



UNAUDITED CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 MARCH 2024

Table of contents	Page
Corporate Information	2
Consolidated Results at a Glance - The Group	4
Results at a Glance - The Company	5
Shareholding structure and free float status	6
Statement of Directors' Responsibilities in Relation to the Financial Statements	7
Certification Pursuant to Section 60(2) of Investment & Securities Act No. 29 of 2007	8
Material Accounting Policies	9
Consolidated and Separate Statements of Financial Position	41
Consolidated and Separate Statements of Profit or Loss and Other Comprehensive Income	42
Consolidated Statement of Changes in Equity - the Group	43
Statement of Changes in Equity - the Company	44
Consolidated and Separate Statements of Cash Flows	45
Notes to the Consolidated and Separate Financial Statements	46

Corporate Information

Directors	Mr. Kundan Sainani (Indian) Mr. Babatunde Fajemirokun Mr. Adewale Kadri Mr. Samaila Zubairu Mr. Ademola Adebise Mrs. Oluwafolakemi Edun (nee Fajemirokun) Mr. Olalekan Akinyanmi Mr. Raimund Snyders * Mr. Rotimi Okpaise **	Chairman Group MD / CEO Executive Director Director/Independent Director Director Director Director
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Key	
*	South African by Nationality
**	Appointed effective 23rd February 2023

Company Secretary	Mr. Donald Kanu AIICO Insurance Plc AIICO Plaza Plot PC 12, Churchgate Street Victoria Island, Lagos
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Registered Office	AIICO Plaza Plot PC 12, Churchgate Street Lagos
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RC No.	7340
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TIN	00401332-0001
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Corporate Head Office	AIICO Plaza Plot PC 12, Churchgate Street Victoria Island Lagos Tel: +234 01 2792930-59 0700AIContact (0700 2442 6682 28) Fax: +234 01 2799800 Website: www.aiicopl.com E-mail: aiicontact@aiicopl.com
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Registrar	Coronation Registrars (formerly, United Securities Limited) 09, Amodu Ojikutu Street Off Bishop Oluwole Street, Victoria Island P.M.B. 12753 Lagos
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Independent Auditor	Ernst & Young 10th & 13th Floors, UBA House 57, Marina Road Lagos Island Lagos website: www.ey.com/ng
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Bankers	Access Bank Plc Ecobank Nigeria Plc First Bank of Nigeria Limited First City Monument Bank Plc Guaranty Trust Bank Limited Stanbic IBTC Bank Standard Chartered Bank Nigeria Limited Union Bank of Nigeria Plc United Bank of Africa Plc Wema Bank Plc
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Actuary	Firm Name: Zamara Consulting Actuaries Nigeria Limited Firm FRCN: FRC/2019/00000012910 Life Valuation: Nikhil Dhodia FRCN: FRC/2021/004/00000024023
	Firm Name: Zamara Consulting Actuaries Nigeria Limited Firm FRCN: FRC/2019/00000012910 Non life Valuation: Jay Kosgei FRCN: FRC/2021/004/00000023786

Corporate information (continued)

Reinsurers

Africa Reinsurance Corporation
 Continental Reinsurance Plc
 Swiss Reinsurance
 WAICA Reinsurance
 Nigerian Reinsurance
 Trust Reinsurance
 Zep Reinsurance
 Arig Reinsurance
 Aveni Reinsurance
 NCA Reinsurance

Estate Valuer

Firm Name: Niyi Fatokun & Co.
 Firm FRCN: FRC/2019/00000012894
 Partner: Niyi Fatokun
 FRCN: (Chartered Surveyors & Valuer)
 FRC/2013/NIESV/70000000/1217

Regulatory Authority

National Insurance Commission (NAICOM)

Branch Networks

1. Port Harcourt

11 Ezimgbu Link Road (Mummy B Road)
 Off Stadium Road
 G.R.A Phase 4, Port Harcourt
 Rivers State
 Tel: +234 808 313 4875
 +234 909 448 9393

3. Abuja Area Office

No 44 Durban Street,
 Off Adetokunbo Ademola Crescent, Wuse II
 FCT, Abuja.
 Tel: +234 805 820 0439
 +234 817 668 4115

5. Abeokuta

46, Tinubu Street
 Ita Eko, Abeokuta
 Ogun State
 Tel: +234 803 255 7071

7. Aba

7, Factory Road
 Aba, Abia State
 Tel: +234 805 531 4351

9. Enugu

55-59, Chime Avenue
 Gbuja's Plaza New Haven
 Enugu State
 Tel: +234 803 724 6767

11. Benin

28, Sakponba Road
 Benin City
 Edo State
 Tel: +234 805 116 3395
 +234 813 405 1972

13. Jos

4, Beach Road
 Jos, Plateau State.
 Tel: +234 805 735 6726
 +234 809 033 5125

15. Ibadan

12, Moshood Abiola Way
 Challenge Area
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 Tel: +234 803 231 8925
 +234 802 834 4263

2. Kaduna

Yaman Phone House
 1, Constitution Road
 Kaduna, Kaduna State
 Tel: +234 803 338 6968;
 +234 805 601 9667

4. Kano

8, Post Office Road
 Kano
 Kano State
 Tel: +234 807 810 7938
 +234 806 593 4787

6. Lagos, Ikeja

AllCO House
 Plot 2, Oba Akran Avenue
 Opp. Dunlop, Ikeja, Lagos
 Tel: +234 1 460 2097-8; +234 808 313 4376
 +234 1 460 2218

8. Lagos, Isolo

203/205, Apapa-Oshodi Expressway
 Isolo, Lagos
 Tel: +234 802 305 4803; +234 805 717 6063

10. Lagos, Ilupeju

AllCO House
 36/38, Ilupeju Industrial Avenue
 Ilupeju, Lagos
 Tel: +234 816 046 6239
 +234 803 334 3036

12. Onitsha

Noclink Plaza, 41 New Market Road
 Opp UBA Bank, Onitsha
 Anambra State
 Tel: +234 708 606 4999
 +234 803 375 0361

14. Owerri

46, Wetheral Road
 Owerri, Imo State
 Tel: +234 805 603 3269
 +234 706 603 2065

16. Warri

60, Effurun/Sapele Road
 Warri.
 Delta State.
 Tel: +234 803 971 0794
 +234 818 749 7490

Results at a Glance - The Group
For the period ended 31 March 2024

Profit or Loss and Other Comprehensive Income

	31-Mar-24	31-Mar-23	Increase/ (decrease) Changes	Increase/ (decrease) %
<i>In thousands of naira</i>				
Gross written premium	49,082,934	31,739,824	17,343,110	55
Insurance revenue	22,669,763	14,839,171	7,830,592	53
Insurance service expense	(17,755,037)	(13,465,447)	(4,289,590)	32
Net Expenses from reinsurance contracts	(4,792,847)	(2,156,138)	(2,636,709)	122
Insurance service result	121,879	(782,414)	904,294	(116)
Net investment income before fair value changes	7,747,365	5,977,624	1,769,741	30
Net fair value loss	(18,558,166)	(9,705,753)	(8,852,413)	91
Net impairment loss	-	(71,852)	71,852	(100)
Net foreign exchange income/(expense)	7,739,023	(436,713)	8,175,736	(1872)
Net insurance/reinsurance finance expenses	13,315,905	6,673,322	6,642,583	100
Net insurance and investment result	10,366,008	1,654,214	8,711,794	527
Other Income	259,899	356,039	(96,140)	(27)
Other Expenses	(545,545)	(567,199)	21,653	(4)
Profit before income tax from continuing operations	10,080,361	1,443,054	8,637,307	599
Income tax expenses	(1,293,385)	(8,339)	(1,285,047)	(15411)
Profit for the period	8,786,976	1,434,715	7,352,260	512
Total other comprehensive income/(loss)	(1,280,672)	(550,250)	(730,422)	133
Total comprehensive income for the period	7,506,304	884,465	6,621,839	749
Basic and diluted earnings per share (kobo)	24	4		

Financial Position

	31-Mar-24	31-Dec-23	Changes	%
<i>In thousands of naira</i>				
Assets				
Cash and cash equivalents	36,022,326	18,422,728	17,599,598	96
Financial assets	258,627,503	266,747,074	(8,119,571)	(3)
Trade receivables	1,769,515	980,752	788,763	80
Reinsurance contracts assets	22,959,929	17,116,370	5,843,559	34
Other receivables and prepayments	5,057,477	3,667,351	1,390,126	38
Investment properties	707,500	707,500	-	0
Property and equipment	8,809,190	8,913,645	(104,455)	(1)
Statutory deposits	500,000	500,000	-	-
Right of use assets	116,775	132,512	(15,737)	(12)
Goodwill and other intangible assets	1,166,216	907,630	258,587	28
Total assets	335,736,432	318,095,562	17,640,870	6
Liabilities				
Insurance contract liabilities	224,342,321	218,023,682	6,318,639	3
Investment contract liabilities	4,056,210	3,855,324	200,887	5
Reinsurance contract liabilities	2,100,868	930,616	1,170,252	126
Other insurance contract liabilities	1,840,416	2,423,168	(582,752)	(24)
Trade payables	3,116,361	1,612,909	1,503,452	93
Other payables and accruals	6,423,042	8,332,138	(1,909,097)	(23)
Fixed income liabilities	32,185,073	30,241,800	1,943,273	6
Current income tax payable	2,138,447	845,061	1,293,385	153
Deferred tax liabilities	498	498	0	0
Total liabilities	276,203,236	266,265,196	9,938,040	4
Equity				
Share capital	18,302,638	18,302,638	-	-
Share premium	64,745	64,745	-	-
Revaluation reserve	2,764,016	2,764,016	-	-
Fair value reserve	(2,374,269)	(1,107,650)	(1,266,619)	114
Contingency reserve	12,606,325	11,755,475	850,851	7
Retained earnings	27,718,256	19,615,890	8,102,366	41
Shareholders' funds	59,081,711	51,395,114	7,686,597	15
Non-controlling interests	451,485	435,252	16,234	4
Total equity	59,533,197	51,830,366	7,702,831	15
Total liabilities and equity	335,736,432	318,095,561	17,640,871	6

Results at a Glance - The Company
For the period ended 31 March 2024

			Increase/ (Decrease) Changes	Increase/ (Decrease) %
Profit or loss and other comprehensive income				
<i>In thousands of naira</i>	31-Mar-24	31-Mar-23		
Gross written premium	48,756,519	31,415,815	17,340,704	55
Insurance revenue	22,320,820	14,482,847	7,837,973	54
Insurance service expense	(17,595,240)	(13,384,611)	(4,210,629)	31
Net Expenses from reinsurance contracts	(4,792,847)	(2,156,138)	(2,636,709)	122
Insurance service result	(67,268)	(1,057,903)	990,634	(94)
Net investment income before fair value changes	7,594,475	5,880,974	1,713,500	29
Net fair value loss	(18,558,166)	(9,705,753)	(8,852,413)	91
Net foreign exchange income/(expense)	7,739,023	(436,713)	8,175,736	(1872)
Net insurance/reinsurance finance expenses	13,315,905	6,673,322	6,642,583	100
Net insurance and investment result	10,023,969	1,361,229	8,662,740	636
Other Income	220,259	266,964	(46,705)	(17)
Other Expenses	(372,953)	(343,121)	(29,832)	(9)
Profit before income tax from continuing operations	9,871,275	1,285,072	8,586,203	668
Income tax expenses	(1,286,529)	(11,763)	(1,274,766)	100
Profit for the period	8,584,745	1,273,309	7,311,437	574
Total other comprehensive loss	(1,140,143)	(121,884)	(1,018,259)	835
Total comprehensive income for the period	7,444,603	1,151,425	6,293,178	547
Basic and diluted earnings per share (kobo)	24	3		

Financial Position

<i>In thousands of naira</i>	31-Mar-24	31-Dec-23	Changes	%
Assets				
Cash and cash equivalents	23,547,115	7,921,257	15,625,858	197
Financial assets	236,114,317	243,686,602	(7,572,285)	(3)
Trade receivables	1,506,547	909,559	596,988	66
Reinsurance contracts assets	22,959,929	17,116,370	5,843,559	34
Other receivables and prepayments	4,278,725	2,838,437	1,440,288	51
Investment in subsidiaries	1,087,317	1,087,317	-	-
Investment properties	707,500	707,500	-	0
Property and equipment	8,564,191	8,708,397	(144,205)	(2)
Statutory deposits	500,000	500,000	-	-
Right of use assets	116,775	132,512	(15,737)	(12)
Goodwill and other intangible assets	1,103,647	840,555	263,093	31
Total assets	300,486,063	284,448,506	16,037,557	6
Liabilities				
Insurance contract liabilities	224,342,321	217,701,608	6,640,712	3
Investment contract liabilities	4,056,210	3,855,324	200,887	5
Reinsurance contract liabilities	2,100,868	930,616	1,170,252	126
Other insurance contract liabilities	1,840,416	2,423,168	(582,752)	(24)
Trade payables	3,116,361	1,612,909	1,503,452	93
Other payables and accruals	5,747,931	7,570,587	(1,822,656)	(24)
Current income tax payable	2,049,556	763,026	1,286,530	169
Total liabilities	243,253,664	234,857,238	8,396,426	4
Equity				
Share capital	18,302,638	18,302,638	0	0
Share premium	64,745	64,745	(0)	(0)
Revaluation reserve	2,764,016	2,764,016	-	-
Fair value reserve	(1,153,686)	(13,544)	(1,140,143)	8,418
Contingency reserve	12,606,325	11,755,475	850,851	7
Retained earnings	24,648,361	16,717,938	7,930,423	47
Shareholders' funds	57,232,399	49,591,268	7,641,131	15
Total liabilities and equity	300,486,063	284,448,506	16,037,557	6

Shareholding Structure And Freefloat Status

Company name	AIICO Insurance Plc
Year end	December
Reporting Period	31-Mar-24
Share Price at end of reporting period	N0.80 (31 December 2023: N0.76)

Shareholding Structure/Free Float Status

Description	31-Mar-24		31-Dec-23	
	Unit	Percentage	Unit	Percentage
Issued Share Capital***	36,605,276,013	100%	36,605,276,013	100%
Substantial Shareholdings (5% and above)				
AIICO Bahamas Limited	15,104,442,427	41.26%	15,104,442,427	41.26%
LeapFrog III Nigeria Insurance Holdings LTD	11,173,946,135	30.53%	11,173,946,135	30.53%
Total Substantial Shareholdings	26,278,388,562	71.79%	26,278,388,562	71.79%

Directors' Shareholdings (direct and indirect), excluding directors with substantial interests

Babatunde Fajemirokun	117,119,739	0.32%	117,119,739	0.32%
Ademola Adebise	49,070	0.00%	49,070	0.00%
Total Directors' Shareholdings	117,168,809	0.32%	117,168,809	0.32%
Total Other Influential Shareholdings	-	0.00%	-	0.00%
Free Float in Units and Percentage	10,209,718,642	27.89%	10,209,718,642	27.89%
Free Float in Value	₦ 8,167,774,913.60		₦ 7,759,386,167.92	

Declaration:

AIICO Insurance Plc with a free float percentage of 27.89% as at 31 March 2024, is compliant with The Nigeria Stock Exchange's free float requirements for companies listed on the Main Board.



Mr. Donald Kanu
Company Secretary

FRC/2013/PRO/NBA/004/00000002884
Plot PC 12, Churchgate Street
Victoria Island
Lagos, Nigeria
9-May-24

Certification Pursuant to Section 60(2) of Investment and Securities Act No. 29 of 2007.

We the undersigned, hereby certify the following with regards to our unaudited financial statements for the period ended 31 March 2024 that:

- (i) We have reviewed the report and to the best of our knowledge, the report does not contain:
- Any untrue statement of a material fact, or
 - Omission to state a material fact, which would make the statements, misleading in the light of circumstances under which such statements were made;
 - To the best of our knowledge, the financial statements and other financial information included in the report fairly present in all material respects the financial condition and results of operation of the Group as of, and for the periods presented in the report.
- (ii) We:
- are responsible for establishing and maintaining internal controls.
 - have designed such internal controls to ensure that material information relating to the Company and its consolidated subsidiaries is made known to such officers by others within those entities particularly during the periods in which these reports are being prepared;
 - have evaluated the effectiveness of the Group's internal controls as of date of the report;
 - have presented in the report our conclusions about the effectiveness of our internal controls based on our evaluation as of that date;
- (iii) We have disclosed to the Audit Committee:
- all significant deficiencies in the design or operation of internal controls which would adversely affect the Group's ability to record, process, summarize and report financial data and have identified for the Group's auditors any material weakness in internal controls, and
 - Any fraud, whether or not material, that involves management or other employees who have significant role in the Group's internal controls;

We have identified in the report whether or not there were significant changes in internal controls or other factors that could significantly affect internal controls subsequent to the date of our evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.



Mr. Babatunde Fajemirokun
Managing Director/ Chief Executive Officer
FRC /2015/PRO/CIIN/010/00000019973

09-May-24



Mrs. Bisola Elias
Chief Financial Officer
FRC/2018/PRO/ICAN/001/00000018839

09-May-24

Material Accounting Policies

For the period ended 31 March 2024

1 Reporting entity

AIICO Insurance Plc ("the Company") was established in 1963 by American Life Insurance Company and was incorporated in 1970. It was converted to a Public Liability Company in 1989 and quoted on the Nigerian Stock Exchange (NSE) in December 1990. The Company was registered by the Federal Government of Nigeria to provide insurance services in Life Insurance Business, Non-Life Insurance Business, Deposit Administration and Financial Services to organizations and private individuals. Arising from the merger in the insurance industry, AIICO Insurance Plc acquired Nigerian French Insurance Plc and Lamda Insurance Company Limited in February 2007.

2 Basis of accounting

2.1 Statement of compliance

These consolidated and separate financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB), the financial statements comply with the Companies and Allied Matters Act 2020, the Financial Reporting Council of Nigeria Act No 6, 2011, the Insurance Act of Nigeria 2003 and relevant National Insurance Commission (NAICOM) policy guidelines and circulars.

These consolidated and separate financial statements were authorised for issue by the Company's Board of Directors on 9 May 2024.

The consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements as at 31 December 2023.

2.2 Going concern

These 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 and the Company have adequate resources to continue as going concern for the foreseeable future.

Functional and presentation currency

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

2.4 Basis of measurement

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

Items	Measurement Bases
Item of building (Property plant and equipment)	Revalued amount
Non-derivative Financial asset at fair value through other comprehensive income	Fair value
Non-derivative Financial asset at fair value through profit or loss	Fair value
Investment properties	Fair value
Insurance contract liabilities	Present value

2.5 Use of estimates and judgement

In preparing these consolidated and separate financial statements, management has made judgements and estimates that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty are described in Note 4.

Material Accounting Policies

For the period ended 31 March 2024

2.6 Regulatory authority and financial reporting

The Group is regulated by the National Insurance Commission of Nigeria (NAICOM) under the National Insurance Act of Nigeria. The Act specifies certain provisions which have impact on financial reporting as follows:

- (i) Section 20 (1a) provides that provisions for unexpired risks shall be calculated on a time apportionment basis of the risks accepted in the year;
- (ii) Section 20 (1b) requires provision for outstanding claims to be credited with an amount equal to the total estimated amount of all outstanding claims with a further amount representing 10 percent of the estimated figure for outstanding claims in respect of claims incurred but not reported at the end of the year under review;
- (ii) Sections 21 (1a) and 22 (1b) require maintenance of contingency reserves for general and life businesses respectively at specified rates as set out under Note 3.27 to cover fluctuations in securities and variation in statistical estimates;

2.7 Changes in accounting policies

New and amended standards and interpretations

The Group applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2023 (unless otherwise stated). The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

A. Issued and Amended standards effective from periods beginning on or after 1 January 2023

(i) IFRS 17 - Insurance Contracts

In May 2017, the IASB issued IFRS 17 Insurance Contracts (IFRS 17), a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, IFRS 17 will replace IFRS 4 Insurance Contracts (IFRS 4) that was issued in 2005. IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply.

The overall objective of IFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent or insurers. In contrast to the requirements in IFRS 4, which are largely based on grandfathering previous local accounting policies, IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of IFRS 17 is the general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach)
- A simplified approach (the premium allocation approach) mainly for short-duration contracts.

IFRS 17 is effective for reporting periods beginning on or after 1 January 2023, with comparative figures required. Early application is permitted, provided the entity also applies IFRS 9 and IFRS 15 on or before the date it first applies IFRS 17. This standard will significantly change how the Group measures, present and disclose its insurance contracts from the year 2023 and the Group has put adequate processes in place.

(ii) Definition of Accounting Estimates - Amendments to IAS 8

In February 2021, the IASB issued amendments to IAS 8, in which it introduces a definition of 'accounting estimates'. The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. Earlier application is permitted as long as this fact is disclosed. The amendments are not expected to have a material impact on the Group's financial statements.

Material Accounting Policies

For the period ended 31 March 2024

(iii) Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2

In February 2021, the IASB issued amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements, in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments to IAS 1 are applicable for annual periods beginning on or after 1 January 2023 with earlier application permitted. Since the amendments to the Practice Statement 2 provide non-mandatory guidance on the application of the definition of material to accounting policy information, an effective date for these amendments is not necessary.

The Group is currently revisiting its accounting policy information disclosures to ensure consistency with the amended requirements.

(iv) Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to IAS 12

In May 2021, the Board issued amendments to IAS 12, which narrow the scope of the initial recognition exception under IAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

The amendments should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability should also be recognised for all deductible and taxable temporary difference associated with leases and decommissioning obligations.

The amendments are not expected to have a material impact on the Group's financial statements as the Group currently have material unrecognised deferred tax assets.

2.8 Segment reporting

For management purposes, the Group is organized into business units based on their products and services.

Segment performance is evaluated based on profit or loss. The Company's financing and income taxes are managed on a group basis and are not allocated to individual operating segments.

Inter-segment transactions which occurred in 2021 as shown in Note 5.1 Segment statement of profit or loss and other comprehensive income and 5.2 Segment statement of financial position and results will include those transfers between business segments.

3 Material accounting policies

The Group has consistently applied the following accounting policies to all years presented in these consolidated and separate financial statements.

3.1 Basis of Consolidation

(a) Business combination and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the Company has an option to measure any non-controlling interests in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree. No reclassification of insurance contracts is required as part of the accounting for the business combination. However, this does not preclude the Group from reclassifying insurance contracts to accord with its own policy only if classification needs to be made on the basis of the contractual terms and other factors at the inception or modification date.

Material Accounting Policies

For the period ended 31 March 2024

3.1 Basis of Consolidation (continued)

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value as at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration, which is deemed to be an asset or a liability, will be recognized as measurement year adjustments in accordance with the applicable IFRS. If the contingent consideration is classified as equity, it will not be remeasured and its subsequent settlement will be accounted for within equity.

Goodwill is initially measured at cost, being the excess of the fair value of the consideration transferred over the Company's share in the net identifiable assets acquired and liabilities assumed and net of the fair value of any previously held equity interest in the acquiree. After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purposes of impairment testing, goodwill acquired in a business combination is allocated to an appropriate cash-generating unit that is expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

(b) Subsidiaries

Subsidiaries are investees controlled by the Group. The Group controls an investee when it is exposed to, or has rights to, variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The financial statements of subsidiaries are included in the consolidated financial statement from the date on which control commences until the date on which control ceases.

The financial statements of subsidiaries are consolidated from the date the Group acquires control, up to the date that such effective control ceases.

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

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

In the separate financial statements, investments in subsidiaries are measured at cost.

Acquisition-related costs are expensed as incurred

If the business combination is achieved in stages, fair value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date through profit or loss. All other acquisition costs are expensed as incurred.

Disposal of subsidiaries

On loss of control, the Group derecognises the assets and liabilities of the subsidiary, any related non-controlling interests and the other components of equity related to the subsidiary. Any gain or loss arising from the loss of control is recognised in profit or loss. If the Group retains any interest in such subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, that retained interest is accounted for as an equity-accounted investee or as a financial asset elected to be measured at fair value through other comprehensive income depending on the level of influence retained.

(c) Non-Controlling Interest

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

Material Accounting Policies

For the period ended 31 March 2024

(d) Investment in associate

An associate is an entity over which the Company has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. The investment in an associate is initially recognized at cost in the separate financial statements, however in its Consolidated financial statements; it is recognized at cost and adjusted for in the Group's share of changes in the net assets of the investee after the date of acquisition, and for any impairment in value. If the Group's share of losses of an associate exceeds its interest in the associate, the Group discontinues recognizing its share of further losses.

3.2 Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of Group companies at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the spot exchange rate when the fair value was determined.

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

However, foreign currency differences arising from the translation of the following items are recognised in Other Comprehensive Income (OCI):

- financial asset at fair value through other comprehensive income (OCI) (except on impairment, in which case foreign currency differences that have been recognised in OCI are reclassified to profit or loss);
- a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective and
- qualifying cash flow hedges to the extent that the hedges are effective.

3.3 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less from the date of acquisition 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 commitments.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts. The statement of cashflows was prepared using the direct method.

Cash and cash equivalents are carried at amortized cost in the consolidated and separate statements of financial position.

3.4 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

3.4.1 Recognition and initial measurement

All financial instruments are initially recognized on the trade date, i.e., the date that the Group becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is measured initially at fair value plus or minus (for financial liabilities), except for a financial asset or liability measured at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

3.4.2 Classification of financial instruments

The Group classified its financial assets under IFRS 9, into the following measurement categories:

- Those to be measured at fair value through other comprehensive income (FVOCI) (either with or without recycling)
- Those to be measured at fair value through profit or loss (FVTPL); and
- Those to be measured at amortized cost.

The classification depends on the Group's business model for managing financial assets and the contractual terms of the financial assets cash flow (i.e. solely payments of principal and interest- (SPPI test)).

The Group classifies its financial liabilities as liabilities at fair value through profit or loss and liabilities at amortized cost. Management determine the classification of the financial instruments at initial recognition.

Material Accounting Policies

For the period ended 31 March 2024

(i) Business model assessment

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

- the stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management's strategy focuses on earning contractual interest revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realising cash flows through the sale of the 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;
- the frequency, volume and timing of sales in prior years, the reasons for such sales and its 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.

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Group's original expectations, the Group does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

Financial assets that are held for trading or managed and whose performance is evaluated on a fair value basis 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.

(ii) Assessment whether contractual cash flows are solely payments of principal and interest

As a second step of its classification process the Company assesses the contractual terms of financial asset to identify whether they meet the SPPI test.

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Group applies judgement and considers relevant factors such as the currency in which the financial asset is denominated, and the year for which the interest rate is set.

In contrast, contractual terms that introduce a more than de minimis exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement do not give rise to contractual cash flows that are solely payments of principal and interest on the principal amount outstanding. In such cases, the financial asset is required to be measured at FVTPL.

In assessing whether the contractual cash flows are solely payments of principal and interest, 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 the assessment, the Group considers:

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

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

A financial liability is classified at fair value through profit or loss if it is classified as held-for-trading or designated as such on initial recognition. Directly attributable transaction costs on these instruments are recognised in profit or loss as incurred.

Financial liabilities at fair value through profit or loss are measured at fair value and changes therein, including any interest expense, are recognised in profit or loss.

Other non-derivative financial liabilities are initially measured at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortised cost using the effective interest method.

Material Accounting Policies

For the period ended 31 March 2024

(iii) Reclassifications

Financial assets are not reclassified subsequent to their initial recognition, except in the year after the Group changes its business model for managing financial assets that are debt instruments. A change in the objective of the Group's business occurs only when the Group either begins or ceases to perform an activity that is significant to its operations (e.g., via acquisition or disposal of a business line).

The following are not considered to be changes in the business model:

- A change in intention related to particular financial assets (even in circumstances of significant changes in market conditions)
- A temporary disappearance of a particular market for financial assets
- A transfer of financial assets between parts of the entity with different business models.

When reclassification occurs, the Group reclassifies all affected financial assets in accordance with the new business model. Reclassification is applied prospectively from the 'reclassification date'. Reclassification date is 'the first day of the first reporting year following the change in business model'.

Gains, losses or interest previously recognized are not restated when reclassification occurs.

3.4.3 Subsequent measurements

The subsequent measurement of financial assets depends on its initial classification:

(i) Debt instruments

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

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

The gain or loss on a debt securities that is subsequently measured at amortized cost and is not part of a hedging relationship is recognized in profit or loss when the asset is derecognized or impaired. Interest income from these financial assets is determined using the effective interest method and reported in profit or loss as 'Investment income'.

The amortized cost of a financial instrument is the amount at which it was measured at initial recognition, minus principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between the initial amount recognized and the maturity amount, minus any loss allowance. The effective interest method is a method of calculating the amortised cost of a financial instrument (or group of instruments) and of allocating the interest income or expense over the relevant year. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts over the expected life of the instrument or, when appropriate, a shorter year, to the instrument's gross carrying amount.

*** Fair value through other comprehensive income (FVOCI)**

Investment in debt instrument is measured at FVOCI only if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The debt instrument is subsequently measured at fair value. Gains and losses arising from changes in fair value are included in other comprehensive income (OCI) and accumulated in a separate component of equity. Impairment gains or losses, interest revenue and foreign exchange gains and losses are recognized in profit or loss. Upon disposal or derecognition, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized as realized gain or loss. Interest income from these financial assets is determined using the effective interest method and recognized in profit or loss as investment income. The treatment for equity instrument at FVTOCI is stated below. (Note 3.4.3(iii)).

Material Accounting Policies

For the period ended 31 March 2024

* Fair value through profit or loss (FVTPL)

Financial assets that do not meet the criteria for amortized cost or FVOCI are measured at fair value through profit or loss. The gain or loss arising from changes in fair value of a debt securities that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is included directly in the profit or loss and reported as 'Net fair value gain/loss' in the year in which it arises. Interest income from these financial assets is recognized in profit or loss as investment income.

(ii) Equity instruments

The Group subsequently measures all equity investments at fair value. For equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in fair value in OCI. This election is made on an investment-by-investment basis. Where the Group's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss.

Dividends from such investments continue to be recognised in profit or loss when the Group's right to receive payments is established unless the dividend clearly represents a recovery of part of the cost of the investment. Changes in the fair value of financial assets at fair value through profit or loss are recognised in 'Net fair value gain/loss in the profit or loss.

3.4.4 Impairment of financial assets

(a) Overview of the Expected Credit Losses (ECL) principles

The Group recognizes loss allowances for ECL on the following financial instruments that are not measured at FVTPL:

- Financial assets that are debt instruments measured at amortized cost and FVOCI

In this section, the instruments mentioned above are all referred to as 'financial instruments' or 'assets'. Equity instruments are not subject to impairment under IFRS 9.

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss or LT ECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss (12m ECL) as outlined.

The 12month ECL is the portion of LT ECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date (or a shorter year if the expected life of the instrument is less than 12 months). Both LT ECLs and 12m ECLs are calculated on either an individual basis or a collective basis, depending on the nature of the underlying portfolio of financial instruments.

Loss allowances for account receivable are always measured at an amount equal to lifetime ECL. The Group has established a policy to perform an assessment, at the end of each reporting year, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument.

Based on the above process, the Group groups its financial instruments into Stage 1, Stage 2, Stage 3 and POCI, as described below:

- Stage 1: When financial assets are first recognised, the Company recognises an allowance based on 12m ECLs. Stage 1 asset also include facilities where the credit risk has improved and the asset has been reclassified from Stage 2.
- Stage 2: When a financial asset has shown a significant increase in credit risk since origination, the Company records an allowance for the LT ECLs. Stage 2 asset also include facilities, where the credit risk has improved and the asset has been reclassified from Stage 3.
- Stage 3: Financial assets considered credit-impaired. The Company records an allowance for the LT ECLs.

