Cornerstone Insurance Plc

MANAGEMENT REPORT

30 September 2026

Corporate Information

Directors	Mr. Afolabi Balogun	Acting Chairman
	Mr. Stephen Alangbo	Managing Director/CEO
	Prof. Ogechi Adeola	Independent Non-Executive Director
	Mrs. Christabel Onyejekwe	Non-Executive Director
	Mr. Peter Ekwueme	Executive Director
	Mr. Philip Southwell	Non-Executive Director
	Mr. Olukayode Pitan	Independent Non-Executive Director
	Mr, Ibrahim Ibisomi	Independent Non-Executive Director

Company Secretary

PAC Solicitors
10, Canaanland Street, Off Whitesands Avenue,
Lekki Phase 1,
Lagos.
FRC/2015/00000006026

Registered Office

Cornerstone Insurance Plc
136, Lewis Street,
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Lagos.
Tel: 01-2806500
Website: www.cornerstone.com.ng

Corporate Head Office

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Tel: 01-2806500
Website: www.cornerstone.com.ng
E-mail: enquiries@cornerstone.com.ng

Registrars

Lighthouse Registrars Limited,
2/4 Davies Street,
Marina,
Lagos.

Auditor

Deloitte and Touche
Civic Towers
Plot GA. 1 Ozumba Mbadiwe Avenue
Victoria Island,
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Website: www.deloitte.com

Bankers

Access Bank Plc
First Bank of Nigeria Limited
Standard Chartered Bank Limited
Guaranty Trust Bank Limited
Wema Bank Plc
United Bank for Africa Plc
Stanbic IBTC Bank Limited
First City Monument Bank Limited
Polaris Bank Limited
Union Bank Plc

Corporate Information

Bankers	Zenith Bank Plc Accion Microfinance Bank Limited Ecobank Limited Fidelity Bank Plc FSDH Merchant Bank Limited Keystone Bank Limited Sun Trust Bank Limited Sterling Bank Plc
Actuary	Becoda Consulting 7, Ibiyinka Olorunbe Close, Victoria Island, Lagos. Lagos. FRC/2015/NAS/00000012946
Property Valuers	Funsho Oladimeji & Company 4, Ikosi Road, Off Kudirat Abiola Way, Oregun, Ikeja, Lagos. FRC/2012/0000000000109 John Odiba & Partners 29, Majia Plaza, Opposite Al-Ansar Centre for Comprehensive Education, Sahara Estate, Gwarimpa, Abuja. FRC/2022/00000014211
Custodian for Annuity Fund	First Pension Fund Custodian Limited Plot 1297Akin Adesola Street Victoria Island, Lagos.
Lagos Branches	1.) 136, Lewis Street, Lagos. Tel: 01-2632863, 2630722, 2631832 2.) 6, Adeniyi Jones Avenue, (Opp. Wahum) Ikeja, Lagos. Tel: 08028339619 3.) Polysonic Mall (2nd floor), 42/44, Warehouse Road, Apapa, Lagos. Tel: 08034419914 4.) 191, Herbert Macaulay Street, Yaba. Tel: 08033809494, 07029043354 5.) 71,Emma Abimbola Cole Street, Lekki, Lagos State.
Other Branches	1.) 67, Aboderin Layout, Oni & Sons Area, Ring Road, Ibadan. Tel: 08029094320 2.) 222, Aba/Portharcourt Road, Portharcourt, Rivers State. Tel: 08030609056, 08098609056 3.) 34, Gana Street, Maitama, Abuja. Tel: 08035026956, 07028415441 4.) 103, Hadejia Road, Fagge, Kano. Tel: 08157223541 5.) Ken Complex, No. 229 Jakpa Road, Effurun, Delta State. Tel: 08020602974, 08033889679
NAICOM Number	RIC 008
TIN	00842273-0001
RC No	163170

Notes to the consolidated and separate financial statements

1.1 Reporting entity

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

The Company has three subsidiaries - Fin Insurance Company Limited, Hilal Takaful Nigeria Limited previously called Cornerstone Takaful Nigeria Limited and Cornerstone Leasing & Investment Limited. Cornerstone Leasing and Investment Limited commenced operations on 1 July 2004 and provides convenient asset acquisition options to both corporate organisations and individuals.

Fin Insurance Company Limited was incorporated in 1981 as Yankari Insurance Company Limited. The name was changed to Fin Insurance Company Limited in 2008. The main activity of the subsidiary is the provision of General Insurance business. This includes Marine Insurance, Motor Insurance, Accident Insurance, Fire Insurance and other Non-life insurance services. Hilal Takaful Nigeria Limited previously called Cornerstone Takaful Nigeria Limited is a company incorporated in Nigeria and its primary activity is the provision of Takaful insurance business. Cornerstone Takaful Nigeria Limited commenced operation on 1 April 2020. Cornerstone Insurance Plc has 99.99% equity interest in Hilal Takaful Nigeria Limited.

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

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

1.2 Principal activities

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

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

1.3 Going concern

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

2.1 Basis of accounting

Statement of compliance

The consolidated and separate financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Stardards Board (IFRS Accounting Standard) and in the manner required by the Companies and Allied Matters Act (CAMA), 2020, the Financial Reporting Council of Nigeria (Amendment) Act, 2023, the Insurance Act 2003 and relevant National Insurance Commission (NAICOM) circulars.

2.2 *Functional and presentation currency*

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

2.3 *Basis of measurement*

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

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

2.4 *Use of estimates and judgements*

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

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

2.5 Reporting period

The consolidated and separate financial statements have been prepared for a 9-month period from 1 January 2026 to 30 September 2026.

2.6 Application of new and revised IFRS Accounting Standards

2.6.1 New and amended standards and interpretations that are effective for the current year

In the current year, the Company has applied a number of amendments to IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2025. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates effective January 1, 2025
Under IAS 21 The Effects of Changes in Foreign Exchange Rates, a company uses a spot exchange rate when translating a foreign currency transaction. However, in rare cases, it is possible that one currency cannot be exchanged into another. This lack of exchangeability might arise when a government imposes controls on capital imports and exports, for example, or when it provides an official exchange rate but limits the volume of foreign currency transactions that can be undertaken at that rate. Consequently, market participants are unable to buy and sell currency to meet their needs at the official exchange rate and turn instead to unofficial, parallel markets.

Under the amendments, companies will need to provide new disclosures to help users assess the impact of using an estimated exchange rate on the financial statements. These disclosures might include:

- The nature and financial impacts of the currency not being exchangeable;
- The spot exchange rate used;
- The estimation process; and
- Risks to the company because the currency is not exchangeable.

2.6.2 New and revised IFRS Accounting Standards in issue but not yet effective
At the date of authorisation of these financial statements, the company has not applied the following new and revised IFRS Accounting Standards that have been issued but are not yet effective. They are listed below:

1 Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures effective January 1, 2026
2 Annual Improvements to IFRS Accounting Standards – Amendments to:
  • IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7;
  • IFRS 10 Consolidated Financial Statements
  • IAS 7 Statement of Cash flows. effective January 1, 2026; and
  • IFRS 1 First time adoption of international financial reporting standards.
  • IFRS 9 Financial Instruments.
3 3. IFRS 18 Presentation and Disclosure in Financial Statements. effective January 1, 2027
4 IFRS 19 Subsidiaries without Public Accountability: Disclosures. effective January 1, 2027

Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures effective January 1, 2026.

The amendments introduce an additional Solely Payments of Principal and Interest (SPPI) test for financial assets with contingent features that are not related directly to a change in basic lending risks or costs – e.g. where the cash flows change depending on whether the borrower meets an Environmental, Social, and Governance (ESG) target specified in the loan contract.

Other annual Improvements to IFRS Accounting Standards – Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7
The IASB's amendments remove the conflict between IFRS 9 and IFRS 15 over the amount at which a trade receivable is initially measured. Under IFRS 15, a trade receivable may be recognised at an amount that differs from the transaction price – e.g. when the transaction price is variable. Conversely, IFRS 9 requires that companies initially measure trade receivables without a significant financing component at the transaction price. The IASB has amended IFRS 9 to require companies to initially measure a trade receivable without a significant financing component at the amount determined by applying IFRS 15. Other amendments include derecognising lease liabilities If a lease liability is derecognised, then the derecognition is accounted for under IFRS 9. However, when a lease liability is modified, the modification is accounted for under IFRS 16 Leases. The IASB's amendment states that when lease liabilities are derecognised under IFRS 9, the difference between the carrying amount and the consideration paid is recognised in profit or loss. However, the amendment does not address how to distinguish between derecognition and modification of a lease liability. The IASB has indicated that it may consider this issue as part of a future project.

IFRS 18 Presentation and Disclosure in Financial Statements effective January 1, 2027
IFRS 18 replaces IAS 1 Presentation of Financial Statements. and IFRS 18 defines management performance measures (MPMs); these measures are currently commonly known as non-GAAP measures, alternative performance measures (APMs) or key performance indicators (KPIs). IFRS 18 affects all companies, bringing significant changes to how you present your income statement and what information you need to disclose, and making certain 'non-GAAP' measures part of your audited financial statements for the first time. You'll see three new categories of income and expenses, two defined income statement subtotals and one single note on management-defined performance measures.

