CORNERSTONE INSURANCE PLC

UNAUDITED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2023

Cornerstone Insurance Plc

Company information and statement of accounting policies

1.1 Reporting entity

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

The Company has three subsidiaries - Fin Insurance Company Limited, Hilal Takaful Nigeria Limited previously called Cornerstone Takaful Nigeria Limited and Cornerstone Leasing & Investment Limited. Cornerstone Leasing and Investment Limited commenced operations on 1 July 2004 and provides convenient asset acquisition options to both corporate organisations and individuals. Fin Insurance Company Limited was incorporated in 1981 as Yankari Insurance Company Limited. The name was changed to Fin Insurance Company Limited in 2008. The main activity of the subsidiary is the provision of General Insurance business. This includes Marine Insurance, Motor Insurance, Accident Insurance, Fire Insurance and other Non-life insurance services. Hilal Takaful Nigeria Limited previously called Cornerstone Takaful Nigeria Limited is a company incorporated in Nigeria and its primary activity is the provision of Takaful insurance business. Cornerstone Takaful Nigeria Limited commenced operation on 1 April 2020. Cornerstone Insurance Plc has 99.99% equity interest in Hilal Takaful Nigeria Limited.

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

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

1.2 Principal activities

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

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

1.3 Going concern

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

2.1 Basis of accounting

Statement of compliance

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

2.2 *Functional and presentation currency*

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

2.3 *Basis of measurement*

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

- financial instruments at fair value through profit or loss
- available-for-sale financial instruments measured at fair value through OCI
- insurance contract liabilities measured at present value of projected cash flows
- investment properties measured at fair value

2.4 *Use of estimates and judgements*

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

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

2.5 Reporting period

The financial statements have been prepared for a 9-month period from 1 January to 30 September.

2.6 Changes in significant accounting policies

The Group has consistently applied the accounting policies as set out in note 3 to all periods presented in these financial statements. The effective standards that have been adopted for financial year ended 31 December 2022 which had no material impact on the disclosures or on the amounts reported in the financial statements are as follows:

The Company has not early adopted any other Standards, interpretations or amendments that has been issued but not yet effective.

(i) Amendments to IFRS 1 first-time adoption of international financial reporting standards.
The amendments address annual improvements to IFRS standards 2018 - 2020.

(ii) Amendment to IFRS 3 Business Combinations.
The amendment addresses reference to the Conceptual Framework.

(iii) Amendment to IFRS 16 Property, Plant and Equipment.
The amendment addresses property, plant and equipment - proceeds before intended use.

(iv) Amendment to IAS 37 provisions, contingent liabilities and contingent assets.
The amendment addresses onerous contracts - cost of fulfilling a contract.

2.7 Standards issued and effective not yet adopted by the Group

IFRS 9 *Financial Instruments*

IFRS 9 became effective for financial year commencing on or after 1 January 2018 but the standard has not been adopted in preparing these financial statements as the Group elected to adopt the deferral approach available to insurance companies.

IFRS 9 is part of the IASB’s project to replace IAS 39 *Financial Instruments: Recognition and Measurement*. IFRS 9 includes revised guidance on the classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements. It also carries forward the guidance on recognition and de-recognition of financial instruments from IAS 39.
IFRS 9 replaces the multiple classification and measurement models in IAS 39 with a single model that has only three classification categories: amortised cost, fair value through OCI and fair value through profit or loss.
Furthermore for non-derivative financial liabilities designated at fair value through profit or loss, it requires that the credit risk component of fair value gains and losses be separated and included in OCI rather than in the income statement.

Classification and Measurement

The standard uses one primary approach to determine whether to measure a financial asset at amortised cost, fair value through other comprehensive income (FVTOCI), or fair value through profit or loss (FVTPL) as against the IAS 39 classifications of FVTPL, Available-for-Sale (AFS) financial assets, Loans and Receivables and Held-to-Maturity (HTM) investments. The Group's business model is the determining factor for classifying its financial assets. Financial assets are measured at amortised cost if the business objective is to hold the asset in order to collect contractual cash flows that are solely payments of principal and interest (SPPI). Financial assets are measured at fair value through OCI if the business's objective is to collect contractual cash flows as well as cash flows from selling the asset.
The final category of financial assets are those assets where the business model is neither to hold for solely to collect the contractual cashflows nor selling to collect the cashflows and therefore classified as at fair value through profit or loss. These are financial assets that are held with the objective of trade and to realize fair value changes. The Group can also designate some of its financial assets at fair value through profit or loss if this helps to eliminate an accounting mismatch.

Impairment

IFRS 9 also requires that credit losses expected at the reporting date (rather than those incurred as at year-end) are reflected at the date of reporting on all financial assets. This approach is an expected credit loss (ECL) model which has replaced the incurred credit loss model under IAS 39. This approach does not require a credit loss event to have occurred before the recognition of the loss at the reporting date. The amount of the expected credit losses is expected to be updated at each reporting date to reflect changes in credit risks since initial recognition.
ECL is determined by multiplying the Exposure At Default (EAD) by the Probability of Default (PD) and the Loss Given Default (LGD).

The Group and Company do not currently have an Expected Credit Loss (ECL) model for financial assets; hence the potential impact of the ECL impairment on profit or loss and equity has not been estimated. However, it is not expected that the impact would be significant due to the nature and volume of the financial assets in the Group and Company.

Amendments to IFRS 4 *Applying IFRS 9 financial instruments with IFRS 4 insurance contracts*

In September 2016, the IASB published an amendment to IFRS 4 which addresses the concerns of insurance companies about the different effective dates of IFRS 9 *Financial instruments* and the forth-coming new insurance contracts standard, IFRS 17. The amendment provides two different solutions for insurance companies: a temporary exemption from IFRS 9 (i.e. The deferral approach') for entities that meet specific requirements (applied at the reporting entity level), and the 'overlay approach'. Both approaches are optional. The effective date is 1 January 2018 or when the entity first applies IFRS 9. IFRS 4 (including the amendments) will be superseded by the forth-coming new insurance contracts standard, IFRS 17. Accordingly, both the temporary exemption and the 'overlay approach' are expected to cease to be applicable when the new insurance standard becomes effective.

In response to concerns regarding temporary accounting mismatches and volatility, and increased costs and complexity, the IASB issued amendments to IFRS 4 *Insurance Contracts* .
The amendments reduce the impacts, but companies need to carefully consider their IFRS 9 implementation approach to decide if and how to use them. The two optional solutions raise some considerations which require detailed analysis and management judgement.

The optional solutions are:

1. Temporary exemption from IFRS 9 – Some Companies will be permitted to continue to apply IAS 39 *Financial Instruments: Recognition and Measurement* . To qualify for this exemption the company's activities need to be predominantly connected with insurance. A company's activities are predominantly connected with insurance if, and only if:
(a) the amount of its insurance liabilities is significant compared with its total amount of liabilities; and
(b) the percentage of its liabilities connected with insurance relative to its total amount of liabilities is:
(i) greater than 90 percent; or
(ii) less than or equal to 90 percent but greater than 80 percent, and the Company does not engage in a significant activity unconnected with insurance.

Liabilities connected with insurance include investment contracts measured at FVTPL, and liabilities that arise because the insurer issues, or fulfils obligations arising from these contracts (such as deferred tax liabilities arising on its insurance contracts).

2. Overlay approach – This solution provides an overlay approach to alleviate temporary accounting mismatches and volatility. For designated financial assets, a company is permitted to reclassify between profit or loss and other comprehensive income (OCI), the difference between the amounts recognised in profit or loss under IFRS 9 and those that would have been reported under IAS 39.

With respect to IFRS 9 above, the Group is eligible to apply IFRS 9 deferral approach since IFRS 9 has not been previously applied by the Group and the activities of the Group are predominantly connected with insurance. To determine if the Group's activities are predominantly connected with insurance, The Group has assessed the ratio of the Group's liabilities connected with insurance - including investment contracts liabilities - compared with it's total liabilities. See the assessment below:

LIABILITIES		**AS REPORTED (A)**	**Admissible for Predominance Test (B)**	**AS REPORTED (A)**	**Admissible for Predominance Test (B)**
		Group	**Group**	**Company**	**Company**
		31-Dec-15	**31-Dec-15**	**31-Dec-15**	**31-Dec-15**
Investment contract liabilities		1,712,048	1,712,048	1,712,048	1,712,048
Insurance contract liabilities		5,619,756	5,619,756	4,862,365	4,862,365
Trade payables		384,017	384,017	331,222	331,222
Other payables and accruals		826,647	-	616,758	-
Current tax liabilities		340,539	-	246,725	-
Employees benefit obligations		7,523	-	7,523	-
Liabilities directly associated with assets classified as held-for-sale		5,497	-	-	-
		8,896,027	**7,715,821**	**7,776,641**	**6,905,635**
		Score = (B/A)%	**86.7%**		**88.8%**

The Group has elected to apply the temporary exemption from IFRS 9 (deferral approach) and qualifies for the temporary exemption based on the following:

a) Its activities are predominantly connected with insurance contracts;

b) As at 31 December 2015, which is the reporting date that immediately precedes 1 April 2016, the carrying amount of its liabilities arising from insurance contracts was ₦7.715b (Company: ₦6.91b) which was 86.7% (Company: 88.8%) of the total carrying amount of all its liabilities as at that date.

c) The Group’s activities have remained the same and are predominantly connected with insurance contracts. The majority of the activities from which the Group earns income and incur expenses are insurance-related.

Based on the above, the Group will apply IFRS 9 together with IFRS 17 in 2023.

Classification of financial assets based on the Solely Payment of Principal and Interest basis

i) Financial assets with contractual terms that give rise to cash flows that are solely payments of principal and interest (SPPI)

The Group's financial assets with contractual terms that give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding are as follows:

a) Cash and cash equivalents
b) Available-for-sale financial assets (Bonds)
c) Loans and receivables
d) Held-to-Maturity financial assets
e) Trade receivables
f) Reinsurance assets (less prepaid reinsurance and reinsurers' share of outstanding claims and IBNR)
g) Other receivables (only financial receivables)
h) Fair value through profit or loss (Bonds)

ii) Financial assets with contractual terms that do not give rise to cash flows that are solely payments of principal and interest.

These are financial assets that meet the definition of financial assets designated at fair value through profit or loss in line with IFRS 9; or that are managed and whose performance is evaluated on a fair value basis. These are:

a) Financial assets measured though profit and loss (Investment in MTN shares)
b) Equity securities and Investment funds

• IFRS 17 *Insurance contracts* (pre-adoption disclosures)

IFRS 17 supersedes IFRS 4 Insurance Contracts and aims to increase comparability and transparency about profitability. The new standard introduces a new comprehensive model ("general model") for the recognition and measurement of liabilities arising from insurance contracts. In addition, it includes a simplified approach and modifications to the general measurement model that can be applied in certain circumstances and to specific contracts, such as:
•Reinsurance contracts held;
•Direct participating contracts; and
•Investment contracts with discretionary participation features.
Under the new standard, investment components are excluded from insurance revenue and service expenses. Entities can also choose to present the effect of changes in discount rates and other financial risks in profit or loss or OCI.
The new standard includes various new disclosures and requires additional granularity in disclosures to assist users to assess the effects of insurance contracts on the entity's financial statements.
The standard is effective for annual periods beginning on or after 1 January 2023.

IFRS 17 - Insurance Contracts and IFRS 9 – Financial Instruments

The Group will apply IFRS 17 and IFRS 9 for the first time on 1 January 2023. These standards are expected to bring significant changes to the accounting for insurance and reinsurance contracts and financial instruments and are expected to have a material impact on the Group's consolidated financial statements in the period of initial application.

A. Estimated impact of the adoption of IFRS 17 and IFRS 9

The Group's assessment of the estimated impact that the initial application of IFRS 17 and IFRS 9 will have on its consolidated financial statements is ongoing and the transition adjustments are expected to have a significant impact on the financial statements.
The assessment is in the preliminary stage and the actual impact of adopting IFRS 17 and IFRS 9 on 1 January 2023 and 2022 will materialise after:
· the Group has refined the new accounting processes and internal controls required for applying IFRS 17 and IFRS 9;
· the Group has finalised the testing and assessment of controls over its new IT systems and changes to its governance framework

The assessment of the impact of IFRS 17 and IFRS 9 below is preliminary because not all of the transition work has been finalized. The actual impact of adopting IFRS 17 and IFRS 9 on 1 January 2023 and 2022 may change from the information presented below:
• the Group is continuing to refine the new accounting processes and internal controls required for applying IFRS 17 and IFRS 9;
• the dry and parallel runs have not been performed as at the end of 2022; also, the new systems and associated controls in place have not been operational for a more extended period;
• the Group has not finalized the testing and assessment of controls over its IT systems and changes to its governance framework; and
• the new accounting policies, assumptions, judgments, and estimation techniques employed are subject to change until the Group finalizes its first financial statements that include the date of initial application.

B. IFRS 17 Insurance Contracts

IFRS 17 replaces IFRS 4 Insurance Contracts and is effective for annual periods beginning on or after 1 January 2023, with early adoption permitted.

i. Identifying contracts in the scope of IFRS 17 [IFRS 17.C1]

IFRS 17 establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts, reinsurance contracts and investment contracts with discretionary participation features (DPF).
When identifying contracts in the scope of IFRS 17, in some cases the Group will have to assess whether a set or series of contracts needs to be treated as a single contract and whether embedded derivatives, investment components and goods and services components have to be separated and accounted for under another standard. For insurance and reinsurance contracts, the Group does not expect significant changes arising from the application of these requirements.

If a contract does not meet the definition of an insurance contract or the definition of an investment contract with discretionary participation features, then it falls outside the scope of IFRS17. For products that are outside the scope of IFRS17, the value of liabilities as determined by the applicable IFRS standard will be reported

ii. Level of aggregation [IFRS 17.14, 16, 22, A]

Under IFRS 17, insurance contracts and investment contracts with DPF are aggregated into groups for measurement purposes. Groups of contracts are determined by first identifying portfolios of contracts, each comprising contracts subject to similar risks and managed together. Contracts in different product lines or issued by different Group entities are expected to be in different portfolios. Each portfolio is then divided into annual cohorts (i.e., by year of issue) and each annual cohort into three groups:
• any contracts that are onerous on initial recognition.
• any contracts that, on initial recognition, have no significant possibility of becoming onerous subsequently; and
• any remaining contracts in the annual cohort.

When a contract is recognised, it is added to an existing group of contracts or, if the contract does not qualify for inclusion in an existing group, it forms a new group to which future contracts may be added, Groups of reinsurance contracts are established such that each group comprises a single contract. The level of aggregation requirements of IFRS 17 limit the offsetting of gains on groups of profitable contracts, which are generally deferred as a Contractual Service Margin (CSM), against losses on groups of onerous contracts, which are recognised immediately (see (v) and (vi), on the measurement of the Life and Non-contracts), Compared with the level at which the liability adequacy test is performed under IFRS 4 (i.e. portfolio of contracts level), the level of aggregation under IFRS 17 is more granular and is expected to result in more contracts being identified as onerous and losses on onerous contracts being recognised sooner.

iii. Contract boundaries

Under IFRS 17, the measurement of a group of contracts includes all of the future cash flows within the boundary of each contract in the group. Compared with the current accounting, the Group expects that for certain contracts the IFRS 17 contract boundary requirements will change the scope of cash flows to be included in the measurement of existing recognised contracts, as opposed to future unrecognised contracts. The period covered by the premiums within the contract boundary is the 'coverage period', which is relevant when applying a number of requirements in IFRS 17

Insurance Contracts

For insurance contracts, cash flows are within the contract boundary if they arise from substantive rights and obligations that exist during the reporting period in which the Group can compel the policyholder to pay premiums or has a substantive obligation to provide services (including insurance coverage and investment services). A substantive obligation to provide services ends when:

• the Group has the practical ability to reassess the risks of the policyholder and can set a price or level of benefits that fully reflects those reassessed risks; or

• the Group has the practical ability to reassess the risks of the portfolio that contains the contract and can set a price or level of benefits that fully reflects the risks of that portfolio, and the pricing of the premiums up to the reassessment date does not take into account risks that relate to periods after the reassessment date.

Some term life and critical illness contracts issued by the Group have annual terms that are guaranteed to be renewable each year. Currently, the Group accounts for these contracts as annual contracts. Under IFRS 17, the cash flows related to future renewals (i.e., the guaranteed renewable terms) of these contracts will be within the contract boundary, this is because the Group does
not have the practical ability to reassess the risks of the policyholders at individual contract or portfolio level

Some universal life contracts contain a guaranteed annuity option, which allows the policyholder to convert, on maturity of the stated term, the maturity benefit into an immediately starting life- contingent annuity at a predetermined rate. Currently, the Group does not consider the cash flows
related to the options when measuring the contracts until the option is exercised, The Group has assessed the contract boundary for the contracts, including the options, and concluded that, under IFRS 17, the cash flow s related to the guaranteed annuity options will fall within the boundary of the contracts, this is because the Group does not have the practical ability to reprice the contract on maturity of the stated term

Reinsurance contracts

For reinsurance contracts, cash flows are within the contract boundary if they arise from substantive rights and obligations that exist during the reporting period in which the Group is compelled to pay amounts to the reinsurer or has a substantive right to receive services from the reinsurer. A substantive right to receive services from the reinsurer ends when the reinsurer:

• has the practical ability to reassess the risks transferred to it and can set a price or level of benefits that fully reflects those reassessed risks; or

• has a substantive right to terminate the coverage.

iv. Measurement- Overview

IFRS 17 introduces a measurement model based on the estimates of the present value of future cash flows that are expected to arise as the Group fulfills the contracts, an explicit risk adjustment for non-financial risk, and a CSM.