If, in a subsequent year, credit quality improves and reverses any previously assessed significant increase in credit risk since origination, depending on the stage of the lifetime – stage 2 or stage 3 of the ECL bucket, the Group would continue to monitor such financial assets for a probationary year of 90 days to confirm if the risk of default has decreased sufficiently before upgrading such exposure from Lifetime ECL (Stage 2) to 12-months ECL (Stage 1). In addition to the 90 days probationary year above, the Group also observes a further probationary year of 90 days to upgrade from Stage 3 to 2. This means a probationary year of 180 days will be observed before upgrading financial assets from Lifetime ECL (Stage 3) to 12-months ECL (Stage 1).

For financial assets for which the Group has no reasonable expectations of recovering either the entire outstanding amount, or a proportion thereof, the gross carrying amount of the financial asset is reduced. This is considered a (partial) derecognition of the financial asset.

Material Accounting Policies

For the period ended 31 March 2024

3.4.4 Impairment of financial assets (Continued)

The Group considers a financial asset to be in default when the following occurs;

- The counterparty is unlikely to pay its credit obligations e.g market information
- Failure by the counterparty to meet obligation 90days past due.

In assessing whether a borrower is in default, the Group considers indicators that are:

- qualitative: e.g indicators of financial asset OR breach of covenant.
- quantitative e.g overdue status and non payment of another obligation of the same issuer to the Group.

The Group has defined its maximum year in estimating expected credit losses to be the maximum year to which the Group is exposed to the credit risk.

The Group has assumed that credit risk of a financial asset has not increased significantly since initial recognition if the financial asset has low credit risk at reporting date. The Group considers a financial asset to have low risk when its credit rating is equivalent to the globally understood definition of investment grade.

As a back stop, the Group considers that a significant increase in credit risk occurs no later than when an asset is more than 30 days past due. Days past due are determined by counting the number of days since the earliest elapsed due date in respect of which full payment has not been received. Due dates are determined without considering grace period that might be available to the borrower.

(b) The calculation of ECLs

The Group calculates ECLs based on a three probability-weighted scenarios to measure the expected cash shortfalls, discounted. The mechanics of the ECL calculations are outlined below and the key elements are as follows:

- PD: The Probability of Default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed year, if the facility has not been previously derecognised and is still in the portfolio.
- EAD: The Exposure at Default is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments.
- LGD: The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD.

When estimating the ECLs, the Group considers three scenarios (a base case, an upside and downside). Each of these is associated with different PDs, EADs and LGDs. When relevant, the assessment of multiple scenarios also incorporates how defaulted assets are expected to be recovered, including the probability that the assets will cure and the value of collateral or the amount that might be received for selling the asset. Impairment losses and releases are accounted for and disclosed separately from modification losses or gains that are accounted for as an adjustment of the financial asset's gross carrying value.

- **Stage 1:** The 12m ECL is calculated as the portion of LT ECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The Group calculates the 12m ECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-month default probabilities are applied to a forecast EAD and multiplied by the expected LGD and discounted by an approximation to the original EIR. This calculation is made for each of the three scenarios, as explained above.

- **Stage 2:** When an asset has shown a significant increase in credit risk since origination, the Group records an allowance for the LT ECLs. The mechanics are similar to those explained above, including the use of multiple scenarios, but PDs and LGDs are estimated over the lifetime of the instrument. The expected cash shortfalls are discounted by an approximation to the original EIR.

- **Stage 3:** For assets considered credit-impaired, the Group recognises the lifetime expected credit losses for these assets. The method is similar to that for Stage 2 assets, with the PD set at 100%.

(c) Debt instruments measured at fair value through OCI

The ECLs for debt instruments measured at FVOCI do not reduce the carrying amount of these financial assets in the statement of financial position, which remains at fair value. Instead, an amount equal to the allowance that would arise if the assets were measured at amortised cost is recognised in OCI as an accumulated impairment amount, with a corresponding charge to profit or loss. The accumulated loss recognised in OCI is reclassified to the profit or loss upon derecognition of the assets.

Material Accounting Policies

For the period ended 31 March 2024

(d) **Collateral valuation**

To mitigate its credit risks on financial assets, the Group seeks to use collateral, where possible. The collateral comes in various forms: staff gratuity or guarantors for staff loans, in-house pension fee for agency loan, policy document/cash value for policy loans, etc. The Company's accounting policy for collateral assigned to it through its lending arrangements under IFRS 9 is the same as it was under IAS 39. Collateral, unless repossessed, is not recorded on the Company's statement of financial position. However, the fair value of collateral affects the calculation of ECLs. It is generally assessed, at a minimum, at inception and re-assessed on yearly basis as deemed necessary.

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

Loss allowances for ECL are presented in the statement of financial position as follows:

- Financial assets measured at amortised cost: as a deduction from the gross carrying amount of the assets;
- Debt instruments measured at FVOCI: no loss allowance is recognised in the statement of financial position because the carrying amount of these assets is their fair value. However, the loss allowance is disclosed and recognised in the fair value reserve in equity (through OCI).

(f) **Forward looking information**

In its ECL models, the Group relies on a broad range of forward looking information as economic inputs, such as:

- GDP growth
- Unemployment rates
- Inflation rates
- Crude oil price

The inputs and models used for calculating ECLs may not always capture all characteristics of the market at the date of the financial statements. To reflect this, qualitative adjustments or overlays are occasionally made as temporary adjustments when such differences are significantly material. Detailed information about these inputs and sensitivity analysis are provided in Note 47 (a) in the financial statements.

3.4.5 Fair value measurement

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

If a market for a financial instrument is not active, then the Group establishes fair value using a valuation technique. A market is regarded as active if transactions for the assets or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The chosen valuation technique makes maximum use of market inputs, relies as little as possible on estimates specific to the Group, incorporates all factors that market participants would consider in setting a price and is consistent with accepted economic methodologies for pricing financial instruments.

The best evidence of the fair value of a financial instrument at initial recognition is the transaction price – i.e. the fair value of the consideration given or received. However, in some cases the initial estimate of fair value of a financial instrument on initial recognition may be different from its transaction price. If this estimated fair value is evidenced by comparison with other observable current market transactions in the same instrument (without modification or repackaging) or based on a valuation technique whose variables include only data from observable markets, then the difference is recognised in profit or loss on initial recognition of the instrument. In other cases, the fair value at initial recognition is considered to be the transaction price and the difference is not recognised in profit or loss immediately but is recognised over the life of the instrument on an appropriate basis or when the instrument is redeemed, transferred or sold, or the fair value becomes observable.

Fair value of fixed income liabilities is not less than the amount payable on demand, discounted from the first date on which the amount could be required to be paid.

3.4.6 Derecognition of financial assets

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

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset transferred), and consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss.

Material Accounting Policies

For the period ended 31 March 2024

3.4.7 Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when its contractual obligations are discharged or cancelled, or expired.

When an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in profit or loss.

3.4.8 Write off

The Group writes off a financial asset (and any related allowances for impairment losses) when the Group determines that the assets are uncollectible. Financial assets are written off either partially or in their entirety. This determination is reached after considering information such as the occurrence of significant changes in the borrower/issuer's financial position such that the borrower/issuer can no longer pay the obligation, or that proceeds from collateral will not be sufficient to pay back the entire exposure. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to impairment loss on financial assets.

However, 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 amount due.

3.5 Trade receivables

Trade receivables arising from insurance contracts represent premium receivable with determinable payments that are not quoted in an active market and the Group has no intention to sell. Premium receivables are those for which credit notes issued by brokers are within 30days, in conformity with the "NO PREMIUM NO COVER" policy. Refer to note 3.4 for basis of measurement.

3.6 Trade payables

Trade payables are recognised when due and measured on initial recognition at the fair value of the consideration received. Subsequent to initial recognition, they are measured at amortized cost using the effective interest rate method. Trade payables are recognised as financial liabilities.

3.7 Other payables and accruals

Other payables and accruals are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. The fair value of a non-interest bearing liability is its discounted repayment amount. Discounting is omitted for payables that are less than one year as the effect is not material. A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the profit or loss. Gains and losses are recognised in the profit or loss when the liabilities are derecognized. Other payables are recognised as other financial liabilities.

Material Accounting Policies

For the period ended 31 March 2024

3.10 Other receivables and prepayment

Other receivables are carried at amortised cost using the effective interest rate less accumulated impairment losses. Prepayments are carried at cost less accumulated amortization and are amortized on a straight line basis to profit or loss.

3.11 Income tax

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that this relates to a business combination, or items recognized directly in equity or other comprehensive income.

(a) 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 the income taxes, if any. It is measured using tax rate enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends received by the Group.

(b) NITDA Levy

The National Information Technology Development Agency Act (2007) empowers and mandates the Federal Inland Revenue Service (FIRS) to collect and remit 1% of profit before tax of Companies with turnovers of a minimum of ₦100million under the third schedule of the Act.

(c) Deferred income taxation

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 arising 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;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary difference 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. Future taxable profits are determined based on business plans for individual subsidiaries in the Group. 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; such reductions are reversed when the probability of future taxable profit improves.

Unrecognised deferred tax asset are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

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 substantially 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 end of the reporting year, to recover or settle the carrying amount of its assets and liabilities. For this purpose, the carrying amount of investment property measured at fair value presumed to be recovered through sale, and the Group has not been rebutted this presumption.

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.

3.12 Investment properties

Investment properties are initially measured at cost and subsequently at fair value with any change therein recognised in profit or loss. Any gain or loss on disposal of investment properties (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

Material Accounting Policies

For the period ended 31 March 2024

3.13 Intangible assets and goodwill

(a) Goodwill

Goodwill is measured at cost less accumulated impairment losses.

(b) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the profit or loss in the year in which the expenditure is incurred.

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

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

Computer software, not integral to the related hardware acquired by the Group, is stated at cost less accumulated amortisation and accumulated impairment losses.

Costs associated with maintaining computer software programmes are recognised as an expense as incurred. Subsequent expenditure on computer software is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. The estimated useful life is 5 years.

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

(d) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit

(e) Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight line method over their estimated useful lives, and generally recognised in profit or loss. Goodwill is not amortised.

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

(f) Impairment on goodwill

Goodwill is evaluated for impairment annually or whenever we identify certain triggering events or circumstances that would more likely than not reduce the fair value of a reporting unit below its carrying amount. Events or circumstances that might indicate an interim evaluation is warranted include, among other things, unexpected adverse business conditions, macro and reporting unit specific economic factors (for example, interest rate and foreign exchange rate fluctuations, and loss of key personnel), supply costs, unanticipated competitive activities, and acts by governments and courts.

Material Accounting Policies

For the period ended 31 March 2024

3.14 Property and equipment

(a) Recognition and measurement

Items of property and equipment are measured at cost less accumulated depreciation and impairment losses except for building (see note 2.4). Cost includes expenditures 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 that equipment.

Land and buildings are measured at revalued amount less accumulated depreciation (see note c below). Valuations are performed frequently (within every three year (3yrs) to ensure that the fair value of the revalued asset does not differ materially from its carrying amount. Accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount and the net value is restated to the revalued amount of the asset. Capital work-in-progress is stated at cost and not depreciated. Depreciation on capital work-in-progress commences when the assets are ready for their intended use and have been reclassified to the related asset category.

If significant parts of an item of property and equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment. Any gain or loss on disposal of an item of property and equipment is recognised in profit or loss.

(b) Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

(c) Depreciation

Depreciation is calculated to write off the cost of items of property and equipment less their estimated residual value using the straight-line method over the estimated useful lives, and is generally recognised in profit or loss. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term.

The estimated useful lives of significant items of property and equipment for current and comparative years are as follows:

Land	Not depreciated
Buildings	50 years
Furniture and equipment	5 years
Motor vehicles	5 years
Lifts	15 Years
Central Air Conditioners	10 years
Capital work in progress	Not depreciated

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate. 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 value less costs to sell or the value in use. Gains and losses on disposal are determined by comparing proceeds with carrying amount. Gains and losses are included in profit or loss for the year.

(d) 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. Any revaluation gain or loss previously recognised in reserve is derecognised into retained earnings.

(e) Reclassification to investment property

When the use of a property changes from owner-occupied to investment property, the property is remeasured to fair value and reclassified accordingly. Any gain arising on this remeasurement is recognised in profit or loss to the extent that it reverses a previous impairment loss on the specific property, with any remaining gain recognised in OCI and presented in the revaluation reserve. Any loss is recognised in profit or loss.

3.15 Statutory deposit

Statutory deposit represent 10% of required minimum paid up capital of AIICO Insurance PLC. The amount is held by CBN (Central Bank of Nigeria) pursuant to Section 10(3) of the Insurance Act 2003. Statutory deposit is measured at cost.

Material Accounting Policies

For the period ended 31 March 2024

3.16 Investment contract liabilities

Investment contract liabilities are recognized when contracts are entered into and premiums are received. These liabilities are initially recognized at fair value, this being the transaction price excluding any transaction costs directly attributable to the issue of the contract. Subsequent to initial recognition investment, contract liabilities are measured at amortized cost.

Deposits and withdrawals are recorded directly as an adjustment to the liability in the statement of financial position and are not recognised as gross premium in the consolidated profit or loss. The liability is derecognized when the contract expires, is discharged or is cancelled. When contracts contain both a financial risk component and a significant insurance risk component and the cash flows from the two components are distinct and can be measured reliably, the underlying amounts are unbundled. Any premiums relating to the insurance risk component are accounted for on the same basis as insurance contracts and the remaining element is accounted for as a deposit through the statement of financial position as described above.

However, when contracts contain both financial risk component and significant insurance risk component and cash flows from the two components are not distinct and cannot be measured reliably, the underlying amounts are not unbundled but are recognized in the statement of financial position account as insurance contract liabilities. After which, the actuary, using the contract terms, allocates a portion to the deposit component during the actuarial valuation. The portion allocated to the deposit component is subsequently debited to the profit or loss account as part of the actuarially determined liabilities with a corresponding credit posted to other investment contract liabilities account. The contracts with risk elements have been effectively measured under insurance contract liabilities as required by IFRS 17.

3.17 Portfolio under Management

(i) Fiduciary activities

The Group acts in other fiduciary capacities that results in holding or placing of assets on behalf of individuals and other institutions. These assets arising thereon are excluded from these financial statement as they are not assets of the Group. However, fee income earned and fee expenses incurred by the Group relating to the Group's responsibilities from fiduciary activities are recognised in profit or loss.

(ii) Fixed income liability

These are funds managed by the Group on behalf of its clients. The interest rate on these liabilities are agreed with the client at the inception of the investment. The Group invests these funds in financial instruments in order to generate at the minimum, the agreed rate of returns. The interest spread on these investments is the return to the Group. These liabilities are initially measured at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortised cost using the effective interest method.

3.18 Leases

The Group has applied IFRS 16 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under IAS 17 and IFRIC 4. The details of accounting policies under IAS 17 and IFRIC 4 are disclosed separately.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

As a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

Material Accounting Policies

For the period ended 31 March 2024

As a lessee (continued)

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

During the year, the group has no lease liability as all leases were rental and leased properties prepaid.

As a lessor

At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative standalone prices.

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

If an arrangement contains lease and non-lease components, then the Group applies IFRS 15 to allocate the consideration in the contract.

The Group recognises lease payments received under operating leases as income on a straightline basis over the lease term as part of 'other revenue'. Generally, the accounting policies applicable to the Group as a lessor in the comparative year were not different from IFRS 16.

3.19 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is certain. The expense relating to any provision is presented in the profit or loss net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

3.20 Share capital

(a) Ordinary shares

The Group's issued ordinary shares are classified as equity instruments. Incremental external costs that are directly attributable to the issue of these shares are recognized in equity.

(b) Dividends on ordinary share capital

Dividends on ordinary shares when approved by the Group's shareholders are paid from retained earnings.

(c) Share premium

The Group classifies share premium as equity when there is no obligation to transfer cash or other assets.

3.21 Deposit for shares

The group recognises funds received from investors for the purposes of equity purchase as deposit for shares pending the allotment of its shares.

3.22 Revaluation reserve

Subsequent to initial recognition, land and buildings are carried at revalued amounts less accumulated depreciation. The revaluation gains is recognised in equity, unless it reverses a decrease in the fair value of the same asset which was previously recognised as an expense, in which it is recognised in profit or loss. A subsequent decrease in the fair value is charged against this reserve to the extent that there is a credit balance relating to the same asset, with the balance being recognised in profit or loss. When a revalued asset is disposed of, any revaluation surplus is left in equity under the heading retained earnings.

Material Accounting Policies

For the period ended 31 March 2024

3.23 Fair value reserve

(a) Financial assets at fair value through OCI (debt instruments)

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to profit or loss. The Group's debt instruments at fair value through OCI includes investments in quoted debt instruments included under other non-current financial assets.

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

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

3.24 Exchange gains reserve

Exchange gain reserves comprises the cumulative net change when fair value through other comprehensive income investment in foreign currency are translated into the functional currency. When such investment is disposed of, the cumulative amount of the exchange differences recognised in other comprehensive income shall be reclassified to the profit or loss account.

3.26 Contingency reserves

(a) Non-life business

In compliance with Section 21 (2) of Insurance Act 2003, the contingency reserve is credited with the greater of 3% of total premiums, or 20% of the net profits. This shall accumulate until it reaches the amount of greater of minimum paid-up capital or 50 percent of net premium.

(b) Life business

In compliance with Section 22 (1) (b) of Insurance Act 2003, the contingency reserve is credited with the higher of 1% of gross premiums or 10% of net profit and accumulated until it reaches the amount of the minimum paid up capital – Insurance ACT 22 (1)(b).

3.27 Retained earnings

This account accumulates profits or losses from operations and reduced by dividends declared.

3.28 Other Income

Other operating income comprises of income from realised profits on sale of securities, realised foreign exchange gains and other sundry income.

Material Accounting Policies

For the period ended 31 March 2024

(e) Investment income

Interest income is recognized in the 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. Investment income also includes dividends when the right to receive payment is established. For listed securities, this is the date the security is listed as ex-dividend.

(f) Realized gains and losses

Realized gains and losses recorded in the profit or loss on investments include gains and losses on financial assets and investment property. Gains and losses on the sale of investments are calculated as the difference between net sales proceeds and the original or amortized cost and are recorded on occurrence of the sale transaction.

(g) Investment property rental income

Rental income from investment property is recognised as revenue on a straight line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease.

Rental Income from other property is recognised as other income.

The fair value gain or loss on investment property is recognised in profit or loss.

3.29 Employee benefits

(a) Short term employee benefit

Short term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid 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.

(b) Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

The Company operates a contributory pension scheme in line with the provisions of the Pension Reform Act 2014. The Pension Reform Act 2014 requires a minimum contributions of 8% from the staff and 10% by the Company based on the basic salaries and other designated allowances. The Pension Reform Act 2014 also allows the Company to bear the full contribution on behalf of the employees as far as the minimum contributions of 18% is met. The Company bears the full contribution on behalf of the employees contributions which is charged to profit or loss.

3.30 Other operating expenses

Expenses are decreases in economic benefits during the accounting year in the form of outflows, depletion of assets or incurrence of liabilities that result in decrease in equity, other than those relating to distributions to equity participants.

Other operating expenses are accounted for on accrual basis and recognized in profit or loss upon utilization of the service or at the date of their origin.

3.31 Finance cost

Interest paid is recognized in the profit or loss as it accrues and is calculated by using the effective interest rate method. Accrued interest is included within the carrying value of the interest bearing financial liability.

3.32 Earnings per share

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

3.33 Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated amortization and impairment losses (if any), and adjusted for any remeasurement of lease liabilities (if any). Right-of-use assets for the Group relates to rental payments above two (2) years and they are amortised on a straight-line basis over the period of the lease. During the year under review, there were no concession lease incentives granted to the group on rental payments.

Material Accounting Policies

For the period ended 31 March 2024

3.36 Insurance contracts

A. Key types of insurance contracts issued, and reinsurance contracts held.

The Group issues the following types of contracts that are accounted for in accordance with IFRS 17 Insurance Contracts:

- (i) Life insurance
- (ii) Non-life insurance

(i) Life insurance

For the Life insurance products, the Group offers the following insurance contracts with indication of IFRS 17 methodologies applied on these contracts:

- (a) Individual Life With-profit Policies - These are endowment plans without participating features.

The Group accounts for these policies applying the General Model.

- (b) Individual Life Without-profit Policies including:

- Term life insurance contracts providing level or decreasing sum assured coverage for a limited period in exchange for renewable fixed premiums.
- Whole of life assurance contracts.

The Group accounts for these policies applying the General Model.

- (c) Annuity Policies including:

- Fixed annuity contracts providing the annuitant with a guaranteed income payout for a limited period.
- Deferred annuity contracts providing the annuitant with a guaranteed income payout for life, with the first payment due at the end of the deferment period, provided all contractual premiums were paid. The policyholder is entitled to a surrender benefit (a portion of the accumulation balance at a guaranteed interest rate) if premiums are not fully paid.

The Group accounts for these policies applying the General Model.

- (d) Life Business – Deposit based policies.

These contracts are individual term assurance plans providing a death benefit with non-distinct investment components.

The Group accounts for these policies applying the General Model.

- (e) Group Life Insurance - The Group issues term assurance plans providing death benefits to employees of businesses with coverage of one year or less.

The Group accounts for these contracts applying the Premium Allocation Approach (PAA).

(ii) Non-life insurance

The Company issues non-life insurance to individuals and businesses. Non-life insurance products offered include motor, property, marine, fire and personal accident. 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 Group accounts for these contracts applying the Premium Allocation Approach (PAA).

Reinsurance contracts

The Group also holds the following types of reinsurance contracts to mitigate risk exposure.

- For the life business, the Group holds quota share reinsurance treaties and accounts for these treaties applying the PAA.
- For non-life, the Group holds facultative (excess of individual loss) reinsurance policies and quota share reinsurance contracts accounted for applying the PAA.

B. Definitions and classifications

Insurance products sold by the Group are classified as insurance contracts when the Group accepts significant insurance risk from a policyholder by agreeing to compensate the policyholder if a specified uncertain future event adversely affects the policyholder.

This assessment is made on a contract-by-contract basis at the contract issue date. In making this assessment, the Group considers all its substantive rights and obligations, whether they arise from contract, law or regulation.

The Group determines whether a contract contains significant insurance risk by assessing if an insured event could cause the Group to pay to the policyholder additional amounts that are significant in any single scenario with commercial substance even if the insured event is extremely unlikely or the expected present value of the contingent cash flows is a small proportion of the expected present value of the remaining cash flows from the insurance contract.

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

C. Combining a set or series of contracts

Sometimes, the Group enters into two or more contracts at the same time with the same or related counterparties to achieve an overall commercial effect. The Group accounts for such a set of contracts as a single insurance contract when this reflects the substance of the contracts. When making this assessment, the Group considers whether:

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

Material Accounting Policies
For the period ended 31 March 2024

D. Separating components from insurance and reinsurance contracts

The Group assesses its insurance and reinsurance products to determine whether they contain components which must be accounted for under another IFRS rather than IFRS 17 (distinct non- insurance components). After separating any distinct components, an entity must apply IFRS 17 to all remaining components of the (host) insurance contract. Currently, the Group's products do not include distinct components that require separation.

Some term life contracts issued by the Group include a surrender option under which the surrender value is paid to the policyholder on maturity or earlier lapse of the contract. These surrender options have been assessed to meet the definition of a non-distinct investment component in IFRS 17.

However, receipts and payments of the investment components are excluded from insurance revenue and insurance expenses. The surrender options are considered non-distinct investment components as the Group is unable to measure the value of the surrender option component separately from the life insurance portion of the contract.

The standard requires an insurer to identify and separate distinct components in certain circumstances. When separated, those components are accounted for under the relevant IFRS (i.e., not under IFRS 17). Investment components that are highly interrelated with the insurance contract of which they form a part are considered non-distinct and are not separately accounted for. However, these non-distinct investment components are excluded from the insurance service results.

Paragraph B18 of IFRS 17 states that an entity needs to assess the insurance risk excluding scenarios that have no commercial substance (ie no discernible effect on the economics of the transaction). Hence, for the purpose of determining if an insurance contract includes an investment component the entity needs to assess whether scenarios in which no payments are made have commercial substance. The entity does not consider a scenario for which no payment is made if that scenario has no commercial substance.

For AIICO, none of the products issued currently have distinct investment components. For AIICO deposit-based endowments, unallocated investment income is what covers policy expenses and management expenses as well as guaranteed death benefits. This effectively implies that the investment component in these products is interrelated with the risk component.

The investment component for AIICO endowments comprises surrender and maturity benefits payable.

E. Level of aggregation

IFRS 17 requires an entity to determine the level of aggregation for applying its requirements. The Group identifies portfolios by aggregating insurance contracts that are subject to similar risks and managed together. In grouping insurance contracts into portfolios, the Group considers the similarity of risks rather than the specific labelling of product lines. The Group has determined that all contracts within each product line, as defined for management purposes, have similar risks. Therefore, when contracts are managed together, they represent a portfolio of contracts.

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

At initial recognition, the Group segregates contracts based on when they were issued. A cohort contains all contracts that were issued within a 12-month period.

Each cohort is then further disaggregated into three groups of contracts:

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

For the Retail Life business, the determination of whether a contract or a group of contracts is onerous is based on the expectations as at the date of initial recognition, with fulfilment cash flow expectations determined on a probability-weighted basis.

The composition of groups established at initial recognition is not subsequently reassessed.

The profitability of groups of contracts is assessed by actuarial valuation models that take into consideration existing and new businesses.

For short term contracts accounted for applying the PAA, the Group determines that contracts are not onerous on initial recognition, unless there are facts and circumstances indicating otherwise. For contracts that are not onerous, the Group assesses, at initial recognition, that there is no significant possibility of becoming onerous subsequently by assessing the likelihood of changes in applicable facts and circumstances. The Group considers facts and circumstances to identify whether a group of contracts are onerous based on:

- Significant changes in external conditions including economic or regulatory changes e.g. (PRAN rate review)
- Changes to the organization or processes
- Changes in underwriting and pricing strategies
- Trends in experience and expected variability in cashflows.

This consideration is only required for Liability for Remaining Coverage (LRC) and not Liability for Incurred Claims (LIC) which is already measured at current fulfilment value. Fulfilment cashflows can be estimated at whichever aggregate level is deemed appropriate and then subsequently allocated into IFRS 17 portfolios and groups. The fact that incurred claims of a particular cohort is loss-making does not mean the LRC will be onerous as well. Judgement is applied to determine whether each cohort's LRC will be similar to this incurred experience and hence onerous. For example, actions taken to improve profitability a historically loss-making cohort may indicate that the cohort will be non-onerous going forward.

All short-term contracts have currently been assessed as having no possibility of becoming onerous. Though the Fire portfolio (non-Life) has historically been loss-making, the portfolio has been showing some improvement post-implementation of PRAN rates and other underwriting strategies such as removal of some toxic accounts etc. The Group expects that improvements will be sustained in future and therefore the cohort will be non-onerous. In subsequent periods, non-onerous contracts are re-assessed based on the likelihood of prevailing facts and circumstances leading to significant possibility of becoming onerous.

Reinsurance contracts held are assessed for aggregation on an individual contract basis and are assessed separately from insurance contracts. The smallest unit of account is a reinsurance contract, even where this contract covers more than one type of insurance product. However, there are cases where a reinsurance contract covers separate and identifiable product lines which are only included in the same legal document for administrative convenience. These contracts have been separated into its different component. An example is the NLIP reinsurance contract covering Auto, Casualty and Employer's Liability Lines. Each reinsured line is managed separately and priced separately so they are treated as separate reinsurance contracts.

Material Accounting Policies
For the period ended 31 March 2024

If two or more reinsurance contracts are written on a particular product line, these may be grouped together in the same portfolio as they will be covering risks of the same nature and will be managed together. For example, the Surplus contracts (1&2) on Fire have been grouped together as they cover risks of the same nature and can be measured under the same measurement approach (PAA because they have a contract boundary of 1 year). While, facultative and excess of loss contracts are in separate groups; though they cover the same risks and are even managed together, differing measurement approaches as well as recognition requirements may apply.

F. Recognition

Insurance contracts are recognised as at the date when the first payment is received by the policyholder. As AIICO adheres to the statutory "no premium no cover", the date premium is received from the policyholder will always be earlier or on the same date as the coverage period.

This premium receipt date would then be used to separate the groups of insurance contracts into yearly cohorts. The contract groupings shall not be reassessed until they are derecognized.

As required by the standard, AIICO will recognize contracts from the date at which they are determined to be onerous, if this occurs before premium payment or cover commencement.

G. Contract Boundaries

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

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

Or

- Both of the following criteria are satisfied:
- The Group has the practical ability to reassess the risks of the portfolio of insurance contracts that contain the contract and, as a result, can set a price or level of benefits that fully reflects the risk of that portfolio.

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

Contract Boundaries (continued)

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

For life contracts with renewal periods, the Group 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 Group by considering all the risks covered for the policyholder by the Group, that the Group would consider when underwriting equivalent contracts on the renewal dates for the remaining service. The Group reassesses contract boundary of each group at the end of each reporting period.

H. Measurement of insurance contracts issued.

1. General Model

1.1 Insurance contracts - initial measurement

The Group measures a group of contracts on initial recognition as the sum of the expected fulfilment cash flows within the contract boundary and the Contractual Service Margin (CSM) representing the unearned profit in the contracts relating to services that will be provided under the contracts.

Fulfilment cash flows within contract boundary

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

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

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

Material Accounting Policies
For the period ended 31 March 2024

The Group does not provide investment-return services in respect of contracts that it issues, nor does it perform investment activities for the benefit of policyholders. The Group incorporates, in an unbiased way, all reasonable and supportable information available without undue cost or effort about the amount, timing and uncertainty of those future cash flows. The Company estimates the probabilities and amounts of future payments under existing contracts based on information obtained, including:

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

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

Discount Rate

The time value of money and financial risk is measured separately from expected future cash flows with changes in financial risks recognized in profit or loss at the end of each reporting period unless the Group has elected the accounting policy to present the time value of money separately in profit or loss and other comprehensive income. The Group measures the time value of money using discount rates that reflect the liquidity characteristics of the insurance contracts and the characteristics of the cash flows, consistent with observable current market prices. They exclude the effect of factors that influence such observable market prices but do not affect the future cash flows of the insurance contracts (e.g., credit risk).

In determining discount rates for cash flows, the Group uses the 'bottom-up approach' to estimate discount rates starting from a risk-free rate with similar characteristics, plus an illiquidity premium where applicable. Risk free rates are determined by reference to the yields of highly liquid FGN Bonds. The illiquidity premium is determined by reference to observable market rates, including sovereign debt, corporate debt and market swap rates.

Risk adjustment for non-financial risk

other than financial risk, separately as an adjustment for non-financial risk.

The Group uses the cost of capital method in estimating the risk adjustment. The level of capital and the cost of capital rate that feed this estimation technique are calibrated from the Group economic capital's approach within which the Group estimates the impact of non-financial risks. The economic capital approach includes a quantitative measure of the Group's risk appetite which allows a specific measure of the Group's non-financial risk and the degree of its risk aversion for financial reporting purposes. The Group's economical capital approach, and the risk adjustment calculation derived from it, include the benefits of diversification at the issuing entity level. This is allocated to all the groups of insurance contracts. Diversification benefits are derived from a study of the negative correlation that exists among the different non-financial variables impacting the cash flows from the portfolios of the Group and results in lower economic capital being necessary to absorb the residual level of uncertainty.