IFRS 18 reshapes how financial results are presented, introducing new mandated subtotals like operating profit, stricter classification of income and expenses, and audited disclosure of management-defined performance measures. It requires more detailed note disclosures and alignment across the profit or loss and cash flow statements. Although it does not change net profit, it must be applied retrospectively, meaning comparatives must be restated and internal reporting systems, chart of accounts, and controls must be updated to support the new structure.

To provide investors with better insight into financial performance, the new standard includes enhanced guidance on how companies group information in the financial statements. This includes guidance on whether material information is included in the primary financial statements or is further disaggregated in the notes.

Companies are discouraged from labelling items as 'other' and will now be required to disclose more information if they continue to do so.

IFRS 19 Subsidiaries without Public Accountability: Disclosures effective January 1, 2027
The IASB intends to update IFRS 19 on an on going basis as new or amended disclosure requirements in IFRS Accounting Standards are issued. Because of the timing of IFRS 19's publication, disclosure requirements in new or amended IFRS Accounting Standards issued between 28 February 2021 and May2024 were included in IFRS19 without redutions.The IASB issued a 'catch-up' exposure draft in July 2024 to consult on reducing the disclosure requirements for the relevant standards issued in this period, most notably IFRS 18 Presentation and Disclosure in Financial Statements.

Amendments to Standards and Interpretations which may be relevant to the Group (or Company) are set out below including the summary of requirements and impact assessment.

Standard/Interpretation	**Date issued**	**Effective date Periods beginning**	**Summary of the requirements and impact assessment**
Amendments to IFRS 9 and IFRS 7 Classification and Measurement of Financial Instruments	May-24	1-Jan-26	The International Accounting Standards Board (IASB) issued amendments to the classification and measurement requirements in IFRS 9 Financial Instruments. The key amendments include the following: •Settlement of financial liabilities through electronic payment systems: The amendments clarify that a financial liability is derecognised on the 'settlement date'. However, the amendments provide an exception for the derecognition of financial liabilities. This exception allows the company to derecognise its trade payable before the settlement date when it uses an electronic payment system, provided that specified criteria are met. •Additional SPPI Test for Contingent Features: The amendments introduce an additional SPPI test for financial assets with contingent features that are not directly related to a change in basic lending risks or costs – for example, where the cash flows change depending on whether the borrower meets an ESG target specified in the loan contract. Under the amendments, certain financial assets, including those with ESG-linked features, could now meet the SPPI criterion, provided that their cash flows are not significantly different from an identical financial asset without such a feature. •Clarification on Contractually Linked Instruments (CLIs): The amendments clarify the key characteristics of CLIs and how they differ from financial assets with non-recourse features. They also include factors that a company needs to consider when assessing the cash flows underlying a financial asset with non-recourse features (the 'look through' test). •Additional Disclosure Requirements: The amendments require additional disclosures for investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features that are not directly related to a change in basic lending risks or costs and are not measured at fair value through profit or loss. These amendments are not expected to materially impact the group or company.
Presentation and Disclosure in Financial Statements (IFRS 18) ***IFRS 18 Presentation and Disclosure in Financial Statements replaces IAS 1 Presentation of Financial Statements.***	Apr-24	1-Jan-27	The new standard introduces the following key new requirements: •It promotes a more structured income statement, in particular, it introduces a newly defined 'operating profit' subtotal and a requirement for all income and expenses to be classified into three new distinct categories, operating, investing, and financing, based on a company's main business activities. •All companies are required to report the newly defined 'operating profit' subtotal – an important measure for investors' understanding of a company's operating results – i.e. investing and financing results are specifically excluded. This means that the results of equity-accounted investees are no longer part of operating profit and are presented in the 'investing' category. •Management-defined performance measures (MPMs) are disclosed in a single note in the financial statements. •Enhance guidance is provided on how to group information in the financial statements. This includes guidance on whether information is included in the primary financial statements or is further disaggregated in the notes. Companies are discouraged from labelling items as 'other' and will now be required to disclose more information if they continue to do so. •Entities are required to use the operating profit subtotal as the starting point for the statement of cash flows when presenting operating cash flows under the indirect method. •It also requires Companies to analyse their operating expenses directly on the face of the income statement – either by nature, by function or using a mixed presentation. If any items are presented by function on the face of the income statement (e.g. cost of sales), then a company provides more detailed disclosures about their nature. The group is still evaluating the impact of the standard on the group or company operation.

Annual Improvements to IFRS Accounting Standards (Amendments to IFRS 7, IFRS 9 and IAS 7)	Jul-24	1-Jan-26	IFRS 7 Financial Instruments: Disclosures 1. Gain or loss on derecognition. The amendment addresses a potential confusion in paragraph B38 of IFRS 7 arising from an obsolete reference to a paragraph that was deleted from the standard when IFRS 13 Fair Value Measurement was issued. These ammendments are not expected to have material impact on the group or company. 2. Disclosure of deferred difference between fair value and transaction price. The amendment addresses an inconsistency between paragraph 28 of IFRS 7 and its accompanying implementation guidance that arose when a consequential amendment resulting from the issuance of IFRS 13 was made to paragraph 28, but not to the corresponding paragraph in the implementation guidance. 3. Introduction and credit risk disclosures. The amendment addresses a potential confusion by clarifying in paragraph IG1 that the guidance does not necessarily illustrate all the requirements in the referenced paragraphs of IFRS 7 and by simplifying some explanations. IFRS 9 Financial Instruments 1. Initial measurement of Trade receivables. The amendments remove the conflict between IFRS 9 and IFRS 15 over the amount at which a trade receivable is initially measured. Under IFRS 15, a trade receivable may be recognised at an amount that differs from the transaction price – e.g. when the transaction price is variable. Conversely, IFRS 9 requires that companies initially measure Trade receivables without a significant financing component at the transaction price. The IASB has amended IFRS 9 to require companies to initially measure a trade receivable without a significant financing component at the amount determined by applying IFRS 15. Amendment on Trade receivables could prompt accounting policy change. 2. Derecognition of a lease liability. If a lease liability is derecognised, then the derecognition is accounted for under IFRS 9. However, when a lease liability is modified, the modification is accounted for under IFRS 16 Leases. The group is still evaluating the impact of the amendments on its operation.
			The IASB's amendment states that when lease liabilities are derecognised under IFRS 9, the difference between the carrying amount and the consideration paid is recognised in profit or loss. **IAS 7 Statement of Cash Flows** This amendment replaces the term 'cost method' in paragraph 37 of IAS 7 with 'at cost'.
Amendments to IFRS 10 and IAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Sep-14	Deferred indefinitely	The amendments require the full gain to be recognised when assets transferred between an investor and its associate or joint venture meet the definition of a 'business' under IFRS 3 Business Combinations. Where the assets transferred do not meet the definition of a business, a partial gain to the extent of unrelated investors' interests in the associate or joint venture is recognised. The definition of a business is key to determining the extent of the gain to be recognised. When a parent loses control of a subsidiary in a transaction with an associate or joint venture (JV), there is a conflict between the existing guidance on consolidation and equity accounting. Under the consolidation standard, the parent recognises the full gain on the loss of control. But under the standard on associates and JVs, the parent recognises the gain only to the extent of unrelated investors' interests in the associate or JV. In either case, the loss is recognised in full if the underlying assets are impaired. The IASB has decided to defer the effective date for these amendments indefinitely. There is no impact on the Group's actvities.

3 Material Accounting Policies

The Group has consistently applied the following accounting policies to all periods presented in these consolidated and separate financial statements, unless mentioned otherwise.

3.1 Basis of Consolidation

Business combination and goodwill

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

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

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

Subsidiaries

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

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

Loss of control

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

Non- controlling interests

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

Transaction eliminated on consolidation

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

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

3.2 Insurance contracts

(i) Insurance and reinsurance contracts

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

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

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

Separating components from insurance and reinsurance contracts

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

Therefore, the Group:

• Applies IFRS 9 to determine whether there is an embedded derivative to be bifurcated (i.e., be separated) and, if there is, account for that separate derivative.

• Separates from a host insurance contract an investment component if, and only if, that investment component is distinct and apply IFRS 9 to account for the separated component unless it is an investment contract with discretionary participation features and then

• Separates from the host insurance contract any promise to transfer to a policyholder distinct goods or services other than insurance contract services by applying IFRS 15.

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

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

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

• The investment component and the insurance components are not highly interrelated

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

The Company assesses its non-life insurance products to determine whether they contain distinct components which must be accounted for under another IFRS Accounting Standardinstead of under IFRS 17

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

Level of aggregation

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

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

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

Initial recognition of insurance contracts

The Group recognises groups of insurance contracts it issues from the earliest of the following:
• The beginning of the coverage period of the group of contracts
• The date when the first payment from a policyholder in the group is due or when the first payment is received if there is no due date
• For a group of onerous contracts, when the group becomes onerous, if facts and circumstances indicate that the group is onerous

Initial recognition of reinsurance contracts held

The Group recognises a group of reinsurance contracts held it has entered into from the earlier of the following:
• The beginning of the coverage period of the group of reinsurance contracts held. (However, the Group delays the recognition of a group of reinsurance contracts held that provide proportionate coverage until the date any underlying insurance contract is initially recognised, if that date is later than the beginning of the coverage period of the group of reinsurance contracts held.
And
• The date the Group recognises an onerous group of underlying insurance contracts if the Group entered into the related reinsurance contract held in the group of reinsurance contracts held at or before that date.