Contracts are subject to different requirements depending on whether they are classified as direct participating contracts or contracts without direct participation features.

Direct participating contracts are contracts that are substantially investment-related service contracts under which the Group promises an investment return based on underlying items; they are contracts for which, at inception:

• the contractual terms specify that the policyholder participates in a share of a clearly identified pool of underlying items;

• the Group expects to pay to the policyholder an amount equal to a substantial share of the fair value returns on the underlying items; and

• the Group expects a substantial proportion of any change in the amounts to be paid to the policyholder to vary with the change in fair value of the underlying items.

All insurance contracts and investment contracts with DPF in the Participating segment are expected to be classified as direct participating contracts.

Premium Allocation Approach (PAA)

The PAA is an optional simplified measurement model in IFRS 17 that is available for insurance and reinsurance contracts that meet the eligibility criteria. For an explanation of how the Group will apply the PAA. The Group expects that it will apply the PAA to all contracts in the non-life segment because the following criteria are expected to be met at inception.

• Insurance contracts and loss-occurring reinsurance contracts: The coverage period of each contract in the group is one year or less.

• Risk-attaching reinsurance contracts: The Group reasonably expects that the resulting measurement of the asset for remaining coverage would not differ materially from the result of applying the accounting policies described above

v. Measurement-Life contracts

Insurance contracts and investment contracts with DPF

On initial recognition, the Group will measure a group of contracts as the total of

(a) the fulfilment cash flows, which comprise estimates of future cash flows, adjusted to reflect the time value of money and the associated financial risks, and a risk adjustment for non-financial risk; and

(b) the CSM. The fulfilment cash flows of a group of contracts do not reflect the Group's non-performance risk.

•The Group's objective in estimating future cash flows is to determine the expected value of a range of scenarios that reflects the full range of possible outcomes. The cash flows from each scenario will be discounted and weighted by the estimated probability of that outcome to derive an expected present value. If there are significant interdependencies between cash flows that vary based on changes in market variables and other cash flows, then the Group will use stochastic modelling techniques to estimate the expected present value. Stochastic modelling involves projecting future cash flows under a large number of possible economic scenarios for variables such as interest rates and equity returns.

All cash flows will be discounted using risk-free yield curves adjusted to reflect the characteristics of the cash flows and the liquidity characteristics of the contracts. Cash flows that vary based on the returns on any underlying items will be adjusted for the effect of that variability using risk-neutral measurement techniques and discounted using the risk-free rates as adjusted for illiquidity. When the present value of future cash flows is estimated by stochastic modelling, the cash flows will be discounted at scenario-specific rates calibrated, on average, to be the risk-free rates as adjusted for illiquidity.

The risk adjustment for non-financial risk for a group of contracts, determined separately from the other estimates, is the compensation that the Group would require for bearing uncertainty about the amount and timing of the cash flows that arises from non-financial risk.

The CSM of a group of contracts represents the unearned profit that the Group will recognize as it provides services under those contracts. On initial recognition of a group of contracts, the group is not onerous if the total of the following is a net inflow:

(a) the fulfilment cash flows;
(b) any cash flows arising at that date; and
(c) any amount arising from the derecognition of any assets or liabilities previously recognised for cash flows related to the group (including assets for insurance acquisition cash flows; see below).

In this case, the CSM is measured as the equal and opposite amount of the net inflow, which results in no income or expenses arising on initial recognition. If the total is a net outflow, then the group is onerous and the net outflow is generally recognised as a loss in profit or loss; a loss component is created to depict the amount of the net cash outflow, which determines the amounts that

are subsequently presented in profit or loss as reversals of losses on onerous contracts and are excluded from insurance revenue (see (viii)) on presentation and disclosure.

Subsequently, the carrying amount of a group of contracts at each reporting date is the sum of the liability for remaining coverage and the liability for incurred claim s. The liability for remaining coverage comprises (a) the fulfilment cash flows that relate to services that will be provided under the contracts in future periods and (b) any remaining CSM at that date. The liability for incurred claims includes the fulfilment cash flows for incurred claims and expenses that have not yet been paid, including claims that have been incurred but not yet reported.

•The fulfilment cash flows of groups of contracts are measured at the reporting date using current estimates of future cash flows, current discount rates and current estimates of the risk adjustment for non-financial risk. Changes in fulfilment cash flows are recognised as follows.

Changes relating to future services:	Adjusted against the CSM (or recognised in the insurance service result in profit or loss if the group is onerous)
Changes relating to current or past s	Adjusted against the CSM (or recognised in the insurance service result in profit or loss if the group is onerous)
Effects of the time value of money, financial risk, and changes therein on estimated future cash flows:	Recognised as insurance finance income or expenses

• The CSM is adjusted subsequently only for changes in fulfilment cash flows that relate to future services and other specified amounts and is recognised in profit or loss as services are provided. The CSM at each reporting date represents the profit in the group of contracts that has not yet been recognised in profit or loss because it relates to future service.

Reinsurance contracts

The Group will apply the same accounting policies to measure a group of reinsurance contracts, with the following modifications.

The carrying amount of a group of reinsurance contracts at each reporting date is the sum of the asset for remaining coverage and the asset for incurred claims. The asset for remaining coverage comprises

(a) the fulfilment cash flows that relate to services that will be received under the contracts in future periods and (b) any remaining CSM at that date.

estimates of the present value of future cash flows for the underlying insurance contracts, with an adjustment for any risk of non-performance by the reinsurer. The effect of the non-performance risk of the reinsurer is assessed at each reporting date and the effect of changes in the non-performance risk is recognised in the insurance service result in profit or loss."

The risk adjustment for non-financial risk will represent the amount of risk being transferred by the Group to the reinsurer.

The CSM of a group of reinsurance contracts represents a net cost or net gain on purchasing reinsurance. It is measured such that no income or expense arises on initial recognition, except that the Group will:

•recognise any net cost on purchasing reinsurance coverage immediately in profit or loss as an expense if it relates to insured events that occurred before the purchase of the group; and

•recognise income when it recognises a loss on initial recognition of onerous underlying contracts if the reinsurance contract is entered into before or at the same time as the onerous underlying contracts are recognised. A loss-recovery component is created, which determines the amounts

that are subsequently disclosed as reversals of recoveries of losses from the reinsurance contracts and are excluded from the allocation of reinsurance premiums paid.

The CSM is adjusted subsequently only for specified amounts and is recognised in profit or loss as services are received.

Insurance acquisition cash flows

Insurance acquisition cash flows arise from the activities of selling, underwriting and starting a group of contracts that are directly attributable to the portfolio of contracts to which the group belongs. Under IFRS 17, for Life contracts, insurance acquisition cash flows are allocated to groups of contracts using systematic and rational methods based on the total premiums for each group.

Insurance acquisition cash flows that are directly attributable to a group of contracts (e.g., non- refundable commissions paid on issuance of a contract) are allocated only to that group and to the groups that will include renewals of those contracts. The allocation to renewals will only apply to certain term life and critical illness contracts that have a one-year coverage period. The Group expects to recover part of the related insurance acquisition cash flows through renewals of these contracts. The allocation to renewals will be based on the manner in which the Group expects to recover those cash flows.

Under IFRS 17, only insurance acquisition cash flows that arise before the recognition of the related insurance contracts are recognised as separate assets and tested for recoverability, whereas other insurance acquisition cash flows are included in the estimates of the present value of future cash flows as part of the measurement of the related insurance contracts. The Group expects that most assets for insurance acquisition cash flows will relate to the renewals of term life and critical illness contracts, as described above. These assets will be presented in the same line item as the related portfolio of contracts and derecognised once the related group of contracts has been recognised. This differs from the Group's current practice, under which all acquisition costs are recognised and presented as separate assets from the related insurance contracts ('deferred acquisition costs').

IFRS 17 will require the Group to assess at each reporting date whether facts and circumstances indicate that an asset for insurance acquisition cash flows may be impaired. If it is impaired, then the Group will:

a. recognise an impairment loss in profit or loss so that the carrying amount of the asset does not exceed the expected net cash inflow for the related group; and

b. if the asset relates to future renewals, recognise an impairment loss in profit or loss to the extent that it expects those insurance acquisition cash flows to exceed the net cash inflow for the expected renewals and this excess has not already been recognised as an impairment loss under (a).

The Group will reverse any impairment losses in profit or loss and increase the carrying amount of the asset to the extent that the impairment conditions have improved.

vi. Measurement - Non-Life

On initial recognition of each group of non-life insurance contracts, the carrying amount of the liability for remaining coverage is measured at the premiums received on initial recognition. The Group will elect to recognise insurance acquisition cash flows as expenses when they are incurred.

Subsequently, the carrying amount of the liability for remaining coverage is increased by any further premiums received and decreased by the amount recognised as insurance revenue for services provided. The Group expects that the time between providing each part of the services and the related premium due date will be no more than a year. Accordingly, as permitted under IFRS 17, the Group will not adjust the liability for remaining coverage to reflect the time value of money and the effect of financial risk.

If at any time before and during the coverage period, facts and circumstances indicate that a group of contracts is onerous, then the Group will recognise a loss in profit or loss and increase the liability for remaining coverage to the extent that the current estimates of the fulfilment cash flows that relate to remaining coverage exceed the carrying amount of the liability for remaining coverage. The fulfilment cash flows will be discounted (at current rates) if the liability for incurred claims is also discounted.

The Group will recognise the liability for incurred claims of a group of contracts at the amount of the fulfilment cash flows relating to incurred claims. The future cash flows will be discounted (at current rates) unless they are expected to be paid in one year or less from the date the claims are incurred.

The Group will apply the same accounting policies to measure a group of reinsurance contracts, adapted where necessary to reflect features that differ from those of insurance contracts.

vii. Presentation and disclosure

IFRS 17 will significantly change how insurance contracts, reinsurance contracts are presented and disclosed in the Group's consolidated financial statements.

Under IFRS 17, portfolios of insurance contracts that are assets and those that are liabilities, and portfolios of reinsurance contracts that are assets and those that are liabilities, are presented separately in the statement of financial position. All rights and obligations arising from a portfolio of contracts will be presented on a net basis; therefore, balances such as insurance receivables and payables and policyholder loans will no longer be presented separately. Any assets or liabilities recognised for cash flows arising before the recognition of the related group of contracts (including any assets for insurance acquisition cash flows) will also be presented in the same line item as the related portfolios of contracts.

Under IFRS 17, amounts recognised in the statement of profit or loss and OCI are disaggregated into (a) an insurance service result, comprising insurance revenue and insurance service expenses; and (b) insurance finance income or expenses. Amounts from reinsurance contracts will be presented separately.

The separate presentation of underwriting and financial results under IFRS 17 and IFRS 9 will provide added transparency about the sources of profits and quality of earnings.

Insurance service result

For contracts not measured using the PAA, insurance revenue for each year represents the changes in the liabilities for remaining coverage that relate to services for which the Group expects to receive consideration and an allocation of premiums that relate to recovering insurance acquisition cash flows.

For contracts measured using the PAA, insurance revenue is recognised based on an allocation of expected premium receipts to each period of coverage, which is based on the expected timing of incurred insurance service expenses for certain property contracts and the passage of time for other contracts. The requirements in IFRS 17 to recognise insurance revenue over the coverage period will result in slower revenue recognition compared with the Group's current practice of recognising revenue when the related premiums are written.

Expenses that relate directly to the fulfilment of contracts will be recognised in profit or loss as insurance service expenses, generally when they are incurred. Expenses that do not relate directly to the fulfilment of contracts will be presented outside the insurance service result.

Amounts recovered from reinsurers and reinsurance expenses will no longer be presented separately in profit or loss, because the Group will present them on a net basis as 'net expenses from reinsurance contracts' in the insurance service result, but information about these will be included in the disclosures.

The Group may choose not to disaggregate changes in the risk adjustment for non-financial risk between the insurance service result and insurance finance income or expenses. All changes in the risk adjustment for non-financial risk recognised in profit or loss will be included in the insurance service result.
Insurance finance income and expenses

Under IFRS 17, changes in the carrying amounts of groups of contracts arising from the effects of the time value of money, financial risk and changes therein are generally presented as insurance finance income or expenses. They include changes in the measurement of groups of contracts caused by changes in the value of underlying items (excluding additions and withdrawals). For Participating and Non-life contracts, the Group will present insurance finance income or expenses in profit or loss, considering that the supporting assets will generally be measured at FVTPL.
Presentation and Disclosure

An entity is required to present comparative financial information for the annual period immediately preceding the date of initial application i.e., the annual period starting from the transition date.

IFRS 17 requires extensive new disclosures about amounts recognised in the financial statements, including detailed reconciliations of contracts, effects of newly recognised contracts and information on the expected CSM emergence pattern, as well as disclosures about significant judgements made when applying IFRS 17. There will also be expanded disclosures about the nature and extent of risks from insurance contracts, reinsurance contracts and investment contracts with DPF. Disclosures will generally be made at a more granular level than under IFRS 4, providing more transparent information for assessing the effects of contracts on the financial statements.

Impracticability Test

IFRS17 requires a restatement of the Company's results as if IFRS17 had always been applicable (the "fully retrospective approach" unless it is "impracticable" to do so). Where a fully retrospective approach is impracticable, a "modified retrospective" or "fair value" approach are available. We will follow a fair value approach where a fully retrospective approach is impracticable.

The principles applied to test for impracticability:
a) Risk adjustment
b) Actual historic premiums and charges
c) Actual historic expenses split between acquisition and maintenance expenses
d) Historic discount rates
e) Policy administration system change / past data

The likely examples of impracticability cut-off points in time will include policy administration system changes where past data was not captured or validated and valuation model/methodology changes e.g., transition from an NPV valuation methodology to a prospective calculation or transition to a more sophisticated valuation model requiring additional data fields.

IFRS 9 Financial Instruments
IFRS 9 replaces IAS 39 Financial Instruments: Recognition and Measurement and is effective for

However, the Group has met the relevant criteria and has applied the temporary exemption from IFRS 9 for annual periods before 1 January 2023, Consequently, the Group will apply IFRS 9 for the first time on 1 January 2023,
Financial assets - Classification

The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics, IFRS 9 includes three principal measurement categories for financial assets - measured at amortised cost, FVOCI and FVTPL- and eliminates the previous IAS 39 categories of held-to-maturity investments, loans and receivables, and available-for-sale financial assets,
A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as measured at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and

- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding,

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

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding,

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL In addition, on initial recognition the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise,
Nevertheless, on initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in fair value in OCI, the election is made on an instrument-by-instrument basis,
Impact assessment
IFRS 9 will affect the classification and measurement of financial assets held at 1 January 2023 as follows.

• Most underlying items of Participating contracts and certain other financial investments are designated as at FVTPL under IAS 39. They will also be measured at FVTPL under IFRS 9.

• Derivative assets, which are generally classified as held-for-trading and measured at FVTPL under IAS 39, will also be measured at FVTPL under IFRS 9.
• Debt investments that are classified as available-for-sale under IAS 39 may, under IFRS 9, be measured at amortised cost, FVOCI or FVTPL, depending on the circumstances.

• Held-to-maturity investments and loans and receivables measured at amortised cost under IAS 39 will generally also be measured at amortised cost under IFRS 9.
The Group's total equity is impacted only to the extent of any reclassifications between the amortised cost and fair value measurement categories.
Financial assets - Impairment

IFRS 9 replaces the 'incurred loss' model in IAS 39 with a forward-looking 'expected credit loss' model. This will require considerable judgement about how changes in economic factors affect ECL, which will be determined on a probability-weighted basis.
The new impairment model will apply to the Group's financial assets measured at amortised cost, debt investments at FVOCI and lease receivables.

IFRS 9 requires a loss allowance to be recognised at an amount equal to either 12-month ECL or lifetime ECL. Lifetime ECL are the ECL that result from all possible default events over the expected life of the financial instrument; 12-month ECL are the portion of lifetime ECL that result from default events on a financial instrument that are possible within the 12 months after the reporting date.
Impact Assessment

The Group estimates that application of the IFRS 9 impairment requirements at 1 January 2023 and 2022 will result in additional loss allowances which is currently being evaluated. The Group's total equity is impacted by the IFRS 9 impairment requirements only to the extent of any loss allowances on financial assets measured at amortised cost and reinsurance receivables.

2.8 List of Standards, Amendments to Standards and Interpretations effective for a 31 December 2022 year-end

The effective interpretations and standards that need to be considered for financial year ended 31 December 2022 are listed below:
• Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments, IAS 41 Agriculture.
• Amendment to IFRS 3 Business Combinations.
• Amendment to IAS 16 Property, Plant and Equipment.
• Amendment to IAS 37 Provisions, Contingent Liabilities and Contingent assets.

