AXA MANSARD

AXA Mansard Insurance Plc and Subsidiary Companies

Unaudited Financial Statement
30 June 2024

CERTIFICATION PURSUANT TO SECTION 60(2) OF INVESTMENT AND SECURITIES ACT NO.29 OF 2007

We the undersigned hereby certify the following with regards to our financial statements for the year ended 30 June 2024 that:

(a) We have reviewed the financial statement;

(b) To the best of our knowledge, the financial statement does not contain:

(i) *Any untrue statement of a material fact, or*

(ii) *Omit to state a material fact, which would make the statements, misleading in the light of circumstances under which such statements were made;*

(c) To the best of our knowledge, the financial statements and other financial information included in the report fairly present in all material respects the financial condition and results of operation of the Company and its consolidated subsidiaries as of, and for the period presented in the report.

(d) We:

(i) *Are responsible for establishing and maintaining internal controls.*

(ii) *Have designed such internal controls to ensure that material information relating to the Company and its consolidated subsidiaries is made known to such officers by others within those entries particularly during the year in which the periodic reports are being prepared;*

(iii) *Have evaluated the effectiveness of the Company's internal controls as of date within 90 days prior to the report;*

(iv) *Have presented in the report our conclusions about the effectiveness of our internal controls based on our evaluation as of that date;*

(e) We have disclosed to the auditors of the Company and Audit Committee:

(i) *All significant deficiencies in the design or operation of internal controls which would adversely affect the Company's ability to record, process, summarize and report financial data and have identified for the Company's auditors any material weakness in internal controls, and*

(ii) *Any fraud, whether or not material, that involves management or other employees who have significant roles in the Company's internal controls;*

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

Mrs. Ngozi Ola-Israel
FRC/2017/ANAN/00000017349
Chief Financial Officer

Mr. Adekunle Ahmed
FRC/2017/CIIN/00000017019
Chief Executive Officer

Company Name	AXA Mansard Insurance Plc
Board Listed	Main Board
Year End	December
Reporting Period	Half Year Ended 30 June 2024
Share Price at the end of reporting period	N5.41 (2023: N3.95)

Shareholding Structure/Free Float Status

Description	30-Jun-24		30-Jun-23	
	Unit	Percentage	Unit	Percentage
Issued Share Capital	9,000,000,000	100%	9,000,000,000	100%
Substantial Shareholdings (5% and above)				
ASSUR AFRICA HOLDING	6,883,328,987	76.5%	6,883,328,987	76.5%
Total Substantial Shareholdings	**688332898700%**	**76%**	**6,883,328,987**	**76.5%**
Directors' Shareholdings (direct and indirect), excluding directors with substantial interest				
Mr. Kola Adesina	Nil	Nil	Nil	Nil
Mr. Kunle Ahmed	26,656,627	0.3%	26,656,627	0.3%
Mrs. Rashidat Adebisi	26,955,815	0.3%	26,955,815	0.3%
Ms Abiola Bada	Nil	Nil	Nil	Nil
Ms Latifa Said	Nil	Nil	Nil	Nil
Chief Gbola Akinola (SAN)	20,617,834	0.2%	20,617,834	0.2%
Mr. Mariano Caballero	Nil	Nil	Nil	Nil
Ms. Melina Cotlar	Nil	Nil	Nil	Nil
Mr. Babatope Adeniyi	6,144,052	0.1%	6,144,052	0.1%
Total Directors' Shareholdings	**80,374,328**	**0.9%**	**80,374,328**	**0.9%**
Other Shareholdings				
MANSARD STAFF INVESTMENT SCHEME -	54,140,941	0.6%	54,504,461	0.6%
MANSARD INVESTMENTS LIMITED	428,571	0.0%	428,571	0.0%
Total Other Shareholdings	**54,569,512**	**0.6%**	**54,933,032**	**0.6%**
Free Float in Units and Percentage	1,981,727,173	22.0%	1,981,363,653	22.0%
Free Float in Value (₦)	10,721,144,005.93		7,826,386,429.35	

Declaration:

A) AXA Mansard Insurance Plc with a free float percentage of 22.02% as at 30 June 2024, is compliant with the Exchange's free float requirements for companies listed on the Main Board.

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Consolidated and Separate Statement of Financial Position

(All amounts in thousands of Naira)

As at 30 June, 2024

	Notes	Group 30-Jun-24	Group 31-Dec-23	Parent 30-Jun-24	Parent 31-Dec-23
ASSETS					
Cash and cash equivalents	8	23,079,966	26,173,322	18,051,599	19,020,869
Investment securities:					
– Fair value through profit or loss	9.1	3,651,704	11,056,259	1,807,985	8,489,840
– Fair value through OCI	9.2	88,869,462	42,132,258	67,247,671	37,610,027
Financial assets designated at fair value	9.3	2,409,920	2,496,669	2,409,920	2,496,669
Reinsurance contract assets	10a (i)	35,936,437	17,512,871	34,920,204	16,770,221
Trade receivable	11	12,947,035	5,528,269	4,479,495	375,945
Other receivables	12	4,851,701	4,515,984	2,362,433	1,786,882
Loans and receivables at amortised costs	13	4,573,731	4,369,661	4,974,581	5,264,846
Investment property	14	32,340,000	20,874,577	-	-
Investment in subsidiaries	15	-	-	1,652,000	1,652,000
Intangible assets	16	950,243	955,750	897,873	898,846
Property and equipment	17	3,795,488	3,827,521	3,324,170	3,232,481
Right-of-use asset	18	1,104,891	1,185,740	1,042,097	1,106,768
Statutory deposit	19	500,000	500,000	500,000	500,000
TOTAL ASSETS		**215,010,578**	**141,128,881**	**143,670,028**	**99,205,394**
LIABILITIES					
Insurance contract liabilities	10a (i)	94,668,641	50,656,633	64,068,402	33,036,927
Reinsurance contract liabilities	10a (i)	11,980,466	1,972,354	11,856,628	1,504,706
Investment contract liabilities:					
– At amortised cost	20	2,997,662	9,713,052	2,997,662	9,713,052
– Liabilities designated at fair value	20	2,409,920	2,496,669	2,409,920	2,496,669
Trade payable	21	12,486,869	10,773,177	12,486,869	10,773,177
Other liabilities	22	6,620,723	5,587,185	4,338,458	3,604,162
Other technical liabilities	23	4,267,124	8,813,122	4,267,124	8,813,122
Current income tax liabilities	24	1,976,647	1,858,041	906,734	1,039,866
Borrowings	25	10,049,073	5,257,670	-	-
Deferred tax liability	26	2,771,926	2,581,346	-	-
TOTAL LIABILITIES		**150,229,051**	**99,709,249**	**103,331,797**	**70,981,681**
EQUITY					
Share capital	27.1	18,000,000	18,000,000	18,000,000	18,000,000
Share premium	27.2	78,255	78,255	78,255	78,255
Contingency reserve	27.3	6,658,891	6,516,717	6,658,891	6,516,717
Treasury shares	27.4	(111,476)	(111,476)	(111,476)	(111,476)
Fair value reserves	27.5	(5,598,726)	(1,922,537)	(4,842,680)	(2,593,218)
Insurance finance reserve	27.6	57,885	(725)	47,180	(11,430)
Retained earnings	27.7	39,795,128	14,188,436	20,508,058	6,344,864
SHAREHOLDERS' FUNDS		**58,879,957**	**36,748,670**	**40,338,228**	**28,223,712**
Total equity attributable to the owners of the parent		58,879,957	36,748,670	40,338,228	28,223,712
Non-controlling interest in equity	28	5,901,567	4,670,962	-	-
TOTAL EQUITY		**64,781,525**	**41,419,632**	**40,338,228**	**28,223,712**
TOTAL LIABILITIES AND EQUITY		**215,010,578**	**141,128,881**	**143,670,028**	**99,205,394**

Signed on behalf of the Board of Directors on 29 July 2024

Mrs. Ngozi Ola-Israel	**Mr. Adekunle Ahmed**	**Mrs. Rashidat Adebisi**
FRC/2017/ANAN/00000017349	FRC/2017/CIIN/00000017019	FRC/2012/ICAN/00000000497
Chief Financial Officer	Chief Executive Officer	ED Technical & Client Services

The accompanying notes are an integral part of these financial statements

Consolidated and Separate Statement of Comprehensive Income

for the period ended 30 June, 2024

(All amounts in thousands of Naira unless otherwise stated)

	Notes	Group	Group	Parent	Parent
		30-Jun-24	**30-Jun-23**	**30-Jun-24**	**30-Jun-23**
Continuing operations					
Insurance revenue	30	65,621,824	39,003,675	44,293,967	23,451,421
Insurance service expenses	31	(36,900,245)	(23,373,409)	(18,592,490)	(9,433,050)
Net expense from reinsurance contracts held	32	(19,516,262)	(9,389,269)	(19,283,434)	(9,416,978)
Insurance service results		**9,205,316**	**6,240,995**	**6,418,042**	**4,601,391**
Interest revenue calculated using the effective interest method	33	3,140,219	1,991,432	2,701,864	1,839,831
Other investment revenue	34	23,767,569	12,421,006	12,610,688	8,110,066
Net (impairment loss)/writeback on financial assets	39	(148,789)	(7,871)	(121,556)	(5,376)
(Impairment loss)/writeback of premium receivables	11	-	(10,462)	-	
Investment return		**26,758,999**	**14,394,105**	**15,190,996**	**9,944,521**
Net finance expense from insurance contracts	40	-	(343,521)	-	(294,216)
Net finance income/(expense) from reinsurance contracts	41	-	196,714	-	195,870
Net financial result		**26,758,999**	**14,247,297**	**15,190,996**	**9,846,175**
Other income	35	1,934,492	732,740	12,719	13,658
Expenses for marketing and administration	36	(1,823,931)	(1,329,978)	(1,635,901)	(1,200,528)
Employee benefit expense	37	(2,997,161)	(2,518,860)	(1,638,778)	(1,512,393)
Finance cost	42	(679,925)	(174,767)	(127,917)	(108,219)
Other operating expenses	38	(3,822,822)	(2,433,656)	(3,279,200)	(2,171,503)
Profit before tax		**28,574,967**	**14,763,770**	**14,939,961**	**9,468,581**
Income tax expense	43	(3,457,331)	(1,639,616)	(742,574)	(417,577)
Profit for the year		**25,117,636**	**13,124,154**	**14,197,387**	**9,051,004**
Profit attributable to:					
Owners of the parent		23,887,031	12,914,422	14,197,387	9,051,004
Non-controlling interest	28	1,230,605	209,731	-	-
		25,117,636	**13,124,154**	**14,197,387**	**9,051,006**
Other comprehensive income:					
Items that may be subsequently reclassified to the profit or loss account:					
Changes in financial assets at FVTOCI (net of taxes)	27.5	(3,824,978)	(1,162,202)	(2,371,018)	(955,870)
Impairment reversal/(charges) on FVTOCI	39	148,789	7,871	121,556	5,376
Net finance expense from insurance contracts	40	58,610	(70,389)	58,610	(64,822)
Net finance expense from reinsurance contracts	41	0	57,795	0	57,589
Other comprehensive loss for the year		**(3,617,579)**	**(1,166,925)**	**(2,190,852)**	**(957,727)**
Total comprehensive income for the year		21,500,058	11,957,229	12,006,536	8,093,276
Attributable to:					
Owners of the parent		20,269,453	11,747,497	12,006,536	8,093,276
Non-controlling interests	28	1,230,605	209,731	-	-
Total comprehensive income for the year		**21,500,058**	**11,957,229**	**12,006,536**	**8,093,276**
Earnings per share:					
Basic (kobo)	44	265	143	158	101
Diluted (kobo)	44	265	143	158	101

The accompanying notes are an integral part of these financial statements

Consolidated Statement of Comprehensive Income

for the period ended 30 June 2024

	Group	**Group**	**Parent**	**Parent**
	Q2 2024 only	**Q2 2023 only**	**Q2 2024 only**	**Q2 2023 only**
Continuing operations				
Insurance revenue	33,776,587	19,570,345	22,526,454	11,378,274
Insurance service Expenses	(18,328,717)	(13,223,970)	(8,717,735)	(5,976,806)
Net expenses from reinsurance contracts held	(10,945,532)	(3,898,803)	(10,840,949)	(3,954,902)
Insurance service result	**4,502,338**	**2,447,572**	**2,967,770**	**1,446,566**
	-	-	-	-
Interest Income calculated using effective interest rate method	965,331	1,696,263	1,361,022	1,104,343
Other investment revenue	10,917,028	11,503,850	6,497,823	7,386,190
Net (impairment loss)/writeback on financial assets	(148,789)	32,804	(121,556)	34,484
(Impairment loss)/writeback of premium receivables	-	239,923	-	239,923
Investment return	**11,733,570**	**13,472,840**	**7,737,289**	**8,764,940**
Finance income/(expense) from insurance contract issued	-	(120,185)	-	(114,023)
Finance income/(expense) from reinsurance contract held	-	63,373	-	63,309
Net financial result	**11,733,570**	**13,416,028**	**7,737,289**	**8,714,226**
Other income	1,883,391	41,770	4,768	7,692
Expenses for marketing and administration	(872,067)	(822,731)	(849,737)	(639,631)
Employee benefit expense	(1,537,990)	(883,519)	(869,283)	(459,822)
Other operating expenses	(1,931,736)	(1,257,585)	(1,572,913)	(1,080,696)
Finance cost	(522,825)	(83,062)	(67,137)	(46,085)
Profit before tax	**13,254,679**	**12,858,472**	**7,350,758**	**7,942,250**
Income tax expense	(1,014,438)	(1,318,887)	(379,927)	(149,843)
Profit for the year	**12,240,241**	**11,539,585**	**6,970,831**	**7,792,407**
Profit attributable to:	-	-	-	-
Owners of the parent	11,250,268	11,115,912	6,970,831	7,792,407
Non-controlling interest	989,973	423,673	-	-
	12,240,241	**11,539,585**	**6,970,831**	**7,792,407**
Other comprehensive income:				
Items that may be subsequently reclassified to the profit or loss account:				
Changes in FVTOCI financial assets (net of taxes)	3,495,895	1,067,801	(929,716)	1,378,284
Impairment reversal/charges on FVTOCI	148,789	48,546	121,556	45,236
Net finance expense from insurance contracts issued (OCI)	(328)	(327,875)	10,486	(272,025)
Net finance expense from reinsurance contracts held (OCI)	14,415	183,179	14,304	182,167
Other comprehensive income for the year	**3,658,770**	**971,651**	**(783,370)**	**1,333,662**
	-	-	-	-
Total comprehensive income for the year	**15,899,011**	**12,511,236**	**6,187,461**	**9,126,069**
Attributable to:				
Owners of the parent	14,909,039	12,006,212	6,187,461	9,046,348
Non-controlling interests	989,973	423,673	-	-
Total comprehensive income for the year	**15,899,011**	**12,511,236**	**6,187,461**	**9,126,069**
Basic (kobo)	265	143	158	101
Diluted (kobo)	265	143	158	101

Consolidated Statement of Changes in Equity

(All amounts in thousands of Naira unless otherwise stated)

for the period ended 30 June, 2024

Group

	Share Capital	Share Premium	Contingency reserve	Treasury shares	Fair value reserves	Insurance finance reserve	Retained earnings	Total	Non Controlling interest	Total equity
Balance at 1 January 2024	18,000,000	78,255	6,516,717	(111,476)	(1,922,537)	(725)	14,188,436	36,748,670	4,670,962	41,419,632
Total comprehensive income for the year										
Profit for the year	-	-	-	-	-	-	23,887,031	23,887,031	1,230,605	25,117,636
Transfer to contingency reserves	-	-	142,174	-	-		(142,174)	-	-	-
Other comprehensive income	-	-	-	-		58,610	1,861,835	1,920,445	-	1,920,445
Changes in financial assets at FVTOCI	-	-	-	-	(3,676,189)	-	-	(3,676,189)	-	(3,676,189)
Total comprehensive income for the year	-	-	142,174	-	(3,676,189)	58,610	25,606,692	22,131,287	1,230,605	23,361,892
Transactions with owners, recorded directly in equity	-									
Dividends to equity holders	-	-	-	-	-		-	-	-	-
Total transactions with owners of equity	-	-	-	-	-	-	-	-	-	-
Balance at 30 June 2024	**18,000,000**	**78,255**	**6,658,891**	**(111,476)**	**(5,598,726)**	**57,885**	**39,795,128**	**58,879,957**	**5,901,567**	**64,781,525**

Consolidated Statement of Changes in Equity

(All amounts in thousands of Naira unless otherwise stated)

for the period ended 30 June, 2023

Group

	Share Capital	Share Premium	Contingency reserve	Treasury shares	Fair value reserves	nsurance finan reserve	Retained earnings	Total	on Controlli interest	Total equity
Balance at 1 January 2024	18,000,000	78,255	5,118,869	(111,476)	(1,753,434)	112,982	8,248,879	29,694,075	4,106,949	33,801,025
Total comprehensive income for the year										
Profit for the year	-	-	-	-	-	-	12,914,423	12,914,423	209,731	**13,124,154**
Transfer to contingency reserves	-	-	106,975	-	-		(106,975)	-	-	-
Other comprehensive income	-	-	-	-	(1,162,202)	(6,756)	(7,871)	(1,176,830)	-	(1,176,830)
Total comprehensive income for the year	-	-	106,975	-	(1,162,202)	(6,756)	12,799,577	11,737,593	209,731	11,947,325
Transactions with owners, recorded directly in equity	-									
Balance at 30 June 2024	**18,000,000**	**78,255**	**5,225,844**	**(111,476)**	**(2,915,636)**	**106,226**	**21,048,456**	**41,431,669**	**4,316,681**	**45,748,349**

Separate Statement of Changes in Equity

(All amounts in thousands of Naira unless otherwise stated)

for the period ended 30 June, 2024

Parent

	Share Capital	Share Premium	Contingency reserve	Treasury shares	Fair value reserves	Insurance finance reserve	Retained earnings	Total
Balance at 1 January 2024	18,000,000	78,255	6,516,717	(111,476)	(2,593,218)	(11,430)	6,344,864	28,223,712
Total comprehensive income for the year								
Profit for the year	-	-	-	-	-	-	14,197,387	14,197,387
Transfer to contingency reserves	-	-	142,174	-	-	-	(142,174)	-
Other comprehensive income	-	-	-	-		58,610	107,981	166,591
Changes in fair value of financial assets at FVTOCI	-	-	-	-	(2,249,462)	-		(2,249,462)
Total comprehensive income for the year	**-**	**-**	**142,174**	**-**	**(2,249,462)**	**58,610**	**14,163,194**	**12,114,517**
Transactions with owners, recorded directly in equity								
Contributions by and distributions to owners								
2024 final dividends to equity holders								
Total transactions with owners	-	-	-	-	-	-	-	-
Balance at 30 June 2024	**18,000,000**	**78,255**	**6,658,891**	**(111,476)**	**(4,842,680)**	**47,180**	**20,508,058**	**40,338,228**