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

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

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

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

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

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

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

• Insurance acquisition cash flows that are directly attributable to a group of insurance contracts:
- To that group; and
- To groups that will include insurance contracts that are expected to arise from renewals of the insurance contracts in that group

• Insurance acquisition cash flows directly attributable to a portfolio of insurance contracts that are not directly attributable to individual contracts or groups of contracts to groups in the portfolio.

Where insurance acquisition cash flows have been paid or incurred before the related group of insurance contracts is recognised in the statement of financial position, a separate asset for insurance acquisition cash flows is recognised for each related group.
The asset for insurance acquisition cash flow is derecognised from the statement of financial position when the insurance acquisition cash flows are included in the initial measurement of the related group of insurance contracts.

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

• An impairment test at the level of an existing or future group of insurance contracts and
• An additional impairment test specifically covering the insurance acquisition cashflows allocated to expected future contracts renewals
If an impairment loss is recognised, the carrying amount of the asset is adjusted and an impairment loss is recognised in profit or loss.
The Company recognises in profit or loss a reversal of some or all of an impairment loss previously recognised and increases the carrying amount of the asset, to the extent that the impairment conditions no longer exist or have improved.

Initial recognition of investment contracts with discretionary participation features

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

Onerous groups of contracts
The Company issues some contracts before the coverage period starts and the first premium becomes due. Therefore, the Company has determined whether any contracts issued form a group of onerous contracts before the earlier of the beginning of the coverage period and the date when the first payment from a policyholder in the group is due. The Company looks at facts and circumstances to identify if a group of contracts are onerous based on:
• Pricing information
• Results of similar contracts it has recognised
• Environmental factors such as a change in market experience or regulations
• Other Relevant risk factor which includes age, gender, occupation, geographical location and size of sum assured

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

Measurement – Premium Allocation Approach

Insurance contract – Initial measurement

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

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

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

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

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

For a group of contracts that is not onerous at initial recognition, the Company measures the liability for remaining coverage as:
• The premiums, if any, received at initial recognition
• Minus any insurance acquisition cash flows at that date, with the exception of contracts which are one year or less where this is expensed,
• Plus or minus any amount arising from the derecognition at that date of the asset recognised for insurance acquisition cash flows and
• Any other asset or liability previously recognised for cash flows related to the group of contracts that the Company pays or receives before the group of insurance contracts is recognised.

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

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

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

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

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

Reinsurance contracts held – initial measurement

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

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

Insurance contracts – subsequent measurement

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

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

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

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

Subsequent measurement – liability for incurred claims

The liability for incurred claims for a group of insurance contracts subject to the premium allocation approach (which should usually be nil on initial recognition) is measured in the same way as the liability for incurred claims using the general model (i.e., a discounted estimate of future cash flows with a risk adjustment for non-financial risk).
However, when applying the premium allocation method to the liability for remaining coverage, the company is, for the liability for incurred claims, the company is not required to adjust future cash flows for the time value of money and the effect of financial risk if those cash flows (for that group of insurance contracts) are expected to be paid or received in one year or less from the date the claims are incurred. This is a separate election from the choice not to adjust the carrying amount of the liability for remaining coverage to reflect the time value of money and the effect of financial risk at initial recognition.
When the entire insurance finance income or expenses is included in profit or loss, the company discounts the incurred claims at current rates (i.e., the rate at the reporting date). When insurance finance income or expenses is disaggregated between profit or loss and other comprehensive income the amount of insurance finance income or expenses included in profit or loss is determined using the discount rate at the date of the incurred claim.

Reinsurance contracts held – subsequent measurement

The subsequent measurement of reinsurance contracts held follows the same principles as those for insurance contracts issued and has been adapted to reflect the specific features of reinsurance held.
Where the Company has established a loss-recovery component, the Company subsequently reduces the loss- recovery component to zero in line with reductions in the onerous group of underlying insurance contracts in order to reflect that the loss-recovery component shall not exceed the portion of the carrying amount of the loss component of the onerous group of underlying insurance contracts that the Company expects to recover from the group of reinsurance contracts held.

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

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

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

If a contract modification meets none of the conditions above for derecognition, the Company would treat any changes in cash flows caused by the modification as changes in the estimates of the fulfilment cash flows.
The Company derecognises insurance contracts when:
• The rights and obligations relating to the contract are extinguished (i.e., discharged, cancelled or expired)
Or
• The contract is modified such that the modification results in a change in the measurement model or the applicable standard for measuring a component of the contract, substantially changes the contract boundary, or requires the modified contract to be included in a different group. In such cases, the Company derecognises the initial contract and recognises the modified contract as a new contract

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

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

Derecognition resulting from extinguishment
The Company derecognises an insurance contract from within a group of insurance contracts by applying the following requirements:
• The fulfilment cash flows allocated to the group for both the liability for remaining coverage and the liability for incurred claims are adjusted to eliminate the present value of the future cash flows and risk adjustment for non-financial risk relating to the rights and obligations that have been derecognised from the group
• The contractual service margin of the group is adjusted for the change in fulfilment cash flows described above, to the extent required by the general model
• The number of coverage units for expected remaining insurance contract services is adjusted to reflect the coverage units derecognised from the group, and the amount of the contractual service margin recognised in profit or loss in the period is based on that adjusted number to reflect services provided in the period
Derecognition resulting from transfer
When the Company derecognises an insurance contract because it transfers the contract to a third party, the Company:
• Adjusts the fulfilment cash flows allocated to the group for the rights and obligations that have been derecognised
• Adjusts the contractual service margin of the group from which the contract has been derecognised for the difference between the change in the contractual cash flows resulting from derecognition and the premium charged by the third party (unless the decrease in fulfilment cash flows is allocated to the loss component of the liability for remaining coverage).
If there is no contractual service margin to be adjusted, then the difference between the fulfilment cash flows derecognised and the premium charged by the third party is recognised in profit or loss.

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

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

Presentation

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

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

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

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

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

Level of aggregation - Life Business

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

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

The reinsurance contracts held portfolios are further divided into:

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

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

Contract boundary

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

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

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

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

Or

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

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

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

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

• The Company has the practical ability to reassess the risks of the particular policyholder and, as a result, can set a price or level of benefits that fully reflects those risks
Or
Both of the following criteria are satisfied:
• The Company has the practical ability to reassess the risks of the portfolio of insurance contracts that contain the contract and, as a result, can set a price or level of benefits that fully reflects the risk of that portfolio
• The pricing of the premiums up to the date when the risks are reassessed does not take into account the risks that relate to periods after the reassessment date.

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

The company have set contract boundaries based on its portfolio of insurance contracts which is stated as follows:
For Individual Life
• Credit Life: The contract boundary is set equal to the term of the credit life policy
• Term Assurance: The contract boundary is set equal to the term of the term assurance policy
• Endowments: The contract boundary is set equal to the term of the endowment policy
• Funeral: The company has assumed that all policyholders will be dead by age 110, hence the contract boundary is 110 years.
• Education: The contract boundary is set equal to the term of the education policy.
For Group Life
• Group life: The contract boundary is set equal to the policy term which is one year
• Annuities: The company has assumed that all annuitants will be dead by age 120. Hence the contract boundary is 120 years.

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

Measurement – General Model
Insurance contract – Initial Measurement
The general model measures a group of insurance contracts as the sum of the following components, or 'building blocks', for each group of insurance contracts:
• Fulfilment cash flows, which comprise:
- Estimates of expected future cash flows over the life of the contract
- An adjustment to reflect the time value of money and the financial risks related to the future cash flows to the extent that the financial risks are not included in the estimates of the future cash flows
- A risk adjustment for non-financial risk
• A contractual service margin representing unearned profit an entity will recognise as it provides service under the insurance contracts in the group

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

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

The cash flows from each scenario are probability- weighted and discounted using current assumptions.
When estimating future cash flows, the Company includes all cash flows that are within the contract boundary including:

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

The Company incorporates, in an unbiased way, all reasonable and supportable information available without undue cost or effort about the amount, timing and uncertainty of those future cash flows. The Company estimates the probabilities and amounts of future payments under existing contracts based on information obtained, including:
• Information about claims already reported by policyholders
• Other information about the known or estimated characteristics of the insurance contracts
• Historical data about the Company's own experience, supplemented when necessary with data
from other sources. Historical data is adjusted to reflect current conditions
• Current pricing information, when available

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

Contractual Service Margin (CSM)

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

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

The liability for remaining coverage is the Company's obligation to investigate and pay valid claims for insured events that have not yet occurred (i.e., the obligation that relates to the unexpired portion of the coverage period) and at initial recognition, comprises all remaining expected future cash inflows and cash outflows under an insurance contract plus the CSM for that contract.
The liability for incurred claims is the Company's obligation to investigate and pay valid claims for insured events that have already occurred, including events that have occurred but for which claims have not been reported, and other incurred insurance expenses. At initial recognition of a group of contracts, the liability for incurred claims is usually nil as no insured events have occurred.