2.9 New standards, interpretations and amendments to existing standards not yet adopted by the Group

A number of new Standards, Amendments to Standards, and Interpretations are effective for annual periods beginning after 1 January 2023 and have not been applied in preparing these consolidated and separate financial statements. Those Standards, Amendments to Standards and Interpretations which may be relevant to the Group (or Company) are set out below. The Group and Company do not plan to adopt these standards early. The standards will be adopted in the period that they become mandatory unless otherwise indicated

Standard/Interpretation	**Date issued**	**Effective date Periods beginning on or after**	**Summary of the requirements and impact assessment**
FRS 17 including amendments Initial application of IFRS 17 and IFRS 9 – Comparative Information Insurance Contract	May 2017, June 2020 and December 2021 for the amendments	1-Jan-23	IFRS 17 supersedes IFRS 4 Insurance Contracts and aims to increase comparability and transparency about profitability. The new standard introduces a new comprehensive model ("general model") for the recognition and measurement of liabilities arising from insurance contracts. In addition, it includes a simplified approach and modifications to the general measurement model that can be applied in certain circumstances and to specific contracts, such as: • Reinsurance contracts held; • Direct participating contracts; and • Investment contracts with discretionary participation features. Under the new standard, investment components are excluded from insurance revenue and service expenses. Entities can also choose to present the effect of changes in discount rates and other financial risks in profit or loss or OCI. The new standard includes various new disclosures and requires additional granularity in disclosures to assist users to assess the effects of insurance contracts on the entity's financial statements. The standard is effective for annual periods beginning on or after 1 January 2023.The Company is in the process of adoption and assessment of the impact.
Amendments to IAS 8 Definition of Accounting Estimates	Feb-21	1-Jan-23	This amendment provides clarifications to companies on how to distinguish changes in accounting policies from changes in accounting estimates, with a primary focus on the definition of and clarifications on accounting estimates. The amendment introduces a new definition for accounting estimates: clarifying that they are monetary amounts in the financial statements that are subject to measurement uncertainty. The amendments also clarifies the following: • an entity develops an accounting estimate to achieve the objective set out by an accounting policy. • developing an accounting estimate includes both selecting a measurement technique (estimation or valuation technique) and choosing the inputs to be used when applying the chosen measurement technique. • a change in accounting estimate that results from new information or new developments is not the correction of an error. In addition, the effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors. • a change in an accounting estimate may affect only the current period's profit or loss, or the profit or loss of both the current period and future periods. The effect of the change relating to the current period is recognised as income or expense in the current period. The effect, if any, on future periods is recognised as income or expense in those future periods. The definition of accounting policies remains unchanged. The amendments are effective for periods beginning on or after 1 January 2023, and will apply prospectively to changes in accounting estimates and changes in accounting policies occurring on or after the beginning of the first annual reporting period in which the company applies the amendments. There is no significant impact on the group's operation

Amendments to IFRS 16: Lease Liability in a Sale and Leasedback	Sep-22	1-Jan-24	Amendments to IFRS 16 Leases requires a seller-lessee impacts how a seller-lessee to subsequently measure lease liabilities arising from a leaseback in a way that it does not recognise any amount of the gain or loss that relates to the right of use it retains. The amendment also requires the seller-lessee to include variable lease payments when it measures a lease liability arising from a sale-and-leaseback transaction. The amendments confirm the following. • On initial recognition, the seller-lessee includes variable lease payments when it measures a lease liability arising from a sale-and-leaseback transaction. • After initial recognition, the seller-lessee applies the general requirements for subsequent accounting of the lease liability such that it recognises no gain or loss relating to the right of use it retains. A seller-lessee may adopt different approaches that satisfy the new requirements on subsequent measurement. The amendments are effective for annual reporting periods beginning on or after 1 January 2024. Under IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, a seller-lessee will need to apply the amendments retrospectively to sale-and-leaseback transactions entered into or after the date of initial application of IFRS 16. This means that it will need to identify and re-examine sale-and-leaseback transactions entered into since implementation of IFRS 16 in 2019, and potentially restate those that included variable lease payments. There is no impact on the Group's actvities.
Amendments to IAS 1 Classification of liabilities as current or non-current	Jan-20	1-Jan-24	Under existing IAS 1 requirements, companies classify a liability as current when they do not have an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting period. As part of its amendments, the Board has removed the requirement for a right to be unconditional and instead, now requires that a right to defer settlement must have substance and exist at the end of the reporting period. There is limited guidance on how to determine whether a right has substance and the assessment may require management to exercise interpretive judgement. The existing requirement to ignore management's intentions or expectations for settling a liability when determining its classification is unchanged. The amendments also clarify how a company classifies a liability that includes a counterparty conversion option, which could either be recognised as either equity or liability separately from the liability component under IAS 32 Financial Instruments: Presentation The standard is effective for annual periods beginning on or after 1 January 2023. Early adoption is permitted. The amendments does have not significant impact on the Company and Group's activities
Amendments to IAS 1 and IFRS Practice Statement 2 Disclosure Initiative: Accounting Policies	Feb-21	1-Jan-23	The amendments were issued to assist companies provide useful accounting policy disclosures. The key amendments to IAS 1 include: • requiring companies to disclose their material accounting policies rather than their significant accounting policies; • clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed; and • clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to a company's financial statements; The amendments are consistent with the refined definition of material: "Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements". The amendments are effective from 1 January 2023. The amendments does have not significant impact on the Company and Group's activities

Amendment to IAS 12 Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction	May-21	1-Jan-23	The amendment clarifies that the initial recognition exemption does not apply to transactions that give rise to equal and offsetting temporary differences such as leases and decommissioning obligations. As a result, companies will need to recognise a deferred tax asset and a deferred tax liability for temporary differences arising on initial recognition arising from these transactions. The standard is effective for annual periods beginning on or after 1 January 2023. For leases and decommissioning liabilities, the associated deferred tax asset and liabilities will need to be recognised from the beginning of the earliest comparative period presented, with any cumulative effect recognised as an adjustment to retained earnings or other components of equity at that date. If an entity previously accounted for deferred tax on these transactions using the net approach, then the impact on transition is likely to be limited to the separate presentation of the deferred tax asset and the deferred tax liability. There is no impact on the Group's actvities.
Amendments to IFRS 10 and IAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Sep-14	Deferred indefi	The amendments require the full gain to be recognised when assets transferred between an investor and its associate or joint venture meet the definition of a 'business' under IFRS 3 Business Combinations. Where the assets transferred do not meet the definition of a business, a partial gain to the extent of unrelated investors' interests in the associate or joint venture is recognised. The definition of a business is key to determining the extent of the gain to be recognised. When a parent loses control of a subsidiary in a transaction with an associate or joint venture (JV), there is a conflict between the existing guidance on consolidation and equity accounting. Under the consolidation standard, the parent recognises the full gain on the loss of control. But under the standard on associates and JVs, the parent recognises the gain only to the extent of unrelated investors' interests in the associate or JV. In either case, the loss is recognised in full if the underlying assets are impaired. The IASB has decided to defer the effective date for these amendments indefinitely. There is no impact on the Group's actvities.

3 Significant Account Policies

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

Except for the changes explained in note 2.6, the accounting policies set out below have been consistently applied to all periods presented in these financial statements.

3.1 Basis of Consolidation

Business combination and goodwill

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

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

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

Subsidiaries

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

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

Following the licence approval for Hilal Takaful Nigeria Limited (HTNL) and its subsequent commencement of operations as a stand alone Company, the financial position of HTNL has been consolidated and therefore included in the Group statement of financial position as at 31 December 2022.

Loss of control

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

Non- controlling interests

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

Transaction eliminated on consolidation

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

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

3.2 Insurance contracts

(i) Classification

IFRS 4 requires contracts written by insurers to be classified as either 'insurance contracts' or ‘investment contracts' depending on the level of insurance risk transferred.

Insurance contracts are those contracts when the insurer has accepted significant insurance risk from another party (the policyholders) by agreeing to compensate the policyholders if a specified uncertain future event (the insured event) adversely affects the policyholders.

The Group's insurance contract liabilities represent its liability to the policy holders. Liabilities for unpaid claims are estimated on case by case basis. The liabilities recognised for claims fluctuate based on the nature and severity of the claim reported. Claims incurred but not reported are determined using statistical analyses and the Group deems liabilities reported as adequate. The liability comprises reserves for unexpired risk, outstanding claims and incurred but not reported claims.

Financial guarantee contracts are recognised as insurance contracts. Liability adequacy testing is performed to ensure that the carrying amount of the liability for financial guarantee contracts is sufficient.

At the end of each accounting period, the insurance contract liability is reflected as determined by the actuarial valuation report.

The Group also insure events associated with human life (for example, death or survival) over a long duration and has short term life insurance contracts which protect the Company's policyholders from the consequences of events (such as death or disability) that would affect the ability of the insured or his/her dependants to maintain their current level of income. Guaranteed benefits paid on occurrence of the specified insurance event are either fixed or linked to the extent of the economic loss suffered by the insured or the beneficiary.

A number of insurance and investment contracts contain a Discretionary Participation Feature (DPF). This feature entitles the holder to receive, as a supplement to guaranteed benefits, additional benefits or bonuses:

- That is likely to be a significant portion of the total contractual benefits.
- Whose amount or timing is contractually at the discretion of the Company; and
- That are contractually based on:
  - the performance of a specified pool of contracts or a specified type of contract
  - realised and /or unrealized investment returns on a specified pool of assets held by the Company
  - the profit or loss of the Company, fund or other entity that issues the contract.

Long-term insurance business (i.e. long-term insurance contracts with fixed and guaranteed terms, and long-term insurance contracts without fixed terms and with discretionary participation features -DPF) includes insurance business of all or any of the following classes, namely; life insurance business, superannuation business and business incidental to any such class of business. For contracts with DPF features, the actuary calculates the bonus due to the policy holders and is accounted for as part of the insurance or investment contract liabilities.

Life assurance business means the business of, or in relation to, the issuing of, or the undertaking of liability to pay money on death (not being death by accident or in specified sickness only) or on the happening of any contingency dependent on the termination or continuance of human life (either with or without provision for a benefit under a continuous disability insurance contract), and include a contract which is subject to the payment of premiums for a term dependent on the termination or continuation of human life and any contract securing the grant of an annuity for a term dependent upon human life.

(ii) Recognition and Measurement of Insurance contracts

Premium

Premium income is recognised on assumption of risks.

Gross written premiums for insurance contracts comprise premiums received in cash as well as premiums that have been received and confirmed as being held on behalf of the Company by insurance brokers and have been duly certified. Gross written premiums are stated gross of taxes payable and stamp duties that are payable to relevant regulatory bodies respectively.

Unearned premiums represent the proportions of premiums written in the year that relate to the unexpired risk of policies in force at the reporting date.

Gross premium income is gross written premiums less changes in unearned premium.

Claims
Claims incurred comprise claims and claims handling expenses incurred during the financial year and changes in the provision for outstanding claims. Claims and claims handling expenses are charged to profit or loss as incurred.

For long term insurance business, benefits are recorded as an expense when they are incurred. Claims arising on maturing policies are recognized when the claims become due for payment. Death claims are accounted for on notification. Surrenders are accounted for on payment.

Outstanding claims represent the estimated ultimate cost of settling all claims arising from incidents occurring prior to the end of reporting date, but not settled at that date.
Adjustments to the amount of claims provisions established in prior years are accounted for prospectively in the financial statements for the period in which the adjustments are made, and disclosed separately if material.

Claims and loss adjustment expenses are recognised in statement of profit or loss when incurred based on the estimated liability for compensation owed to contract holders or third parties damaged by the contract holders.

Salvage and subrogation reimbursement
Some insurance contracts permit the Group to sell (usually damaged) property acquired in settling a claim (for example salvage). The Company may also have the right to pursue third parties for payment of some or all costs (for example subrogation).

Salvaged property is recognized in other assets when the amount that can reasonably be recovered from the disposal of the property has been established and salvage recoveries are included as part of claims recoveries. Subrogation reimbursements are recognized in claim recoveries when the amount to be recovered from the liable third party has been established.

(iii) Insurance contract liabilities
These represent the Company's liabilities to the policyholders. They comprise the unearned premium, outstanding claims and the incurred but not reported claims. At the end of each reporting period, these liabilities are reflected as determined by an actuarial valuation.

Unearned premium provision
The provision for unearned premiums represents the proportion of premiums written in the periods up to the accounting date that relate to the unexpired terms of policies in force at the end of the reporting date. This is estimated to be earned in subsequent financial periods, computed separately for each insurance contract using a time apportionment basis. The change in the provision is recorded in the income statement to recognise revenue over the period of the risk.

Reserve for unexpired risk
A provision for additional unexpired risk reserve is recognised for an underwriting year where it is envisaged that the estimated cost of claims and expenses exceed the unearned premium provision.

Reserve for outstanding claims
Outstanding claims represent the estimated ultimate cost of settling all claims arising from incidents occurring prior to the end of reporting date, but not settled at that date.

Reserve for incurred but not reported claims (IBNR)
A provision is made for claims incurred but not yet reported as at the end of the financial year. This provision is based on the liability adequacy test report from the registered actuary engaged by the Group.

Liability adequacy test
At the end of each reporting period, liability adequacy tests are performed to ensure that material and reasonably foreseeable losses arising from existing contractual obligations are recognised. In performing these tests, current best estimates of future contractual cash flows, claims handling and administration expenses, investment income backing such liabilities are considered. Long-term insurance contracts are measured based on assumptions set out at the inception of the contract. Any deficiency is recognised in profit or loss by increasing the carrying amount of the related insurance liabilities.

The Liability Adequacy Test (LAT) was carried out by a recognized firm of actuaries, O&A Hedge Actuarial Consulting (FRC/2019/00000012909)

Actuarial valuation
An actuarial valuation of the insurance contract liabilities is conducted annually to determine the liabilities on the existing policies as at the date of the valuation. Actuarial valuation of the life fund is conducted annually to determine the liabilities on the existing policies and the adequacy of the assets representing the insurance fund as at the date of valuation. All surpluses and deficits arising therefrom are charged to profit or loss. See note 48 for further details on actuarial valuation techniques, methodologies, assumptions etc.

3.3 Revenue recognition

(i) Gross premium written

Gross premium written comprises the premiums on insurance contracts entered into during the year, irrespective of whether they relate in whole or in part to a later accounting period. It is recognized at the point of attachment of risk to a policy, gross of commission expense, and before deducting cost of reinsurance cover and unearned portion of the premium. Gross premium written and unearned premiums are measured in accordance with the policies set out in 3.2(ii) of the statement of accounting policies respectively.

(ii) Gross premium income

This represents the earned portion of premium received and is recognized as revenue including changes in unearned premium. Premiums are earned from the date of attachment of risk, over the insurance period, based on the pattern of risk underwritten. Outward reinsurance premiums are recognized as an expense in accordance with the pattern of risk reinsured.

(iii) Fees and commission income

Fees and commission income consists primarily of insurance agency and brokerage commission, reinsurance and profit commissions, policyholder administration fees and other contract fees. Reinsurance commissions receivable are deferred in the same way as acquisition costs. All other fee and commission income are recognized as the services are provided.

(iv) Investment income on financial assets

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

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

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

(v) Realized gains and losses and unrealized gains and losses

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

Unrealized gains or losses represent the difference between the carrying value at the year end and the carrying value at the previous year end or purchase value during the year, less the reversal of previously recognized unrealized gains and losses in respect of disposals during the year.

(vi) Other operating income

Other operating income represents income generated from sources other than premium revenue and investment income. It includes rental income and profit on disposal of property and equipment. Rental income is recognized on an accrual basis. This also includes mudarabah income from the Takaful insurance

3.4 Expense recognition

(i) Claims expenses

Claims expenses consist of claims and claims handling expenses incurred within the reporting period, less the amount recoverable from the reinsurance companies.

(ii) Insurance claims and claims incurred

Gross claims consist benefits and claims paid/payable to policyholders, which include changes in the gross valuation of insurance contract liabilities, except for gross change in the unearned premium provision which are recorded in premium income. It further includes internal and external claims handling costs that are directly related to the processing and settlement of claims. Amounts receivable in respect of salvage and subrogation are also considered.

(iii) Underwriting expenses

Underwriting expense include acquisition costs and maintenance expense. Acquisition costs comprise direct and indirect costs associated with the writing of insurance contracts. These include commission expenses and other technical expenses. Maintenance expenses are expenses incurred in servicing existing policies and clients. All underwriting expenses are charged to profit or loss as they accrue or become payable.

(iv) Management expenses

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

3.5 Reinsurance contracts

Contracts entered into by the Company with reinsurers under which the Company is compensated for losses on one or more contracts issued by the Company and that meet the definition requirements for insurance contracts are reclassified as reinsurance contracts. Insurance contracts entered into by the Company under which the contract holder is another insurer are covered as insurance contracts.

Reinsurance assets and liabilities

Reinsurance assets consist of short-term balances due from reinsurers, as well as longer term receivables that are dependent on the expected claims and benefits arising under the related reinsured insurance contracts. Amounts recoverable from or due to reinsurers are measured consistently with the amounts associated with the reinsured insurance contracts and in compliance with the terms of each reinsurance contracts. Reinsurance liabilities are primarily premiums payable for the reinsurance contracts and are recognized as an expense when due.

Reinsurance expense

Reinsurance expense represents outward reinsurance premiums and are accounted for in the same accounting period as the premiums for the related direct insurance or reinsurance business assumed.

Prepaid reinsurance premiums

Prepaid reinsurance premiums are those proportions of premiums written in a year that relate to periods of risk after the statement of financial position date. Unearned reinsurance premiums are deferred over the term of the underlying direct insurance policies for risks-attaching contracts and over the term of the reinsurance contract for losses-occurring contracts.

Insurance claims recoverable from reinsurance companies

Insurance claims recoverables from reinsurance companies are estimated in manner consistent with the outstanding claims provision and claims incurred associated with the reinsurer's polices and are in accordance with the related insurance contract. They are measured at their carrying amount less impairment charges. Amounts recoverable under reinsurance contracts are assessed for impairment at each reporting date. If there is objective evidence of impairment, the Company reduces the carrying amount of its insurance assets to its recoverable amount and recognizes the impairment loss in profit or loss as a result of an event that occurred after its initial recognition, that the Company may not recover all amounts due and that the event has a reliably measurable impact on the amounts that the Company will receive from the reinsurer.

3.6 Investment contracts

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

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

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

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

3.7 Deferred acquisition costs

The incremental costs directly attributable to the acquisition of new business which has not expired at the reporting date, are deferred by recognizing an asset. Acquisition costs include both incremental acquisition costs and other indirect costs of acquiring and processing new businesses.