Contractual service margin (CSM)

The CSM is a component of the overall carrying amount of a group of insurance contracts representing unearned profit that the Group will recognize as it provides insurance contract services over the coverage period.

At initial recognition, the Group measures the CSM at an amount that, unless a group of insurance contracts is onerous, results in no gains recognized in profit or loss arising from:

- The expected fulfilment cash flows of the group.
- The amount of any derecognized asset for insurance acquisition cash flows allocated to the group.
- Any other asset or liability previously recognized for cash flows related to the group.
- Any cash flows that have already arisen on the contracts as of that date.

If a group of contracts is onerous, the Group recognizes a loss on initial recognition. This results in the carrying amount of the liability for the group being equal to the fulfilment cash flows, and the CSM of the group being nil. A loss component is recognized for any loss on initial recognition of the group of insurance contracts. The Group determines at initial recognition the group's coverage units. The Group then allocates the group's CSM based on the coverage units provided in the period.

The Group allocates contracts acquired with claims in the settlement phase into annual groups based on the expected profitability of the contracts at the date of acquisition. The Group uses the consideration received or paid as an approximation of premiums to calculate the CSM on initial recognition.

Insurance acquisition cash flows

The Group includes insurance acquisition cash flows in the measurement of a group of insurance contracts if they are directly attributable to either the individual contracts in a group, the group itself or the portfolio of insurance contracts to which the group belongs.

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

The Group applies judgement in determining the inputs used in the methodology to systematically and rationally allocate insurance acquisition cash flows to groups of insurance contracts. This includes judgements about whether insurance contracts are expected to arise from renewals of existing insurance contracts and, where applicable, the amount to be allocated to groups including future renewals and the volume of expected renewals from new contracts issued in the period.

In the current and prior years, the Group did not allocate any insurance acquisition cash flows to future groups of insurance contracts, as it did not expect any renewal contracts to arise from new contracts issued in the period.

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

Material Accounting Policies
For the period ended 31 March 2024

Deferred acquisition costs (DAC)

Under IFRS 4, the Group recognised deferred acquisition cash flows separately as assets. Under IFRS 17, insurance acquisition cash flows are allocated to existing and future groups of insurance contracts on a systematic and rational basis. For insurance contracts measured under the GMM, on initial recognition of a group of contracts, the allocated insurance acquisition cash flows decrease the CSM and are thus implicitly deferred within the CSM, leading to a lower amount of CSM amortisation recognised in revenue in future reporting periods as services are rendered. However, for presentation purposes, directly attributable acquisition costs allocated to a group of contracts are amortised as an insurance service expense in a systematic way on the basis of the passage of time, with an equal amount recognised as insurance revenue.

Under the PAA, the Group recognised insurance acquisition cash flows in the liability for remaining coverage (LRC) and amortised insurance acquisition cash flows as insurance service expenses.

1.2. Insurance contracts – Subsequent Measurement (General Model)

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

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

The LRC is comprised of:

- (a) the fulfilment cash flows relating to future service,
- (b) the CSM yet to be earned and
- (c) any outstanding premiums for insurance contract services already provided.

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

Changes in fulfilment cash flows

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

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

Experience adjustments are the difference between:

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

Experience adjustments relating to current or past service are recognized in profit or loss. For incurred claims (including incurred but not reported) and other incurred insurance service expenses, experience adjustments always relate to current or past service. They are included in profit or loss as part of insurance service expenses. Experience adjustments relating to future service are included in the LRC by adjusting the CSM. The release of the CSM depends on whether the contract does not participate, participates indirectly, or directly participates in the performance of the specified underlying items.

At the end of each reporting period, the Group re-estimates the LRC fulfilment cash flows, updating for changes in assumptions relating to financial and non-financial risks.

Adjustments to the CSM

The following changes in fulfilment cash flows are considered to be related to future service and adjust (or 'unlock') the CSM of the group of insurance contracts:

- Experience adjustments relating to the premiums received in the period that relate to future service, and any relate cash flows such as insurance acquisition cash flows and premium-based taxes measured at the 'locked in' discount rates applicable when the contracts in the group were initially recognized.
- The change in the estimate of the present value of expected future cash flows in the liability for remaining coverage, related to non-financial variables, measured at the 'locked in' discount rates applicable when the contracts in the group were initially recognized. All financial variables are locked in at initial recognition.
- Changes in the risk adjustment for non-financial risk relating to future service. The Group has elected not to disaggregate the change in the risk adjustment for non-financial risk between:
 - a change related to non-financial risk and
 - the effect of the time value of money and changes in the time value of money.
- Differences between the amount of investment components that were expected to be payable in the period and the amount of investment components that actually became payable. The amount of investment components expected to be payable in the period is measured at the discount rates applicable before it became payable.

Material Accounting Policies
For the period ended 31 March 2024

The following adjustments do not relate to future service and thus do not adjust the CSM:

- Changes in fulfilment cash flows for the effect of the time value of money and the effect of financial risk and changes thereof.
- Changes in the fulfilment cash flows relating to the LIC.
- Experience adjustments relating to insurance service expenses (excluding insurance acquisition cash flows)

Any further increases in fulfilment cash flows relating to future coverage are recognized in profit or loss as they occur, increasing the loss component of the group of insurance contracts. Any subsequent decreases in fulfilment cash flows related to future coverage do not adjust the CSM until the loss component of the group is fully reversed through profit or loss.

At the end of the reporting period, the carrying amount of the CSM for a group of insurance contracts without direct participating features is the carrying amount at the beginning of the period adjusted for:

- The effect of any new contracts added to the group.
- Interest accreted on the carrying amount of the CSM measured at the discount rates determined at initial recognition.
- The changes in fulfilment cash flows related to future service, except:
- Increases in fulfilment cash flows that exceed the carrying amount of the CSM, giving rise to a loss that results in the group of contracts becoming onerous or more onerous.
- Decreases in fulfilment cash flows that reverse a previously recognized loss on a group of onerous contracts.
- The effect of any currency exchange differences on the CSM
- The amount recognized as insurance revenue because of the transfer of insurance contract services in the period, determined by the allocation of the CSM remaining at the end of the reporting period over the current and remaining coverage period.

An amount of the CSM is released to profit or loss in each period during which the insurance contract services are provided.

In determining the amount of the CSM to be released in each period, the Group follows three steps:

- Determine the total number of coverage units in the group. The amount of coverage units in the group is determined by considering the quantity of benefits provided under the contract and the expected coverage period for each contract.
- Allocate the CSM at the end of the period (before any of it is released to profit or loss to reflect the insurance contract services provided in the period) equally to each of the coverage units provided in the current period and expected to be provided in the future.
- Recognize in profit or loss the amount of CSM allocated to the coverage units provided during the period.

The number of coverage units change as insurance contract services are provided, contracts expire, lapse or surrender and new contracts are added to the group. The total number of coverage units depends on the expected duration of the obligations that the Group has from its contracts. These can differ from the legal contract maturity because of the impact of policyholder behavior and the uncertainty surrounding future insured events.

By determining a number of coverage units, the Group exercises judgement in estimating the likelihood of insured events occurring and policyholder behavior to the extent that they affect expected period of coverage in the group, the different levels of service offered across periods and the 'quantity of benefits' provided under a contract.

2. Premium Allocation Approach

Insurance contracts

This is a simplification of the general model. The Group applies the PAA to the measurement of group life and non-life insurance contracts with a coverage period of each contract in the group of one year or less.

Contracts with coverage period above one year which are not immediately eligible for the PAA, were subjected to a PAA eligibility by assessing the expected LRC cashflows under both the PAA and General Model approaches. However, there is no material difference in the measurement of the liability for remaining coverage between PAA and the general model, therefore, these qualified for PAA.

On initial recognition, the Group measures the carrying amount of the Liability for remaining coverage for insurance contracts held as the premiums received - Gross Written premiums (which will be unearned at the start) less the acquisition costs (as the company has chosen not to expense acquisition costs as incurred). The Group has determined that there is no significant financing component in group life and non-life insurance contracts with a coverage period of one year or less. The Group does not discount the liability for remaining coverage to reflect the time value of money and financial risk for such insurance contracts.

At subsequent measurement, the LRC is effectively the unearned premium reserve (UPR) under IFRS 4 less the deferred acquisition costs (DAC). Unlike IFRS 4, DAC will not be presented as an asset under IFRS17. It is instead reflected in the overall insurance contract liability for remaining coverage, without being identified as a separate component in the balance sheet.

Premium Experience Adjustment: Where premium experience adjustments relate to current/ past service and are treated at the end of the period, this will be immediately recognized in the P&L as insurance revenue.

Insurance acquisition cash flows

Insurance acquisition cash flows arise 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. These include direct and indirect costs incurred in originating insurance contracts, including cashflows related to unsuccessful efforts to obtain new business.

Under the PAA, an entity can choose to immediately expense insurance acquisition cash flows in the P&L when incurred if and only if each insurance contract in a group has a coverage period of one year or less. AIICO has opted not to expense acquisition cash flows immediately when incurred. Alternatively, an entity can recognize insurance acquisition cash flows in the measurement of liability for remaining coverage (LRC) and amortize insurance acquisition cash flows in the P&L (systematically - in line with earning pattern of premium revenue OR passage of time, with the former being the method adopted by AIICO).

The exiting IFRS 4 approach is to recognize a separate deferred acquisition cost (DAC) assets for costs associated with writing new insurance contracts (e.g., commissions paid to brokers). Under IFRS 17, if acquisition costs are paid before the related insurance groups are recognized, an entity shall recognize an asset. These assets are derecognized when the group of insurance contracts are recognized. If insurance acquisition cash flows are expected to be paid after the related group is recognized, then they are included as part of the measurement of insurance contracts (LRC).

Material Accounting Policies
For the period ended 31 March 2024

IFRS 17 allows for the deferral of acquisition costs to smooth out the recognition of profits. Paid acquisition costs are an asset that is amortized (or derecognized) when they are included in the measurement of the related group of insurance contracts. AIICO has chosen to defer all insurance acquisition cash flows and recognize them over the coverage period of contracts or groups they are attributed to. Therefore, acquisition costs and related revenue are recognized over the same periods and in the same pattern, based on the passage of time.

It must be noted that IFRS 17 requires allocation to future renewals if the acquisition cashflows are judged to support future renewals. Also the expensing acquisition costs policy choice only applies for contracts with coverage period one year or less.

For contracts measured under PAA in the Group, insurance acquisition costs comprise of costs:

- that are directly attributable to individual contracts or groups of contracts in a portfolio
- that are not directly attributable to individual contracts but, directly attributable to the portfolio of insurance contracts to which the group belongs; with the costs being allocated to groups on a systematic and rationale method e.g., Activity-Based Costing method or based on GWP proportions or claims cost etc.

3. Onerous contracts

The Group considers an insurance contract to be onerous if the expected fulfilment cash flows allocated to the contract, any previously recognized acquisition cash flows and any cash flows arising from the contract at the date of initial recognition in total result in a net cash outflow.

On initial recognition, the onerous assessment is done on an individual contract level assessing future expected cash flows on a probability-weighted basis including a risk adjustment for non-financial risk. Contracts expected on initial recognition to be loss-making are grouped together and such groups are measured and presented separately. Once contracts are allocated to a group, they are not re-allocated to another group, unless they are substantively modified.

On initial recognition, the CSM of the group of onerous contracts is nil and the group's measurement consists entirely of fulfilment cash flows. A net outflow expected from a group of contracts determined to be onerous is considered to be the group's 'loss component'. It is initially calculated when the group is first considered to be onerous and is recognized at that date in profit or loss. The amount of the group's loss component is tracked for the purposes of presentation and subsequent measurement.

After the loss component is recognized, the Group allocates any subsequent changes in fulfilment cash flows of the LRC on a systematic basis between the loss component and the LRC excluding the loss component. For groups of onerous contracts, without direct participating features, the Group uses locked-in discount rates. They are determined at initial recognition to calculate the changes in the estimate of future cash flows relating to future service (both changes in a loss component and reversals of a loss component).

For all issued contracts, other than those accounted for applying the PAA, the subsequent changes in the fulfilment cash flows of the LRC to be allocated are:

- Insurance finance income or expense
- Changes in risk adjustment for non-financial risk recognized in profit or loss representing release from risk in the period.
- Estimates of the present value of future cash flows for claims and expenses released from the LRC because of incurred insurance service expenses in the period.

The Group determines the systematic allocation of insurance service expenses incurred based on the percentage of loss component to the total fulfilment cash outflows included in the LRC, including the risk adjustment for non-financial risk, excluding any investment component amount.

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

If facts and circumstances indicate that a group of contracts is onerous during the coverage period, the onerous liability is calculated as the difference between:

- the carrying amount of the liability for remaining coverage; and
- the FCF that relates to remaining coverage similar to what is needed under the GMM.

This difference is recognized as a loss and shall increase the liability for remaining coverage.

I. Measurement of Reinsurance contracts issued.

I.1 Recognition

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

For example, if we enter a surplus fire reinsurance contract on 1 January 2022 and the first fire insurance policy in the treaty is written in February 2022, then the date of recognition of the surplus reinsurance contract will be February 2022. Though the contract agreement is in place in January, cashflows on the contract don't start until February.

Non-Proportionate reinsurance coverage will be recognized at the beginning of the coverage period of the contract.

Material Accounting Policies
For the period ended 31 March 2024

I.2. Reinsurance contracts held measured under the PAA.

All reinsurance contracts with contract boundaries not exceeding one year are automatically considered to meet PAA eligibility. Most of the Group's Surplus reinsurance contracts are immediately eligible for PAA as they are written on a clean-cut basis. At the end of the period, the reinsurer withdraws from the contract and the reinsurance held portfolio (including outstanding recoveries and ceded portion of unexpired premiums) is transferred to a new reinsurer.

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

For example, if an insurance contract inception in May 2022 and cedes to the Marine Hull Surplus reinsurance treaty (which inception 1 January 2022); the contract boundary extends till May 2023 when the insurance contract will expire. So, the contract boundary for the reinsurance contract is beyond one year i.e., 1 Jan 2022 – May 2023.

Where the reinsurance contracts held covers a group of onerous underlying insurance contracts, the Group adjusts the carrying amount of the asset for remaining coverage and recognizes a gain when, in the same period, it reports a loss on initial recognition of an onerous group of underlying insurance contracts or on addition of onerous underlying insurance contracts to a group. The recognition of this gain results in the recognition for the loss recovery component of the asset for the remaining coverage of a group of reinsurance contracts held.

I.3 Reinsurance contracts held measured under the General Model

The Group's quota share life reinsurance and the facultative reinsurance contracts held are accounted for applying the measurement requirements of the General Model for estimates of cash flows and discount rates. The Group measures the reinsurance contracts held and the underlying insurance contracts issued using consistent assumptions. The Group includes in the estimates of the present value of expected future cash flows for a group of reinsurance contracts held the effect of any risk of non-performance by the reinsurer, including the effects of any collateral and losses from disputes. The effect of non-performance risk of the reinsurer is assessed at each reporting date.

In determining the asset representing the risk adjustment for non-financial risk transferred to the reinsurer, the Group assesses the amount of risk transferred by the Group to the reinsurer by calculating the risk adjustment of the underlying contracts before and after the effect of the reinsurance contracts held. The difference is recognised as the asset representing the risk adjustment reinsured.

On initial recognition, the Group recognises any net cost or net gain on purchasing the group of reinsurance contracts held as a reinsurance CSM, unless the net cost of purchasing reinsurance coverage relates to events that occurred before the purchase of the group of reinsurance contracts, where the Group recognises such a cost immediately in profit or loss as an expense as part of insurance service result.

For a group of reinsurance contracts held, on initial recognition of an underlying onerous group of insurance contracts or on addition of onerous underlying insurance contracts to a group, the Group establishes a loss recovery component and, as a result, recognises a gain in profit or loss. The amount of the loss recovery component adjusts the CSM of a group of reinsurance contracts held. It is calculated at an amount equal to the loss recognised on the underlying insurance contracts multiplied by the percentage of claims on the underlying insurance contracts the Group expects to recover from the group of reinsurance contracts held. After initial recognition, the carrying amount of 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 entity expects to recover from the group of reinsurance contracts held. Reversal of the loss recovery component adjusts the CSM and the risk adjustment of the group of reinsurance contracts held. After establishing a reinsurance loss recovery component, except for further additions of onerous contracts to the underlying groups, its amount is adjusted for:

- Changes in fulfilment cash flows of underlying insurance contracts related to future service and do not adjust the CSM of their respective groups
- Loss recovery component reversals to the extent those reversals are not changes in the fulfilment cash flows of the group of reinsurance contracts held.

These adjustments are calculated and presented in profit or loss.

The Group adjusts the carrying amount of the CSM of a group of reinsurance contracts held at the end of a reporting period to reflect changes in the fulfilment cash flows applying the same approach as for insurance contracts issued, except when the underlying contract is onerous and the change in the fulfilment cash flows for underlying insurance contracts is recognised in profit or loss by adjusting the loss component. The respective changes in reinsurance contracts held is also recognised in profit and loss (adjusting the loss recovery component).

J. Modification and Derecognition

The Group derecognizes the original contract and recognizes the modified contract as a new contract, if the terms of insurance contracts are modified and the following conditions are met:

- If the modified terms were included at contract inception and the Group would have concluded that the modified contract:
- Is outside of the scope of IFRS 17
- Results in a different insurance contract due to separating components from the host contract
- Results in a substantially different contract boundary
- Would be included in a different group of contracts.
- The original contract met the definition of an insurance contract with direct participating features, but the modified contract no longer meets the definition.
- The original contract was accounted for applying the PAA, but the modified contract no longer meets the PAA eligibility criteria for that approach.

If the contract modification meets any of the conditions, the Group performs all assessments applicable at initial recognition, derecognizes the original contract and recognizes the new modified contract as if it was entered for the first time.

If the contract modification does not meet any of the conditions, the Group treats the effect of the modification as changes in the estimates of fulfilment cash flows. For insurance contracts accounted for applying the General Model, a change in the estimates of fulfilment cash flows results in a revised end of period CSM (before the current period allocation). A portion of the revised end of period CSM is allocated to the current period, as is the revised CSM amount applied from the beginning of the period but reflecting the change in the coverage units due to the modification during the period.

This portion is calculated using updated coverage unit amounts determined at the end of the period and weighted to reflect the fact that the revised coverage existed for only part of the current period.

For insurance contracts accounted for applying the PAA, the Group adjusts insurance revenue prospectively from the time of the contract modification.

Material Accounting Policies

For the period ended 31 March 2024

The Group derecognizes an insurance contract when, and only when the contract is:

- Extinguished (when the obligation specified in the insurance contract expires or is discharged or cancelled)
- Modified and the derecognition criteria are met.
- When the Group derecognizes an insurance contract from within a group of contracts, it:
- Adjusts the fulfilment cash flows allocated to the group 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 derecognized from the group.
- Adjusts the CSM of the group for the change in the fulfilment cash flows (unless it relates to the increase or reversal of the loss component).
- Adjusts the number of coverage units for expected remaining insurance contract services to reflect the coverage units derecognized from the group and recognizes in profit or loss in the period the amount of CSM based on that adjusted number.

When the Group transfers an insurance contract to a third party and that results in derecognition, the Group adjusts the CSM of the group from which the contract has been derecognized for the difference between the change in the carrying amount of the group caused by the derecognized fulfilment cash flows and the premium charged by the third party for the transfer.

When the Group derecognizes an insurance contract due to modification, it derecognizes the original insurance contract and recognizes a new one. The Group adjusts the CSM of the group from which the modified contract has been derecognized for the difference between the change in the carrying amount of the group as a result of adjustment to fulfilment cash flows due to derecognition and the premium the Group would have charged had it entered into a contract with equivalent terms as the new contract at the date of the contract modification, less any additional premium actually charged for the modification.

K. Presentation

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

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

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

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

3.37 Insurance Revenue

For the General Model, The Group's insurance revenue depicts the provision of services arising from a group of insurance contracts at an amount that reflects the consideration to which the Group 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 Group adjusted for financing effect (the time value of money) and excluding any investment components).

As the Group provides insurance services under a group of insurance contracts issued, it reduces its LRC and recognizes insurance revenue, which is measured at the amount of consideration the Group expects to be entitled to in exchange for those services.

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

- The insurance service expenses incurred in the period measured at the amounts expected at the beginning of the period, excluding:
 - Amounts allocated to the loss component.
 - Repayments of investment components.
 - Amounts that relate to transaction-based taxes collected on behalf of third parties.
 - Insurance acquisition expenses.
 - Amounts relating to risk adjustment for non-financial risk.
 - The change in the risk adjustment for non-financial risk, excluding:
 - Changes that relate to future service that adjust the CSM.
 - Amounts allocated to the loss component.
 - The amount of CSM for the services provided in the period.
 - Other amounts, such as experience adjustments for premium receipts that relate to current or past service, if any
- Insurance revenue also includes the portion of premiums that relate to recovering those insurance acquisition cash flows included in the insurance service expenses in each period. Both amounts are measured in a systematic way on the basis of the passage of time.

For the Premium Allocation Approach (PAA), The insurance revenue for the period is the amount of expected premium receipts (excluding any investment component) allocated to the period.

When applying the PAA, the Group recognizes insurance revenue for the period based on the passage of time by allocating expected premium receipts including premium experience adjustments to each period of service.

At the end of each reporting period, the Group considers whether there was a change in facts and circumstances indicating a need to change, on a prospective basis, the premium receipt allocation due to changes in the expected pattern of claim occurrence.

3.38 Insurance service expenses

Insurance service expenses arising from a group of insurance contracts issued comprises:

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

Material Accounting Policies

For the period ended 31 March 2024

3.39 Income or expenses from reinsurance contracts held.

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

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

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

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

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

3.40 Insurance finance income and expenses

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

The use of OCI presentation for insurance finance income and expenses

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

Currently the Group present all the period's insurance finance income or expenses in the profit or loss.

The Group may reassess its accounting policy choice during the duration of a group of direct participating contracts when there is a change in whether the Group holds the underlying items or no longer holds the underlying items. When such change occurs, the Group includes the amount accumulated in OCI by the date of change as a reclassification adjustment to profit or loss spread across the period of change and future periods based on the method and on assumptions that applied immediately before the date of change. Comparatives are not restated.

When applying the PAA, the Group does not discount the liability for remaining coverage to reflect the time value of money and financial risk for group life and non-life policies with a coverage period of one year or less. For those claims that the Group expects to be paid within one year or less from the date of incurrence, the Group does not adjust future cash flows for the time value of money and the effects of financial risks. However, claims expected to take more than one year to settle are discounted applying the discount rate at the time the incurred claim is initially recognized.

L. Contracts existing at transition date.

On transition date, 1 January 2022, the Group:

- Has identified, recognized and measured each group of insurance contracts as if IFRS 17 had always applied (unless impracticable).
- Has identified, recognized and measured assets for insurance acquisition cash flows as if IFRS 17 had always applied. However, no recoverability assessment was performed before the transition date. At transition date, a recoverability assessment was performed, and no impairment loss was identified.
- Derecognized any existing balances that would not exist had IFRS 17 always applied.
- Recognized any resulting net difference in equity.

In determining the appropriate transition approach, the following were considered:

- the coverage period of the in-force policies
- the availability of historical data and assumptions driving measurement and the ability to obtain these without undue cost and effort.

1. Full Retrospective approach

On transition to IFRS 17, the Group applied the full retrospective approach unless impracticable to do so.

The Group has applied the full retrospective approach on transition to all short-term contracts (group life and non-life business) in force at the transition date.

To do this, at the transition date, we have identified, recognized and measured each group of insurance contracts as if IFRS 17 had always applied; and derecognized any existing balances that would not exist had IFRS 17 always applied; and finally recognized any resulting net difference in equity.

2. Fair Value approach

The Group has applied the fair value approach on transition for individual life contracts as, prior to transition, it grouped contracts from multiple cohorts and years into a single unit for accounting purposes. Obtaining reasonable and supportable information to apply the full retrospective approach was impracticable without undue cost or effort. The Group has determined the CSM of the liability for remaining coverage at the transition date, as the difference between the fair value of the group of insurance contracts and the fulfilment cash flows measured at that date. In determining fair value, the Company has applied the requirements of IFRS 13 Fair Value Measurement, except for the demand deposit floor requirement.

The Group has aggregated contracts issued more than one year apart in determining groups of insurance contracts under the fair value approach at transition as it did not have reasonable and supportable information to aggregate groups into those including only contracts issued within one year.

Material Accounting Policies

For the period ended 31 March 2024

3.41 Investment and other Income

(a) Investment income

Interest income is recognized in the 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. Investment income also includes dividends when the right to receive payment is established. For listed securities, this is the date the security is listed as ex-dividend.

(b) Fees and commission income

Insurance and investment contract policyholders are charged for policy administration services, investment management services, surrenders and other contract fees. The administration fee is calculated as a flat charge payable monthly from contributions received while the fund management fee is an asset based fee charged as a percentage of the opening net assets value of the pension fund investment. These fees are recognized as revenue over the year in which the related services are performed. If the fees are for services provided in future years, then they are deferred and recognized over those future years.

(c) Realized gains and losses

Realized gains and losses recorded in the profit or loss on investments include gains and losses on financial assets and investment property. Gains and losses on the sale of investments are calculated as the difference between net sales proceeds and the original or amortized cost and are recorded on occurrence of the sale transaction.

(d) Investment property rental income

Rental income from investment property is recognised as revenue on a straight line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease.

Rental Income from other property is recognised as other income.

The fair value gain or loss on investment property is recognised in profit or loss

(e) Other operating income

Other operating income comprises of income from realised profits on sale of securities, realised foreign exchange gains and other sundry income.

3.42 Employee benefits

(a) Short term employee benefit

Short term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid 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.

(b) Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

The Company operates a contributory pension scheme in line with the provisions of the Pension Reform Act 2014. The Pension Reform Act 2014 requires a minimum contributions of 8% from the staff and 10% by the Company based on the basic salaries and other designated allowances. The Pension Reform Act 2014 also allows the Company to bear the full contribution on behalf of the employees as far as the minimum contributions of 18% is met. The Company bears the full contribution on behalf of the employees contributions which is charged to profit or loss.

3.43 Other operating expenses

Expenses are decreases in economic benefits during the accounting year in the form of outflows, depletion of assets or incurrence of liabilities that result in decrease in equity, other than those relating to distributions to equity participants.

Other operating expenses are accounted for on accrual basis and recognized in profit or loss upon utilization of the service or at the date of their origin.

3.44 Finance cost

Interest paid is recognized in the profit or loss as it accrues and is calculated by using the effective interest rate method. Accrued interest is included within the carrying value of the interest bearing financial liability.

3.45 Earnings per share

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

Material Accounting Policies
For the period ended 31 March 2024

3.46 Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated amortization and impairment losses (if any), and adjusted for any remeasurement of lease liabilities (if any). Right-of-use assets for the Group relates to rental payments above two (2) years and they are amortised on a straight-line basis over the period of the lease. During the year under review, there were no concession lease incentives granted to the group on rental payments.

3.47 Standards issued but not yet effective

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

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

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

b) IFRS S2 Climate-related Disclosures

IFRS S2 sets out the requirements for identifying, measuring and disclosing information about climate-related risks and opportunities that is useful to primary users of general purpose financial reports in making decisions relating to providing resources to the entity.

c) Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)

In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

The amendments are effective for annual reporting periods beginning on or after 1 January 2024 and must be applied retrospectively. The amendment is not expected to have any significant impact on the Company at the time it will take effect.

d) Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)

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

However, the requirements do not prevent the seller-lessee from recognizing any gain or loss arising from the partial or full termination of a lease.

The amendment is not expected to have any significant impact on the Company at the time it will take effect, as there is non-existent of such transaction as Sale and Leaseback in the Company or with external parties.

e) Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)

In May 2023, the Board issued amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments. The amendments clarify the characteristics of supplier finance arrangements. In these arrangements, one or more finance providers pay amounts an entity owes to its suppliers. The entity agrees to settle those amounts with the finance providers according to the terms and conditions of the arrangements, either at the same date or at a later date than that on which the finance providers pay the entity's suppliers.

The amendments require an entity to provide information about the impact of supplier finance arrangements on liabilities and cash flows, including terms and conditions of those arrangements, quantitative information on liabilities related to those arrangements as at the beginning and end of the reporting period and the type and effect of non-cash changes in the carrying amounts of those arrangements. The information on those arrangements is required to be aggregated unless the individual arrangements have dissimilar or unique terms and conditions.

Material Accounting Policies (Continued)

For the period ended 31 March 2024

4 Critical accounting judgements and key sources of estimation uncertainty

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

In the application of AIICO's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors considered to be relevant. Actual results may differ from these estimates.

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

(a) Key sources of estimation uncertainty

The following are key estimations that the directors have used in the process of applying AIICO's accounting policies and that have the most significant effect on the amounts recognised in financial statements.

Insurance contract liabilities and reinsurance contract assets.

By applying IFRS 17 to measurement of insurance contracts issued and reinsurance contracts held, AIICO has made estimations in the following key areas. They form part of the overall balances of insurance contract assets and liabilities and reinsurance contract assets and liabilities:

- Future cash flows
- Discount rates
- Allocation rate for insurance finance income or expenses
- Risk adjustment for non-financial risk

Every area, including AIICO's estimation methods and assumptions used and other sources of estimation uncertainty are discussed below. At 31 December 2023 AIICO's total carrying amount of:

- Insurance contracts issued that are liabilities was ₦ [217,701,608,481.85]
- Reinsurance contracts held that are assets was ₦ [17,116,370,034.14]

Kindly refer to the sensitivities analysis for further breakdown of estimations and scenerio analysis.

(b) Impairment of financial instrument

The Company has applied some judgment in carrying out an assessment of whether credit risk on the financial asset has increased significantly since initial recognition and incorporating forward-looking information in the measurement of ECL.

The judgment is required by management in the estimation of the amount and timing of future cash flows when determining an impairment loss for debt instruments measured at amortised cost and fair value through other comprehensive income. In estimating these cash flows, the Company makes judgments about the borrower's financial situation and value of other collateral (where applicable). These estimates are based on assumptions about a number of factors and actual results may differ, resulting in future changes to the impairment allowance.

A collective assessment of impairment takes into account data from the debt portfolio (such as credit quality, levels of arrears, credit utilisation, loan to collateral ratios etc.), and concentrations of risk and economic data (including levels of unemployment, real estate prices indices, country risk and the performance of different individual groups).

These critical assumptions have been applied consistently to all years presented.

(c) Measurement of fair values

Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When one is available, the Group measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Group uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Group measures assets and long positions at a bid price and liabilities and short positions at an ask price.

Material Accounting Policies (Continued)

For the period ended 31 March 2024

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received. If the Group determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognised in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data.

The determination of fair value for financial assets and financial liabilities for which there is no observable market price requires the use of valuation techniques. For financial instruments that trade infrequently and have little price transparency, fair value is less objective, and requires varying degrees of judgment depending on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument.

The Group measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the requirements.

- Level 1: Quoted market price in an active market for an identical instrument.

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

- Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instruments valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

Fair values of financial assets and financial liabilities that are traded in active markets are based on quoted market prices or dealer price quotations.