Insurance contracts – subsequent measurement

The CSM at the end of the reporting period represents the profit in the group of insurance contracts that has not yet been recognised in profit or loss, because it relates to future service to be provided.
For a group of insurance contracts, the carrying amount of the CSM of the group at the end of the reporting period equals the carrying amount at the beginning of the reporting period adjusted, as follows:

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

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

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

• Experience adjustments that arise from the difference between the premium receipts (and any related cash flows such as insurance acquisition cash flows and insurance premium taxes) and the estimate, at the beginning of the period, of the amounts expected. Differences related to premiums received (or due) related to current or past services are recognised immediately in profit or loss while differences related to premiums received (or due) for future services are adjusted against the CSM

• Changes in estimates of the present value of future cash flows in the liability for remaining coverage, except those relating to the time value of money and changes in financial risk (recognised in the statement of profit or loss and other comprehensive income rather than adjusting the CSM)

• Differences between any investment component expected to become payable in the period and the actual investment component that becomes payable in the period. Those differences are determined by comparing (i) the actual investment component that becomes payable in the period with (ii) the payment in the period that was expected at the start of the period plus any insurance finance income or expenses related to that expected payment before it becomes payable.

• Changes in the risk adjustment for non-financial risk that relate to future service

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

Where, during the coverage period, a group of insurance contracts becomes onerous, the Company recognises a loss in profit or loss for the net outflow, resulting in the carrying amount of the liability for the group being equal to the fulfilment cash flows. A loss component is established by the Company for the liability for remaining coverage for such onerous group depicting the losses recognised.
The Company measures the carrying amount of a group of insurance contracts at the end of each reporting period as the sum of:
(i) the liability for remaining coverage comprising fulfilment cash flows related to future service allocated to the group at that date and the CSM of the group at that date; and
(ii) the liability for incurred claims for the Company comprised the fulfilment cash flows related to past service allocated to the group at that date.

Reinsurance contracts held – initial measurement

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

• Measurement of the cash flows include an allowance on a probability-weighted basis for the effect of any non-performance by the reinsurers, including the effects of collateral and losses from disputes

• The Company determines the risk adjustment for non-financial risk so that it represents the amount of risk being transferred to the reinsurer

• The Company recognises both day 1 gains and day 1 losses at initial recognition in the statement of financial position as a CSM and releases this to profit or loss as the reinsurer renders services, except for any portion of a day 1 loss that relates to events before initial recognition

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

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

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

Reinsurance contracts held – Subsequent measurement

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

• Changes in the fulfilment cash flows are recognised in profit or loss if the related changes arising from the underlying ceded contracts have been recognised in profit or loss. Alternatively, changes in the fulfilment cash flows adjust the CSM.

• Changes in the fulfilment cash flows that result from changes in the risk of non-performance by the issuer of a reinsurance contract held do not adjust the contractual service margin as they do not relate to future service.

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

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

3.3 Revenue recognition

(i) Insurance revenue (PAA)

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

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

Insurance revenue (Non-PAA)

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

• Insurance service expenses, excluding any amounts allocated to the loss component of the liability for remaining coverage

• The risk adjustment for non-financial risk, excluding any amounts allocated to the loss component of the liability for remaining coverage

• The CSM release

• Amounts related to insurance acquisition cash flows

(ii) Loss component (PAA)

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

Loss component (Non-PAA)

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

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

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

(iii) Loss-recovery components

Where the Company recognises a loss on initial recognition of an onerous group of underlying insurance contracts, or when further onerous underlying insurance contracts are added to a group, the Company establishes a loss-recovery component of the asset for remaining coverage for a group of reinsurance contracts held depicting the expected recovery of the losses.
A loss-recovery component is subsequently reduced to zero in line with reductions in the onerous group of underlying insurance contracts in order to reflect that the loss-recovery component shall not exceed the portion of the carrying amount of the loss component of the onerous group of underlying insurance contracts that the Company expects to recover from the group of reinsurance contracts held.

(iv) Investment income on financial assets

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

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

(v) Net gains on finacial assets

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

(vi) Other operating income

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

3.4 Expense recognition

(i) Insurance finance income and expense

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

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

The Company systematically allocates expected total insurance finance income or expenses over the duration of the group of contracts to profit or loss using discount rates determined on initial recognition of the group of contracts.
In the event of transfer of a group of insurance contracts or derecognition of an insurance contract, the Company reclassifies the insurance income finance or expense to profit or loss as a reclassification adjustment to any remaining amounts for the group (or contract) that were previously recognised in other comprehensive income.

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

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

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

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

(iii) Management expenses

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

3.5 Investment contracts

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

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

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

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

3.6 Cash and cash equivalents

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

3.7 Financial assets

Classification

i. Recognition and initial measurement

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

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

ii. Classification and subsequent measurement

Classification

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

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

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

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

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

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

Business model assessment

The Group assesses the objective of the business model in which a financial asset is held for each portfolio of financial 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.

ii. Financial liabilities

Classification

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

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

Subsequent measurement and gains and losses

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

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

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

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

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

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

iii. Impairment

The Group recognises loss allowances for ECL on:
- financial assets measured at amortised cost; and
- debt investments measured at FVOCI.

The Group measures loss allowances at an amount equal to lifetime ECL, except in the following cases, for which the amount recognised is 12-month ECL:
- debt securities that are determined to have low credit risk at the reporting date; and
- other financial instruments (other than lease receivables) for which credit risk has not increased significantly since initial recognition.

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

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

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

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

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

Measurement of ECL

ECL are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive).

Credit-impaired financial assets

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

Evidence that a financial asset is credit-impaired includes the following observable data:
- significant financial difficulty of the debtor;
- a breach of contract such as a default or past-due event;
- the restructuring of an amount due to the Group on terms that the Group would not otherwise consider;
- the debtor entering bankruptcy or other financial reorganisation becoming probable; or
- the disappearance of an active market for a security because of financial difficulties.

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

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

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

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

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

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

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

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

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

iv. Derecognition and contract modification

Financial assets

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

On derecognition of a financial asset, the difference between the carrying amount at the date of derecognition and the consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss. For debt investments at FVOCI and financial assets that had already been derecognised at 1 January 2025, 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)).

vii. Offsetting

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

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

3.8 Trade receivables

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

3.9 Foreign currency transactions

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

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

3.10 Other Insurance related liabilities

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

Trade and other payables

Trade payables

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

Other payables and Accruals

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

3.11 Other receivables and prepayments

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

3.12 Investment properties

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

Recognition and measurement

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

De-recognition

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

Transfers

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

3.13 Property and equipment

Recognition and measurement

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

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

Subsequent costs

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

Depreciation

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

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

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

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

De-recognition

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

Impairment

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

3.14 Intangible assets

Computer software

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

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

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

3.15 Impairment of non-financial assets

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

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

3.16 Income and deferred tax

Current tax

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

- Company income tax (30%) is assessed on taxable profits
-Tertiary Education tax (3%) is computed on assessable profits
-National Information Technology Development levy (1%) is computed on profit before tax
-Nigerian Police Trust Fund (0.005%) is computed on net profit

Minimum tax

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

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

Deferred tax

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

Deferred tax is not recognised for:

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

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

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

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

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

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

3.17 Statutory deposits

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

3.18 Hypothecation of assets

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

In particular, investment securities and insurance funds hypothecated to policyholders are distinguished from those owned by the shareholders. The assets hypothecated are shown in note 42 of the financial statements.

3.19 Provisions

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

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

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

3.20 Employee benefits

Short-term employee benefits/Personnel expenses

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

Defined contribution plans

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

Termination benefits

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

Post employment benefits

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

3.21 Earnings per share

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

3.22 Leases

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

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

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

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

Property lease classification – Company as lessor

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

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

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term. In addition, the right-of-use asset is periodically reduced by any impairment losses 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 or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group determines its incremental borrowing rate by analysing its borrowings from various external sources and makes certain adjustments to reflect the terms of the lease and type of asset leased. 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;

Short-term leases and leases of low-value assets
The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

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

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

The Group's reportable segments, for management purpose, are organized into business units based on the products and services offered as follows:
• Non-life insurance
• Life insurance
• Takaful insurance
• Fin Insurance
• Leasing

3.24 Contingent liabilities and assets
A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or the Group has a present obligation as a result of past events which is not recognized because it is not probable that an outflow of resources will be required to settle the obligation; or the amount cannot be reliably estimated. Contingent liabilities normally comprise of legal claims under arbitration or court process in respect of which a liability may crystallize.
A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.
Contingent assets are never recognised but are disclosed in the financial statements when they arise.