Deferred acquisition costs are amortised systematically over the life of the contracts at each reporting date.

3.8 Cash and cash equivalents

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

3.9 Financial Instruments

Classification

The classification of the Group's financial assets depends on the nature and purpose of the financial assets and are determined at the time of initial recognition. The financial assets have been recognised in the statement of financial position and measured in accordance with their assigned classifications.

The Group classifies its financial assets into the following categories:

- financial assets at fair value through profit or loss (FVTPL);
- held-to-maturity financial assets; and
- loans and receivables.
- available-for-sale financial assets

The Group's financial liabilities are classified as other financial liabilities. They include trade and other payables.

Initial recognition

All financial instruments are initially recognized at fair value, which includes directly attributable transaction costs for financial instruments not classified as fair value through profit and loss.

Subsequent Measurement

Subsequent to initial recognition, financial assets are measured either at fair value or amortised cost, depending on their categorization as follows:

Financial Assets at Fair Value through Profit or Loss (FVTPL)
A financial asset is classified as at fair value through profit or loss if it is classified as held-for-trading or is designated as such on initial recognition. Directly attributable transaction costs are recognised in profit or loss as incurred. Financial asset at fair value through profit or loss are measured at fair value and changes therein, including any interest expense or dividend income, are recognised in profit or loss.

Held-to-maturity investments
Held-to-maturity financial assets are non-derivative assets with fixed or determinable payments and fixed maturity that the Group has the positive intent and ability to hold to maturity, and which are not designated at fair value through profit or loss or available-for-sale.

Held-to-maturity financial assets are carried at amortised cost using the effective interest method. Any sale or reclassification of a significant amount of held-to-maturity investments not close to their maturity would result in the reclassification of all held-to-maturity investments as available-for- sale and this prevents the Group from classifying investment securities as held-to-maturity for the current and the following two financial years.

However, sales and reclassifications in any of the following circumstances would not trigger a reclassification:

- Sales or reclassification that are so close to maturity that changes on the market rate of interest would not have a significant effect on the financial asset’s fair value.
- Sales or reclassification after the Group has collected substantially all the asset’s original principal.
- Sales or reclassification attributable to non-recurring isolated events beyond the Group’s control that could not have been reasonably anticipated.

Loans and receivables
Loans and receivables on the statement of financial position comprise trade receivables and other receivables.

Loans and receivables, after initial measurement, are measured at amortized cost, using the effective interest rate method less any impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the effective interest rate.
When the asset is impaired, the impairment losses are carried on the statement of financial position as a deduction from the carrying amount of the loans and receivables and recognized in profit or loss as impairment losses.

Available-for-sale financial assets
Available-for-sale investments are non-derivative investments that are not designated as another category of financial assets. Unquoted equity securities whose fair value cannot be reliably measured are carried at cost. All other available-for-sale investments are carried at fair value.

Interest income is recognised in profit or loss using the effective interest method. Dividend income is recognised in profit or loss when the Group becomes entitled to the dividend. Foreign exchange gains or losses on available-for-sale debt security investments are recognised in profit or loss.

Other fair value changes are recognised directly in other comprehensive income until the investment is sold or impaired where upon the cumulative gains and losses previously recognised in other comprehensive income are recognised to profit or loss as a reclassification adjustment. As at the reporting date, the Group's investment in quoted equities are classified as available for sale financial assets except for investment in MTN Nigeria which is classified as fair value through profit or loss.

Amortised cost measurement
The amortised cost of a financial asset or liability is the amount at which the financial asset or liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initial amount recognised and the maturity amount, minus any reduction for impairment.

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.

When 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 a valuation technique that maximises the use of relevant observable inputs and minimize 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.

The best evidence of the fair value of a financial instrument at initial recognition is normally the transaction price i.e. the fair value of the consideration given or received. lf the Group determines that the fair value at 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 that uses only data from observable markets, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value at initial recognition and the transaction price. Subsequently, that difference is recognized 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 or the transaction is closed out.
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.

Portfolios of financial assets and financial liabilities that are exposed to market risk and credit risk and managed by the Group on the basis of the net exposure to either market or credit risk are measured on the basis of a price that would be received to sell a net long position (or paid to transfer a net short position) for a particular risk exposure. Those portfolio-level adjustments are allocated to the individual assets and liabilities on the basis of the relative risk adjustment of each of the individual instruments in the portfolio.

The fair value of a demand deposit is not less than the amount payable on demand, discounted from the first date on which the amount could be required to be paid.

Identification and measurement of impairment
At each reporting date, the Group assesses whether there is objective evidence that financial assets not carried at fair value through profit or loss are impaired. Financial assets are impaired when objective evidence demonstrates that a loss event has occurred after the initial recognition of the asset and that the loss event has an impact on the future cash flows on the asset that can be estimated reliably. The Group considers evidence of impairment for loans and receivables and held-to-maturity investments individually and collectively. Assets showing signs of deterioration are assessed for individual impairment. All individually significant loans and receivables and held-to maturity investments found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified by grouping together financial assets (carried at amortised cost) with similar risk characteristics.

Objective evidence that financial assets are impaired include significant financial difficulty of the obligor, default or delinquency by a borrower resulting in a breach of contract, restructuring of a loan or advance by the Group on terms that the Group would not otherwise consider, indications that a borrower or issuer will enter bankruptcy, the disappearance of an active market for a security, or other observable data relating to a group of assets such as adverse changes in the payment status of borrowers or issuers in the group, or economic conditions that correlate with defaults in the group. In addition, for an investment in an equity security, a significant or prolonged decline in its fair value below cost is objective evidence of impairment.

Impairment losses on available-for-sale investment securities are recognised by transferring the difference between the carrying amount and current fair value out of equity to profit or loss. If, in a subsequent period, the fair value of an impaired available-for-sale debt security increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit and loss, the impairment loss is reversed, with the amount of the reversal recognised in profit and loss. However, any subsequent recovery in the fair value of an impaired available-for-sale equity security is recognised in other comprehensive income. The Group writes off certain loans and receivables when they are determined to be uncollectible.

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

Income and expenses are presented on a net basis only when permitted under IFRSs, or for gains and losses arising from a group of similar transactions.

De-recognition

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial assets in a transaction in which substantially all the risks and rewards of ownership of the financial assets 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 transferred financial assets that qualify for de-recognition that is created or retained by the Group is recognised as a separate asset or liability in the statement of financial position. On de-recognition of the financial assets, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset transferred), and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit and loss. The Group enters into transactions whereby it transfers assets recognised on its financial position, but retains either all or substantially all of the risks and rewards of the transferred assets or a portion of them. If all or substantially all risks and rewards are retained, then the transferred assets are not derecognised from the financial position.

In transactions in which the Group neither retains nor transfers substantially all the risks and rewards of ownership of a financial asset and it retains control over the asset, the Group continues to recognise the asset to the extent of its continuing involvement, determined by the extent to which it is exposed to changes in the value of the transferred asset. The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expired.

3.10 Trade receivables

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

3.11 Foreign currency transactions

Foreign currency transactions are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the exchange rate ruling at the reporting date. Foreign currency differences are generally recognised in profit or loss.

Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.

3.12 Trade and other payables

Trade payables

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

Other payables and Accruals

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

3.13 Other receivables and prepayments

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

3.14 Investment properties

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

Recognition and measurement

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

Subsequent to initial recognition, investment properties are measured at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair value of investment properties are included in profit or loss in the period in which they arise. Fair values of the investment properties are evaluated and assessed annually by an accredited external valuer.

De-recognition

An investment property is derecognized upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on de-recognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognized in profit or loss in the period of de-recognition. The carrying amount of the asset represents the fair value of the asset as at the date of the latest valuation before disposal.

Transfers

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

3.15 Investment in joint venture

A joint venture is an arrangement in which the Group has joint control as well as rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Interests in associates and the joint venture are accounted for using the equity method. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and OCI of equity-accounted investees, until the date on which the joint control ceases. The Group evaluates its investment in joint venture in line with the provisions of IFRS11 - Joint Venture.

3.16 Property and equipment

Recognition and measurement

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

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

Subsequent costs

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

The costs of the day-to-day servicing of property and equipment are recognised in profit or loss as incurred.

Depreciation

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

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

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

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

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

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

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

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

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

3.18 Impairment of non-financial assets
The carrying amounts of the Group’s non-financial assets other than deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset’s recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable group of assets that generates cash flows that are largely independent from other assets. Impairment losses are recognised in profit or loss.
The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset’s carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

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

Minimum tax

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

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

Deferred tax

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

Deferred tax is not recognised for:

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

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

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

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

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

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

3.20 Statutory deposits

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

3.21 Hypothecation of assets

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

In particular, investment securities and insurance funds hypothecated to policyholders are distinguished from those owned by the shareholders. The assets hypothecated are shown in note 44 of the financial statements.

3.22 Provisions

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

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

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

3.23 Employee benefits

Short-term employee benefits/Personnel expenses

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

Defined contribution plans

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

Termination benefits

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

Post employment benefits

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

3.24 Earnings/loss per share

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

3.25 Leases

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

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

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

Property lease classification – Company as lessor

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

3.26 Segment reporting

Operating segments are identified and reported in consonance with the internal reporting policy of the Group that are regularly reviewed by the Chief

Executive who allocates resources to the segment and assesses their performance thereof.

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

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

3.27 Contingent liabilities and assets

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

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

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

3.28 Share capital and other reserves

Share capital

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

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

Share premium

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

Treasury shares

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

Retained earnings/Accumulated deficit

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

Contingency reserve

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

AFS fair value reserve

The fair value reserve comprises the cumulative net change in the fair value of available-for-sale financial assets until the assets are derecognised or impaired.

3.29 Discontinued operation

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

3.30 Deferred Commission income

Deferred Commission income represents a proportion of commission received on reinsurance contracts which are booked during a financial year and are deferred to the extent that they are recoverable out of future revenue margins. For commission income received in advance, the proportion not yet earned is recognised in the statement of financial position and subsequently released to the statement of profit or loss and other income n a time based apportionment when the policies have become effective. it is now amortised over the life of the policy.

Consolidated and Separate Statement of Financial Position
As at 30 September, 2023

	Notes	Group 9 Months Sep-23 N'000	Group 12 Months Dec- 2022 N'000	Company 9 Months Sep-23 N'000	Company 12 Months Dec- 2022 N'000
ASSETS					
Cash and cash Equivalents	6	16,882,962	10,885,696	9,015,545	5,957,724
Financial Assets	7	34,338,127	23,672,930	26,952,971	18,688,076
Trade receivable	8	1,068,279	607,342	966,420	545,407
Other receivables and prepayments	9	1,525,045	774,063	1,485,532	919,474
Reinsurance assets	10	8,486,158	7,710,640	6,827,928	6,746,041
Deferred acquisition cost	11	1,460,711	1,017,300	1,019,397	803,141
Investment in Joint venture	12	-	510	-	280
Investment in subsidiaries	13	-	-	3,620,847	3,620,847
Investment property	14	680,000	680,000	-	-
Property, plant and equipment	15	3,223,103	2,977,613	1,325,924	1,191,083
Intangible assets	16	12,830	6,267	539	1,129
Deferred tax assets	23(d)	861,211	861,211	861,211	861,211
Statutory deposits	17	1,200,000	1,200,000	500,000	500,000
Total Assets		**69,738,426**	**50,393,572**	**52,576,314**	**39,834,413**
Liabilities:					
Investment contract liabilities	18	3,919,680	3,817,583	3,512,074	3,400,917
Insurance contract liabilities	19	24,840,171	19,545,227	21,982,020	17,243,945
Trade payables	20	4,989,990	2,623,054	4,414,759	2,279,283
Other payables and accruals	21	1,339,079	942,956	1,003,373	809,480
Deferred commission income	22	1,122,857	644,536	839,898	524,569
Current tax liabilities	23(a)	785,599	462,899	500,303	283,854
Deferred tax liabilities	23(d)	287,639	331,604	175,788	175,788
Employees retirement benefit obligations	24	9,117	19,493	7,093	17,469
Total Liabilities		**37,294,131**	**28,387,352**	**32,435,307**	**24,735,305**
EQUITY & LIABILITIES					
Share capital & reserves:					
Ordinary share capital	26(a)	9,083,197	9,083,196	9,083,197	9,083,196
Share premium	26(b)	183,165	183,165	183,165	183,165
Treasury shares	26(c)	(67,130)	(67,130)	(67,130)	(67,130)
Retain earnings	26(d)	14,602,533	6,653,545	6,065,171	2,028,786
Contingency reserve	26(e)	7,383,542	5,559,616	5,350,942	4,508,692
Fair value and other reserves	26(f)	777,485	280,901	(474,338)	(637,601)
Equity attributable to owners of the company		**31,962,792**	**21,693,293**	**20,141,006**	**15,099,108**
Non Controlling interest(NCI)	26g	481,504	312,926	-	-
Total Equity		**32,444,295**	**22,006,219**	**20,141,006**	**15,099,108**
Total Equity & Liabilities		**69,738,426**	**50,393,572**	**52,576,314**	**39,834,413**

These financial statements were approved by the Board on 24th October 2023 and signed on its behalf by:

Stanley Nzedu
Ag. Head Finance
FRC/2023/PRO/ICAN/001/564971

Stephen Alangbo
Group Managing Director
FRC/2017/CIIN/00000016217

Consolidated and Separate Statement of Profit or Loss and Other Comprehensive income for the period ended 30 September 2023

	Notes	Sep-23 Group N'000	Sep-22 Group N'000	Sep-23 Company N'000	Sep-22 Company N'000
Gross Premium Written	27(a)	**20,857,590**	**14,882,327**	**15,812,800**	**11,972,035**
Change in unearned premium	27(b)	(1,001,583)	999,210	(323,232)	1,455,154
Gross Premium Earned		**19,856,006**	**15,881,537**	**15,489,568**	**13,427,189**
Changes in life fund	27(c)	(2,201,463)	(481,726)	(2,201,463)	(481,726)
Changes in annuity life fund	27(d)	(1,218,403)	(100,892)	(1,218,403)	(100,892)
Reinsurance Expenses	27(e)	(9,388,485)	(7,903,294)	(7,086,205)	(6,489,574)
Net Premium Earned		**7,047,655**	**7,395,624**	**4,983,497**	**6,354,997**
Fees and commission income	28	1,848,327	1,615,875	1,220,990	1,293,664
Net underwriting income		**8,895,983**	**9,011,500**	**6,204,487**	**7,648,660**
Claims Expenses:					
Gross Claims Paid	29	(4,432,047)	(3,609,347)	(3,409,840)	(3,211,992)
Annuity Pay Out	29	(402,917)	(308,484)	(402,917)	(308,484)
Movement in Outstanding claims	29	(1,099,600)	364,931	(998,491)	149,060
Companies	29	1,064,452	1,186,809	793,415	1,020,117
Net Claims expenses		**(4,870,112)**	**(2,366,090)**	**(4,017,833)**	**(2,351,299)**
Acquisition cost	30(a)	(2,164,739)	(1,912,709)	(1,389,011)	(1,534,416)
Maintenance cost	30(b)	(1,179,129)	(985,205)	(750,577)	(852,269)
Net Underwriting expenses		**(3,343,868)**	**(2,897,914)**	**(2,139,589)**	**(2,386,685)**
Underwriting result		**682,003**	**3,747,495**	**47,065**	**2,910,676**
Investment income on financial assets	31	2,581,326	1,898,950	1,863,687	1,404,968
Fair value changes in financial assets - FVTPL	32	(16,433)	(1,785,677)	(29,250)	(1,785,677)
Net exchange gain	33(a)	11,916,066	2,262	7,243,326	32,668
Net trading income	33(b)	581,605	-	581,605	-
Operating income	34	8,129	32,813	7,413	409
Share of Profit from joint ventures	12(c)	9,761	-	9,400	-
Allowance for impairment (losses)/Reversal	35	44,267	-	44,267	-
Personnel expenses	36	(2,400,986)	(1,969,979)	(1,904,052)	(1,490,349)
Depreciation	15	(180,314)	(145,815)	(135,598)	(110,808)
Amortisation	16	(4,202)	(5,082)	(654)	(1,994)
Other operating expenses	37	(1,737,821)	(1,111,446)	(1,420,479)	(871,897)
Finance cost	38	(55,322)	(42,424)	(38,817)	(31,421)
Profit/(loss) before tax		**11,428,079**	**621,097**	**6,267,912**	**56,575**
Income tax expense	23(b)	(565,181)	1,522	(313,396)	(2,829)
Profit/(Loss) for the year		**10,862,898**	**622,619**	**5,954,517**	**53,746**
Attributable to shareholders		10,704,071	607,805	5,954,517	53,746
Attributable to non-controlling interest holders		158,826	14,816	-	-
		10,862,898	**622,621**	**5,954,517**	**53,746**
Other Comprehensive income, net of tax					
Fair value changes on available-for-sale securities	32(b)	496,584	(212,192)	163,263	(277,866)
		496,584	(212,192)	163,263	(277,866)
Other Comprehensive Income, net of taxes		496,584	(212,192)	163,263	(277,866)
Total Comprehensive Income for the year		**11,359,481**	**410,428**	**6,117,779**	**(224,120)**
Attributable to shareholders		11,190,904	394,611	6,117,779	(224,120)
Attributable to non-controlling interest		168,578	15,818	-	-
		11,359,481	**410,429**	**6,117,779**	**(224,120)**

Consolidated and Separate Statement of Profit or Loss and Other Comprehensive income for the period 1 July to 30 September 2023