Separate Statement of Changes in Equity

(All amounts in thousands of Naira unless otherwise stated)

for the period ended 30 June, 2023

Parent

	Share Capital	Share Premium	Contingency reserve	Treasury shares	Fair value reserves	Insurance f reserve	Retained earnings	Total
Balance at 1 January 2023	18,000,000	78,255	5,118,869	(111,476)	(1,601,768)	110,340	5,270,852	26,865,072
Total comprehensive income for the year								
Profit for the year	-	-	-	-	-	-	9,051,003	9,051,003
Transfer to contingency reserves	-	-	106,975	-	-	-	(106,975)	-
Other comprehensive income	-	-	-	-	-	(1,396)	-	(1,396)
Changes in fair value of financial assets at FVTOCI	-	-	-	-	(955,870)	-	(5,376)	(961,246)
Total comprehensive income for the year	**-**	**-**	**106,975**	**-**	**(955,870)**	**(1,396)**	**8,938,652**	**8,088,361**
Transactions with owners, recorded directly in equity								
	18,000,000	**78,255**	**5,225,844**	**(111,476)**	**(2,557,638)**	**108,944**	**14,209,504**	**34,953,433**

Consolidated and Separate Statement of Cashflows

For the year ended

(All amounts in thousands of Naira unless otherwise stated)

	Notes	Group 30-Jun-2024	Group 31-Dec-2023	Parent 30-Jun-2024	Parent 31-Dec-2023
Cash flows from operating activities					
Cash premium received	48a	80,763,358	86,269,600	51,598,787	49,412,905
Cash paid as reinsurance premium	48b	(13,466,413)	(24,026,779)	(12,675,194)	(24,161,979)
Fee income received	48c	4,719,053	3,152,316	4,131,201	2,964,671
Cash received on investment contract liabilities	20.3	432,626	459,250	432,626	459,250
Cash paid to investment contract holders	20.3	(7,968,999)	(580,515)	(7,968,999)	(580,515)
Claims paid	48m	(25,532,306)	(39,696,635)	(10,289,491)	(14,925,980)
Cash received from reinsurers on recoveries for claims paid	48d	1,428,063	1,750,951	1,322,041	1,512,898
Cash received from coinsurers on recoveries and claims paid	11.2	7,775	39,992	7,775	39,992
Underwriting expenses paid	48e	(1,008,878)	(4,218,193)	(323,714)	(2,441,504)
Employee benefits paid	48f	(2,744,034)	(5,146,901)	(1,559,504)	(2,905,466)
Rent received	48k	1,192,609	843,901	-	-
Lease payments made	22.1	(39,919)	(474,639)	(39,919)	(426,475)
Other operating expenses paid	48h	(9,053,828)	(6,265,841)	(5,461,529)	(5,470,664)
Premium received in advance	23	1,587,124	5,795,866	1,587,124	5,795,866
Changes in working capital		30,316,230	17,902,373	20,761,202	9,272,999
Income tax paid	24	(1,072,120)	(1,128,016)	(875,706)	(668,008)
Net cash generated from/(used in) operating activities		29,244,110	16,774,357	19,885,497	8,604,991
Cash flows from investing activities					
Purchases of property, plant and equipment	17	(498,085)	(1,440,378)	(470,806)	(1,192,236)
Dividend received	47i	1,550,334	2,540,683	998,245	1,763,911
Investment income received	48j	3,527,934	4,239,155	2,991,868	3,788,683
Purchase of intangible assets	16	(109,744)	(646,939)	(107,272)	(632,015)
Proceeds from the disposal of property and equipment	35	387	14,843	387	14,831
Purchase of fair value through profit or loss financial assets	9.1(a)	(2,926,344)	(7,474,479)	(1,228,506)	(4,285,757)
Sale of fair value through profit or loss financial assets	9.1(a)	7,500,000	3,103,411	6,960,005	2,533,672
Sale of fair value through other comprehensive income financial assets	9.2(a)	7,732,160	15,929,428	5,635,010	12,879,787
Purchase of available-for-sale financial assets	9.2(a)	(49,219,601)	(16,498,962)	(35,817,949)	(11,752,190)
Increase in loans and receivables to related parties	13a	(85,098)	(906,702)	(503,885)	(1,559,456)
Increase in staff loans and receivables	13b	(154,682)	(75,720)	(104,350)	(68,314)
Repayment of loans and receivables to related parties	13a	-	-	-	501,803
Repayment of staff loan and advances	13b	47,973	405,322	38,978	101,030
Net cash generated from/(used in) investing activities		(32,634,767)	(810,338)	(21,608,277)	2,093,749
Cash flows from financing activities					
Final dividend paid	48L	-	(2,700,000)	-	(2,700,000)
Interim dividend paid	48L	-	(540,000)	-	(540,000)
Interest & principal repayment on borrowings	25(b)	(519,681)	(501,803)	-	-
Net cash used in financing activities		(519,681)	(3,741,803)	-	(3,240,000)
Net increase/(decrease) in cash and cash equivalents		(3,910,338)	12,222,216	(1,722,780)	7,458,739
Cash and cash equivalent at beginning of year	8	26,173,322	13,469,877	19,020,869	11,107,664
Effect of exchange rate changes on cash and cash equivalent		816,982	481,229	753,510	454,466
Cash and cash equivalent at end of year	8	**23,079,966**	**26,173,322**	**18,051,599**	**19,020,869**

1 General information

Reporting entity

AXA Mansard Insurance Plc (‘the Company’ or 'the parent') and its subsidiaries (together ‘the Group’) underwrite life and non-life insurance contracts. The Group also issues a diversified portfolio of investment contracts to provide its customers with asset management solutions for their savings and retirement needs. All these products are offered to both domestic and foreign markets. The Group does business in Nigeria and employs about 343 people.

The Company is a public limited company incorporated and domiciled in Nigeria. The address of its registered office is at 'Santa Clara Court, Plot 1412, Ahmadu Bello Way Victoria Island, Lagos, Nigeria. The Company is listed on the Nigerian Stock Exchange.

1.1 Basis of presentation and compliance with IFRS Accounting Standards

These financial statements have been prepared in accordance with IFRS Accounting Standards. These financial statements are also in compliance with the Financial Reporting Council (FRC) of Nigeria (Amendment) Act, 2023, the Companies and Allied Matters Act (CAMA) 2020, the Insurance Act of Nigeria 2003 and relevant National Insurance Commission (NAICOM) guidelines and circulars.

Details of the Group's material accounting policies are included in Note 2.2

This is the first set of the Group's annual financial statements in which IFRS 17 *Insurance Contracts* and IFRS 9 *Financial Instruments* have been applied. The related changes to material accounting policies are described in note 2.1.2

The consolidated financial statements comprises the consolidated statement of comprehensive income, the consolidated statement of financial position, the consolidated statements of changes in equity, the consolidated statement of cash flows and the notes.

(a) Basis of measurement

These consolidated and separate financial statements have been prepared on the historical cost basis except for the following:

- non-derivative financial instruments designated at fair value through profit or loss.
- Financial assets are measured at fair value in line with IFRS 9
- investment property is measured at fair value.
- insurance liabilities measured at present value of future cashflows.
- lease liabilities measured at present value of future cashflows.
- share based payment at fair value or an approximation of fair value allowed by the relevant standards
- investment contract liabilities at fair value.

(b) Use of estimates and judgements

In preparing these financial statements, management has made judgments and estimates that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively. 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 2.3

(c) Functional and presentation currency

These consolidated and separate financial statements are presented in naira, which is the Group's functional currency. All amounts have been rounded to the nearest thousand, unless otherwise indicated.

Standards not yet effective

A number of new IFRS Accounting Standards, Amendments to IFRS Accounting Standards, and Interpretations are effective for annual periods beginning after 1 January 2024 and have not been applied in preparing these consolidated financial statements. Those IFRS Accounting Standards, Amendments to IFRS Accounting Standards and Interpretations which may be relevant to the Group are set out below:

- Classification of Liabilities are Current or Non-Current Liabilities with Covenants (Amendments to IAS 1)
- Lack of Exchangeability (Amendments to IAS 21)
- Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)
- Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)

2.1 Changes in accounting policies

a. Material accounting policy information

The effective interpretations and standards that needs to be considered for financial year ended 31 December 2023 are listed below:

The Group adopted Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) from 1 January 2023. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements.

The amendments require the disclosure of 'material', rather than 'significant', accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

Management reviewed the accounting policies and made updates to the information disclosed in Note 2.2 Material accounting policies (2022: Significant accounting policies) in certain instances in line with the amendments.

b. IFRS 17 including amendments Initial application of IFRS 17 and IFRS 9 –Comparative Information

IFRS 17 Insurance Contracts - Recognition, measurement and presentation of insurance contracts

'The Group has applied IFRS 17 and IFRS 9, including any consequential amendments to other standards, from 1 January 2023.These standards have brought significant changes to the accounting for insurance and reinsurance contracts and financial instruments. As a result, the Group has restated certain comparative amounts and presented a third statement of financial position as at 1 January 2022. Except for the changes below, the Group has consistently applied the accounting policies as set out in the notes to all periods presented in these consolidated financial statements.

The nature and effects of key changes in the Group's accounting policies resulting from its adoption of IFRS 17 and IFRS 9 are summarized below:

IFRS 17 establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts, reinsurance contracts and investment contracts with discretionary participation features. It introduces a model that measures groups of contracts based on the Group’s estimates of the present value of future cash flows that are expected to arise as the Group fulfils the contracts, an explicit risk adjustment for non-financial risk and contractual service margin.

Insurance revenue in each reporting period 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. In addition,the Group no longer includes investment components as part of insurance revenue and insurance service expenses. Insurance finance income and expenses are presented in the profit or loss separately from insurance revenue and insurance service expenses.

Insurance finance income and expenses, disaggregated between profit or loss and OCI for individual life (including annuities), group life, non-life contracts (including Health), are presented separately from insurance revenue and insurance service expenses.

The Group applies the PAA to simplify the measurement of contracts in the non-life segment and group life. When measuring liabilities for remaining coverage, the PAA is similar to the Group’s previous accounting treatment. However, when measuring liabilities for incurred claims, the Group now discounts the future cash flows (unless they are expected to occur in one year or less from the date on which the claims are incurred) and includes an explicit risk adjustment for non-financial risk.

Previously, all acquisition costs were recognised and presented as separate assets from the related insurance contracts (‘deferred acquisition costs’) until those costs were included in profit or loss and OCI. Under IFRS 17, only insurance acquisition cash flows that arise before the recognition of the related insurance contracts are recognised as separate assets and are tested for recoverability. These assets are presented in the carrying amount of the related portfolio of contracts and are derecognised once the related contracts have been recognised.

Income and expenses from reinsurance contracts other than insurance finance income and expenses are now presented as a single net amount in profit or loss. Previously, amounts recovered from reinsurers and reinsurance expenses were presented separately.

-Transition

Changes in accounting policies resulting from the adoption of IFRS 17 have been applied using a full retrospective approach to the extent practicable. Under the full retrospective approach, at 1 January 2022, the Group:

- identified, recognised and measured each group of insurance and reinsurance contracts as if IFRS 17 had always been applied;
- identified, recognised and measured any assets for insurance acquisition cash flows as if IFRS 17 had always been applied, except that the recoverability assessment was not applied before 1 January 2022;
- derecognised previously reported balances that would not have existed if IFRS 17 had always been applied. These included some deferred acquisition costs for insurance contracts, intangible assets related to insurance contracts (previously referred to as 'value of business acquired'), insurance receivables and payables, and provisions for levies that are attributable to existing insurance contracts. Under IFRS 17, they are included in the measurement of the insurance contracts;

The effects of adopting IFRS 17 on the consolidated financial statements at 1 January 2022 are presented in the statement of changes in equity.

Contract Classification

Insurance Contracts

The Group identifies insurance contracts as arrangements where it accepts significant insurance risk from the policyholder by agreeing to compensate the policyholder or beneficiary of the contract for specified uncertain future events that adversely affect the policyholder and whose amount and timing may be unknown.

The Group determines whether a contract contains significant insurance risk by assessing if an insured event could give cause to pay to the policyholder additional amounts that are significant in any single scenario with commercial substance even if the insured event is extremely unlikely or the expected present value of the contingent cash flows is a small proportion of the expected present value of the remaining cash flows from the insurance contract. In making this assessment, all its substantive rights and obligations are considered, whether they arise from contract, law or regulation.

When insurance contracts are issued to compensate another entity for claims arising from one or more insurance contracts issued by that other entity, the associated contracts are reinsurance contracts issued which is part of insurance contracts issued.

Reinsurance Contracts Held

The Group enters into arrangements to transfer insurance risk, along with the respective premiums, to one or more reinsurers who will share the risks. To the extent that assuming reinsurers are unable to meet their obligations, the Group remains liable to its policyholders for the portion reinsured. Contracts of this nature are defined as reinsurance contracts held.

Investment Contracts

In the absence of significant insurance risk, the Company classifies contracts as investment contracts or service contracts. Investment contracts with discretionary participating features are accounted for in accordance with IFRS 17 and investment contracts without discretionary participating features are accounted for in accordance with IFRS 9. The Company has not classified any contracts as investment contracts with discretionary participating features.

Investment contracts may be reclassified as insurance contracts after inception if insurance risk becomes significant. A contract that is classified as an insurance contract at contract inception remains as such until all rights and obligations under the contract are extinguished or expire. Investment contracts are contracts that carry financial risk, which is the risk of a possible future change in one or more of the following: interest rate, commodity price, foreign exchange rate, or credit rating. Investment contracts are measured at FVTPL in order to eliminate or significantly reduce an accounting mismatch that would otherwise arise from measuring the assets that back the contract on different bases.

Insurance and reinsurance contracts
For the individual life, the Group applied the modified retrospective approach in IFRS 17 to identify, recognise and measure certain groups of contracts at 1 January 2022 because it was impracticable to apply the full retrospective approach.

The Group applied the modified retrospective approach in IFRS 17 to identify, recognise and measure certain groups of contracts at 1 January 2022, because it was impracticable to apply the full retrospective approach. The Group considered the full retrospective approach impracticable for contracts in these segments under any of the following circumstances.

-The effects of retrospective application were not determinable because the information required had not been collected (or had not been collected with sufficient granularity) and was unavailable because of system migrations, data retention requirements or other reasons. Such information included for certain contracts:
- expectations about a contract's profitability and risks of becoming onerous required for identifying groups of contracts;
- information about historical cash flows and discount rates required for determining the estimates of cash flows on initial recognition and subsequent changes on a retrospective basis;
- information required to allocate fixed and variable overheads to groups of contracts, because the Group's previous accounting policies did not require such information; and - information about changes in assumptions and estimates, which might not have been documented on an ongoing basis.

Assets for insurance acquisition cash flows
For individual life (including annuities), the Group applied the modified retrospective approach or the fair value approach in IFRS 17 to identify, recognise and measure certain groups of contracts at 1 January 2022 because it was impracticable to apply the full retrospective approach.

2.2 Material Accounting Policies

a IFRS 9 - Financial Instruments

Recognition and measurement of financial assets
The Group initially recognises loans and receivables on the date on which they are originated. Regular-way purchases and sales of financial assets are recognised on trade-date which is the date on which the Group becomes a party to the contractual provisions of the instrument.
Financial assets are initially recognised at fair value, plus transaction costs that are directly attributable to its acquisition or issue (for all financial assets not initially recognised at fair value through profit or loss). Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in profit or loss.

Classification of financial assets
Financial assets not derecognised before 1 January 2023

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

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

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:
- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are SPPI.

A financial asset is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:
- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are SPPI.

The Group elects to present changes in the fair value of certain equity investments that are not held for trading in OCI. The election is made on an instrument-by-instrument basis on initial recognition and is irrevocable.
All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. In addition, on initial recognition the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Business model assessment

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

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

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

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

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

Assessment of whether contractual cash flows are SPPI

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

In assessing whether the contractual cash flows are SPPI, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:
- contingent events that would change the amount or timing of cash flows;
- leverage features;
- prepayment and extension features;
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse asset arrangements); and
- features that modify consideration for the time value of money (e.g. periodic reset of interest rates).

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

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

Subsequent measurement and gains and losses

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

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

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

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

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Financial assets derecognised before 1 January 2023

Classification

The Group classified its financial assets into one of the following categories:

- financial assets at FVTPL, and within this category as:
  - held-for-trading;
  - derivative hedging instruments; or
  - designated as at FVTPL;
- held-to-maturity investments;
- loans and receivables; and
- available-for-sale financial assets.

Subsequent measurement and gains and losses

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

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

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

Available-for-sale financial assets: Measured at fair value. Interest income calculated using the effective interest method, dividends,

Subsequent measurement and gains and losses

Financial liabilities at FVTPL: Measured at fair value. Net gains and losses, including any interest expenses and foreign exchange gains and losses, are recognised in profit or loss, unless they arise from derivatives designated as hedging instruments in net investment hedges.
Financial liabilities at amortised cost: Measured at amortised cost using the effective interest method. Interest expenses and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Interest on financial instruments not derecognised before 1 January 2023

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

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

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

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

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

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

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

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

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

Interest on financial instruments derecognised before 1 January 2023

Interest on financial instruments derecognised before 1 January 2023

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

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

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

Derivatives, including embedded derivatives

Derivatives, including embedded derivatives separated from their host contracts, are classified as held-for-trading, unless they form part of a qualifying net investment hedging relationship. They are measured at fair value with changes in fair value recognised in profit or loss.

Derivatives may be embedded in another contractual arrangement (a host contract). When the host contract is a financial asset in the scope of IFRS 9, the hybrid financial instrument as a whole is assessed for classification and the embedded derivative is not separated from the host contract.

A derivative embedded in a host insurance or reinsurance contract is not accounted for separately from the host contract if the embedded derivative itself meets the definition of an insurance or reinsurance contract.