The fair value of financial instruments where no active market exists or where quoted prices are not otherwise available are determined by using valuation techniques. In these cases the fair values are estimated from observable data in respect of similar financial instruments or using models. Where market observable inputs are not available, they are estimated based on appropriate assumptions. Where valuation techniques (for example, models) are used to determine fair values, they are validated and periodically reviewed by qualified personnel independent of those that sourced them.

All models are certified before they are used, and models are calibrated to ensure that outputs reflect actual data and comparative market prices. To the extent practical, models use only observable data; however, areas such as credit risk (both own credit risk and counterparty risk), volatilities and correlations require management to make estimates.

(d) Fair value of unquoted equity financial instruments

Investments in unquoted equity financial instrument should be measured at fair value. The Group's investment in unquoted equity financial instrument are measured at fair value and are classified as a level 3 fair value hierarchy. As observable prices are not available for these securities, the Group has used valuation techniques to derive the fair value. See note 7(e)(ii).

(e) Liabilities arising from life insurance contracts

The liabilities for life insurance contracts are estimated using appropriate and acceptable base tables of standard mortality according to the type of contract being written. Management make various assumptions such as expenses inflation, valuation interest rate, mortality and further mortality improved in estimating the required reserves for life contracts

(f) Depreciation and carrying value of property and equipment

The estimation of the useful lives of assets is based on management's judgement. Any material adjustment to the estimated useful lives of items of property and equipment will have an impact on the carrying value of these items.

(g) Determination of impairment of property and equipment and intangible assets

Management is required to make judgements concerning the cause, timing and amount of impairment. In the identification of impairment indicators, management considers the impact of changes in current competitive conditions, cost of capital, availability of funding, technological obsolescence, discontinuance of services and other circumstances that could indicate that impairment exists. This requires management to make significant judgements and estimates concerning the existence of impairment indicators, separate cash generating units, remaining useful lives of assets, projected cash flows and net realisable values. Management's judgement is also required when assessing whether a previously recognised impairment loss should be reversed.

Material Accounting Policies (Continued)

For the period ended 31 March 2024

(h) Impairment of goodwill

Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of the cash generating unit to which the goodwill relates. Where the recoverable amount of the cash generating unit is less than their carrying amount, an impairment is recognized.

The carrying amount of the Goodwill is reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the recoverable amount of the goodwill is estimated.

An impairment loss is recognised if the carrying amount of the goodwill its Cash Generating Unit (CGU) exceeds its estimated recoverable amount. The recoverable amount is the higher of the fair value less costs to sell and value in use.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

Impairment losses are recognised in profit or loss. Impairment losses in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs) and then to reduce the carrying amount of the other assets in the CGU (group of CGUs) on a pro rata basis. An impairment loss in respect of goodwill is not reversed.

(i) Investment properties

The Group's investment properties are valued on the basis of open market value. The fair values are determined by applying the direct market evidence comparative method of valuation to derive the open market value such as price per square meter, rate of development in the area and quality of the building. No adjustments were made on the inputs to the model and assumptions to the model remains consistent with what was used in previous years.

Investment properties are derecognized either when they have been disposed of, or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal.

(j) Current income tax

The current income tax charge is calculated on taxable income on the basis of the tax laws enacted or substantively enacted at the reporting date. The Company applies Section 16 of the Company Income Tax Act. It states that an Insurance business shall be taxed as;

- an insurance company, whether proprietary or mutual, other than a life insurance company; or
- a Nigerian company whose profit accrued in part outside Nigeria,

The profit on which tax may be imposed, shall be ascertained by taking the gross premium interest and other income receivable in Nigeria less reinsurance and deducting from the balance so arrived at, a reserve fund for unexpired risks at the percentage consistently adopted by the company in relation to its operation as a whole for such risks at the end of the year for which the profits are being ascertained, subject to the limitation below:

An insurance company, other than a life insurance company, shall be allowed as deductions from its premium the following reserves for tax purposes-

(a) for unexpired risks, 45 percent of the total premium in case of general insurance business other than marine insurance business and 25 percent of the total premium in the case of marine cargo insurance;

(b) for other reserves, claims and outgoings of the company an amount equal to 25 percent of the total premium.

The Directors have adopted current tax practices in computing the tax liabilities. Actual results may differ from these estimates based on the interpretation by the tax authorities. The Directors acknowledge that changes in the application of the current tax practices can have a significant impact on the tax expense and tax liabilities recorded in the financial statements.

(k) Deferred tax asset

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

(h) Sensitivity analysis

The sensitivity analysis reflects the impact, on profit or loss and equity, of changes in the relevant risk variables that are reasonably possible at the reporting date.

(l) Determining control over investee entities

Management applies its judgement to determine whether the Group has control over subsidiaries or significant influence over an investee company as set out in Note 3.1(b).

The Group has determined that it exercises control and significant influence over certain investee companies due to its representation on the Board of such companies and its significant participation in the Companies' operating and financial policies.

Consolidated and separate statements of financial position

as of 31 March 2024

In thousands of naira

Assets

	Notes	Group		Company	
		31-Mar-24	31-Dec-23	31-Mar-24	31-Dec-23
Cash and cash equivalents	6	36,022,326	18,422,728	23,547,115	7,921,257
Financial assets:	7				
- Debt instruments at amortised cost		109,699,831	105,064,665	92,013,651	88,136,208
- Fair value through other comprehensive income		19,423,758	20,244,350	14,596,751	14,112,335
- Fair value through profit or loss		129,503,915	141,438,059	129,503,915	141,438,059
Trade receivables	8	1,769,515	980,752	1,506,547	909,559
Reinsurance contract assets	9	22,959,929	17,116,370	22,959,929	17,116,370
Other receivables and prepayments	10	5,057,477	3,667,351	4,278,725	2,838,437
Investment in subsidiaries	13	-	-	1,087,317	1,087,317
Investment properties	14(a)	707,500	707,500	707,500	707,500
Property and equipment	16	8,809,190	8,913,645	8,564,191	8,708,397
Statutory deposits	17	500,000	500,000	500,000	500,000
Right of use assets	11	116,775	132,512	116,775	132,512
Goodwill and other intangible assets	15	1,166,216	907,630	1,103,647	840,555
Total assets		335,736,432	318,095,562	300,486,063	284,448,506

Liabilities

Insurance contract liabilities	18(a)	224,342,321	218,023,682	224,342,321	217,701,608
Investment contract liabilities	18(b)	4,056,210	3,855,324	4,056,210	3,855,324
Reinsurance contract liabilities	9	2,100,868	930,616	2,100,868	930,616
Other insurance contract liabilities	19(b)	1,840,416	2,423,168	1,840,416	2,423,168
Trade payables	19(a)	3,116,361	1,612,909	3,116,361	1,612,909
Other payables and accruals	20(a)	6,423,042	8,332,138	5,747,931	7,570,587
Fixed income liabilities	20(b)	32,185,073	30,241,800	-	-
Current income tax payable	12(a)	2,138,447	845,061	2,049,556	763,026
Deferred tax liabilities	12(d)	498	498	-	-
Total liabilities		276,203,236	266,265,196	243,253,664	234,857,238

Equity

Share capital	21(a)	18,302,638	18,302,638	18,302,638	18,302,638
Share premium	21(b)(i)	64,745	64,745	64,745	64,745
Revaluation reserve	21(c)	2,764,016	2,764,016	2,764,016	2,764,016
Fair value reserve	21(d)	(2,374,269)	(1,107,650)	(1,153,686)	(13,544)
Contingency reserve	21(h)	12,606,325	11,755,475	12,606,325	11,755,475
Retained earnings	21(i)	27,718,256	19,615,890	24,648,361	16,717,938
Shareholders' funds		59,081,711	51,395,114	57,232,399	49,591,268
Non-controlling interests	13(d)	451,485	435,252	-	-
Total equity		59,533,197	51,830,366	57,232,399	49,591,268
Total liabilities and equity		335,736,432	318,095,561	300,486,063	284,448,506

These consolidated and separate financial statements were approved by the Board of Directors on 9 May 2024 and signed on its behalf by:



Mr. Kundan Sainani

Chairman

FRC/2013/PRO/DIR/003/00000003622



Mr. Babatunde Fajemirokun

Managing Director/Chief Executive Officer

FRC /2015/PRO/CIIN/010/00000019973

Additionally signed by:



Mrs. Bisola Elias

Chief Financial Officer

FRC/2018/PRO/ICAN/001/00000018839

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

Consolidated and separate statements of profit or loss and other comprehensive income

For the period ended 31 March 2024

		Group		Company	
	Notes	31-Mar-24	31-Mar-23	31-Mar-24	31-Mar-23
<i>In thousands of naira</i>					
Insurance Revenue	22(a)	22,669,763	14,839,171	22,320,820	14,482,847
Insurance Service Expense	22(b)	(17,755,037)	(13,465,447)	(17,595,240)	(13,384,611)
Net Expenses from Reinsurance Contracts	22(c)	(4,792,847)	(2,156,138)	(4,792,847)	(2,156,138)
Insurance service result		121,879	(782,414)	(67,268)	(1,057,903)
Investment income from effective interest rate	23(a)	7,543,648	5,960,650	7,390,757	5,864,001
Profit from deposit administration	23(b)	23,148	16,396	23,148	16,396
Net realised gain/(loss)	24(a)(i)	180,569	578	180,569	578
Net fair value losses	24(b)	(18,558,166)	(9,705,753)	(18,558,166)	(9,705,753)
Net change in investment contract liabilities	18(b)	196,528	7,301	196,528	7,301
Net impairment (losses)/reversal	25	-	(71,852)	-	-
Net foreign exchange income/(expense)	26	7,739,023	(436,713)	7,739,023	(436,713)
Net investment income		(2,875,249)	(4,229,393)	(3,028,140)	(4,254,191)
Net Finance expense from Insurance Contracts	27(a)	12,964,257	6,493,895	12,964,257	6,493,895
Net Finance Income from Reinsurance Contracts	27(b)	351,648	179,427	351,648	179,427
Net insurance finance result		13,315,905	6,673,322	13,315,905	6,673,322
Net insurance and investment result		10,562,535	1,661,515	10,220,497	1,361,229
Other income	28	259,899	356,039	220,259	266,964
Other Expenses	29	(545,545)	(567,199)	(372,953)	(343,121)
Profit before income tax from continuing operations		10,276,889	1,450,355	10,067,803	1,285,072
Income tax expense	12(b)(i)	(6,856)	3,424	-	-
Minimum tax	12(b)(i)	(1,286,529)	(11,763)	(1,286,529)	(11,763)
Profit for the period		8,983,503	1,442,016	8,781,273	1,273,309
Attributable to owners of the parent		8,953,217	1,411,691	8,781,273	1,273,309
Attributable to non-controlling interest holders	13(e)	30,286	30,326	-	-
		8,983,503	1,442,016	8,781,273	1,273,309
Other comprehensive income, net of tax					
Items within OCI that may be reclassified to profit or loss in subsequent periods:					
Fair value loss on debt instruments	21(d)	(1,299,910)	(550,250)	(1,159,381)	(121,884)
Items within OCI that will not be reclassified to profit or loss in subsequent periods:					
Fair value gain on equity securities	21(d)	19,238	-	19,238	-
Exchange (loss)/gains on financial assets		-	-	-	-
Total other comprehensive (loss)/ income		(1,280,672)	(550,250)	(1,140,143)	(121,884)
Total comprehensive income for the period		7,702,832	891,766	7,641,131	1,151,425
Attributable to owners of the parent		7,686,599	904,277	7,641,131	1,151,425
Attributable to non-controlling interests	13(e)	16,233	(12,511)	-	-
		7,702,832	891,766	7,641,131	1,151,425
Basic and diluted earnings per share (kobo)	26(a)	24	4	24	3

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

Consolidated and Separate Statements of Changes in Equity - Group
For the period ended 31 March 2024

	Attributable to owners of the Group										
	Note	Issued Share Capital	Share Premium	Revaluation Reserve	Fair Value Reserve	Foreign exchange translation reserve	Contingency Reserve	Retained Earnings	Shareholders' Equity	Non Controlling Interests	Total equity
In thousands of naira											
Balance at 1 January 2023	21	18,302,638	64,745	2,764,016	(2,796,624)	-	9,710,046	10,789,974	38,834,796	422,402	39,257,198
Total comprehensive income for the year											
Profit for the period		-	-	-	-	-	-	1,411,691	1,411,691	30,326	1,442,016
IFRS 17 Adjustment during the period		-	-	-	-	-	-	-	-	-	-
Other comprehensive income		-	-	-	(550,250)	-	-	-	(550,250)	-	(550,250)
NCI Share of other comprehensive income		-	-	-	42,837	-	-	-	42,837	(42,837)	-
Total other comprehensive income for the year		-	-	-	(507,413)	-	-	1,411,691	904,277	12,511	891,766
Transfers within equity											
Transfer to contingency reserve		-	-	-	-	-	545,596	(545,596)	-	-	-
Reclassification from fair value reserves		-	-	-	-	-	-	-	-	-	-
Transfer to/(from) retained earnings		-	-	-	-	-	-	-	-	-	-
Total transfers	21(g)	-	-	-	-	-	545,596	(545,596)	-	-	-
Transactions with owners, recorded directly in equity											
Dividend paid to ordinary shareholders		-	-	-	-	-	-	-	-	-	-
Total contributions by and distributions to equity holders		-	-	-	-	-	-	-	-	-	-
Balance at 31 March 2023		18,302,638	64,745	2,764,016	-3,304,037	-	10,255,642	11,609,819	39,692,823	409,891	40,102,714
Balance at 1 January 2024	21(a)	18,302,638	64,745	2,764,016	(1,107,650)	-	11,755,475	19,615,891	51,395,115	435,251	51,830,366
Total comprehensive income for the year											
IFRS 17 adjustment during the period		-	-	-	-	-	-	-	-	-	-
Profit for the period		-	-	-	-	-	-	8,953,217	8,953,217	30,286	8,983,503
Other comprehensive income		-	-	-	(1,280,672)	-	-	-	(1,280,672)	-	(1,280,672)
NCI Share of other comprehensive income		-	-	-	14,053	-	-	-	14,053	(14,053)	-
Total other comprehensive income for the year		-	-	-	(1,266,619)	-	-	8,953,217	7,686,598	16,233	7,702,832
Transfers within equity											
Transfer to contingency reserve		-	-	-	-	-	850,851	(850,851)	-	-	-
Transfer from fair reserve		-	-	-	-	-	-	-	-	-	-
Transfer to/(from) retained earnings		-	-	-	-	-	-	-	-	-	-
Total transfers		-	-	-	-	-	850,851	(850,851)	-	-	-
Transactions with owners, recorded directly in equity											
Dividend paid to ordinary shareholders		-	-	-	-	-	-	-	-	-	-
Total contributions by and distributions to equity holders		-	-	-	-	-	-	-	-	-	-
Balance at 31 December 2023		18,302,638	64,745	2,764,016	(2,374,269)	-	12,606,326	27,718,257	59,081,713	451,484	59,533,198

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

Consolidated and Separate Statements of Changes in Equity - Company
For the period ended 31 March 2024

		Attributable to owners of the Company							
		Issued Share Capital	Share Premium	Revaluation Reserve	Fair Value Reserve	Foreign exchange translation Reserve	Contingency Reserve	Retained Earnings	Total shareholders' Equity
<i>In thousands of naira</i>	Note								
Balance at 1 January 2023	21(a)(ii)	18,302,638	64,745	2,764,016	(1,821,698)	-	9,710,046	8,290,472	37,310,219
Total comprehensive income for the year									
Profit for the period		-	-	-	-	-	-	1,273,309	1,273,309
IFRS 17 Adjustment during the period		-	-	-	-	-	-	-	-
Other comprehensive income		-	-	-	(121,884)	-	-	-	121,884
Total other comprehensive income for the year		-	-	-	(121,884)	-	-	1,273,309	1,151,425
Transfers within equity									
Transfer to contingency reserve		-	-	-	-	-	545,596	(545,596)	-
Dividend		-	-	-	-	-	-	-	-
Transfer to retained earnings		-	-	-	-	-	-	-	-
Transfer to retained earnings from fair value reserve		-	-	-	-	-	-	-	-
Total transfers within equity		-	-	-	-	-	545,596	(545,596)	-
Balance at 31 March 2023		18,302,638	64,745	2,764,016	(1,943,582)	-	10,255,642	9,018,185	38,461,644
Balance at 1 January 2024									
		18,302,638	64,745	2,764,016	(13,545)	-	11,755,475	16,717,938	49,591,267
Total comprehensive income for the year									
IFRS 17 adjustment during the period		-	-	-	-	-	-	-	-
Profit for the period		-	-	-	-	-	-	8,781,273	8,781,273
Other comprehensive income		-	-	-	(1,140,143)	-	-	-	(1,140,143)
Total other comprehensive income for the year		-	-	-	(1,140,143)	-	-	8,781,273	7,641,131
Transfers within equity									
Transfer to contingency reserve		-	-	-	-	-	850,851	(850,851)	-
Transfer to retained earnings from fair value reserve	21(i)	-	-	-	-	-	-	-	-
Dividend paid to ordinary shareholders		-	-	-	-	-	-	-	-
Total transfers within equity		-	-	-	-	-	850,851	(850,851)	-
Balance as at 31 March 2024		18,302,638	64,745	2,764,016	(1,153,688)	-	12,606,326	24,648,361	57,232,398

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

Consolidated and Separate Statements of Cash Flows
For the period ended 31 March 2024
In thousands of naira

	Group		Company	
Notes	31-Mar-24	31-Mar-23	31-Mar-24	31-Mar-23
Operating activities:				
Total premium received	48,294,173	31,534,658	48,159,533	31,306,784
Commission received	1,008,565	981,160	188,108	821,660
Commission paid	(5,178,140)	(3,337,968)	(5,143,472)	(3,278,820)
Premium received in advance	468,498	75,956	468,498	75,956
Unallocated premium	(875,161)	3,363,349	(875,161)	3,363,349
Reinsurance premium paid	(16,165,241)	(6,287,283)	(16,165,241)	(6,287,283)
Gross benefits and claims paid	(13,411,746)	(14,224,343)	(13,286,552)	(13,933,171)
Claims recoveries	184,103	613,829	184,103	613,829
Receipt from deposit administration	13,949	17,953	13,949	17,953
Withdrawal from deposit administration	(12,009)	(13,038)	(12,009)	(13,038)
Other underwriting expenses paid	(1,714,069)	(1,233,709)	(1,714,069)	(1,233,709)
Payments to employees	(1,833,704)	(1,132,745)	(1,660,973)	(917,344)
Other operating cash payments	(6,203,197)	(11,659,213)	(5,547,708)	(11,867,897)
Other income received	440,028	288,098	276,479	266,964
Fixed income net (settlement)/received	1,897,675	4,962,884	-	-
Income tax paid	-	(23,552)	-	-
Net cash flows from/(used in) operating activities	6,913,725	3,926,036	4,885,486	(1,064,767)
Investing activities:				
Interest income received	7,978,038	12,655,405	9,610,703	11,051,849
Purchase of property and equipment	(354,018)	(170,670)	(288,926)	(166,492)
Purchase of intangible asset	(276,909)	(300)	(276,909)	-
Proceeds from sale of property and equipment	1,760	578	1,760	578
Proceeds from sale of investment property	-	52,000	-	52,000
Purchase of financial assets at amortized cost	(6,654,729)	(1,618,854)	(1,068,098)	(872,447)
Purchase of financial assets at FVTOCI	(2,794,637)	(1,984,783)	(1,007,110)	(1,984,783)
Purchase of financial assets at FVTPL	(11,648,193)	(2,394,906)	(11,648,193)	(2,394,906)
Proceed on disposal/ redemption of financial assets	22,786,904	3,492,540	14,216,670	1,704,793
Net cash flows from investing activities	9,038,217	10,031,010	9,539,898	7,390,591
Net decrease/increase in cash and cash equivalents	15,951,941	13,957,046	14,425,383	6,325,824
Cash and cash equivalents at 1 January	18,422,728	15,915,258	7,921,257	6,521,824
Net foreign exchange difference	1,647,657	-	1,200,475	-
Cash and cash equivalents as at 31st March	36,022,326	29,872,304	23,547,115	12,847,648

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

Notes to the Consolidated and Separate Financial Statements
For the period ended 31 March 2024

5 Segment Information

For management purposes, the Group is organized into business units based on their products and services and has four reportable operating segments as follows:

- The life insurance segment offers savings, protection products and other long-term contracts (both with and without insurance risk). It comprises a wide range of whole life, term assurance, guaranteed pensions, pure endowment pensions and mortgage endowment products. Revenue from this segment is derived primarily from insurance premium, fees and commission income and investment income.
- The non-life insurance segment comprises general insurance to individuals and businesses. Non-life insurance products offered include auto, household, commercial and business interruption insurance. These products offer protection of policyholder's assets and indemnification of other parties that have suffered damage as a result of policyholder's accident.
- The Health segment is a Health Maintenance Organization for prepaid health plans to cater for the health needs of individuals and corporate organizations. The segment became a full subsidiary of AIICO Insurance Plc on July 1, 2012.
- The Wealth Management segment is registered and licensed by the Securities & Exchange Commission in 2012, to carry out portfolio/fund management services. The segment commenced full operations in 2014 through the provision of bespoke wealth solutions for clients, by adopting a research based approach for every investment decision. The segment offers portfolio management services, structured investments and mutual funds to suit the investment needs of corporate and individual clients.

Notes to the Consolidated and Separate Financial Statements (Continued)
For the period ended 31 March 2024

5.1 Segment statement of profit or loss and other comprehensive income

<i>In thousands of naira</i>	Life Business	General Business	Elimination of inter-business transactions	Company	Health management services	Asset management	Elimination of inter-segment transactions	31 March 2024
Insurance Revenue	11,456,249	10,864,570		22,320,820	348,944	-	-	22,669,763
Insurance Service Expense	(10,479,324)	(7,115,916)		(17,595,240)	(159,796)	-	-	(17,755,037)
Net Expenses from Reinsurance Contracts	(426,946)	(4,365,902)		(4,792,847)	-	-	-	(4,792,847)
Insurance service result	549,979	(617,247)	-	(67,268)	189,147	-	-	121,879
Investment income from effective interest rate	6,600,142	790,615		7,390,757	23,356	129,535		7,543,648
Profit from deposit administration	23,148	-		23,148				23,148
Net realised gain/(loss)	176,110	4,459		180,569		-		180,569
Net fair value losses	(18,558,166)	-		(18,558,166)		-		(18,558,166)
Net change in investment contract liabilities	196,528	-		196,528				196,528
Net foreign exchange income/(expense)	1,118,462	6,620,562		7,739,023		-		7,739,023
Net Impairment Reversal / (Loss)	-	-		-	-	-	-	-
Net investment income	(10,443,776)	7,415,636	-	(3,028,140)	23,356	129,535	-	(2,875,249)
Net Finance income/(expense) from Insurance Contracts	13,536,401	(572,144)		12,964,257	-			12,964,257
Net Finance Income from Reinsurance Contracts	22,464	329,184		351,648				351,648
Net insurance finance income/(expenses)	13,558,865	(242,960)	-	13,315,905	-	-	-	13,315,905
Net insurance and investment result	3,665,068	6,555,429	-	10,220,497	212,504	129,535	-	10,562,536
Other Income	66,844	153,414		220,259	10,987	180,551	(151,899)	259,898
Personnel expenses	-	-		-	(82,417)	(90,314)		(172,731)
Other Expenses	(264,114)	(108,839)		(372,953)	(68,693)	(83,067)	151,899	(372,814)
Profit before income tax from continuing operations	3,467,799	6,600,004	-	10,067,803	72,381	136,705	-	10,276,889
Income tax expense	-	-		-	-	(6,856)		(6,856)
Minimum tax	(610,634)	(675,895)		(1,286,529)	-	-		(1,286,529)
Profit after tax from continuing operations	2,857,164	5,924,109	-	8,781,273	72,381	129,849	-	8,983,503
								-
Discontinued operations								-
Profit from discontinued operations (net of tax)	-	-		-				-
Profit for the year	2,857,164	5,924,109	-	8,781,273	72,381	129,849	-	8,983,503
Attributable to owners of the parent	2,857,164	5,924,109	-	8,781,273	55,082	116,862	-	8,953,217
Attributable to non-controlling interest holders				-	17,299	12,987		30,286
	2,857,164	5,924,109	-	8,781,273	72,381	129,849	-	8,983,503
Other comprehensive income, net of tax								
Items within OCI that may be reclassified to profit or loss in subsequent periods:								
Fair value (loss)/gain on financial assets	(560,441)	(598,941)		(1,159,381)	-	(140,529)		(1,299,910)
Items within OCI that will not be reclassified to profit or loss in subsequent periods:								
Fair value gain on equity securities	-	19,238		19,238		-		19,238
Exchange (loss)/gains on financial assets	-	-		-				-
Total other comprehensive (loss)/ income	(560,441)	(579,702)	-	(1,140,143)	-	(140,529)	-	(1,280,672)
Total comprehensive income for the period	2,296,724	5,344,407	-	7,641,130	72,381	(10,681)	-	7,702,831

No single external customer contributed 10 percent or more of the entity's revenues as at end of the period

Notes to the Consolidated and Separate Financial Statements (Continued)
For the period ended 31 March 2024

(b) Segment statement of profit or loss and other comprehensive income

<i>In thousands of naira</i>	Life Business	General Business	Elimination of inter-business transactions	Company	Health management services	Asset management	Elimination of inter-segment transactions	31 March 2023
Insurance Revenue	7,589,421	6,893,426		14,482,847	356,324			14,839,171
Insurance Service Expense	(8,599,951)	(4,784,660)		(13,384,611)	(80,836)			(13,465,447)
Net Income/(Expenses) from Reinsurance Contracts	3,269	(2,159,407)		(2,156,138)				(2,156,138)
Insurance service result	(1,007,261)	(50,641)	-	(1,057,903)	275,488	-	-	(782,414)
Investment income from effective interest rate	5,301,517	562,484		5,864,001	33,510	63,139		5,960,650
Profit from deposit administration	16,396	-		16,396	-	-		16,396
Net realised gain/(loss)	578	-		578	-	-		578
Net change in investment contract liabilities	7,301	-		7,301	-	-		7,301
Net fair value losses	(9,705,753)	-		(9,705,753)	-	-		(9,705,753)
Net foreign exchange income/(expense)	73,473	(510,186)		(436,713)	-	-		(436,713)
Net impairment Reversal / (Loss)	-	-		-	-	-	(71,852)	(71,852)
Net investment income	(4,306,488)	52,297	-	(4,254,191)	33,510	63,139	(71,852)	(4,229,393)
Net Finance expense from Insurance Contracts	6,779,066	(285,171)		6,493,895	-	-		6,493,895
Net Finance Income from Reinsurance Contracts	41,386	138,041		179,427	-	-		179,427
Net insurance finance income/(expenses)	6,820,452	(147,130)	-	6,673,322	-	-	-	6,673,322
Net insurance and investment result	1,506,703	(145,474)	-	1,361,229	308,998	63,139	(71,852)	1,661,514
Other income	108,433	158,530		266,964	611	171,164	(82,700)	356,039
Personnel expenses	-	-		-	(131,647)	(83,754)		(215,401)
Other Expenses	(249,260)	(93,862)		(343,121)	(81,165)	(82,063)	154,552	(351,798)
Profit before income tax from continuing operations	1,365,876	(80,805)	-	1,285,071	96,798	68,485	-	1,450,354
Income tax expense	-	-		-	-	3,424	-	3,424
Minimum tax	(10,601)	(1,162)		(11,763)	-	-		(11,763)
Profit after tax from continuing operations	1,355,275	(81,968)	-	1,273,308	96,798	71,910	-	1,442,015
Attributable to owners of the parent	1,355,275	(81,968)	-	1,273,308	73,663	64,719	-	1,411,689
Attributable to non-controlling interest holders	-	-	-	-	23,135	7,191	-	30,326
Other comprehensive income, net of tax	1,355,275	(81,968)	-	1,273,308	96,798	71,910	-	1,442,015
Items within OCI that may be reclassified to profit or loss in subsequent periods:								
Fair value (loss)/gain on financial assets	(85,204)	(36,680)	-	(121,884)	-	(428,367)	-	(550,251)
Total other comprehensive (loss)/ income	(85,204)	(36,680)	-	(121,884)	-	(428,367)	-	(550,251)
Total comprehensive income for the period	1,270,071	(118,647)	-	1,151,424	96,798	(356,457)	-	891,764

No single external customer contributed 10 percent or more of the entity's revenues as at end of the year.