	July - Sept 2023 Group N'000	July - Sept 2022 Group N'000	July - Sept 2023 Company N'000	July - Sept 2022 Company N'000
Gross Premium Written	**6,130,136**	**4,581,829**	**5,093,485**	**3,805,555**
Change in unearned premium	401,651	634,271	(69,902)	504,864
Gross Premium Earned	**6,531,787**	**5,216,100**	**5,023,583**	**4,310,419**
Changes in life fund	(118,254)	(345,470)	(118,254)	(345,470)
Changes in annuity life fund	(192,287)	130,557	(192,287)	130,557
Reinsurance Expenses	(3,522,738)	(2,185,439)	(2,725,640)	(1,683,528)
Net Premium Earned	**2,698,508**	**2,815,748**	**1,987,402**	**2,411,978**
Fees and commission income	909,684	473,908	470,238	358,047
Net underwriting income	**3,608,192**	**3,289,655**	**2,457,640**	**2,770,024**
Claims Expenses:				
Gross Claims Paid	(2,127,528)	(1,043,515)	(1,597,669)	(893,551)
Annuity Pay Out	(153,390)	(107,726)	(153,390)	(107,726)
Movement in Outstanding claims	1,609,426	(86,923)	1,337,493	(269,083)
Companies	63,626	474,047	16,622	407,525
Net Claims expenses	**(607,865)**	**(764,117)**	**(396,944)**	**(862,834)**
Acquisition cost	(630,119)	(583,396)	(360,651)	(446,785)
Maintenance cost	(461,962)	(321,989)	(251,572)	(296,418)
Net Underwriting expenses	**(1,092,080)**	**(905,385)**	**(612,222)**	**(743,203)**
Underwriting result	**1,908,246**	**1,620,154**	**1,448,474**	**1,163,987**
Investment income on financial assets	941,450	754,386	648,732	528,090
Fair value changes in financial assets - FVTPL	(1,098,668)	(1,191,661)	(1,111,485)	(1,167,385)
Net exchange gain	(859,007)	401,572	(407,175)	264,162
Net trading income	581,605		581,605	
Operating income	7,349	227	7,137	-
Share of Profit from joint ventures	9,760.61		9,400	-
Allowance for impairment (losses)/Reversal	4,274		4,274	-
Personnel expenses	(849,543)	(639,599)	(596,473)	(490,863)
Depreciation	(69,828)	(48,323)	(51,929)	(37,134)
Amortisation	(1,595)	(1,458)	(154)	(404)
Other operating expenses	(646,362)	(330,262)	(599,376)	(240,121)
Finance cost	(16,608)	(13,558)	(7,952)	(10,070)
Profit/(loss) before tax	**(88,927)**	**551,478**	**(74,923)**	**10,262**
Income tax expense	(299,288)	4,792	3,746	(513)
Profit/(Loss) for the year	**(388,215)**	**556,270**	**(71,177)**	**9,749**
Attributable to shareholders	(410,925)	538,158	(71,177)	9,749
Attributable to non-controlling interest holders	22,710	18,112	-	-
	(388,215)	**556,270**	**(71,177)**	**9,749**
Other Comprehensive income, net of tax				
Fair value changes on available-for-sale securities	(480,608)	(154,009)	(535,046)	(108,032)
	(480,608)	(154,009)	(535,046)	(108,032)
Other Comprehensive Income, net of taxes	(480,608)	(154,009)	(535,046)	(108,032)
Total Comprehensive Income for the year	**(868,823)**	**402,261**	**(606,223)**	**(98,283)**
Attributable to shareholders	(893,196)	387,160	(606,223)	(98,283)
Attributable to non-controlling interest	24,373	15,101	-	-
	(868,823)	**402,261**	**(606,223)**	**(98,283)**

Statement of Cash Flows for the periodr ended 30 September, 2023

	Note	30-Sep-23 Group N'000	30-Sep-22 Group N'000	30-Sep-23 Company N'000	30-Sep-22 Company N'000
Operating activities					
Insurance premium received	39(i)	20,396,653	14,619,513	15,391,787	11,704,665
Deposit liabilities -contribution during the year	18	1,514,040	1,155,868	1,341,050	1,155,868
Deposit liabilities -Withdrawal during the year	18	(1,545,067)	(1,144,201)	(1,363,017)	(1,144,201)
Reinsurance premium paid	39(ii)	(10,513,933)	(7,012,087)	(7,190,336)	(5,472,192)
Reinsurance commission received	28	1,848,327	1,615,875	1,220,990	1,293,664
Insurance benefits and claims paid	29	(4,834,964)	(3,917,831)	(3,812,757)	(3,520,476)
Reinsurance claims received	29	1,064,452	1,186,809	793,415	1,258,606
Commission paid	30(a)	(2,427,090)	(1,895,462)	(1,516,657)	(1,453,713)
Maintenance cost paid	30(b)	(1,179,129)	(985,205)	(750,577)	(852,269)
Other operating cashflow		1,614,921	(3,640,100)	(627,044)	(2,556,538)
		5,938,209	(16,821)	3,486,853	413,414
Net cash used in operating activities		5,938,209	(16,821)	3,486,853	413,414
Cash flows from investing activities:					
Additions to intangible assets	16	(7,154)	-	0	
Proceeds from sale of property and equipment		-	58,804	-	57,750
Purchase of property and equipment	15	(445,825)	(240,337)	(270,382)	(231,082)
Financial assets Purchase during the year		(1,932,678)	(6,357,652)	(1,932,678)	(5,571,226)
Dividends received	31(b)	375,542	320,517	323,069	253,822
Proceeds from sale of financial asset		1,025,039	2,118,599	1,025,039	1,896,364
Interest received	31(b)	2,189,439	1,573,182	1,540,618	664,599
Net cash generated from/ used provided by investing acti		1,204,363	(2,526,886)	685,667	(2,929,773)
Cash flows from financing activities:					
Finance cost	38	(55,322)	(42,424)	(38,817)	(31,421)
Dividend paid		(1,089,984)	(908,320)	(1,075,882)	(908,320)
		(1,145,306)	(950,744)	(1,114,698)	(939,741)
Net Increase/ (decrease) in cash and cash equivalents		5,997,266	(3,494,452)	3,057,821	(3,456,100)
Cash and cash equivalents at beginning of year		10,885,696	14,402,330	5,957,724	9,732,527
Cash and cash equivalents at end of year		16,882,962	10,907,878	9,015,545	6,276,427

Consolidated and Seaparte Statement of Profit or Loss and Other Comprehensive Income
for the period-ended 30 September 2023

	Notes	GROUP ₦ N'000	COMPANY ₦ N'000	NON-LIFE ₦ N'000	LIFE ₦ N'000	TAKAFUL ₦ N'000	FIN INS. ₦ N'000
Gross Premium Income:		**20,857,660**	**15,812,800**	**10,554,990**	**5,257,810**	**407,042**	**4,637,818**
Insurance Premium Revenue	27	20,857,660	15,812,800	10,554,990	5,257,810	407,042	4,637,818
Changes in unearned premium		(4,421,449)	(3,743,099)	(323,232)	(3,419,866)	10,562	(688,912)
Gross earned premium income		16,436,211	12,069,702	10,231,758	1,837,944	417,603	3,948,906
Insurance premium ceded to reinsurers	27	(10,446,548)	(7,378,422)	(6,065,090)	(1,313,333)	(139,401)	(2,928,725)
Changes in insurance premium ceded to reinsure		1,058,063	292,216	(406,988)	699,204	-	765,847
Net Insurance Premium ceded to reinsurers		(9,388,485)	(7,086,206)	(6,472,077)	(614,129)	(139,401)	(2,162,878)
Net earned insurance premium revenue		**7,047,726**	**4,983,496**	**3,759,680**	**1,223,815**	**278,202**	**1,786,028**
Fees and commission income	28	1,848,327	1,220,990	987,355	233,635	33,011	594,326
Net Income		**8,896,052**	**6,204,486**	**4,747,036**	**1,457,450**	**311,213**	**2,380,354**
Insurance claims and benefits paid-Gross (including loss adjustment	29	(5,934,563)	(4,811,248)	(2,520,938)	(2,290,310)	(174,989)	(948,326)
Insurance claims recoverable from reinsurance Companies		1,064,452	793,415	336,901	456,514	88,067	182,970
Net Claims expenses		(4,870,112)	(4,017,832)	(2,184,036)	(1,833,796)	(86,923)	(765,356)
Underwriting expenses-Gross	30	(3,606,938)	(2,267,235)	(2,070,270)	(196,965)	(64,293)	(1,275,409)
Deferred underwriting expenses		262,352	127,646	127,646	-	1,293	133,412
Net Underwriting cost		(3,344,586)	(2,139,589)	(1,942,624)	(196,965)	(63,000)	(1,141,997)
Investment Contract							
Underwriting result		**681,355**	**47,064**	**620,376**	**(573,311)**	**161,290**	**473,000**
Guarantee interest		-	-		-		
Investment income	31	2,581,326	1,863,687	888,536	975,151	112,921	604,718
Net realised gain/(loss) on fianncial assets		-	-				
Fair value changes in financial assets-FVT	32	12,481,238	7,795,680	4,247,262	3,548,418	-	4,685,557
Share of Profit from Joint Venture		9,761	9,400	-	9,400		361
Allowance for impairment losses		-					-
Other operating income		8,129	7,413	7,355	58	-	716
		15,761,808	9,723,245	5,763,529	3,959,715	274,211	5,764,353
Management expenses	36	(4,278,406)	(3,416,516)	(3,129,105)	(287,410)	(148,976)	(712,914)
Total Expenses		**(4,278,406)**	**(3,416,516)**	**(3,129,105)**	**(287,410)**	**(148,976)**	**(712,914)**
Net operating income		**11,483,401**	**6,306,729**	**2,634,424**	**3,672,305**	**125,234**	**5,051,438**
Finance costs	37	(55,322)	(38,817)	(36,546)	(2,271)	(779)	(15,727)
Profit before tax		**11,428,079**	**6,267,912**	**2,597,879**	**3,670,034**	**124,456**	**5,035,711**
Income tax expense	38	(565,181)	(313,396)	(129,894)	(183,502)	-	(251,786)
Profit for the period	**46**	**10,862,898**	**5,954,516**	**2,467,985**	**3,486,532**	**124,456**	**4,783,926**
Other Comprehensive Income:							
Fair value adjustment on available for sale securities	45	496,584	163,263	241,772	(78,509)	39,604	293,717
Other Comprehensive Income, net of taxes		**496,584**	**163,263**	**241,772**	**(78,509)**	**39,604**	**293,717**
Total Comprehensive Income for the year		**11,359,482**	**6,117,779**	**2,709,757**	**3,408,023**	**164,060**	**5,077,643**
Total Comprehensive Income for the year		**11,359,482**	**6,117,779**	**2,709,757**	**3,408,023**	**164,060**	**5,077,643**

Consolidated and Separate Statement of Financial Position

Statement of Changes in Equity
for the period ended 30 September 2023

Group

	Share Capital	Share Premium	Retained Earnings	Treasury shares	Contingency Reserve	Fair value and other reserves	Shareholders' Equity	Non Controlling Interest	Total
As at 1 January 2023	9,083,196	183,165	6,653,545	(67,130)	5,559,616	280,901	21,693,293	312,927	**22,006,220**
Total comprehensive income for the year							**-**		**-**
Profit for the year		-	10,862,898		-		**10,862,898**	168,578	**11,031,475**
Fair value changes on AFS securities						496,584	**496,584**		**496,584**
Dividend paid			(1,089,984)				**(1,089,984)**		**(1,089,984)**
Total Comprehensive Income for the year	**1**	**-**	**9,772,914**	**(0)**	**-**	**496,584**	**10,269,498**	**168,578**	**10,438,076**
Prior year adjustment							**-**		**-**
Transfer to Contingency Reserve			(1,823,926)		1,823,926		-		**-**
Total contributions by and distributions to equity holders	-	-	(1,823,926)	-	1,823,926	-	-	-	-
							-		
Balance as at 30 September 2023	**9,083,197**	**183,165**	**14,602,533**	**(67,130)**	**7,383,542**	**777,485**	**31,962,791**	**481,505**	**32,444,296**

Statement of Changes in Equity
for the year ended 31 December 2022

Group

	Share Capital	Share Premium	Retained Earnings	Treasury shares	Contingency Reserve	Fair value and other reserves	Shareholders' Equity	Non Controlling Interest	Total
As at 1 January 2022	9,083,196	183,165	5,855,597.00	(67,130)	4,735,167	387,889	**20,177,884**	294,275	20,472,159
							-		-
Profit for the year		-	2,530,717		-		**2,530,717**	16,324	2,547,041
Revaluation gain on property and equipment	-	-	-	-	-	966,578	**966,578**		966,578
Fair value changes on AFS securities	-	-	-	-	-	(1,073,566)	**(1,073,566)**	2,328	(1,071,238)
							-		-
Total Comprehensive Income for the year	**-**	**-**	**2,530,717.00**	**-**	**-**	**(106,988.00)**	**2,423,729.00**	**18,652.00**	**2,442,381**
Dividend paid			(908,320)						
Transfer to Contingency Reserve	-	-	(824,449)	-	824,449	-	-	-	-
Total contributions by and distributions to equity holders	-	-	(1,732,769)	-	824,449	-	**(908,320)**	-	(908,320)
Balance as at 31 December 2022	**9,083,196**	**183,165**	**6,653,545**	**(67,130)**	**5,559,616**	**280,901**	**21,693,293**	**312,927**	**22,006,220**

Statement of Changes in Equity
for the period ended 30 September 2023

Company

	Share Capital	Share Premium	Retained Earnings	Treasury shares	Contingency Reserve	AFS Fair Value Reserve	Shareholders' Equity	Non Controlling Interest	Total
As at 1 January 2023	**9,083,196**	**183,165**	**2,028,786**	**(67,130)**	**4,508,692**	**(637,601)**	**15,099,108**	-	**15,099,108**
Total comprehensive income for the year									
Profit/(Loss) for the year	-	-	5,954,517		-		5,954,517		5,954,517
Fair value changes on AFS securities						163,263	163,263		163,263
Dividend paid			(1,075,882)				(1,075,882)		(1,075,882)
	1	-		(0)	-		1		1
Total Comprehensive Income for the year	1	-	4,878,635	(0)	-	163,263	5,041,898	-	5,041,898.26
Transfer to Contingency Reserve	-	-	(842,250)		842,250		-		-
Total contributions by and distributions to equity holders	-	-	(842,250)	-	842,250	-	-	-	-
Balance as at 30 September 2023	**9,083,197**	**183,165**	**6,065,171**	**(67,130)**	**5,350,942**	**(474,338)**	**20,141,006**	-	**20,141,006**

Statement of Changes in Equity
for the year ended 31 December 2022

Company

	Share Capital	Share Premium	Retained Earnings	Treasury shares	Contingency Reserve	Fair value and other reserves	Shareholders' Equity	Non Controlling Interest	Total
As at 1 January 2022	9,083,196	183,165	1,769,197	(67,130)	3,844,841	63,261	**14,876,530**	-	14,876,530
Total comprehensive income for the year									
Profit for the year	-	-	1,831,760		-		**1,831,760**		1,831,760
Revaluation gain on property and equipment						456,387	**456,387**		456,387
Fair value changes on AFS securities						(1,157,249)	**(1,157,249)**		(1,157,249)
Total Comprehensive Income for the year	-	-	**1,831,760**	-	-	**(700,862.00)**	**1,130,898.00**	-	**1,130,898.00**
Dividend paid			**(908,320)**				**(908,320)**		(908,320)
Transfer to Contingency Reserve	-	-	(663,851)		663,851		-		-
Total contributions by and distributions to equity holders	-	-	(1,572,171)	-	663,851	-	(908,320)	-	(908,320)
									-
Balance as at 31 December 2022	**9,083,196**	**183,165**	**2,028,786**	**(67,130)**	**4,508,692**	**(637,601)**	**15,099,108**	-	**15,099,108**
									-

