comprehensive income into an insurance service result, comprising insurance revenue and insurance service expense, and insurance finance income or expenses.

The Company does not disaggregate the change in risk adjustment for non-financial risk between a financial and non-financial portion and includes the entire change as part of the insurance service result.

The Company separately presents income or expenses from reinsurance contracts held from the expenses or income from insurance contracts issued.

Notes to the Financial Statements

Level of aggregation - Life Business

The Company has elected to include in the same group, contracts where its ability to set prices or levels of benefits for policyholders with different characteristics is constrained by regulation. The annuity contracts, credit life contracts, endowment contracts, funeral expenses policy, group life, individual life, mortgage policy and term life insurance portfolios are divided into:

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

The reinsurance contracts held portfolios are further divided into:

- A group of contracts on which there is a net gain on initial recognition
- A group of contracts that have no significant possibility of a net gain arising subsequent to initial recognition
- A group of the remaining contracts in the portfolio

For contracts measured under the PAA, the company assume that no contracts in a portfolio of insurance contracts are onerous at initial recognition unless there has been an approval through an official process to implement commercial actions which include promotional discounts on premium rates, selling loss leaders to gain market shares or no claims discount on renewal of policies, which could result into a group of contracts being onerous.

For subsequent measurement, the onerous contract assessment is only required if facts and circumstances indicate that a group of contracts is onerous.

Contract boundary

A contract is an arrangement that binds one or both of the parties involved. If both parties are bound equally, the boundary of the contract is generally clear. Similarly, if neither party is bound, there is no genuine contract, thus:

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

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

- Existing insurance contracts. If so, those future premiums, and the resulting benefits and claims, are included in the measurement of the group of insurance contracts

Or

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

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

The Company includes in the measurement of a group of insurance contracts all the future cash flows within the boundary of each contract in the group.

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

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- 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 risk of that portfolio
- The pricing of the premiums up to the date when the risks are reassessed does not take into account the risks that relate to periods after the reassessment date.

A liability or asset relating to expected premiums or claims outside the boundary of the insurance contract is not recognised. Such amounts relate to future insurance contracts.

The company have set contract boundaries based on its portfolio of insurance contracts which is stated as follows:

For Individual Life

- Credit Life: The contract boundary is set equal to the term of the credit life policy
- Term Assurance: The contract boundary is set equal to the term of the term assurance policy
- Endowments: The contract boundary is set equal to the term of the endowment policy
- Funeral: The company has assumed that all policyholders will be dead by age 110, hence the contract boundary is 110 years.
- Education: The contract boundary is set equal to the term of the education policy.

For Group Life

- Group life: The contract boundary is set equal to the policy term which is one year
- Annuities: The company has assumed that all annuitants will be dead by age 120. Hence the contract boundary is 120 years.

For life contracts with renewal periods, the Company assesses whether premiums and related cash flows that arise from the renewed contract are within the contract boundary. The pricing of the renewals is established by the Company by considering all the risks covered for the policyholder by the Company, when underwriting equivalent contracts on the renewal dates for the remaining coverage. The Company reassess contract boundary of each group at the end of each reporting period.

Measurement – General Model

Insurance contract – Initial Measurement

The general model measures a group of insurance contracts as the sum of the following components, or ‘building blocks’, for each group of insurance contracts:

- Fulfilment cash flows, which comprise:
 - Estimates of expected future cash flows over the life of the contract
 - An adjustment to reflect the time value of money and the financial risks related to the future cash flows to the extent that the financial risks are not included in the estimates of the future cash flows
 - A risk adjustment for non-financial risk
- A contractual service margin representing unearned profit an entity will recognise as it provides service under the insurance contracts in the group

Fulfilment Cashflows (FCF)

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

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

The cash flows from each scenario are probability- weighted and discounted using current assumptions.

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

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- Premiums and related cash flows
- Claims and benefits, including reported claims not yet paid, incurred claims not yet reported and expected future claims
 - Payments to policyholders resulting from embedded surrender value options
 - An allocation of insurance acquisition cash flows attributable to the portfolio to which the contract belongs
- Claims handling costs
- Policy administration and maintenance costs, including recurring commissions that are expected to be paid to intermediaries
- An allocation of fixed and variable overheads directly attributable to fulfilling insurance contracts
- Transaction-based taxes including: premium taxes, value added taxes
- Payments by the Company in a fiduciary capacity to meet tax obligations incurred by policyholder
- Allocation of fixed and variable overheads directly attributable to fulfilling insurance contracts
- Cost that the company incurs in providing investment- related services for investment contracts without direct participation features
- Any other costs specifically chargeable to the policyholder under the term of the contract

The Company incorporates, in an unbiased way, all reasonable and supportable information available without undue cost or effort about the amount, timing and uncertainty of those future cash flows. The Company estimates the probabilities and amounts of future payments under existing contracts based on information obtained, including:

- Information about claims already reported by policyholders
- Other information about the known or estimated characteristics of the insurance contracts
- Historical data about the Company's own experience, supplemented when necessary with data from other sources. Historical data is adjusted to reflect current conditions
- Current pricing information, when available

The measurement of fulfilment cash flows-includes insurance acquisition cash flows which are allocated based on rational and systematic manner as prescribed above.

Contractual Service Margin (CSM)

The Company's CSM is a component of the asset or liability for the group of insurance contracts that represents the unearned profit the Company will recognise as it provides services in the future. The Company measures the CSM on initial recognition at an amount that, unless the group of contracts is onerous, results in no income or expenses arising from:

- Initial recognition of the fulfilment cash flows
- Derecognition at the date of initial recognition of any asset or liability recognised for insurance acquisition cash flows
- Any cash flows arising from the contracts in the group at that date

For groups of contracts assessed as onerous, the Company has recognised a loss in profit or loss for the net outflow, resulting in the carrying amount of the liability for the group being equal to the fulfilment cash flows and the CSM of the group being zero. A loss component has been established by the Company for the liability for remaining coverage for an onerous group depicting the losses recognized for additional disclosures on the loss component.

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The liability for remaining coverage is the Company's obligation to investigate and pay valid claims for insured events that have not yet occurred (i.e., the obligation that relates to the unexpired portion of the coverage period) and at initial recognition, comprises all remaining expected future cash inflows and cash outflows under an insurance contract plus the CSM for that contract.

The liability for incurred claims is the Company's obligation to investigate and pay valid claims for insured events that have already occurred, including events that have occurred but for which claims have not been reported, and other incurred insurance expenses. At initial recognition of a group of contracts, the liability for incurred claims is usually nil as no insured events have occurred.

Insurance contracts – subsequent measurement

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

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

- The effect of any new contracts added to the group
 - Interest accreted on the carrying amount of the CSM during the reporting period, measured at the discount rates at initial recognition
 - The changes in fulfilment cash flows relating to future service, except to the extent that:
 - Such increases in the fulfilment cash flows exceed the carrying amount of the CSM, giving rise to a loss
- OR
- Such decreases in the fulfilment cash flows are allocated to the loss component of the liability for remaining coverage
 - The effect of any currency exchange differences on the CSM
 - The amount recognised as insurance revenue because of the transfer of services in the period, determined by the allocation of the CSM remaining at the end of the reporting period (before any allocation) over the current and remaining coverage period

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

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

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

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

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

The Company measures the carrying amount of a group of insurance contracts at the end of each reporting period as the sum of:

- (i) the liability for remaining coverage comprising fulfilment cash flows related to future service allocated to the group at that date and the CSM of the group at that date; and
- (ii) the liability for incurred claims for the Company comprised the fulfilment cash flows related to past service allocated to the group at that date.

Notes to the Financial Statements

Reinsurance contracts held – initial measurement

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

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

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

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

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

Reinsurance contracts held – Subsequent measurement

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

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

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

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

3.3 Revenue recognition

(i) Insurance revenue (PAA)

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

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

Insurance revenue (Non-PAA)

The Company's insurance revenue depicts the provision of coverage and other services arising from a group of insurance contracts at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those services. Insurance revenue from a group of insurance contracts is therefore the relevant portion for the period of the total consideration for the contracts, (i.e., the amount of premiums paid to the Company adjusted for financing effect (the time value of money) and excluding any distinct investment components). The total consideration for a group of contracts covers amounts related to the provision of services and is comprised of:

- Insurance service expenses, excluding any amounts allocated to the loss component of the liability for remaining coverage
- The risk adjustment for non-financial risk, excluding any amounts allocated to the loss component of the liability for remaining coverage
- The CSM release
- Amounts related to insurance acquisition cash flows

(ii) Loss component (PAA)

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

Notes to the Financial Statements

Loss component (Non-PAA)

The Company has grouped contracts that are onerous at initial recognition separately from contracts in the same portfolio that are not onerous at initial recognition. Groups of insurance contracts that were not onerous at initial recognition can also subsequently become onerous if assumptions and experience changes. The Company has established a loss component of the liability for remaining coverage for any onerous group depicting the future losses recognised.

A loss component represents a notional record of the losses attributable to each group of onerous insurance contracts (or contracts profitable at inception that have become onerous). The loss component is released based on a systematic allocation of the subsequent changes in the fulfilment cash flows to:

- (i) the loss component; and
- (ii) the liability for remaining coverage excluding the loss component.

The loss component is also updated for subsequent changes in estimates of the fulfilment cash flows related to future service. The systematic allocation of subsequent changes to the loss component results in the total amounts allocated to the loss component being equal to zero by the end of the coverage period of a group of contracts (since the loss component will have been materialised in the form of incurred claims). The Company uses the proportion on initial recognition to determine the systematic allocation of subsequent changes in future cash flows between the loss component and the liability for remaining coverage excluding the loss component.

(iii) Loss-recovery components

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

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

(iv) Investment income on financial assets

Investment income on financial assets is composed of interest income and dividend 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.

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

(v) Net gains on financial assets

Represents gains and losses on investments carried at FVTPL. These include fair value gains, interest income, exchange gains and gains and losses on disposal of these financial assets.

(vi) Other operating income

Other operating income represents income generated from sources other than insurance service revenue, net gains on financial assets at FVTPL and investment income. It includes rental income and profit on disposal of property and equipment. Rental income is recognized on an accrual basis. This also includes mudarabah income from the Takaful insurance

Notes to the Financial Statements

3.4 Expense recognition

(i) Insurance finance income and expense

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

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

The Company systematically allocates expected total insurance finance income or expenses over the duration of the group of contracts to profit or loss using discount rates determined on initial recognition of the group of contracts.

In the event of transfer of a group of insurance contracts or derecognition of an insurance contract, the Company reclassifies the insurance income finance or expense to profit or loss as a reclassification adjustment to any remaining amounts for the group (or contract) that were previously recognised in other comprehensive income.

(ii) Net income or expense from reinsurance contracts held (PAA)

The Company presents separately on the face of the statement of profit or loss and other comprehensive income, the amounts expected to be recovered from reinsurers, and an allocation of the reinsurance premiums paid. The Company treats reinsurance cash flows that are contingent on claims on the underlying contracts as part of the claims that are expected to be reimbursed under the reinsurance contract held, and excludes investment components and commissions from an allocation of reinsurance premiums presented on the face of the statement of profit or loss and other comprehensive income

Net income or expense from reinsurance contracts held (Non-PAA)

The Company presents separately on the face of the statement of profit or loss and other comprehensive, income the amounts expected to be recovered from reinsurers, and an allocation of the reinsurance premiums paid. The Company treats reinsurance cash flows that are contingent on claims on the underlying contracts as part of the claims that are expected to be reimbursed under the reinsurance contract held and excludes investment components and commissions from an allocation of reinsurance premiums presented on the face of the statement of profit or loss and other comprehensive income.

(iii) Management expenses

Management expenses are recognised in profit or loss when goods are received or services rendered. They are expenses other than insurance service expenses and include employee benefits, depreciation charges and other operating expenses.

3.5 Investment contracts

Investment contracts are those contracts that transfer financial risks with no significant insurance risk.

Financial risk is the risk of a possible future change in one or more of a specified interest rate, security price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract.

The Group enters into investment contracts with guarantee returns and other businesses of savings nature. Those contracts are termed investment contract liabilities and are initially measured at fair value and subsequently at amortised cost.

Finance cost on investment contract liabilities is recognised as an expense in profit or loss using the effective interest rate.

3.6 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 Group to manage its short term commitments. Cash and cash equivalents are measured at amortised cost in the statement of financial position.

Notes to the Financial Statements

3.7 Financial Instruments

Classification

i. Recognition and initial measurement

The Group recognises deposits with financial institutions and loans and borrowings on the date on which they are originated. All other financial instruments (including regular-way purchases and sales of financial assets) are recognised on the trade date, which is the date on which the Group becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for a financial asset or financial liability not measured at FVTPL, transaction costs that are directly attributable to its acquisition or issue.

ii. Classification and subsequent measurement

Classification

On initial recognition, a financial asset is classified as measured at amortised cost, FVOCI or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Group 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 amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are SPPI.

A financial asset is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are SPPI.

The Group elects to present changes in the fair value of certain equity investments that are not held for trading in OCI. The election is made on an instrument-by-instrument basis on initial recognition and is irrevocable.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. In addition, on initial recognition the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Business model assessment

The Group assesses the objective of the business model in which a financial asset is held for each portfolio of financial assets because this best reflects the way that 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, including whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated (e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected); and
- the frequency, volume and timing of sales in prior periods, the reasons for such sales and expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Group's stated objective for managing the financial assets is achieved and how cash flows are realised.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

For a majority of debt investments, the objective of the Group's business model is to fund insurance contract liabilities. The Group undertakes significant buying and selling activity on a regular basis to rebalance its portfolio of assets and to ensure that contractual cash flows from the financial assets are sufficient to settle insurance contract liabilities. The Group determines that both collecting contractual cash flows as they come due and selling financial assets to maintain the desired asset profile are integral to achieving the business model's objective.

Certain debt securities are held in separate portfolios for long-term yield. These securities may be sold, but such sales are not expected to be more than infrequent. The Group considers that these securities are held within a business model whose objective is to hold assets to collect the contractual cash flows.

Notes to the Financial Statements

Portfolios of financial assets that are managed and whose performance is evaluated on a fair value basis, which include underlying items of participating contracts, and portfolios of financial assets that are held for trading are measured at FVTPL because they are neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets.

Assessment of whether contractual cash flows are SPPI

For the purposes of this assessment, principal is defined as the fair value of the financial asset on initial recognition. However, the principal may change over time - e.g. if there are repayments of principal. Interest is defined as consideration for the time value of money, 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 a profit margin.

In assessing whether the contractual cash flows are SPPI, the Group 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 this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- leverage features;
- prepayment and extension features;
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse asset arrangements); and
- features that modify consideration for the time value of money (e.g. periodic reset of interest rates).

A prepayment feature is consistent with the SPPI criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable compensation for early termination of the contract. In addition, for a financial asset acquired at a premium or discount to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant on initial recognition.

Some prepayment features permit the debtor to prepay the debt instrument at an amount calculated as the remaining contractual cash flows discounted at the current market benchmark interest rate plus a fixed spread. The Group has determined that these prepayment features are consistent with the SPPI criterion. Because the Group would be compensated only for the change in the market benchmark interest rate and for lost interest margin, the prepayment penalty would not include any non-SPPI risks and may be seen as reasonable compensation.

Notes to the Financial Statements

Subsequent measurement and gains and losses

Financial assets at FVTPL; Measured at fair value. Net gains and losses, including any interest or dividend income and foreign exchange gains and losses, are recognised in profit or loss, unless they arise from derivatives designated as hedging instruments in net investment hedges.

Debt investments at FVOCI: Measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI and accumulated in the fair value reserve. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments at FVOCI: Measured at fair value. Dividends are recognised as income in profit or loss when the Group's right to receive payment is established, unless they clearly represent a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss. Cumulative gains and losses recognised in OCI are transferred to retained earnings on disposal of an investment.

Financial assets at amortised cost: Measured at amortised cost using the effective interest method. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Subsequent measurement and gains and losses

Financial assets at FVTPL; Measured at fair value. Net gains and losses, including any interest or dividend income and foreign exchange gains and losses, were recognised in profit or loss, unless they arose from derivatives designated as hedging instruments in net investment hedges.