Notes to the Consolidated and Separate Financial Statements (Continued)
For the period ended 31 March 2024

5.2 Segment Statement of Financial Position

<i>In thousands of naira</i>	Life	General	Elimination of inter-business transactions	Company	Health management services	Asset management	Elimination of inter-segment transactions	31 March 2024
Assets								
Cash and cash equivalents	18,144,155	5,402,960	-	23,547,115	30,607	12,444,604	-	36,022,326
Financial assets:								
- Debt instruments at amortised cost	62,515,322	29,498,329	-	92,013,651	969,534	23,745,757	(7,029,110)	109,699,831
- Fair value through other comprehensive income	5,514,839	9,081,912	-	14,596,751	-	4,827,007	-	19,423,758
- Fair value through profit or loss	129,503,915	-	-	129,503,915	-	-	-	129,503,915
Trade receivables	-	1,506,547	-	1,506,547	88,727	174,241	-	1,769,515
Reinsurance Contract Assets	2,718,416	20,241,513	-	22,959,929	-	-	-	22,959,929
Other receivables and prepayments	4,346,077	1,806,794	(1,874,146)	4,278,725	91,674	777,033	(89,955)	5,057,477
Deferred tax assets	-	-	-	-	-	-	-	-
Investment in subsidiaries	837,317	250,000	-	1,087,317	-	-	(1,087,317)	-
Investment in associate	-	-	-	-	-	-	-	-
Investment properties	320,000	387,500	-	707,500	-	-	-	707,500
Property and equipment	6,360,610	2,203,581	-	8,564,191	40,182	204,818	-	8,809,191
Statutory deposits	200,000	300,000	-	500,000	-	-	-	500,000
Right of use assets	57,952	58,823	-	116,775	-	-	-	116,775
Goodwill and other intangible assets	302,784	800,863	-	1,103,647	20,183	42,384	-	1,166,214
Total assets	230,821,386	71,538,822	(1,874,146)	300,486,063	1,240,907	42,215,844	(8,206,382)	335,736,432
Liabilities								
Insurance contract liabilities	187,909,698	36,432,623	-	224,342,321	-	-	-	224,342,321
Investment contract liabilities	4,056,210	-	-	4,056,210	-	-	-	4,056,210
Reinsurance contract liabilities	212,213	1,888,655	-	2,100,868	-	-	-	2,100,868
Other insurance contract liabilities	1,840,416	-	-	1,840,416	-	-	-	1,840,416
Trade payables	442,027	2,674,334	-	3,116,361	-	-	-	3,116,361
Other payables and accruals	4,736,952	2,885,125	(1,874,146)	5,747,931	450,519	368,104	(143,537)	6,423,017
Fixed income liabilities	-	-	-	-	-	39,214,183	(7,029,110)	32,185,073
Current income tax payable	871,401	1,178,155	-	2,049,556	22,929	65,962	-	2,138,447
Deferred tax liabilities	-	-	-	-	498	-	-	498
Total liabilities	200,068,917	45,058,892	(1,874,146)	243,253,664	473,946	39,648,249	(7,172,647)	276,203,211
Equity								
Share capital	8,003,650	10,298,988	-	18,302,638	600,000	1,200,000	(1,800,000)	18,302,638
Share premium	64,745	-	-	64,745	47,494	41,346	(88,840)	64,745
Revaluation reserve	1,865,146	898,870	-	2,764,016	-	-	-	2,764,016
Fair value reserve	(995,186)	(158,500)	-	(1,153,686)	-	(1,225,865)	5,285	(2,374,267)
Foreign exchange gains reserve	-	-	-	-	-	-	-	-
Contingency reserve	5,906,616	6,699,710	-	12,606,325	-	-	-	12,606,325
Retained earnings	15,907,498	8,740,863	-	24,648,361	119,467	2,552,114	398,336	27,718,278
Shareholders' funds	30,752,469	26,479,930	-	57,232,399	766,961	2,567,595	(1,485,220)	59,081,735
Non-controlling interests	-	-	-	-	-	-	451,485	451,485
Total equity	30,752,469	26,479,930	-	57,232,399	766,961	2,567,595	(1,033,735)	59,533,221
Total liabilities and equity	230,821,386	71,538,822	(1,874,146)	300,486,063	1,240,907	42,215,844	(8,206,382)	335,736,432

Notes to the Consolidated and Separate Financial Statements (Continued)
For the period ended 31 March 2024

<i>In thousands of naira</i>	Life	General	Elimination of inter-business transactions	Company	Health management services	Asset management	Elimination of inter-segment transactions	31 December 2023
Assets								
Cash and cash equivalents	6,037,981	1,883,276	-	7,921,257	352,768	10,148,703	-	18,422,728
Financial assets:	-	-	-	-	-	-	-	-
- Debt instruments at amortised cost	63,034,156	25,102,052	-	88,136,208	1,072,187	24,066,377	(8,210,107)	105,064,665
- Fair value through other comprehensive income	5,659,711	8,452,624	-	14,112,335	-	6,132,015	-	20,244,350
- Fair value through profit or loss	141,438,059	-	-	141,438,059	-	-	-	141,438,059
Trade receivables	-	909,559	-	909,559	33,801	37,392	-	980,752
Reinsurance contract assets	1,135,405	15,980,966	-	17,116,370	-	-	-	17,116,370
Other receivables and prepayments	3,679,173	721,552	(1,562,287)	2,838,437	49,020	909,522	(129,629)	3,667,351
Investment in associate	837,317	250,000	-	1,087,317	-	-	(1,087,317)	-
Property and equipment	320,000	387,500	-	707,500	-	-	-	707,500
Statutory deposits	6,482,680	2,225,717	-	8,708,397	43,347	161,902	-	8,913,645
Right of use assets	200,000	300,000	-	500,000	-	-	-	500,000
Goodwill and other intangible assets	61,087	71,425	-	132,512	-	-	-	132,512
Assets classified as held for sale	39,692	800,863	-	840,555	20,184	46,891	-	907,630
Total Assets	228,925,260	57,085,533	(1,562,287)	284,448,506	1,571,306	41,502,802	(9,427,053)	318,095,562
Liabilities and Equity								
Liabilities								
Insurance contract liabilities	189,950,495	27,751,114	-	217,701,608	322,073	-	-	218,023,682
Investment contract liabilities	3,855,323	-	-	3,855,323	-	-	-	3,855,323
Reinsurance contract liabilities	207,322	723,294	-	930,616	-	-	-	930,616
Other insurance contract liabilities	2,423,168	-	-	2,423,168	-	-	-	2,423,168
Trade payables	153,453	1,459,456	-	1,612,909	-	-	-	1,612,909
Other payables and accrual	4,124,830	5,008,044	(1,562,287)	7,570,587	531,650	429,149	(199,247)	8,332,138
Fixed income liability	-	-	-	-	-	38,449,435	(8,207,635)	30,241,800
Current tax payable	260,766	502,260	-	763,027	22,929	59,106	-	845,061
Deferred tax liability	-	-	-	-	498	-	-	498
Total liabilities	200,975,357	35,444,168	(1,562,287)	234,857,238	877,150	38,937,690	(8,406,882)	266,265,195
Equity								
Issued share capital	8,003,650	10,298,988	-	18,302,638	600,000	1,200,000	(1,800,000)	18,302,638
Share premium	64,745	-	-	64,745	47,494	41,346	(88,840)	64,745
Revaluation reserve	1,865,146	898,870	-	2,764,016	-	-	-	2,764,016
Fair value reserve	(434,747)	421,203	-	(13,544)	-	(1,068,535)	(25,571)	(1,107,650)
Contingency reserve	5,600,693	6,154,782	-	11,755,475	-	-	-	11,755,475
Retained earnings	12,850,416	3,867,522	-	16,717,938	46,662	2,392,303	458,989	19,615,891
Shareholders funds	27,949,903	21,641,364	-	49,591,268	694,156	2,565,114	(1,455,422)	51,395,115
Non- controlling interest	-	-	-	-	-	-	435,252	435,252
Total equity	27,949,903	21,641,364	-	49,591,268	694,156	2,565,114	(1,020,171)	51,830,367
Total liabilities and equity	228,925,260	57,085,533	(1,562,287)	284,448,506	1,571,306	41,502,804	(9,427,053)	318,095,562

Notes to the Consolidated and Separate Financial Statements (Continued)
For the period ended 31 March 2024

6 Cash and cash equivalents

	Group		Company	
<i>In thousands of naira</i>	Mar-24	Dec-23	Mar-24	Dec-23
Cash on hand	19,465	27,796	18,607	27,200
Cash in bank	11,585,602	6,714,457	11,056,705	5,600,744
Bank Placement	24,423,139	11,686,356	12,473,658	2,295,168
	36,028,206	18,428,608	23,548,970	7,923,112
Allowance for impairment on short term deposits relating to continuing operations	(5,880)	(5,880)	(1,855)	(1,855)
	36,022,326	18,422,728	23,547,115	7,921,257
At 1 January	(5,880)	(12,369)	(1,855)	(747)
(Charge) / recovery in the period	-	6,371	-	(1,108)
Allowance for impairment on short term deposits transferred to disposal group	-	-	-	-
Balance as at	(5,880)	(5,880)	(1,855)	(1,855)
Current	36,022,326	18,422,728	23,547,115	7,921,257
Non Current	-	-	-	-
	36,022,326	18,422,728	23,547,115	7,921,257

- (a) Short-term deposits are made for 'varying periods' of between one day and three months, depending on the immediate cash requirements of the Group and Company. The carrying amounts disclosed above reasonably approximate fair value at the reporting date and the average interest rate on the short-term deposits as at the reporting date was 9% per annum. Interest rates on this deposit ranges from 12-18% and maturities ranging between 30-90days. These funds are placed with local banks.
- (b) Included in cash and cash equivalents are placements with local banks representing assets of the fixed income liabilities of ₦32.2bn (see note 20(b)(ii)) (2023: ₦31.1bn)

7 Financial assets

	Group		Company	
<i>In thousands of naira</i>	Mar-24	Dec-23	Mar-24	Dec-23
Financial assets at amortized cost (see note (a) below)	109,699,831	105,064,665	92,013,651	88,136,208
Fair value through other comprehensive income (see note (b) below)	19,423,758	20,244,350	14,596,751	14,112,335
Fair value through profit or loss (see note (c) below)	129,503,915	141,438,059	129,503,915	141,438,059
	258,627,503	266,747,074	236,114,317	243,686,602
Current	148,927,673	161,682,409	144,100,666	155,550,394
Non Current	109,699,831	105,064,665	92,013,651	88,136,208
	258,627,503	266,747,074	236,114,317	243,686,602

(a) Financial assets at amortised cost

Federal Government Bonds	78,688,597	76,108,091	62,096,914	62,543,405
Other financial assets (see (i) below)	570,910	4,573,207	6,227,088	7,378,646
Corporate Bonds	3,103,351	3,105,875	1,576,917	1,607,983
Euro Bond	20,663,711	14,717,901	17,149,922	11,597,642
Commercial Paper	2,715,187	2,260,567	286,480	283,345
Loans to policyholders	3,126,486	3,170,569	3,126,486	3,170,569
Staff loans	1,186,454	1,228,770	1,106,992	1,161,590
Agent loans	149,927	129,797	149,927	129,797
Other loans	623,894	564,724	353,041	323,347
	110,828,517	105,859,501	92,073,767	88,196,324
Allowance for Impairment of other loans (see (ii) below)	(169,742)	(169,742)	(5,402)	(5,402)
Allowance for Impairment impairment on commercial papers	(10,983)	(10,983)	(200)	(200)
Allowance for Impairment of bonds (see (ii) below)	(906,954)	(573,104)	(47,087)	(47,087)
Allowance for Impairment of other financial assets (see (ii) below)	(41,007)	(41,007)	(7,427)	(7,427)
	(1,128,686)	(794,836)	(60,116)	(60,116)
	109,699,831	105,064,665	92,013,651	88,136,208

- (i) Other financial assets relates to an investment in AIICO Capital's GIN (Guaranteed income note) for investment in bonds and treasury bills at a guaranteed return of 7% per annum. AIICO Capital is regulated by Securities and Exchange Commission (SEC) to invest in the capital market and carries out this type of investments for its clients.
- (ii) Movement in impairment allowance during the period is as follows:

	Group		Company	
	Mar-24	Dec-23	Mar-24	Dec-23
At 1 January	794,836	92,252	60,116	92,252
12 months ECL charge for the period bonds	-	185,327	-	(22,650)
12 months ECL charge for the period, commercial papers	-	9,998	-	82
12 months ECL charge for the period other loans	-	1,636	-	1,636
12 months ECL charge for the period other financial assets	-	1,400	-	(11,204)
Exchange loss	333,850	504,223	-	-
Balance as at	1,128,686	794,836	60,116	60,116

Notes to the Consolidated and Separate Financial Statements (Continued)
For the period ended 31 March 2024

- (iii) Movement in amortized cost portfolio is as follows;

<i>In thousands of naira</i>				
Balance at 1 January	105,859,501	83,979,050	88,196,324	74,162,220
Additions during the year	6,654,729	44,544,551	1,068,098	34,590,582
Disposals/Repayments	(11,009,004)	(33,545,689)	(5,270,317)	(29,164,260)
Accrued interest	1,647,473	2,519,774	1,483,174	1,757,424
Exchange gain	7,675,818	8,361,815	6,596,488	6,850,357
	110,828,516	105,859,501	92,073,767	88,196,324
Allowance for 12 months ECL charge (see (ii) above)	(1,128,686)	(794,836)	(60,116)	(60,116)
	109,699,831	105,064,665	92,013,651	88,136,208

- * This relates to the asset brought into the books from the acquisition of tangerine annuity portfolio.

- (b) **Financial assets classified at fair value through other comprehensive income**

<i>In thousands of naira</i>	Group		Company	
	Mar-24	Dec-23	Mar-24	Dec-23
Federal Government Bonds	10,827,654	13,890,554	6,740,377	7,768,272
Corporate Bonds	1,058,431	958,758	1,058,431	958,758
Treasury bills	818,007	-	84,010	-
Euro Bond	-	2,728	-	-
Equities (see note (i) below)	6,719,665	5,392,310	6,713,933	5,385,305
	19,423,758	20,244,350	14,596,751	14,112,335

- (i) **Equity instruments designated at fair value through other comprehensive income**

<i>In thousands of naira</i>				
Quoted equities	843,366	825,401	837,634	818,396
Unquoted equities	5,876,299	4,566,909	5,876,299	4,566,909
	6,719,665	5,392,310	6,713,933	5,385,305

- (ii) Movement in financial asset classified as fair value through other comprehensive income (FVTOCI) is as follows;

<i>In thousands of naira</i>				
Balance at 1 January	20,244,350	16,339,689	14,112,335	9,118,059
Additions during the period	2,794,637	9,244,951	1,007,110	7,690,755
Disposals	(3,001,315)	(7,610,322)	-	(4,767,676)
Accrued interest	264,478	577,260	215,169	270,130
Exchange (loss)/ gain	402,280	-	402,280	-
Fair value loss on debt instruments	(1,299,910)	(168,255)	(1,159,381)	(25,019)
Fair value gain/(loss) on equity securities	19,238	1,861,027	19,238	1,826,086
Balance as at	19,423,758	20,244,350	14,596,751	14,112,335

- (c) **Financial assets classified at fair value through profit or loss**

<i>In thousands of naira</i>				
Federal Government bonds	123,193,591	135,041,578	123,193,591	135,041,578
Corporate bonds	2,559,939	2,646,096	2,559,939	2,646,096
Unquoted Equities	3,750,385	3,750,385	3,750,385	3,750,385
Balance as at	129,503,915	141,438,059	129,503,915	141,438,059

- (i) Movement in financial asset classified as fair value through profit or loss (FVTPL) is as follows;

<i>In thousands of naira</i>				
Balance at 1 January	141,438,059	125,233,425	141,438,059	125,233,425
Additions during the period	11,648,193	33,635,797	11,648,193	33,635,797
Disposals during the period	(8,767,543)	(11,692,258)	(8,767,543)	(11,692,258)
Accrued interest	3,743,372	5,211,027	3,743,372	5,211,027
Fair value gain/(loss) during the year (Note 30)	(18,558,166)	(10,949,933)	(18,558,166)	(10,949,933)
Balance as at	129,503,915	141,438,059	129,503,915	141,438,059

- (d)

- (i) **Gross movement in financial assets March 2024 (Group)**

<i>In thousands of naira</i>				
	Amortised cost	FVOCI	FVTPL	Total
Balance at 1 January	105,859,501	20,244,350	141,438,059	267,541,910
Additions during the period	6,654,729	2,794,637	11,648,193	21,097,559
Disposals/Repayments during the period	(11,009,004)	(3,001,315)	(8,767,543)	(22,777,863)
Accrued interest	1,647,473	264,478	3,743,372	5,655,323
Exchange gain	7,675,818	402,280	-	8,078,098
Fair value loss - through profit or loss	-	-	(18,558,166)	(18,558,166)
Fair value loss - through OCI - debt instruments	-	(1,299,910)	-	(1,299,910)
Fair value gain/(loss) - through OCI - equity instruments	-	19,238	-	19,238
Impairment loss	(1,128,686)	-	-	(1,128,686)
	109,699,831	19,423,758	129,503,915	258,627,504

Notes to the Consolidated and Separate Financial Statements (Continued)
For the period ended 31 March 2024

(ii) Gross movement in financial assets 2023 (Group)

<i>In thousands of naira</i>	Amortised cost	FVOCI	FVTPL	Total
Balance at 1 January	83,979,050	16,339,689	125,233,425	225,552,164
Additions during the year	44,544,551	9,244,951	33,635,797	87,425,300
Disposals/Repayments during the period	(33,545,689)	(7,610,322)	(11,692,258)	(52,848,269)
Accrued interest	2,519,774	577,260	5,211,027	8,308,062
Fair value loss on debt instruments	-	(168,255)	(10,949,933)	(11,118,188)
Fair value gain/(loss) on equity securities	-	1,861,027	-	1,861,027
Exchange gain	8,361,815	-	-	8,361,815
Impairment loss	(794,836)	-	-	(794,836)
	105,064,665	20,244,350	141,438,059	266,747,074

(iii) Gross movement in financial assets March 2024 (Company)

<i>In thousands of naira</i>	Amortised cost	FVOCI	FVTPL	Total
Balance at 1 January	88,196,324	14,112,335	141,438,059	243,746,717
Additions during the year	1,068,098	1,007,110	11,648,193	13,723,401
Disposals/Repayments during the year	(5,270,317)	-	(8,767,543)	(14,037,861)
Accrued interest	1,483,174	215,169	3,743,372	5,441,715
Exchange gain	6,596,488	402,280	-	6,998,768
Fair value loss on debt instruments	-	(1,159,381)	(18,558,166)	(19,717,547)
Fair value gain/(loss) on equity securities	-	19,238	-	19,238
Impairment loss	(60,116)	-	-	(60,116)
	92,013,651	14,596,751	129,503,915	236,114,317

(iv) Gross movement in financial assets 2023 (Company)

<i>In thousands of naira</i>	Amortised cost	FVOCI	FVTPL	Total
Balance at 1 January	74,162,220	9,118,059	125,233,425	208,513,704
Additions during the period	34,879,343	7,690,755	33,635,797	76,205,895
Disposals/Repayments during the period	(22,602,664)	(4,767,676)	(11,692,258)	(39,062,598)
Accrued interest	1,757,424	270,130	5,211,027	7,238,582
Fair value loss on debt instruments	-	(25,019)	(10,949,933)	(10,974,952)
Fair value gain/(loss) on equity securities	-	1,826,086	-	1,826,086
Exchange gain	-	-	-	-
Impairment loss	(60,116)	-	-	(60,116)
	88,136,208	14,112,335	141,438,059	243,686,602

(e)(i) Policy loans

The Group granted loans to policyholders in line with the insurance policy provisions (terms and conditions). The maximum loan amount that could be granted to policyholders is 90% of the policy cash value. The cash value (worth of the policy as determined by the actuary) is the cash amount due to policyholders upon surrender of the insurance contract as at the date of determination and it is used as collateral on policy cash loan granted.

The tenor of the loan is within the policy duration and such policy must be in force and must have acquired cash value before loan application can be considered. A pre-determined interest rate (compounded daily) is applied on the loan. The rate is currently 12% per annum and it is reviewed annually.

The rate is determined after due consideration on the interest rate used by the actuary for premium benefit calculation, allowance for documentation and other expenses on the policy, margin for contingencies and profit loadings. Policy loans are not impaired as balances are set-off against benefits accruable to the policyholders.

(ii) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the group has classified its financial instruments into the three levels prescribed under the accounting standards. An explanation of each level follows underneath the table.

Group

Fair value measurements At 31 March 2024

<i>In thousands of naira</i>	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss (FVTPL)				
-Federal Government bonds	-	123,193,591	-	123,193,591
-Corporate bonds	-	2,559,939	-	2,559,939
-Unquoted equities	-	-	3,750,385	3,750,385
Group Financial Assets at FVTPL as at 31 March 2024	-	125,753,530	3,750,385	129,503,915
Financial assets at fair value through other comprehensive income				
-Federal Government bonds	-	10,827,654	-	10,827,654
-Corporate bonds	-	1,058,431	-	1,058,431
-Quoted equities	843,366	-	-	843,366
-Unquoted equities	-	-	5,876,299	5,876,299
Group Financial Assets at FVOCI as at 31 March 2024	843,366	12,704,093	5,876,299	19,423,758

Notes to the Consolidated and Separate Financial Statements (Continued)
For the period ended 31 March 2024

Group

Fair value measurements At 31 December 2023

In thousands of naira

	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss (FVTPL)				
-Federal Government bonds	-	135,041,578	-	135,041,578
-Corporate bonds	-	2,646,096	-	2,646,096
-Unquoted equities	-	-	3,750,385	3,750,385
Group Financial Assets at FVTPL as at 31 December 2023	-	137,687,674	3,750,385	141,438,059
Financial assets at fair value through other comprehensive income				
-Federal Government bonds	-	13,893,282	-	13,893,282
-Corporate bonds	-	958,758	-	958,758
-Quoted equities	825,401	-	-	825,401
-Unquoted equities	-	-	4,566,909	4,566,909
Group Financial Assets at FVOCI as at 31 December 2023	825,401	14,852,040	4,566,909	20,244,350

Company

Fair value measurements At 31 March 2024

In thousands of naira

	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss (FVTPL)				
-Federal Government bonds	-	123,193,591	-	123,193,591
-State Government bonds	-	-	-	-
-Corporate bonds	-	2,559,939	-	2,559,939
-Unquoted Equities	-	-	3,750,385	3,750,385
Company Financial Assets at FVTPL as at 31 March 2024	-	125,753,530	3,750,385	129,503,915
Financial assets at fair value through other comprehensive income				
-Federal Government bonds	-	6,740,377	-	6,740,377
-Corporate bonds	-	1,058,431	-	1,058,431
-Treasury bills	-	84,010	-	84,010
-Quoted equities	837,634	-	-	837,634
-Unquoted equities	-	-	5,876,299	5,876,299
Company Financial Assets at FVTOCI as at 31 March 2024	837,634	7,882,818	5,876,299	14,596,751

Company

Fair value measurements At 31 December 2023

In thousands of naira

	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss (FVTPL)				
-Federal Government bonds	-	135,041,578	-	135,041,578
-Corporate bonds	-	2,646,096	-	2,646,096
-Unquoted equities	-	-	3,750,385	3,750,385
Company Financial Assets at FVTPL as at 31 December 2023	-	137,687,674	3,750,385	141,438,059
Financial assets at fair value through other comprehensive income				
-Federal Government bonds	-	7,768,272	-	7,768,272
-Corporate bonds	-	958,758	-	958,758
-Quoted equities	818,396	-	-	818,396
-Unquoted equities	-	-	4,566,909	4,566,909
Company Financial Assets at FVTOCI as at 31 December 2023	818,396	8,727,030	4,566,909	14,112,335

Recognised fair value measurements

There were no transfers between levels 1 and 2 for recurring fair value measurements during the period. The Group's policy is to recognise transfers into and out of fair value hierarchy levels as at the end of the reporting period.

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the group is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

Valuation techniques used to determine fair values

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments
- for other financial instruments – Price to book value approach.

All of the resulting fair value estimates are included in level 1, except for unlisted equity securities, where the fair values have been determined based on present values and the discount rates used were weighted average cost of capital.

- (iii) Other loans relates to various staff and agent loans.

Notes to the Consolidated and Separate Financial Statements (Continued)
For the period ended 31 March 2024

8 Trade receivables

(a) Trade receivables comprise:

	Group		Company	
<i>In thousands of naira</i>	Mar-24	Dec-23	Mar-24	Dec-23
Due from brokers	1,506,547	909,559	1,506,547	909,559
Due from direct clients (see note (i) below)	262,968	195,564	-	-
	1,769,515	1,105,123	1,506,547	909,559
Allowance for impairment on trade receivables (see note (ii) below)	-	(124,371)	-	-
	1,769,515	980,752	1,506,547	909,559

Age Analysis of trade receivables:

<i>In thousands of naira</i>	Group		Company	
	Mar-24	Dec-23	Mar-24	Dec-23
Within 30 days	1,506,547	909,559	1,506,547	909,559
Above 30 days	262,968	71,193	-	-
Balance as at	1,769,515	980,752	1,506,547	909,559

(i) Due from direct clients relates to fees receivables.

(ii) The movement in impairment allowance during the period is shown below;

<i>In thousands of naira</i>				
At 1 January	124,370	142,060	-	-
Charge/(Reversal) for the period	(124,370)	(17,690)	-	-
	-	124,370	-	-

9 Reinsurance contract assets

This represents reinsurance assets and is broken down as follows:

	Group		Company	
	Mar-24	Dec-23	Mar-24	Dec-23
Total Closing Asset	22,959,929	17,116,370	22,959,929	17,116,370
Total Closing Liability	(2,100,868)	(930,616)	(2,100,868)	(930,616)
Balance as at	20,859,061	16,185,754	20,859,061	16,185,754

Disclosures on reinsurance contract held

Reinsurance contracts held – (under PAA), the following table shows the reconciliation from the opening to the closing balances of the net asset for the remaining coverage and the assets for incurred claims recoverable from reinsurance. The coverage period of quota-share reinsurance contracts held for motor and home insurance contracts issued by the Group have either a coverage period of one year or less or a coverage period of more than one year but have been assessed as qualifying for measurement under PAA.

The following table shows the reconciliation from the opening to the closing balances of the net asset for the remaining coverage and the assets for incurred claims recoverable from reinsurance.

(a) Reinsurance Contracts Measured Under PAA - March 2024		Assets for Remaining coverage component		Amounts recoverable on incurred claims		Total
		Excluding loss recovery component	Loss recovery component	Estimates of present value of future cash flows	Risk adjustment for non financial risk	
March-24						
Reinsurance contract assets as at 1 January		4,608,608	4,295	11,758,759	744,708	17,116,370
Reinsurance contract liabilities as at 1 January		-	-	-	-	-
Net Opening Balance		4,608,608	4,295	11,758,759	744,708	17,116,370
Changes in the statement of profit or loss and OCI						
Allocation of reinsurance premiums		(5,404,408)	(4,295)	-	-	(5,408,703)
Amounts recovered from reinsurers						
Recoveries on incurred claims and expenses		-	-	8,378,196	383,138	8,761,334
Changes in the loss recovery component		-	80,093	-	-	80,093
Changes in expected recoveries on past claims		-	-	(7,263,969)	(405,528)	(7,669,497)
Net expenses from reinsurance contracts held		(5,404,408)	75,798	1,114,227	(22,390)	(4,236,774)
Finance income or expenses from reinsurance contracts in profit or loss		-	-	327,729	23,919	351,648
Total changes in the statement of profit or loss		(5,404,408)	75,798	1,441,956	1,529	(3,885,125)
Cash flows						
Premiums paid		10,506,280	-	-	-	10,506,280
Amounts received from reinsurers relating to incurred claims		-	-	(777,597)	-	(777,597)
Total cash flows		10,506,280	-	(777,597)	-	9,728,684
Net closing balance		9,710,481	80,093	12,423,118	746,237	22,959,929

Notes to the Consolidated and Separate Financial Statements (Continued)
For the period ended 31 March 2024

(b) Reinsurance Contracts Measured Under PAA - 2023	Assets for Remaining coverage component		Amounts recoverable on incurred claims		Total
	Excluding loss recovery component	Loss recovery component	Estimates of present value of future cash flows	Risk adjustment for non financial risk	
December-23					
Reinsurance contract assets as at 1 January	3,766,694	8,762	6,590,730	324,808	10,690,993
Reinsurance contract liabilities as at 1 January	-	-	-	-	-
Net Opening Balance	3,766,694	8,762	6,590,730	324,808	10,690,993
Changes in the statement of profit or loss and OCI					
Allocation of reinsurance premiums	(18,180,091)	(8,762)	-	-	(18,188,853)
Amounts recovered from reinsurers					
Recoveries on incurred claims and expenses	-	-	9,404,629	271,958	9,676,587
Changes in the loss recovery component	-	4,295	-	-	4,295
Changes in expected recoveries on past claims	-	-	(1,103,859)	108,433	(995,426)
Net expenses from reinsurance contracts held	(18,180,091)	(4,467)	8,300,770	380,390	(9,503,397)
Finance income or expenses from reinsurance contracts in profit or loss	-	-	396,863	39,510	436,373
Total changes in the statement of profit or loss	(18,180,091)	(4,467)	8,697,633	419,900	(9,067,024)
Cash flows					
Premiums paid	19,022,006	-	-	-	19,022,006
Amounts received from reinsurers relating to incurred claims	-	-	(3,529,604)	-	(3,529,604)
Total cash flows	19,022,006	-	(3,529,604)	-	15,492,401
Net closing balance	4,608,608	4,295	11,758,759	744,708	17,116,370

10 Other receivables and prepayments

<i>In thousands of naira</i>	Mar-24	Dec-23	Mar-24	Dec-23
Prepaid expenses (see note (i) below)	2,223,821	474,617	2,223,821	474,617
Short term lease payment	8,646	94,119	8,646	16,459
Prepaid minimum deposit	-	59,099	-	59,099
Receivable from agents	141,661	130,886	141,661	130,886
WHT Receivable-Dividend	383,313	238,314	383,313	238,314
Receivable on recoveries	573,101	566,901	573,101	566,901
Sundry receivables (see note (ii) below)	1,963,099	2,222,804	1,133,546	1,420,749
	5,293,640	3,786,740	4,464,088	2,907,025
Less allowance for impairment	(119,388)	(119,388)	(68,588)	(68,588)
	5,174,252	3,667,351	4,395,500	2,838,437

<i>In thousands of naira</i>	Group		Company	
	Mar-24	Dec-23	Mar-24	Dec-23
Current	5,174,252	3,667,351	4,395,500	2,838,437
Non Current	-	-	-	-
Balance as at	5,174,252	3,667,351	4,395,500	2,838,437

(i) Prepaid expenses relate to rent and other expenses.

(ii) Sundry receivables relates to balances in the bank ledgers that are yet to be matched.

11 Right of use assets

<i>In thousands of naira</i>	Mar-24	Dec-23	Mar-24	Dec-23
Balance at 1 January	132,512	60,055	132,512	60,055
Additions	15,963	190,950	15,963	190,950
Amortization in the period	(31,700)	(118,492)	(31,700)	(118,492)
Balance as at	116,775	132,512	116,775	132,512

There are no lease liability in relation to the right of use assets as it relates to rents paid in advance for period ranging from 12 months and above and there were no lease incentives granted to the group.

Current	-	-	-	-
Non Current	116,775	132,512	116,775	132,512
	116,775	132,512	116,775	132,512

Notes to the Consolidated and Separate Financial Statements (Continued)
For the period ended 31 March 2024

12 Income taxes

(a) Current income tax payable

The movement in current income tax payable can be analyzed as follows:

<i>In thousands of naira</i>	Group		Company	
	Mar-24	Dec-23	Mar-24	Dec-23
Balance at 1 January	845,061	669,543	763,027	422,562
Write back on prior year provisioning	-	8,296	-	7,899
Charge for the period	1,293,385	520,017	1,286,529	460,112
Payments made during the period	-	(352,795)	-	(127,547)
Balance as at	2,138,447	845,061	2,049,556	763,027

(b) Amounts recognised in profit or loss

<i>In thousands of naira</i>	Group		Company	
	Mar-24	Mar-23	Mar-24	Mar-23
Income tax	6,856	3,424	-	-
Minimum tax (see note (iii) below)	1,286,529	(11,763)	1,286,529	(11,763)
	1,293,385	(8,339)	1,286,529	(11,763)

(c) Amounts recognised in OCI

Group		Mar-24	
<i>In thousands of naira</i>		Before tax	Tax (expense)
			Net of tax
Exchange gains on fair value financial assets		-	-
Fair value gain on fair value financial assets (see note 24 d)		(1,280,672)	-
Balance as at		(1,280,672)	-
Company		Mar-24	
<i>In thousands of naira</i>		Before tax	Tax (expense)
			Net of tax
Exchange gains on fair value financial assets (see note 24 e)		-	-
Fair value gain on fair value financial assets (see note 24 d)		(1,140,143)	-
Balance as at		(1,140,143)	-
Group		Mar-23	
<i>In thousands of naira</i>		Before tax	Tax (expense)
			Net of tax
Exchange gains on fair value financial assets		-	-
Fair value loss on fair value financial assets		(550,250)	-
Balance as at		(550,250)	-
Company		Mar-23	
<i>In thousands of naira</i>		Before tax	Tax (expense)
			Net of tax
Exchange gains on fair value financial assets		-	-
Fair value loss on fair value financial assets		(121,884)	-
Balance as at		(121,884)	-

(d) Movement in deferred tax balances

2024

Group

<i>In thousands of naira</i>	Balance at 31 March 2024					
	Net balance at 1 January	Recognised in profit or loss	Recognised in OCI	Net	Deferred tax assets	Deferred tax liabilities
Property and Equipment	-	-	-	(498)	-	(498)
Unrealised exchange gain on financial assets	(498)	-	-	-	-	-
	(498)	-	-	(498)	-	(498)

2023

Group

<i>In thousands of naira</i>	Balance at 31 December 2023					
	Net balance at 1 January	Recognised in profit or loss	Recognised in OCI	Net	Deferred tax assets	Deferred tax liabilities
Property and Equipment	(6,996)	6,996	-	-	-	-
Unrealised exchange gain on financial assets	(670)	172	-	(498)	-	(498)
	(7,666)	7,168	-	(498)	-	(498)

Notes to the Consolidated and Separate Financial Statements (Continued)
For the period ended 31 March 2024

(e) Unrecognised deferred tax on unrelieved losses

<i>In thousands of naira</i>	Group		Company	
	Mar-24	Mar-23	Mar-24	Mar-23
Unrecognised deferred tax	16,785,228	16,785,228	16,785,228	16,785,228
	16,785,228	16,785,228	16,785,228	16,785,228

This represents the deferred tax on unrelieved losses on the life and non life businesses.