General Business Company revenue account
For the period ended 30 September 2023

	Notes	Motor N' 000	Fire N' 000	General Accident N' 000	Marine and Aviation N' 000	Bond N' 000	Engineering N' 000	Oil and Gas N' 000	Total 2023 N' 000	Total 2022 N' 000
Income										
Direct premium		2,099,403	1,811,010	949,333	1,043,641	20,661	2,776,239	1,823,052	10,523,338	7,276,131
Inward premium		-	31,908	-	(256)	-	-	-	31,652	25,809
Gross premium written	**27.1**	**2,099,403**	**1,842,918**	**949,333**	**1,043,385**	**20,661**	**2,776,239**	**1,823,052**	**10,554,990**	**7,301,940**
Increase/(decrease) in unearned premiu	18.2	(430,274)	(317,540)	(140,835)	(85,332)	(1,707)	(215,728)	868,183	(323,232)	1,455,154
Gross premium earned	**27.1**	**1,669,129**	**1,525,378**	**808,498**	**958,053**	**18,954**	**2,560,511**	**2,691,235**	**10,231,758**	**8,757,094**
Outward reinsurance premium	28.1	(126,717)	(1,236,847)	(183,969)	(568,552)	(13,009)	(2,557,636)	(1,378,359)	(6,065,090)	(4,022,507)
Increase/(decrease) in unexpired reinsurance cost	28.1	43,422	274,373	15,786	23,570	1,286	(552,910)	(212,516)	(406,988)	(1,271,930)
Reinsurance cost		(83,295)	(962,474)	(168,183)	(544,981)	(11,723)	(3,110,546)	(1,590,875)	(6,472,077)	(5,294,437)
Net premium earned		1,585,834	562,903	640,315	413,071	7,231	(550,035)	1,100,360	3,759,680	3,462,657
Commision earned	29	14,879	272,324	47,538	120,095	3,117	480,250	49,153	987,355	760,387
Net Underwriting Income		**1,600,712**	**835,227**	**687,854**	**533,166**	**10,348**	**(69,785)**	**1,149,513**	**4,747,036**	4,223,044
Expenses										
Gross Claims paid		(553,402)	(541,311)	(277,030)	(103,270)	(205)	(109,271)	(702,898)	(2,287,388)	(2,206,060)
Increase/(Decrease) in outstanding claims provision	18.1	(123,547)	(56,133)	226,331	(45,089)	6,950	(729,208)	487,146	(233,550)	276,093
Gross claims incurred		(676,948)	(597,444)	(50,699)	(148,359)	6,745	(838,479)	(215,753)	(2,520,938)	(1,929,967)
Reinsurance claims recoveries		(4,777)	250,378	(201,639)	(637)	(4,199)	667,636	(370,136)	336,626	467,677
Net claims incurred		**(681,725)**	**(347,067)**	**(252,338)**	**(148,995)**	**2,546**	**(170,844)**	**(585,889)**	**(2,184,311)**	**(1,462,291)**
Aquisition cost		(188,134)	(255,657)	(131,046)	(132,918)	(3,420)	(446,520)	(93,809)	(1,251,504)	(1,075,285)
Maintenance cost		(137,465)	(120,671)	(62,160)	(68,319)	(1,353)	(181,783)	(119,370)	(691,120)	(791,058)
Underwriting expenses		(325,599)	(376,328)	(193,207)	(201,237)	(4,772)	(628,303)	(213,179)	(1,942,624)	(1,866,343)
Total Expenses		**(1,007,324)**	**(723,394)**	**(445,545)**	**(350,232)**	**(2,226)**	**(799,146)**	**(799,067)**	**(4,126,935)**	**(3,328,634)**
Underwriting profit/(loss)		**593,388**	**111,833**	**242,309**	**182,934**	**8,122**	**(868,931)**	**350,445**	**620,101**	**894,410**

Life Business
Revenue Account
For the period ended 30 September 2023

Income	**Individual Life N' 000**	**Group Life N' 000**	**Annuity N' 000**	**2023 Total N' 000**	**2022 Total N' 000**
Gross premium Income	217,286	4,036,424	1,004,100	5,257,810	4,670,095
Unearned premium		(2,201,463)	(1,218,403)	(3,419,866)	(582,618)
Net Premium	217,286	1,834,961	(214,303)	1,837,944	4,087,477
Reinsurance cost	(19,628)	(594,500)	-	(614,129)	(1,195,138)
Premium retained	197,658	1,240,461	(214,303)	1,223,815	2,892,339
Investment Income	369,760	-	423,069	792,829	745,697
Fairvalue gains/(loss) on Annuity Bonds	-	-	(358,073)	(358,073)	(746,796)
Fee and Commission received	17,201	203,101	-	220,302	511,318
	584,619	1,443,562	(149,308)	1,878,873	3,402,558
Gross claims paid	(25,417)	(1,097,036)	-	(1,122,453)	(1,005,932)
Increase/(Decrease) in outstanding claims provision	-	(764,941)		(764,941)	(127,033)
Annuity pay-out	-	-	(402,917)	(402,917)	(308,484)
Less: reinsurance recoveries	-	456,514	-	456,514	552,441
Net claims incurred	(25,417)	(1,405,463)	(402,917)	(1,833,796)	(889,008)
Underwriting expenses	107,046	(248,210)	(29,487)	(170,650)	(290,570)
Underwriting profit	**666,248**	**(210,111)**	**(581,711)**	**(125,573)**	**2,222,979**

Life Deposit Administration Revenue Account
For the period ended 30 September 2023

In thousands of naira	2023	2022
Fees and commission income	13,333	21,959
Interest income	182,321	115,438
Expenses		
Acquisition and maintenance cost	(64,530)	(68,456)
Guaranteed interest	(133,123)	(108,646)
deposit administration / investment contracts	(1,999)	(39,705)

6 Cash and cash equivalents

In thousands of naira	Group 9 Months Sep-23	Group 12 Months Dec- 2022	Company 9 Months Sep-23	Company 12 Months Dec- 2022
Cash	3,101	844	2,775	541
Balances with banks	4,378,983	2,562,132	4,009,279	2,143,885
Short-term deposits	12,500,877	8,322,720	5,003,491	3,813,298
	16,882,962	**10,885,696**	**9,015,545**	**5,957,724**
Current	16,882,962	10,885,696	9,015,545	5,957,724
Non-current	-	-	-	-
	16,882,962	**10,885,696**	**9,015,545**	**5,957,724**

7 **Financial assets**

In thousands of naira	Group 9 Months Sep-23	Group 12 Months Dec- 2022	Company 9 Months Sep-23	Company 12 Months Dec- 2022
Available-for-sale (AFS) financial assets (see note (a) below)	16,580,909	11,416,795	15,233,014	10,407,765
Financial assets at fair value through profit or loss (FVTPL) (see note (b) below)	11,423,934	7,984,599	11,423,934	7,984,599
Loans and receivables (see note (c) below)	296,023	295,712	296,023	295,712
Held-to-maturity investments (see note (d) below)	6,037,261	3,975,824	-	-
	34,338,127	**23,672,930**	**26,952,971**	**18,688,076**

(a) **Available-for-sale (AFS) financial assets**

In thousands of naira	Group 9 Months Sep-23	Group 12 Months Dec- 2022	Company 9 Months Sep-23	Company 12 Months Dec- 2022
Quoted equity securities measured at fair value	2,157,494	1,501,395	1,128,330	726,380
Unquoted equity securities measured at fair value	-	-	-	-
Unquoted equity securities measured at cost	106,953	269,983	106,953	225,540
Investment in funds measured at fair value	264,611	-	-	-
Investment in MTN preference shares	54,120	-	-	-
Investment in CAPIC funds measured at cost	1,823,501	1,823,500	1,823,501	1,823,500
Investment in Valualliance fund measured at fair value	294,570	294,570	294,570	294,570
Investment in arm ethical fund at fair value		106,953		
Investment in lotus halal fixed income fund at fair value		43,274		
Investment in insurance pool	225,540	146,298	225,540	106,953
Bonds measured at fair value	12,346,522	7,967,490	12,346,522	7,967,490
	17,273,310	12,153,463	15,925,415	11,144,433
Impairment of CAPIC fund	(692,401)	(736,668)	(692,401)	(736,668)
	16,580,909	**11,416,795**	**15,233,014**	**10,407,765**

(b) **Financial assets at fair value through profit or loss (FVTPL)**

In thousands of naira	Group 9 Months Sep-23	Group 12 Months Dec- 2022	Company 9 Months Sep-23	Company 12 Months Dec- 2022
Bonds measured at fair value	8,222,273	4,600,453	8,222,273	4,600,453
Investment in MTN ordinary shares	3,201,661	3,384,146	3,201,661	3,384,146
	11,423,934	7,984,599	11,423,934	7,984,599

(C) **Loan and receivables**

In thousands of naira	Group 9 Months Sep-23	Group 12 Months Dec- 2022	Company 9 Months Sep-23	Company 12 Months Dec- 2022
Loans to policyholders (see note (i) below)	296,023	295,712	296,023	295,712
Advances and LPO financing		-		-
	296,023	295,712	296,023	295,712
Allowance for impairment	-	-	-	-
	296,023	**295,712**	**296,023**	**295,712**

(d) **Held-to-maturiy-Financial assets**

In thousands of naira	Group 9 Months Sep-23	Group 12 Months Dec- 2022	Company 9 Months Sep-23	Company 12 Months Dec- 2022
Bonds	6,037,261	3,975,824	-	-
Treasury bills	-	-	-	-
Long term deposit	-	-	-	-
MTN notes				
	6,037,261	**3,975,824**	**-**	**-**

8 Trade Recievable

(a) Trade receivables comprise :

In thousands of naira	**Group 9 Months Sep-23**	**Group 12 Months Dec- 2022**	**Company 9 Months Sep-23**	**Company 12 Months Dec- 2022**
Due from brokers, agents and other insurance companies	1,259,872	798,935	966,420	545,407
Due from direct customers				-
	1,259,872	798,935	966,420	545,407
Allowance for impairment (see note (c) below)	(191,593)	(191,593)	0	-
	1,068,279	**607,342**	**966,420**	**545,407**
Current	1,068,279	607,342	966,420	545,407
Non-current		-		-
	1,068,279	607,342	966,420	545,407

(b) The age analysis of gross insurance trade receivables as at year end is as follows

In thousands of naira	**Group 9 Months Sep-23**	**Group 12 Months Dec- 2022**	**Company 9 Months Sep-23**	**Company 12 Months Dec- 2022**
Within 30 days	1,068,279	607,342	966,420	545,407
More than 30 days	191,593	191,593	(0)	-
	1,259,872	798,935	966,420	545,407

© The movement in allowance for impairment of trade receivables is as follows:

In thousands of naira	**Group 9 Months Sep-23**	**Group 12 Months Dec- 2022**	**Company 9 Months Sep-23**	**Company 12 Months Dec- 2022**
Opening balance	191,593	1,315,341	-	1,123,748
Charge/(reversal) during the year	0	(1,123,748)	(0)	(1,123,748)
	191,593	191,593	(0)	-

All insurance receivables are designated as trade receivables and their carrying value approximate value at the statement of financial position date .

9 Other receivables and prepayments

In thousands of naira	**Group 9 Months Sep-23**	**Group 12 Months Dec- 2022**	**Company 9 Months Sep-23**	**Company 12 Months Dec- 2022**
Non-financial				
Prepaid rent	111,355	37,238	104,521	34,230
Prepaid insurance	9,889	32,071	9,889	32,071
Witholding tax receivable		1,068		-
Stock of stationery	-	-	-	-
VAT control	177,979	153,319	177,979	153,319
Prepaid housing allowance		67,507		43,393
Subscription		-		-
Other prepaid balances (see note (a) below)	401,122	291,406	347,784	257,982
	700,345	582,609	640,173	520,995
Financial				
Due from subsidiaries	-	-	233,596	238,321
Intercompany	-		(327)	-
Witholding tax receivable	39,912	-	-	-
Dividend receivable	22,562	9,871	12,673	-
Receivable from Meristem	457,000	-	457,000	-
Due from staff	66,212	29,381	36,916	27,317
Due from Mingol Properties Ltd	-	46,778	-	21,080
Other receivables (see note © below)	185,639	139,527	14,805	108,540
CAML access bank balance	42,078	-	42,078	-
Insurance recoverable	48,619	3,221	48,619	3,221
	862,022	228,778	845,359	398,479
Total other receivables and prepayment	1,562,367	811,387	1,485,532	919,474
Allowance for impairment (see note © below)	(37,323)	(37,323)	-	-
	1,525,045	774,063	1,485,532	919,474

9a Other prepaid balances comprise staff housing allowance paid in advance, Information technology advance payments and other advance payments.

10 **Reinsurance assets**

In thousands of naira	Group 9 Months Sep-23	Group 12 Months Dec- 2022	Company 9 Months Sep-23	Company 12 Months Dec- 2022
Prepaid reinsurance - Minimum & Deposit			-	
Prepaid reinsurance	4,773,115	4,076,816	3,451,676	3,521,224
Prepaid reinsurance - Non-life (see note (i) below)	3,806,104	3,474,957	2,484,668	2,919,368
Prepaid reinsurance - Life (see note (i) below)	937,871	572,718	937,871	572,718
Additional Unexpired Risk Reserve (AURR)-Life				
Additional Unexpired Risk Reserve (AURR)- Non-Life	29,141	29,141	29,138	29,138
Reinsurers' share of outstanding claims - Non-life (see note (ii) below)	1,489,514	1,968,779	1,319,002	1,759,938
Reinsurers' share of outstanding claims - Life (see note (iii) below)	329,246	334,511	329,246	334,511
Reinsurers' share of Incurred but not reported - Non-life (see note (iv) below)	771,420	789,151	727,087	707,269
Reinsurers' share of Incurred but not reported - Life (see note (v) below)	420,755	86,704	420,755	86,704
Reinsurers' share of claims paid - receivable - Non-life (see note (vi) below)	413,276	105,267	413,276	105,267
Reinsurers' share of claims paid - receivable - Takaful	121,945	118,284	-	-
Reinsurers' share of claims paid - receivable - Life (see note (vii) below)	166,887	231,128	166,887	231,128
	8,486,158	7,710,640	6,827,928	6,746,041
Allowance for impairment (see note (ii) below)	-	-	-	-
	8,486,158	**7,710,640**	**6,827,928**	**6,746,041**

11 Deferred Acquisition Cost

In thousands of naira	Group 9 Months Sep-23	Group 12 Months Dec- 2022	Company 9 Months Sep-23	Company 12 Months Dec- 2022
Balance, beginning of the year	1,017,300	853,729	803,141	708,289
Derecognition of Takaful portion				-
Acquisition cost paid during the year by Takaful				
Acquisition cost paid during the year	2,427,090	2,667,523	1,516,657	2,018,914
Total acquisition cost	3,444,390	3,521,252	2,319,798	2,727,203
Amortisation during the year	(2,164,739)	(2,503,952)	(1,389,011)	(1,924,062)
Amortization during the year Takaful Insurance				
	1,570,764	**1,017,300**	**1,027,131**	**803,141**
Current	1,570,764	1,017,300	1,027,131	803,141
Non-current		-		-
	1,570,764	1,017,300	1,027,131	803,141

The breakdown of deferred acquisition cost by class of business are as follows :

In thousands of naira	Group 9 Months Sep-23	Group 12 Months Dec- 2022	Company 9 Months Sep-23	Company 12 Months Dec- 2022
Deferred acquisition cost-Fire	329,023	135,101	151,547	81,332
Deferred acquisition cost-Motor vehicle	224,783	150,057	133,217	99,738
Deferred acquisition cost-General Accident, Bond & Engineering	467,442	459,307	407,130	409,166
Deferred acquisition cost-Aviation & Marine	65,038	49,143	44,247	34,949
Deferred acquisition cost-Agric	2,910	5,360	-	-
Deferred acquisition cost-Oil & Gas	147,910	83,336	59,651	42,960
Deferred acquisition cost-Life	223,605	134,996	223,605	134,996
	1,460,711	**1,017,300**	**1,019,397**	**803,141**

12 **Investment in Joint Venture**

In thousands of naira	Group 9 Months Sep-23	Group 12 Months Dec- 2022	Company 9 Months Sep-23	Company 12 Months Dec- 2022
Balance, beginning of the year	510	510	280	280
Cash paid for equity interest (see note (a) below)			-	
Disposal	(510)		(280)	
Receivable from Mingol Properties Ltd		-		-
Property transferred for the equity interest (see note (b) below)				
Exchange gain		-		-
Proceed from closure of escrow account				
Prior years'share of loss of the joint venture	-			-
	-	510	-	280
current year share of profit/(loss) of the joint venture (see note © below)	-	-	-	-
Dividends paid during the year				
	-	**510**	**-**	**280**
Current	-	510	-	280
Non-current		-		-
	-	510	-	280

13

Investment in subisidiaries *In thousands of naira*	Group 9 Months Sep-23	Group 12 Months Dec- 2022	Company 9 Months Sep-23	Company 12 Months Dec- 2022
Cornerstone Leasing & Investment limited	-	-	-	-
Cornerstone Takaful Nigeria Limited			466,099	466,099
Fin Insurance company limited	-	-	3,154,748	3,154,748
	-	-	3,620,847	3,620,847
Impairment allowance (see note (a) below)	-	-	-	-
	-	-	3,620,847	3,620,847
Current	-	-	-	-
Non-current	-	-	3,620,847	3,620,847
	-	-	3,620,847	3,620,847

14 **Investment properties**

In thousands of naira	Group 9 Months Sep-23	Group 12 Months Dec- 2022	Company 9 Months Sep-23	Company 12 Months Dec- 2022
Balance, beginning of the year	680,000	625,000	-	
Fair value gains/(losses)	-	55,000	-	-
Balance, end of the year	680,000	680,000	-	-

15 Property and equipment

(a) Group
At 30 September 2023

In thousands of naira	Land	Building	Right of use assets	Leasehold Improvement	Motor Vehicles	Equipment	Furniture & Fittings	Total
Cost:								
At 1 January 2023	1,883,500	651,497	-	64,877	1,004,026	685,831	198,510	4,488,241
Additions		25,510	-	-	372,532	38,954	8,829	445,825
Disposals					(49,750)	-		(49,750)
Revaluation gain (see note (i) below)								-
At 30 September 2023	**1,883,500**	**677,007**	**-**	**64,877**	**1,326,808**	**724,785**	**207,339**	**4,884,316**
Accumulated depreciation								
At 1 January 2023	-	-	-	27,478	659,283	637,057	186,810	1,510,628
Charge for the year	-	21,647	-	-	129,189	27,466	2,012	180,314
Disposals					(29,729)	-		(29,729)
At 30 September 2023	-	21,647	-	27,478	758,743	664,523	188,822	1,661,213
Net book value								
At 30 September 2023	**1,883,500**	**655,360**	**-**	**37,399**	**568,065**	**60,263**	**18,517**	**3,223,103**