Held-to-maturity investments: Measured at amortised cost using the effective interest method.

Loans and receivables: Measured at amortised cost using the effective interest method.

Available-for-sale financial assets: Measured at fair value. Interest income calculated using the effective interest method, dividends, foreign exchange gains and losses and impairment were recognised in profit or loss. Other net gains and losses were recognised in OCI and accumulated in the fair value reserve. On derecognition, gains and losses accumulated in OCI were reclassified to profit or loss.

ii. Financial liabilities

Classification

The Group classifies its financial liabilities, other than financial guarantees, into one of the following categories:

- financial liabilities at FVTPL, and within this category as:
 - held-for-trading;
 - designated as at FVTPL; and
 - financial liabilities at amortised cost.

Subsequent measurement and gains and losses

Financial liabilities at FVTPL: Measured at fair value. Net gains and losses, including any interest expenses and foreign exchange gains and losses, are recognised in profit or loss, unless they arise from derivatives designated as hedging instruments in net investment hedges.

Financial liabilities at amortised cost: Measured at amortised cost using the effective interest method. Interest expenses 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.

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

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

The effective interest rate is revised as a result of periodic re-estimation of cash flows of floating-rate instruments to reflect movements in market rates of interest. The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured on initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any loss allowance.

Notes to the Financial Statements

The gross carrying amount of a financial asset is its amortised cost before adjusting for any loss allowance.

Financial assets not credit-impaired on initial recognition:

-If the financial asset is not credit-impaired, then interest income is calculated by applying credit-impaired on the effective interest rate to the gross carrying amount of the asset. When calculating the effective interest rate, the Group estimates future cash flows considering all contractual terms of the asset, but not ECL.

-If the financial asset has become credit-impaired subsequent to initial recognition, then interest income is calculated by applying the effective interest rate to the amortised cost of the asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

Financial assets credit-impaired on initial recognition:

-Interest income is calculated by applying a credit-adjusted effective interest rate to the amortised cost of the asset. The credit-adjusted effective interest rate is calculated using estimated future cash flows including ECL. The calculation of interest income does not revert to a gross basis, even if the credit risk of the asset improves.

Financial liabilities: Interest expenses are calculated by applying the effective interest rate to the amortised cost of the liability. When calculating the effective interest rate, the Group estimates future cash flows considering all contractual terms of the liability.

The calculation of the effective interest rate includes transaction costs and fees and points paid or received that are an integral part of the effective interest rate. Transaction costs are incremental costs that are directly attributable to the acquisition or issue of a financial asset or financial liability. Interest revenue calculated using the effective interest method and other finance costs presented in profit or loss include interest on financial assets and financial liabilities measured at amortised cost and debt investments measured at FVOCI.

Interest income and expenses were recognised in profit or loss using the effective interest method. The effective interest rate was the rate that exactly discounted the estimated future cash payments and receipts through the expected life of the financial asset or financial liability (or, where appropriate, a shorter period) to the carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Group estimated future cash flows considering all contractual terms of the financial instrument, but not future credit losses.

The calculation of the effective interest rate included transaction costs and fees and points paid or received that were an integral part of the effective interest rate. Transaction costs were incremental costs that were directly attributable to the acquisition or issue of a financial asset or financial liability.

Interest revenue calculated using the effective interest method and other finance costs presented in profit or loss included interest on financial assets and financial liabilities measured at amortised cost and available-for-sale financial assets.

iii. Impairment

The Group recognises loss allowances for ECL on:

- financial assets measured at amortised cost; and
- debt investments measured at FVOCI.

The Group measures loss allowances at an amount equal to lifetime ECL, except in the following cases, for which the amount recognised is 12-month ECL:

- debt securities that are determined to have low credit risk at the reporting date; and
- other financial instruments (other than lease receivables) for which credit risk has not increased significantly since initial recognition.

Loss allowances for lease receivables are always measured at an amount equal to lifetime ECL.

Financial instruments for which 12-month ECL are recognised are referred to as 'Stage 1 financial instruments'. 12-month ECL are the portion of ECL that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

Financial instruments for which lifetime ECL are recognised because of a significant increase in credit risk since initial recognition but that are not credit-impaired are referred to as 'Stage 2 financial instruments'. Lifetime ECL are the ECL that result from all possible default events over the expected life of the financial instrument.

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

In all cases, the maximum period considered when estimating ECL is the maximum contractual period over which the Group is exposed to credit risk.

Notes to the Financial Statements

Measurement of ECL

ECL 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 Group in accordance with the contract and the cash flows that the Group expects to receive).

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets measured at amortised cost, debt investments credit-impaired at FVOCI and lease receivables are credit-impaired. A financial asset is 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 debtor;
- a breach of contract such as a default or past-due event;
- the restructuring of an amount due to the Group on terms that the Group would not otherwise consider;
- the debtor entering bankruptcy or other financial reorganisation becoming probable; or
- the disappearance of an active market for a security because of financial difficulties.

A financial asset that has been renegotiated due to a deterioration in the borrower's condition is usually considered to be credit-impaired unless there is evidence that the risk of not receiving contractual cash flows has reduced significantly and there are no other indicators of impairment.

In assessing whether an investment in sovereign debt is credit-impaired, the Group considers the following factors:

- the market's assessment of creditworthiness as reflected in bond yields;
- the rating agencies' assessments of creditworthiness;
- the country's ability to access the capital markets for new debt issuance;
- the probability of debt being restructured, resulting in holders suffering losses through voluntary or mandatory debt forgiveness; and
- the international support mechanisms in place to provide the necessary support as 'lender of last resort' to that country, as well as the intention, reflected in public statements, of governments and agencies to use those mechanisms, including an assessment of the depth of those mechanisms and, irrespective of the political intent, whether there is the capacity to fulfil the required criteria.

Presentation of loss allowances in the statement of financial position

Loss allowances for ECL are presented as follows:

- financial assets measured at amortised cost: the loss allowance is deducted from the gross carrying amount of the assets; and
- debt investments measured at FVOCI: the loss allowance does not reduce the carrying amount of the financial assets (which are measured at fair value) but gives rise to an equal and opposite gain in OCI.

Write-off

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. This is generally the case when the Group 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 at the individual asset level.

Although the Group expects no significant recovery from amounts written off, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

Financial assets derecognised before 1 January 2024

At each reporting date, the Group assessed whether there was objective evidence that financial assets not measured at FVTPL were impaired. A financial asset or a group of financial assets was impaired when objective evidence demonstrated that a loss event had occurred after the initial recognition of the asset(s) and that the loss event had an impact on the future cash flows of the asset(s) that could be estimated reliably. This assessment was similar to determining whether a financial asset not derecognised before 1 January 2023 is credit-impaired (see above).

Notes to the Financial Statements

In addition, for an investment in an equity instrument, a significant or prolonged decline in its fair value below its cost was objective evidence of impairment. In general, the Group considered a decline of 20% to be significant and a period of nine months to be prolonged. However, in specific circumstances a smaller decline or a shorter period might have been appropriate. Impairment losses on financial assets were recognised as follows.

Financial assets at amortised cost: The Group considered evidence of impairment for these assets at both individual asset and collective levels. All individually significant assets were individually assessed for impairment. Those found not to be impaired were then collectively assessed for any impairment that had been incurred but not yet individually identified. Assets that were not individually significant were collectively assessed for impairment. Collective assessment was carried out by grouping together assets with similar risk characteristics.

In assessing collective impairment, the Group used historical information on the timing of recoveries and the amount of loss incurred, and made an adjustment if current economic and credit conditions were such that the actual losses were likely to be greater or lesser than suggested by historical trends.

An impairment loss was calculated as the difference between an asset's carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses were recognised in profit or loss and reflected in an allowance account. When the Group considered that there were no realistic prospects of recovery of the asset, the relevant amounts were written off. If the amount of impairment loss subsequently decreased and the decrease was related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss was reversed through profit or loss.

Available-for-sale financial assets: Impairment losses on available-for-sale financial assets were recognised by reclassifying the losses accumulated in the fair value reserve to profit or loss. The amount reclassified was the difference between the acquisition cost (net of any principal repayment and amortisation) and the current fair value, less any impairment loss previously recognised in profit or loss. If the fair value of an impaired available-for-sale debt security subsequently increased and the increase was related objectively to an event occurring after the impairment loss was recognised, then the impairment loss was reversed through profit or loss. Impairment losses recognised in profit or loss for an investment in an equity instrument classified as available-for-sale were not reversed through profit or loss.

iv. Derecognition and contract modification

Financial assets

The Group 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 Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

On derecognition of a financial asset, the difference between the carrying amount at the date of derecognition and the consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss. For debt investments at FVOCI and financial assets that had already been derecognised at 1 January 2024, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss. The cumulative gain or loss on equity investments designated as at FVOCI is not reclassified to profit or loss.

The Group enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised. Examples of such transactions are securities lending and sale-and-repurchase transactions.

In transactions in which the Group neither retains nor transfers substantially all of the risks and rewards of ownership of a financial asset and it retains control over the asset, the Group continues to recognise the asset to the extent of its continuing involvement, determined by the extent to which it is exposed to changes in the value of the transferred asset.

If the terms of a financial asset are modified, then the Group evaluates whether the cash flows of the modified asset are substantially different. If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognised and a new financial asset is recognised at fair value plus any eligible transaction costs. Any fees received as part of the modification are accounted for as follows.

- Fees that are considered in determining the fair value of the new asset and fees that represent reimbursement of eligible transaction costs are included in the initial measurement of the new asset.
- Other fees are included in profit or loss as part of the gain or loss on derecognition.

Notes to the Financial Statements

If cash flows are modified when the debtor is in financial difficulties, then the objective of the modification is usually to maximise recovery of the original contractual cash flows rather than to originate a new asset with substantially different terms. If the Group plans to modify a financial asset in a way that would result in forgiveness of cash flows, then it first considers whether a portion of the asset should be written off before the modification takes place (see 'Write-off' under (iii)).

If a financial asset measured at amortised cost or FVOCI is modified but not substantially, then the financial asset is not derecognised. If the asset had not been derecognised at 1 January 2024, then the Group recalculates the gross carrying amount of the financial asset by discounting the modified contractual cash flows at the original effective interest rate and recognises the resulting adjustment to the gross carrying amount as a modification gain or loss in profit or loss. For floating-rate financial assets, the original effective interest rate used to calculate the modification gain or loss is adjusted to reflect current market terms at the time of the modification. If such a modification is carried out because of financial difficulties of the borrower (see (iii)), then the gain or loss is presented together with impairment losses; in other cases, it is presented as interest revenue. Any costs or fees incurred and modification fees received adjust the gross carrying amount of the modified financial asset and are amortised over the remaining term of the modified financial asset.

Financial liabilities

The Group generally derecognises a financial liability when its contractual obligations expire or are discharged or cancelled. The Group also derecognises 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 recognised 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 recognised in profit or loss.

Notwithstanding the above, when, and only when, the Group repurchases its financial liability and includes it as an underlying item of direct participating contracts, the Group may elect not to derecognise the financial liability. Instead, the Group may elect to continue to account for that instrument as a financial liability and to account for the repurchased instrument as if it were a financial instrument-by asset and measure it at FVTPL. This election is irrevocable and is made on an instrument basis.

If a financial liability measured at amortised cost is modified but not substantially, then it is not derecognised.

- For financial liabilities that had not been derecognised at 1 January 2024, the Group recalculates the amortised cost of the financial liability by discounting the modified contractual cash flows at the original effective interest rate and recognises any resulting adjustment to the amortised cost as a modification gain or loss in 'other finance costs' in profit or loss. For floating-rate financial liabilities, the original effective interest rate used to calculate the modification gain or loss is adjusted to reflect current market terms at the time of the modification. Any costs and fees incurred adjust the carrying amount of the modified financial liability and are amortised over the remaining term of the modified financial liability.

- For financial liabilities that had been derecognised at 1 January 2024, the Group recognised any difference in present value as an adjustment to the effective interest rate and amortised it over the remaining life of the modified financial liability, with no immediate gain or loss recognised.

v. Cash and cash equivalents

Cash and cash equivalents include cash balances, unrestricted balances held with banks and highly liquid financial assets with original maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value, and are used by the Group in the management of its short term commitment. For cash flow purposes, cash and cash equivalents represent balances held with banks in Nigeria, placements with financial institutions and treasury bills with maturities of less than 90 days.

vii. Offsetting

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

Income and expenses are presented on a net basis only when it is required or permitted by a standard - e.g. gains and losses arising from a group of similar transactions such as the gains and losses on financial assets measured at FVTPL.

Notes to the Financial Statements

3.8 Trade receivables

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

3.9 Foreign currency transactions

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. Foreign currency differences are generally recognised in profit or loss.

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.

3.10 Other Insurance related liabilities

Other insurance related liabilities refers to financial obligations arising from the group's insurance business that are basically outside the scope of the definition of insurance contracts. The group consistently evaluates these liabilities and measures them at fair value at each reporting date.

Trade and other payables

Trade payables

Trade payables are recognized when due. These include amounts due to agents, reinsurers and co-assurers. 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.

Other payables and Accruals

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.

3.11 Other receivables and prepayments

Other receivables principally consist of accrued income, intercompany receivable and sundry debtors. Prepayments are essentially prepaid rents, prepaid insurance and other prepaid balances. Other receivables are measured at amortised cost.

3.12 Investment properties

Investment properties are properties held to earn rentals or for capital appreciation (including property under construction for such) 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 Group 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.

Notes to the Financial Statements

3.13 Property and equipment

Recognition and measurement

Items of property and equipment are measured at cost less accumulated depreciation and impairment losses if any except for land and building which is carried at revalued amount. When Land and Building are revalued, any accumulated depreciation at the date of the revaluation is eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount.

Cost includes expenditure that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalised borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalised as part of equipment. When parts of an item of property or equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

Subsequent costs

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

Depreciation

Depreciation is recognised in the statement of profit or loss and other comprehensive income on a straight-line basis to write down the cost of each asset, to their residual values over the estimated useful lives of each part of an item of property and equipment. Leased assets under finance lease are depreciated over the shorter of the lease term and their useful lives. Depreciation begins when an asset is available for use and ceases at the earlier of the date that the asset is derecognised or classified as held for sale in accordance with IFRS 5. Available for use is the date the asset is available for use. A non-current asset or disposal group is not depreciated while it is classified as held for sale.

Depreciation is calculated over their estimated useful lives at the following rates:

Land	Not depreciated
Building	50 years
Leasehold improvements	Over the shorter of the useful life of the item or the lease period
Office equipments	4 years
Plant	4 years
Furniture and fittings	5 years
Computer equipment	3 years
Motor vehicles	4 years

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

De-recognition

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

Impairment

Assets that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell or the value in use.

3.14 Intangible assets

Computer software

Software acquired by the Group is stated at cost less accumulated amortisation and accumulated impairment losses. Expenditure on internally developed software is recognised as an asset when the Group is able to demonstrate its intention and ability to complete the development and use the software in a manner that will generate future economic benefits and can reliably measure the costs to complete the development. The capitalised costs of internally developed software include all costs directly attributable to developing the software and are amortised over its useful life. Internally developed software is stated at capitalised cost less accumulated amortisation and impairment. Subsequent expenditure on software assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful life of the software, from the date that it is available for use since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful life of software is five years. Amortisation method, useful lives, and residual values are reviewed at each financial year-end and adjusted if appropriate.

Intangible assets are derecognised on disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition is included in profit or loss in the year the asset is derecognised.

Notes to the Financial Statements

3.15 Impairment of non-financial assets

The carrying amounts of the Group's non-financial assets other than deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable group of assets that generates cash flows that are largely independent from other assets. Impairment losses are recognised in profit or loss.

The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3.16 Income and deferred tax

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted at the reporting date. Current tax also includes any tax arising from dividends.

Minimum tax

The Company is subject to the Finance Act (amendments made to Companies Income Tax Act (CITA)). Total amount of tax payable under the new Finance Act shall not be less than 0.5% of the Company's gross premium. Taxes based on taxable profit for the period are treated as income tax in line with IAS 12; whereas Minimum tax which is based on a gross amount is outside the scope of IAS 12 and therefore, are not presented as part of income tax expense in the profit or loss.