For other contracts, the Group accounts for an embedded derivative separately from the host contract when:

- the hybrid contract is not measured at FVTPL;
- the terms of the embedded derivative would have met the definition of a derivative if they were contained in a separate contract; and
- the economic characteristics and risks of the embedded derivative are not closely related to those of the host contract. In particular, an embedded derivative is closely related to a host insurance contract if they are so interdependent that the embedded derivative cannot be measured separately - i.e. without considering the host contract.

iii. **Impairment**

Financial assets not derecognised before 1 January 2023

The Group recognises loss allowances for ECL on:

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

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

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

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

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

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

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

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

Measurement of ECL

The Group and Company recognizes loss allowances for Expected Credit Losses (ECL) on the following financial instruments that are not measured at FVTPL. The Entity measures expected credit losses and recognizes interest income on risk assets based on the following stages:

Stage 1: Assets that are performing. If credit risk is low as of the reporting date or the credit risk has not increased significantly since initial recognition, The Group and Company recognize a loss allowance at an amount equal to 12-month expected credit losses. This amount of credit losses is intended to represent lifetime expected credit losses that will result if a default occurs in the 12 months after the reporting date, weighted by the probability of that default occurring.

Stage 2: Assets that have significant increases in credit risk. In instances where credit risk has increased significantly since initial recognition, The Entity measures a loss allowance at an amount equal to full lifetime expected credit losses. That is, the expected credit losses that result from all possible default events over the life of the financial instrument. For these debt instruments, interest income recognition will be based on the Effective Interest Rate(EIR) multiplied by the gross carrying amount.

Stage 3: Credit impaired. For debt instruments that have both a significant increase in credit risk plus observable evidence of impairment. ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group and Company expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.
Impairment methodology
The calculation of ECL incorporates forward-looking information in all the ECL components. This forward-looking information will impact the various ECL components as follows:

• Probability of default – The PDs will vary during various stages of an economic cycle. It is based on the likelihood that a borrower wil default within one year (PD), assessment of the creditworthiness of the counterparty and transformation of 1 Year horizon into lifetime of the asset.
•Loss Given Default – Collateral values will vary based on the stage of an economic cycle.
• Exposure at default – Change in interest rates may affect the EAD e.g. higher interest rates may result in longer terms for loans causing change in the EAD.
Loss Given Default
The Group applies historical experience to determine the expected loss given default ratios for each class of financial instruments. Where internal historical experience is not available, other sources, e.g. data available from rating companies as well as professional judgments are used to determine the LGD ratios that will apply. Collateral that is held against the financial assets is also considered in determining the LGD.
The Group management has resolved to use the recovery rates as published by Moodys credit analytics for all credit exposures to sovereign denominated in foreign currencies and all corporate exposures.
For sovereign exposures denominated in Naira which are assessed as low credit risk exposures, we have resolved to use LGDs within the range of 5-10% based on the Central banks of Nigeria's Revised Guidance Notes on Cre

Credit-impaired financial assets
At each reporting date, the Group assesses whether financial assets measured at amortised cost, debt investments credit-impaire at FVOCI and lease receivables are credit-impaired. A financial asset is when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:
- significant financial difficulty of the debtor;
- a breach of contract such as a default or past-due event;
- the restructuring of an amount due to the Group on terms that the Group would not otherwise consider;
- the debtor entering bankruptcy or other financial reorganisation becoming probable; or
- the disappearance of an active market for a security because of financial difficulties. A financial asset that has been renegotiated due to a deterioration in the borrower's condition is usually considered to be credit-impaired unless there is evidence that the risk of not receiving contractual cash flows has reduced significantly and there are no other indicators of impairment.

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

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

Write-off
The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. This is generally the case when the Group determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. This assessment is carried out at the individual asset level.
Although the Group expects no significant recovery from amounts written off, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

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

iv. Derecognition and contract modification

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

On derecognition of a financial asset, the difference between the carrying amount at the date of derecognition and the consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss. For debt investments at FVOCI and financial assets that had already been derecognised at 1 January 2023, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss. The cumulative gain or loss on equity investments designated as at FVOCI is not reclassified to profit or loss.

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

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

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

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

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

If a financial asset measured at amortised cost or FVOCI is modified but not substantially, then the financial asset is not derecognised. If the asset had not been derecognised at 1 January 2023, then the Group recalculates the gross carrying amount of the financial asset by discounting the modified contractual cash flows at the original effective interest rate and recognises the resulting adjustment to the gross carrying amount as a modification gain or loss in profit or loss. For floating-rate financial assets, the original effective interest rate used to calculate the modification gain or loss is adjusted to reflect current market terms at the time of the modification. If such a modification is carried out because of financial difficulties of the borrower (see (iii)), then the gain or loss is presented together with impairment losses; in other cases, it is presented as interest revenue. Any costs or fees incurred and modification fees received adjust the gross carrying amount of the modified financial asset and are amortised over the remaining term of the modified financial asset.

The group has consistently applied the following accounting policies to all periods presented in these consolidated financial statements.

b Consolidation

IFRS 10 defines the principle of control and establishes control as the basis for determining which entities are consolidated in the group financial statements.

The Group controls an investee entity when it is exposed, or has rights, to variable returns from its involvement with the investee entity and has the ability to affect those returns through its power over the investee entity. The Group applies the following three elements of control as set out by the principle of control in IFRS 10 when assessing control of an investee:

(a) power over the investee entity;

(b) exposure, or rights, to variable returns from involvement with the investee entity; and

(c) the ability to use power over the investee to affect the amount of the investor's returns.

c Consolidated entities

(i) Subsidiaries

Subsidiaries are all entities over which the Group exercises control.

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

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

(ii) Transactions eliminated on consolidation

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

(iii) Business combinations

The Group applies the acquistion method to account for Business Combinations and acquisition-related costs are expensed as incurred.
The consideration transferred in the acquisition is generally measured at fair value as are the identifiable net assets acquired.
If the business combination is achieved in stages, fair value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in compliance with IFRS 9 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.
Goodwill is initially measured as the excess of the aggregate of the consideration transferred and the fair value of non- controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss.

Business combination under common control

A business combination involving entities or businesses under common control is a business combination in which all of the combining entities or businesses are ultimately controlled by the same party of parties before and after the combination, and control is not transitory.

In the separate financial statements of the acquirer and the transferring entity, a business combination under control is accounted for using the exchange amount. In the consolidated financial statements of the acquirer, a business combination under common control is accounted for using book value accounting on the basis that the investment acquired has simply been moved from one part of the Group to another. The book value of the entity transferred is used. Any difference between the consideration paid and the capital of the acquire is recognized in equity in the consolidated financial statements of the acquirer.

(iv) Non- controlling interests

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

(v) Changes in ownership interests in subsidiaries without change in control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity between retained earnings and Non controlling interests. Gains or losses on disposals to non-controlling interests are also recorded in equity.

(vi) Loss of control

When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss. The Group derecognises the assets and liabilities of the subsidiary, and any related non-controlling interests and other components of equity.

d Segment reporting

An operating segment is a component of the Group that engages in business activities from which it can earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components, whose operating results are reviewed regularly by the Chief Operating Decision Maker to make decisions about resources allocated to each segment and assess its performance, and for which discrete financial information is available.

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, which is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Management Underwriting and Investment Committee (MUIC) that makes strategic decisions.

e Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the 'functional currency').

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Monetary items denominated in foreign currency are translated using the closing rate as at the reporting date. Non-monetary items measured at historical cost denominated in a foreign currency are translated with the exchange rate as at the date of initial recognition; non monetary items (e.g. investment property) in a foreign currency that are measured at fair value are translated using the closing rate as at the date when the fair value was determined.

Foreign exchange gains and losses are presented in profit or loss within 'Net losses/gains on financial instruments'.

In the case of changes in the fair value of monetary assets denominated in foreign currency and classified as available-for-sale, a distinction is made between translation differences resulting from changes in amortised cost of the security and other changes in the carrying amount of the security. Translation differences on non-monetary financial assets and liabilities such as equities measured at fair value through profit and loss are recognised in profit or loss as part of net gain/loss on financial assets. Translation differences on non-monetary financial assets such as equities classified as available for sale are included in other comprehensive income.

(iii) Group companies

The results and financial position of all the group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate on the reporting date;
- income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated
- all resulting exchange differences are recognised in other comprehensive income.

f Investment property

Property held for rental yields and capital appreciation that is not occupied by the companies in the Group is classified as investment property. Investment property comprises freehold land and building.

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met; and excludes the costs of day-to-day servicing of an investment property.

Subsequently, it is carried at fair value, adjusted if necessary, for any difference in the nature, location or condition of the specific asset. If this information is not available, the Group uses alternative valuation methods such as discounted cash flow projections or recent prices in less active markets. These valuations are reviewed annually by an independent valuation expert.

Changes in fair values are recorded in profit or loss. Property located on land that is held under a lease is classified as investment property as long as it is held for long-term rental yields and is not occupied by the companies in the consolidated Group. The initial cost of the property shall be the fair value (where available). When not available the initial cost shall be used. The property is carried at fair value after initial recognition.

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

Properties could have dual purposes whereby part of the property is used for own activities. The portion of a dual use property is classified as an investment property only if it could be sold or leased out separately under a finance lease or if the portion occupied by the owner is immaterial to the total lettable space. Currently, the group occupies less than 10% of the lettable space (264sqm out of 6,902sqm). The portion of the investment property occupied by the owner is considered immaterial to the total lettable space and to the value of the investment property.

g Intangible assets

(i) Computer software

Software acquired by the Group is measured at cost less accumulated amortization and any accumulated impairment losses.

Costs associated with maintaining computer software programmes are recognised as an expense when incurred.

Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets when the following criteria are met:

- It is technically feasible to complete the software product so that it will be available for use;
- Management intends to complete the software product and use or sell it;
- There is an ability to use or sell the software product;
- It can be demonstrated how the software product will generate probable future economic benefits;
- Adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and

- The expenditure attributable to the software product during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software product include the software development employee costs, capitalised borrowing costs and an appropriate portion of directly attributable overheads. Internally developed software is stated at capitalized cost less accumulated amortization and any accumulated impairment losses.

Other development expenditures that do not meet these criteria are recognised as an expense when incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period. Subsequent expenditure on software assets is capitalised only when it increases the future economic benefits embodied in the specific assets to which it relates.

Computer software development costs recognised as assets are amortised over their useful lives, which does not exceed five years. The residual values and useful lives are reviewed at the end of each reporting period and are adjusted as appropriate.

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific assets to which it relates. Amortization is calculated to write off the cost of intangible assets less their estimated residual values using the straight line method over their useful lives, and is generally recognised in profit or loss.

Amortisation commences from the date that it is available for use since this most closely reflects the expected pattern of consumption of future economic benefits embodied in the asset. Amortisation methods, usefiul lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(ii) Goodwill

Goodwill arises on the acquistion of subsidiaries and represents the excess of the consideration transferred over the Group's interest in the fair value of the net identifiable assets, liabilities and contingent liabilities of the acquiree and the fair value of the non-controlling interest in the acquiree. Subsequent to initial recognition, goodwill is measured at cost less accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the Cash Generating Units (CGU)'s or groups of CGUs, that is expected to benefit from the synergies of the combination. Goodwill is monitored at the operating segment level.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs to sell. Any impairment is recognised immediately as an expense and is not subsequently reversed.

(iii) License fee

The Group applies the cost model in recognising intangible assets acquired in a business combination. Licenses acquired in a business combination are recognised at fair value at the acquisition date. Subsequently, they are carried at cost less accumulated amortisation and impairment losses. Licenses acquired in a business combination are amortised on a straight line basis over a period of 25 years.

h Property and equipment

Land and buildings comprise mainly outlets and offices occupied by the Group.
Land is carried at cost. All other property and equipment are stated at historical cost less accumulated depreciation and accumulated impairment charges. Historical cost includes borrowing cost and all other expenditure that is directly attributable to the acquisition of the items.

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. A non-current asset or disposal group is not depreciated while it is classified as held for sale.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Land is not depreciated. Depreciation on property and equipment is calculated using the straight-line method to allocate the cost less the residual values over the estimated useful lives as follows.

-Building	50 years
-Motor Vehicles	5 years
-Furniture and fittings	2-5 years
-Office equipments	2-5 years
-Computer equipment	3 years

Leasehold improvements are depreciated over the lower of the useful life of the asset and the lease term.

The assets residual values and useful lives are reviewed at the end of each reporting period and adjusted if appropriate.
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.

WIP represents items under construction and depreciation are not charged until the assets are put into use.

Property and equipment are dercognised at the disposal date or at the date when it is permanently withdrawn from use without the ability to be disposed of. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount. These are included within other income in the Statement of Comprehensive Income.

If an investment property becomes owner-occupied, it is reclassified as property, plant and equipment, and its fair value at the date of reclassification becomes its cost for subsequent accounting purposes.

If an item of property, plant and equipment becomes an investment property because its use has changed, any difference arising between the carrying amount and the fair value of this item at the date of transfer is recognised in other comprehensive income as a revaluation of property, plant and equipment. However, if a fair value gain reverses a previous impairment loss, the gain is recognised in profit or loss. Upon the disposal of such investment property any surplus previously recorded in equity is transferred to retained earnings net of associated tax; the transfer is not made through profit or loss.

i Statutory deposit

Statutory deposit represents 10% of the paid up capital of the Company deposited with the Central Bank of Nigeria (CBN) in pursuant to Section 10(3) of the Insurance Act, 2003. Statutory deposit is measured at cost.

j A. IFRS 17 Insurance Contracts

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

B. Identifying contracts in the scope of IFRS 17

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

C. Level of aggregation

The Group aggregates insurance contracts into contract 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 i.e. the estimated expected fulfilment cash flow is a net outflow.
• any contracts that, on initial recognition, have no significant possibility of becoming onerous subsequently; and
• any remaining contracts in the annual cohort.

The Group has not identified any group of insurance contratcs that have no significant possibility of becoming onerous subsequently.

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 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.

D. Initial Recognition

The Company recognizes a group of insurance contracts that it issues from the earliest of:

• The beginning of the coverage period of the group of contracts; and
• For a group of onerous contracts, when the group becomes onerous if facts and circumstances indicate there is such a group.

A group of reinsurance contracts held is recognized on the following date:

• Reinsurance contracts held initiated by the Company that provide proportionate coverage: the date on which any underlying insurance contract is initially recognized; and
• Other reinsurance contracts held initiated by the Company: the beginning of the coverage period of the group of reinsurance contracts

E. Contract boundaries

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.

i) 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.

ii) 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.

F. Measurement- Overview

There are three measurement models provided by IFRS 17 to measure insurance contracts:

• The Premium Allocation Approach (PAA);

• The General Measurement Model (GMM); and

• The Variable Fee Approach (VFA).

The Group has applied the PAA and GMM models bassed on types of insurance contracts written.

Premium Allocation Approach (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.

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 a loss will be recognised in profit or loss and will 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.

General Measurement Model (GMM)
The Group applies this model to its Individual Life products such as pure protection, annuities and life and savings.
On initial recognition, a group of insurance contracts is measured as the total of the fulfillment cash flows, and the CSM.
Fulfillment cash flows comprise estimates of future cash flows weighted by probability, and discounted to reflect the time value of money and the associated financial risks, with an additional risk adjustment for non-financial risk.
The Group estimates future contractual cash flows within the contracts' boundary by considering current and past experiences, as well as possible future expectations to reflect market and non-market variables impacting the valuation of cash flows. The risk adjustment is the compensation the Group receives in fulfilling an insurance contract that arises from uncertainties surrounding the amount and timing of cash flows for non-financial risks. The non-financial risk assumptions are mortality, longevity, morbidity, lapse, and expense. Estimates and assumptions are reviewed periodically for appropriateness in reflecting current, past, and future experiences. When estimating fulfillment cash flows, the Group includes all cash flows that are within the contract boundary including:
• Premiums and related cashflows;
• Claims and benefits, including reported claims not yet paid, incurred claims not yet reported and expected future claims;
• Cash flows from loans to policyholders (if applicable);
• Insurance acquisition cash flows which are allocated to groups of contracts on a systematic and rational basis; and
• Other fixed and variable expenses directly attributable to the fulfillment of insurance contracts.

Contractual Service Margin (CSM)
The CSM of a group of insurance contracts represents the unearned profit that the Group expects to recognize in the future as it provides services under those contracts.
On initial recognition of a group of insurance contracts, if the total of the fulfillment cash flows, any derecognized assets for insurance acquisition cash flows, and any cash flows arising at that date is a net inflow, the group of contracts is non-onerous. In this case, the CSM is measured as the equal and opposite amount of the net inflow, which results in no net income or expenses arising on initial recognition.

Discount Rates
The Group measures time value of money using discount rates that are consistent with observable market prices and reflect the liquidity characteristics of the insurance contracts. They exclude the effect of factors that influence such observable market prices but do not affect the future cash flows of the insurance contracts (e.g., credit risk).
The Group applies the bottom-up approach to set the discount rate. This approach uses a risk-free rate as determined by the Nigerian Actuarial Society.

G. 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 recognized in the insurance service result in profit or loss if the group is onerous)

Changes relating to current or past services Adjusted against the CSM (or recognized in the insurance service result in profit or loss if the group is onerous)

Effects of the time value of money, financial risk and Recognised as insurance finance income or expenses
changes therein on estimated future cash flows

•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.

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.

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.

The estimates of the present value of future cash flows will be measured using assumptions that are consistent with those used to measure the 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:

(a) 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

(b) 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.

H. 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. 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.

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').

The Group will 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.

I. 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.

J. Presentation and disclosure

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.

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.

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. There will also be expanded disclosures about the nature and extent of risks from insurance contracts and reinsurance contracts. 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.

K. 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.

L. Insurance finance income and expenses

The Group has presented changes in the carrying amounts of groups of contracts arising from the effects of the time value of money, financial risk and changes 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). We have represented these impacts in P&L and OCI as applicable

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.

k Insurance contracts

The Group issues contracts that transfer insurance risk or financial risk or both. Insurance contracts are those contracts where a party (the policy holder) transfers significant insurance risk to another party (insurer) and the latter agrees to compensate the policyholder or other beneficiary if a specified uncertain future event (the insured event) adversely affects the policyholder, or other beneficiary. Such contracts may also transfer financial risk when the insurer issues financial instruments with a discretionary participation feature.

(1) Types of Insurance Contracts

The group classifies insurance contract into life and non-life insurance contracts.

(i) Non-life insurance contracts

These contracts are accident and casualty and property insurance contracts.

Accident and casualty insurance contracts protect the Group’s customers against the risk of causing harm to third parties as a result of their legitimate activities. Damages covered include both contractual and non-contractual events. The typical protection offered is designed for employers who become legally liable to pay compensation to injured employees (employers’ liability) and for individual and business customers who become liable to pay compensation to a third party for bodily harm or property damage (public liability).