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

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

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

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

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

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

Fair value reserve

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

3.26 Discontinued operation

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

Consolidated and Separate Statements of Financial Position

As at

		Group		Company	
In thousands of naira	***Note***	**30-Sep-26**	**31-Dec-25**	**30-Sep-26**	**31-Dec-25**
Assets					
Cash and cash equivalents	6	14,970,675	24,169,632	10,774,043	8,865,104
Financial assets					
- measured at FVOCI	7	12,510,801	41,104,559	9,179,987	38,587,248
- measured at FVTPL	7	93,099,200	46,029,689	70,613,222	35,393,782
- measured at amortised cost	7	182,455	1,287,977	184,596	373,617
Premium receivables	8	2,303,141	754,408	1,921,076	546,203
Other receivables and prepayments	9	1,114,085	1,782,469	747,405	583,651
Reinsurance contract assets	10	13,368,650	16,142,513	11,042,859	13,121,500
Investment in subsidiaries	11	-	-	5,008,847	5,008,847
Investment properties	12	1,584,000	1,584,000	-	-
Property and equipment	13	5,796,652	5,967,919	2,512,344	2,618,457
Intangible assets	14	10,255	10,525	6,390	7,454
Statutory deposit	15	4,200,000	2,200,000	2,500,000	500,000
Total Assets		**149,139,914**	**141,033,691**	**114,490,769**	**105,605,861**
Liabilities					
Insurance contract liabilities	16	57,039,881	55,083,952	50,980,678	49,454,262
Reinsurance contract liabilities	17	108,641	92,832	108,641	92,832
Investment contract liabilities	18	1,243,136	1,348,313	969,065	867,022
Other insurance related liabilities	19	5,293,578	6,696,695	5,240,415	5,760,071
Other payables and accruals	20	2,575,696	2,870,475	3,763,040	3,399,768
Current tax liabilities	21.2	1,283,479	801,784	1,165,742	743,038
Deferred tax liabilities	21.3	1,207,540	1,251,500	1,134,458	1,134,458
Employees benefit obligations	22	28,665	28,096	28,665	28,096
Total liabilities		**68,780,616**	**68,173,648**	**63,390,704**	**61,479,547**
Equity					
Share capital	23.1	9,083,196	9,083,196	9,083,196	9,083,196
Share premium	23.2	183,165	183,165	183,165	183,165
Treasury shares	23.3	(67,130)	(67,130)	(67,130)	(67,130)
Contingency reserve	23.5	14,295,657	14,200,564	9,940,169	9,269,718
Fair value and other reserves	23.6	16,382,509	11,201,820	11,805,073	7,714,700
Retained earnings	23.4	39,563,154	37,284,440	20,155,591	17,942,664
Equity attributable to owners of the company		**79,440,552**	**71,886,056**	**51,100,064**	**44,126,314**
Non-controlling interest	23.7	918,746	973,985	-	-
Total equity		**80,359,298**	**72,860,041**	**51,100,064**	**44,126,314**
Total liabilities and equity		**149,139,914**	**141,033,691**	**114,490,769**	**105,605,861**

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

Mr. Stephen Alangbo
Managing Director/CEO
FRC/2017/PRO/DIR/003/00000016217

Consolidated and Separate Statements of Financial Position

As at

		Life		Non-Life	
In thousands of naira	***Note***	**30-Sep-26**	**31-Dec-25**	**30-Sep-26**	**31-Dec-25**
Assets					
Cash and cash equivalents	6	2,654,995	2,962,383	8,119,047	5,902,721
Financial assets					
- measured at FVOCI	7	2,945,791	25,589,279	6,234,196	12,997,969
- measured at FVTPL	7	37,027,883	16,623,730	33,585,340	18,770,052
- measured at amortised cost	7	184,596	184,596	-	189,021
Premium receivables	8	1,598,031	7,184	323,045	539,019
Other receivables and prepayments	9	473,253	30,645	274,153	553,005
Reinsurance contract assets	10	2,412,023	1,300,755	8,630,835	11,820,745
Investment in subsidiaries	11	5,008,847	5,008,847	-	-
Investment properties	12	-	-	-	-
Property and equipment	13	1,570,636	1,572,643	941,708	1,045,814
Intangible assets	14	-	-	6,390	7,454
Statutory deposit	15	1,000,000	200,000	1,500,000	300,000
Total Assets		**54,876,055**	**53,480,062**	**59,614,714**	**52,125,800**
Liabilities					
Insurance contract liabilities	16	30,947,953	24,052,367	20,032,726	25,401,895
Reinsurance contract liabilities	17	108,641	92,832	-	-
Investment contract liabilities	18	969,065	867,022	-	-
Other insurance related liabilities	19	460,615	5,169,774	4,779,800	590,297
Other payables and accruals	20	455,937	731,168	3,307,103	2,668,600
Current tax liabilities	21.2	588,656	408,158	577,086	334,880
Deferred tax liabilities	21.3	-	-	1,134,458	1,134,458
Employees benefit obligations	22	-	-	28,665	28,096
Total liabilities		**33,530,866**	**31,321,322**	**29,859,838**	**30,158,225**
Equity					
Share capital	23.1	3,186,010	3,186,010	5,897,186	5,897,186
Share premium	23.2	183,165	183,165	-	-
Treasury shares	23.3	-	-	(67,130)	(67,130)
Contingency reserve	23.5	3,492,801	3,492,801	6,447,368	5,776,917
Fair value and other reserves	23.6	3,991,986	3,432,789	7,813,088	4,281,911
Retained earnings	23.4	10,491,226	11,863,974	9,664,364	6,078,690
Equity attributable to owners of the company		**21,345,189**	**22,158,740**	**29,754,876**	**21,967,574**
Non-controlling interest	23.7	-	-	-	-
Total equity		**21,345,189**	**22,158,740**	**29,754,876**	**21,967,574**
Total liabilities and equity		**54,876,055**	**53,480,062**	**59,614,713**	**52,125,800**

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

For the year ended

		Group		Company	
In thousands of naira	***Note***	**30-Sep-26**	**30-Sep-25**	**30-Sep-26**	**30-Sep-25**
Insurance revenue	24	43,307,830	37,110,773	35,304,611	29,879,917
Insurance service expense	25	(17,856,045)	(18,433,946)	(13,221,439)	(12,632,875)
Net expenses from reinsurance contracts held	26	(13,703,311)	(7,807,462)	(11,400,049)	(7,747,491)
Insurance service result		**11,748,474**	**10,869,366**	**10,683,123**	**9,499,552**
Interest revenue using effective interest rate method	28	6,639,729	2,940,769	5,143,958	1,658,906
Net fair value (loss)/gain	29	3,107,157	2,668,603	3,137,935	2,668,603
Other investment income	30	343,800	360,900	221,774	226,991
Net (loss)/gain from foreign exchange	31	(4,757,321)	(1,727,294)	(3,031,687)	(1,641,397)
Gain on deposit administration / investment contracts	18.1	49,998	(36,910)	49,998	-
Investment return		**5,383,363**	**4,206,067**	**5,521,978**	**2,913,104**
Net finance expenses from insurance contracts issued	27.1	(3,867,882)	(788,700)	(3,825,000)	(1,152,629)
Net finance income/(expense) from reinsurance contract	27.2	233,429	(169,760)	213,381	(428,102)
Net insurance finance expenses		**(3,634,453)**	**(958,459)**	**(3,611,619)**	**(1,580,731)**
Net Insurance and Investment result		**13,497,384**	**14,116,974**	**12,593,482**	**10,831,925**
Other operating income	32	325,490	96,978	203,493	96,869
Management expenses	34	(5,910,918)	(5,897,736)	(4,407,134)	(3,775,985)
Profit before minimum and income tax		**7,911,957**	**8,316,217**	**8,389,841**	**7,152,809**
Minimum tax	21.1	(171,686)	-	(140,000)	-
Profit before tax		**7,740,271**	**8,316,217**	**8,249,841**	**7,152,809**
Tax expense	21.1	(332,698)	(214,998)	(332,698)	(79,458)
Profit for the year		**7,407,572**	**8,101,219**	**7,917,143**	**7,073,350**
Profit/(Loss) for the year					
Attributable to owners of the company		7,453,291	8,083,112	7,917,143	7,073,350
Attributable to non-controlling interest holders		(45,719)	18,106	-	-
		7,407,572	**8,101,218**	**7,917,143**	**7,073,350**
Other comprehensive income					
Items that are or may be reclassified subsequently to profit or loss					
Debt securities at FVOCI					
Net change in fair value		-	2,626,594	-	2,693,735
Expected credit losses		-	-	-	-
Related tax		-	-	-	-
			2,626,594	**-**	**2,693,734**
Items that will not be reclassified to profit or loss					
Net changes in fair value Equity investments at FVOCI					
Quoted equity		5,327,533	67,140	4,237,217	-
Unquoted equity		(146,843)	-	(146,843)	-
Revaluation gain on property and equipment		-	-	-	-
Related tax		-	-	-	-
		5,180,689	**67,140**	**4,090,373**	**-**
Other comprehensive income, net of tax		**5,180,689**	**2,693,734**	**4,090,373**	**2,693,734**
Total comprehensive income for the year		**12,588,261**	**10,794,952**	**12,007,516**	**9,767,085**
Profit attributable to:					
Owners of the company		7,453,291	8,083,112	7,917,143	7,073,350
Non-controlling interests		(45,719)	310,223	-	-
Profit for the year		**7,407,573**	**8,393,335**	**7,917,143**	**7,073,350**
Total comprehensive income attributable to:					
Owners of the company		12,643,500	10,776,847	12,007,516	9,767,085
Non-controlling interest		(55,239)	18,106	-	-
		12,588,261	**10,794,952**	**12,007,516**	**9,767,085**
Basic and diluted earnings per share (Kobo)	35	41	45	44	39

The accompanying notes form an integral part of these consolidated and separate financial statements.