Where the minimum tax charge is higher than the Company Income Tax (CIT), a hybrid tax situation exists. In this situation, the CIT is recognized in the income tax expense line in the profit or loss and the excess amount is presented above the income tax line as Minimum tax.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

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

In determining the amount of current and deferred tax, the Group considers the impact of tax exposures, including whether additional taxes and interest may be due. This assessment relies on estimates and assumptions and may involve a series of judgments about future events. New information may become available that causes the Group to change its judgment regarding the adequacy of existing tax liabilities; such changes to tax liabilities would impact tax expense in the period in which such a determination is made.

3.17 Statutory deposits

Statutory deposits are cash balances held with the Central Bank of Nigeria (CBN) in compliance with the Insurance Act 2003. The deposits are only available as a last resort to the Group if it goes into liquidation. Statutory deposits are measured at amortised cost.

3.18 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 securities and insurance funds hypothecated to policyholders are distinguished from those owned by the shareholders. The assets hypothecated are shown in note 43 of the financial statements.

Notes to the Financial Statements

3.19 Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and where appropriate, the risks specific to the liability.

A provision for restructuring is recognised when the Group has approved a detailed and formal restructuring plan, and the restructuring either has commenced or has been announced publicly. Future operating costs are not provided for.

A provision for onerous contracts is recognised when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract.

3.20 Employee benefits

Short-term employee benefits/Personnel expenses

Staff benefits such as wages, salaries and other benefits are recognized as employee benefit expenses. Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A provision is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Defined contribution plans

Obligations for contributions to defined contribution pension plans are recognised as an expense in profit or loss when they are due in respect of service rendered before the end of the reporting period. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available. The Group contributes to a defined contribution pension scheme for its employees. Obligations in respect of the Group's contributions to the scheme are recognised as an expense in the profit or loss account on an annual basis. The employee and the Group contribute 8% and 10% respectively of basic salary, housing, and transport allowance to each employee's retirement savings account maintained with their nominated Pension Fund Administrators in line with the Pension Reform Act 2014 and circulars of the National Pension Commission.

Termination benefits

Termination benefits are payable whenever an employee's employment is terminated before the normal retirement date or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognizes termination benefits when it is demonstrably committed either to terminate the employment of current employees according to a detailed formal plan without possibility of withdrawal, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy if it is probable that the offer will be accepted and the number of acceptances can be estimated. Benefits falling due more than 12 months after balance sheet date are discounted to present value.

Post employment benefits

The Group operates a defined contributory retirement scheme as stipulated in the Pension Reform Act 2014. Under the defined contribution scheme, the Group pays fixed contributions of 10% to a separate entity – Pension Fund Administrators; employees also pay 8% to the same entity. Once the contributions have been paid, the Group retains no legal or constructive obligation to pay further contributions if the Fund does not hold enough assets to finance benefits accruing under the retirement benefit plan. The Group's obligations are recognised in the statement of comprehensive income.

3.21 Earnings/loss per share

The Group presents basic and diluted earnings per share (EPS) for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares. Earnings per share is determined by dividing the profit or loss attributable to ordinary shareholders by the weighted number of ordinary shares adjusted for any bonus shares issued.

Notes to the Financial Statements

3.22 Leases

Determining the lease term of contracts with renewal and termination options – Company as lessee

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

The Company included the renewal period as part of the lease term for leases of office spaces and plant and machinery with shorter non-cancellable period (i.e., three to five years) where this is expressly stated in the lease contract or enforceable at law per the lease contract. The Company typically exercises its option to renew for these leases because there will be a significant negative effect on its operation if a replacement asset is not readily available. The renewal periods for leases of office spaces are not included as part of the lease term as these are not reasonably certain to be exercised.

Furthermore, the periods covered by termination options are included as part of the lease term only when they are reasonably certain not to be exercised.

Property lease classification – Company as lessor

The Group has entered into commercial property leases on its investment property portfolio. The Company has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life of the commercial property and the present value of the minimum lease payments not amounting to substantially all of the fair value of the commercial property, that it retains all the significant risks and rewards of ownership of these properties and accounts for the contracts as operating leases.

3.23 Segment reporting

Operating segments are identified and reported in consonance with the internal reporting policy of the Group that are regularly reviewed by the Chief Executive who allocates resources to the segment and assesses their performance thereof.

The Group's reportable segments, for management purpose, are organized into business units based on the products and services offered as follows:

- Non-life insurance
- Life insurance
- Takaful insurance
- Fin Insurance
- Leasing
- Life deposit administration/investment contracts

3.24 Contingent liabilities and assets

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or the Group has a present obligation as a result of past events which is not recognized because it is not probable that an outflow of resources will be required to settle the obligation; or the amount cannot be reliably estimated. Contingent liabilities normally comprise of legal claims under arbitration or court process in respect of which a liability may crystallize.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingent assets are never recognised but are disclosed in the financial statements when they arise.

Notes to the Financial Statements

3.25 Share capital and other reserves

Share capital

Shares are classified as equity when there is no obligation to transfer cash or other assets. Incremental costs directly attributable to the issue of equity instruments are shown in equity as a deduction from the proceeds, net of tax.

Where any of the Group entities purchases the Company's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes), is deducted from equity attributable to the Company's equity holders. Where such shares are subsequently sold, reissued or otherwise disposed of, any consideration received is included in equity attributable to the Company's equity holders, net of any directly attributable incremental transaction costs and the related income tax effects.

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.

Treasury shares

Own equity instruments which are acquired (treasury shares) are deducted from equity. No gain or loss is recognised in the income statement on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount and the consideration is recognised in other capital reserves. Voting rights related to treasury shares are nullified for the Group and no dividends are allocated to them respectively.

Retained earnings/Accumulated deficit

Retained earnings/Accumulated losses comprises undistributed profit/(loss) from previous years and the current year. Retained earnings/Accumulated losses is classified as part of equity in the statement of financial position.

Contingency reserve

The Nigerian Insurance regulations require the Group to make an annual appropriation to a statutory reserve. As stipulated by section 21(1) of Insurance Act 2003, the contingency reserve for Non-life insurance business is credited with the greater of 3% of total premium, or 20% of the net profits. This shall accumulate until it reaches the greater of minimum paid-up capital and 50% percent of the net premium. For life business, the contingency reserve is credited with an amount equal to 1% of gross premium or 10% of net profit (whichever is greater) and accumulated until it reaches the amount of minimum paid-up capital.

Fair value reserve

The fair value reserve comprises the cumulative net change in the fair value of FVOCI financial assets until the assets are derecognised or impaired.

3.26 Discontinued

For discontinued operations, the Group presents discontinued operations in a separate line in the Income statement if an entity or a component of an entity has been disposed of or is classified as held for sale and: (a) represents a separate major line of business or geographical area of operations; (b) is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or (c) is a subsidiary acquired exclusively with a view to resale. Net profit from discontinued operations includes the net total of operating profit and loss before tax from operations, including net gain or loss on sale before tax or measurement to fair value less costs to sell and discontinued operations tax expense. A component of an entity comprises operations and cash flows that can be clearly distinguished, operationally and for financial reporting purposes, from the rest of the Group's operations and cash flows. If an entity or a component of an entity is classified as a discontinued operation, the Group restates prior periods in the Income statement.

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

For the period ended

<i>In thousands of naira</i>	<i>Note</i>	Group 31-Mar-25	Group 31-Mar-24	Company 31-Mar-25	Company 31-Mar-24
Insurance revenue	24(a)	11,186,060	7,956,626	8,498,401	6,107,866
Insurance service expense	24(a)	(7,447,816)	(4,702,589)	(5,639,978)	(3,606,871)
Net expenses from reinsurance contracts held	25	(472,667)	(2,319,211)	(197,678)	(1,731,925)
Insurance service result		3,265,577	934,826	2,660,746	769,070
Interest revenue using effective interest rate method	28	1,146,201	484,449	799,146	400,157
Other investment income	30	7,645	9,647	7,645	9,648
Net gain from foreign exchange	31	1,183,894	17,523,774	1,170,752	10,671,291
Impairment losses on financial assets	33	(22,598)	-	(22,598)	-
Investment return		2,497,743	18,017,870	1,954,945	11,081,096
Net finance expenses from insurance contracts issued	26	(251,552)	987,219	(251,552)	987,219
Net finance income from reinsurance contracts held	27	(806,878)	(20,096)	(806,878)	(20,096)
Net insurance finance expenses		(1,058,430)	967,123	(1,058,430)	967,123
Net financial result		1,439,314	18,984,993	896,516	12,048,219
Other operating income	32	963	-	566	-
Management Expenses	34	(2,840,040)	(1,739,676)	(2,095,794)	(1,448,130)
Profit/(Loss) before minimum tax		1,865,813	18,180,143	1,462,034	11,369,159
Minimum tax	21(a)	-	-	-	-
Profit/(Loss) before tax		1,865,813	18,180,143	1,462,034	11,369,158
tax expense	21(a)	(219,361)	(1,281,264)	(219,361)	(957,167)
Profit/(Loss) for the year		1,646,452	16,898,880	1,242,673	10,411,992
Other comprehensive income					
<i>Items that are or may be reclassified subsequently to profit or loss</i>					
Debt securities at FVOCI					
Changes on Net change in fair value		499,422	423,429	280,102	441,482
Credit losses Expected credit losses		18,514	-	18,514	-
		517,936	423,429	298,617	441,482
<i>Items that will not be reclassified to profit or loss</i>					
Other comprehensive income/ (loss), net of tax		517,936	423,429	298,617	441,482
Total comprehensive income/(loss) for the year		2,164,389	17,322,309	1,541,289	10,853,474
Attributable to owners of the company		2,150,009	17,173,645	1,541,289	10,853,474
Attributable to non-controlling interest		14,380	148,665	-	-
		2,164,389	17,322,310	1,541,289	10,853,474
Basic and diluted earnings/(loss) per share (Kobo)		9	93	7	58

The material accounting policies and the accompanying notes form an integral part of these consolidated and separate financial statements.

Consolidated and Separate Statements of Profit or Loss and Other Comprehensive Income
For the period 1 January 2025 to 31 March 2025

<i>In thousands of naira</i>	<i>Note</i>	Group 31-Mar-25	Group 31-Mar-24	Company 31-Mar-25	Company 31-Mar-24
Insurance revenue	24(a)	11,186,060	7,956,626	8,498,401	6,107,866
Insurance service expense	24(a)	(7,447,816)	(4,702,589)	(5,639,978)	(3,606,871)
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Insurance service result		3,265,577	934,826	2,660,746	769,070
Interest revenue using effective interest rate method	28	1,146,201	484,449	799,146	400,157
Other investment income	30	7,645	9,647	7,645	9,648
Net gain from foreign exchange	31	1,183,894	17,523,774	1,170,752	10,671,291
Impairment losses on financial assets	33	(22,598)	-	(22,598)	-
Investment return		2,497,743	18,017,870	1,954,945	11,081,096
Net finance expenses from insurance contracts issued	26	(251,552)	987,219	(251,552)	987,219
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Net insurance finance expenses		(1,058,430)	967,123	(1,058,430)	967,123
Net financial result		1,439,314	18,984,993	896,516	12,048,219
Other operating income	32	963	-	566	-
Management Expenses	34	(2,840,040)	(1,739,676)	(2,095,794)	(1,448,130)
Profit/(Loss) before minimum tax		1,865,813	18,180,143	1,462,034	11,369,159
Minimum tax	21(a)	-	-	-	-
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tax expense	21(a)	(219,361)	(1,281,264)	(219,361)	(957,167)
Profit/(Loss) for the year		1,646,452	16,898,880	1,242,673	10,411,992
Other comprehensive income					
<i>Items that are or may be reclassified subsequently to profit or loss</i>					
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Total comprehensive income/(loss) for the year		2,164,389	17,322,309	1,541,289	10,853,474
Attributable to owners of the company		2,150,009	17,173,645	1,541,289	10,853,474
Attributable to non-controlling interest		14,380	148,665	-	-
		2,164,389	17,322,310	1,541,289	10,853,474
Basic and diluted earnings/(loss) per share (Kobo)		9	93	7	58

The material accounting policies and the accompanying notes form an integral part of these consolidated and separate financial statements.

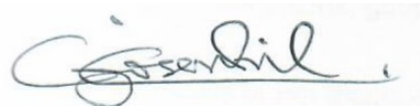
Consolidated and Separate Statements of Financial Position

As at

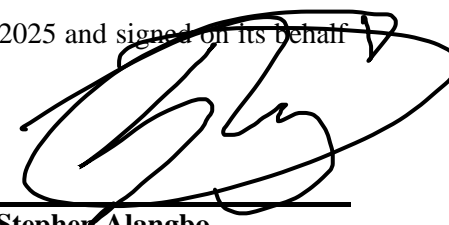
<i>In thousands of naira</i>	Note	Group		Company	
		31-Mar-25	31-Dec-24	31-Mar-25	31-Dec-24
Assets					
Cash and cash equivalents	6	24,324,333	24,061,223	8,439,188	7,341,944
Financial assets					
- measured at FVOCI	7	41,638,440	40,925,655	39,917,593	39,380,009
- measured at FVTPL	7	23,578,618	22,430,538	22,198,923	21,248,306
- measured at amortised cost	7	12,677,135	13,015,609	153,967	148,738
Premium receivables	8	2,060,908	549,140	418,146	322,551
Other receivables and prepayments	9	1,847,926	1,274,283	1,188,784	959,274
Reinsurance contract assets	13	14,116,483	12,690,523	11,004,200	9,136,456
Deferred tax assets	21(c)	-	-	-	-
Investment in subsidiaries	11	-	-	4,989,847	4,989,847
Investment properties	12	765,000	872,000	-	-
Property and equipment	15	4,304,728	4,323,243	1,881,335	1,901,208
Intangible assets	16	14,021	15,172	9,143	9,726
Statutory deposit	17	1,200,000	1,200,000	500,000	500,000
Total Assets		126,527,593	121,357,385	90,701,125	85,938,057
Liabilities					
Insurance contract liabilities	14	49,155,915	45,144,044	42,612,424	37,837,078
Investment contract liabilities	18	964,215	1,053,426	751,793	730,382
Other insurance related liabilities	19	2,400,147	4,659,561	1,948,345	3,417,237
Other payables and accruals	20	5,787,858	4,661,986	3,493,325	3,816,113
Current tax liabilities	21(b)	1,144,777	925,416	1,259,588	1,040,227
Deferred tax liabilities	21(c)	4,478,033	4,478,032	859,434	859,434
Employees benefit obligations	22	4,387	7,048	4,387	7,048
Total liabilities		63,935,332	60,929,512	50,929,296	47,707,519
Equity					
Share capital	23(a)	9,083,196	9,083,196	9,083,197	9,083,196
Share premium	23(b)	183,165	183,165	183,165	183,165
Treasury shares	23(c)	(67,130)	(67,130)	(67,130)	(67,130)
Contingency reserve	23(e)	14,683,343	11,945,982	8,450,953	8,081,155
Fair value and other reserves	23(f)	6,402,657	5,884,721	4,257,790	3,959,174
Retained Earnings/(losses)	23(d)	31,513,127	32,618,415	17,863,853	16,990,979
Equity attributable to owners of the company		61,798,358	59,648,349	39,771,829	38,230,538
Non-controlling interest	23(g)	793,903	779,523	-	-
Total equity		62,592,261	60,427,872	39,771,829	38,230,538
Total liabilities and equity		126,527,593	121,357,384	90,701,125	85,938,057

The material accounting policies and the accompanying notes form an integral part of these consolidated and separate financial statements.