Property insurance contracts mainly compensate the Group’s customers for damage suffered to their properties or for the value of property lost. Customers who undertake commercial activities on their premises could also receive compensation for the loss of earnings caused by the inability to use the insured properties in their business activities (business interruption cover).

Non- life insurance contracts protect the Group’s customers from the consequences of events (such as death or disability) that would affect the ability of the customer or his/her dependents 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 policyholder. There are no maturity or surrender benefits.

(ii) Life insurance contracts

These contracts insure events associated with human life (such as death or disability). These are divided into the individual life, group life and Annuity contracts.

-Individual life contracts are usually long term insurance contracts and span over one year while the group life insurance contracts usually cover a period of 12 months. A liability for contractual benefits that are expected to be incurred in the future when the premiums are recognised. The liability is determined as the sum of the expected discounted value of the benefit payments and the future administration expenses that are directly related to the contract, less the expected discounted value of the theoretical premiums that would be required to meet the benefits and administration expenses based on the valuation assumptions used. The liability is based on assumptions as to mortality, persistency, maintenance expenses and investment income that are established at the time the contract is issued.

-Annuity contracts

These contracts insure customers from consequences of events that would affect the ability of the customers to maintain their current level of income. There are no maturity or surrender benefits. The annuity contracts are fixed annuity plans. Policy holders make a lump sum payment recognised as part of premium in the period when the payment was made. Constant and regular payments are made to annuitants based on terms and conditions agreed at the inception of the contract and throughout the life of the annuitants. The annuity funds are invested in long term government bonds and reasonable money markets instruments to meet up with the payment of monthly/quarterly annuity payments. The annuity funds liability is actuarially determined based on assumptions as to mortality, persistency, maintenance expenses and investment income that are established at the time the contract is issued.

(2) Recognition and measurement

(i) Non-life insurance contracts premium and claims

These contracts are accident, casualty and property insurance contracts. Accident and casualty insurance contracts protect the Group's customers against the risk of causing harm to third parties as a result of their legitimate activities. Damages covered include both contractual and non-contractual events. The typical protection offered is designed for employers who become legally liable to pay compensation to injured employees (employers' liability) and for individual and business customers who become liable to pay compensation to a third party for bodily harm or property damage (public liability). Property insurance contracts mainly compensate the Group's customers for damage suffered to their properties or for the value of property lost. Customers who undertake commercial activities on their premises could also receive compensation for the loss of earnings caused by the inability to use the insured properties in their business activities.

(ii) Life insurance contracts premium and claims

Life insurance contracts protects the Group's customers from the consequences of events (such as death or disability) that would affect the ability of the customer or his/her dependents 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. There are no maturity or surrender benefits.

For all these contracts, premiums are recognised as revenue (earned premiums) proportionally over the period of coverage.

The portion of premium received on in-force contracts that relates to unexpired risks at the reporting date is reported as the unearned premium liability. Premiums are shown before deduction of commission.

(iii) Claims on Non-Life and Life Insurance Contract

Claims and loss adjustment expenses are charged to income as incurred based on the estimated liability for compensation owed to contract holders or third parties damaged by the contract holders. They include direct and indirect claims settlement costs and arise from events that have occurred up to the end of the reporting period even if they have not yet been reported to the Group. The Group does not discount its liabilities for unpaid claims. Liabilities for unpaid claims are estimated using the input of assessments for individual cases reported to the Group and statistical analyses for the claims incurred but not reported, and to estimate the expected ultimate cost of more complex claims that may be affected by external factors (such as court decisions).

(ii) Life insurance contracts premium and claims

Premiums are recognised as revenue when they become payable by the contract holders. Premium are shown before deduction of commission. Life insurance premium are recognised as premium in the statement of comprehensive income.

Claims and other benefits are recorded as an expense when they are incurred.

(iii) Annuity premium and claims

Annuity premiums relate to single premium payments and recognised as earned premium income in the period in which payments are received. Claims are made to annuitants in the form of monthly/quarterly payments based on the terms of the annuity contract and charged to profit or loss as incurred. Premiums are recognised as revenue when they become payable by the contract holders. Premium are shown before deduction of commission.

(iv) Salvages

Some non-life insurance contracts permit the Group to sell (usually damaged) property acquired in the process of settling a claim. The Group may also have the right to pursue third parties for payment of some or all costs of damages to its clients property (i.e. subrogation right).

Salvage recoveries are used to reduce the claim expense when the claim is settled.

(v) Subrogation

Subrogation is the right for an insurer to pursue a third party that caused an insurance loss to the insured. This is done as a means of recovering the amount of the claim paid to the insured for the loss. A receivable for subrogation is recognised in other assets when the liability is settled and the Company has the right to receive future cash flow from the third party.

(vi) Insurance acquision cashflows (IACF)

Insurance acquisition cash flows are allocated to groups of insurance contracts using a systematic and rational method and considering, in an unbiased way, all reasonable and supportable information that is available without undue cost or effort.

If insurance non-refundable acquisition cash flows are directly attributable to a group of contracts (e.g. commissions paid on issuance of a contract), then they are allocated to that group and to the groups that will include renewals of those contracts. The allocation to renewals only applies to non-life contracts and certain term assurance 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 is based on the manner in which the Group expects to recover those cash flows.

If insurance acquisition cash flows are directly attributable to a portfolio but not to a group of contracts, then they are allocated to groups in the portfolio using a systematic and rational method.

Insurance acquisition cash flows arising before the recognition of the related group of contracts are recognised as an asset. Insurance acquisition cash flows arise when they are paid or when a liability is required to be recognised under a standard other than IFRS 17. Such an asset is recognised for each group of contracts to which the insurance acquisition cash flows are allocated. The asset is derecognised, fully or partially, when the insurance acquisition cash flows are included in the measurement of the group of contracts.

When the Group acquires insurance contracts in a transfer of contracts or a business combination, at the date of acquisition it recognises an asset for insurance acquisition cash flows at fair value for the rights to obtain:

- renewals of contracts recognised at the date of acquisition; and
- other future contracts after the date of acquisition without paying again insurance acquisition cash flows that the acquiree has already paid.

At each reporting date, the Group revises the amounts allocated to groups to reflect any changes in assumptions that determine the inputs

At each reporting date, the Group revises the amounts allocated to groups to reflect any changes in assumptions that determine the inputs to the allocation method used. Amounts allocated to a group are not revised once all contracts have been added to the group.

(vii) Deferred income

Deferred income represent 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. It is calculated by applying to the reinsurance commission income the ratio of prepaid reinsurance to reinsurance cost.

(viii) Insurance Contract Asset and Insurance Contract Liabilities

Insurance Contract Assets and Liabilities are recognised when due. These include amounts due to and from agents, brokers and insurance companies (as coinsurers) and reinsurance companies.

'- Insurance Contract Assets and Liabilities to agents, brokers and insurance companies (as coinsurers)

The Group's insurance contract assets and liabilities to agents, brokers and insurance companies (as coinsurers) relate to premium and commission.

If there is objective evidence that the insurance receivable is impaired, the Group reduces the carrying amount of the insurance receivable accordingly and recognises that impairment loss in the income statement. The Group gathers the objective evidence that an insurance receivable is impaired using the same methodology adopted for financial assets held at amortised cost. The impairment loss is calculated under the same method used for these financial assets.

- Reinsurance and coinsurance contracts held

Contracts entered into by the Group with reinsurers and that meet the classification requirements for insurance contracts are classified as reinsurance contracts held. Contracts that do not meet these classification requirements are classified as financial assets.

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. Reinsurance liabilities are primarily premiums payable for reinsurance contracts and are recognised as an expense when due. The Group has the right to set-off re-insurance payables against amount due from re-insurance and brokers in line with the agreed arrangement between both parties.

The Group assesses its reinsurance assets for impairment on a quarterly basis. If there is objective evidence that the reinsurance asset is impaired, the Group reduces the carrying amount of the reinsurance asset to its recoverable amount and recognises that impairment loss in the income statement. The Group gathers the objective evidence that a reinsurance asset is impaired using the same process adopted for financial assets held at amortised cost. The impairment loss is calculated using the number of days that the receivable has been outstanding.

l Investment contracts

Investment contracts are those contracts that transfer financial risk with no significant insurance risk. Investment contracts can be classified into interest linked and unitised fund. Interest linked investment contracts are measured at amortised cost while unitised funds are measured at fair value.

Investment contracts with guaranteed returns (interest linked) and other business of a savings nature are recognised as liabilities. Interest accruing to the life assured from investment of the savings is recognised in profit and loss account in the year it is earned while interest paid and due to depositors is recognised as an expense. The net result of the deposit administration revenue account is transferred to the profit or loss of the group. Unitised funds contracts sell units under seven portfolios with the value of each unit determined by the value of the underlying assets for each portfolio.

m Technical reserves

These are computed in compliance with the provisions of Sections 20, 21, and 22 of the Insurance Act 2003 as follows:

(i) General insurance contracts

Liability for Remaining Coverage

In compliance with IFRS(55)(a), this is measured as the amount of premiums received, less any acquisition cash flows paid and any amounts arising from the derecognition of the prepaid acquisition cash flows asset.

Liability for Incurred Claims

In compliance with IFRS(40), this comprises of the fulfillment cash flows relating to past service allocated to the contracts as at the valuation date. It comprises of the discounted best estimate liabilities (IBNR and Outstanding claims) and the risk adjustment.

Risk Adjustment (RA)

The RA assessment follows a bottom-up approach with each applicable sub-risk's RA calculated usins stress scenarios at 70th percentile within a 1-year horizon, on a stand-alone basis considering everything else as equal at model point level. The RAs per sub-risk are then

(ii) Life business

Life fund

This is made up of net liabilities on policies in force as computed by the actuaries at the time of the actuarial valuation or as at reporting period end.

Liability adequacy test

At each end of the reporting period, liability adequacy tests are performed by an Actuary to ensure the adequacy of the contract liabilities net of related DAC assets. In performing these tests, current best estimates of future contractual cash flows and claims handling and administration expenses, as well as investment income from the assets backing such liabilities, are used. Any deficiency is immediately charged to profit or loss initially by writing off DAC and by subsequently establishing a provision for losses arising from liability adequacy tests "the unexpired risk provision".

n Financial liabilities

Classification

The Group classifies its financial liabilities, other than financial guarantees, into one of the following categories:
- financial liabilities at FVTPL; and
- financial liabilities at amortised cost.

The Group has designated investment contract liabilities and third party interests in consolidated funds as at FVTPL on initial recognition. This is because these liabilities as well as the related assets are managed and their performance is evaluated on a fair value basis.

All investment contract liabilities and third party interests in consolidated funds have a unit-linking feature whereby the amount due to contract holders is contractually determined on the basis of specified assets. The effect of the unit-linking feature on the fair value of the liability is asset-specifi performance risk and not credit risk, and the liabilities are fully collateralised. The Group has determined that any residual credit risk is insignificant and has not had any impact on the fair value of the liabilities.

(i) *Borrowings*

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction cost of the loan to the extent that it is probable that some or all of the facility will be drawn down. The fee is deferred until the drawdown occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liabilities for at least 12 months after the date of the statement of financial position.

Borrowing costs are interest and other costs incurred by the Group directly attributable to the acquisition and construction of qualifying assets which are assets that necessarily take a substantial period of time to get ready for its intended use or sale.

Borrowing costs are capitalized as part of the cost of a qualifying asset only when it is probable that they will result in future economic benefits to the Group and the costs can be measured reliably. Other borrowing costs are recognised as an expense in the period in which they are incurred.

When the carrying amount or the expected ultimate cost of the qualifying asset exceeds its recoverable amount or net realizable value, the carrying amount is written down or written off. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

(ii) *Trade and other payables*

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. The fair value of a non-interest bearing liability is its discounted repayment amount. If the due date of the liability is less than one year discounting is omitted.

(iii) ***Financial guarantee contracts***

Financial guarantees are contracts that require the Group to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in compliance with the original or modified terms of a debt instrument.

Financial guarantee contracts are initially recognised at their fair value, which is the premium received, and then amortised over the life of the financial guarantee. Subsequent to initial recognition, the financial guarantee contracts are measured at the higher of the present value of any expected payment and the unamortised premium when a payment under the guarantee has become probable. Financial guarantees are included within other liabilities in line with the requirements of IFRS 9.

o Provisions

Provisions are recognised when: the Group has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

p Current and deferred income tax

The tax expense for the period comprises current tax (company income tax, tertiary education tax, police trust fund) and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishes provisions where appropriate.

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, if the deferred income tax arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss, it is not accounted for. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realisable or the deferred income tax liability is payable.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the Group controls the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

The tax effects of carry-forwards of unused losses or unused tax credits are recognised as an asset when it is probable that future taxable profits will be available against which these losses can be utilised.

Deferred tax related to fair value remeasurement of available-for-sale investments, which are charged or credited directly in other comprehensive income, is also credited or charged directly to other comprehensive income and subsequently recognised in the consolidated income statement together with the deferred gain or loss.

q Equity and Reserves

(i) **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 member of the Group purchases the Company’s equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes), is reported as a separate component of 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.

(ii) **Share premium**

Share premium represents surplus on the par value price of shares issued. The share premium is classified as an equity instrument in the statement of financial position.

(iii) **Fair value reserves**

Fair value reserves represents the fair value gains or losses on valuation of financial assets classified as Available for sale.

(iv) **Treasury shares**

When shares recognised as equity are repurchased, the amount of the consideration paid, which includes directly attributable costs, net of tax effects, is recognised as a deduction from equity. Repurchased shares are classified as treasury shares and are presented in the treasury shares reserve. When treasury shares are sold or reissued subsequently, the amount received is recognised as an increase in equity and the resulting surplus or deficit on the transaction is presented within share premium.

(v) **Contingency reserves**

(a) Non-life business

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

(b) Life business

In compliance with Section 22 (1) (b) of Insurance Act 2003, the contingency reserve is credited with the higher of 1% of gross premiums or 10% of net profit.

(vi) **Statutory reserves**

In accordance with the provisions of Section 69 of the Pension Reform Act 2004, the statutory reserve is credited with an amount equivalent to 12.5% of net profit after tax or such other percentage of the net profit as the National Pension Commission may from time to time stipulate.

(vii) **Capital reserves**

This refers to reserves arising from business restructuring. In 2007 the Group restructured and changed the nominal share price from N1 to 50k per share. The surplus nominal value from this reconstruction was transferred to this account.

(viii) **Retained earnings**

Retained earnings comprise the undistributed profits from previous years, which have not been reclassified to the other reserves.

(ix) **Dividends**

Dividend on the Company's ordinary shares are recognised in equity in the period in which they are approved by the Company's shareholders. Dividend distribution to the Company's shareholders is recognised as equity in the financial statements in the period in which the dividend is paid to the Company's shareholders.

r Earnings per share

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

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 which comprise share options granted to staff.

s Revenue recognition

(a) Insurance service results: Insurance revenue and insurance service expenses exclude any investment components and are recognised as follows:

Insurance revenue - Contracts not measured under the PAA (Premium Allocation Approach)

The Group recognises insurance revenue as it satisfies its performance obligations - i.e. as it provides services under groups of insurance contracts. For contracts not measured under the PAA, the insurance revenue relating to services provided for each year represents the total of the changes in the liability for remaining coverage that relate to services for which the Group expects to receive consideration, and comprises the following items.

- A release of the CSM (Contractual Service Margin), measured based on coverage units provided (see 'Release of the CSM' below).
- Changes in the risk adjustment for non-financial risk relating to current services.
- Claims and other insurance service expenses incurred in the year, generally measured at the amounts expected at the beginning of the year. This includes amounts arising from the derecognition of any assets for cash flows other than insurance acquisition cash flows at the date of initial recognition of a group of contracts (see (v)), which are recognised as insurance revenue and insurance service expenses at that date.
- Other amounts, including experience adjustments for premium receipts for current or past services for the life risk segment and amounts related to incurred policyholder tax expenses for the participating segment.

In addition, the Group allocates a portion of premiums that relate to recovering insurance acquisition cash flows to each period in a systematic way based on the passage of time. The Group recognises the allocated amount, adjusted for interest accretion at the discount rates determined on initial recognition of the related group of contracts, as insurance revenue and an equal amount as insurance service expenses.

Release of the CSM

The CSM is a component of the group of insurance contracts that represents the unearned profit the Company will recognize as it provides services in the future. An amount of the CSM for a group of insurance contracts is recognized in the Consolidated Statements of Earnings as insurance revenue in each period to reflect the services provided under the group of insurance contracts in that period. The amount that is recognized in the Statement of Comprehensive Income for the current period is determined by identifying the coverage units in the group, allocating the CSM at the end of the period to each coverage unit provided in the current period and expected to be provided in the future periods.

The number of coverage units in a group is the quantity of coverage provided by the contracts in the group, which is determined by considering the quantity of the benefits provided and the expected coverage duration.

For reinsurance contracts issued, the number of coverage units in a group reflects the expected pattern of underwriting of the underlying contracts because the level of service provided depends on the number of underlying contracts in-force.

For reinsurance contracts held, the CSM amortization is similar to the reinsurance contracts issued and reflects the expected pattern of underwriting of the underlying contracts because the level of service provided depends on the number of underlying contracts in-force.

Insurance revenue - Contracts measured under the PAA

For contracts measured under the PAA, the insurance revenue for each period is the amount of expected premium receipts for providing services in the period. The Group allocates the expected premium receipts to each period on the following bases: - certain property contracts: the expected timing of incurred insurance service expenses; and - other contracts: the passage of time.

Loss components: For contracts not measured under the PAA, the Group establishes a loss component of the liability for remaining coverage for onerous groups of insurance contracts. The loss component determines the amounts of fulfilment cash flows that are subsequently presented in profit or loss as reversals of losses on onerous contracts and are excluded from insurance revenue when they occur. When the fulfilment cash flows are incurred, they are allocated between the loss component and the liability for remaining coverage excluding the loss component on a systematic basis. The systematic basis is determined by the proportion of the loss component relative to the total estimate non-financial of the present value of the future cash outflows plus the risk adjustment for risk at the beginning of each year (or on initial recognition if a group of contracts is initially recognised in the year).

Changes in fulfilment cash flows relating to future services and changes in the amount of the Group’s share of the fair value of the underlying items for direct participating contracts are allocated solely to the loss component. If the loss component is reduced to zero, then any excess over the amount allocated to the loss component creates a new CSM for the group of contracts.