The Group did not recognise this amount as it is of the view that it may not be probable to have taxable profits against which the tax assets can be utilised, due to the four-period tax lapse period for unrelieved losses for insurance companies in Nigeria.

13 Investment in subsidiaries

The Group is made up of four entities, as follows:

AIICO Insurance PLC	- Parent
AIICO Multishield Limited	- Subsidiary
AIICO Capital Limited	- Subsidiary

<i>In thousands of naira</i>	Group		Company	
	Mar-24	Mar-23	Mar-24	Mar-23
AIICO Multishield Limited(see note (c) below)	-	-	587,317	587,317
AIICO Capital Limited see note (d) below)	-	-	500,000	500,000
Balance as at end of period	-	-	1,087,317	1,087,317

(a) The movement in investment in subsidiaries is as follows:

<i>In thousands of naira</i>	Group		Company	
	Mar-24	Mar-23	Mar-24	Mar-23
Balance at 1 January	-	-	1,087,317	1,087,317
Movement during the year	-	-	-	-
Balance as at end of period	-	-	1,087,317	1,087,317

(b) AIICO Multishield Limited

<i>In thousands of naira</i>	Group		Company	
	Mar-24	Mar-23	Mar-24	Mar-23
Balance at 1 January	-	-	587,317	587,317
Additions	-	-	-	-
Balance as at end of period	-	-	587,317	587,317

(ii) The Company has 76.10% interest in AIICO Multishield Limited (2022: 76.10%). AIICO Multishield Limited is involved in health management insurance.

(c) AIICO Capital Limited

<i>In thousands of naira</i>	Group		Company	
	Mar-24	Mar-23	Mar-24	Mar-23
Balance at 1 January	-	-	500,000	500,000
Additions	-	-	-	-
Balance as at end of period	-	-	500,000	500,000

This represents the Company's 90% (2023: 90%) investment in AIICO Capital Limited. AIICO Capital is involved in providing portfolio and fund management services.

(d) Non-controlling interests

<i>In thousands of naira</i>	NCI Percentage Holding		NCI Percentage Holding	
		Mar-24		Mar-23
AIICO Multishield HMO	23.9%	318,284	23.9%	306,839
AIICO Capital	10.0%	133,201	10.0%	128,412
		451,485		435,251

(e) The movement in the NCI account during the period is as follows:

<i>In thousands of naira</i>	Mar-24	Mar-23
Balance at 1 January	435,252	422,402
Share of profit	30,286	25,217
Realized gain/ (loss) on equities	-	2,468
Fair value reserves	(14,053)	(14,835)
Dividend paid	-	-
Transfer to sale of discontinued operation	-	-
Balance as at end of period	451,485	435,252

Notes to the Consolidated and Separate Financial Statements (Continued)
For the period ended 31 March 2024

14 Investment properties

(a) The balance in this account can be analysed as follows:

<i>In thousands of naira</i>	Group		Company	
	Mar-24	Mar-23	Mar-24	Mar-23
Balance at 1 January	707,500	760,000	707,500	760,000
Additions	-	-	-	-
Disposals	-	(230,000)	-	(230,000)
Changes in fair value	-	177,500	-	177,500
Balance as at	707,500	707,500	707,500	707,500
Current	-	-	-	-
Non Current	707,500	707,500	707,500	707,500
Balance as at	707,500	707,500	707,500	707,500

Changes in fair values are recognised as gains in profit or loss and included in 'other operating income'. All gains are unrealised.

The items of investment property are valued as shown below:

Investment properties, principally residential buildings, are held for long term rental yields and are not occupied by the Group. They are carried at fair value. Property interest held under operating leases are not classified as investment properties.

**(i) The movement in investment property is as follows;
Group - March 2024**

	Opening bal	Additions	Disposal	Fair value gain/(loss)	Closing bal	Status
Safecourt Apartment Towers (6 flats). Ojulari road, off Lekki-Express Way, Lagos	67,500	-	-	-	67,500	Deed of lease
3 Terrace Houses. 36 Ladoke Akintola street, GRA, Ikeja, Lagos	480,000	-	-	-	480,000	Deed of Assignment
1 Unit Terrace Houses GRA	160,000	-	-	-	160,000	Deed of Assignment
Awolowo Towers	-	-	-	-	-	Deed of Assignment
	707,500	-	-	-	707,500	

Company - March 2024

	Opening bal	Additions	Disposal	Fair value gain/(loss)	Closing bal	Title
Safecourt Apartment Towers (6 flats). Ojulari road, off Lekki-Express Way, Lagos	67,500	-	-	-	67,500	Deed of lease
3 Terrace Houses. 36 Ladoke Akintola street, GRA, Ikeja, Lagos	480,000	-	-	-	480,000	Deed of Assignment
1 Unit Terrace Houses GRA	160,000	-	-	-	160,000	Deed of Assignment
Awolowo Towers	-	-	-	-	-	Deed of Assignment
	707,500	-	-	-	707,500	

**(i) The movement in investment property is as follows;
Group - 2023**

	Opening bal	Additions	Disposal	Fair value gain/(loss)	Closing bal	Status
Safecourt Apartment Towers (2 flat). Ojulari road, off Lekki-Express Way, Lagos	100,000	-	(50,000)	17,500	67,500	Deed of lease
3 Terrace Houses. 36 Ladoke Akintola street, GRA, Ikeja, Lagos	360,000	-	-	120,000	480,000	Deed of Assignment
1 Unit Terrace Houses GRA	120,000	-	-	40,000	160,000	Deed of Assignment
Awolowo Towers	180,000	-	(180,000)	-	-	Deed of Assignment
	760,000	-	(230,000)	177,500	707,500	

Notes to the Consolidated and Separate Financial Statements (Continued)
For the period ended 31 March 2024

Company - 2023

	Opening bal	Additions	Disposal	Fair value gain/(loss)	Closing bal	Title
Safecourt Apartment Towers (2 flats). Ojulari road, off Lekki-Express Way, Lagos	100,000	-	(50,000)	17,500	67,500	Deed of lease
3 Terrace Houses. 36 Ladoke Akintola street, GRA, Ikeja, Lagos	360,000	-	-	120,000	480,000	Deed of Assignment
1 Unit Terrace Houses GRA	120,000	-	-	40,000	160,000	Deed of Assignment
Awolowo Towers	180,000	-	(180,000)	-	-	Deed of Assignment
	760,000	-	(230,000)	177,500	707,500	

Profit on disposal of Investment property

<i>In thousands of naira</i>	Group		Company	
	Mar-24	Mar-23	Mar-24	Mar-23
Disposal Proceeds	-	52,500	-	52,500
Cost of Investment properties disposed	-	(52,500)	-	(52,500)
	-	-	-	-

(b) Measurement of fair values

(i) Fair value hierarchy

The fair value of investment properties was determined by an external, independent property valuer, having relevant recognised professional qualifications and recent experience in the location and category of the properties being valued. The independent valuer, Niyi Fatokun of Niyi Fatokun & Co. (Estate Surveyors and Valuers, FRC/2013/NIESV/70000000/1217) valued the properties on the basis of open market value as at 31 December 2023.

The Safecourt apartment (Off Lekki Expressway), the Terrace houses(GRA Ikeja) and Awolowo Towers had no fair value (loss)/gain as shown in (a) above.

The fair value measurement for the investment properties of ₦707.5million (2023: ₦707.5million) has been categorised as a Level 3 fair value based on the inputs into the valuation technique used.

None of the Group's assets had been pledged as collateral during the period.

(ii) Valuation technique

The following table shows the valuation technique used in measuring the fair value of investment property.

Location of properties	Valuation technique	Significant observable inputs
Safecourt Apartment Towers (6 flats). Ojulari road, off Lekki-Express Way, Lagos	Market comparison approach	Recent sale price of similar property in the same area at the time of valuation was ₦50m
3 Terrace Houses. 36 Ladoke Akintola street, GRA, Ikeja, Lagos	Market comparison approach	A newly built terrace house in the same environment was sold at ₦120m
1 Unit Terrace Houses GRA	Market comparison approach	A newly built terrace house in the same environment was sold at ₦120m
Awolowo Towers	Income approach/ DCF Method	Estimated rent per annum is between ₦4.5m - ₦5m and capitalization rate of 5%

Amounts recognised in profit or loss for investment properties

<i>In thousands of naira</i>	Group		Company	
	Mar-24	Mar-23	Mar-24	Mar-23
Rental income from operating leases	3,708	14,833	3,708	14,833
Fair value gain/ loss recognised in other income	-	177,500	-	177,500
	3,708	192,333	3,708	192,333

Notes to the Consolidated and Separate Financial Statements (Continued)
For the period ended 31 March 2024

15 Goodwill and other intangible assets
(a) Reconciliation of carrying amount

GROUP

	Goodwill	Computer Software	Total
Balance at 1 January 2024	800,863	719,767	1,520,630
Acquisitions	-	276,909	276,909
Balance at 31 March 2024	800,863	996,676	1,797,540
Accumulated amortization			
Balance at 1 January 2024	-	613,000	613,000
Amortization	-	18,322	18,322
Balance at 31 March 2024	-	631,322	631,322
Carrying amounts			
Balance at 31 March 2024	800,863	365,353	1,166,216
Cost			
Balance at 1 January 2023	800,863	701,418	1,502,281
Acquisitions	-	18,349	18,349
Transfer to disposal group			
Balance at 31 December 2023	800,863	719,767	1,520,630
	Goodwill	Computer Software	Total
Accumulated amortization			
Balance at 1 January 2023	-	573,608	573,608
Amortization	-	39,392	39,392
Adjustments			
Transfer to disposal group	-		
Balance at 31 December 2023	-	613,000	613,000
Carrying amounts			
Balance at 31 December 2023	800,863	106,767	907,630

COMPANY

In thousands of naira

	Goodwill	Computer Software	Total
Cost			
Balance at 1 January 2024	800,863	578,044	1,378,907
Acquisitions	-	276,909	276,909
Balance at 31 March 2024	800,863	854,953	1,655,816
Accumulated amortization			
Balance at 1 January 2024	-	538,353	538,353
Amortization	-	13,816	13,816
Balance at 31 March 2024	-	552,169	552,169
Carrying amounts			
Balance at 31 March 2024	800,863	302,784	1,103,647
Cost			
Balance at 1 January 2023	800,863	568,045	1,368,908
Acquisitions	-	9,999	9,999
Balance at 31 December 2023	800,863	578,044	1,378,907
Accumulated amortization			
Balance at 1 January 2023	-	522,083	522,083
Amortization	-	16,270	16,270
Balance at 31 December 2023	-	538,353	538,353
Carrying amounts			
Balance at 31 December 2023	800,863	39,692	840,555

Notes to the Consolidated and Separate Financial Statements (Continued)
For the period ended 31 March 2024

16 Property and equipment
(a) Group

<i>In thousands of naira</i>	Land	Buildings	Capital work in progress	Furniture & equipment	Motor vehicles	Total
Cost						
At 1 January 2024	2,064,500	4,587,575	688,674	4,008,014	2,138,252	13,487,015
Additions	-	-	169,950	125,551	58,517	354,018
Disposals	-	-	-	-	(90,158)	(90,158)
Reclassifications	-	-	(263,791)	-	-	(263,791)
At 31 March 2024	2,064,500	4,587,575	594,833	4,133,565	2,106,611	13,487,084
Accumulated depreciation						
At 1 January 2024	-	112,550	-	2,966,604	1,494,216	4,573,370
Depreciation for the period	-	26,476	-	93,964	74,242	194,681
Disposals	-	-	-	-	(90,158)	(90,158)
At 31 March 2024	-	139,026	-	3,060,568	1,478,300	4,677,894
Net book value						
At 31 March 2024	2,064,500	4,448,549	594,833	1,072,997	628,311	8,809,190

<i>In thousands of naira</i>	Land	Buildings	Capital work in progress	Furniture & equipment	Motor vehicles	Total
Cost						
At 1 January 2023	2,064,500	4,566,125	9,858	3,721,640	1,974,011	12,336,134
Additions	-	21,450	688,674	316,108	396,989	1,423,220
Reclassification	-	-	-	-	-	-
Disposals	-	-	(9,858)	(29,734)	(232,748)	(272,340)
At 31 December 2023	2,064,500	4,587,575	688,674	4,008,014	2,138,252	13,487,014
Accumulated depreciation						
At 1 January 2023	-	7,076	-	2,647,315	1,322,223	3,976,614
Depreciation for the period	-	105,474	-	346,427	346,659	798,560
Disposals	-	-	-	(27,137)	(174,667)	(201,804)
At 31 December 2023	-	112,550	-	2,966,605	1,494,216	4,573,370
Net book value						
At 31 December 2023	2,064,500	4,559,049	9,858	1,074,325	651,788	8,913,644

16 Property and equipment - continued
(b) Company

<i>In thousands of naira</i>	Land	Buildings	Capital work in progress	Furniture & equipment	Motor vehicles	Total
Cost						
At 1 January 2024	2,064,499	4,587,576	688,674	3,714,094	1,765,855	12,820,699
Additions	-	-	169,950	118,976	-	288,926
Reclassifications	-	-	(263,791)	-	-	(263,791)
Disposals	-	-	-	-	(90,158)	(90,158)
At 31 March 2024	2,064,499	4,587,576	594,834	3,833,070	1,675,697	12,755,677
Accumulated depreciation						
At 1 January 2024	-	91,322	-	2,859,727	1,161,252	4,112,301
Depreciation for the period	-	22,938	-	85,236	61,169	169,342
Disposals	-	-	-	-	(90,158)	(90,158)
Revaluation	-	-	-	-	-	-
At 31 March 2024	-	114,260	-	2,944,962	1,132,263	4,191,486
Net book value						
At 31 March 2024	2,064,499	4,473,316	594,834	888,107	543,434	8,564,191

Notes to the Consolidated and Separate Financial Statements (Continued)
For the period ended 31 March 2024

<i>In thousands of naira</i>	Land	Buildings	Capital work in progress	Furniture & equipment	Motor vehicles	Total
Cost						
At 1 January 2023	2,064,499	4,566,126	9,858	3,451,449	1,570,423	11,662,355
Additions	-	21,450	688,674	291,756	375,989	1,377,869
Disposals	-	-	(9,858)	(29,111)	(180,557)	(219,526)
At 31 March 2023	2,064,499	4,587,576	688,674	3,714,094	1,765,855	12,820,699
Accumulated depreciation						
At 1 January 2023	-	-	-	2,573,142	1,024,686	3,597,828
Depreciation for the period	-	91,322	-	313,441	274,796	679,560
Disposals	-	-	-	(26,857)	(138,230)	(165,087)
At 31 March 2023	-	91,322	-	2,859,727	1,161,252	4,112,301
Net book value						
At 31 March 2023	2,064,499	4,496,254	688,674	854,368	604,602	8,708,398

- i. The Company had no capital commitments as at the reporting date. (2023: Nil)
- ii. There were no capitalized borrowing costs related to the acquisition of property and equipment as at the reporting date.
- iii. Reclaissifications are items of major repairs on buildings and purchase of equipments that have been put to full use.

- i. The Group had no capital commitments as at the reporting date. (2022: Nil)
- ii. There were no capitalized borrowing costs related to the acquisition of property and equipment as at the reporting date.
- iii. None of the Group's assets had been pledged as collateral

The status of the properties of land and building is as follows;

Location	Title	Status
Plot Pc 12 Churchgate street Victoria Island.	Certificate of Occupancy	Perfected
Plot 2 Oba Akran Avenue Ikeja.	Deed of Assignment	Perfected
12 Moshood Abiola Way, Liberty road Ibadan	Receipt of purchase	Acquired via acquisition
AIICO House, 36-38 Ilupeju Industrial Avenue, Ilupeju, Lagos State	Deed of Assignment	Perfected

17 Statutory deposits

This represents the amount deposited with the Central Bank of Nigeria as at 31st December 2023 in accordance with section 9(1) and section 10(3) of Insurance Act 2003. Interest income earned on this deposit is included in the investment income.

<i>In thousands of naira</i>	Group		Company	
	Mar-24	Dec-23	Mar-24	Dec-23
Non life business	-	300,000	-	300,000
Life business	-	200,000	-	200,000
	-	500,000	-	500,000
<i>In thousands of naira</i>	Mar-24	Dec-23	Mar-24	Dec-23
At 1 January	500,000	500,000	500,000	500,000
Balance as at	500,000	500,000	500,000	500,000

18 (a) Insurance and reinsurance contracts

The breakdown of groups of insurance and reinsurance contracts issued, and reinsurance contracts held, that are in an asset position and those in a liability position is set out in the table below:

Group	Mar-24		Dec-23	
	Assets	Liabilities	Assets	Liabilities
18(a) Insurance contracts issued	-	224,342,321	-	224,342,321
9(a) Reinsurance contracts held	20,859,061	-	16,185,754	-
Total insurance contract issued & reinsurance held	20,859,061	224,342,321	16,185,754	224,342,321
Company	Mar-24		Dec-23	
	Assets	Liabilities	Assets	Liabilities
18(a) Insurance contracts issued	-	224,342,321	-	224,342,321
9(a) Reinsurance contracts held	20,859,061	-	16,185,754	-
Total insurance contract issued & reinsurance held	20,859,061	224,342,321	16,185,754	224,342,321

Notes to the Consolidated and Separate Financial Statements (Continued)
For the period ended 31 March 2024

18 (a) Insurance contract liabilities

(a) i Contracts Measured under GMM

The following table shows the reconciliation from the opening to the closing balances of the net asset or liability for the remaining coverage and the liability for incurred claims for insurance contracts

March-24	Liability for remaining coverage		Liability for incurred claims		Total
	Excluding loss component	Loss component	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	
Opening assets	-	-	-	-	-
Opening liabilities	168,906,867	7,856,598	8,603,243	-	185,366,708
Net opening balance	168,906,867	7,856,598	8,603,243	-	185,366,708
Changes in the statement of profit or loss					
Insurance revenue					
Contracts under the fair value approach	(8,506,102)	-	-	-	(8,506,102)
	(8,506,102)	-	-	-	(8,506,102)
Insurance service expenses					
Incurred claims and expenses	-	(1,074,151)	12,660,969	-	11,586,818
Adjustments to liabilities for incurred claims	-	-	(5,189,806)	-	(5,189,806)
Losses and reversals of losses on onerous contracts	-	1,019,393	-	-	1,019,393
Insurance acquisition cash flows					
Amortisation of insurance acquisition cash flows	1,216,685	-	-	-	1,216,685
Insurance service result	(7,289,416)	(54,758)	7,471,163	-	126,989
Finance income or expenses from insurance contracts recognised in profit or loss	(13,903,911)	260,746	-	-	(13,643,164)
Total Changes in the statement of profit or loss	(21,193,327)	205,989	7,471,163	-	(13,516,175)
Investment components excluded from insurance revenue and insurance service expense	(5,995,940)	-	5,995,940	-	-
Cash flows					
Premiums received (including investment components)	23,157,417	-	-	-	23,157,417
Insurance acquisition cash flows	(2,274,802)	-	-	-	(2,274,802)
Claims and other insurance service expenses paid (including investment components)	-	-	(12,766,747)	-	(12,766,747)
Total cash flows	20,882,615	-	(12,766,747)	-	8,115,868
Closing assets	-	-	-	-	-
Closing liabilities	162,600,216	8,062,586	9,303,599	-	179,966,401
Net closing balance	162,600,216	8,062,586	9,303,599	-	179,966,401

(a) ii The following table shows the reconciliation from the opening to the closing balances of the net insurance contract liability analysed by components - estimates of the present value of future cash flows, risk adjustment and CSM:

March-24	Estimates of present value of future cash flows	Risk Adjustment	CSM	Total
Opening assets	-	-	-	-
Opening liabilities	162,594,736	2,931,565	19,840,406	185,366,708
Net opening balance	162,594,736	2,931,565	19,840,406	185,366,708
Changes in the statement of profit or loss and OCI				
<i>Changes that relate to current service</i>				
CSM recognised for services provided	-	-	(1,582,948)	(1,582,948)
Change in risk adjustment for non-financial risk for risk expired	-	(40,753)	-	(40,753)
Experience adjustments	30,941	-	-	30,941
Total - Changes that relate to current service	30,941	(40,753)	(1,582,948)	(1,592,760)
<i>Changes that relate to future service</i>				
Contracts initially recognised in the year	(3,613,313)	210,867	3,455,982	53,536
Changes in estimates that adjust the CSM	(4,497)	2,441,696	(2,437,199)	(0)
Changes in estimates that result in losses and reversals of losses on onerous contracts	(394,188)	(2,662,869)	4,022,914	965,857
<i>Changes that relate to past service</i>				
Adjustments to liabilities for incurred claims	700,356	-	-	700,356
Insurance service result	(3,280,701)	(51,059)	3,458,749	126,990
Insurance finance income or expenses from insurance contracts recognised in P&L or loss	(14,309,580)	-	666,416	(13,643,164)
Total changes in the statement of profit or loss and OCI	(17,590,281)	(51,059)	4,125,165	(13,516,175)
Cash flows				
Premiums received (including investment components)	23,157,416	-	-	23,157,416
Insurance acquisition cash flows	(2,274,802)	-	-	(2,274,802)
Claims and other insurance service expenses paid (including investment components)	(12,766,747)	-	-	(12,766,747)
Total cash flows	8,115,868	-	-	8,115,868
Net closing balance	153,120,323	2,880,507	23,965,572	179,966,401

PS: This component reconciliation refers to the **Retail Life Insurance Business**, where the GMM approach was considered.

Notes to the Consolidated and Separate Financial Statements (Continued)
For the period ended 31 March 2024

(a) iii **Contractual service margin (company)**

The following table shows an analysis of the expected recognition of the CSM remaining at the end of reporting period in profit or loss.

March-24	Less than 1 year	In 1 to 3 years	In 4 to 5 years	> 5 years	Total
Insurance contracts					
Life	4,251,426	7,890,995	4,975,209	6,847,941	23,965,572
Total CSM for insurance contracts	4,251,426	7,890,995	4,975,209	6,847,941	23,965,572

(a) iv **The following table provides an analysis of insurance contracts initially recognised in the period**

March-24	Contracts issued		Acquired contracts		Total
	Profitable contracts	Onerous contracts	Profitable contracts	Onerous contracts	
Life Insurance contract liabilities					
Insurance acquisition cash flows	1,233,252	198,940	-	-	1,432,193
Estimate of present value of future cash outflows, excluding insurance acquisition cash fl	13,884,003	2,719,474	-	-	16,603,478
Estimates of present value of future cash outflow	15,117,256	2,918,415	-	-	18,035,671
Estimates of present value of future cash inflow	(18,783,059)	(2,865,925)	-	-	(21,648,983)
Risk adjustment for non-financial risk	209,821	1,046	-	-	210,867
CSM	3,455,982	-	-	-	3,455,982
Losses on onerous contracts at initial recognition	-	53,536	-	-	53,536

(a) v **Contracts Measured Under PAA**

The following table shows the reconciliation from the opening to the closing balances of the net liability for the remaining coverage and the liability for incurred claims for insurance contracts measured under PAA. The coverage period of the insurance contracts issued by the Group are one year or less. See further details on the accounting policies applied for insurance contracts measured under PAA. This group presents movement in insurance contract liability for group life and non-life portfolios.

March-24	Liability for remaining coverage		Liability for incurred claims		Total
	Excluding loss component	Loss component	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	
Opening assets	-	-	-	-	-
Opening liabilities	9,911,128	17,180	21,069,655	1,336,938	32,334,900
Net opening balance	9,911,128	17,180	21,069,655	1,336,938	32,334,900
Changes in the statement of profit or loss					
<i>Insurance revenue</i>					
Other contracts	(13,814,718)	-	-	-	(13,814,718)
	(13,814,718)	-	-	-	(13,814,718)
<i>Insurance service expenses</i>					
Incurred claims and expenses	-	-	12,702,308	551,529	13,253,837
Adjustments to liabilities for incurred claims	-	-	(6,242,273)	(451,476)	(6,693,749)
Losses on onerous contracts	-	128,443	-	-	128,443
Amortisation of insurance acquisition cash flows	2,273,619	-	-	-	2,273,619
	2,273,619	128,443	6,460,035	100,053	8,962,150
Insurance service result	(11,541,099)	128,443	6,460,035	100,053	(4,852,568)
Finance income or expenses from insurance contracts recognised in profit or loss	-	-	635,966	42,941	678,907
Total changes in the statement of profit or loss	(11,541,099)	128,443	7,096,001	142,994	(4,173,661)
<i>Cash flows</i>					
Premiums received (including investment components)	25,610,513	-	-	-	25,610,513
Claims and other insurance service expenses paid (including investment components)	-	-	(4,948,041)	-	(4,948,041)
Insurance acquisition cash flows	(4,447,793)	-	-	-	(4,447,793)
Total cash flows	21,162,721	-	(4,948,041)	-	16,214,680
Net closing balance	19,532,750	145,623	23,217,615	1,479,931	44,375,920
Total Composite Balance (GMM + PAA)	182,132,965	8,208,209	32,521,214	1,479,931	224,342,321

Notes to the Consolidated and Separate Financial Statements (Continued)
For the period ended 31 March 2024

(a) vi Life Business

The following table shows the reconciliation from the opening to the closing balances of the net liability for the remaining coverage and the liability for incurred claims for insurance contracts.

March-24	Liability for remaining coverage		Liability for incurred claims		Total
	Excluding loss component	Loss component	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	
Opening assets	-	-	-	-	-
Opening liabilities	169,934,032	7,873,778	12,072,944	69,741	189,950,495
Net opening balance	169,934,032	7,873,778	12,072,944	69,741	189,950,495
Changes in the statement of profit or loss					
Insurance revenue					
Contracts under the fair value approach	(8,506,102)	-	-	-	(8,506,102)
Other contracts**	(2,950,148)	-	-	-	(2,950,148)
	(11,456,249)	-	-	-	(11,456,249)
Insurance service expenses					
Incurred claims and other insurance service expenses	-	(1,074,151)	13,911,408	4,825	12,842,082
Adjustments to liabilities for incurred claims	-	-	(5,462,214)	(2,550)	(5,464,764)
Losses and reversals of losses on onerous contracts	-	1,002,213	-	-	1,002,213
Insurance acquisition cash flows					
Amortisation of insurance acquisition cash flows	2,099,793	-	-	-	2,099,793
	2,099,793	(71,938)	8,449,194	2,275	10,479,324
Insurance service result	(9,356,456)	(71,938)	8,449,194	2,275	(976,925)
Insurance finance income or expenses from insurance contracts recognised in profit or loss	(13,903,911)	260,746	104,523	2,240	(13,536,401)
Total Changes in the statement of profit or loss	(23,260,367)	188,808	8,553,717	4,515	(14,513,326)
Investment components excluded from insurance revenue and insurance service expenses	(5,995,940)	-	5,995,940	-	-
Cash flows					
Premiums received (including investment components)	30,603,694	-	-	-	30,603,694
Insurance acquisition cash flows	(4,506,513)	-	-	-	(4,506,513)
Claims and other insurance service expenses paid (including investment components)	-	-	(13,624,650)	-	(13,624,650)
Total cash flows	26,097,181	-	(13,624,650)	-	12,472,530
Closing assets	-	-	-	-	-
Closing liabilities	166,774,906	8,062,586	12,997,950	74,256	187,909,699
Net closing balance	166,774,906	8,062,586	12,997,950	74,256	187,909,699

(a) vii Non-Life Business

The following table shows the reconciliation from the opening to the closing balances of the net liability for the remaining coverage and the liability for incurred claims for policies measured under PAA. See further details on the accounting policies applied for insurance contracts measured under PAA.

March-24	Liability for remaining coverage		Liability for incurred claims		Total
	Excluding loss component	Loss component	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	
Opening assets	-	-	-	-	-
Opening liabilities	8,883,963	-	17,599,954	1,267,197	27,751,114
Net opening balance	8,883,963	-	17,599,954	1,267,197	27,751,114
Changes in the statement of profit or loss and OCI					
Insurance revenue					
Other contracts**	(10,864,570)	-	-	-	(10,864,570)
	(10,864,570)	-	-	-	(10,864,570)
Insurance service expenses					
Incurred claims and other insurance service expense	-	-	11,451,869	546,703	11,998,573
Adjustments to liabilities for incurred claims	-	-	(5,969,865)	(448,926)	(6,418,791)
Losses on onerous contracts	-	145,623	-	-	145,623
Amortisation of insurance acquisition cash flows	1,390,511	-	-	-	1,390,511
	1,390,511	145,623	5,482,005	97,777	7,115,916
Insurance service result	(9,474,059)	145,623	5,482,005	97,777	(3,748,654)
Insurance finance income or expenses from insurance contracts recognised in profit or loss	-	-	531,443	40,701	572,144
Total changes in the statement of profit or loss and OCI	(9,474,059)	145,623	6,013,447	138,478	(3,176,510)
Cash flows					
Premiums received (including investment components)	18,164,237	-	-	-	18,164,237
Insurance acquisition cash flows	(2,216,082)	-	-	-	(2,216,082)
Claims and other insurance service expenses paid (including investment components)	-	-	(4,090,137)	-	(4,090,137)
Total cash flows	15,948,155	-	(4,090,137)	-	11,858,018
Net closing balance	15,358,059	145,623	19,523,264	1,405,675	36,432,622
Closing assets	-	-	-	-	-
Closing liabilities	15,358,059	145,623	19,523,264	1,405,675	36,432,622
Net closing balance	15,358,059	145,623	19,523,264	1,405,675	36,432,622
Composite balance (Life + Non-Life)	182,132,965	8,208,209	32,521,214	1,479,931	224,342,321

Notes to the Consolidated and Separate Financial Statements (Continued)
For the period ended 31 March 2024

(b) i Contracts Measured under GMM

The following table shows the reconciliation from the opening to the closing balances of the net asset or liability for the remaining coverage and the liability for incurred claims for insurance contracts:

December-23	Liability for remaining coverage		Liability for incurred claims		Total
	Excluding loss component	Loss component	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	
Opening assets	-	-	-	-	-
Opening liabilities	154,948,872	3,740,985	8,503,643	-	167,193,500
Net opening balance	154,948,872	3,740,985	8,503,643	-	167,193,500
Changes in the statement of profit or loss					
Insurance revenue					
Contracts under the fair value approach	(31,482,425)	-	-	-	(31,482,425)
	(31,482,425)	-	-	-	(31,482,425)
Insurance service expenses					
Incurred claims and expenses	-	(2,422,668)	48,561,251	-	46,138,582
Adjustments to liabilities for incurred claims	-	-	(25,159,779)	-	(25,159,779)
Losses and reversals of losses on onerous contracts	-	5,831,167	-	-	5,831,167
Insurance acquisition cash flows					
Amortisation of insurance acquisition cash flows	4,307,950	-	-	-	4,307,950
Insurance service result	(27,174,475)	3,408,499	23,401,472	-	(364,504)
Insurance finance income or expenses from insurance contracts recognised in profit or loss	7,346,187	707,114	-	-	8,053,300
Total Changes in the statement of profit or loss	(19,828,288)	4,115,613	23,401,472	-	7,688,796
Investment components excluded from insurance revenue and insurance service expenses	(25,394,107)	-	25,394,107	-	-
Cash flows					
Premiums received (including investment components)	66,396,109	-	-	-	66,396,109
Insurance acquisition cash flows	(7,215,719)	-	-	-	(7,215,719)
Claims and other insurance service expenses paid (including investment components)	-	-	(48,695,979)	-	(48,695,979)
Total cash flows	59,180,390	-	(48,695,979)	-	10,484,412
Net closing balance	168,906,867	7,856,598	8,603,243	-	185,366,708

(b) ii The following table shows the reconciliation from the opening to the closing balances of the net insurance contract liability analysed by components - estimates of the present value of future cash flows, risk adjustment and CSM:

December 2023	Estimates of present value of future cash flows	Risk Adjustment	CSM	Total
Opening assets	-	-	-	-
Opening liabilities	150,878,094	2,879,641	13,435,765	167,193,500
Net opening balance	150,878,094	2,879,641	13,435,765	167,193,500
Changes in the statement of profit or loss and OCI				
Changes that relate to current service				
CSM recognised for services provided	-	-	(5,937,274)	(5,937,274)
Change in risk adjustment for non-financial risk for risk expired	-	(156,780)	-	(156,780)
Experience adjustments	(201,217)	-	-	(201,217)
Total - Changes that relate to current service	(201,217)	(156,780)	(5,937,274)	(6,295,271)
Changes that relate to future service				
Contracts initially recognised in the year	(3,269,066)	600,691	8,741,274	6,072,898
Changes in estimates that adjust the CSM	(3,372)	2,774,853	(2,771,481)	-
Changes in estimates that result in losses and reversals of losses on onerous contracts	(1,007,188)	(3,166,839)	3,932,297	(241,731)
Changes that relate to past service				
Adjustments to liabilities for incurred claims	99,600	-	-	99,600
Insurance service result	(4,381,243)	51,924	3,964,815	(364,504)
Insurance finance expenses from insurance contracts recognised in profit or loss	5,613,474	-	2,439,827	8,053,300
Total changes in the statement of profit or loss and OCI	1,232,230	51,924	6,404,642	7,688,796
Cash flows				
Premiums received (including investment components)	66,396,109	-	-	66,396,109
Insurance acquisition cash flows	(7,215,719)	-	-	(7,215,719)
Claims and other insurance service expenses paid (including investment components)	(48,695,979)	-	-	(48,695,979)
Total cash flows	10,484,412	-	-	10,484,412
Net closing balance	162,594,736	2,931,565	19,840,406	185,366,708

PS: This component reconciliation refers to the **Retail Life Insurance Business**, where the GMM approach was considered.