These consolidated and separate financial statements were approved by the Board on 29 April 2025 and signed on its behalf by:



Mr. Jubril Ajose
Chief Financial Officer
FRC/2013/ICAN/00000003148



Mr. Stephen Alangbo
Managing Director/CEO
FRC/2017/PRO/DIR/003/0000001

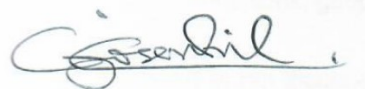
Consolidated and Separate Statements of Financial Position

As at

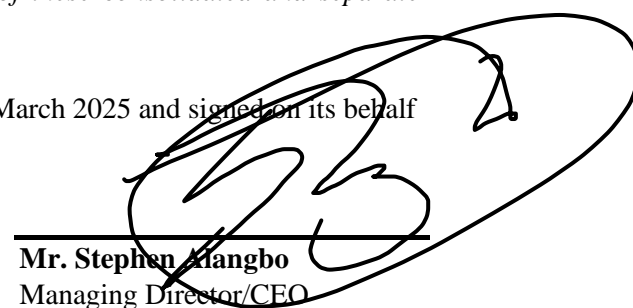
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		31-Mar-25	31-Dec-24	31-Mar-25	31-Dec-24
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Financial assets					
- measured at FVOCI	7	41,638,440	40,925,655	39,917,593	39,380,009
- measured at FVTPL	7	23,578,618	22,430,538	22,198,923	21,248,306
- measured at amortised cost	7	12,677,135	13,015,609	153,967	148,738
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Investment in subsidiaries	11	-	-	4,989,847	4,989,847
Investment properties	12	765,000	872,000	-	-
Property and equipment	15	4,304,728	4,323,243	1,881,335	1,901,208
Intangible assets	16	14,021	15,172	9,143	9,726
Statutory deposit	17	1,200,000	1,200,000	500,000	500,000
Total Assets		126,527,593	121,357,385	90,701,125	85,938,057
Liabilities					
Insurance contract liabilities	14	49,155,915	45,144,044	42,612,424	37,837,078
Investment contract liabilities	18	964,215	1,053,426	751,793	730,382
Other insurance related liabilities	19	2,400,147	4,659,561	1,948,345	3,417,237
Other payables and accruals	20	5,787,858	4,661,986	3,493,325	3,816,113
Current tax liabilities	21(b)	1,144,777	925,416	1,259,588	1,040,227
Deferred tax liabilities	21(c)	4,478,033	4,478,032	859,434	859,434
Employees benefit obligations	22	4,387	7,048	4,387	7,048
Total liabilities		63,935,332	60,929,512	50,929,296	47,707,519
Equity					
Share capital	23(a)	9,083,196	9,083,196	9,083,197	9,083,196
Share premium	23(b)	183,165	183,165	183,165	183,165
Treasury shares	23(c)	(67,130)	(67,130)	(67,130)	(67,130)
Contingency reserve	23(e)	14,683,343	11,945,982	8,450,953	8,081,155
Fair value and other reserves	23(f)	6,402,657	5,884,721	4,257,790	3,959,174
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Non-controlling interest	23(g)	793,903	779,523	-	-
Total equity		62,592,261	60,427,872	39,771,829	38,230,538
Total liabilities and equity		126,527,593	121,357,384	90,701,125	85,938,057

The material accounting policies and the accompanying notes form an integral part of these consolidated and separate financial statements.

These consolidated and separate financial statements were approved by the Board on 21 March 2025 and signed on its behalf



Mr. Jubril Ajose
Chief Financial Officer
FRC/2013/ICAN/00000003148



Mr. Stephen Aiangbo
Managing Director/CEO
FRC/2017/PRO/DIR/003/0000001

Consolidated and Separate Statements of Changes in Equity

For the year ended 31 March 2025

Group

<i>In thousands of naira</i>	Share Capital	Share Premium	Treasury Shares	Contingency Reserve	Fair value and other reserves	Retained Earnings	Shareholders' Equity	Non Controlling Interest	Total
At 1 January 2024	9,083,196	183,165	(67,130)	11,945,982	5,884,721	32,618,415	59,648,349	779,524	60,427,873
Total comprehensive income for the year									
Profit for the year	-	-	-	-	-	1,632,073	1,632,073	14,380	1,646,452
Revaluation gain on property and equipment	-	-	-	-	-	-	-	-	-
ECL on FVOCI securities	-	-	-	-	18,514	-	18,514	-	18,514
Fair value changes on FVOCI securities	-	-	-	-	499,422	-	499,422	-	499,422
Total other comprehensive income for the year	-	-	-	-	517,936	1,632,073	2,150,009	14,380	2,164,389
<i>Transactions with owners, recorded directly in equity</i>									
Transfer to contingency reserve	-	-	-	2,737,361	-	(2,737,361)	-	-	-
Dividend paid	-	-	-	-	-	-	-	-	-
Total contributions by and distributions to equity holders	-	-	-	2,737,361	-	(2,737,361)	-	-	-
Balance as at 31 March 2025	9,083,196	183,165	(67,130)	14,683,343	6,402,657	31,513,127	61,798,357	793,904	62,592,261

For the year ended 31 March 2024

Group

<i>In thousands of naira</i>	Share Capital	Share Premium	Treasury Shares	Contingency Reserve	Fair value and other reserves	Retained Earnings	Shareholders' Equity	Non Controlling Interest	Total
At 1 January 2024 (as previously reported)	9,083,196	183,165	(67,130)	7,833,733	2,301,359	14,122,858	33,457,180	461,592	33,918,772
	9,083,196	183,165	(67,130)	7,833,733	2,301,359	14,122,858	33,457,180	461,592	33,918,772
Total comprehensive income for the year									
Profit for the year	-	-	-	-	-	16,288,624	16,288,624	137,330	16,425,954
Fair value changes on FVOCI securities	-	-	-	-	423,429	-	423,429	11,335	434,764
	-	-	-	-	-	-	-	-	-
Total other comprehensive income for the year	-	-	-	-	423,429	16,288,624	16,712,053	148,665	16,860,718
<i>Transactions with owners, recorded directly in equity</i>									
Transfer to contingency reserve	-	-	-	1,788,568	-	(1,788,568)	-	-	-
Total contributions by and distributions to equity holders	-	-	-	1,788,568	-	(1,788,568)	-	-	-
Balance as at 31 March 2024	9,083,196	183,165	(67,130)	9,622,301	2,724,788	28,622,914	50,169,233	610,257	50,779,491

For the year ended 31 December 2024
Group

<i>In thousands of naira</i>	Share Capital	Share Premium	Treasury Shares	Contingency Reserve	Fair value and other reserves	Retained Earnings	Shareholders' Equity	Non Controlling Interest	Total
As at 1 January 2024, as previously reported									
Adjustment on initial application of IFRS 9 & IFRS 17 (net of tax)									
Restated balance as at 1 January 2024	9,083,196	183,165	(67,130)	7,833,733	2,301,359	14,122,858	33,457,180	461,592	33,918,772
Total comprehensive income for the year									
Profit for the year	-	-	-	-	-	25,514,429	25,514,429	310,223	25,824,652
Revaluation gain on property and equipment	-	-	-	-	528,408	-	528,408	-	528,408
ECL on FVOCI securities	-	-	-	-	261,402	-	261,402	-	261,402
Fair value changes on FVOCI securities	-	-	-	-	2,793,552	-	2,793,552	7,709	2,801,261
Total other comprehensive income for the year	-	-	-	-	3,583,362	25,514,429	29,097,791	317,932	29,415,723
Transactions with owners, recorded directly in equity									
Transfer to contingency reserve	-	-	-	4,112,249	-	(4,112,249)	-	-	-
Dividend paid	-	-	-	-	-	(2,906,623)	(2,906,623)	-	(2,906,623)
Total contributions by and distributions to equity holders	-	-	-	4,112,249	-	(7,018,872)	(2,906,623)	-	(2,906,623)
Restated balance as at 31 December 2024	9,083,196	183,165	(67,130)	11,945,982	5,884,721	32,618,415	59,648,349	779,524	60,427,873

The material accounting policies and the accompanying notes form an integral part of these consolidated and separate financial statements.

Consolidated and Separate Statements of Changes in Equity

For the year ended 31 March 2025

Company

<i>In thousands of naira</i>	Share Capital	Share Premium	Treasury Shares	Contingency Reserve	Fair value and other reserves	Retained Earnings	Shareholders' Equity	Total
At 1 January 2024	9,083,196	183,165	(67,130)	8,081,155	3,959,174	16,990,979	38,230,540	38,230,539
Total comprehensive income for the year								
Profit for the year	-	-	-	-	-	1,242,673	1,242,673	1,242,673
Revaluation gain on property and equipment	-	-	-	-	-	-	-	-
ECL on FVOCI securities	-	-	-	-	18,514	-	18,514	18,514
Fair value changes on FVOCI securities	-	-	-	-	280,102	-	280,102	280,102
Total other comprehensive income for the year	-	-	-	-	298,617	1,242,673	1,541,289	1,541,289
Transactions with owners, recorded directly in equity								
Transfer to contingency reserve	-	-	-	369,798	-	(369,798)	-	-
Dividend paid	-	-	-	-	-	-	-	-
Total contributions by and distributions to equity holders	-	-	-	369,798	-	(369,798)	-	-
Balance as at 31 March 2025	9,083,196	183,165	(67,130)	8,450,953	4,257,790	17,863,854	39,771,830	39,771,828

For the year ended 31 March 2024

Company

<i>In thousands of naira</i>	Share Capital	Share Premium	Treasury Shares	Contingency Reserve	Fair value and other reserves	Retained Earnings	Shareholders' Equity	Total
At 1 January 2024	9,083,196	183,165	(67,130)	5,864,929	682,519	6,139,264	21,885,944	21,885,943
Adjustment on initial application of IFRS 9 & IFRS 17 (net of tax)	-	-	-	-	-	-	-	-
	9,083,196	183,165	(67,130)	5,864,929	682,519	6,139,264	21,885,944	21,885,943
Total comprehensive income for the year								
Profit for the year	-	-	-	-	-	10,411,991	10,411,991	10,411,991
Fair value changes on FVOCI securities	-	-	-	-	441,482	-	441,482	441,482
Total other comprehensive income for the year	-	-	-	-	441,482	10,411,991	10,853,473	10,853,473
Transactions with owners, recorded directly in equity								
Transfer to contingency reserve	-	-	-	1,413,910	-	(1,413,910)	-	-
Total contributions by and distributions to equity holders	-	-	-	1,413,910	-	(1,413,910)	-	-
Balance as at 31 March 2024	9,083,196	183,165	(67,130)	7,278,839	1,124,001	15,137,345	32,739,418	32,739,417

For the year ended 31 December 2024
Company

In thousands of naira

	Share Capital	Share Premium	Treasury Shares	Contingency Reserve	Fair value and other reserves	Retained Earnings	Shareholders' Equity	Total
At 1 January 2024	9,083,196	183,165	(67,130)	5,864,929	682,519	6,139,264	21,885,944	21,885,943
Adjustment on initial application of IFRS 9 & IFRS 17 (net of tax)	-	-	-	-	-	-	-	-
Restated balance as at 1 January 2024	9,083,196	183,165	(67,130)	5,864,929	682,519	6,139,264	21,885,944	21,885,943
Total comprehensive income for the year								
Profit for the year	-	-	-	-	-	15,974,564	15,974,564	15,974,564
Revaluation gain on property and equipment	-	-	-	-	358,494	-	358,494	358,494
ECL on FVOCI securities	-	-	-	-	261,402	-	261,402	261,402
Fair value changes on FVOCI securities	-	-	-	-	2,656,758	-	2,656,758	2,656,758
Total other comprehensive income for the year	-	-	-	-	3,276,655	15,974,564	19,251,219	19,251,219
<i>Transactions with owners, recorded directly in equity</i>								
Transfer to contingency reserve	-	-	-	2,216,226	-	(2,216,226)	-	-
Dividend paid	-	-	-	-	-	(2,906,623)	(2,906,623)	(2,906,623)
Total contributions by and distributions to equity holders	-	-	-	2,216,226	-	(5,122,849)	(2,906,623)	(2,906,623)
Balance as at 31 December 2024	9,083,196	183,165	(67,130)	8,081,155	3,959,174	16,990,979	38,230,540	38,230,539

The material accounting policies and the accompanying notes form an integral part of these consolidated and separate financial statements.

Consolidated and Separate Statements of Cash Flows
For the period ended

		Group	Group	Company	Company
<i>In thousands of naira</i>	<i>Note</i>	31-Mar-25	31-Mar-24	31-Mar-25	31-Mar-24
Cash flows from operating activities					
Insurance premium received	44(i)	13,825,911	9,821,477	12,487,597	7,454,811
Deposit liabilities - contributions during the year	18	169,399	618,561	169,399	618,561
Deposit liabilities - withdrawals during the year	18	(277,874)	(409,400)	(167,253)	(411,422)
Reinsurance premium paid	44(iv)	(5,288,070)	(5,121,333)	(4,661,909)	(4,313,301)
Claims paid during the year	44(v)	(3,909,611)	(1,299,663)	(2,474,900)	(1,091,926)
Reinsurance claims recovered	44(vi)	1,375,206	2,339	845,852	67,862
Other operating cashflows		(6,747,939)	9,385,863	(5,878,525)	(1,066,000)
		(852,980)	12,997,842	320,260	1,258,584
Net cash flows from operating activities		(852,980)	12,997,842	320,260	1,258,584
Investing activities:					
Interest received	28	1,146,201	484,449	799,146	400,157
Dividend received	30	7,645	9,648	7,645	9,648
Purchase of property and equipment	15	(37,758)	(76,060)	(29,807)	(43,819)
Purchases of Financial assets		-	(357,897)	-	(357,897)
Proceeds from sale/disposal/redemption of financial assets		-	117,545	-	117,545
Net cash flows from investing activities		1,116,089	177,686	776,984	125,635
Financing activities:					
Dividend paid		-	-	-	-
Net cash flows from financing activities		-	-	-	-
Net increase/(decrease) in cash and cash equivalents		263,109	13,175,527	1,097,244	1,384,220
Cash and cash equivalents, beginning of the year	6	24,061,223	10,885,696	7,341,944	5,957,724
Cash and cash equivalents, end of the year		24,324,333	24,061,223	8,439,188	7,341,944

The material accounting policies and the accompanying notes form an integral part of these consolidated and separate financial statements.

Notes to the consolidated and separate financial statements

For the year ended 31 December

6 Cash and cash equivalents

<i>In thousands of naira</i>	Group		Company	
	31-Mar-25	31-Dec-24	31-Mar-25	31-Dec-24
Cash	2,351	2,386	1,950	2,085
Balances with banks	4,587,120	7,119,492	3,180,235	4,190,288
Short-term deposits	19,795,625	16,976,023	5,287,578	3,180,146
Gross	24,385,097	24,097,901	8,469,763	7,372,519
ECL Allowance	(60,764)	(36,678)	(30,576)	(30,576)
	24,324,333	24,061,223	8,439,188	7,341,944
Current	24,324,333	24,061,223	8,439,188	7,341,944
Non-current	-	-	-	-
	24,324,333	24,061,223	8,439,188	7,341,944

The short-term deposits are made for varying periods of between one day and ninety days, depending on the immediate cash requirements of the Group. The carrying amounts disclosed above reasonably approximate the fair value at the reporting date.