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

For the year ended

		Life		Non-Life	
In thousands of naira	***Note***	**30-Sep-26**	**30-Sep-25**	**30-Sep-26**	**30-Sep-25**
Insurance revenue	24	9,846,180	8,976,162	25,458,430	20,903,756
Insurance service expense	25	(5,397,318)	(3,683,338)	(7,824,121)	(8,949,537)
Net expenses from reinsurance contracts held	26	(589,228)	(155,858)	(10,810,821)	(7,591,633)
Insurance service result		**3,859,635**	**5,136,966**	**6,823,488**	**4,362,586**
Interest revenue using effective interest rate method	28	3,217,880	1,211,371	1,926,078	447,536
Net fair value (loss)/gain	29	(478,945)	145,889	3,616,880	2,522,713
Other investment income	30	12,426	24,206	209,347	202,785
Net (loss)/gain from foreign exchange	31	(1,650,924)	(163,606)	(1,380,763)	(1,477,791)
Gain on deposit administration / investment contracts	18.1	49,998	-	-	-
Investment return		**1,150,435**	**1,217,860**	**4,371,543**	**1,695,244**
Net finance expenses from insurance contracts issued	27.1	(3,308,577)	(2,255,276)	(516,423)	1,102,647
Net finance income from reinsurance contracts held	27.2	(40,985)	(16,903)	254,366	(411,198)
Net insurance finance expenses		**(3,349,562)**	**(2,272,179)**	**(262,057)**	**691,448**
Net Insurance and Investment result		**1,660,508**	**4,082,647**	**10,932,974**	**6,749,278**
Other operating income	32	52,163	22,236	151,330	74,633
Management expenses	34	(1,120,755)	(414,262)	(3,286,379)	(3,361,723)
Profit before minimum and income tax		**591,916**	**3,690,621**	**7,797,925**	**3,462,188**
Minimum tax	21.1	-	-	(140,000)	-
Profit before tax		**591,916**	**3,690,621**	**7,657,925**	**3,462,188**
Tax expense	21.1	(180,498)	(79,458)	(152,200)	-
Profit for the year		**411,418**	**3,611,162**	**7,505,725**	**3,462,188**
Profit/(Loss) for the year		411,418	3,611,162	7,505,725	3,462,188
Attributable to owners of the company		411,418	3,611,162	7,505,725	3,462,188
Attributable to non-controlling interest holders		-	-	-	-
		411,418	**3,611,162**	**7,505,725**	**3,462,188**
Other comprehensive income					
Items that are or may be reclassified subsequently to profit or loss					
Debt securities at FVOCI					
Net change in fair value		-	-	-	2,693,735
Expected credit losses					
Related tax					
		-	**-**	**-**	**2,693,735**
Items that will not be reclassified to profit or loss					
Net changes in fair value Equity investments at FVOCI					
Quoted equity		799,843	-	3,437,374	-
Unquoted equity		(240,647)	-	93,803	-
Revaluation gain on property and equipment		-	-	-	-
Related tax		-	-	-	-
		559,196	**-**	**3,531,177**	**-**
Other comprehensive income, net of tax		**559,196**	**-**	**3,531,177**	**2,693,735**
Total comprehensive income for the year		**970,614**	**3,611,162**	**11,036,902**	**6,155,923**
Profit attributable to:					
Owners of the company		411,418	3,611,162	7,505,725	3,462,188
Non-controlling interests		-	-	-	-
Profit for the year		**411,418**	**3,611,162**	**7,505,725**	**3,462,188**
Total comprehensive income attributable to:					
Owners of the company		980,134	3,611,162	11,036,902	6,155,923
Non-controlling interest		(9,520)	-	-	-
		970,614	**3,611,162**	**11,036,902**	**6,155,923**
Basic and diluted earnings per share (Kobo)	35	6	57	64	29

The accompanying notes form an integral part of these consolidated and separate financial statements.

Consolidated and Separate Statements of Changes in Equity

For the year ended 30 September 2026

Group

In thousands of naira	Share Capital	Share Premium	Treasury Shares	Contingency Reserve	Fair value and other reserves	Retained Earnings	Shareholders' Equity	Non Controlling Interest	Total
At 1 January 2026	**9,083,196**	**183,165**	**(67,130)**	**14,200,565**	**11,201,821**	**37,284,444**	**71,886,061**	**973,986**	**72,860,047**
Total comprehensive income for the year									
Profit for the year	-	-	-	-	-	7,407,572	7,407,572	(45,719)	7,361,854
Revaluation gain on property and equipment, net of tax	-	-	-	-	-	-	-	-	-
ECL on FVOCI securities	-	-	-	-	-	-	-	-	-
Fair value changes on FVOCI securities	-	-	-	-	5,180,689	-	5,180,689	(9,520)	5,171,169
Total other comprehensive income for the year	-	-	-	-	5,180,689	7,407,572	12,588,261	(55,239)	12,533,023
Transfer to contingency reserve	-	-	-	95,093	-	(95,093)	-	-	-
OCI reclassified on equity disposal	-	-	-	-	-	47,459	47,459	-	47,459
Dividend paid	-	-	-	-	-	(5,081,226)	(5,081,226)	-	(5,081,226)
Total contributions by and distributions to equity holders	-	-	-	-	-	(5,033,767)	(5,033,767)	-	(5,033,767)
As at 30 September 2026	**9,083,196**	**183,165**	**(67,130)**	**14,295,658**	**16,382,510**	**39,563,154**	**79,440,551**	**918,747**	**80,359,299**

For the year ended 31 December 2025

Group

In thousands of naira	Share Capital	Share Premium	Treasury Shares	Contingency Reserve	Fair value and other reserves	Retained Earnings	Shareholders' Equity	Non Controlling Interest	Total
At 1 January 2025	**9,083,196**	**183,165**	**(67,130)**	**11,799,411**	**5,884,721**	**32,833,837**	**59,717,200**	**779,524**	**60,496,724**
Total comprehensive income for the year									
Profit for the year	-	-	-	-	-	11,756,687	11,756,687	143,979	11,900,665
Revaluation reserve	-	-	-	-	-	-	-	-	-
Revaluation gain on property and equipment, net of tax	-	-	-	-	870,908	-	870,908	-	870,908
ECL on FVOCI securities	-	-	-	-	(31,812)	-	(31,812)	-	(31,812)
Fair value changes on FVOCI securities	-	-	-	-	4,478,004	-	4,478,004	50,483	4,528,487
Deferred tax	-	-	-	-		-	-	-	-
Total other comprehensive income for the year	-	-	-	-	5,317,100	11,756,687	17,073,787	194,462	17,268,248
Transfer to contingency reserve	-	-	-	2,401,154	-	(2,401,154)	-	-	-
Transactions with owners, recorded directly in equity									
Deferred tax liability transfer						-	-	-	-
Bonus issues transferred from Share Premium	-	-					-	-	-
Share issuing cost		-					-	-	-
Dividend paid	-	-	-	-	-	(4,904,926)	(4,904,926)	-	(4,904,926)
Addition to treasury shares			-				-	-	-
Total contributions by and distributions to equity holders	-	-	-	-	-	-	(4,904,926)	-	(4,904,926)
As at 31 December 2025	**9,083,196**	**183,165**	**(67,130)**	**14,200,565**	**11,201,821**	**37,284,444**	**71,886,061**	**973,986**	**72,860,047**

Consolidated and Separate Statements of Changes in Equity (Cont'd)

For the year ended 30 September 2026

Company

In thousands of naira	Share Capital	Share Premium	Treasury Shares	Contingency Reserve	Fair value and other reserves	Retained Earnings	Shareholders' Equity	Total
At 1 January 2026	**9,083,196**	**183,165**	**(67,130)**	**9,269,719**	**7,714,700**	**17,942,668**	**44,126,319**	**44,126,319**
Total comprehensive income for the year								
Profit for the year	-	-	-	-	-	7,917,143	7,917,143	7,917,143
Revaluation gain on property and equipment	-	-	-	-	-	-	-	-
Transfer to reserves from merger	-	-	-	-	-	-	-	-
Revaluation gain on property and equipment, net of tax	-	-	-	-	-	-	-	-
ECL on FVOCI securities	-	-	-	-	-	-	-	-
Fair value changes onf FVOCI securities	-	-	-	-	4,090,369	-	4,090,369	4,090,369
Total other comprehensive income for the year	-	-	-	-	4,090,369	7,917,143	12,007,512	12,007,512
Transfer to contingency reserve	-	-	-	670,451	-	(670,451)	-	-
OCI reclassified on equity disposal	-	-	-	-	-	47,459	47,459	47,459
Dividend paid	-	-	-	-	-	(5,081,226)	(5,081,226)	(5,081,226)
Total contributions by and distributions to equity holders	-	-	-	-	-	(5,033,767)	(5,033,767)	(5,033,767)
As at 30 September 2026	**9,083,196**	**183,165**	**(67,130)**	**9,940,169**	**11,805,070**	**20,155,594**	**51,100,064**	**51,100,064**