Notes to the Consolidated and Separate Financial Statements (Continued)
For the period ended 31 March 2024

(b) iii Contractual service margin (company)

The following table shows an analysis of the expected recognition of the CSM remaining at the end of reporting period in profit or loss.

December 2023	Less than 1 year	In 1 to 3 years	In 4 to 5 years	> 5 years	Total
Insurance contracts					
Life	4,427,166	6,022,924	3,887,304	5,503,013	19,840,406
Total CSM for insurance contracts	4,427,166	6,022,924	3,887,304	5,503,013	19,840,406

(b) iv The following table provides an analysis of insurance contracts initially recognised in the period

December-23	Contracts issued		Acquired contracts		Total
	Profitable contracts	Onerous contracts	Profitable contracts	Onerous contracts	
<i>Life Insurance contract liabilities</i>					
Insurance acquisition cash flows	3,621,550	3,953,548	-	-	7,575,097
Estimate of present value of future cash outflows, excluding insurance acquisition cash flows	47,664,552	7,003,923	-	-	54,668,475
Estimates of present value of future cash outflow	51,286,101	10,957,471	-	-	62,243,572
Estimates of present value of future cash inflow	(60,554,077)	(4,958,561)	-	-	(65,512,639)
Risk adjustment for non-financial risk	526,702	73,989	-	-	600,691
CSM	8,741,274	-	-	-	8,741,274
Losses on onerous contracts at initial recognition	-	6,072,898	-	-	6,072,898

(b) v Contracts Measured Under PAA

The following table shows the reconciliation from the opening to the closing balances of the net liability for the remaining coverage and the liability for incurred claims for insurance contracts measured under PAA. The coverage period of the insurance contracts issued by the Group are one year or less. See further details on the accounting policies applied for insurance contracts measured under PAA. This group presents movement in insurance contract liability for group life and non-life portfolios.

December-23	Liability for remaining coverage		Liability for incurred claims		Total
	Excluding loss component	Loss component	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	
Opening assets	-	-	-	-	-
Opening liabilities	7,344,428	35,049	12,434,754	770,347	20,584,579
Net opening balance	7,344,428	35,049	12,434,754	770,347	20,584,579
Changes in the statement of profit or loss and OCI					
<i>Insurance revenue</i>					
Other contracts (PAA Premium Reserve Release)	(40,146,053)	-	-	-	(40,146,053)
	(40,146,053)	-	-	-	(40,146,053)
<i>Insurance service expenses</i>					
Incurred claims and expenses	-	-	17,670,263	217,759	17,888,022
Adjustments to liabilities for incurred claims	-	-	8,905,276	255,804	9,161,080
Losses on onerous contracts	-	(17,869)	-	-	(17,869)
Amortisation of insurance acquisition cash flows	6,697,890	-	-	-	6,697,890
Insurance service result	(33,448,163)	(17,869)	26,575,538	473,563	(6,416,931)
Insurance finance income or expenses from insurance contracts recognised in profit or loss	-	-	992,218	93,027	1,085,245
Total changes in the statement of profit or loss and OCI	(33,448,163)	(17,869)	27,567,756	566,590	(5,331,686)
<i>Cash flows</i>					
Premiums received (including investment components)	43,018,645	-	-	-	43,018,645
Insurance acquisition cash flows	(7,003,782)	-	-	-	(7,003,782)
Claims and other insurance service expenses paid (including investment components)	-	-	(18,932,856)	-	(18,932,856)
Total cash flows	36,014,863	-	(18,932,856)	-	17,082,008
<i>Non-Cash flows</i>					
Premiums receivable on new contracts	(909,559)	-	-	-	(909,559)
Acquisition and other attributable cost payable	-	-	-	-	-
Total Non-cash flows	(909,559)	-	-	-	(909,559)
Net closing balance	9,911,128	17,180	21,069,655	1,336,938	32,334,900
Closing assets	(909,559)	-	-	-	(909,559)
Closing liabilities	9,911,128	17,180	21,069,655	1,336,938	32,334,900
Net closing balance	9,001,569	17,180	21,069,655	1,336,938	31,425,341
Total Composite Balance (GMM + PAA)	178,817,995	7,873,778	29,672,898	1,336,938	217,701,608
Total Composite Balance (GMM + PAA) - Net closing balance	177,908,436	7,873,778	29,672,898	1,336,938	216,792,049

Notes to the Consolidated and Separate Financial Statements (Continued)
For the period ended 31 March 2024

(b) vi Insurance Contract - Life Business (Retail and Group Life)

December-23	Liability for remaining coverage		Liability for incurred claims		Total
	Excluding loss component	Loss component	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	
Insurance contract assets as at 1 January	-	-	-	-	-
Insurance contract liabilities as at 1 January	156,066,673	3,776,034	12,307,595	79,883	172,230,186
Net Opening Balance - Life Business	156,066,673	3,776,034	12,307,595	79,883	172,230,186
Changes in the statement of profit or loss					
Insurance revenue					
Contracts under the modified retrospective approach	-	-	-	-	-
Contracts under the fair value approach	(16,586,691)	-	-	-	(16,586,691)
Other contracts	(23,293,857)	-	-	-	(23,293,857)
	(39,880,548)	-	-	-	(39,880,548)
Insurance service expenses					
Incurred claims and expenses	-	(2,422,668)	52,872,920	(22,038)	50,428,214
Adjustments to liabilities for incurred claims	-	-	(25,120,470)	1,965	(25,118,504)
Losses and reversals of losses on onerous contracts	-	5,813,298	-	-	5,813,298
Amortisation of insurance acquisition cash flows	6,817,345	-	-	-	6,817,345
	6,817,345	3,390,630	27,752,450	(20,073)	37,940,353
Insurance service result	(33,063,202)	3,390,630	27,752,450	(20,073)	(1,940,194)
Finance expenses from insurance contracts in profit or loss	7,346,187	707,114	290,092	9,931	8,353,323
Total Changes in the statement of profit or loss	(25,717,015)	4,097,744	28,042,543	(10,142)	6,413,129
Investment components excluded from insurance results	(25,394,107)	-	25,394,107	-	-
Cash flows					
Premiums received (including investment components)	74,663,833	-	-	-	74,663,833
Insurance acquisition cash flows	(9,685,352)	-	-	-	(9,685,352)
Claims and other insurance service expenses paid	-	-	(53,671,301)	-	(53,671,301)
Total cash flows	64,978,481	-	(53,671,301)	-	11,307,180
Net Closing Liabilities - Life Business	169,934,032	7,873,778	12,072,944	69,741	189,950,495
Insurance contract assets as at 31 December	-	-	-	-	-
Insurance contract liabilities as at 31 December	169,934,032	7,873,778	12,072,944	69,741	189,950,495
Net Closing Balance - Life Business	169,934,032	7,873,778	12,072,944	69,741	189,950,495

(b) vii Insurance Contract - Non-Life Business

December 2023	Liability for remaining coverage		Liability for incurred claims		Total
	Excluding loss component	Loss component	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	
Insurance contract assets as at 1 January	-	-	-	-	-
Insurance contract liabilities as at 1 January	6,226,627	-	8,630,802	690,464	15,547,893
Net Opening Balance - Non-Life Business	6,226,627	-	8,630,802	690,464	15,547,893
Changes in the statement of profit or loss					
Insurance revenue					
Other contracts	(31,747,930)	-	-	-	(31,747,930)
	(31,747,930)	-	-	-	(31,747,930)
Insurance service expenses					
Incurred claims and other insurance service expense	-	-	13,300,187	239,797	13,539,983
Adjustments to liabilities for incurred claims	-	-	8,982,779	253,839	9,236,619
Losses on onerous contracts	-	-	-	-	-
Amortisation of insurance acquisition cash flows	4,188,494	-	-	-	4,188,494
	4,188,494	-	22,282,966	493,636	26,965,096
Insurance service result	(27,559,436)	-	22,282,966	493,636	(4,782,834)
Finance expenses from insurance contracts in profit or loss	-	-	702,125	83,096	785,222
Effect of movements in exchange rates	-	-	-	-	-
Total changes in the statement of profit or loss	(27,559,436)	-	22,985,091	576,733	(3,997,612)
Cash flows					
Premiums received (including investment components)	34,750,921	-	-	-	34,750,921
Insurance acquisition cash flows	(4,534,149)	-	-	-	(4,534,149)
Claims and other insurance service expenses paid	-	-	(14,015,940)	-	(14,015,940)
Total cash flows	30,216,773	-	(14,015,940)	-	16,200,833
Net Closing Liabilities for Non-Life	8,883,963	-	17,599,954	1,267,197	27,751,114
Insurance contract assets as at 31 December	-	-	-	-	-
Insurance contract liabilities as at 31 December	8,883,963	-	17,599,954	1,267,197	27,751,114
Net Closing Balance for Non-Life	8,883,963	-	17,599,954	1,267,197	27,751,114

Notes to the Consolidated and Separate Financial Statements (Continued)
For the period ended 31 March 2024

18 (b) Investment contract liabilities

<i>In thousands of naira</i>	Group		Company	
	Mar-24	Dec-23	Mar-24	Dec-23
Deposit administration (see note (i) below)	4,056,210	3,855,324	4,056,210	3,855,324
Total investment contract liabilities	4,056,210	3,855,324	4,056,210	3,855,324

(i)	Movement in deposit administration is shown below:	Group		Company	
		Mar-24	Dec-23	Mar-24	Dec-23
	At 1 January	3,855,324	3,212,895	3,855,324	3,212,895
	Deposits	13,949	24,558	13,949	24,558
	Withdrawals	(12,009)	-25,923	(12,009)	(25,923)
	Credit of interest and other income	1,338	7,373	1,338	7,373
	Changes in investment contract liabilities (NPF)	196,528	639,957	196,528	639,957
	Impact of actuarial valuation	1,081	(3,536)	1,081	(3,536)
	Balance as at	4,056,210	3,855,324	4,056,210	3,855,324

19 (a) Trade Payables

Trade payables represent amounts payable to reinsurers, co-insurers, agents and brokers at the end of the period. The carrying amounts disclosed below approximate the fair values at the reporting date.

<i>In thousands of naira</i>	Group		Company	
	Mar-24	Dec-23	Mar-24	Dec-23
Co-insurance Payable	2,228,652	1,621,536	2,228,652	1,621,536
Commission Payable	887,709	(8,627)	887,709	(8,627)
	3,116,361	1,612,909	3,116,361	1,612,909

19 (b) Other Insurance Contract Liabilities

<i>In thousands of naira</i>	Group		Company	
	Mar-24	Dec-23	Mar-24	Dec-23
Premium Paid in Advance	468,498	265,265	468,498	265,265
Refund to policyholders (see (i) below)	122,117	68,553	122,117	68,553
Unallocated premium (see (ii) below)	1,249,801	2,124,962	1,249,801	2,124,962
	1,840,416	2,458,780	1,840,416	2,458,780

(i) This relates to premiums refundable to policyholders on policies cancelled during the grace period.

(ii) This relates to premiums yet to be matched to policies due to various reasons.

(iii) This relates to trade payables of subsidiaries.

20 (a) Other payables and accruals

<i>In thousands of naira</i>	Group		Company	
	Mar-24	Dec-23	Mar-24	Dec-23
Accrued expenses (see note (iii) below)	3,170,552	2,929,908	3,170,552	2,842,373
NAICOM levy	487,744	1,094,084	487,744	1,094,084
Agent provident fund	339,603	302,177	339,603	302,177
Gratuity payable (see note (i) below)	11,693	11,693	11,693	11,693
Sundry Payables	2,057,340	2,036,327	1,519,203	687,600
Sundry credit balances (see note (ii) below)	62,843	2,402,914	62,843	2,402,914
Payable to subsidiaries	-	-	156,293	199,247
Other liabilities (Subsidiary)	293,267	320,593	-	-
	6,423,042	9,097,696	5,747,931	7,570,588

(i) The Company's retirement benefit obligation was terminated in 2014 and the liability as at the date of termination - April 30, 2014, was transferred to a payable account.

(ii) Sundry credit balances represent outstanding bank credits which have not been matched to the prospective policyholders.

(iii) Included in accrued expense is N118m (2022: N354m) which

Notes to the Consolidated and Separate Financial Statements (Continued)
For the period ended 31 March 2024

(b) Fixed income liabilities

<i>In thousands of naira</i>	Group		Company	
	Mar-24	Dec-23	Mar-24	Dec-23
Guaranteed income notes (see note (i))	32,185,073	31,089,420	-	-
	32,185,073	31,089,420	-	-

- (i) AIICO Capital Limited, a subsidiary company, manages a guaranteed income product, held as fixed income liabilities. The assets held under this arrangement are in the name of AIICO Capital Limited and the underlying risks are retained by the Company.

- (ii) These fixed income liabilities are invested as follows:

<i>In thousands of naira</i>	Group		Company	
	Mar-24	Dec-23	Mar-24	Dec-23
Cash and cash equivalents	599,691	599,691	-	-
Financial assets	31,585,382	30,489,729	-	-
	32,185,073	31,089,420	-	-

21 Capital and reserves

(a) Share capital

<i>In thousands of naira</i>	Group		Company	
	Mar-24	Dec-23	Mar-24	Dec-23
(a)(i) Authorised:				
At 1 January 2023: 37,600,000,000 shares of 50k each	18,302,638	18,302,638	18,302,638	18,302,638
At 31 December 2023: 37,600,000,000 shares of 50k each	18,302,638	18,302,638	18,302,638	18,302,638

(a)(ii) Ordinary shares issued and fully paid:

<i>In thousands of naira</i>	Group		Company	
	Mar-24	Dec-23	Mar-24	Dec-23
At 1 January 2023: 36,605,275,996 (2022:36,605,275,996) shares of 50k each	18,302,638	18,302,638	18,302,638	18,302,638
At 31 December 2023: 36,605,275,996 shares of 50k each	18,302,638	18,302,638	18,302,638	18,302,638

(a)(iii) Ordinary shares issued and fully paid can be further analysed as follows:

<i>In thousands of naira</i>	Group		Company	
	Mar-24	Dec-23	Mar-24	Dec-23
General business - 20,597,978,694 ordinary shares at 50 kobo each	10,298,988	10,298,988	10,298,988	10,298,988
Life business - 16,007,300,002 ordinary shares at 50 kobo each	8,003,650	8,003,650	8,003,650	8,003,650
	18,302,638	18,302,638	18,302,638	18,302,638

(b)(i) Share premium

<i>In thousands of naira</i>	Group		Company	
	Mar-24	Dec-23	Mar-24	Dec-23
At 1 January	64,745	64,745	64,745	64,745
Balance as at	64,745	64,745	64,745	64,745

(b)(ii) Share premium can be further analysed as follows:

<i>In thousands of naira</i>	Group		Company	
	Mar-24	Dec-23	Mar-24	Dec-23
General business	-	-	-	-
Life business - (2022: 129,489,292) ordinary shares at 50 kobo each	64,745	64,745	64,745	64,745
Balance as at	64,745	64,745	64,745	64,745

Notes to the Consolidated and Separate Financial Statements (Continued)
For the period ended 31 March 2024

(c) Revaluation reserve

(i) The balance in this account is analysed as follows:

<i>In thousands of naira</i>	Group		Company	
	Mar-24	Dec-23	Mar-24	Dec-23
At 1 January	2,764,016	2,764,016	2,764,016	2,764,016
Balance as at	2,764,016	2,764,016	2,764,016	2,764,016

(d) Fair value reserve

	Group		Company	
	Mar-24	Dec-23	Mar-24	Dec-23
At 1 January	(1,107,650)	(2,796,624)	(13,544)	(1,821,697)
Reclassification from fair value reserves	-	(24,681)	-	-
Fair value loss on debt instruments	(1,299,910)	(168,255)	(1,159,381)	(25,019)
Fair value gain/(loss) on equity securities	19,238	1,861,027	19,238	1,826,086
Impairment adjustment	-	8,516	-	7,086
Transfer to NCI	14,053	12,367	-	-
Balance as at	(2,374,269)	(1,107,650)	(1,153,686)	(13,544)

(h) Contingency reserve

<i>In thousands of naira</i>	Group		Company	
	Mar-24	Dec-23	Mar-24	Dec-23
At 1 January	11,755,475	9,710,046	11,755,475	9,710,046
Transfer from retained earnings	850,851	2,045,429	850,851	2,045,429
Balance as at	12,606,325	11,755,475	12,606,325	11,755,475

Contingency reserve is calculated, in the case of non-life business, at the rate of the higher of 3% of total premium income receivable during the period or 20% of the net profits in accordance with Section 21(2) of Insurance Act, 2003.

(i) Retained earnings

The movement in retained earnings can be analysed as follows:

<i>In thousands of naira</i>	Group		Company	
	Mar-24	Dec-23	Mar-24	Dec-23
As at 1 January	19,615,890	10,743,724	16,717,938	8,290,471
Transfer from statement of profit or loss and other comprehensive income	8,953,217	11,991,072	8,781,273	11,571,055
Transfer from/(to) contingency reserve	(850,851)	(2,045,429)	(850,851)	(2,045,429)
Dividend paid to ordinary shareholders***	-	(1,098,158)	-	(1,098,158)
Realised gain / (loss) on equities	-	24,681	-	-
Balance as at	27,718,256	19,615,890	24,648,361	16,717,938

Notes to the Consolidated and Separate Financial Statements (Continued)
For the period ended 31 March 2024

22 Insurance Result

(a) Insurance Revenue

<i>In thousands of naira</i>	Group		Company	
	Mar-24	Mar-23	Mar-24	Mar-23
Expected insurance service expenses incurred in the period	5,682,086	4,229,503	5,682,086	4,229,503
Change in the risk adjustment for non-financial risk	24,382	(42,283)	24,382	(42,283)
Amount of CSM recognised in profit or loss	1,582,948	396,986	1,582,948	396,986
Others (describe) see a(i) below	348,944	356,324	-	-
Acquisition Expenses Recovered from Premiums	1,216,685	829,145	1,216,685	829,145
PAA Premium Reserve Release	13,814,718	9,069,495	13,814,718	9,069,495
Total - Insurance revenue	22,669,763	14,839,171	22,320,820	14,482,847

a(i) Others (describe)

This amounts to premium from subsidiary (AIICO Multishield - HMO).

Insurance revenue (company) - disclosures by reporting segment

The following tables present an analysis of the insurance revenue recognised in the period. Insurance revenue comprises of the expected cash outflows, risk adjustment expired, allocation of acquisition cash flows and allocation of the CSM to profit or loss.

March-24	Reporting Segments		Total
	Life	Non-Life	
Contracts not measured under the PAA			
Amounts relating to changes in liabilities for remaining coverage			
Expected incurred claims and expenses	5,682,086	-	5,682,086
Change in risk adjustment for non- financial risk for risk expired	24,382	-	24,382
CSM recognised for services provided	1,582,948	-	1,582,948
Recovery of insurance acquisition cash flow	1,216,685	-	1,216,685
Contracts measured under the PAA Total insurance revenue	2,950,148	10,864,570	13,814,718
Total Insurance revenue	11,456,249	10,864,570	22,320,820

March-23	Reporting Segments		Total
	Life	Non-Life	
Contracts not measured under the PAA			
Amounts relating to changes in liabilities for remaining coverage			
Expected incurred claims and expenses	4,229,503	-	4,229,503
Change in risk adjustment for non- financial risk for risk expired	(42,283)	-	(42,283)
CSM recognised for services provided	396,986	-	396,986
Recovery of insurance acquisition cash flow	829,145	-	829,145
Contracts measured under the PAA Total insurance revenue	2,176,069	6,893,426	9,069,495
Total Insurance revenue	7,589,421	6,893,426	14,482,847

(b) Insurance service expenses:

<i>In thousands of naira</i>	Group		Company	
	Mar-24	Mar-23	Mar-24	Mar-23
Incurred claims and other expenses	24,840,655	16,315,525	24,840,655	16,315,525
Losses on onerous contracts and reversals of those losses	1,147,836	3,030,960	1,147,836	3,030,960
Amortisation of insurance acquisition cash flows	3,490,304	1,756,756	3,490,304	1,756,756
Other Contract Expenses (see b (i) below)	159,796	80,836	-	-
Changes to liabilities for incurred claims	(11,883,555)	(7,718,629)	(11,883,555)	(7,718,629)
Total	17,755,037	13,465,447	17,595,240	13,384,611

b(i) Other Contract Expenses

Others amounts to claims and other relates expenses from subsidiary (AIICO Multishield - HMO).

Insurance service expenses (company) - disclosures by reporting segment

The tables below show an analysis of insurance service expenses recognised in the period

March-24	Reporting Segments		Total
	Life	Non-Life	
Incurred claims and expenses	12,842,082	11,998,573	24,840,655
Changes that relate to past service - adjustment to the LIC	(5,464,764)	(6,418,791)	(11,883,555)
Changes that relate to future service - losses on onerous groups of contracts and reversal of such losses	1,002,213	145,623	1,147,836
<i>Insurance acquisition cash flows</i>	-	-	-
Amortisation	2,099,793	1,390,511	3,490,304
Total Insurance expenses	10,479,324	7,115,916	17,595,240

March-23	Reporting Segments		Total
	Life	Non-Life	
Incurred claims and expenses	11,450,563	4,864,962	16,315,525
Changes that relate to past service - adjustment to the LIC	(7,638,328)	(80,302)	(7,718,629)
Changes that relate to future service - losses on onerous groups of contracts and reversal of such losses	3,030,960	-	3,030,960
Insurance acquisition cash flows			
Amortisation	1,756,756	-	1,756,756
Total Insurance expenses	8,599,951	4,784,660	13,384,611

Insurance claims and other expenses are represented by actual cash outflows on insured events that have occurred. Changes in the liability for remaining coverage due to incurred claims and other insurance service expenses are allocated between the loss component and the remainder of the liability for remaining coverage on a systematic basis.

Losses on onerous contracts are represented by a loss component that is recognised and reversed as the amounts move into the liability for incurred claims or are no longer required.

Changes to the liabilities for incurred claims show changes in expected cash flows for insured events that have occurred and release of the risk adjustment.

(c) Net expense from reinsurance contracts held

(i) In thousands of naira	Group		Company	
	Mar-24	Mar-23	Mar-24	Mar-23
Misc reinsurance premiums adjustment	(5,408,703)	(3,916,624)	(5,408,703)	(3,916,624)
Allocation of reinsurance premiums	(5,408,703)	(3,916,624)	(5,408,703)	(3,916,624)
Amounts recoverable for claims and other expenses incurred in the period	(8,199,757)	1,336,630	(8,199,757)	1,336,630
Changes in amounts recoverable arising from changes in liability for incurred claims	7,663,994	424,048	7,663,994	424,048
Changes in fulfilment cash flows which relate to onerous underlying contracts	(80,093)	(192)	(80,093)	(192)
Amounts recoverable from reinsurers	(615,856)	1,760,486	(615,856)	1,760,486
Net expense from reinsurance contracts held	(4,792,847)	(2,156,138)	(4,792,847)	(2,156,138)

Net Income or expenses from reinsurance contracts held

An analysis of allocation of reinsurance premiums paid and amounts recovered from reinsurers, are presented in the tables below.

	Reinsurance contracts held for:		
March-24	Reporting Segments		Total
	Life	Non-Life	
Contracts measured under the PAA	(621,194)	(4,787,509)	(5,408,703)
Allocation of reinsurance premiums paid	(621,194)	(4,787,509)	(5,408,703)
Amounts recoverable for incurred claims and other incurred insurance service expenses	(350,710)	(7,849,047)	(8,199,757)
Changes in amounts recoverable that relate to past service – adjustments to incurred claims	156,462	7,507,532	7,663,994
Recoveries of losses on onerous group of underlying contracts and reversal of such losses	(0)	(80,093)	(80,093)
Contracts not measured under the PAA	-	-	-
Contracts measured under the PAA	(194,248)	(421,608)	(615,856)
Amounts recovered from reinsurers	(194,248)	(421,608)	(615,856)
Net expenses from reinsurance contracts held	(426,946)	(4,365,902)	(4,792,847)

March-23	Reporting Segments		Total
	Life	Non-Life	
Contracts measured under the PAA	(170,670)	(3,745,954)	(3,916,624)
Allocation of reinsurance premiums paid	(170,670)	(3,745,954)	(3,916,624)
Amounts recoverable for incurred claims and other incurred insurance service expenses	818,206	518,424	1,336,630
Changes in amounts recoverable that relate to past service – adjustments to incurred claims	(644,268)	1,068,315	424,048
Recoveries of losses on onerous group of underlying contracts and reversal of such losses	-	(192)	(192)
Contracts not measured under the PAA	-	-	-
Contracts measured under the PAA	173,938	1,586,547	1,760,486
Amounts recovered from reinsurers	173,938	1,586,547	1,760,486
Net expenses from reinsurance contracts held	3,269	(2,159,407)	(2,156,138)

Notes

- Expected recovery for insurance service expenses incurred in the period comprise recovery for claims and other expenses which the Company expects to receive from reinsurers on insured events occurred during the period.
- Change in risk adjustment shows amount of risk which expired during the period.
- Net cost/gain recognised in profit or loss during the coverage period of the corresponding group of reinsurance contracts held based on coverage units.

23 (a) Investment income

In thousands of naira	Group		Company	
	Mar-24	Mar-23	Mar-24	Mar-23
Policyholders' funds (see note (i) below)	3,401,186	2,768,874	3,401,186	2,768,874
Annuity funds (see note (ii) below)	3,198,955	2,532,643	3,198,955	2,532,643
Shareholders' funds (see note (iii) below)	943,506	659,133	790,615	562,484

7,543,648	5,960,650	7,390,757	5,864,001
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(i) **Investment income attributable to policyholders' funds**

<i>In thousands of naira</i>	Group		Company	
	Mar-24	Mar-23	Mar-24	Mar-23
Interest income on financial assets	3,142,430	2,566,155	3,142,430	2,566,155
Interest income on cash and cash equivalents	201,105	122,871	201,105	122,871
Income on policy loan	57,651	50,197	57,651	50,197
Dividend income	-	29,650	-	29,650
	3,401,186	2,768,874	3,401,186	2,768,874

(ii) **Investment income attributable to annuity funds**

Interest income on financial assets	3,198,955	2,532,643	3,198,955	2,532,643
	3,198,955	2,532,643	3,198,955	2,532,643

(iii) **Investment income attributable to shareholders' funds**

Interest income on financial assets	730,582	344,679	605,047	281,540
Interest income on cash and cash equivalents	206,894	282,398	172,912	248,888
Dividend income	6,030	32,056	6,030	32,056
	943,506	659,133	783,989	562,484

(b) **Profit on deposit administration**

	Group		Company	
	Mar-24	Mar-23	Mar-24	Mar-23
<i>Investment income on deposit administration can be analysed as follows:</i>				
Investment income on deposit	25,589	19,052	25,589	19,052
Guaranteed interest to policyholders	(1,338)	(1,762)	(1,338)	(1,762)
Acquisition expense	(22)	(271)	(22)	(271)
Impact of actuarial valuation	(1,081)	(623)	(1,081)	(623)
Profit from deposit administration	23,148	16,396	23,148	16,396

24 (a)(i) **Net realised gains**

<i>In thousands of naira</i>	Group		Company	
	Mar-24	Mar-23	Mar-24	Mar-23
<i>Net realised gains are attributable to the following:</i>				
Property and equipment	1,760	578	1,760	578
Fair value financial instruments (see (ii) below)	178,810	-	178,810	-
	180,569	578	180,569	578

(a)(ii) **Net realised gains on fair value financial instrument can be analysed as follows:**

Realised gain/(loss) on FGN Bonds	192,518	-	178,810	-
Realised gain on Treasury bills	15,694	-	-	-
Realised gain on Commercial Papers	2,101	-	-	-
	210,313	-	178,810	-

24 (b) **Net fair value (losses)/ gains**

<i>In thousands of naira</i>	Group		Company	
	Mar-24	Mar-23	Mar-24	Mar-23
Financial assets	(18,558,166)	(9,705,753)	(18,558,166)	(9,705,753)
	(18,558,166)	(9,705,753)	(18,558,166)	(9,705,753)

25 **Net Impairment Reversal / (Loss)**

<i>In thousands of naira</i>	Group		Company	
	Mar-24	Mar-23	Mar-24	Mar-23
Impairment loss on financial instruments and others	-	(71,852)	-	-
	-	(71,852)	-	-

26 **Net foreign exchange income/(expense)**

<i>In thousands of naira</i>	Group		Company	
	Mar-24	Mar-23	Mar-24	Mar-23
Foreign Exchange gain / (loss) - see (i) below	7,739,023	(436,713)	7,739,023	(436,713)
	7,739,023	(436,713)	7,739,023	(436,713)

(i) This amount is made up of foreign exchange gain or loss on translation of foreign currency denominated financial assets and cash and cash equivalent balances. See analysis below:

<i>In thousands of naira</i>	Group		Company	
	Mar-24	Mar-23	Mar-24	Mar-23
Realised exchange loss on cash and cash equivalents	(50,188)	-	(50,188)	-
Unrealised exchange gain on cash and cash equivalents	1,727,091	-	790,443	-
Unrealised exchange gain/(loss) on financial asset at amortized cost	7,675,818	(436,713)	6,596,488	(436,713)
Unrealised exchange gain/(loss) on financial asset at fair value through other	402,280	-	402,280	-
Unrealised exchange loss on fixed income liabilities	(1,682,327)	-	-	-
Unrealised exchange loss on impairment allowance	(333,650)	-	-	-
	7,739,023	(436,713)	7,739,023	(436,713)

27 **Net Insurance finance income/(expenses) for insurance contracts issued**

(a) Net Finance Income/(expenses) from Insurance Contracts	Group		Company	
	Mar-24	Mar-23	Mar-24	Mar-23
Interest accreted to insurance contracts	(7,354,645)	(5,961,544)	(7,354,645)	(5,961,544)
Effect of differences between current rates and locked-in rates when measuring changes in estimates	164,135,626	154,491,561	164,135,626	154,491,561
Due to changes in interest rates and other financial assumption	(143,816,724)	(142,036,122)	(143,816,724)	(142,036,122)
Interest accreted to other insurance	-	-	-	-
Total Net Insurance Finance Expense (see c (i) below)	12,964,257	6,493,895	12,964,257	6,493,895
Net Finance Expense to P&L	12,964,257	6,493,895	12,964,257	6,493,895

Insurance finance expenses comprises 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.
- The effect of financial risk and changes in financial risk.
- (*) this represents AIICO Multishield HMO - Net Insurance finance income

Insurance finance expenses in the table above includes amounts recognised in the profit or loss.