(i) Movement in ECL allowance

Balance, beginning of the year	36,678	8,583	30,576	8,583
Charge for the year (see note 33)	24,086	28,095	-	21,993
At 31 December	60,764	36,678	30,576	30,576

7 Financial assets

Financial Assets - FVOCI	41,638,440	40,925,655	39,917,593	39,380,009
Financial Assets - FVTPL	23,578,618	22,430,538	22,198,923	21,248,306
Financial Assets - Amortised cost	12,677,135	13,015,609	153,967	148,738
	77,894,192	76,371,801	62,270,483	60,777,052
Current	2,853,742	12,193,439	1,232,202	12,193,439
Non-current	75,040,450	64,178,362	61,038,280	48,583,613
	77,894,192	76,371,801	62,270,483	60,777,052

7.1 Financial Assets - FVOCI

Quoted equity securities	4,515,901	4,372,747	3,069,384	2,950,412
Unquoted investments	5,463,092	5,033,640	5,230,326	4,910,329
Bonds	31,659,447	31,513,606	31,617,883	31,513,606
	41,638,440	40,919,994	39,917,593	39,374,348
Impairment	-	-	-	-
	41,638,440	40,919,994	39,917,593	39,374,348

7.2 Financial Assets - FVTPL

<i>In thousands of naira</i>	Group		Company	
	31-Mar-25	31-Dec-24	31-Mar-25	31-Dec-24
Quoted equity securities	2,100,141	2,258,216	2,100,141	2,258,216
Treasury bills	477,355	-	477,355	-
Bonds	20,767,318	19,693,844	19,621,427	18,511,612
	23,344,814	21,952,060	22,198,923	20,769,827

Notes to the consolidated and separate financial statements
For the year ended 31 December

7.3	Financial Assets - Amortised cost				
	Bonds	10,712,781	10,851,513	-	-
	Loan to policy holders	211,850	206,620	211,850	206,620
	Long term placements	1,553,651	1,560,130	-	-
	Treasury bills	289,397	505,248	-	-
		12,767,679	13,123,511	211,850	206,620
	ECL Allowance on bonds (see (d)(ii))	(32,661)	(50,019)	-	-
	ECL Allowance loans (see (d)(ii))	(57,883)	(57,883)	(57,883)	(57,883)
		12,677,135	13,015,609	153,967	148,738
8.0	Premium receivables				
	Trade receivables comprise:				
	Due from brokers, agents and other insurance companies	2,060,908	549,140	418,146	322,551
	Allowance for impairment (see note (c) below)	-	-	-	-
		2,060,908	549,140	418,146	322,551
	Current	2,060,908	549,140	418,146	322,551
		2,060,908	549,140	418,146	322,551
(i)	Trade receivables by insurance institutions:				
	<i>In thousands of naira</i>	Group	Group	Company	Company
		31-Mar-25	31-Dec-24	31-Mar-25	31-Dec-24
	Due from brokers	2,060,908	549,140	418,146	322,551
	Due from other insurance companies	-	-	-	-
	Total gross amount	2,060,908	549,140	418,146	322,551
	Allowance for impairment (see note (c) below)	-	-	-	-
		2,060,908	549,140	418,146	322,551
(b)	The age analysis of gross insurance Trade receivables as at year-end is as follows:				
	<i>In thousands of naira</i>	Group	Group	Company	Company
		31-Mar-25	31-Dec-24	31-Mar-25	31-Dec-24
	Within 30 days	2,060,908	549,140	418,146	322,551
	More than 30 days (see note (i) below)	-	-	-	-
		2,060,908	549,140	418,146	322,551
9	Other receivables and prepayments				
	<i>In thousands of naira</i>	Group	Group	Company	Company
		31-Mar-25	31-Dec-24	31-Mar-25	31-Dec-24
	Non-financial				
	Prepaid rent (see note (h) below)	81,730	58,221	76,456	46,956
	Withholding tax receivable	63,861	63,539	1,347	1,347
	VAT control	213,590	215,313	213,590	215,313
	Prepaid housing allowance	112,546	99,902	112,546	99,902
	Other prepaid balances (see note (a) below)	235,983	255,995	130,934	153,261
		707,709	692,969	534,873	516,779
	Financial				
	Due from subsidiaries (see note (b) below)	-	-	43,277	46,284
	Dividend receivable	40,624	40,624	40,512	40,512
	Insurance recoverable	3,221	3,221	3,221	3,221
	Due from Staff (see note (g) below)	22,397	30,405	14,243	28,104
	Other receivables (see note (c) below)	1,123,202	556,291	601,886	373,603
		1,189,444	630,542	703,139	491,724
	Total other receivables and prepayments	1,897,153	1,323,510	1,238,012	1,008,503
	Allowance for impairment (see note (d) below)	(49,228)	(49,228)	(49,228)	(49,228)
		1,847,926	1,274,283	1,188,784	959,274
	Current	1,847,926	1,274,283	1,188,784	959,274
	Non-current	-	-	-	-
		1,847,926	1,274,283	1,188,784	959,274

Notes to the consolidated and separate financial statements
For the year ended 31 December

10 Investment in joint venture

This represent the Company's investment in joint venture, Mingol Properties Ltd after the liquidation of CAP Phoenix Limited.

(a) The movement in the investment in joint venture is as follows:

<i>In thousands of naira</i>	Group 31-Mar-25	Group 31-Dec-24	Company 31-Mar-25	Company 31-Dec-24
Balance, beginning of the year	-	510	-	280
Additional cash paid for equity interest during the year	-	-	-	-
Receivable from Mingol Properties Ltd (see note (b) below)	-	-	-	-
Received from Mingol Properties/liquidation	-	(510)	-	(280)
Current year share of profit/ (loss) of	-	-	-	-
Exchange gain	-	-	-	-
Dividends paid during the year	-	-	-	-
Balance, end of the year	-	-	-	-

11 Investment in subsidiaries

<i>In thousands of naira</i>	Group 31-Mar-25	Group 31-Dec-24	Company 31-Mar-25	Company 31-Dec-24
Fin Insurance Company Limited (see note (a)(i) below)	-	-	3,154,748	3,154,748
Hilal Takaful Nigeria Limited previously called Cornerstone Takaful Nigeria Limited (see note (a)(ii))	-	-	1,835,099	1,835,099
	-	-	4,989,847	4,989,847
Impairment allowance (see note (a) below)	-	-	-	-
	-	-	4,989,847	4,989,847
Current	-	-	-	-
Non-current	-	-	4,989,847	4,989,847
	-	-	4,989,847	4,989,847

(a)(i) **Fin Insurance Company Limited**

<i>In thousands of naira</i>	Group 31-Mar-25	Group 31-Dec-24	Company 31-Mar-25	Company 31-Dec-24
Balance, beginning of the year	-	-	3,154,748	3,154,748
Addition during the year	-	-	-	-
	-	-	3,154,748	3,154,748

(a)(ii) In the year 2020, the Company discontinued its Takaful Insurance business segment following the approval and license to operate Takaful Insurance as a separate stand alone Company. Consequently, the net asset of NGN466.09million for Takaful Insurance on the date of discontinuation were derecognised against investment in the newly formed Takaful Company which is a In the year 2024 Cornerstone Insurance Plc deposit for shares of N1.2billion was converted to shares in Hilal Takaful Ltd in line with the Board approval of 4 December 2024.

Hilal Takaful Nigeria Ltd

<i>In thousands of naira</i>	Group 31-Mar-25	Group 31-Dec-24	Company 31-Mar-25	Company 31-Dec-24
Balance, beginning of the year	-	-	1,835,099	1,835,099
Addition during the year	-	-	-	-
	-	-	1,835,099	1,835,099

Notes to the consolidated and separate financial statements

For the year ended 31 December

(b) Principal subsidiary undertakings

The Group is controlled by Cornerstone Insurance Plc ("the Parent Company") which is incorporated in Nigeria. The controlling interests of Cornerstone Insurance Plc in the group entities are as follows:

Company name	Country of incorporation	Nature of business	% equity holdings
Fin Insurance Company Limited	Nigeria	Non-life insurance	96.68%
Hilal Takaful Nigeria Limited previously called Cornerstone Takaful Nigeria	Nigeria	Takaful Insurance	100.00%

(c) Other information on subsidiaries

- (ii)** Fin Insurance Company Limited is a private limited liability company incorporated in Nigeria and its primary activity is the provision of Non-life insurance business. Cornerstone Insurance Plc acquired 96.68% equity interest in Fin Insurance Company Limited in 2015. The acquisition was made in a bid to increase the market share of the Non-life Insurance business of the entity. The Company's primary place of business is Lagos, Nigeria. The proportion of the equity interest of the Company owned by the non-controlling interest is 3.32%.

(d) Significant restrictions

The Group does not have significant restrictions on its ability to access or use its assets and settle its liabilities other than those resulting from the regulatory frameworks under which the insurance business operates. The regulatory frameworks require all insurance companies to maintain certain levels of regulatory capital and liquid assets and comply with other ratios such as the solvency margin.

12 Investment properties

<i>In thousands of naira</i>	Group 31-Mar-25	Group 31-Dec-24	Company 31-Mar-25	Company 31-Dec-24
Balance, beginning of the year	872,000	680,000	-	-
Fair value gains	(107,000)	85,000	-	-
Balance, end of the year	765,000	872,000	-	-
Current	-	-	-	-
Non-current	765,000	872,000	-	-
	765,000	872,000	-	-

The balance in this account can be analysed as follows:

<i>In thousands of naira</i>	Group 31-Mar-25	Group 31-Dec-24	Company 31-Mar-25	Company 31-Dec-24
Cost	765,000	292,000	-	-
Fair value gain	-	580,000	-	-
	765,000	872,000	-	-

Notes to the Financial Statements

13 Reinsurance contract assets

<i>In thousands of naira</i>	Group 31-Mar-25	Group 31-Dec-24	Company 31-Mar-25	Company 31-Dec-24
Assets for Remaining Coverage (Note 13a)	9,870,507	7,326,071	7,287,487	5,419,743
Amount Recoverable for Incurred Claims (Note 13a)	4,245,976	5,364,452	3,716,713	3,716,713
	14,116,483	12,690,523	11,004,200	9,136,456
Current	9,870,507	7,326,071	7,287,487	5,419,743
Non-current	4,245,976	5,364,452	3,716,713	3,716,713

Notes to the Financial Statements

14 Insurance contract liabilities

Reconciliation of the measurement components of insurance contract balances for the Group

LIFE		NON LIFE		GROUP TOTAL
31st March 2025		31st March 2025		
Liabilities for remaining coverage (LRC):	¥'000	Liabilities for remaining coverage (LRC):	¥'000	¥'000
Best estimate liability	14,829,496	Best estimate liability	-	14,829,496
Risk adjustment	201,508	Risk adjustment	-	201,508
Contractual service margin	3,254,577	Contractual service margin	-	3,254,577
LRC	18,285,580	LRC	-	18,285,580
Unearned premium reserve	18,285,580	Unearned premium reserve	13,263,489	31,549,070
Deferred acquisition cost	-	Deferred acquisition cost	-	-
Excluding loss component	18,285,580	Excluding loss component	13,263,489	31,549,070
Loss component	-	Loss component	-	-
LRC	18,285,580	LRC	13,263,489	31,549,070
Liabilities for incurred claims (LIC):		Liabilities for incurred claims (LIC):		
Incurred claims	3,009,956	Incurred claims	-	3,009,956
Estimated PV of FCF	-	Estimated PV of FCF	13,096,989	13,096,989
Risk adjustment	-	Risk adjustment	1,499,901	1,499,901
LIC	3,009,956	LIC	14,596,890	17,606,846
Total insurance contract liabilities	21,295,536	Total insurance contract liabilities	27,860,379	49,155,915
31st December 2024		31st December 2024		
Liabilities for remaining coverage (LRC):		Liabilities for remaining coverage (LRC):		
Best estimate liability	11,416,217	Best estimate liability	-	11,416,217
Risk adjustment	201,508	Risk adjustment	-	201,508
Contractual service margin	3,254,577	Contractual service margin	-	3,254,577
LRC	14,872,301	LRC	-	14,872,301
Unearned premium reserve	14,872,301	Unearned premium reserve	11,921,876	26,794,177
Deferred acquisition cost	-	Deferred acquisition cost	-	-
Excluding loss component	14,872,301	Excluding loss component	11,921,876	26,794,177
Loss component	-	Loss component	-	-
LRC	14,872,301	LRC	11,921,876	26,794,177
Liabilities for incurred claims (LIC):		Liabilities for incurred claims (LIC):		
Incurred claims	3,009,956	Incurred claims	-	3,009,956
Estimated PV of FCF	-	Estimated PV of FCF	13,893,733	13,893,733
Risk adjustment	-	Risk adjustment	1,446,179	1,446,179
LIC	3,009,956	LIC	15,339,912	18,349,868
Total insurance contract liabilities	17,882,256	Total insurance contract liabilities	27,261,788	45,144,044

Notes to the Financial Statements

14 Insurance contract liabilities

Reconciliation of the measurement components of insurance contract balances for the Company

LIFE		NON-LIFE		COMPANY TOTAL
31st March 2025		31st March 2025		
	₹'000		₹'000	₹'000
Liabilities for remaining coverage (LRC):		Liabilities for remaining coverage (LRC):		
Best estimate liability	14,829,496	Best estimate liability	-	14,829,496
Risk adjustment	201,508	Risk adjustment	-	201,508
Contractual service margin	3,254,577	Contractual service margin	-	3,254,577
LRC	<u>18,285,580</u>	LRC	<u>-</u>	<u>18,285,580</u>
Unearned premium reserve	18,285,580	Unearned premium reserve	10,165,716	28,451,297
Deferred acquisition cost	-	Deferred acquisition cost	-	-
Excluding loss component	18,285,580	Excluding loss component	10,165,716	28,451,297
Loss component	-	Loss component	-	-
LRC	<u>18,285,580</u>	LRC	<u>10,165,716</u>	<u>28,451,297</u>
Liabilities for incurred claims (LIC):		Liabilities for incurred claims (LIC):		
Incurred claims	3,009,956	Incurred claims	-	3,009,956
Estimated PV of FCF	-	Estimated PV of FCF	9,985,989	9,985,989
Risk adjustment	-	Risk adjustment	1,165,183	1,165,183
LIC	<u>3,009,956</u>	LIC	<u>11,151,172</u>	<u>14,161,128</u>
Total insurance contract liabilities	<u>21,295,536</u>	Total insurance contract liabilities	<u>21,316,888</u>	<u>42,612,424</u>
31st December 2024		31st December 2024		
Liabilities for remaining coverage (LRC):		Liabilities for remaining coverage (LRC):		
Best estimate liability	11,416,217	Best estimate liability	-	11,416,217
Risk adjustment	201,508	Risk adjustment	-	201,508
Contractual service margin	3,254,577	Contractual service margin	-	3,254,577
LRC	<u>14,872,301</u>	LRC	<u>-</u>	<u>14,872,301</u>
Unearned premium reserve	14,872,301	Unearned premium reserve	8,803,649	23,675,950
Deferred acquisition cost	-	Deferred acquisition cost	-	-
Excluding loss component	14,872,301	Excluding loss component	8,803,649	23,675,950
Loss component	-	Loss component	-	-
LRC	<u>14,872,301</u>	LRC	<u>8,803,649</u>	<u>23,675,950</u>
Liabilities for incurred claims (LIC):		Liabilities for incurred claims (LIC):		
Incurred claims	3,009,956	Incurred claims	-	3,009,956
Estimated PV of FCF	-	Estimated PV of FCF	9,985,989	9,985,989
Risk adjustment	-	Risk adjustment	1,165,183	1,165,183
LIC	<u>3,009,956</u>	LIC	<u>11,151,172</u>	<u>14,161,128</u>
Total insurance contract liabilities	<u>17,882,256</u>	Total insurance contract liabilities	<u>19,954,821</u>	<u>37,837,078</u>

Notes to the consolidated and separate financial statements

15 Property and equipment

(a) Group

31 March 2025

<i>In thousands of naira</i>	Land	Buildings	Leasehold improvements	Motor vehicles	Equipment	Plant	Furniture & fittings	Total
Cost								
At 1 January 2025	2,524,500	1,024,044	64,877	1,515,669	855,392	47,551	251,339	6,283,372
Additions	-	-	-	-	31,373	-	6,385	37,758
Disposals	-	-	-	-	-	-	-	-
Revaluation gain	-	-	-	-	-	-	-	-
At 31 March 2025	2,524,500	1,024,044	64,877	1,515,669	886,765	47,551	257,724	6,321,130
Accumulated depreciation								
At 1 January 2025	-	-	30,073	988,794	698,188	45,891	197,183	1,960,129
Charge for the year	-	(11,384)	-	44,093	20,901	177	2,485	56,273
Revaluation adjustment	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
At 31 March 2025	-	(11,384)	30,073	1,032,887	719,089	46,068	199,669	2,016,402
Net book value								
At 31 March 2025	2,524,500	1,035,428	34,804	482,782	167,677	1,483	58,055	4,304,728
At 31 December 2023	2,524,500	1,024,044	34,804	526,875	157,205	1,660	54,155	4,323,243