Risk Adjustment

The risk adjustment for non-financial risk represents the compensation that the Group requires for bearing uncertainty in the amount and timing of insurance contract cash flows due to non-financial risk. Non-financial risks are insurance risks such as life mortality, annuity mortality and morbidity, and other risks such as expense and lapse along with non-life risks such as premium and reserve risks. The risk adjustment is calculated by applying a margin to non-financial assumptions and discounting the resulting margin cash flows at the same discount rates as the best estimate cash flows. The margins applied reflect diversification benefits across all non-financial risks. The risk adjustment for insurance contracts issued by the Group reflects the degree of diversification available across the Group operations. The target range for the confidence level of the risk adjustment is the 70th percentile. The confidence level is determined on a net-of-reinsurance basis.

(b) Rendering of services: Revenue arising from asset management and other related services offered by the Group are recognised in the accounting period in which the services are rendered. Fees consist primarily of investment management fees arising from services rendered in conjunction with the issue and management of investment contracts where the Group actively manages the consideration received from its customers to fund a return that is based on the investment profile that the customer selected on origination of the

These services comprise the activity of trading financial assets and derivatives in order to reproduce the contractual returns that the Group’s customers expect to receive from their investments. Such activities generate revenue that is recognised by reference to the stage of completion of the contractual services.

In all cases, these services comprise an indeterminate number of acts over the life of the individual contracts. For practical purposes, the Group recognises these fees on a straight-line basis over the estimated life of the contract. Certain upfront payments received for asset management services (‘front-end fees’) are deferred and amortised in proportion to the stage of completion of the service for which they were paid.

The Group charges its customers for asset management and other related services using the following different approaches:- Front-end fees are charged to the client on inception. This approach is used particularly for single premium contracts. The consideration received is deferred as a liability and recognised over the life of the contract on a straight-line basis; and Regular fees are charged to the customer periodically (monthly, quarterly or annually) either directly or by making a deduction from invested funds. Regular charges billed in advance are recognised on a straight-line basis over the billing period; fees charged at the end of the period are accrued as a receivable that is offset against the financial liability when charged to the customer.

(c) Dividend income: dividend income for equities at fair value through other comprehensive income is recognised when the right to receive payment is established, this is the ex-dividend date for equity securities. They are reported within other income.

(d) Net gains/(losses) on financial assets

Net realised gains/(losses) on financial assets comprises gains less losses related to financial assets at FVOCI and financial assets at FVTPL, and includes all realised and unrealised fair value changes and foreign exchange differences and realised gain or loss on

(e) Net fair value gain on non financial assets

Net fair value gain on non financial assets at fair value represents fair value gains on the Group's non financial instruments such as investment property.

t Changes in life fund estimates

Actuarial valuation of the life fund is conducted annually to determine the net liabilities on the existing policies and the adequacy of the assets representing the insurance fund as at the date of valuation. All deficits arising therefrom are charged to profit or loss.

u Investment income

Interest income and expenses for all interest-bearing financial instruments including financial instruments measured at fair value through profit or loss, are recognised within investment income and finance cost respectively in the income statement using the effective interest rate method. When a receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income.

v Operating expenditure

Insurance service expenses

Insurance service expenses arising from insurance contracts are recognised in profit or loss generally as they are incurred. They exclude repayments of investment components and comprise the following items.

- Incurred claims and other insurance service expenses: For some life risk contracts, incurred claims also include premiums waived on detection of critical illness.
- Amortisation of insurance acquisition cash flows: For contracts not measured under the PAA, this is equal to the amount of insurance revenue recognised in the year that relates to recovering insurance acquisition cash flows. For contracts measured under the PAA, the Group amortises insurance acquisition cash flows on a straight-line basis over the coverage period of the group of contracts.
- Losses on onerous contracts and reversals of such losses.
- Adjustments to the liabilities for incurred claims that do not arise from the effects of the time value of money, financial risk and changes therein.
- Impairment losses on assets for insurance acquisition cash flows and reversals of such impairment losses.

Net expenses from reinsurance contracts

Net expenses from reinsurance contracts comprise an allocation of reinsurance premiums paid less amounts recovered from reinsurers. The Group recognises an allocation of reinsurance premiums paid in profit or loss as it receives services under groups of reinsurance contracts. For contracts not measured under the PAA, the allocation of reinsurance premiums paid relating to services received for each period represents the total of the changes in the asset for remaining coverage that relate to services for which the Group expects to pay consideration.

For contracts measured under the PAA, the allocation of reinsurance premiums paid for each period is the amount of expected premium payments for receiving services in the period. For a group of reinsurance contracts covering onerous underlying contracts, the Group establishes a loss-recovery component of the asset for remaining coverage to depict the recovery of losses recognised:
- on recognition of onerous underlying contracts, if the reinsurance contract covering those contracts is entered into before or at the same time as those contracts are recognised; and
- for changes in fulfilment cash flows of the group of reinsurance contracts relating to future services that result from changes in fulfilment cash flows of the onerous underlying contracts.

The loss-recovery component determines the amounts that are subsequently presented in profit or loss as reversals of recoveries of losses from the reinsurance contracts and are excluded from the allocation of reinsurance premiums paid. It is adjusted to reflect changes in the loss component of the onerous group of underlying contracts, but it cannot exceed the portion of the loss component of the onerous group of underlying contracts that the Group expects to recover from the reinsurance contracts.

Other operating expenses

Other expenses are expenses other than claims expenses, employee benefit, expenses for marketing and administration and underwriting expenses. They include wages for contract staff, professional fee, depreciation expenses and other non-operating expenses. Other operating expenses are accounted for on accrual basis and recognised in profit or loss upon utilization of the service.

Employee benefits

(a) Defined contribution plans

The Group operates a defined contributory pension scheme for eligible employees. Employees and the Group contribute 7.5% and 10.5% respectively of each qualifying staff's salary in line with the provisions of the Pension Reform Act 2014. The Group pays contributions to pension fund administrators on a mandatory basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefits expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

(b) Short-term benefits

Wages, salaries, paid annual leave and sick leave, bonuses and non-monetary benefits are recognised as employee benefit expense and accrued when the associated services are rendered by the employees of the Group.

(c) Share based payment

(i) Equity-settled share based payment

The group operates an equity share-based compensation plans. The fair value of equity-settled share options is determined on the grant date and accounted for as staff costs over the vesting period of the share options, with a corresponding increase in equity. At the end of each reporting period, the group revisits its estimates of the number of options that are expected to vest based on the non market and service conditions. It recognises the impact of the revision to initial estimates, if any, in profit or loss with a corresponding adjustment to equity. On vesting of share options, amounts previously credited to the share-based payment reserve are transferred to retained earnings through an equity transfer. On exercise of equity-settled share options, proceeds received are credited to share capital and premium.

The grant date fair value of equity-settled share-based payments awards granted to employees is generally recognised as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related services and unobservable performance conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service and unobservable performance conditions at the vesting date. For share-based payment awards with non vesting conditions, the grant date fair value of the share based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

(ii) Cash-settled share based payment

The fair value of the amount payable to employees in respect of share appreciation rights, which are settled in cash, is recognised as an expense, with a corresponding increase in liabilities, over the period in which the employees become unconditionally entitled to payment. The liability is remeasured at each reporting date and at settlement date based on the fair value of the share appreciation rights. Any changes in the fair value of the liability are recognised in profit or loss.

(d) Termination benefits

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises costs for a restructuring if benefits are not expected to be settled wholly within the 12 months of the reporting date, then they are discounted.

w Leases

Group acting as a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates consideration in the contract to each lease component on the basis of its relative standalone price.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or beforethe commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove any improvements made to branches or office premises.

The right-of-use asset is subsequently depreciated using the straight-line method from thecommencement date to the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease.

Lease payments included in the measurement of the lease liability comprise the following:

– fixed payments, including in-substance fixed payments;
– variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
– amounts expected to be payable under a residual value guarantee; and
– the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

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

When the lease liability is remeasured remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Group acting as a lessor

At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone selling prices. When the Group acts as a lessor, it determines at lease inception whether the lease is a finance lease or an operating lease.

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

The Group applies the derecognition and impairment requirements in IAS 39 to the net investment in the lease. The Group further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.

(w) Discontinued Operations

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which:
- represents a separate major line of business or geographic area of operations
- is part of a single co-ordinated plan to dispose of a separate major line of business or geographic area of operations; or
- is a subsidiary acquired exclusively with a view to resale

Classification are a discontinued operation occurs at the earlier of disposal or when the operations meets the criteria to be classified as held-for-sale. When an operation is classified as discontinued operation, the comparative statement of profit or loss and OCI is represented as if the operation had been discontinued from the start of the comparative year.

x Intangibles (goodwill)

Goodwill represents the cost of acquisition less the aggregate of the fair value of the purchased entity's identifiable net assets and liabilities. Goodwill has been recognised by the group at the acquisition of AXA Mansard Health Limited in 2013. Additional judgments and assumptions are as disclosed in note 17(c).

y Investment property

The Group's Investment property -Mansard Place- is accounted for in the books of APD Limited. The property was valued using the income approach. The valuation was based on market data such as discount rates, rental risk and reversionary rates. Management estimated the market value of the leasehold interest based on the highest and best use of the property.

(f) Derivative instruments

The Group invested in the convertible debt of Maryland Mall Limited. The convertible debt which is a 5- year instrument has been separated into a debt portion and an option to convert to equity anytime before the expiration of the debt. In determining the value of the embedded value of the option, the group used the Black Scholes Methodology of investment valuation. Major variables used in the valuation include risk free rate on a 5- year FGN bond (15.85%), current price of the share as stated in the contract agreement (N615.41 per share) as well as the conversion price per share (N650 per share). The assumptions used in estimating the fair value of derivatives have been disclosed in note 5.2

z Share based payments

The Group measures the cost of equity settled transactions using fair value of the equity instrument at the grant date. The estimation of the fair value requires the determination of the most appropriate model which is dependent on the terms of the grant. The estimate also requires making assumption on the most appropriate inputs for the valuation model on items such as expected life of the share option, volatility and dividend yield. The assumptions used in estimating the fair value of the share based payments have been disclosed in Note 46

aa Current income tax

General Business:

Income tax

Income tax expense comprises current tax (company income tax, tertiary education tax National Information Technology Development Agency levy and Nigeria Police Trust Fund levy) and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

The Company had determined that interest and penalties relating to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore are accounted for under IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

(a) Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year, and any adjustment to 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 or substantively enacted at the reporting date and is assessed as follows:1

- Company income tax is computed on taxable profits
- Tertiary education tax is computed on assessable profits
- National Information Technology Development Agency levy is computed on profit before tax
- Nigeria Police Trust Fund levy is computed on net profit (i.e. profit after deducting all expenses and taxes from revenue earned by the company during the year)

Total amount of tax payable under CITA is determined based on the higher of two components namely Company Income Tax (based on taxable income (or loss) for the year); and minimum tax. Taxes based on profit for the period are treated as income tax in line with IAS 12.

Minimum tax

In line with the Finance Act 2019, minimum tax is determined based on:

For Life business: 0.5% of gross income and;

For General business: 0.5% of gross premium

The Company offsets the tax assets arising from withholding tax (WHT) credits and current tax liabilities if, and only if, the entity has a legally enforceable right to set off the recognised amounts, and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. The tax asset is reviewed at each reporting date and written down to the extent that it is no longer probable that future economic benefit would be realised.

(b) 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 assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences.

If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans of the Company. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used. Otherwise, the amount of unrecognized deferred tax assets is disclosed in the financial statements.

7 (a) The segment information provided by the Management Underwriting & Investment Committee (MUIC) for the reporting segments for the year ended 30 June 2024 is as follows:

June 2024 *In thousands of Nigerian Naira*	Non life business	Life Business	**AXA Mansard Insurance**	Investment Management	Property Development	Health Maintenance	Elimination adjustments	**Total**
Cash and cash equivalents	17,117,864	933,735	**18,051,599**	1,224,077	187,841	3,616,447	-	**23,079,966**
Investment securities								
Fair value through profit or loss	(59,002)	1,866,987	**1,807,985**	329,451	841,707	672,559	-	**3,651,705**
Fair value through OCI	45,764,915	21,482,755	**67,247,671**	1,124,016	-	20,497,776	-	**88,869,462**
Investment contract assets at fair value through profit or loss	0	2,409,920	**2,409,920**	-	-	-	-	**2,409,920**
Trade receivables	3,760,953	718,543	**4,479,495**	-	-	8,467,540	-	**12,947,035**
Reinsurance contract assets	32,539,376	2,380,828	**34,920,204**	-	-	1,016,233	-	**35,936,437**
Other receivables	2,223,122	139,311	**2,362,434**	1,164,969	396,276	928,023	-	**4,851,701**
Loans and receivables at amortised costs	6,223,675	3,644,822	**4,974,581**	527,205	-	6,917,948	(7,846,003)	**4,573,731**
Investment properties	-	-	**-**	-	32,340,000	-	-	**32,340,000**
Investment in subsidiaries	1,252,000	400,000	**1,652,000**	-	-	4,400,000	(6,052,000)	**-**
Intangible assets	897,873	0	**897,874**	16,566	-	23,804	12,000	**950,243**
Property, plant and equipment	3,323,769	403	**3,324,171**	33,652	146,920	290,744	-	**3,795,488**
Right of Use	982,076	60,021	**1,042,097**	-	-	62,795		**1,104,891**
Statutory deposit	300,000	200,000	**500,000**	-	-	-	-	**500,000**
TOTAL ASSETS	114,326,620	34,237,326	**143,670,028**	4,419,936	33,912,744	46,893,869	(13,886,003)	**215,010,578**
Insurance liabilities	47,230,727	16,837,675	**64,068,402**	-	-	30,600,239	-	**94,668,641**
Reinsurance contract liabilities	10,529,076	1,327,552	**11,856,628**	-	-	123,838		**11,980,466**
Investment contract liabilities:	-		**-**					**-**
– At amortised cost	(0.00)	2,997,662	**2,997,662**	-	-	-	-	**2,997,662**
– Financial liabilities designated at fair value	-	2,409,920	**2,409,920**	-	-	-	-	**2,409,920**
Trade payables	11,638,985	847,884	**12,486,869**	-	-	-	-	**12,486,869**
Other technical liabilities	2,022,842	2,244,282	**4,267,124**					**4,267,124**
Other Liabilities	4,772,777	4,459,597	**4,338,458**	797,101	1,034,695	1,493,310	(1,042,842)	**6,620,723**
Current income tax liabilities	479,496	427,238	**906,734**	184,283	28,877	267,297	-	**1,976,647**
Borrowings	-	-	**-**	-	16,852,234	-	(6,803,161)	**10,049,073**
Deferred income tax	-	-	**-**	2,024,463	680,182	67,281	-	**2,771,926**
TOTAL LIABILITIES	76,673,904	31,551,810	**103,331,797**	3,005,847	18,595,988	32,551,965	(7,846,003)	**150,229,051**
Share capital	10,000,000	8,000,000	**18,000,000**	150,000	9,250	700,000	(859,250)	**18,000,000**
Share premium	78,255	-	**78,255**	790,000	2,612,162	-	(2,812,704)	**78,255**
Contingency reserve	5,341,319	1,317,571	**6,658,890**	-	-	-	-	**6,658,891**
Treasury shares	(111,476)	-	**(111,476)**	-	-	-	-	**(111,476)**
Retained earnings	22,865,289	(2,357,226)	**20,508,063**	438,545	12,695,344	14,422,790		**39,795,129**
Insurance finance reserve	24,324	22,856	**47,180**	-	-	10,705		**57,885**
Fair value reserves	(544,996)	(4,297,685)	**(4,842,680)**	35,544	-	(791,591)		**(5,598,728)**
EQUITY	37,652,716	2,685,516	**40,338,230**	1,414,089	15,316,756	14,341,904		**58,879,957**
Non-controlling interests in equity	-	-	**-**	-	-	-	5,901,567	**5,901,567**
TOTAL EQUITY	37,652,716	2,685,516	**40,338,230**	1,414,089	15,316,756	14,341,904	(6,040,001)	**64,781,525**
TOTAL LIABILITIES AND EQUITY	114,326,620	34,237,326	**143,670,028**	4,419,936	33,912,744	46,893,869	(13,886,004)	**215,010,578**

b (i) The consolidated financial data for the reporting segments for the year ended 30 June 2024 is as follows:

30 June 2024	Non life Business	Life business	Insurance	Investment management	Property development	Health Maintenance	Elimination Adjustments	Total
Continuing operations								
Insurance revenue	32,234,649	12,059,318	44,293,967	-	-	21,561,188	(233,332)	65,621,824
Insurance service expenses	(9,259,346)	(9,333,144)	(18,592,490)	-	-	(18,307,755)	-	(36,900,245)
Net expense from reinsurance contracts held	(19,166,751)	(116,683)	(19,283,434)	-	-	(232,828)	-	(19,516,262)
Insurance service results	**3,808,552**	**2,609,490**	**6,418,042**	**-**	**-**	**3,020,605**	**(233,332)**	**9,205,316**
Interest revenue calculated using the effective interest method	1,522,664	1,179,200	2,701,864	85,406	-	839,536	(486,587)	3,140,219
Other investment revenue	12,909,082	(298,393)	12,610,688	444,420	3,877,825	6,834,636	-	23,767,569
Net impairment/writeback on financial assets	(48,622)	(72,934)	(121,556)	-	-	(27,233)	-	(148,789)
Impairment of premium receivables	-	-	-	-	-	-		-
Investment return	**14,383,123**	**807,873**	**15,190,996**	**529,826**	**3,877,825**	**7,646,939**	**(486,587)**	**26,758,999**
Net finance income/(expense) from reinsurance contracts	-	-	-	-	-	-	-	-
Net financial result	**14,383,123**	**807,873**	**15,190,996**	**529,826**	**3,877,825**	**7,646,939**	**(486,587)**	**26,758,999**
Other income	6,531	6,187	12,719	1,026,884	846,262	92,471	(43,844)	1,934,492
Expenses for marketing and administration	(894,627)	(741,274)	(1,635,901)	-	-	(188,030)	-	(1,823,931)
Employee benefit expense	(402,035)	(1,236,743)	(1,638,778)	(278,319)	-	(1,313,396)	233,332	(2,997,161)
Finance cost	(127,917)	-	(127,917)	-	(675,338)	(13,120)	136,449	(679,925)
Other operating expenses	(2,180,434)	(1,098,766)	(3,279,200)	(332,175)	(32,142)	(573,287)	393,982	(3,822,822)
Profit before tax	**14,593,193**	**346,768**	**14,939,961**	**946,216**	**4,016,607**	**8,672,182**	**0**	**28,574,966**
Income tax expense	(481,103)	(261,471)	(742,574)	(201,347)	(1,238,718)	(1,274,692)	-	(3,457,331)
Profit for the year	**14,112,090**	**85,297**	**14,197,387**	**744,869**	**2,777,889**	**7,397,490**	**0**	**25,117,635**

(All amounts in thousands of Naira unless otherwise stated)

8 Cash and cash equivalents

	Group June, 2024	Group Dec, 2023	Parent June, 2024	Parent Dec, 2023
Cash at bank and in hand	5,996,194	17,923,579	2,608,574	12,406,669
Tenored deposits (see note (a) below)	17,083,772	8,249,743	15,443,025	6,614,200
	23,079,966	**26,173,322**	**18,051,599**	**19,020,869**

(a) Tenored deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Group. The carrying amounts disclosed above reasonably approximate fair value at the reporting date.