(a) Group
31-Dec-22

In thousands of naira	Land	Building	Right of use assets	Leasehold Improvement	Motor Vehicles	Equipment	Furniture & Fittings	Total
Cost:								
At 1 January 2022	1,265,808	587,114	-	64,877	836,046	642,640	198,434	3,594,919
Additions	-	-	-	-	225,730	44,246	76	270,052
Disposals	(4,000)	(1,000)	-	-	(57,750)	(1,055)	-	(63,805)
Revaluation gain/(loss)	693,709	380,267						1,073,976
Revaluation adjustment	(72,017)	(314,884)						(386,901)
Reclassification								-
At 31 December, 2022	**1,883,500**	**651,497**	**-**	**64,877**	**1,004,026**	**685,831**	**198,510**	**4,488,241**
Accumulated depreciation								
At 1 January 2022	72,017	304,989	-	27,478	564,265	603,504	184,352	1,756,605
Charge for the year	-	15,476	-	-	148,752	34,608	2,458	201,294
Revaluation adjustment	(72,017)	(320,465)						(392,482)
Reversal on impairment	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	(53,734)	(1,055)	-	(54,789)
Reclassification			-					-
At 31 December, 2022	-	-	-	27,478	659,283	637,057	186,810	1,510,628
Carrying Amount:								
At 31 December, 2022	**1,883,500**	**651,497**		**37,399**	**344,743**	**48,774**	**11,700**	**2,977,613**

15 (b) **Company**

At 30 September 2023

In thousands of naira	Land	Building	Right of use assets	Leasehold Improvement	Motor Vehicles	Equipment	Furniture & Fittings	Total
Cost								
At 1 January 2023	450,000	349,997	-	64,877	743,950	564,256	131,042	2,304,122
Additions	(0)	(0)	-	0	227,782	33,941	8,659	270,382
Right of use of Asset								-
Disposals								-
At 30 September 2023	450,000	349,997	-	64,877	971,732	598,197	139,701	2,574,504
Accummulated Depreciation								
At 1 January 2023	-	-	-	27,479	440,803	507,065	137,694	1,113,041
Charge for the year	-	16,835	-	-	94,226	23,005	1,532	135,598
Intercompany charge (see note (iv) below)								-
Disposals								-
At 30 September 2023	-	16,835	-	27,479	535,029	530,070	139,226	1,248,639
Net book value:								
At 30 September 2023	**450,000**	**333,162**	**-**	**37,398**	**436,703**	**68,128**	**475**	**1,325,924**

Company

31-Dec-22

In thousands of naira	Land	Building	Right of use assets	Leasehold Improvement	Motor Vehicles	Equipment	Furniture & Fittings	Total
Cost								
At 1 January 2022	135,321	294,423	-	64,877	577,883	528,487	131,042	1,732,033
Additions	-	-	-	-	223,817	35,769	-	259,586
Disposals	-	-			(57,750)	-	-	(57,750)
Revaluation gain/(loss)	314,679	192,416						507,095
Revaluation adjustment		(136,842)						(136,842)
Derecognition of Takaful Insurance	-	-			-	-	-	-
Reclassification			-					-
At 31 December, 2022	450,000	349,997	-	64,877	743,950	564,256	131,042	2,304,122
Accummulated Depreciation:								
At 1 January 2022	-	126,948	-	27,479	380,965	477,881	136,312	1,149,585
Charge for the year	-	9,894	-	-	113,572	29,184	1,382	154,032
Revaluation adjustment		(136,842)						(136,842)
Derecognition of Takaful Insurance		-			-	-	-	-
Disposals		-		-	(53,734)	-	-	(53,734)
Reclassification			-					-
At 31 December, 2022	-	-	-	27,479	440,803	507,065	137,694	1,113,041
Net book value								
At 31 December, 2022	**450,000**	**349,997**	**-**	**37,398**	**303,147**	**57,191**	**(6,652)**	**1,191,081**

16 Intangible Assets

In thousands of naira	Group 9 Months Sep-23	Group 12 Months Dec- 2022	Company 9 Months Sep-23	Company 12 Months Dec- 2022
Cost:				
Balance, beginning of the year	225,852	225,533	185,897	185,897
Additions	7,154	319	(0)	-
Disposals				
Balance, end of the period	**233,006**	**225,852**	**185,897**	**185,897**
Amortisation:				
Balance, beginning of the year	219,586	213,728	184,768	182,501
Charge for the year	590	5,858	590	2,267
Disposals				
Balance, end of the period	**220,176**	**219,586**	**185,358**	**184,768**
At 30 September 2023	**12,830**	**6,266**	**539**	**1,129**

17 Statutory Deposits

In thousands of naira	Group 9 Months Sep-23		Group 12 Months Dec- 2022	Company 9 Months Sep-23		Company 12 Months Dec- 2022
Non life business	800,000		800,000	300,000		300,000
Takaful	200,000		200,000	-		-
Life business	200,000		200,000	200,000		200,000
	1,200,000	**-**	**1,200,000**	**500,000**	**-**	**500,000**

18 Investment Contract Liabilities

In thousands of naira	Group 9 Months Sep-23		Group 12 Months Dec- 2022	Company 9 Months Sep-23		Company 12 Months Dec- 2022
Investment contract liabilities	3,919,680		3,817,583	3,512,074		3,400,917

The movement in investment contract liabilities is analysed below:

Balance, beginning of the year	3,817,583		3,735,317	3,400,917		3,268,015
Contribution	1,514,040		1,778,446	1,341,050	-	1,510,430
Withdrawals	(1,545,067)		(1,858,715)	(1,363,017)	-	(1,540,063)
Guaranteed interest	133,123		162,535	133,123	-	162,535
Balance, end of the period	**3,919,680**	**-**	**3,817,583**	**3,512,074**	**-**	**3,400,917**

Current	3,919,680	-	3,817,583	3,512,074	-	3,400,917
Non-current	-	-	-	-	-	-

19 Insurance contract liabilities

In thousands of naira	Group 9 Months Sep-23		Group 12 Months Dec- 2022	Company 9 Months Sep-23		Company 12 Months Dec- 2022
Life insurance contract (see (a) below)	9,824,209		5,652,572	9,824,209		5,644,151
Non life insurance contract (see (b) below)	15,015,962		13,892,654	12,157,811		11,599,794
Total insurance contract liabilities (see note ©	24,840,171	-	19,545,227	21,982,020	-	17,243,945

(a) Life insurance contract liabilities

In thousands of naira	Group 9 Months Sep-23		Group 12 Months Dec- 2022	Company 9 Months Sep-23		Company 12 Months Dec- 2022
Life fund (see note (i) below)	552,973		561,393	552,973		552,972
Claims outstanding	1,220,110		1,231,918	1,220,110		1,231,918
IBNR	970,006		198,006	970,006		198,006
Unearned premium (see note (iv) below)	3,176,265		974,802	3,176,265		974,802
Claims outstanding-Takaful life			-			-
Life annuity fund (see note (iii) below)	3,904,856		2,686,453	3,904,856		2,686,453
Total life insurance contract liabilities	9,824,209	-	5,652,572	9,824,209	-	5,644,151

(i) Movement in Life fund:

In thousands of naira	Group 9 Months Sep-23		Group 12 Months Dec- 2022	Company 9 Months Sep-23		Company 12 Months Dec- 2022
Balance, beginning of the year	561,393		663,765	552,972		655,333
Additions during the year	(8,421)		(102,372)	0		(102,361)
Balance, end of the year	552,973		561,393	552,973		552,972

(ii) Movement in Life annuity fund:

In thousands of naira	Group 9 Months Sep-23		Group 12 Months Dec- 2022	Company 9 Months Sep-23		Company 12 Months Dec- 2022
Balance, beginning of the year	2,686,453		2,480,382	2,686,453		2,480,382
Additions during the year **	-		-	-		-
Payments during the year **	-		-	-		-
(Increase)/ Decrease during the year	1,218,403		206,072	1,218,403		206,072
Balance, end of the year	3,904,856		2,686,453	3,904,856		2,686,453

(b) Non-life insurance contract liabilities

In thousands of naira	Group 9 Months Sep-23		Group 12 Months Dec- 2022	Company 9 Months Sep-23		Company 12 Months Dec- 2022
Outstanding claims	5,107,243		5,480,299	4,377,374		4,825,024
IBNR	1,928,500		1,255,180	1,698,592		1,017,393
Outstanding claims-Takaful	34,396		-	-		-
IBNR-Takaful	12,087		-	-		-
Total non-life claims	7,083,461	-	6,735,479	6,077,201	-	5,842,417
Unearned premiums	7,677,192		7,157,175	6,080,610		5,757,377
Unearned premium - Takaful	255,309		-	-		-
Total non-life unearned premium (see note (i) be	7,932,501	-	7,157,175	6,080,610	-	5,757,377
Total non-life insurance contract liabilities	15,015,962	-	13,892,654	12,157,811	-	11,599,794
Total insurance contract liabilities	24,840,171	-	19,545,226	21,982,020	-	17,243,945

(c) Total insurance contract liabilities comprise:

In thousands of naira	Group Sep-23	Group Dec- 2022	Company Sep-23	Company Dec- 2022	Group Movement	Company Movement
Outstanding claims (see note (i) below)	6,361,748	6,712,217	5,597,484	6,056,942	(350,469)	(459,458)
IBNR (see note (ii) below)	2,910,593	1,453,186	2,668,597	1,215,399	1,457,407	1,453,198
Unearned premium (see note (b)(i))	11,108,766	8,131,977	9,256,875	6,732,179	2,976,789	2,524,696
Life fund/Group life (see note (a)(i))	552,973	561,393	552,973	552,972	(8,421)	0
Life annuity fund (see note (a)(ii))	3,904,856	2,686,453	3,904,856	2,686,453	1,218,403	1,218,403
	24,840,171	19,545,226	21,982,020	17,243,945	5,294,945	4,738,075

(i) Movement in outstanding claims:

In thousands of naira	Group 2023	Group 2022	Company 2023	Company 2022
Balance, beginning of the year	6,712,217	7,450,809	6,056,942	6,685,301
(Decrease)/ Increase during the year	(350,469)	(738,592)	(459,458)	(628,359)
Balance, end of the year	6,361,748	6,712,217	5,597,484	6,056,942

(ii) Movement in IBNR:

In thousands of naira	Group 2023	Group 2022	Company 2023	Company 2022
Balance, beginning of the year	1,453,186	1,578,300	1,215,399	1,335,008
Increase/(Decrease) during the year	1,457,407	(125,114)	1,453,198	(119,609)
Balance, end of the year	2,910,593	1,453,186	2,668,597	1,215,399

20 Trade payables

In thousands of naira	Group 9 Months Sep-23	Group 12 Months Dec- 2022	Company 9 Months Sep-23	Company 12 Months Dec- 2022
Payables to reinsurers	175,786	243,171	228,635	40,549
Payables to coinsurers	-	86,121	-	86,121
Commission payable	-	67,570	-	67,570
Premium Deposit (see note (a))	4,814,204	2,226,194	4,186,123	2,085,043
Payables to reinsurers	4,989,990	2,623,056	4,414,759	2,279,283
Current	4,989,990	2,623,056	4,414,759	2,279,283
Non-current				
	4,989,990	2,623,056	4,414,759	2,279,283

21 Other payables and accruals

In thousands of naira	Group 9 Months Sep-23	Group 12 Months Dec- 2022	Company 9 Months Sep-23	Company 12 Months Dec- 2022
Financial				
Performance bonus	158,297	40,693	693	693
Other staff payables	85,188	10,536	71,926	8,512
National Housing Funds	8,002	9,085	8,003	9,085
Accounts payable	-	96,818	-	58,533
Professional fees payable		8,907		8,907
NAICOM levy payable		170,070		137,301
Intercompany		-	-	-
Sundry creditors	312,469	186,964	223,969	182,171
	564,974	523,073	304,591	405,202
Non-financial				
Accrued expenses	646,156	404,297	578,648	393,554
PAYE	53,745	11,527	50,437	6,665
Impairment allowance	-	-	-	-
Witholding tax payable	74,204	4,059	69,697	4,059
	774,105	419,883	698,782	404,278
	1,339,079	**942,956**	**1,003,373**	**809,480**
Current	1,339,079	942,956	1,003,373	809,480
Non-current				
	1,339,079	**942,956**	**1,003,373**	**809,480**

22 Deferred commission income

The analysis of deferred commission income by class is as follows:

In thousands of naira	Group 9 Months Sep-23	Group 12 Months Dec- 2022	Company 9 Months Sep-23	Company 12 Months Dec- 2022
Motor	20,930	6,893	13,029	4,969
Fire	244,711	103,362	149,665	69,057
General accident	19,715	12,992	18,503	12,531
Bond	841	226	806	218
Engineering	316,068	327,761	221,914	281,615
Marine	42,564	38,718	28,856	30,759
Agric	7,650	4,450		-
Aviation	574	574	0	-
Oil and Gas	130,618	44,508	67,938	20,368
Life	339,186	105,052	339,186	105,052
	1,122,857	**644,536**	**839,898**	**524,569**
Current	1,122,857	644,536	839,898	524,569
Non-current				
	1,122,857	**644,536**	**839,898**	**524,569**

23 Income tax liabilities

(a) The movement in income tax liabilities during the year is as follows:

In thousands of naira	**Group 9 Months Sep-23**	**Group 12 Months Dec- 2022**	**Company 9 Months Sep-23**	**Company 12 Months Dec- 2022**
Balance, beginning of the year	462,899	475,575	283,856	345,704
Income tax for the year (see note (b) below)	565,181	166,277	313,396	42,713
Minimum tax		69,280		69,280
Payment during the year	(242,482)	(248,233)	(96,949)	(173,843)
Balance, end of the year	**785,599**	**462,899**	**500,303**	**283,856**
Current	785,599	462,899	500,303	283,856
Non-current				
	785,599	462,899	500,303	283,856

(d) **Deferred Taxation**

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

In thousands of naira	**Group 9 Months Sep-23**	**Group 12 Months Dec- 2022**	**Company 9 Months Sep-23**	**Company 12 Months Dec- 2022**
Balance, beginning of the year	861,211	861,211	861,211	861,211
	861,211	**861,211**	**861,211**	**861,211**

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

In thousands of naira	**Group Sep-23**	**Group Dec- 2022**	**Company Sep-23**	**Company Dec- 2022**
Balance, beginning of the year	331,604	88,026	175,788	23,211
Recognised in profit or loss		136,180		101,867
Revaluation gain on property and equipment		107,398		50,710
	287,638.65	331,604	175,788	175,788

24 Employees' Retirement Obligations

In thousands of naira	**Group 9 Months Sep-23**	**Group 12 Months Dec- 2022**	**Company 9 Months Sep-23**	**Company 12 Months Dec- 2022**
Balance, beginning of the year	19,493.00	13,553	17,469	11,529
Pension expense for the year	84,618.28	74,705	59,450	45,996
Payments made during the year	(94,994)	(68,765)	(69,826)	(40,056)
	9,117	**19,493**	**7,093**	**17,469**

26 Equity

(a) Share capital

In thousands of naira	**Group 9 Months Sep-23**	**Group 12 Months Dec- 2022**	**Company 9 Months Sep-23**	**Company 12 Months Dec- 2022**
Issued and fully paid:				
18,166,393,731 ordinary shares of 50k each	9,083,197	9,083,196	9,083,197	9,083,196

(b) Share premium

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

In thousands of naira	**Group 9 Months Sep-23**	**Group 12 Months Dec- 2022**	**Company 9 Months Sep-23**	**Company 12 Months Dec- 2022**
Share premium	183,165	183,165	183,165	183,165

(c) Treasury shares

Treasury shares are own equity instruments which are deducted from equity and no dividends are allocated to them.