Group

31 December 2024

<i>In thousands of naira</i>	Land	Buildings	Leasehold improvements	Motor vehicles	Equipment	Plant	Furniture & fittings	Total
Cost								
At 1 January 2024	2,100,000	898,544	64,877	1,405,815	683,248	47,101	220,362	5,419,947
Additions	-	-	-	178,154	174,166	450	30,977	383,747
Disposals	-	-	-	(68,300)	(2,022)	-	-	(70,322)
Revaluation gain	424,500	125,500	-	-	-	-	-	550,000
At 31 December 2024	2,524,500	1,024,044	64,877	1,515,669	855,392	47,551	251,339	6,283,372
Accumulated depreciation								
At 1 January 2024	-	-	28,775	796,248	628,225	45,215	190,037	1,688,500
Charge for the year	-	37,120	1,298	246,271	71,968	676	7,146	364,479
Revaluation adjustment	-	(37,120)	-	-	-	-	-	(37,120)
Disposals	-	-	-	(53,725)	(2,005)	-	-	(55,730)
At 31 December 2024	-	-	30,073	988,794	698,188	45,891	197,183	1,960,129
Net book value								
At 31 December 2024	2,524,500	1,024,044	34,804	526,875	157,205	1,660	54,155	4,323,243
At 31 December 2023	2,100,000	898,544	36,102	609,567	55,023	1,886	30,325	3,731,447

(b) **Company**
31 March 2025

<i>In thousands of naira</i>	Land	Buildings	Leasehold improvements	Motor vehicles	Equipment	Plant	Furniture & fittings	Total
Cost								
At 1 January 2025	750,000	550,000	64,877	1,137,772	710,432	40,575	169,919	3,423,574
Additions	-	-	-	-	29,251	-	556	29,807
Disposals	-	-	-	-	-	-	-	-
Revaluation gain	-	-	-	-	-	-	-	-
At 31 March 2025	750,000	550,000	64,877	1,137,772	739,683	40,575	170,475	3,453,381
Accumulated depreciation								
At 1 January 2025	-	-	30,074	749,715	559,040	39,225	144,312	1,522,366
Charge for the year	-	(13,946)	-	44,082	17,718	177	1,648	49,680
Revaluation adjustment	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
At 31 March 2025	-	(13,946)	30,074	793,798	576,758	39,402	145,960	1,572,046
Net book value								
At 31 March 2025	750,000	563,946	34,803	343,974	162,925	1,173	24,514	1,881,335
At 31 December 2024	750,000	550,000	34,803	388,057	151,392	1,350	25,607	1,901,208

Company
31 December 2024

<i>In thousands of naira</i>	Land	Buildings	Leasehold improvements	Motor vehicles	Equipment	Plant	Furniture & fittings	Total
Cost								
At 1 January 2024	450,000	480,000	64,877	1,060,298	560,669	40,125	148,298	2,804,267
Additions	-	-	-	124,724	149,763	450	21,621	296,557
Disposals	-	-	-	(47,250)	-	-	-	(47,250)
Revaluation gain	300,000	70,000	-	-	-	-	-	370,000
At 31 December 2024	750,000	550,000	64,877	1,137,772	710,432	40,575	169,919	3,423,574
Accumulated depreciation								
At 1 January 2023	-	-	28,776	591,090	501,079	38,549	139,844	1,299,338
Charge for the year	-	28,327	1,298	191,300	57,961	676	4,468	284,031
Revaluation adjustment	-	(28,327)	-	-	-	-	-	(28,327)
Disposals	-	-	-	(32,675)	-	-	-	(32,675)
At 31 December 2024	-	-	30,074	749,715	559,040	39,225	144,312	1,522,366
Net book value								
At 31 December 2024	750,000	550,000	34,803	388,057	151,392	1,350	25,607	1,901,208
At 31 December 2023	450,000	480,000	36,101	469,208	59,590	1,576	8,454	1,504,929

- (i) The Group and Company had no capital commitments as at 31 December 2024 (2023: Nil)
- (ii) There were no capitalized borrowing costs related to the acquisition of property and equipment during the year 2024 (2023: Nil).
- (iii) There are no restrictions on the Group and Company's title to its property and equipment.
- (iv) All property and equipment items are non-current.

Notes to the consolidated and separate financial statements

16 Intangible assets

<i>In thousands of naira</i>	Group 31-Mar-25	Group 31-Dec-24	Company 31-Mar-25	Company 31-Dec-24
Cost				
Balance, beginning of the year	245,858	233,287	196,545	185,897
Additions	-	12,571	-	10,648
Balance, end of the year	245,858	245,858	196,545	196,545
Amortisation				
Balance, beginning of the year	230,686	225,226	186,819	185,676
Charge for the year	1,151	5,460	583	1,143
Balance, end of the year	231,837	230,686	187,402	186,819
Carrying amount	14,021	15,172	9,143	9,726

17 Statutory deposit

This represents the amount deposited with the Central Bank of Nigeria in accordance with section 9(1) and section 10(3) of Insurance Act 2003. The cash amount held is considered to be a restricted cash as Management does not have access to the balances in its day-to-day activities. Interest income earned on this deposit is discretionary and is included in investment income.

<i>In thousands of naira</i>	Group 31-Mar-25	Group 31-Dec-24	Company 31-Mar-25	Company 31-Dec-24
Non life business	800,000	800,000	300,000	300,000
Life business	200,000	200,000	200,000	200,000
Hilal Takaful Nigeria	200,000	200,000	-	-
	1,200,000	1,200,000	500,000	500,000
Current	-	-	-	-
Non-current	1,200,000	1,200,000	500,000	500,000
	1,200,000	1,200,000	500,000	500,000

18 Investment contract liabilities

<i>In thousands of naira</i>	Group 31-Mar-25	Group 31-Dec-24	Company 31-Mar-25	Company 31-Dec-24
Investment contract liabilities	964,215	1,053,426	751,793	730,382
The movement in investment contract liabilities is analysed below:				
Balance, beginning of the year	1,053,426	800,145	730,382	479,124
Contributions	169,399	618,561	169,399	618,561
Withdrawals	(277,874)	(409,400)	(167,253)	(411,422)
Guaranteed interest	19,265	44,120	19,265	44,120
Balance, end of the year	964,215	1,053,426	751,793	730,382
Current	-	-	-	-
Non-current	964,215	1,053,426	751,793	730,382
	964,215	1,053,426	751,793	730,382

Notes to the consolidated and separate financial statements

19 Other Insurance related liabilities

Other insurance related represent financial obligations arising from the group's insurance business that are basically outside the scope of the definition of insurance contracts.

These comprise amounts payable for reinsurers, co-insurers, agents and brokers at year end. The carrying amounts disclosed below approximate the fair values at the reporting date.

<i>In thousands of naira</i>	Group 31-Mar-25	Group 31-Dec-24	Company 31-Mar-25	Company 31-Dec-24
Payables to reinsurers	312,079	1,088,293	91,749	203,060
Payables to coinsurers	483,267	211,605	483,267	211,605
Commission payable	101,726	74,494	101,726	74,494
Premium Deposits	1,503,074	3,285,168	1,271,603	2,928,077
	2,400,147	4,659,561	1,948,345	3,417,237
Current	2,400,147	4,659,561	1,948,345	3,417,237
Non-current	-	-	-	-
	2,400,147	4,659,561	1,948,345	3,417,237

- (a) Premium deposits represent premiums received in advance but for which the policy risk period is yet to commence as at the reporting date.

20 Other payables and accruals

<i>In thousands of naira</i>	Group 31-Mar-25	Group 31-Dec-24	Company 31-Mar-25	Company 31-Dec-24
Financial				
Performance bonus	140,914	128,914	693	693
Other directors and staff payables	1,940,478	2,305,584	1,941,299	2,304,581
National Housing Fund payable	(17,410)	2,303	1,300	2,303
Accrued expenses	854,624	1,020,927	760,393	754,143
Accounts payable (see note (ii) below)	28,032	21,852	28,032	21,852
Professional fee payable (see note (iii) below)	22,432	22,432	8,907	8,907
NAICOM levy payable	332,227	326,250	278,390	278,390
African Capital Alliance	-	-	-	-
Intercompany payable	-	-	-	-
Sundry creditors (see note (i) below)	2,280,151	543,596	287,839	200,940
	5,581,448	4,371,859	3,306,853	3,571,810
Non-financial				
PAYE	36,134	44,150	18,058	27,007
Withholding tax payable	170,276	245,977	168,414	217,296
	206,411	290,127	186,472	244,303
	5,787,858	4,661,986	3,493,325	3,816,113
Current	5,787,858	4,661,986	3,493,325	3,816,113
Non-current	-	-	-	-
	5,787,858	4,661,986	3,493,325	3,816,113

Notes to the consolidated and separate financial statements

- (i) Sundry creditors comprise vat and other payables to vendors in the ordinary course of business.
- (ii) Accounts payables comprise audit fees and rent payable.
- (iii) Professional fees payables comprise of fees to Reward investment ltd and Cowry asset management ltd.

21 Taxation

(a) Tax expense

The tax expense recognised in profit or loss is as follows:

<i>In thousands of naira</i>	Group 31-Mar-25	Group 31-Mar-24	Company 31-Mar-25	Company 31-Mar-24
Income tax based on the taxable profit/loss for the year	219,305	1,281,264	219,305	957,168
Tertiary Education Tax	-	-	-	-
Police Trust Fund Levy	56	-	56	-
Information technology development levy (NITDA)	-	-	-	-
Total current income tax for the year	219,361	1,281,264	219,361	957,168
Adjustment in respect of prior years	-	-	-	-
Deferred tax charge/ (credit) recognised in profit or loss	-	-	-	-
Income tax charge/(credit)	219,361	1,281,264	219,361	957,167
Minimum tax	-	-	-	-
Total tax charge/(credit) for the year	219,361	1,281,264	219,361	957,167

(b) Current tax liabilities

The movement in current tax liabilities during the year is as follows:

<i>In thousands of naira</i>	Group 31-Mar-25	Group 31-Dec-24	Company 31-Mar-25	Company 31-Dec-24
Balance, beginning of the year	925,416	599,630	1,040,227	433,268
Income tax for the year (see note (a) above)	219,361	177,536	219,361	177,664
Adjustment in respect of prior years	-	-	-	-
Minimum tax	-	461,076	-	642,726
Payment during the year	-	(312,826)	-	(213,431)
Balance, end of the year	1,144,777	925,416	1,259,588	1,040,227
Current	1,144,777	925,416	1,259,588	1,040,227
Non-current	-	-	-	-
	1,144,777	925,416	1,259,588	1,040,227

(c) Deferred taxation

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 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.

- (i) The movement on the deferred tax assets account is as follows:

Deferred tax assets

<i>In thousands of naira</i>	Group 31-Mar-25	Group 31-Dec-24	Company 31-Mar-25	Company 31-Dec-24
Balance, beginning of the year	-	-	-	-
Recognised in profit or loss	-	-	-	-
	-	-	-	-

- (ii) The movement on the deferred tax liabilities account is as follows:

Deferred tax liabilities

<i>In thousands of naira</i>	Group 31-Mar-25	Group 31-Dec-24	Company 31-Mar-25	Company 31-Dec-24
Balance, beginning of the year	4,478,032	3,235,097	859,434	809,794
Recognised in profit or loss	0	1,184,222	-	9,807
Prior year closing balance recognised in retained earnings	-	-	-	-
Recognised in other comprehensive income:				
- Revaluation gain on property and equipment	-	58,712	-	39,833
	4,478,032	4,478,032	859,434	859,434

Notes to the consolidated and separate financial statements

22 Employees benefit obligations

This represents the Company's liabilities from

<i>In thousands of naira</i>	Group 31-Mar-25	Group 31-Dec-24	Company 31-Mar-25	Company 31-Dec-24
Balance, beginning of the year	7,048	19,493	7,048	17,469
Payments made during the year	(2,661)	(8,521)	(2,661)	(6,497)
	4,387	7,048	4,387	7,048
Current	4,387	7,048	4,387	7,048
Non-current	-	-	-	-
	4,387	7,048	4,387	7,048

23 Equity

(a) Share capital

<i>In thousands of naira</i>	Group 31-Mar-25	Group 31-Dec-24	Company 31-Mar-25	Company 31-Dec-24
Issued and fully paid:				
Balance, beginning of the year	9,083,196	9,083,196	9,083,196	9,083,196
Balance, end of the year	9,083,196	9,083,196	9,083,197	9,083,196

(b) Share premium

This represents the amounts paid by shareholders above the nominal price of the shares.

<i>In thousands of naira</i>	Group 31-Mar-25	Group 31-Dec-24	Company 31-Mar-25	Company 31-Dec-24
Balance, beginning of the year	183,165	183,165	183,165	183,165
Balance, end of the year	183,165	183,165	183,165	183,165

(c) Treasury shares

Treasury shares are owner equity instruments which are deducted from equity. No dividends are allocated to them.

<i>In thousands of naira</i>	Group 31-Mar-25	Group 31-Dec-24	Company 31-Mar-25	Company 31-Dec-24
Balance, beginning of the year		(67,130)	(67,130)	(67,130)
Addition during the year		-	-	-
Balance, end of the year		(67,130)	(67,130)	(67,130)

(d) Retained Earnings/(losses)

<i>In thousands of naira</i>	Group 31-Mar-25	Group 31-Dec-24	Company 31-Mar-25	Company 31-Dec-24
Balance, beginning of the year as previously reported	-	-	-	-
Effect of IFRS 17 & IFRS 9 Adjustment	-	-	-	-
As at 1 January (restated)	32,618,415	14,122,858	16,990,979	6,139,263
Transfer to contingency reserves (see note (e) below)	(2,737,361)	(4,112,249)	(369,798)	(2,216,226)
Profit/(Loss) for the year	1,632,073	25,514,429	1,242,673	15,974,564
Dividend paid	-	(2,906,623)	-	(2,906,623)
Balance, end of the year	31,513,127	32,618,415	17,863,853	16,990,979

(e) Contingency reserve

<i>In thousands of naira</i>	Group 31-Mar-25	Group 31-Dec-24	Company 31-Mar-25	Company 31-Dec-24
Balance, beginning of the year	11,945,982	7,833,733	8,081,155	5,864,929
Transfer from retained earnings (See note (d) above)	2,737,361	4,112,249	369,798	2,216,226
Balance, end of the year	14,683,343	11,945,982	8,450,953	8,081,155

Notes to the consolidated and separate financial statements

In compliance with section 21(1) of Insurance Act 2003, the contingency reserve for Non-life insurance business is credited with the greater of 3% of total premium, or 20% of the net profits. This shall accumulate until it reaches the greater of minimum paid-up capital and 50% percent of the net premium. For life business, the contingency reserve is credited with an amount equal to 1% of gross premium or 10% of net profit (whichever is greater) and accumulated until it reaches the amount of minimum paid-up capital.