For the year ended 31 December 2025

Company

In thousands of naira	Share Capital	Share Premium	Treasury Shares	Contingency Reserve	Fair value and other reserves	Retained Earnings	Shareholders' Equity	Total
At 1 January 2025	**9,083,196**	**183,165**	**(67,130)**	**7,925,430**	**3,959,174**	**17,553,968**	**38,637,803**	**38,637,803**
Total comprehensive income for the year								
Profit for the year	-	-	-	-	-	6,637,915	6,637,915	6,637,915
Revaluation gain on property and equipment, net of tax	-	-	-	-	281,000	-	281,000	281,000
ECL on FVOCI securities	-	-	-	-	(31,812)	-	(31,812)	(31,812)
Fair value changes onf FVOCI securities	-	-	-	-	3,506,339	-	3,506,339	3,506,339
Deferred tax	-	-	-	-		-		
Total other comprehensive income for the year	-	-	-	-	3,755,527	6,637,915	10,393,442	10,393,442
Transfer to contingency reserve	-	-	-	1,344,289	-	(1,344,289)	-	-
Transactions with owners, recorded directly in equity								
Dividend paid	-	-	-	-	-	(4,904,926)	(4,904,926)	(4,904,926)
Total contributions by and distributions to equity holders	-	-	-	-	-	(4,904,926)	(4,904,926)	(4,904,926)
As at 31 December 2025	**9,083,196**	**183,165**	**(67,130)**	**9,269,719**	**7,714,700**	**17,942,668**	**44,126,319**	**44,126,319**

Notes to the consolidated and separate financial statements

4 Critical accounting estimates, judgement and assumptions

The preparation of consolidated and seperate financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates under different assumptions and conditions.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are described below.

4.1 Insurance and reinsurance contracts- Life Business

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

The Company based its assumptions and estimates on parameters available when the financial statements were prepared.

Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

4.1.1 The methods used to measure insurance contracts future cash flows

The Company primarily uses deterministic projections to estimate the present value of future cash flows. The following assumptions were used when estimating future cash flows for different class of the company's portfolio:

Mortality, longevity and morbidity rates

Assumptions are based on standard industry and national tables, according to the type of contract written and the territory in which the insured person resides. They reflect recent historical experience and are adjusted when appropriate to reflect the Company's own experiences. An appropriate, but not excessive, allowance is made for expected future improvements. Assumptions are differentiated by policyholder gender, underwriting class and contract type. An increase in expected mortality, longevity and morbidity rates will increase the expected claim cost which will reduce future expected profits of the Company.

Expense

Operating expenses assumptions reflect the projected costs of maintaining and servicing in–force policies and associated overhead expenses. The current level of expenses is taken as an appropriate expense base, adjusted for expected expense inflation if appropriate.
An increase in the expected level of expenses will reduce future expected profits of the Company

The cash flows within the contract boundary include an allocation of fixed and variable overheads directly attributable to fulfilling insurance contracts. Such overheads are allocated to groups of contracts using methods that are systematic, rational and are consistently applied to all costs that have similar characteristics.

Lapse and Surrender rates

Lapses relate to the termination of policies due to non–payment of premiums. Surrenders relate to the voluntary termination of policies by policyholders. Policy termination assumptions are determined using statistical measures based on the Company's experience and vary by product type, policy duration and sales trends. An increase in lapse rates early in the life of the policy would tend to reduce profits of the Company, but later increases are broadly neutral in effect.

4.1.2 *Discount rate*

The company insurance contract liabilities are calculated by discounting expected future cash flows at a risk-free rate, plus an illiquidity premium where applicable. Risk free rates are determined by reference to the yields published by the Nigerian Actuarial Society of highly rated sovereign securities in the currency of the life insurance contract liabilities. The illiquidity premium is determined by reference to observable market rates, including sovereign debt and corporate debt rates.

4.1.3 *Risk adjustment for non-financial risk*

The risk adjustment for non-financial risk represents the compensation that the Company requires for bearing the uncertainty about the amount and timing of the cash flows of groups of insurance contracts and covers insurance risk, lapse risk and expense risk. The risk adjustment reflects an amount that an insurer would rationally pay to remove the uncertainty that future cash flows will exceed the best estimate amount.

The Company has estimated the risk adjustment using a confidence level (value at risk) approach in which a full IFRS 17 liability distribution is generated across all non-financial risks and risk adjustment is calculated as the difference between the best estimate liability and the liability value at the chosen confidence level of 99.5%. The resulting risk adjustment corresponds to a confidence level of 75%-80%.

4.1.4 *Amortisation of the Contractual Service Margin (CSM)*

The CSM is a component of the asset or liability for the group of insurance contracts that represents the unearned profit the Company will recognise as it provides services in the future. An amount of the CSM for a group of insurance contracts is recognised in profit or loss as insurance revenue in each period to reflect the insurance contract services provided under the group of insurance contracts in that period. The amount is determined by:

- Identifying the coverage units in the group
- Allocating the CSM at the end of the period (before recognising any amounts in profit or loss to reflect the insurance contract services provided in the period) equally to each coverage unit provided in the current period and expected to be provided in the future
- Recognising in profit or loss the amount allocated to coverage units provided in the period

The number of coverage units in a group is the quantity of insurance contract services provided by the contracts in the group, determined by considering the quantity of the benefits provided and the expected coverage period. For groups of the company's life insurance contracts, the quantity of benefits is the contractually agreed sum assured over the period of the contracts. The total coverage units of each group of insurance contracts are reassessed at the end of each reporting period to adjust for the reduction of remaining coverage for claims paid, expectations of lapses and cancellation of contracts in the period. They are then allocated based on probability-weighted average duration of each coverage unit provided in the current period and expected to be provided in the future.

Expected release of Contractual Service Margin for insurance contracts issued

CSM with positive sign

Expected release o	Annuity	Protection	Investment Linked	Credit Life	Endowment	Total
Year 1	33,816	107,164	154,750	689	135	**296,554**
Year 2	28,567	127,036	136,233	0	101	**291,938**
Year 3	24,244	64,703	50,116	0	603	**139,665**
Year 4	20,444	82,463	8,277	0	2,691	**113,874**
Year 5	17,661	77,787	4,831	0	0	**100,279**
Year 6	15,203	74,174	4,408	0	0	**93,785**
Year 7	12,804	83,049	4,316	0	0	**100,169**
Year 8	9,595	85,785	3,108	0	0	**98,488**
Year 9	7,646	74,817	1,495	0	0	**83,958**
Year 10	6,520	145,200	7,452	0	0	**159,171**
Above Year 10	33,045	651,170	0	0	0	**684,215**
Total CSM	**209,544**	**1,573,348**	**374,985**	**689**	**3,530**	**2,162,096**

The reinsurance run-off profile is shown in he table below.

Expected release of Contractual Service Margin for reinsurance contracts held

CSM with positive sign

Expected release of Contractual Service Margi	Annuity	Protection	Investment Linked	Credit Life	Endowment	Total
Year 1	-	(8,457)	-	(30,513)	91	**(38,878)**
Year 2	-	(7,466)	-	(8,822)	29	**(16,258)**
Year 3	-	(5,037)	-	(2,535)	162	**(7,410)**
Year 4	-	(6,080)	-	(817)	148	**(6,750)**
Year 5	-	(5,748)	-	(453)	661	**(5,540)**
Year 6	-	(5,777)	-	-	1	**(5,776)**
Year 7	-	(6,851)	-	-	30	**(6,821)**
Year 8	-	(6,287)	-	-	-	**(6,287)**
Year 9	-	(5,511)	-	-	-	**(5,511)**
Year 10	-	(7,714)	-	-	-	**(7,714)**
Above Year 10	-	(54,271)	-	-	-	**(54,271)**
Total CSM	**-**	**(119,200)**	**-**	**(43,139)**	**1,122**	**(161,217)**

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

4.2 Insurance and reinsurance contracts- Non-Life Business
The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

The Company applies the premium allocation approach (PAA) to simplify the measurement of insurance contracts.. For cashflows that are not expected to be settled more than one year after the claims is incurred, the company has elected not to discount such cashflows.