In thousands of naira	**Group 9 Months Sep-23**	**Group 12 Months Dec- 2022**	**Company 9 Months Sep-23**	**Company 12 Months Dec- 2022**
Balance, beginning of the year	(67,130)	(67,130)	(67,130)	(67,130)
Addition	(0)	-	(0)	-
Balance, end of the year	**(67,130)**	**(67,130)**	**(67,130)**	**(67,130)**

(d) Retained Earnings

In thousands of naira	**Group 9 Months Sep-23**	**Group 12 Months Dec- 2022**	**Company 9 Months Sep-23**	**Company 12 Months Dec- 2022**
Balance, beginning of the year	6,653,545	5,855,597	2,028,786	1,769,197
Transfer to contingency reserves (see note (e) below)	(1,823,926)	(824,449)	(842,250)	(663,851)
Transfer from statement of comprehensive income	10,862,898	2,530,717	5,954,517	1,831,760
Dividend paid	(1,089,984)	(908,320)	(1,075,882)	(908,320)
Balance, end of the year	**14,602,533**	**6,653,545**	**6,065,171**	**2,028,786**

(e) Contingency reserves

In thousands of naira	**Group 9 Months Sep-23**	**Group 12 Months Dec- 2022**	**Company 9 Months Sep-23**	**Company 12 Months Dec- 2022**
Balance, beginning of the year	5,559,616	4,735,167	4,508,692	3,844,841
Transfer from retained earnings	1,823,926	824,449	842,250	663,851
Others				-
Balance, end of the year	**7,383,542**	**5,559,616**	**5,350,942**	**4,508,692**

(f) Fair value and other reserves

In thousands of naira	**Group 9 Months Sep-23**	**Group 12 Months Dec- 2022**	**Company 9 Months Sep-23**	**Company 12 Months Dec- 2022**
Fair value reserve (See note (i) below)	(189,093)	(685,677)	(930,725)	(1,093,988)
Asset revaluation reserve (See note (ii) below)	966,578	966,578	456,387	456,387
		-		-
Balance, end of the year	**777,485**	**280,901**	**(474,338)**	**(637,601)**

(i) Fair value reserve

In thousands of naira	**Group 9 Months Sep-23**	**Group 12 Months Dec- 2022**	**Company 9 Months Sep-23**	**Company 12 Months Dec- 2022**
Balance, beginning of the year	(685,677)	387,889	(1,093,988)	63,261
Fair value changes on Available-for-sale securities	496,584	(1,073,566)	163,263	(1,157,249)
Fair value changes on investment properties		-		-
Balance, end of the year	**(189,093)**	**(685,677)**	**(930,725)**	**(1,093,988)**

(ii) **Asset revaluation reserve**

In thousands of naira	**Group 9 Months Sep-23**	**Group 12 Months Dec- 2022**	**Company 9 Months Sep-23**	**Company 12 Months Dec- 2022**
Balance, beginning of the year	966,578	-	456,387	-
Revaluation gain on land and building		1,073,976		507,097
Tax effects on other comprehensive income		(107,398)		(50,710)
Balance, end of the year	**966,578**	**966,578**	**456,387**	**456,387**

(g) Non-controlling interest in Equity

In thousands of naira	**Group 9 Months Sep-23**	**Group 12 Months Dec- 2022**	**Company 9 Months Sep-23**	**Company 12 Months Dec- 2022**
Balance, beginning of the year	312,926	294,274	-	-
Share of profit for the year	158,826	16,324	-	-
Share of other comprehensive income	9,751	2,328	-	-
Balance, end of the year	**481,504**	**312,926**	-	-

27 Premium Income

(a) Gross premium income

In thousands of naira	Group 9 Months Sep-23	Group 9 Months Sep-22	Company 9 Months Sep-23	Company 9 Months Sep-22
Non-life insurance premiums	15,192,808	9,853,709	10,554,990	7,301,940
Life insurance premiums	4,253,710	4,050,835	4,253,710	4,050,835
Annuity	1,004,100	619,260	1,004,100	619,260
Cornerstone Takaful Nigeria	406,971	358,523	-	-
Gross premium income	**20,857,590**	**14,882,327**	**15,812,800**	**11,972,035**
Investment contract Liabilities	-	-		-

(b) Movement in unearned premium

In thousands of naira	Group 9 Months Sep-23	Group 12 Months Dec- 2022	Company 9 Months Sep-23	Company 12 Months Dec- 2022
Balance, beginning of the year	8,131,977	7,563,579	6,732,179	6,656,590
Changes in unearned premium (see note 19(c))	1,001,583	568,398	323,232	75,589
Balance, end of the year	**9,133,560**	**8,131,977**	**7,055,411**	**6,732,179**
	-	**-**	**-**	**-**
Gross earned premiums	20,857,590	14,882,327	15,812,800	11,972,035

(c) Gross premium income

In thousands of naira	Group 9 Months Sep-23	Group 9 Months Sep-22	Company 9 Months Sep-23	Company 9 Months Sep-22
Gross premium written	20,857,590	14,882,327	15,812,800	11,972,035
Changes in unearned premium (see note (b) above)	(1,001,583)	999,210	(323,232)	1,455,154
Gross premium income	**19,856,006**	**15,881,537**	**15,489,568**	**13,427,189**

(d) Changes in Life Business

In thousands of naira	Group 9 Months Sep-23	Group 9 Months Sep-22	Company 9 Months Sep-23	Company 9 Months Sep-22
Changes in life fund (see note 19(c))	(2,201,463)	(481,726)	(2,201,463)	(481,726)
Changes in life annuity fund (see note 19(c))	(1,218,403)	(100,892)	(1,218,403)	(100,892)
	(3,419,866)	(582,618)	(3,419,866)	(582,618)

(e) Reinsurance expenses

In thousands of naira	Group 9 Months Sep-23	Group 9 Months Sep-22	Company 9 Months Sep-23	Company 9 Months Sep-22
Non-life reinsurance premiums	8,993,814	5,453,914	6,065,090	4,022,507
Life reinsurance premiums	1,313,333	1,606,856	1,313,333	1,606,856
Takaful reinsurance premiums	139,401	120,766	-	-
Gross written reinsurance premiums	**10,446,548**	**7,181,536**	**7,378,422**	**5,629,363**
Change in reinsurance unearned premiums Non-life	(358,859)	721,758	406,988	860,212
Change in reinsurance unearned premiums Life	(699,204)		(699,204)	
Reinsurers' share of gross earned premiums	9,388,485	7,903,294	7,086,205	6,489,574
Net premium income	**8,049,239**	**6,396,414**	**5,306,729**	**4,899,843**

28 Fee and commission income

In thousands of naira	Group 9 Months Sep-23	Group 9 Months Sep-22	Company 9 Months Sep-23	Company 9 Months Sep-22
Reinsurance commissions and profit commission	1,848,327	1,615,875	1,220,990	1,293,664
Reinsurance commissions and profit commission Non-Life	1,581,681		987,355	
commission Life	233,635		233,635	
Reinsurance commissions and profit commission Takaful	33,011		-	

Group

29 Net Claims expenses

	2023				
	Gross	Movement in outstanding claims	Total	Reinsurance's share	Net
	N'000	N'000	N'000	N'000	N'000
Life business	1,122,453	764,941	1,887,394	(456,514)	1,430,880
Non-life business	3,135,389	333,875	3,469,264	(519,871)	2,949,393
Takaful	174,205	784	174,989	(88,067)	86,923
Gross claim paid	4,432,047	1,099,600	5,531,647	(1,064,452)	4,467,195
Annuity Payout	402,917	-	402,917	-	402,917
Net Claims expenses	**4,834,964**	**1,099,600**	**5,934,563**	**(1,064,452)**	**4,870,112**

Company

29 Net Claims expenses

	2023				
	Gross	Movement in outstanding claims	Total	Reinsurance's share	Net
	N'000	N'000	N'000	N'000	N'000
Life business	1,122,453	764,941	1,887,394	(456,514)	1,430,880
Non-life business	2,287,388	233,550	2,520,938	(336,901)	2,184,036
Takaful			-		-
Gross claim paid	**3,409,840**	**998,491**	**4,408,331**	**(793,415)**	**3,614,916**
Annuity Payout	402,917	-	402,917	-	402,917
Net Claims expenses	**3,812,757**	**998,491**	**4,811,248**	**(793,415)**	**4,017,832**

Group	2022				
	Gross	Movement in outstanding claims	Total	Reinsurance's share	Net
	N'000	N'000	N'000	N'000	N'000
Life business	1,005,932	127,033	1,132,965	(552,441)	580,524
Non-life business	2,488,379	(484,063)	2,004,316	(599,218)	1,405,098
Takaful	115,036	(7,901)	107,135	(35,150)	71,984
Gross claim paid	**3,609,347**	**(364,931)**	**3,244,416**	**(1,186,809)**	**2,057,606**
Annuity Payout	308,484	-	308,484	-	308,484
Net Claims expenses	**3,917,831**	**(364,931)**	**3,552,900**	**(1,186,809)**	**2,366,090**

	2022				
Company	Gross	Movement in outstanding claims	Total	Reinsurance's share	Net
	N'000	N'000	N'000	N'000	N'000
Life business	1,005,932	127,033	1,132,965	(552,441)	580,524
Non-life business	2,206,060	(276,093)	1,929,967	(467,677)	1,462,291
Takaful	-	-	-		-
Gross claim paid	**3,211,992**	**(149,060)**	**3,062,932**	**(1,020,117)**	**2,042,815**
Annuity Payout	308,484	-	308,484	-	308,484
Net Claims expenses	**3,520,476**	**(149,060)**	**3,371,416**	**(1,020,117)**	**2,351,299**

30 Underwriting Expenses

(a) Acquisition cost

In thousands of naira	Group 9 Months Sep-23	Group 9 Months Sep-22	Company 9 Months Sep-23	Company 9 Months Sep-22
Aquisition cost- General	2,229,021	1,340,464	1,379,150	952,861
Aquisition cost- Life	137,507	500,852	137,507	500,852
Aquisition cost- Takaful	60,562	54,146	-	-
	2,427,090	**1,895,462**	**1,516,657**	**1,453,713**
Changes in deferred underwriting expenses	(262,352)	17,247	(127,646)	80,703
	2,164,739	1,912,709	1,389,011	1,534,416

(b) **Maintenance cost**

Maintenance cost- General	1,116,659	920,862	691,120	791,058
Maintenance cost- Life	59,458	61,211	59,458	61,211
Maintenance cost- Takaful	3,013	3,132	-	-
	1,179,129	985,205	750,577	852,269
Total		**2,721,644**		**2,210,416**

31 Investment income

In thousands of naira	Group 9 Months Sep-23	Group 9 Months Sep-22	Company 9 Months Sep-23	Company 9 Months Sep-22
31(b) Investment income				
Dividend income	375,542	307,142	323,069	253,822
Interest income	2,189,439	1,573,182	1,540,618	1,151,146
Others				
	2,564,981	1,880,325	1,863,687	1,404,968

	Group 9 Months Sep-23	Group 9 Months Sep-22	Company 9 Months Sep-23	Company 9 Months Sep-22
32(a) Fair value changes in financial assets-FVTPL	574,933	(1,785,677)	561,755	(1,785,677)
32(b) Fair value changes in financial assets-FVTOCI	496,584	(212,192)	163,263	(277,866)

31 Investment income

This comprises:

In thousands of naira	Group 9 Months Sep-23	Group 9 Months Sep-22	Company 9 Months Sep-23	Company 9 Months Sep-22
Interest income on financial assets (see note (a) below)	1,464,990	1,178,185	1,175,976	920,271
Interest income - (see note 18(a))	724,449	394,998	364,642	230,875
Total interest income	2,189,439	1,573,182	1,540,618	1,151,146
Dividend income	387,053	320,517	323,069	253,822
Rental income	4,833	5,250	-	-
Total investment income	2,581,326	1,898,950	1,863,687	1,404,968
Investment income on financial assets	**2,581,326**	**1,898,950**	**1,863,687**	**1,404,968**

(a) **Interest income on financial assets:**

In thousands of naira	**Group 9 Months Sep-23**	**Group 9 Months Sep-22**	**Company 9 Months Sep-23**	**Company 9 Months Sep-22**
Interest income received				
Accrued interest:				
- Available-for-sale financial assets (see note 7(a)(ii))				-
- Held-to-maturity investments (see note 7(d)(i))	1,464,990	1,178,185	1,175,976	920,271
	1,464,990	1,178,185	1,175,976	920,271
Interest income - (see note 18(a))	724,449	394,998	364,642	230,875
	2,189,439	1,573,182	1,540,618	1,151,146

32 **Net fair value (losses)/gains-FVTPL**

In thousands of naira	**Group 9 Months Sep-23**	**Group 9 Months Sep-22**	**Company 9 Months Sep-23**	**Company 9 Months Sep-22**
Fair value gains/(loss) in financial assets (see note 7(b)(i))	(16,433)	(1,785,677)	(29,250)	(1,785,677)
Share of Profit from Joint Venture	9,761		9,400	
	(6,672)	**(1,785,677)**	**(19,850)**	**(1,785,677)**

33(a) **Net exchange gain**

In thousands of naira	**Group 9 Months Sep-23**	**Group 9 Months Sep-22**	**Company 9 Months Sep-23**	**Company 9 Months Sep-22**
Unrealised exchange gain	11,916,066	2,262	7,243,326	32,668
	11,916,066	**2,262**	**7,243,326**	**32,668**

The net exchange gain resulted from translation of foreign currency denominated assets of the entity at closing rate as at reporting date in line with IAS 21 and also from sales of foreign currency denominated assets during the year.

33(b) **Net trading income**

In thousands of naira	**Group 9 Months Sep-23**	**Group 9 Months Sep-22**	**Company 9 Months Sep-23**	**Company 9 Months Sep-22**
Realised gain on disposal of financial assets	581,605	-	581,605	-
	581,605	**-**	**581,605**	**-**

34 **Other operating income**

In thousands of naira	**Group 9 Months Sep-23**	**Group 9 Months Sep-22**	**Company 9 Months Sep-23**	**Company 9 Months Sep-22**
Miscellaneous income	671	32,761	58	409
Gain on disposal of property & equipment	7,458	52	7,355	-
	8,129	**32,813**	**7,413**	**409**

35 Allowance for impairment losses

In thousands of naira	**Group 9 Months Sep-23**	**Group 9 Months Sep-22**	**Company 9 Months Sep-23**	**Company 9 Months Sep-22**
Loss on premium receivables	-	-		-
Reserval of impairment of financial assets (see note 9b(i))		-		-
Allowance on reinsurance receivable (see note 10(ii))		-		-
Allowance on receivables (see note 9(c))	(44,267)	-	(44,266.93)	-
	(44,267)	-	(44,266.93)	-

36 **Personnel expenses**

	Group	**Group**	**Company**	**Company**
	9 Months	**9 Months**	**9 Months**	**9 Months**

In thousands of naira	Sep-23	Sep-22	Sep-23	Sep-22
Salaries	1,624,861	1,383,570	1,231,550	983,483
Other staff allowances	64,949	169,080	58,222	167,030
Defined contribution pension costs	84,618	71,041	59,450	49,035
Auxillary staff costs	282,139	234,134	249,160	212,258
Directors' costs	249,578	44,787	240,331	36,087
Staff training and development	94,841	67,367	65,339	42,458
	2,400,986	**1,969,979**	**1,904,052**	**1,490,349**

37 **Other operating expenses**

In thousands of naira	Group 9 Months Sep-23	Group 9 Months Sep-22	Company 9 Months Sep-23	Company 9 Months Sep-22
Advertising and promotions	79,095	65,491	71,534	58,464
Rents and rates	94,711	101,922	81,093	65,484
Consultancy fees	282,068	246,004	277,993	245,654
Legal fees	88,483	68,276	27,028	21,713
Repairs, fuel and maintenance	351,941	228,083	322,253	208,500
Statutory due	55,399	4,448	3,000	4,448
Auditor's remuneration	32,167	29,217	11,667	19,117
Subscription	43,026	25,799	27,095	14,124
Business travels	128,316	73,609	115,402	60,537
Fines and Penalties	169,051	604	169,051	604
Insurance	66,253	83,359	55,160	70,252
Medicals	89,023	37,623	79,497	26,108
AGM expenses	9,054	9,060	8,893	8,778
Telephone and postages	13,411	13,036	10,642	9,684
Electricity	27,027	18,123	18,903	13,966
Stationery and printing	14,177	20,480	7,943	15,026
Office expenses	77,030	31,732	71,060	24,477
IT Consumables	37,762	31,619	31,963	25,032
Other expenses	79,826	17,674	30,302	(25,357)
Business re-organisation and relocation	-	5,287	-	5,287
	1,737,821	**1,111,446**	**1,420,479**	**871,897**

38 **Finance Costs**

In thousands of naira	Group 9 Months Sep-23	Group 9 Months Sep-22	Company 9 Months Sep-23	Company 9 Months Sep-22
Cost of turnover				
Interest expense	-	-	-	-
Bank charges	55,322	42,424	38,817	31,421
	55,322	**42,424**	**38,817**	**31,421**

39 **Statement of cash flow notes**

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

	In thousands of naira	Note	Group 2023	Group 2022	Company 2023	Company 2022
(i)	Insurance premium received					
	Gross written premium per income statement	27(a)	20,857,590	14,882,327	15,812,800	11,972,035
	Add: Opening receivables (Gross)	8	798,935	300,788	545,407	255,793
	Less: Closing receivables (Gross)	8	(1,259,872)	(563,602)	(966,420)	(523,163)
			20,396,653	14,619,513	15,391,787	11,704,665
(ii)	Reinsurance premium paid					
	Reinsurance cost	27	(10,446,548)	(7,181,536)	(7,378,422)	(5,629,363)
	Add: Closing reinsurance payable	20	175,786	416,971	228,635	197,066
	Less: Opening reinsurance payable	20	(243,171)	(247,522)	(40,549)	(39,895)
			(10,513,933)	(7,012,087)	(7,190,336)	(5,472,192)

40 Securities Trading Policy

In compliance with Rule 17. 15 Disclosure of Dealings in Issurers' shares, Rulebook of the Exchange 2015 (Issurers Rule) Cornerstone Insurance PLC maintains an effective Securities Trading Policy which guides Directors, Audit Committee Members, employees and all individuals categorized as insiders as to their dealing in the Company's shares. The Policy is regularly reviewed and updated by the Board. The Company has made specific inquiries of all the Directors and other insiders and is not aware of any infringement of the Policy during the period.

41 Free Float Computation

Shareholding Structure/Free Float Status

Description		30-Sep-23 Unit	Percentage	30-Sep-22 Unit	Percentage
Issued Share Capital		18,166,392,725	100%	18,166,392,725	100%
Substantial Shareholdings (5% and above)					
Banc-assure Limited		8,803,503,588	48.46%	8,803,503,588	48.46%
Capasure Limited		5,547,786,518	30.54%	5,547,786,518	30.54%
Total Substantial Shareholdings		14,351,290,106	79%	14,351,290,106	79%
Directors' Shareholdings (direct and indirect), excluding directors with substantial interests					
Mr. Ekwunife Okoli (Direct)*		2,958,664	0.016%	2,958,664	0.016%
Total Directors' Shareholdings		2,958,664	0.016%	2,958,664	0.016%
Other Influential Shareholdings					
Total Other Influential Shareholdings		-	-	-	-
Free Float in Units and Percentage		3,812,143,955	21%	3,812,143,955	21%
Free Float in Value		₦ 6,137,551,768		₦ 2,134,800,615	

*Deceased 23rd April, 2023

Declaration:

(A) Cornerstone Insurance Plc with a free float percentage of 21% as at 30 September 2023, is compliant with The Exchange's free float requirements for companies listed on the Main Board.

(B) Cornerstone Insurance Plc with a free float value of N6,137,551,768 as at 30 September 2023, is compliant with The Exchange's free float requirements for companies listed on the Main Board.