(f) Fair value and other reserves

<i>In thousands of naira</i>	Group 31-Mar-25	Group 31-Dec-24	Company 31-Mar-25	Company 31-Dec-24
Fair value reserve (See note (i) below)	4,536,308	4,018,372	3,325,909	3,027,292
Asset revaluation reserve (See note (ii) below)	1,866,349	1,866,349	931,881	931,881
Balance, end of the year	6,402,657	5,884,721	4,257,790	3,959,174

(i) Fair value reserve

<i>In thousands of naira</i>	Group 31-Mar-25	Group 31-Dec-24	Company 31-Mar-25	Company 31-Dec-24
Balance, beginning of the year as previously stated	-	-	-	-
IFRS 9 Adjustments	-	-	-	-
As at 1 January	4,018,372	963,418	3,027,292	109,132
Fair value changes on FVOCI	499,422	2,793,552	280,102	2,656,758
ECL on FVOCI securities	18,514	261,402	18,514	261,402
Fair value changes on investment properties	-	-	-	-
Balance, end of the year	4,536,308	4,018,372	3,325,909	3,027,292

(ii) Asset revaluation reserve

<i>In thousands of naira</i>	Group 31-Mar-25	Group 31-Dec-24	Company 31-Mar-25	Company 31-Dec-24
Balance, beginning of the year	1,866,349	1,337,941	931,881	573,387
Revaluation gain on land and building	-	587,120	-	398,327
Tax effects on other comprehensive income	-	(58,712)	-	(39,833)
Balance, end of the year	1,866,349	1,866,349	931,881	931,881

(g) Non-controlling interest in Equity

<i>In thousands of naira</i>	Group 31-Mar-25	Group 31-Dec-24	Company 31-Mar-25	Company 31-Dec-24
Balance, beginning of the year	779,523	461,591	-	-
Share of profit for the year	14,380	310,223	-	-
Share of other comprehensive income	-	7,709	-	-
Balance, end of the year	793,903	779,523	-	-

Notes to the consolidated and separate financial statements

24 (a) Insurance revenue

March 2025

Group

<i>In thousands of naira</i>	Annuity	Protection	Investment Linked	Group Life	Credit Life	Endowment	Non-life	Total
Amounts relating to changes in liabilities for remaining coverage								
Expected benefits incurred	205,731	50,870	12,093	1,705,288	162,813	365	9,000,068	11,137,227
Expected expenses incurred	5,564	1,293	30,237	-	9,176	422	-	46,692
Loss Component: systematic allocation	(24,967)	(6,659)	(16,583)	-	(135,217)	(5,955)	-	(189,380)
Change in the risk adjustment	(3,481)	1,369	607	(4,455)	1,520	312	-	(4,129)
CSM recognised for services provided	5,687	54,328	58,458	-	21,617	71	-	140,161
Recovery of acquisition cash flows	12,954	28,135	6,579	-	7,495	325	-	55,489
Total	201,488	129,336	91,391	1,700,832	67,405	(4,461)	9,000,068	11,186,060
Contracts not measured under the PAA	201,488	129,336	91,391	-	67,405	(4,461)	-	485,160
Contracts measured under the PAA	-	-	-	1,700,832	-	-	9,000,068	10,700,900
Total Insurance revenue	201,488	129,336	91,391	1,700,832	67,405	(4,461)	9,000,068	11,186,060

March 2024

Group

<i>In thousands of naira</i>	Annuity	Protection	Investment Linked	Group Life	Credit Life	Endowment	Non-Life	Total
Amounts relating to changes in liabilities for remaining coverage								
Expected benefits incurred	170,412	12,214	9,743	976,915	211,724	26	6,472,947	7,853,982
Expected expenses incurred	1,767	2,564	9,442	-	16,210	129	-	30,113
Loss Component: systematic allocation	(16,435)	(10,679)	(29,291)	-	(22,949)	-	-	(79,354)
Change in the risk adjustment	1,218	296	139	4,565	1,773	7	-	7,998
CSM recognised for services provided	5,563	44,165	42,560	-	5,921	187	-	98,397
Recovery of acquisition cash flows	13,898	4,353	14,758	-	12,285	195	-	45,491
Total	176,424	52,914	47,352	981,479	224,965	545	6,472,947	7,956,626
Contracts not measured under the PAA	176,424	52,914	47,352	-	224,965	545	-	502,200
Contracts measured under the PAA	-	-	-	981,479	-	-	6,472,947	7,454,426
Total Insurance revenue	176,424	52,914	47,352	981,479	224,965	545	6,472,947	7,956,626

Notes to the consolidated and separate financial statements

(a) Insurance revenue
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Company

Contracts not measured under the PAA

<i>In thousands of naira</i>	Annuity	Protection	Investment Linked	Group Life	Credit Life	Endowment	Non-Life	Total
Amounts relating to changes in liabilities for remaining coverage								
Expected benefits incurred	205,731	50,870	12,093	1,508,765	162,813	365	6,508,931	8,449,568
Expected expenses incurred	5,564	1,293	30,237	-	9,176	422	-	46,692
Loss Component: systematic allocation	(24,967)	(6,659)	(16,583)	-	(135,217)	(5,955)	-	(189,380)
Change in the risk adjustment	(3,481)	1,369	607	(4,455)	1,520	312	-	(4,129)
CSM recognised for services provided	5,687	54,328	58,458	-	21,617	71	-	140,161
Recovery of acquisition cash flows	12,954	28,135	6,579	-	7,495	325	-	55,489
Total	201,488	129,336	91,391	1,504,310	67,405	(4,461)	6,508,931	8,498,401
Contracts not measured under the PAA	201,488	129,336	91,391	-	67,405	(4,461)	-	485,160
Contracts measured under the PAA	-	-	-	1,504,310	-	-	6,508,931	8,013,241
Total Insurance revenue	201,488	129,336	91,391	1,504,310	67,405	(4,461)	6,508,931	8,498,401

March 2024
Company

Contracts not measured under the PAA

<i>In thousands of naira</i>	Annuity	Protection	Investment Linked	Group Life	Credit Life	Endowment	Non-Life	Total
Amounts relating to changes in liabilities for remaining coverage								
Expected benefits incurred	170,412	12,214	9,743	976,915	211,724	26	4,624,186	6,005,221
Expected expenses incurred	1,767	2,564	9,442	-	16,210	129	-	30,113
Loss Component: systematic allocation	(16,435)	(10,679)	(29,291)	-	(22,949)	-	-	(79,354)
Change in the risk adjustment	1,218	296	139	4,565	1,773	7	-	7,998
CSM recognised for services provided	5,563	44,165	42,560	-	5,921	187	-	98,397
Recovery of acquisition cash flows	13,898	4,353	14,758	-	12,285	195	-	45,491
Total	176,424	52,914	47,352	981,479	224,965	545	4,624,186	6,107,866
Contracts not measured under the PAA	176,424	52,914	47,352	-	224,965	545	-	502,200
Contracts measured under the PAA	-	-	-	981,479	-	-	4,624,186	5,605,666
Total Insurance revenue	176,424	52,914	47,352	981,479	224,965	545	4,624,186	6,107,866

Notes to the consolidated and separate financial statements

24 (b) Insurance service expense

March 2025
Group

<i>In thousands of naira</i>		Annuity	Protection	Investment Linked	Group Life	Credit Life	Endowment	Non-Life	Total
Incurring claims		(207,508)	(732)	-	(695,257)	(134,308)	-	(3,007,025)	(4,044,829)
Incurring Fulfilment expenses		(168)	(9,050)	(1,579)	(161,674)	(41,961)	(20)	(569,244)	(783,696)
Loss Component: systematic allocation		24,967	6,659	16,583	-	135,217	5,955	-	189,380
Incurring claims and other attributable expenses	14a (i)	(182,709)	(3,123)	15,004	(856,932)	(41,052)	5,935	(3,576,269)	(4,639,146)
Amortisation of insurance acquisition cash flows	14a (i)	(12,954)	(28,135)	(6,579)	(108,334)	(7,495)	(325)	(394,044)	(557,867)
<i>Changes related to past & current service</i>		-	-	-	-	-	-	-	-
Changes in BEL related to LIC		-	(1,249)	0	(86,776)	11,863	-	(1,782,764)	(1,858,925)
Changes in RA related to LIC		-	-	-	-	-	-	(124,248)	(124,248)
Changes related to past & current service	14a (i)	-	(1,249)	0	(86,776)	11,863	-	(1,907,012)	(1,983,173)
Future Service: Loss Component: losses and reversal of losses		(238,974)	(18,714)	49,097	-	(53,692)	(5,347)	-	(267,631)
Total Insurance service expenses		(434,637)	(51,221)	57,522	(1,052,041)	(90,377)	262	(5,877,324)	(7,447,816)

March 2024
Group

<i>In thousands of naira</i>		Annuity	Protection	Investment Linked	Group Life	Credit Life	Endowment	Non-Life	Total
Incurring claims		(113,511)	(69,324)	26,699	(22,637)	37,439	-	(1,487,477)	(1,628,811)
Incurring Fulfilment expenses		(346)	(18,050)	(2,718)	(209,299)	(77,640)	(44)	(568,224)	(876,320)
Loss Component: systematic allocation		16,435	10,679	29,291	-	22,949	-	-	79,354
Incurring claims and other attributable expenses	14a (i)	(97,422)	(76,695)	53,272	(231,935)	(17,251)	(44)	(2,055,701)	(2,425,778)
Amortisation of insurance acquisition cash flows	14a (i)	(13,898)	(4,353)	(14,758)	21,529	(12,285)	(195)	(374,481)	(398,443)
<i>Changes related to past & current service</i>		-	-	-	-	-	-	-	-
Changes in BEL related to LIC		-	-	-	(19,811)	-	-	(246,855)	(266,666)
Changes in RA related to LIC		-	-	-	-	-	-	(69,075)	(69,075)
Changes related to past & current service	14a (i)	-	-	-	(19,811)	-	-	(315,930)	(335,741)
Future Service: Loss Component: losses and reversal of losses	14a (i)	(382,929)	(289,599)	36,550	-	(906,649)	-	-	(1,542,627)
Total Insurance service expenses		(494,250)	(370,647)	75,063	(230,218)	(936,185)	(239)	(2,746,112)	(4,702,589)

Notes to the consolidated and separate financial statements

(b) Insurance service expense
March 2025
Company

<i>In thousands of naira</i>	Note	Annuity	Protection	Investment Linked	Group Life	Credit Life	Endowment	Non-Life	Total
Incurring claims		(207,508)	(732)	-	(695,257)	(134,308)	-	(1,297,078)	(2,334,882)
Incurring Fulfilment expenses		(168)	(9,050)	(1,579)	(64,727)	(41,961)	(20)	(568,300)	(685,804)
Loss Component: systematic allocation		24,967	6,659	16,583	-	135,217	5,955	-	189,380
Incurring claims and other attributable expenses	14a (ii)	(182,709)	(3,123)	15,004	(759,984)	(41,052)	5,935	(1,865,378)	(2,831,307)
Amortisation of insurance acquisition cash flows	14a (ii)	(12,954)	(28,135)	(6,579)	(108,334)	(7,495)	(325)	(394,044)	(557,867)
<i>Changes related to past & current service</i>		-	-	-	-	-	-	-	-
Changes in BEL related to LIC		-	(1,249)	0	(86,776)	11,863	-	(1,782,764)	(1,858,925)
Changes in RA related to LIC		-	-	-	-	-	-	(124,248)	(124,248)
Changes related to past & current service	14a (ii)	-	(1,249)	0	(86,776)	11,863	-	(1,907,012)	(1,983,173)
Future Service: Loss Component: losses and reversal of losses	14a (ii)	(238,974)	(18,714)	49,097	-	(53,692)	(5,347)	-	(267,631)
Total Insurance service expenses		(434,637)	(51,221)	57,522	(955,093)	(90,377)	262	(4,166,433)	(5,639,978)

March 2024
Company

<i>In thousands of naira</i>		Annuity	Protection	Investment Linked	Group Life	Credit Life	Endowment	Non-Life	Total
Incurring claims		(113,511)	(69,324)	26,699	(22,637)	37,439	-	(1,052,458)	(1,193,792)
Incurring Fulfilment expenses		(346)	(18,050)	(2,718)	(121,159)	(77,640)	(44)	(374,405)	(594,361)
Loss Component: systematic allocation		16,435	10,679	29,291	-	22,949	-	-	79,354
Incurring claims and other attributable expenses	14a (ii)	(97,422)	(76,695)	53,272	(143,796)	(17,251)	(44)	(1,426,863)	(1,708,800)
Amortisation of insurance acquisition cash flows	14a (ii)	(13,898)	(4,353)	(14,758)	21,529	(12,285)	(195)	(251,478)	(275,440)
<i>Changes related to past & current service</i>		-	-	-	-	-	-	-	-
Changes in BEL related to LIC		-	-	-	-	-	-	(34,284)	(34,284)
Changes in RA related to LIC		-	-	-	-	-	-	(45,719)	(45,719)
Changes related to past & current service	14a (ii)	-	-	-	-	-	-	(80,003)	(80,003)
Future Service: Loss Component: losses and reversal of losses	14a (ii)	(382,929)	(289,599)	36,550	-	(906,649)	-	-	(1,542,627)
Total Insurance service expenses		(494,250)	(370,647)	75,063	(122,267)	(936,185)	(239)	(1,758,344)	(3,606,871)

Notes to the consolidated and separate financial statements

25 Net expenses from reinsurance contracts held

March 2025
Group

<i>In thousands of naira</i>	Note	Annuity	Protection	Investment Linked	Group Life	Credit Life	Endowment	Non-Life	Total
Expected recovery for claims		-	(2,191)	-	65,088	(19,349)	-	(3,152,293)	(3,108,745)
Reinsurance RA allocation		-	(106)	-	5,236	(361)	-	-	4,769
Reinsurance CSM allocation		-	3,006	-	-	8,128	-	-	11,135
Allocation of reinsurer Insurance Revenue	13a	-	710	-	70,324	(11,582)	-	(3,152,293)	(3,092,842)
Amounts recoverable for claims	13a	-	-	-	394,432	45,931	-	495,250	935,613
<i>Changes related to past service, current and future service</i>		-	-	-	-	-	-	-	-
changes in BEL related to reinsurance LIC		-	-	-	31,303	(6,133)	-	1,596,514	1,621,684
changes in RA related to reinsurance LIC		-	-	-	-	-	-	62,878	62,878
Changes related to past service, current and future service	13a	-	-	-	31,303	(6,133)	-	1,659,392	1,684,562
Amounts recoverable from reinsurer		-	-	-	425,734	39,799	-	2,154,643	2,620,175
Net expenses from reinsurance contracts held		-	710	-	496,058	28,216	-	(997,651)	(472,667)

March 2024
Group

<i>In thousands of naira</i>	Note	Annuity	Protection	Investment Linked	Group Life	Credit Life	Endowment	Non-Life	Total
Expected recovery for claims		-	(476)	-	25,268	(19,403)	(0)	(2,510,352)	(2,504,963)
Reinsurance RA allocation		-	(19)	-	(795)	(576)	(0)	-	(1,390)
Reinsurance CSM allocation		-	2,524	(408)	(6,199)	10,940	(15)	(118,044)	(111,201)
Allocation of reinsurer Insurance Revenue	13a	-	2,030	(408)	18,274	(9,039)	(15)	(2,628,396)	(2,617,554)
Amounts recoverable for claims	13a	-	17,325	-	139,593	37,625	-	475,978	670,521
<i>Changes related to past service, current and future service</i>		-	-	-	-	-	-	(391,727)	(391,727)
changes in BEL related to reinsurance LIC		-	-	-	-	-	-	(391,727)	(391,727)
changes in RA related to reinsurance LIC		-	-	-	1,861	-	-	17,689	19,550
Changes related to past service, current and future service	13a	-	-	-	1,861	-	-	(374,039)	(372,178)
Amounts recoverable from reinsurer		-	17,325	-	141,454	37,625	-	101,939	298,343
Net expenses from reinsurance contracts held		-	19,355	(408)	159,728	28,587	(15)	(2,526,457)	(2,319,211)

Notes to the consolidated and separate financial statements

Net expenses from reinsurance contracts held

March 2025

Company

<i>In thousands of naira</i>	Note	Annuity	Protection	Investment Linked	Group Life	Credit Life	Endowment	Non-Life	Total
Expected recovery for claims		-	(2,191)	-	71,202	(19,349)	-	(2,765,987)	(2,716,325)
Expected recovery of service expenses		-	-	-	-	-	-	-	-
Reinsurance RA allocation		-	(106)	-	5,236	(361)	-	-	4,769
Reinsurance CSM allocation		-	3,006	-	-	8,128	-	-	11,135
Allocation of reinsurer Insurance Revenue	13a	-	710	-	76,438	(11,582)	-	(2,765,987)	(2,700,422)
Amounts recoverable for claims	13a	-	-	-	394,432	45,931	-	377,819	818,182
<i>Changes related to past service, current and future service</i>		-	-	-	-	-	-	-	-
changes in BEL related to reinsurance LIC		-	-	-	31,303	(6,133)	-	1,596,514	1,621,684
changes in RA related to reinsurance LIC		-	-	-	-	-	-	62,878	62,878
Changes related to past service, current and future service	13a	-	-	-	31,303	(6,133)	-	1,659,392	1,684,562
Amounts recoverable from reinsurer		-	-	-	425,734	39,799	-	2,037,212	2,502,744
Net expenses from reinsurance contracts held		-	710	-	502,172	28,216	-	(728,776)	(197,678)