Current	23,079,966	26,173,322	18,051,599	19,020,869
Non-current	-	-	-	-
	23,079,966	**26,173,322**	**18,051,599**	**19,020,869**

9 Investment securities

The Group's investment securities are summarized below by measurement category:

	Group June, 2024	Group Dec, 2023	Parent June, 2024	Parent Dec, 2023
Fair value through profit or loss (see note 9.1)	3,651,704	11,056,259	1,807,985	8,489,840
Fair value through other comprehenisve income (see note 9.2)	88,869,462	42,132,258	67,247,671	37,610,027
Investment contract assets at fair value through profit or loss (see note 9.3)	2,409,920	2,496,669	2,409,920	2,496,669
	94,931,086	**55,685,186**	**71,465,576**	**48,596,536**
Current	3,651,704	11,056,259	1,807,985	8,489,840
Non-current	91,279,382	44,628,927	69,657,591	40,106,696
	94,931,086	**55,685,186**	**71,465,576**	**48,596,536**

(All amounts in thousands of Naira unless otherwise stated)

9.1 *Fair value through profit or loss*

Fair value through profit or loss instruments represent investments in equity instruments and investment funds as at year end.

	Group June, 2024	**Group Dec, 2023**	**Parent June, 2024**	**Parent Dec, 2023**
Equity investments	457,311	524,744	355,248	396,997
Investment funds	3,194,394	10,531,515	1,452,738	8,092,843
	3,651,704	**11,056,259**	**1,807,985**	**8,489,840**

(a) Movement in fair value through profit or loss

	Group June, 2024	**Group Dec, 2023**	**Parent June, 2024**	**Parent Dec, 2023**
Balance, beginning of year	11,056,259	8,700,392	8,489,840	7,394,124
Addition during the year	2,926,344	3,171,599	1,228,506	1,965,000
Disposal	(7,500,000)	(2,403,366)	(6,960,005)	(2,900,000)
Fair value (loss)/gain	(4,415,246)	(1,715,246)	(2,267,612)	(290,041)
Interest receivables	1,584,348	3,302,880	1,317,256	2,320,757
	3,651,704	**11,056,259**	**1,807,985**	**8,489,840**

(b) Movement in fair value through profit or loss assets

Equity investments

	Group June, 2024	**Group Dec, 2023**	**Parent June, 2024**	**Parent Dec, 2023**
Balance, beginning of year	524,744	355,710	396,997	275,240
Addition during the year		73,945		-
Disposal	(162,522)	-	(160,005)	-
Fair value gain/(loss)	89,741	89,741	99,572	99,572
Interest receivables	5,348	5,348	18,684	22,185
	457,311	**524,744**	**355,248**	**396,997**

(All amounts in thousands of Naira unless otherwise stated)

Investment funds

	Group June, 2024	Group Dec, 2023	Parent June, 2024	Parent Dec, 2023
Balance, beginning of year	10,531,515	8,344,682	8,092,843	7,118,884
Addition during the year	3,088,866	3,097,654	1,065,000	1,965,000
Disposal	(7,500,000)	(2,403,366)	(6,800,000)	(2,900,000)
Fair value (loss)/gain	(4,504,987)	(1,804,987)	(2,203,677)	(389,613)
Interest receivables	1,579,000	3,297,532	1,298,572	2,298,572
	3,194,394	**10,531,515**	**1,452,738**	**8,092,843**

9.2 ***Fair value through other comprehensive income***

Financial assests at fair value through other comprehensive income instruments represent interests in quoted securities, treasury bills, listed funds and unlisted entities as at year end.

	Group June, 2024	Group Dec, 2023	Parent June, 2024	Parent Dec, 2023
Governent & corporate bonds (see note (a) below)	79,181,217	38,339,052	60,075,639	33,898,851
Treasury bills	9,688,245	1,555,681	7,172,032	1,473,651
Fixed deposits (above 90 days)		2,237,525		2,237,525
	88,869,462	**42,132,258**	**67,247,671**	**37,610,027**

(a) Movement in financial assets at fair vale through other comprehensive income

Government & corporate bonds

	Group June, 2024	Group Dec, 2023	Parent June, 2024	Parent Dec, 2023
Balance, beginning of year	38,339,052	28,651,121	33,898,851	28,018,730
Addition during the year	49,219,601	12,228,427	35,817,949	11,966,266
Disposal	(7,732,160)	(14,613,853)	(5,635,010)	(11,950,014)
Fair value gain/(loss)	(4,440,687)	3,291,473	(5,945,758)	(810,748)
Interest receivables	3,795,412	8,781,884	1,939,607	6,674,617
	79,181,217	**38,339,052**	**60,075,639**	**33,898,851**

9.3 ***Investment contract assets at fair value through profit or loss***

	Group June, 2024	Group Dec, 2023	Parent June, 2024	Parent Dec, 2023
Investment contracts designated at fair value (see note (i))	2,409,920	2,496,669	2,409,920	2,496,669
	2,409,920	**2,496,669**	**2,409,920**	**2,496,669**

(i) **Investment contracts designated at fair value through profit or loss**

Investment contracts designated at fair value through profit or loss represent the assets of the investment contracts managed on behalf of customers and unavailable for day to day use by the Company. The assets match the financial liabilities carried at fair value as at year

The category of financial assets held can be analysed as follows:

	Group June, 2024	Group Dec, 2023	Parent June, 2024	Parent Dec, 2023
Bank balances	32,944	157,784	32,944	157,784
Short term deposit	273,532	46,263	273,532	46,263
Government treasury bills	178,852	85,070	178,852	85,070
Government and corporate bonds	1,924,592	2,207,552	1,924,592	2,207,552
Quoted equity securities	-	-	-	-
	2,409,920	**2,496,669**	**2,409,920**	**2,496,669**

(All amounts in thousands of Naira unless otherwise stated)

10a (i) Insurance and reinsurance contract assets

Group

June 2024	**Non-Life business**	**Life business**	**Health Maintenance**	**Total**
Insurance contract liabilities				
Insurance contract balances	48,693,591	15,813,152	31,271,574	95,778,318
Assets for insurance acquisition cashflows	(1,424,240)	-	(702,228)	(2,126,468)
Other pre-recognition cash flows	(38,624)	1,024,523	30,893	1,016,792
	47,230,727	**16,837,675**	**30,600,239**	**94,668,641**
Reinsurance contracts				
Reinsurance contract assets	32,539,376	2,380,828	1,016,233	35,936,437
Reinsurance contract liabilities	10,529,076	1,327,552	123,838	11,980,466

Group

31 December 2023	**Non-Life business**	**Life business**	**Health Maintenance**	**Total**
Insurance contract liabilities				
Insurance contract balances	26,128,185	6,606,010	17,999,400	50,733,595
Assets for insurance acquisition cashflows	(683,163)	-	(410,587)	(1,093,750)
Other pre-recognition cash flows	(38,624)	1,024,519	30,893	1,016,788
	25,406,398	**7,630,529**	**17,619,706**	**50,656,633**
Reinsurance contracts				
Reinsurance contract assets	15,300,095	1,470,126	742,650	17,512,871
Reinsurance contract liabilities	1,008,840	495,866	467,648	1,972,354

Parent

June 2024	**Non-Life business**	**Life business**	**Total**
Insurance contract liabilities			
Insurance contract balances	48,693,591	15,813,152	64,506,744
Insurance acquisition cash flow assets	(1,424,240)	-	(1,424,240)
Other pre-recognition cash flows	(38,624)	1,024,523	985,899
	47,230,727	**16,837,675**	**64,068,402**
	-	-	-
Insurance contract assets			
Insurance contract assets excluding Insurance acquisition cash flows assets and other pre-recognition cash flows	-	-	-
	-	-	-
Reinsurance contracts			
Reinsurance contract assets	32,539,376	2,380,828	34,920,204
Reinsurance contract liabilities	10,529,076	1,327,552	11,856,628

Company

31 December 2023	**Non-Life business**	**Life business**	**Total**
Insurance contract liabilities			
Insurance contract balances	26,128,185	6,606,010	32,734,195
Assets for insurance acquisition cashflows	(683,163)	-	(683,163)
Other pre-recognition cash flows	(38,624)	1,024,519	985,895
	25,406,398	**7,630,529**	**33,036,927**
	-	-	-
Insurance contract assets			
Insurance contract assets excluding Insurance acquisition cash flows assets and other pre-recognition cash flows	-	-	-
	-	-	-
Reinsurance contracts			
Reinsurance contract assets	15,300,095	1,470,126	16,770,221
Reinsurance contract liabilities	1,008,840	495,866	1,504,706

(All amounts in thousands of Naira unless otherwise stated)

11 Trade receivable

	Group June, 2024	Group Dec, 2023	Parent June, 2024	Parent Dec, 2023
Premium receivable (see 11.1 below)	12,660,515	5,249,523	4,192,975	97,199
Coinsurance receivable (see 11.2 below)	286,521	278,746	286,521	278,746
	12,947,035	**5,528,269**	**4,479,495**	**375,945**

All trade receivables fall due within one year.

11.1 Premium receivables

		Group June, 2024	Group Dec, 2023	Parent June, 2024	Parent Dec, 2023
(a)	Premium receivables	13,433,254	6,022,264	4,362,516	266,741
	Less: ECL Allowance	(772,741)	(772,741)	(169,542)	(169,542)
		12,660,515	**5,249,523**	**4,192,975**	**97,199**

Analysis of premium receivables:

	Group June, 2024	Group Dec, 2023	Parent June, 2024	Parent Dec, 2023
Life contracts insurance receivable	447,713	2,532	447,713	2,532
Non-life contracts insurance receivable	3,745,262	94,667	3,745,262	94,667
AXA Mansard Health (HMO) receivable	8,467,540	5,152,324	-	-
	12,660,515	**5,249,523**	**4,192,975**	**97,199**

Counter party categorization of insurance receivable:

	Group June, 2024	Group Dec, 2023	Parent June, 2024	Parent Dec, 2023
Brokers and agents	4,362,516	266,741	4,362,516	266,741
Contract holders	9,070,738	5,755,523	-	-
Total insurance receivables	13,433,254	6,022,264	4,362,516	266,741
Less impairment of receivables:	-	-	-	-
– Brokers and agents	(169,542)	(169,542)	(169,542)	(169,542)
– Contract holders	(603,199)	(603,199)	-	-
Total impairment	(772,741)	(772,741)	(169,542)	(169,542)

There is no concentration of credit risk with respect to trade receivables, as the Group has a non-symmetrical portfolio dispersed across many industries in Nigeria.

(All amounts in thousands of Naira unless otherwise stated)

The movement in impairment of insurance receivable is as follows:

(b) Impairment of premium receivable

	Group June, 2024	Group Dec, 2023	Parent June, 2024	Parent Dec, 2023
Balance, beginning of the year	772,741	427,604	169,542	184,867
Additional impairment/(write back) during the year	-	345,137	-	(15,325)
Balance, end of year	772,741	772,741	169,542	169,542

11.2 Co-insurance receivable

	Group June, 2024	Group Dec, 2023	Parent June, 2024	Parent Dec, 2023
Co-insurers' share of outstanding claims	286,521	278,746	286,521	278,746
	286,521	278,746	286,521	278,746

(a) The movement in co-insurance recoverable on claims paid

	Group June, 2024	Group Dec, 2023	Parent June, 2024	Parent Dec, 2023
Balance, beginning of the year	278,746	318,738	278,746	318,738
Additions in the year	-	-	-	0
Receipts during the year	7,775	(39,992)	7,775	(39,992)
	286,521	278,746	286,521	278,746

12 Other receivables

	Group June, 2024	Group Dec, 2023	Parent June, 2024	Parent Dec, 2023
Prepayment (see note (i) below)	3,109,113	1,573,334	2,237,428	762,787
Accrued income (see note (ii) below)	2,934	838,951	2,934	829,378
Other account receivables (see note (iii) bel	2,091,004	2,455,050	257,226	329,873
Gross	5,203,051	4,867,335	2,497,588	1,922,038
Less: ECL allowance on other receivables (see (a) below)	(351,350)	(351,351)	(135,155)	(135,156)
Net receivables	4,851,701	4,515,984	2,362,433	1,786,882

(i) Prepayment includes prepaid expenses such as maintenance agreements. The average amortization period for these expenses

(ii) Accrued income relates to dividend income earned but not yet received as at year end.

(iii) Other account receivables relate to amounts due from various third parties and also includes cash advanced to staff in respect of various operating expenses.

(a) The movement in provision for impairment of other receivables:

	Group June, 2024	Group Dec, 2023	Parent June, 2024	Parent Dec, 2023
Balance, beginning of the year	351,351	142,182	135,155	135,155
Charge/write back for the year	(1)	209,169	-	-
Balance end of year	351,350	351,351	135,155	135,155
Current	3,739,348	3,148,800	2,317,530	1,691,127
Non-current	1,463,703	1,718,535	180,058	230,911
	5,203,051	4,867,335	2,497,588	1,922,038

(All amounts in thousands of Naira unless otherwise stated)

13 Loans and receivables at amortised costs	Group June, 2024	Group Dec, 2023	Parent June, 2024	Parent Dec, 2023
Loans and advances to related party	4,076,314	4,161,412	4,590,044	5,093,929
Staff loans and advances	497,471	208,303	384,555	170,935
Gross	**4,573,784**	**4,369,715**	**4,974,598**	**5,264,864**
Less:				
ECL allowance on staff loans and advances	(54)	(54)	(18)	(18)
	(54)	(54)	(18)	(18)
Net loans and receivables	**4,573,731**	**4,369,661**	**4,974,581**	**5,264,846**
Current	4,739,608	4,439,150	5,102,783	5,321,842
Non-current	(165,877)	(69,488)	(128,202)	(56,996)
	4,573,731	**4,369,661**	**4,974,581**	**5,264,846**

14 Investment property

(a)	Group June, 2024	Group Dec, 2023	Parent June, 2024	Parent Dec, 2023
	-	-	-	-
Office property (Office building located at Bishop Aboyade Cole Street, VI - Lagos)	32,340,000	20,874,577	-	-
Balance, end of year	32,340,000	20,874,577	-	-
Non-current	32,340,000	20,874,577	-	-
	32,340,000	20,874,577	-	-

Investment properties comprise landed and office properties held for the purpose of capital appreciation and rental income. Investment property is carried at fair value which is determined by independent professional valuers; Osas & Oseji Estate Surveyors & Valuers (FRC/2012/000000000052) revalued the office property using the discounted income capitalisation cashflow approach and direct comparison approach. Valuation report was signed by Hyacinth Oseji(FRC/2019/004/000000/20162).

The movement in investment property is analysed as follows:

	Group June, 2024	Group Dec, 2023	Parent June, 2024	Parent Dec, 2023
Balance, beginning of year	20,874,577	14,009,208	-	-
Foreign exchange gain	11,465,424	10,254,466	-	-
Change in fair value		(3,389,097)	-	-
Investment property at fair value	32,340,001	20,874,577	-	-

The fair value measurement for the landed property has been categorised as a level 2 fair value while the measurement of the office property has been based categorized as level 3 fair value based on the inputs to the valuation technique used (see below). The following table shows the valuation technique used in measuring the fair value of investment property, as well as the significant unobservable inputs used.

Investment Properties	Valuation technique	Fair value at 31 December 2023	Unobservable inputs	Range of unobservable	Relationship of unobservable inputs to fair value
Landed Property	Market Valuation approach	-	NA	NA	NA
Office Property	Discounted Income Capitalisation Cashflow approach	32,340,000	Forecast price per square metre	$500 per metre square	The higher the price per square metre, the higher the fair value
			Capitalisation rate	6%	The higher the capitalisation rate, the lower the fair value

15 Investment in subsidiaries

(a) The Company's investment in subsidiaries is as stated below:

	Parent June, 2024	**Parent Dec, 2023**
Cost		
AXA Mansard Investments Limited	940,000	940,000
AXA Mansard Health Limited	712,000	712,000
APD Limited (See note (c) below)	-	-
	1,652,000	1,652,000
Less: impairment on investment	-	-
	1,652,000	**1,652,000**

All investment in subsidiaries are non-current.

(All amounts in thousands of Naira unless otherwise stated)

(b) *Principal subsidiary undertakings:*

The Parent of the Group is AXA Mansard Insurance Plc "the parent" (incorporated in Nigeria). The controlling interest of AXA Mansard Insurance Plc in the Group entities is disclosed in the table below:

Company name	***Nature of business***	***Country of origin***	***% of equity capital controlled***
AXA Mansard Investments Limited	Asset management services	Nigeria	100
AXA Mansard Health Limited	Health Maintenance Organisation	Nigeria	100

1 AXA Mansard Investments Limited was incorporated in January 2008 and its principal activity involves provision of portfolio management services to both individual and corporate clients.

2 AXA Mansard Health Limited was incorporated as a private limited liability company on 7 of August 2003 and its principal activity is to manage the provision of health care services through health care providers and for that purpose was accredited

3 APD Limited was incorporated on 2 September 2010 for the purpose of holding and developing a commercial office property located at Plot 928A/B, Bishop Aboyade Cole Street, Victoria Island, Lagos to an ultra modern office structure.