(b) Net Finance Income from Reinsurance Contracts held	Group		Company	
	Mar-24	Mar-23	Mar-24	Mar-23
Interest accreted to reinsurance contracts	351,648	179,427	351,648	179,427
Total Net Reinsurance Finance Income (see c (ii) below)	351,648	179,427	351,648	179,427
Net Finance Expense to P&L	351,648	179,427	351,648	179,427

(c) i Insurance finance income/expenses from insurance contracts issued	Reporting Segments		Total
	Life	Non-Life	
Interest accreted to insurance contracts	(6,782,501)	(572,144)	(7,354,645)
Effect of differences between current rates and locked-in rates when measuring changes in estimates	164,135,626	-	164,135,626
Effect of changes in interest rates and other financial assumption	(143,816,724)	-	(143,816,724)
Total insurance finance income/ expenses from insurance contracts issued	13,536,401	(572,144)	12,964,257

(c) ii Finance income/expenses from reinsurance contracts held	Reporting Segments		Total
	Life	Non-Life	
Interest accreted to reinsurance contracts	22,464	329,184	351,648
Effect of changes in interest rates and other financial assumption	-	-	-
Total finance income/expenses from reinsurance contracts held	22,464	329,184	351,648
Net insurance finance income or expenses	13,558,865	(242,960)	13,315,905

(c) iii Insurance finance income/expenses from insurance contracts issued	Reporting Segments		Total
	Life	Non-Life	
Interest accreted to insurance contracts	(5,676,373)	(285,171)	(5,961,544)
Effect of differences between current rates and locked-in rates when measuring changes in estimates	154,491,561	-	154,491,561
Effect of changes in interest rates and other financial assumption	(142,036,122)	-	(142,036,122)
Total insurance finance income/ expenses from insurance contracts issued	6,779,066	(285,171)	6,493,895

(c) iv Finance income/expenses from reinsurance contracts held	Reporting Segments		Total
	Life	Non-Life	
Interest accreted to reinsurance contracts	41,386	138,041	179,427
Effect of changes in interest rates and other financial assumption	-	-	-
Total finance income/expenses from reinsurance contracts held	41,386	138,041	179,427
Net insurance finance income or expenses	6,820,452	(147,130)	6,673,322

Reinsurance finance income comprises the change in the carrying amount of groups of reinsurance contracts held arising from:

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

Reinsurance finance income in the table above includes amounts recognised in both profit or loss and OCI.

28 **Other operating income**

In thousands of naira	Group		Company	
	Mar-24	Mar-23	Mar-24	Mar-23
Sundry income	259,899	356,039	220,259	266,964
	259,899	356,039	220,259	266,964

(a) Sundry income is analysed as follows:

In thousands of naira	Group		Company	
	Mar-24	Mar-23	Mar-24	Mar-23
Income from statutory deposit	(8,375)	-	(8,375)	-
Administrative charges	885	39,594	885	39,594
Rental income	50,110	59,560	50,110	59,560
Others (see (i) below)	217,278	256,884	177,638	167,809
	259,899	356,039	220,259	266,964

(i) Amount represents sundry income from charges on lost documents, income on bank balances management fees and

Others (group) also includes contract income from AIICO Capital Ltd (subsidiary).

29 Other Expenses

	Group		Company	
<i>In thousands of naira</i>	Mar-24	Mar-23	Mar-24	Mar-23
Attributable expenses - see 27 (a) & (b) below	4,070,351	2,737,207	4,070,351	2,737,207
Non-attributable expenses - see (27 (c) & (d))	545,545	567,199	372,953	343,121
	4,615,896	3,304,405	4,443,304	3,080,328

29 (a) Other Expenses - Personnel expenses (attributable)

	Group		Company	
<i>In thousands of naira</i>	Mar-24	Mar-23	Mar-24	Mar-23
Salaries	860,421	315,726	860,421	315,726
Allowances and other benefits	800,552	601,618	800,552	601,618
	1,660,973	917,344	1,660,973	917,344

29 (b) Other Expenses - Operating (attributable)

	Group		Company	
<i>In thousands of naira</i>	Mar-24	Mar-23	Mar-24	Mar-23
Travel and representation	147,220	117,672	147,220	117,672
Marketing and administration	229,011	367,142	229,011	367,142
Advertising	3,329	12,579	3,329	12,579
Occupancy	318,362	168,726	318,362	168,726
Amortization of Right of Use Assets	31,700	23,151	31,700	23,151
Communication and postages	361,272	243,527	361,272	243,527
Office supply and stationery	52,184	31,781	52,184	31,781
Fees and assessments	427,630	551,349	427,630	551,349
NAICOM levy	487,744	117,031	487,744	117,031
Directors emolument	34,451	11,014	34,451	11,014
Regulatory fees & expenses (local licensing and filing)	51,443	7,266	51,443	7,266
Legal fees	6,105	90,615	6,105	90,615
Consulting fees (IT, contract staff related)	248,485	75,731	248,485	75,731
Miscellaneous expenses	10,440	2,279	10,440	2,279
	2,409,377	1,819,863	2,409,377	1,819,863

- (i) The auditors did not earn any non-audit fees during the period.
(ii) Miscellaneous expenses relate to local taxes including tenement rates, land use charges, parking fees, etc

29 (c)

Other Expenses - Personnel Expenses (non-attributable)	Group		Company	
<i>In thousands of naira</i>	Mar-24	Mar-23	Mar-24	Mar-23
Salaries (subsidiaries only)	112,895	135,598	-	-
Allowances and other benefits (subsidiaries only)	59,836	79,803	-	-
	172,731	215,401	-	-

29 (d)

Other Expenses - Operating (non-attributable)	Group		Company	
<i>In thousands of naira</i>	Mar-24	Mar-23	Mar-24	Mar-23
Travel and representation	6,924	23,989	-	-
Marketing and administration	545	7,843	-	-
Occupancy	9,923	6,712	-	-
Communication and postages	7,048	10,801	-	-
Office supply and stationery	8,558	5,460	-	-
Auditor's fees	1,881	-	-	-
Dues and subscriptions	44,874	34,033	40,045	26,086
Depreciation and amortisation	213,003	198,929	183,158	162,409
Fees and assessments	32,052	26,787	151,899	154,552
Interest expense - fixed income liabilities	-	-	-	-
Miscellaneous expenses (see note (i) below) (Misc. local taxes)	48,006	37,244	(2,148)	75
	372,814	351,798	372,953	343,121

- (i) This is the non-attributable miscellaneous expenses relates to amounts paid to local tax authorities.
(ii) AIICO Insurance Plc made a donation of N39.9m which represents a portion of the total operating expenses of N1.5bn

30 (a) Earnings per share from continued operation

Basic earnings per share amounts is calculated by dividing the net profit for the year attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding at the reporting date.

<i>In thousands of naira</i>	Group		Company	
	Mar-24	Mar-23	Mar-24	Mar-23
Net profit from operations	8,953,217	1,411,691	8,781,273	1,273,309
Less: NCI share of Net profit from operations	(30,286)	(30,326)	-	-
Net profit attributable to ordinary shareholders from continuing operations	8,922,930	1,381,365	8,781,273	1,273,309
Net profit attributable to ordinary shareholders from discontinued operation	-	-	-	-
	8,922,930	1,381,365	8,781,273	1,273,309
Number of shares in issue	36,605,276	36,605,276	36,605,276	36,605,276
Weighted average of ordinary shares in issue	36,605,276	36,605,276	36,605,276	36,605,276
Basic and diluted earnings per share from continued operation (kobo)	24	4	24	3
Basic and diluted earnings per share (kobo)	24	4	24	3

31 Related party disclosures

(a) Parent and ultimate controlling party

The ultimate controlling party of the Group is AIICO Insurance PLC.

(b) Transactions with related parties and key management personnel

(b)(i) Loan to directors

In 2024, no loan was advanced to directors (2023: nil).

(b)(ii) Related party transactions and balances.

A number of key management personnel, or their related parties, hold positions in other companies that result in them having control or significant influence over these companies.

A number of these companies transacted with the Group during the period. The terms and conditions of these transactions were no more favourable than those available, or which might reasonably be expected to be available, in similar transactions with non-key management personnel related companies on an arm's length

Company			Transaction values ('000)		Balance outstanding ('000)	
Name of related party	Relationship	Nature of transaction	Mar-24	Mar-23	Mar-24	Mar-23
AIICO Multishield Limited	Subsidiary	Health Premium	16,323	10,637	-	-
		Insurance Premium	3,042	2,307	-	-
AIICO Capital Limited*	Subsidiary	Portfolio Management	151,899	154,552	156,293	150,930
		Insurance Premium	4,940	6,525	-	-
		Rent	3,233	2,925	-	-
Magnartis Finance and Investment	Common Director	Stockbrokers	-	-	104,340	54,919
			179,437	176,946	260,633	205,849

* AIICO Insurance Plc employs the services of AIICO Capital Limited to manage its financial assets. In return, AIICO Capital charges a percentage on the income generated as management

**Magnartis Finance and Investment Limited are stockbrokers that trades the Company's equity portfolio. The balance reflected above are the unsettled balances on stock transactions as at reporting date.

The terms and conditions of the finance lease transactions were no more favourable than those available, or which might reasonably be expected to be available, in similar transactions with non-key management personnel related companies on an arm's length basis.

All outstanding balances with these related parties are priced on an arm's length basis and are to be settled in cash within 3 months of the reporting date. None of the balances are secured. No expense has been recognised in the current period or prior period for bad or doubtful debts in respect of amounts owed by related parties.

31 Related party disclosures - continued

(b) (iii) Directors remuneration

Directors remuneration excluding pension contributions and certain benefits was provided as follows:

<i>In thousands of naira</i>	Group		Company	
	Mar-24	Mar-23	Mar-24	Mar-23
Fees as Directors	-	-	-	-
Other allowances	25,748	42,334	10,948	31,434
	25,748	42,334	10,948	31,434
Executive compensation	100,903	49,084	72,687	41,587
	126,651	91,418	83,635	73,021
Chairman	4,000	1,500	2,000	1,500
Highest paid director	62,230	1,028	34,014	1,028

The number of directors, including the Chairman, whose emoluments were within the following range were:

	Group		Company	
	Mar-24	Mar-23	Mar-24	Mar-23
1,000,001 - 2,000,000	7	5	6	-
2,000,001 and above	11	12	4	6
	18	17	10	6

32 Contingencies and commitments

(a)(i) Legal proceedings and obligations

The Company operates in the insurance industry and is subject to legal proceedings in the normal course of business. There were 34 outstanding cases at the end of Q1 2024 with a total claim of ca. N2.33bn. The Directors, having sought legal opinion, are of the view that the Company stands a good chance on those cases and hence do not foresee those cases having any material effect on the Company's results and financial position. Therefore, no provisions have been made in the financial statements.

- (ii) Some time ago, AIICO Insurance Plc ("the Company" or "AIICO" or "the Claimant") filed a suit against Megamound Investment Limited and Indemnity Finance Limited ("the defendants") for the recovery of its outstanding loan plus interest of N1.4b. Although the defendant, via a letter dated 9 Nov 2007 allocated 1.5 hectares of land (1.089 hectare, if the portion allocated for common areas is considered) at Lekki County Estate to the Company, it never effected a transfer. The Claimant sought and obtained a judgement of the court in terms of the loan. The Court, via a judgement dated 30 May 2014, ordered that the defendants execute and deliver to the Claimant the property in respect of the 1.5 hectares of land at Lekki County Home Estate, excluding the area marked for provision of common services. The Court further ordered that possession should be granted to the Claimant of the 1.5 hectares of land at Lekki County homes Estate, excluding the areas marked for the provision of common services measuring 4,108.5 square metres. AIICO commenced execution of this judgment on 6 January 2022. However, when AIICO sought to take over the property, the management of Lekki County Estate obstructed AIICO from taking possession of the allocated land and also harassed and assaulted its staff. Consequently, AIICO has not recognized this land in its books but has hereby made disclosure of its existence while filing requisite actions including Contempt of Court proceedings against the management of Lekki County Estate. The Company has taken further steps required for the purposes of enforcement of the judgement.
- (iii) There were two (2) court judgement against the company as at the end of Q1 2024. The company has appealed the judgments delivered against it.
- (iv) The Company is also subject to insurance solvency regulations of NAICOM. There are no contingencies related to such regulations.

(b) Funds under management

These funds do not form part of the assets and liabilities of the Group as the risks and rewards of these investments belong to the customers. This represents investments held on behalf of clients and are stated at amortised cost.

An analysis of funds under management is shown below:

<i>In thousands of naira</i>	Group		Company	
	Mar-24	Mar-23	Mar-24	Mar-23
AIICO Money Market Fund (AMMF) (see note (i) below)	5,279,510	1,021,923	-	-
AIICO Balance Mutual Fund (ABF)	238,454	162,493	-	-
AIICO Eurobond Fund (AEF)	1,606,966	-	-	-
High Network Individuals Fund (HNI)	8,169,701	3,221,272	-	-
Total funds	15,294,631	4,405,688	-	-

Fees earned from the management of these funds are as follows:

<i>In thousands of naira</i>	Group		Company	
	Mar-24	Mar-23	Mar-24	Mar-23
AMMF	17,349	3,018	-	-
ABF	882	580	-	-
AEF	843	-	-	-
HNI Fund	4,754	-	-	-
Total funds	23,828	3,598	-	-

(i) AIICO Money Market Fund (AMMF)

This represents customers' investment in the AIICO Money Market Fund, which is managed by AIICO Capital Limited, a subsidiary of the Company. This fund is regulated by the Nigerian Securities and Exchange Commission (SEC) and it started on 10 March 2014. It currently trades at N100 per unit as at 31 March 2024 (Q1 2023: N100)

(ii) High Network Individuals Fund (HNI)

This represents customers' investment in High Network Individuals Fund, which is managed by AIICO Capital Limited, a subsidiary of the Company. This fund started in August 2015.

Returns on this fund are discretionary, however, when the Group exceeds the returns agreed with the customer, they earn a 20% performance fee on the excess. The Group also charges management fees on this Fund.

(c) Unclaimed dividend

The Company has unclaimed dividend of N1.2bn as at 31 March 2024 (2023: N887million). As required by section 16(d) of the Nigerian Securities and Exchange Commission (SEC) guidelines the assets representing these unclaimed dividend do not form part of the assets of the Company. These funds were returned to AIICO insurance and is domiciled with the custodian.

33 Contraventions and penalties
NIL

34 Personnel

The average number of persons employed at the end of the period was:

Number	Group		Company	
	Mar-24	Mar-23	Mar-24	Mar-23
Managerial	89	81	72	58
Senior staff	258	271	233	244
Junior staff	82	78	4	6
	429	430	309	308

(a) The personnel expenses for the above persons were:

In thousands of naira

Wages and salaries	860,421	1,857,842	860,421	1,325,455
Other staff costs	800,552	2,806,183	800,552	2,678,692
	1,660,973	4,664,025	1,660,973	4,004,147

(b) The number of employees paid emoluments, excluding pension and allowances, above ₦100,000 for the period were:

Number	Group		Company	
	Mar-24	Mar-23	Mar-24	Mar-23
100,000 - 600,000	379	330	274	257
600,001 - 1,200,000	39	39	29	21
1,200,001 - 2,400,000	6	14	3	6
2,400,001 and above	5	47	3	24
	429	430	309	308

35 Securities trading policy

- (a) In compliance with Rule 17.15 Disclosure of Dealings in Issuers' Shares, Rulebook of the Exchange 2015 (Issuers Rule) AIICO Insurance Plc maintains a Security Trading Policy which guides Directors, Audit Committee members, employees and all individuals categorized as insiders as to their dealing in the Company's shares. The Policy undergoes periodic reviews by the Board and is updated accordingly. The Company has made specific inquiries of all its directors and other insiders and is not aware of any infringement of the policy during the period.

Notes to the Consolidated and Separate Financial Statements (Continued)
For the period ended 31 March 2024

36 Hypothecation of assets

2024

	Policyholder's fund				Total Policyholders fund	Shareholders' fund	Total
	Life Fund	Annuity	Investment Contract Liabilities	Non-life Insurance Contract Liabilities			
Cash and cash equivalents	1,568,151	11,365,421	2,384,780	5,540,279	20,858,632	2,688,483	23,547,115
Financial assets:							-
Bonds and treasury bills	89,377,231	86,097,262	2,663,475	7,636,451	185,774,419	38,889,518	224,663,938
Quoted equities	49,618	-	-	307,982	357,600	480,034	837,634
Unquoted equities	4,252,777	-	-	1,289,713	5,542,490	333,809	5,876,299
Loans & receivables	3,126,486	-	-	-	3,126,486	1,609,960	4,736,446
Investment in subsidiaries	-	-	-	-	-	1,087,317	1,087,317
Investment properties	320,000	-	-	387,500	707,500	-	707,500
Property and equipment	-	-	-	-	-	8,564,191	8,564,191
Statutory deposits	-	-	-	-	-	500,000	500,000
Other assets (See a below)	2,718,416	-	-	21,748,060	24,466,476	5,499,148	29,965,623
Total assets (a)	101,412,679	97,462,683	5,048,255	36,909,985	240,833,602	59,652,460	300,486,063
Policyholders liabilities (b)	105,628,137	82,281,562	4,056,210	36,432,622	228,398,531	72,087,532	300,486,063
Excess/ (shortfall) of assets over liabilities (a-b)	(4,215,457)	15,181,121	992,045	477,363	12,435,071	(12,435,071)	(0)

Other Assets

Trade receivables	-	-	-	1,506,547	1,506,547	-	1,506,547
Reinsurance assets	2,718,416	-	-	20,241,513	22,959,929	-	22,959,929
Other receivables and prepayments	-	-	-	-	-	4,395,500	4,395,500
Goodwill and other intangible assets	-	-	-	-	-	1,103,647	1,103,647
	2,718,416	-	-	21,748,060	24,466,476	5,499,148	29,965,623

2023

	Policyholder's fund				Total Policyholders fund	Shareholders' fund	Total
	Life Fund	Annuity	Investment Contract Liabilities	Non-life Insurance Contract Liabilities			
Cash and cash equivalents	527,527	4,175,946	1,172,281	1,863,752	7,739,505	181,752	7,921,257
Financial assets:							
Bonds and treasury bills	98,772,519	91,044,022	2,312,371	4,991,032	197,119,943	36,112,706	233,232,649
Quoted equities	48,479	-	-	300,908	349,387	469,009	818,396
Unquoted equities	3,305,150	-	-	1,002,332	4,307,481	259,428	4,566,909
Loans & receivables	3,170,569	-	-	-	3,170,569	1,898,079	5,068,648
Investment in subsidiaries	-	-	-	-	-	1,087,317	1,087,317
Investment properties	320,000	-	-	387,500	707,500	-	707,500
Property and equipment	-	-	-	-	-	8,708,397	8,708,397
Statutory deposits	-	-	-	-	-	500,000	500,000
Other assets (See a below)	1,135,406	-	-	16,890,523	18,025,929	3,811,504	21,837,433
Total assets (a)	107,279,648	95,219,968	3,484,652	25,436,047	231,420,314	53,028,191	284,448,506
Policyholders liabilities (b)	106,208,972	83,741,523	3,855,324	27,751,113	221,556,931	62,891,574	284,448,506
Excess/ (shortfall) of assets over liabilities (a-b)	1,070,676	11,478,445	(370,672)	(2,315,066)	9,863,383	(9,863,383)	(0)

(a) Other Assets

Trade receivables	-	-	-	909,559	909,559	-	909,559
Reinsurance assets	1,135,406	-	-	15,980,964	17,116,370	-	17,116,370
Other receivables and prepayments	-	-	-	-	-	2,970,949	2,970,949
Goodwill and other intangible assets	-	-	-	-	-	840,555	840,555
	1,135,406	-	-	16,890,523	18,025,929	3,811,504	21,837,433

Notes to the Consolidated and Separate Financial Statements (Continued)
For the period ended 31 March 2024

37 (a) PRA Regulated Annuity Fund

STATEMENT OF ASSETS AND LIABILITIES

For the period ended 31 March 2024

Cash and cash equivalents

Cash at bank	6,796,263,572.08
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Bonds

Description	Maturity Date	Coupon Rate	Amortized Cost
12.4% FGN MAR 2036	18-Mar-36	12.4000%	4,911,556,725
12.98% FGN MAR 2050	27-Mar-50	12.9800%	2,242,957,920
13.00% FGN JAN 2042	21-Jan-42	13.0000%	1,045,411,331
13.98% FGN FEB 2028	23-Feb-28	13.9800%	917,770,306
14.80% FGN APR 2049	26-Apr-49	14.8000%	2,845,663,826
16.2499% APR 2037	18-Apr-37	16.2499%	6,105,763,839
9.8%FGNJUL2045	24-Jul-45	9.8000%	963,996,433
			19,033,120,379

Corporate Bonds

Description	Maturity Date	Coupon Rate	Amortized Cost
8.5% FIDELITY 07 JAN 2031 (FID2031S1)	07-Jan-31	8.5000%	406,639,018
5.50% FLOUR MILLS OF NIGERIA PLC BOND 15 DEC 2025	15-Dec-25	5.5000%	47,656,251
10.00% EMZOR PHARMA 20 JAN 2026	20-Jan-26	10.0000%	356,742,530
10%TSL SPVBOND2030	06-Oct-30	10.0000%	162,527,420
LFZC-S1	16-Sep-41	13.2500%	502,840,960
			1,476,406,179

Description	Maturity Date	Coupon Rate	Fair value
12.98% FGN MAR 2050	27-Mar-50	12.9800%	8,778,300,790
13.00% FGN JAN 2042	21-Jan-42	13.0000%	20,669,572,636
14.80% FGN APR 2049	26-Apr-49	14.8000%	16,712,808,977
15.70% FGN JUN 2053	21-Jun-53	15.7000%	19,256,791,540
16.2499% APR 2037	18-Apr-37	16.2499%	170,261,417
			65,587,735,360

Money Market Instrument	4,569,157,599
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Total Assets	97,462,683,089
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Liabilities - Annuity Reserves	82,281,561,680
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Notes to the Consolidated and Separate Financial Statements (Continued)
For the period ended 31 March 2024

38 Risk management framework

(a) Governance framework

The primary objective of the Group's risk and financial management framework is to protect the Group's shareholders from events that hinder the sustainable achievement of financial performance objectives, including failing to exploit opportunities.

Key management recognises the critical importance of having efficient and effective risk management systems in place. The Group has established a risk management function with clear terms of reference from the board of directors, its committees and the associated executive management committees. This is supplemented with a clear organisational structure with documented delegated authorities and responsibilities from the board of directors to executive management committees and senior managers.

Lastly, a Group policy framework which sets out the risk profiles for the Group, risk management, control and business conduct standards for the Group's operations has been put in place. Each policy has a member of senior management charged with overseeing compliance with the policy throughout the Group.

The Board of directors approves the Group's risk management policies and meets regularly to approve any commercial, regulatory and organisational requirements of such policies. These policies define the Group's identification of risk, analysis and its interpretation, limit structure to ensure the appropriate quality and diversification of assets, align underwriting reinsurance strategy for appropriate Asset-Liability Management, to achieve the corporate goals, and specify reporting and regulatory requirements.

(b) Capital management objectives, policies and approach

The National Insurance Commission (NAICOM), sets and monitors capital requirements for Insurance Companies. The individual subsidiaries are directly supervised by other regulators, i.e., AIICO Capital Limited is regulated by the Nigerian Securities and Exchange Commission, AIICO Pensions Limited by the National Pension Commission while AIICO MULTISHIELD Limited is regulated by the National Health Insurance Scheme.

Management uses regulatory capital ratios to monitor its capital base. The allocation of capital between specific operations and activities is, to a large extent, driven by optimisation of the return achieved on the capital allocated. The amount of capital allocated to each operation or activity is based primarily on the regulatory capital, but in some cases the regulatory requirements do not fully reflect the varying degree of risk associated with different activities. In such cases, the capital requirements may be flexed to reflect differing risk profiles, subject to the overall level of capital to support a particular operation or activity not falling below the minimum required for regulatory purposes. The process of allocating capital to specific operations and activities is undertaken independently of those responsible for the operation by Group Risk and Group Credit, and is subject to review by the Group Asset and Liability Management Committee (ALCO), as appropriate. The Group ensures it maintains the minimum required capital at all times throughout the year. The Regulatory capital for the non-life business is determined as the solvency margin while that of the life business is determined as the net asset value. The table below summarises the minimum required capital across the Group and the regulatory capital held against each of them.

The Group has established the following capital management objectives, policies and approach to managing the risks that affect its capital position:

- (i) To maintain the required level of stability of the Group thereby providing a degree of security to policyholders and other stakeholders as required.
- (ii) To allocate capital efficiently and support the development of business by ensuring that returns on capital employed meet the requirements of its capital providers and of its shareholders.
- (iii) To retain financial flexibility by maintaining strong liquidity and access to a range of capital markets.
- (iv) To align the profile of assets and liabilities taking account of risks inherent in the business.
- (v) To maintain financial strength to support new business growth and to satisfy the requirements of the policyholders, regulators and stakeholders.
- (vi) To maintain strong credit ratings and healthy capital ratios in order to support its business objectives and maximise shareholders value.

In reporting financial strength, capital and solvency are measured using the rules prescribed by the National Insurance Commission (NAICOM). These regulatory capital tests are based upon required levels of solvency, capital and a series of prudent assumptions in respect of the type of business written. The Group's capital management policy for its insurance and non-insurance business is to hold sufficient capital to cover the statutory requirements based on the NAICOM directives, including any additional amounts required by the regulator.

(c) Approach to capital management

The Group seeks to optimise the structure and sources of capital to ensure that it consistently maximises returns to the shareholders and policyholders. The Group's approach to managing capital involves managing assets, liabilities and risks in a coordinated way, assessing shortfalls between reported and required capital levels on a regular basis and taking appropriate actions to influence the capital position of the Group in the light of changes in economic conditions and risk characteristics.

The primary source of capital used by the Group is equity shareholders' funds.

The Group has had no significant changes in its policies and processes to its capital structure during the past year from previous years.

The table below shows the available capital resources as at 31st December:

<i>In thousands of naira</i>	Group		Company	
	Mar-24	Dec-23	Mar-24	Dec-23
Total shareholders' funds	59,533,197	51,830,366	57,232,399	49,591,268
Regulatory required capital	5,000,000	5,000,000	5,000,000	5,000,000
Excess capital reserve	54,533,197	46,830,366	52,232,399	44,591,268

Notes to the Consolidated and Separate Financial Statements (Continued)
For the period ended 31 March 2024

(d) Regulatory framework

The insurance industry regulator measures the financial strength of Insurance companies using a Solvency Margin model. NAICOM generally expects insurers to comply with this capital adequacy requirement. Section 24 of the Insurance Act 2003 defines the solvency margin of as the difference between the admissible assets and liabilities, and this shall not be less than 15% of the net premium income (gross income less reinsurance premium paid), or the minimum capital base (N5billion) whichever is higher.

This test compares the insurer's capital against the risk profile. The regulator indicated that insurers should produce a minimum solvency margin of 100%. During the year, the Group has consistently exceeded this minimum. The regulator has the authority to request more extensive reporting and can place restrictions on the Group's operations if the Group falls below this requirement.

The solvency margin of the Company is as follows:

Solvency margin computation as at 31st March 2024

38. <i>In thousands of naira</i>	N5b 31-Mar 2024			N5b 31-Dec 2023		
	Total	Inadmissible	Admissible	Total	Inadmissible	Admissible
Assets						
Cash and cash equivalents	23,547,115	-	23,547,115	7,921,257	1,049,098	6,872,159
Trade receivables	1,506,547	-	1,506,547	909,559	-	909,559
Reinsurance assets	22,959,929	-	22,959,929	17,116,370	-	17,116,370
Financial assets	236,114,317	-	236,114,317	243,686,602	-	243,686,602
Investment in subsidiaries	1,087,317	-	1,087,317	1,087,317	-	1,087,317
Deferred acquisition costs	-	-	-	-	-	-
Investment property	707,500	-	707,500	707,500	-	707,500
Property and equipment	8,564,191	5,309,798	3,254,393	8,708,397	5,582,759	3,125,637
Other receivables and prepayments	4,278,725	4,278,725	-	2,838,437	2,838,437	-
Right of use asset	116,775	116,775	-	132,512	132,512	-
Statutory deposits	500,000	-	500,000	500,000	-	500,000
Goodwill and other intangible assets	1,103,647	1,048,465	55,182	840,555	800,864	39,691
	300,486,063	10,753,764	289,732,299	284,448,506	10,403,671	274,044,835
Liabilities						
Insurance contract liabilities	224,342,321	-	224,342,321	217,701,608	-	217,701,608
Investment contract liabilities	4,056,210	-	4,056,210	3,855,324	-	3,855,324
Reinsurance contract liabilities	2,100,868	-	2,100,868	930,616	-	930,616
Trade payables	3,116,361	-	3,116,361	1,612,909	-	1,612,909
Other payables	5,747,931	-	5,747,931	7,570,587	-	7,570,587
Taxation payable	2,049,556	-	2,049,556	763,026	-	763,026
Total admissible liabilities	241,413,248	-	241,413,248	232,434,070	-	232,434,070
Excess of total admissible assets over admissible liabilities	59,072,815	10,753,764	48,319,051	52,014,435	10,403,671	41,610,765
Higher of:						
Gross premium written			48,756,519			85,292,276
Less: Reinsurance expense			(6,299,526)			(15,330,978)
Net premium			42,456,993			69,961,298
15% of net premium (annualised)			25,474,196			10,494,195
Minimum paid up capital			5,000,000			5,000,000
The higher thereof:			25,474,196			10,494,195
Excess of solvency margin over minimum capital base			22,844,856			31,116,570
Solvency margin ratio			190%			397%