March 2024

Company

<i>In thousands of naira</i>	Note	Annuity	Protection	Investment Linked	Group Life	Credit Life	Endowment	Non-Life	Total
Expected recovery for claims		-	(476)	-	25,268	(19,403)	(0)	(1,936,718)	(1,931,328)
Expected recovery of service expenses		-	-	-	-	-	-	-	-
Reinsurance RA allocation		-	(19)	-	(795)	(576)	(0)	-	(1,390)
Reinsurance CSM allocation		-	2,524	(408)	-	10,940	(15)	-	13,042
Allocation of reinsurer Insurance Revenue	13a	-	2,030	(408)	24,473	(9,039)	(15)	(1,936,718)	(1,919,676)
Amounts recoverable for claims	13a	-	17,325	-	139,593	37,625	-	451,003	645,546
<i>Changes related to past service, current and future service</i>		-	-	-	-	-	-	(426,463)	(426,463)
changes in BEL related to reinsurance LIC		-	-	-	-	-	-	(31,331)	(31,331)
changes in RA related to reinsurance LIC		-	-	-	-	-	-	(457,794)	(457,794)
Changes related to past service, current and future service	13a	-	-	-	-	-	-	(457,794)	(457,794)
Amounts recoverable from reinsurer		-	17,325	-	139,593	37,625	-	(6,791)	187,752
Net expenses from reinsurance contracts held		-	19,355	(408)	164,066	28,587	(15)	(1,943,509)	(1,731,925)

Notes to the consolidated and separate financial statements

26 (a) Insurance finance expenses

March 2025
Group

<i>In thousands of naira</i>	Annuity	Protection	Investment Linked	Group Life	Credit Life	Endowment	Non-Life	Total
Unwind of discount on FCFs: LRC	(147,526)	(25,629)	(142,238)	-	(44,796)	(1,798)	-	(361,987)
Effect of change in economic assumptions: LRC	-	-	-	-	-	-	-	-
Effect of change in economic assumptions: LIC	-	-	-	156,255	-	-	164,608	320,863
Interest accretion on CSM	(11,163)	(35,216)	(9,637)	-	(49,694)	(171)	-	(105,881)
Effect of change in Discount rate assumptions: LRC	(391)	2,439	4,262	-	(15,559)	(1,229)	-	(10,478)
Effect of movements in exchange rates: LRC	-	-	-	-	-	-	-	-
Effect of movements in exchange rates: LIC	-	-	-	-	-	-	-	-
Change in FV of underlying items	-	-	(94,068)	-	-	-	-	(94,068)
FCFs that do not adjust the CSM	-	-	-	-	-	-	-	-
Total Net finance expenses from insurance contracts	(159,080)	(58,407)	(241,681)	156,255	(110,049)	(3,198)	164,608	(251,552)

March 2024
Group

<i>In thousands of naira</i>	Annuity	Protection	Investment Linked	Group Life	Credit Life	Endowment	Non-Life	Total
Unwind of discount on FCFs: LRC	(113,619)	(838)	(98,839)	-	(70,455)	(198)	-	(283,949)
Effect of change in economic assumptions: LRC	(155,585)	(15,831)	(93)	-	(33,427)	(120)	-	(205,056)
Effect of change in economic assumptions: LIC	-	-	-	-	-	-	-	-
Interest accretion on CSM	(6,769)	(39,539)	(7,361)	-	(8,564)	(996)	-	(63,229)
Effect of change in Discount rate assumptions: LRC	1,051,186	126,355	103	-	400,124	1,302	-	1,579,069
Change in FV of underlying items	-	-	(39,616)	-	-	-	-	(39,616)
FCFs that do not adjust the CSM	-	-	-	-	-	-	-	-
Total Net finance expenses from insurance contracts	775,212	70,147	(145,806)	-	287,679	(13)	-	987,219

Notes to the consolidated and separate financial statements

Insurance finance expenses

March 2025

Company

<i>In thousands of naira</i>	Annuity	Protection	Investment Linked	Group Life	Credit Life	Endowment	Non-Life	Total
Unwind of discount on FCFs: LRC	(147,526)	(25,629)	(142,238)	-	(44,796)	(1,798)	-	(361,987)
Effect of change in economic assumptions: LRC	-	-	-	-	-	-	-	-
Effect of change in economic assumptions: LIC	-	-	-	156,255	-	-	164,608	320,863
Interest accretion on CSM	(11,163)	(35,216)	(9,637)	-	(49,694)	(171)	-	(105,881)
Effect of change in Discount rate assumptions: LRC	(391)	2,439	4,262	-	(15,559)	(1,229)	-	(10,478)
Effect of movements in exchange rates: LRC	-	-	-	-	-	-	-	-
Effect of movements in exchange rates: LIC	-	-	-	-	-	-	-	-
Change in FV of underlying items	-	-	(94,068)	-	-	-	-	(94,068)
FCFs that do not adjust the CSM	-	-	-	-	-	-	-	-
Total Net finance expenses from insurance contracts	(159,080)	(58,407)	(241,681)	156,255	(110,049)	(3,198)	164,608	(251,552)

March 2024

Company

<i>In thousands of naira</i>	Annuity	Protection	Investment Linked	Group Life	Credit Life	Endowment	Non-Life	Total
Unwind of discount on FCFs: LRC	(113,619)	(838)	(98,839)	-	(70,455)	(198)	-	(283,949)
Unwind of discount on FCFs: LIC	-	-	-	-	-	-	-	-
Effect of change in economic assumptions: LRC	(155,585)	(15,831)	(93)	-	(33,427)	(120)	-	(205,056)
Interest accretion on CSM	(6,769)	(39,539)	(7,361)	-	(8,564)	(996)	-	(63,229)
Effect of change in Discount rate assumptions: LRC	1,051,186	126,355	103	-	400,124	1,302	-	1,579,069
Change in FV of underlying items	-	-	(39,616)	-	-	-	-	(39,616)
Total Net finance expenses from insurance contracts	775,212	70,147	(145,806)	-	287,679	(13)	-	987,219

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Reinsurance finance income

March 2025

Group

<i>In thousands of naira</i>	Annuity	Protection	Investment Linked	Group Life	Credit Life	Endowment	Non-Life	Total
Interest accreted to reinsurance contracts (locked-in rates)	-	(1,425)	-	-	(4,196)	-	-	(5,622)
Impacting of discounting Reinsurance LIC	-	-	-	(15,361)	-	-	(785,500)	(800,861)
Change in financial assumptions: LIC	-	-	-	-	-	-	-	-
Interest accreted to insurance contracts (current rates)	-	(1,371)	-	-	197	-	-	(1,174)
Change in financial assumptions through OCI	-	-	-	-	-	-	-	-
Changes in non-performance risk of reinsurer	-	-	-	(6,354)	-	-	7,133	779
Net foreign exchange income or expense	-	-	-	-	-	-	-	-
Total Net finance expenses from reinsurance contracts	-	(2,797)	-	(21,716)	(3,999)	-	(778,366)	(806,878)

Notes to the consolidated and separate financial statements

March 2024
Group

<i>In thousands of naira</i>	Annuity	Protection	Investment Linked	Group Life	Credit Life	Endowment	Non-Life	Total
Interest accreted to reinsurance contracts (locked-in rates)	-	(1,596)	63	-	(12,222)	22	-	(13,734)
Interest accreted to insurance contracts (current rates)	-	(5)	-	-	(6,357)	0	-	(6,361)
Change in financial assumptions through OCI	-	-	-	-	-	-	-	-
Changes in non-performance risk of reinsurer	-	-	-	-	-	-	-	-
Net foreign exchange income or expense	-	-	-	-	-	-	-	-
Total Net finance expenses from reinsurance contracts	-	(1,601)	63	-	(18,579)	22	-	(20,096)

Reinsurance finance income

March 2025
Company

<i>In thousands of naira</i>	Annuity	Protection	Investment Linked	Group Life	Credit Life	Endowment	Non-Life	Total
Interest accreted to reinsurance contracts (locked-in rates)	-	(1,425)	-	-	(4,196)	-	-	(5,622)
Impacting of discounting Reinsurance LIC	-	-	-	(15,361)	-	-	(785,500)	(800,861)
Change in financial assumptions: LIC	-	-	-	-	-	-	-	-
Interest accreted to insurance contracts (current rates)	-	(1,371)	-	-	197	-	-	(1,174)
Change in financial assumptions through OCI	-	-	-	-	-	-	-	-
Changes in non-performance risk of reinsurer	-	-	-	(6,354)	-	-	7,133	779
Net foreign exchange income or expense	-	-	-	-	-	-	-	-
Total Net finance expenses from reinsurance contracts	-	(2,797)	-	(21,716)	(3,999)	-	(778,366)	(806,878)

March 2024
Company

<i>In thousands of naira</i>	Annuity	Protection	Investment Linked	Group Life	Credit Life	Endowment	Non-Life	Total
Interest accreted to reinsurance contracts (locked-in rates)	-	(1,596)	63	-	(12,222)	22	-	(13,734)
Interest accreted to insurance contracts (current rates)	-	(5)	-	-	(6,357)	0	-	(6,361)
Total Net finance expenses from reinsurance contracts	-	(1,601)	63	-	(18,579)	22	-	(20,096)

Notes to the consolidated and separate financial statements

28 Interest revenue using effective interest rate method

<i>In thousands of naira</i>	Group 31-Mar-25	Group 31-Mar-24	Company 31-Mar-25	Company 31-Mar-24
Interest income on financial assets at amortised cost (a)	15,614	48,445	7,765	40,016
Interest income on financial assets at FVOCI (b)	667,343	193,779	667,343	160,063
Interest income on cash and cash equivalents (c)	463,244	242,224	124,038	200,078
	1,146,201	484,449	799,146	400,157
Interest income included in gain on deposit administration / investment	-	-	-	-
Net interest revenue	1,146,201	484,449	799,146	400,157

29 (a) Net trading gain/(loss)

<i>In thousands of naira</i>	Group 31-Mar-25	Group 31-Mar-24	Company 31-Mar-25	Company 31-Mar-24
Net fair value changes:	-	-	-	-
Gain on disposal of financial assets (see note (i) below)	-	-	-	-
Exchange gain	-	-	-	-
Interest income	182,601	-	-	-
	182,601	-	-	-

30 Other investment income

Rental income	-	-	-	-
Fair value gain on investment property	-	-	-	-
Dividend income	7,645	9,648	7,645	9,648
Total	7,645	9,647	7,645	9,648

31 Net gain from foreign exchange

<i>In thousands of naira</i>	Group 31-Mar-25	Group 31-Mar-24	Company 31-Mar-25	Company 31-Mar-24
- FVTOCI financial assets (bonds)	5,694,959	-	1,170,752	-
- Cash and Cash equivalents	(4,511,065)	-	-	-
Net gain from foreign exchange	1,183,894	17,523,774	1,170,752	10,671,291

The net exchange gain resulted from translation of foreign currency denominated balances of the entity using the closing rate as at reporting date in line with IAS 21 *The effect of changes in foreign exchange rates* and also from sales of foreign currency denominated assets during the year. Significant increase in foreign exchange is attributed to the devaluation of the Nigerian naira against the dollar (NGN/USD) during the year.

32 Other operating income

<i>In thousands of naira</i>	Group 31-Mar-25	Group 31-Mar-24	Company 31-Mar-25	Company 31-Mar-24
Miscellaneous income (see note (a) below)	963	-	566	-
Profit on disposal of property & equipment	-	-	-	-
	963	-	566	-

(a) Miscellaneous income represents income from write back from excess provisions made in the prior years.

Notes to the consolidated and separate financial statements

33 Impairment losses on financial assets

<i>In thousands of naira</i>	Group 31-Mar-25	Group 31-Mar-24	Company 31-Mar-25	Company 31-Mar-24
FVOCI debt securities	18,514		18,514	
Amortised cost debt securities	-		-	
Cash and Cash Equivalents	4,084		4,084	
Other receivables	-		-	
Loans to policy holders	-		-	
	22,598	-	22,598	-

34 Management Expenses

Management Expenses comprise

<i>In thousands of naira</i>	Group 31-Mar-25	Group 31-Mar-24	Company 31-Mar-25	Company 31-Mar-24
Depreciation (Note 15)	56,273		49,680	
Amortisation (Note 16)	1,151		583	
Personnel expenses	1,286,398		1,003,515	
Other operating expenses	1,496,219		1,042,017	
	2,840,040	1,739,676	2,095,794	1,448,130

Notes to the consolidated and separate financial statements

44 Statement of cash flow notes

Details of the statement of cash flows workings are presented below. Certain comparative figures have been reclassified in the statement of cash flows in order to align to the presentation adopted in the current year. The impact of these reclassification has been considered to be immaterial.

<i>In thousands of naira</i>	Note	Group	Group	Company	Company
		31-Mar-25	31-Mar-24	31-Mar-25	31-Mar-24
(i) Premium received					
Premiums received		15,337,679	11,584,727	12,583,192	9,118,066
Add: Opening receivables (Gross)	8	549,140	271,955	322,551	207,729
Less: Closing receivables (Gross)	8	(2,060,908)	(2,035,205)	(418,146)	(1,870,984)
		13,825,911	9,821,477	12,487,597	7,454,811
(ii) Dividend income received					
Dividend income	30	7,645	9,648	7,645	9,648
Add: Opening dividend receivable	9	40,624	9,871	40,512	157,402
Less: Closing dividend receivable	9	(40,624)	(810)	(40,512)	(1,519)
		7,645	18,709	7,645	165,531
(iii) Proceeds from disposal of property and equipment					
Cost of assets disposed	15	-	-	-	-
Accumulated depreciation of assets disposed	15	-	-	-	-
Net book value of disposed assets		-	-	-	-
Profit/ (Loss) on disposal	32	-	-	-	-
Disposal proceeds		-	-	-	-
(iv) Reinsurance premium paid					
Reinsurance premiums paid	13a	6,064,284	4,205,580	4,773,221	3,511,490
Add: Closing reinsurance payable	19	312,079	2,199,236	91,749	1,544,743
Less: Opening reinsurance payable	19	(1,088,293)	(1,283,483)	(203,060)	(742,933)
		5,288,070	5,121,333	4,661,909	4,313,301
(v) Claims paid					
		(3,909,611)	(1,299,663)	(2,474,900)	(1,091,926)
(vi) Reinsurance claims recovered					
		1,375,206	2,339	845,852	67,862

45 Securities Trading Policy

In compliance with Rule 17.15 Disclosure of Dealings in Issuers' shares, Rulebook of the Exchange 2015 (Issuers Rule) Cornerstone Insurance PLC maintains an effective Securities Trading Policy which guides Directors, Audit Committee Members, employees and all individuals categorized as insiders as to their dealing in the Company's shares. The Policy is regularly reviewed and updated by the Board. The Company has made specific inquiries of all the Directors and other insiders and is not aware of any infringement of the Policy during the period.

46 Free Float Computation

Shareholding Structure/Free Float Status

Description	31-Mar-25		31-Mar-24	
	Unit	Percentage	Unit	Percentage
Issued Share Capital	18,166,392,725	100%	18,166,392,725	100%
Substantial Shareholdings (5% and above)				
Banc-assure Limited	8,803,503,588	48.46%	8,803,503,588	48.46%
Capasure Limited	5,547,786,518	30.54%	5,547,786,518	30.54%
Total Substantial Shareholdings	14,351,290,106	79%	14,351,290,106	79%
Directors' Shareholdings (direct and indirect), excluding directors with substantial interests				
Mrs. Christabel Onyejekwe (Direct)	100,000	0.001%	0	0.000%
Mr. Stephen Alangbo (Direct)	1,122,200	0.006%	0	0.000%
Mr. Peter Ekwueme (Direct)	135,279	0.001%	0	0.000%
Total Directors' Shareholdings	1,222,200	0.007%	0	0.000%
Other Influential Shareholdings				
Total Other Influential Shareholdings	-	-	-	-
Free Float in Units and Percentage	3,813,880,419	21%	3,815,102,619	21%
Free Float in Value	₦ 11,441,641,257		₦ 7,057,939,845	

Declaration:

- (A) Cornerstone Insurance Plc with a free float percentage of 21% as at 31 March 2025, is compliant with The Exchange's free float
(B) Cornerstone Insurance Plc with a free float value of N7,057,939,845.00 as at 31 March 2024, is compliant with The Exchange's free