(c) The movement in investment in subsidiaries during the year as follows:

	Parent June, 2024	**Parent Dec, 2023**
Balance, beginning of year	1,652,000	1,652,000
Additions, during the year	-	-
Disposal, during the year	-	-
Balance, end of year	**1,652,000**	**1,652,000**

The interest in APD Limited is currently held indirectly through AXA Mansard Health Limited

(d) The table below summarises the information relating to the Group's subsidiary that are financially significant before any intra-

(i) *APD Limited*

	Group June, 2024	Group Dec, 2023
NCI percentage	44.3%	44.3%
Cash and cash equivalents	187,843	188,112
Other receivables	396,276	122,759
Investment securities	841,707	161,503
Investment properties	32,340,000	20,874,987
Property and equipment	146,920	97,334
Intangible assets	-	35
Borrowings	(16,852,234)	(9,150,709)
Other liabilities	(3,789,976)	(1,750,087)
Net assets	13,270,536	10,543,934
	-	-
Carrying amount of NCI	5,878,847	4,670,963

	June, 2024	Dec, 2023
Income	(4,724,087)	(2,966,822)
Expenses	(707,480)	(1,059,511)
Profit before tax	(4,016,607)	(1,907,311)
Profit/ (loss) after tax	2,777,890	1,273,169
Profit/ (loss) allocated to NCI (44.3%)	1,230,605	564,013

(All amounts in thousands of Naira unless otherwise stated)

(ii) *AXA Mansard Health Limited*

	Group June, 2024	Group Dec, 2023
Cash and cash equivalents	187,843	6,086,378
Loans and other receivables	6,917,948	3,918,445
Investment securities	21,170,337	6,099,967
Property and equipment	290,744	293,187
Intangible assets	23,804	25,130
Other liabilities	(797,101)	(1,922,076)
Net assets	27,793,575	14,501,031

16 Intangible assets

Analysis of intangible assets:

	Group June, 2024	Group Dec, 2023	Parent June, 2024	Parent Dec, 2023
Computer software acquired (see note (a) be	938,243	943,750	897,873	898,846
Goodwill (see note (b) below)	12,000	12,000	-	-
Total	950,243	955,750	897,873	898,846

(a) **Group**

June, 2024	**Computer software**	**Goodwill**
Cost:		
Balance, beginning of year	1,784,681	12,000
Additions	109,744	-
Disposal	-	-
Balance, end of year	1,894,426	12,000
Amortization:		
Balance, beginning of year	840,930	-
Amortisation charge	115,252	-
Accumulated amortization on disposed assets	-	-
Balance, end of year	956,183	-
	-	-
Closing net book value	938,243	12,000

(All amounts in thousands of Naira unless otherwise stated)

2023	**Computer software**	**Goodwill**
Cost:		
Balance, beginning of year	1,137,742	12,000
Additions	646,939	-
Disposal	-	-
Balance, end of year	1,784,681	12,000
Amortization:		
Balance, beginning of year	704,148	-
Amortisation charge	136,783	-
Accumulated amortization on disposed assets	-	-
Balance, end of year	840,930	-
Closing net book value	943,751	12,000

Parent	**June, 2024**	**Dec, 2023**
Cost:		
Balance, beginning of year	1,634,596	1,002,581
Additions	107,272	632,015
Balance, end of year	1,741,868	1,634,596
	-	-
Amortization:		
Balance, beginning of year	898,846	611,380
Amortisation charge	124,370	124,370
Balance, end of year	843,996	735,750
Closing net book value	897,873	898,846

(All amounts in thousands of Naira unless otherwise stated)

17 Property and equipment

(a) Group

	Land	Building	Motor vehicle	Computer equipment	Office equipment	Furniture and fittings	Work in progress	Total
Cost								
Balance, 1 January 2024	389,664	657,165	2,047,880	2,430,864	1,048,335	1,851,189	381,289	8,806,385
Additions	-	-	112,616	229,591	115,164	40,715	(0)	498,085
Disposals	-	-	-	-	-	-	-	-
Balance, 30th June 2024	389,664	657,165	2,160,496	2,660,455	1,163,499	1,891,903	381,287	9,304,469
	-	-	-	-	-	-		
Accumulated depreciation								
Balance, 1 January 2024	-	135,045	957,651	1,423,585	526,861	1,234,254	-	4,277,396
Charge for the period	-	4,382	358,183	528,967	158,641	181,412	-	1,231,585
Disposals								-
Balance, 30th June 2024	-	139,427	1,315,834	1,952,552	685,503	1,415,666	-	5,508,981
Net book value								
Balance, 1 January 2024	389,664	522,120	1,090,229	1,007,278	521,473	616,934	381,289	4,528,989
Balance, 30th June 2024	389,664	517,738	844,662	707,903	477,996	476,238	381,287	3,795,488

Parent

	Land	Building	Motor vehicle	Computer equipment	Office equipment	Furniture and fittings	Work in progress	Total
Cost								
Balance, 1 January 2024	389,664	657,165	1,599,532	2,206,164	694,145	1,622,180	402,816	7,571,665
Additions	-	-	147,947	210,960	70,431	41,468		470,806
Disposals	-	-	-	-	-	-	(21,529)	(21,529)
Balance, 30th June 2024	389,664	657,165	1,747,479	2,417,124	764,576	1,663,648	381,287	8,020,943
	-	-	-	-	-	-	-	(1)
Accumulated depreciation								
Balance, 1 January 2024	-	139,427	950,703	1,619,416	538,792	1,090,846	-	4,339,184
Charge for the period	-	0	122,728	150,818	(80,137)	164,179	-	357,589
Disposals	-	-	-	-	-	-	-	-
Balance, 30th June 2024	-	139,427	1,073,431	1,770,234	458,655	1,255,025	-	4,696,772
	-	-	-	-	-	-	-	-
Net book value								
Balance, 1 January 2024	389,664	517,738	648,829	586,748	155,353	531,334	402,816	3,232,481
Balance, 30th June 2024	389,664	517,738	674,048	646,890	305,921	408,624	381,287	3,324,170

(All amounts in thousands of Naira unless otherwise stated)

17 Property and equipment

(b) Group

	Land	Building	Motor vehicle	Computer equipment	Office equipment	Furniture and fittings	Work in progress	Total
Cost								
Balance, 1 January 2023	389,664	657,165	1,638,791	1,992,274	763,307	1,757,651	167,154	7,366,007
Additions	-	-	409,088	438,590	285,028	93,538	214,135	1,440,378
Disposals	-	-	-	-	-	-	-	-
Balance, 31st December 2023	389,664	657,165	2,047,880	2,430,864	1,048,335	1,851,189	381,289	8,806,385
	-	-	-	-	-	-	-	-
Accumulated depreciation								
Balance, 1 January 2023	-	124,091	957,651	1,423,585	526,861	1,234,254	-	4,266,442
Charge for the period	-	10,953	197,016	298,372	155,174	50,907	-	712,422
Disposals								-
Balance, 31st December 2023	-	135,045	1,154,667	1,721,957	682,035	1,285,161	-	4,978,864
	-	-	-	-	-	-	-	-
Net book value								
Balance, 1 January 2023	389,664	533,073	681,140	568,690	236,446	523,397	167,154	3,099,564
At 31st December 2022	389,664	522,120	893,212	708,907	366,300	566,028	381,289	3,827,521

Parent

	Land	Building	Motor vehicle	Computer equipment	Office equipment	Furniture and fittings	Work in progress	Total
Cost								
Balance, 1 January 2023	389,664	657,165	1,333,179	1,813,013	562,983	1,456,273	167,153	6,379,429
Additions	-	-	266,353	393,151	131,162	165,907	235,663	1,192,236
Disposals	-	-	-	-	-	-	-	-
Balance, 31st December 2023	389,664	657,165	1,599,532	2,206,164	694,145	1,622,180	402,816	7,571,665
Accumulated depreciation								
Balance, 1 January 2023	-	125,188	798,420	1,306,071	390,889	1,041,395	-	3,661,964
Charge for the period	-	14,239	152,282	313,344	147,903	49,451	-	677,220
Disposals	-	-	-	-	-	-	-	-
Balance, 31st December 2023	-	139,428	950,703	1,619,416	538,792	1,090,846	-	4,339,184
Net book value								
Balance, 1 January 2023	389,664	531,977	534,759	506,942	172,094	414,878	167,153	2,717,465
At 31st December 2022	389,664	517,737	648,829	586,748	155,353	531,334	402,816	3,232,481

(All amounts in thousands of Naira unless otherwise stated)

18 Right of Use Assets

	Group June, 2024	Group Dec, 2023	Parent June, 2024	Parent Dec, 2023
Cost				
As at January 1	2,115,947	1,459,692	1,972,265	1,316,009
Additions	132,818	656,255	100,463	656,256
Disposals	-	-		
As at June 30	2,248,766	2,115,947	2,072,728	1,972,265
Accumulated Depreciation				
As at January 1	(930,208)	(676,188)	(865,497)	(643,833)
Charge for the year	(213,667)	(254,019)	(165,135)	(221,664)
As at June 30	(1,143,875)	(930,208)	(1,030,632)	(865,497)
Carrying amount	**1,104,891**	**1,185,740**	**1,042,097**	**1,106,768**

The Right of Use assets relate to leased properties and are measured in line with IFRS 16

19 Statutory deposit

This represents amounts deposited with the Central Bank of Nigeria (CBN) pursuant to Section 10(3) of the Insurance Act, 2003. This amount is not available for the day-to-day use in the working capital of the Company and so it is excluded from cash and cash equivalents. Interest earned on statutory deposits are

(All amounts in thousands of Naira unless otherwise stated)

20 Investment contract liabilities

The movement in deposit administration during the year can be divided into interest-linked and unitized fund. The analysis of investment contract liabilities during the year are as follows:

	Group June, 2024	Group Dec, 2023	Parent June, 2024	Parent Dec, 2023
Investment Contract Liabilities - At amortised cost:				
- Guaranteed investment (interest-linked)	2,565,036	9,253,802	2,565,036	9,253,802
- Bonus Life investible (interest-linked)	432,626	459,250	432,626	459,250
	2,997,662	9,713,052	2,997,662	9,713,052
Investment Contract Liabilities - Liabilities designated at fair value:				
- Unitized funds	2,409,920	2,496,669	2,409,920	2,496,669
	5,407,582	12,209,721	5,407,582	12,209,721
Current	2,894,251	5,208,297	2,894,251	5,208,297
Non-current	2,513,331	7,001,424	2,513,331	7,001,424
	5,407,582	**12,209,721**	**5,407,582**	**12,209,721**

Movements in amounts payable under investment contracts liabilities during the year are as shown below. The liabilities are shown inclusive of interest accumulated to 30 June 2024. The movement in interest-linked funds during

20.1 Movement in interest linked products:

	Group June, 2024	Group Dec, 2023	Parent June, 2024	Parent Dec, 2023
Balance, beginning of year	9,713,052	9,065,180	9,713,052	9,065,180
Contributions	432,626	459,250	432,626	459,250
Withdrawal	(7,882,251)	(571,743)	(7,882,251)	(571,743)
Interest accrued during the year	734,235	760,365	734,235	760,365
Balance, end of year	2,997,662	9,713,052	2,997,662	9,713,052

20.2 The movement in unitised funds during the year was as follows:

	Group June, 2024	Group Dec, 2023	Parent June, 2024	Parent Dec, 2023
Balance, beginning of year	2,496,669	2,505,441	2,496,669	2,505,441
Contributions				
Withdrawals	(86,749)	(8,772)	(86,749)	(8,772)
Balance, end of year	**2,409,920**	**2,496,669**	**2,409,920**	**2,496,669**
Currrent	2,409,920	2,496,669	2,409,920	2,496,669
Total Investment Contract Liabilities	**5,407,582**	**12,209,721**	**5,407,582**	**12,209,721**

20.3 The movement in investment contract liabilities during the year was as follows

	Group June, 2024	Group Dec, 2023	Parent June, 2024	Parent Dec, 2023
Balance, beginning of year	12,209,721	11,570,621	12,209,721	11,570,621
Contributions	432,626	459,250	432,626	459,250
Withdrawals	(7,968,999)	(580,515)	(7,968,999)	(580,515)
Interest accrued during the year	734,235	760,365	734,235	760,365
Balance, end of year	**5,407,582**	**12,209,721**	**5,407,582**	**12,209,721**

(All amounts in thousands of Naira unless otherwise stated)

21 Trade payable

	Group June, 2024	Group Dec, 2023	Parent June, 2024	Parent Dec, 2023
Coinsurance payable	1,045,461	1,527,891	1,045,461	1,527,891
Due to agents and brokers	11,441,409	9,245,286	11,441,409	9,245,286
	12,486,869	**10,773,177**	**12,486,869**	**10,773,177**
Current	4,510,777	4,100,356	4,510,777	4,100,356
Non-current	7,976,093	6,672,821	7,976,093	6,672,821
	12,486,869	**10,773,177**	**12,486,869**	**10,773,177**

22 Other liabilities

	Group June, 2024	Group Dec, 2023	Parent June, 2024	Parent Dec, 2023
Deferred income	2,160,142	1,252,716	856,067	536,493
Due to investment brokers	1,209	1,209	-	-
Creditors and accruals (see (i) below)	2,376,984	2,490,256	1,495,176	1,306,718
Unclaimed dividend	123,105	129,432	123,105	129,432
Cash settled share based payment liability (see note 43 (b))	476,150	426,150	476,150	426,150
Lease Liability (see 20.1 below)	1,483,133	1,287,422	1,387,961	1,205,369
	6,620,723	**5,587,185**	**4,338,458**	**3,604,162**
Current	3,097,031	2,905,805	1,780,531	1,483,526
Non-current	3,523,691	2,681,380	2,557,927	2,120,636
	6,620,723	**5,587,185**	**4,338,458**	**3,604,162**

(i) Amounts classified as Creditors includes transaction taxes, unremitted pensions and stale cheques while accruals represent provisions made for expenses incurred but yet to be paid for.

22.1 Lease Liability

	Group June, 2024	Group Dec, 2023	Parent June, 2024	Parent Dec, 2023
Opening Balance	1,287,422	851,786	1,205,369	753,924
Interest Expense	739,453	302,921	649,304	282,867
Lease Payments	(39,919)	(120,570)	(39,919)	(66,980)
Recognition of new leases	(503,823)	253,285	(426,793)	235,558
Balance	**1,483,133**	**1,287,422**	**1,387,961**	**1,205,369**
Current	494,378	429,141	462,654	401,790
Non-current	988,755	858,281	925,307	803,579
	1,483,133	**1,287,422**	**1,387,961**	**1,205,369**

(All amounts in thousands of Naira unless otherwise stated)

23 Other Technical Liabilities

	Group June, 2024	Group Dec, 2023	Parent June, 2024	Parent Dec, 2023
Unallocated premiums & refunds (see (a) bel	2,680,000	3,017,256	2,680,000	3,017,256
Premium received in advance	1,587,124	5,795,866	1,587,124	5,795,866
	4,267,124	**8,813,122**	**4,267,124**	**8,813,122**

24 Current income tax liabilities

	Group June, 2024	Group Dec, 2023	Parent June, 2024	Parent Dec, 2023
Balance, beginning of year	1,858,041	1,129,928	1,039,866	674,215
Current year charge				
- Non-Life	481,103	584,134	481,103	584,134
- Life & Savings	261,471	449,526	261,471	449,526
- AXA Mansard Investments Limited	170,700	29,114	-	-
- AXA Mansard Health Limited	245,529	788,778	-	-
- APD Limited	31,923	4,577	-	-
Cash Payments during the year	(1,072,120)	(1,128,016)	(875,706)	(668,009)
Balance, end of year	**1,976,647**	**1,858,041**	**906,734**	**1,039,866**

The balance in current income tax liability is due within 12 months.

25 Borrowings

	Group June, 2024	Group Dec, 2023	Parent June, 2024	Parent Dec, 2023
Bank borrowings	9,907,698	5,126,878	-	-
Loan note	141,375	130,792	-	-
Total borrowings	**10,049,073**	**5,257,670**	**-**	**-**
Current	9,972,383	5,180,980	-	-
Non-current	76,690	76,690	-	-
	10,049,073	**5,257,670**	**-**	**-**

	Group June, 2024	Group Dec, 2023	Parent June, 2024	Parent Dec, 2023
Balance, beginning of the year	5,257,670	2,180,878	-	-
Aditional loans	-	-	-	-
Impact of foreign exchange rate changes	4,289,923	2,630,158	-	-
Accrued interest	501,480	948,437	-	-
Payments during the year		(501,803)	-	-
	10,049,073	5,257,670	-	-

(All amounts in thousands of Naira unless otherwise stated)

26 Deferred tax liability

(a) *Liabilities*

	Group June, 2024	Group Dec, 2023	Parent June, 2024	Parent Dec, 2023
Balance, beginning of year	2,581,346	855,631	-	-
Charge/(Credit) in income statement for the year	190,580	1,725,715	-	-
Balance, end of year	2,771,926	2,581,346	-	-

27 Share capital:

27.1 Share capital comprises:

	Group June, 2024	Group Dec, 2023	Parent June, 2024	Parent Dec, 2023
(a) Issued and fully paid				
9,000,000,000 Ordinary shares of N2 each	18,000,000	18,000,000	18,000,000	18,000,000

Movement in issued and fully paid shares

	Group June, 2024	Group Dec, 2023	Parent June, 2024	Parent Dec, 2023
Balance, beginning of year	18,000,000	18,000,000	18,000,000	18,000,000
Additional shares during the year	-	-	-	-
Balance, end of year	18,000,000	18,000,000	18,000,000	18,000,000

(i) Non-Life Business

Share capital comprises:

	Group June, 2024	Group Dec, 2023	Parent June, 2024	Parent Dec, 2023
5,000,000,000 Ordinary shares of N2 each	10,000,000	10,000,000	10,000,000	10,000,000

(ii) Life Business

	Group 2023	Group 2022	Parent 2023	Parent 2022
4,000,000,000 Ordinary shares of N2 each	8,000,000	8,000,000	8,000,000	8,000,000

27.2 Share premium

	Group June, 2024	Group Dec, 2023	Parent June, 2024	Parent Dec, 2023
Share Premium	78,255	78,255	78,255	78,255

(All amounts in thousands of Naira unless otherwise stated)

27.3 Contingency reserves

In compliance with Section 21 (1) of Insurance Act 2003, the contingency reserve for non-life insurance business is credited with the greater of 3% of total premiums, or 20% of the profits. This shall accumulate until it reaches an amount equal to the greater of minimum paid-up capital or 50 percent of net premium. While for life business, the contingency reserves 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.

The movement in this account during the year is as follows:

	Group June, 2024	Group Dec, 2023	Parent June, 2024	Parent Dec, 2023
Balance, beginning of the year	6,516,717	5,118,869	6,516,717	5,118,869
Transfer from retained earnings	142,174	1,397,848	142,174	1,397,848
Balance, end of year	6,658,890	6,516,717	6,658,891	6,516,717

Analysis per business segment

	Group June, 2024	Group Dec, 2023	Parent June, 2024	Parent Dec, 2023
Non-life business	5,341,319	5,341,320	5,341,319	5,341,320
Life business	1,317,571	1,175,397	1,317,571	1,175,397
Balance, end of year	6,658,890	6,516,717	6,658,890	6,516,717

(i) Non-Life Business

	Group June, 2024	Group Dec, 2023	Parent June, 2024	Parent Dec, 2023
Balance, beginning of year	5,341,320	4,116,614	5,341,320	4,116,614
Transfer from retained earnings	0	1,224,706	0	1,224,706
Balance, end of year	5,341,320	5,341,320	5,341,319	5,341,320

(ii) Life Business

	Group June, 2024	Group Dec, 2023	Parent June, 2024	Parent Dec, 2023
Balance, beginning of year	1,175,397	1,002,255	1,175,397	1,002,255
Transfer from retained earnings	142,174	173,142	142,174	173,142
Balance, end of year	1,317,571	1,175,397	1,317,571	1,175,397

(All amounts in thousands of Naira unless otherwise stated)

27.4 Treasury shares

Treasury shares represent the 55,738,227 (2021: 55,738,227 at N2 each) N2 ordinary shares held by the Company under the AXA Mansard Share Option Plan (MSOP). Details of the Share Option Plan are as disclosed in note 45.

Treasury shares' balances as at 31 December 2022 are as analysed below:

	Group June, 2024	Group Dec, 2023	Parent June, 2024	Parent Dec, 2023
Balance, beginning of year	(111,476)	(111,476)	(111,476)	(111,476)
Value of vested portion of treasury shares	-	-	-	-
Balance, end of year	(111,476)	(111,476)	(111,476)	(111,476)

27.5 Fair value reserves

Fair value reserves includes the net accumulated change in the fair value of available for sale asset until the investment is

Movements in the fair value reserve:

	Group June, 2024	Group Dec, 2023	Parent June, 2024	Parent Dec, 2023
At beginning of year	(1,922,537)	(1,193,180)	(2,593,218)	(535,144)
ECL allowance	148,789	283,408	121,556	231,535
Changes in available-for-sale financial assets (net of taxes)	(3,824,978)	(1,012,765)	(2,371,018)	(2,289,609)
Balance, end of year	(5,598,726)	(1,922,537)	(4,842,680)	(2,593,218)

Changes in the valuation of financial assets during the year are as analysed below:

	Group June, 2024	Group Dec, 2023	Parent June, 2024	Parent Dec, 2023
At beginning of year	(1,922,537)	(1,193,180)	(2,593,218)	(535,144)
IFRS 9 adjustments	-	-	-	-
ECL allowance	148,789	283,408	121,556	231,535
Net unrealised changes in fair value of assets	(3,824,978)		(2,371,018)	
Realised (losses)/gains transferred to income statement	-	(1,012,765)	-	(2,289,609)
Balance, end of year	(5,598,726)	(1,922,537)	(4,842,680)	(2,593,218)

27.6 Insurance finance reserve

	Group June, 2024	Group Dec, 2023	Parent June, 2024	Parent Dec, 2023
Movements in insurance finance reserve:				
At the beginning of the year	(725)	50,072	(11,430)	47,430
Net change in OCI stock	58,610	7,926	58,610	(248)
Insurance finance reserve	57,885	57,998	47,180	47,182
Discount effect on LIC - PY		(194,065)	-	(194,065)
Discount effect on Ri share of LIC - PY		135,342	-	135,453
	57,885	(725)	47,180	(11,430)

(All amounts in thousands of Naira unless otherwise stated)

27.7 Retained earnings

The retained earnings represents the amount available for dividend distribution to the equity shareholders of the Company. See movement in retained earnings below

	Group June, 2024	Group Dec, 2023	Parent June, 2024	Parent Dec, 2023
Opening retained earnings	14,188,436	7,059,009	6,344,864	3,719,624
Adjustment on application of IFRS 17 (net of tax)			-	-
Adjustment on application of IFRS 9 (net of tax)			-	-
Other comprehensive income	1,861,835	292,675	107,981	603,249
Profit/(loss) for the year	23,887,031	11,474,600	14,197,387	6,659,839
Transfer to contigency reserves	(142,174)	(1,397,848)	(142,174)	(1,397,848)
Final dividend paid		(3,240,000)		(3,240,000)
Interim dividend paid	-	-	-	-
Impact of vesting shares in the equity settled share based payment	-	-	-	-
Closing Retained earnings	**39,795,128**	**14,188,436**	**20,508,058**	**6,344,864**

28 Non-controlling interests in equity

	Group June, 2024	Group Dec, 2023
Opening balance	4,670,962	4,106,949
Transfer from the profit or loss account	1,230,605	564,013
Balance as at year end	5,901,567	4,670,962

Non controlling interest represents 44.3% of the equity holding of the Company's subsidiary, APD Limited (2021: 44.3% of the equity holding of the Company's subsidiaries, APD Limited). The Group did not pay any dividend to Non-

APD Limited

Non controlling interest (44.3%)	Group June, 2024	Group Dec, 2023
Opening balance	2,572,402	2,008,389
Transfer from the profit or loss account	1,230,605	564,013
Balance as at year end	3,803,007	2,572,402

30 Insurance Revenue

June 30, 2024 Group		Parent N'000	Group N'000
		44,293,967	65,621,824
Total Insurance Revenue	-	**44,293,967**	**65,621,824**

30 June 2023 Group	Parent N'000	Group N'000
Total Insurance Revenue	**23,451,421**	**39,003,675**

31 Insurance service expenses

June 30, 2024 Group	Non life N'000	Life N'000	Health N'000	Total N'000
Incurred claims and other Incurred Insurance Service expenses	5,721,260	8,318,822	17,363,059	31,403,141
Adjustment to Liability for incurred claims	-	-	-	-
Amortisation of Insurance acquisition cash flows	3,538,086	1,014,322	944,696	5,497,105
Insurance service expenses	**9,259,346**	**9,333,144**	**18,307,755**	**36,900,245**

30 June 2023 Group	Non life N'000	Life N'000	Health N'000	Total N'000
Incurred claims and other Incurred Insurance Service expenses	1,066,002	6,122,874	13,225,096	20,413,972
Adjustment to Liability for incurred claims	(241,420)	-	(54,823)	(296,243)
Amortisation of Insurance acquisition cash flows	1,661,737	823,858	770,086	3,255,680
Insurance service expenses	**2,486,318**	**6,946,732**	**13,940,359**	**23,373,409**

June 30, 2024 Company	Non life N'000	Life N'000	Total N'000
Incurred claims and other Incurred Insurance Service expenses	5,721,260	8,318,822	14,040,082
Adjustment to Liability for incurred claims	-	-	-
Amortisation of Insurance acquisition cash flows	3,538,086	1,014,322	4,552,409
Insurance service expenses	**9,259,346**	**9,333,144**	**18,592,490**

30 June 2023 Company		Non life	Life	Total
		N'000	N'000	N'000
Incurred claims and other Incurred Insurance Service expenses		1,066,002	6,122,874	7,188,876
Adjustment to Liability for incurred claims		(241,420)		(241,420)
Amortisation of Insurance acquisition cash flows		1,661,737	823,858	2,485,594
Insurance service expenses	**-**	**2,486,318**	**6,946,732**	**9,433,050**

32 Net expenses from reinsurance contracts held

June 30, 2024 Group	Non life	Life	Health	Total
	N'000	N'000	N'000	N'000
Amounts relating to changes in liabilities for remaining coverage				-
- Expected amount recoverable for claims and other insurance service expenses incurred in the period	-	116,683	-	116,683
- Change in risk adjustment for non-financial risk for risk expired	-	-	-	-
- CSM recognised for services received	-	-	-	-
Contracts not measured under the PAA	-	116,683	-	116,683
Contracts measured under the PAA	22,359,089	-	447,409	22,806,498
Recoveries of incurred claims and other insurance service expenses	(3,192,338)	-	(214,581)	(3,406,919)
Changes that relate to past service – changes in the FCF relating to incurred claims recovery	-	-		-
Total net expenses from reinsurance contracts held	**19,166,751**	**116,683**	**232,828**	**19,516,262**

30 June 2023 Group	Non life	Life	Health	Total
	N'000	N'000	N'000	N'000
Amounts relating to changes in liabilities for remaining coverage				-
- Expected amount recoverable for claims and other insurance service expenses incurred in the period	-	637,285	-	637,285
- Change in risk adjustment for non-financial risk for risk expired	-	(742,241)	-	(742,241)
- CSM recognised for services received	-	-	-	-
Contracts measured under the PAA	9,827,040	-	133,319	9,960,359
Recoveries of incurred claims and other insurance service expenses	(181,382)	-	(161,754)	(343,136)
Changes that relate to past service – changes in the FCF relating to incurred claims recovery	(123,724)	-	726	(122,998)
Total net expenses from reinsurance contracts held	**9,521,934**	**(104,956)**	**(27,709)**	**9,389,269**

June 30, 2024 Company	Non life	Life	Total
	N'000	N'000	N'000
Amounts relating to changes in liabilities for remaining coverage			-
- Expected amount recoverable for claims and other insurance service expenses incurred in the period	-	116,683	-
- Change in risk adjustment for non-financial risk for risk expired	-	-	-
- CSM recognised for services received	-	-	-
Contracts not measured under the PAA	-	116,683	116,683
Contracts measured under the PAA	22,359,089		22,359,089
Recoveries of incurred claims and other insurance service expenses	(3,192,338)		(3,192,338)
Changes that relate to past service – changes in the FCF relating to incurred claims recovery	-		-
Total net expenses from reinsurance contracts held	**19,166,751**	**116,683**	**19,283,434**

30 June 2023 Company	Non life	Life	Total
	N'000	N'000	N'000
Amounts relating to changes in liabilities for remaining coverage			-
- Expected amount recoverable for claims and other insurance service expenses incurred in the period	-	637,285	637,285
- Change in risk adjustment for non-financial risk for risk expired	-	(742,241)	(742,241)
- CSM recognised for services received	-		-
Contracts not measured under the PAA	-	(104,956)	(104,956)
Contracts measured under the PAA	9,827,040		9,827,040
Recoveries of incurred claims and other insurance service expenses	(181,382)		(181,382)
Changes that relate to past service – changes in the FCF relating to incurred claims recovery	(123,724)		(123,724)
Total net expenses from reinsurance contracts held	**9,521,934**	**(104,956)**	**9,416,978**

(All amounts in thousands of Naira unless otherwise stated)

33 Interest revenue calculated using the effective interest method

Investment income comprises the following:

	Group June, 2024	Group June, 2023	Parent June, 2024	Parent June, 2023
Financila assets measured at FVOCI				
Government & corporate bonds	2,538,708	1,430,611	1,917,905	1,286,016
Treasury bills	548,074	43,069	476,182	43,069
Financial assets measured at amortised costs				
Cash and cash equivalents	53,437	517,752	307,777	510,746
	3,140,219	**1,991,432**	**2,701,864**	**1,839,831**

34 Other investment income

	Group June, 2024	Group June, 2023	Parent June, 2024	Parent June, 2023
Dividend income	67,122	419,073	44,286	221,792
(Losses)/Gains on financial assets	(381,758)	83,698	(459,158)	(1,934)
Foreign exchange gain/loss	23,978,049	11,186,073	12,920,621	7,158,047
Profit on investment contract (see note (a) below)	506,812	417,885	506,812	417,884
Fair value through Profit or Loss	(402,655)	314,277	(401,872)	314,277
Fair value loss on investment property (see note 15)	-		-	-
	23,767,569	**12,421,006**	**12,610,688**	**8,110,066**

(a) Profit on investment contracts

	Group June, 2024	Group June, 2023	Parent June, 2024	Parent June, 2023
Interest income	596,385	574,117	596,385	574,117
(Losses)/gains from sale of investments	-	2,086	-	2,086
Total interest income	**596,385**	**576,203**	**596,385**	**576,203**
Expenses				
Guaranteed interest	(65,719)	(133,814)	(65,719)	(133,814)
Other expenses	(23,855)	(24,504)	(23,855)	(24,505)
Net profit	**506,812**	**417,885**	**506,812**	**417,884**

35 Other income

	Group June, 2024	Group June, 2023	Parent June, 2024	Parent June, 2023
Profit from sale of property and equipment	387	7,828	387	7,828
Sundry income	91,910	62,265	12,332	5,830
Rental income	793,376	386,800	-	-
Asset management fees (see note (a) below)	1,048,819	275,846	-	-
Total	1,934,492	732,740	12,719	13,658

(a) The asset management fees represent the net of gross management fees earned by the Group after eliminating the asset management fees expenses charged by AXA Mansard Investments Limited on other members of the AXA Mansard Group.

36 Expenses for marketing and administration

	Group June, 2024	Group June, 2023	Parent June, 2024	Parent June, 2023
Marketing and administrative expenses	1,436,351	1,004,151	1,248,321	874,701
Direct selling cost	387,580	325,827	387,580	325,827
	1,823,931	1,329,978	1,635,901	1,200,528

37 Employee benefit expense

	Group June, 2024	Group June, 2023	Parent June, 2024	Parent June, 2023
Wages and salaries	2,343,199	1,742,455	951,205	790,046
Other employee costs	190,942	201,952	346,224	229,654
Pension costs – defined contribution plans	63,304	52,384	47,656	39,566
Performance-based expenses	349,716	522,068	243,692	453,127
Equity and Cash settled share-based payments	50,000		50,000	
	2,997,161	2,518,860	1,638,778	1,512,393

38 Other operating expenses

	Group June, 2024	Group June, 2023	Parent June, 2024	Parent June, 2023
Depreciation and amortisation charges	613,585	494,175	517,450	418,395
Depreciation on ROU	181,313	145,643	165,135	129,467
Professional fees	303,659	145,487	124,371	95,032
Directors' emolument and expenses	77,895	42,150	56,610	26,943
Contract services cost**	994,331	812,377	830,629	676,716
Auditor's remuneration*	34,817	26,306	27,033	21,361
Bank charges	90,679	62,112	57,971	49,313
Stamp duty charge on bank transactions	317	381	43	381
Insurance related expenses	239,279	134,806	236,558	126,522
Training expenses	83,221	79,865	56,058	59,322
Asset management fees expense	326,119	-	250,215	142,298
Information technology and maintenance expenses	227,209	437,910	517,432	390,546
Rental Expense	61,512		-	
Other expenses	588,885	52,443	439,694	35,207
	3,822,822	2,433,656	3,279,200	2,171,503

39 Net impairment/(writeback) on financial assets

	Group June, 2024	Group June, 2023	Parent June, 2024	Parent June, 2023
	148,789	**7,871**	**121,556**	**5,376**

40 Finance expense from insurance contracts

	Group June, 2024	Group June, 2023	Parent June, 2024	Parent June, 2023
Recognised in profit or loss				
Unwinding discount effect on LIC - PY	-	343,521	-	**294,216**
	-	**343,521**	**-**	**294,216**
Recognised in OCI				
Unwinding of OCI stock - Ins	57,885		47,180	
	57,885	**-**	**47,180**	**-**
	57,885	**-**	**47,180**	**-**

41 Finance income/(expense) from reinsurance contracts

	Group June, 2024	Group Dec, 2023	Parent June, 2024	Parent Dec, 2023
Recognised in profit or loss				
Change in default risk	-	23,105	-	23,131
Unwinding of OCI stock - Ri share		173,609	-	**172,740**
	-	**196,714**	**-**	**195,870**

42 Finance cost

The ₦154m finance cost in 2023 relates to capitalized lease liability (2022: ₦132m) while the group figures for 2023 and 2022 primarily relate to interest expense on external Loans.

	Group June, 2024	Group Dec, 2023	Parent June, 2024	Parent Dec, 2023
Interest expense	679,925	174,767	127,917	108,219
	679,925	**174,767**	**127,917**	**108,219**
	-	**-**	**-**	**-**

43 Income tax expense

	Group June, 2024	Group Dec, 2023	Parent June, 2024	Parent Dec, 2023
Company income tax				
- Non life	334,685	265,728	334,685	265,728
- Life	257,274	151,849	257,274	151,849
- AXA Mansard Investments Limited	161,237	81,201	-	-
- APD Limited	31,923	95,540	-	-
- AXA Mansard Health Limited	245,529	95,524	-	-
National Information Technology Development Agency (NITDA)				
- APD Limited	-	-	-	-
- AXA Mansard Health Limited	86,816	-	-	-
- AXA Mansard Investments limited	9,463		-	-
- General	146,418		146,418	
- Life	4,197		4,197	
	1,277,542	**689,842**	**742,574**	**417,577**

Deferred tax				
- Non life	-	-	-	-
- Life	-	-	-	-
- AXA Mansard Investments limited	30,647	(7,218)	-	-
- APD Limited	1,206,795	920,187	-	-
- AXA Mansard Health Limited	942,347	36,805	-	-
	2,179,789	**949,774**	**-**	**-**
Total tax charge for the year	**3,457,331**	**1,639,616**	**742,574**	**417,577**

Tax on the Group's profit before tax differ from the theoretical amount that would arise using the weighted average tax rate applicable to profit of the consolidated entities as follows:

44 Earnings per share

(a) ***Earnings per share - Basic***

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year, excluding ordinary shares purchased by the Company and held as

	Group June, 2024	**Group 2023**	**Parent 2023**	**Parent 2023**
Profit attributable to equity holders	23,887,031	12,914,422	14,197,387	9,051,004
Weighted average number of ordinary shares in issue (thousands) (see note (a) (i) below)	9,000,000	9,000,000	9,000,000	9,000,000
Basic earnings per share (kobo per share)	265	143	158	101
Basic earnings per share (kobo per share); Continued operations	265	143	158	101

(i) **Weighted average number of ordinary shares (basic)**

	Group 2023	**Group 2022 *Restated**
Issued ordinary shares at 1 January	9,000,000	9,000,000
Effect of treasury shares held	-	-
Weighted effect of increase in nominal value of shares during the year	-	-
Weighted-average number of ordinary shares at 31 December	9,000,000	9,000,000

(b) ***Earnings per share- Diluted***

The calculation of diluted earnings per share has been based on the profit attributable to ordinary shareholders and the weighted-average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares.

	Group 2023	**Group 2022 *Restated**	**Parent 2023**	**Parent 2022 *Restated**
Profit attributable to equity holders	23,887,031	12,914,422	14,197,387	9,051,004
Weighted average number of ordinary shares in issue (thousands) (see note (a) (i) below)	9,000,000	9,000,000	9,000,000	9,000,000
Diluted earnings per share (kobo per share)	265	143	158	101
Basic earnings per share (kobo per share)	265	143	158	101

(i) **Average number of ordinary shares (diluted)**

	Group 2023	Group 2022 *Restated
Issued ordinary shares at 1 January	9,000,000	9,000,000
Effect of treasury shares held	-	-
Weighted effect of increase in nominal value of shares during the year	-	-
Weighted-average number of ordinary shares at 31 December	9,000,000	9,000,000