4.2.1 *Claims payment pattern for liability for incurred claims*
In estimating the claims payment pattern for liability for incurred claims, the company sets:
An assumption regarding the future timing of claim settlement is required as the IFRS 17 requires the determination of probability weighted future cash flows. Weighted future cash flows will include expected claim payment, expected cost of settling the claims, unallocated claim expenses that are integral to the claim cost but due to system limitations they cannot be allocated to individual claims
- (e.g. cost of pool of contract cars), legal costs incurred or expected to be incurred for litigated claims, motor recoveries from third party insurers, salvage and subrogation and directly attributable maintenance expenses. For reinsurers' LIC, same cashflows shall apply as described above but the cashflows are apportioned according to reinsurance arrangement.

Run off triangles are used to project future claims payment generated by direct insurance contracts and claim recovered from reinsurance contracts. Actual claims paid and outstanding claim reserves are grouped by accident year cohorts.
Methodology used for claims reserving is defined by the Company's Reserving Policy and Reserving Guidance, and it relies on the Basic Chain Ladder as well as the Bornhuetter- Ferguson method. Same methodology is applied to claims generated by direct contracts and claim recovered from reinsurance contracts.

The best estimate for claims development or payment to ultimate is determined by the link ratio estimator for each period of development. This is achieved by selecting the weighted averages or simple averages of link ratios for each period of claims development until the ultimate period when the claims development is deemed to be fully run off. For each reserving class that best estimate claim payment pattern is derived separately on a gross basis Insurance contracts and reinsurers' share (claim recovered from reinsurance contracts). The process of selecting link ratios often involves identifying outliers and excluding them.

Analysis of Actual versus Expected claim reserves is carried out to assess adequacy of best estimate payment pattern estimated in prior year/period. Where significant deviations are noted, further investigations are carried out to ascertain whether this is indicative of a new trend in the underlying claim development process or whether this is caused by the occurrence of abnormally large claims that tend to distort the latest link ratios or whether it was caused by certain specific events impacting the claims process that are not expected to recur in the future (e.g. restructuring of claims department, or installing a new admin system or claim backlog). If the cause of the deviation is driven by changes in the claims development process which is expected to be recurring or be permanent in the future (e.g. application of new case reserving practice), then judgement is applied in choosing the link ratio for the most recent accident year cohort.
Consideration is also given on the need to allow for a tail factor for projecting claims payment beyond the available data horizon.

For non-liability claims, the ultimate period is often within 7 - 10 year unless- tail factor is not required.

- Claim payment pattern will be derived for each reserving class or portfolio (portfolio if there is only one reserving class).
- Basically, the payment pattern provides probabilities to project the settlement of claims in future time periods
- For a given portfolio or reserving class, same payment pattern will be applied to project the payment of OCR (outstanding claim reserve), IBNR reserve and Risk Adjustment estimates over future time periods.
- Existing reserving models (primarily the Basic Chain Ladder) will be used to derive the payment probabilities from the link ratios obtained from paid triangles
- Pattern will be derived once a year, that is, at the year-end valuation. It is expected that same payment pattern will be used in the LIC cashflow modelling for interim valuation periods and roll forward.

- However, for reserving class or portfolios which exhibit significant volatility, payment pattern might be reviewed and revised more frequently and also pattern used in LIC model will need to be updated. A change in payment pattern will lead to a change in fulfilment cashflows arising from non-financial assumption change. This change or delta in fulfilment cashflow will be accounted for as an insurance service expense.

- Changes of payment pattern during a financial year will only be considered if justified by facts and circumstances. Examples of facts and circumstances could be as follows:
  i. major changes in claim reporting and settlement processes that would invalidate existing payment pattern (e.g. non-life claims backlog can be quite common arising from dispute in settlement amount or change in policy administration system.
  ii. occurrence of major external systemic events such as a pandemic related lockdown will impact the development factors- hence invalidate existing payment pattern

- It is to be noted that, for consistency, the same payment pattern as used for claim projection will be applied in the projection of Risk Adjustment estimates. The same approach would be used to derive the payment pattern for modelling the LIC cashflows for a portfolio of reinsurance contracts.

- Moreover, it is required to allocate the projected OCR, IBNR and RA to issue year cohorts /underwriting year cohorts. This will necessitate the application of an allocation driver. Projected IBNR, OCR and RA cashflows will be allocated to underwriting year by making use of weights. Weights, as a proxy for coverage, for each underwriting year will be derived from earned premium /revenue (as computed for the LRC). For internal reporting needs, further allocation of IBNR, OCR and RA (risk adjustment) down to more granular levels (issue year cohorts/distribution channels/ cover-section/ client types) will be required. Earned premium weights, as described above, will also be used for a more granular allocation of projected OCR, IBNR and RA.

4.2.2 *Insurance acquisition cash flows*

For the company's PAA eligible contracts, the company is eligible to recognize insurance acquisition cashflows as an expense immediately as incurred or amortize it over the coverage period. The company will make this choice on a portfolio basis. Where the company has not recognized an expense immediately, the company allocates insurance acquisition cash flows to related groups of insurance contracts recognised in the statement of financial position (including those groups that will include insurance contracts expected to arise from renewals). An asset for insurance acquisition cash flows is recognised for acquisition cash flows incurred before the related group of insurance contracts has been recognised.

The effect of electing to recognise insurance acquisition cash flows as an expense when incurred for a group of insurance contracts is to increase the liability for remaining coverage and reduce the likelihood of any subsequent onerous contract loss. There would be an increased charge to profit or loss on incurring the expense, offset by an increase in profit released over the coverage period.

Onerous groups

For groups of contracts that are onerous, the liability for remaining coverage is determined by the fulfilment cash flows. Any loss-recovery component is determined with reference to the loss component recognised on underlying contracts and the recovery expected on such claims from reinsurance contracts held.

4.2.3 *Non-performance risk for reinsurers (reinsurance contracts)*

In estimating the value of reinsurance contracts held, the company has considered the risk of non-performance by reinsurers. This includes assessing credit risk based on reinsurers' credit ratings, historical payment performance, and market conditions.
As at the valuation date, the company applied the average probability of default (PD) for each reinsurer based on credit ratings, using data from Fitch's Global Corporate Finance Average Cumulative Default Rates (1990–2023), as Fitch rates most counterparties in Nigeria. These PDs were applied to each reinsurer's share of liabilities (EAD) to estimate potential default exposure.
The expected loss (EL) was calculated as: EL = EAD × PD × LGD, where LGD (Loss Given Default) was based on management judgment and historical recovery rates by rating class.

Risk adjustment for non-financial risk

The risk adjustment for non-financial risk is the compensation that the Company requires for bearing the uncertainty about the amount and timing of the cash flows of groups of insurance contracts. The risk adjustment reflects an amount that an insurer would rationally pay to remove the uncertainty that future cash flows will exceed the expected value amount.

The Company has estimated the risk adjustment using a confidence level (value at risk) approach in which a full IFRS 17 liability distribution is generated across all non-financial risks and risk adjustment is calculated as the difference between the best estimate liability and the liability value at the chosen confidence level of 99.5%. The resulting risk adjustment corresponds to a confidence level of 75%-80%.

The valuation of the long term insurance contract liabilities was done by Awunor Benjamin Ebube (FRC/2015/PRO/NAS/004/00000012946) of Becoda Consulting (FRC/2015/NAS/00000012946).

The Liability Adequacy Test (LAT) was carried out by Awunor Benjamin Ebube (FRC/2015/PRO/NAS/004/00000012946) of Becoda Consulting (FRC/2015/NAS/00000012946). The claims reserve was calculated using the Discounted Inflation Adjusted Basic Chain Ladder method.

4.3 Expense Allocation

The Group has split its expenses into attributable and non-attributable
- For Non-Life Business a split of the attributable costs using insurance contract liability weight (LIC & LRC) was recognised
- Expenses allocated to retail business are split among cohorts using policy counts.

4.4 Fair value measurement

The Group measures fair values using the following hierarchy of methods:
Level 1: Quoted market price in an active market for an identical instrument
Level 2: Valuation techniques based on observable inputs. This category includes instruments valued using quoted market prices in active markets for similar instruments; quoted prices for similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.
Level 3: This includes financial instruments, the valuation of which incorporate significant inputs for the asset or liability that is not based on observable market data (unobservable inputs). Unobservable inputs are those not readily available in an active market due to market illiquidity or complexity of the product. These inputs are generally determined based on inputs of a similar nature, historic observations on the level of the input or analytical techniques.

Valuation of land and building

On a determined basis, the Group engages the services of external, independent and qualified valuers to determine the fair value of the land and buildings depending on the measurement model adopted by the entities within the Group. The Group's land and buildings were revalued by external, independent firms of estate surveyors and valuers, John Odiba & Partners with FRC number (FRC/2022/00000014211) and Funsho Oladimeji & Company with FRC number (FRC/2012/0000000000109). The principal valuers are Mr. Odiba John Malik with FRC number FRC/2022/PRO/NIESV/002/455450 and Oladimeji Funsho Peter with FRC number FRC/2013/NIESV/00000001304.

Valuation of investment properties

The Group's investment property is held for the purpose of capital appreciation and rental income generation. The Group's investment properties were revalued by an external, independent firm of estate surveyors and valuers, John Odiba & Partners with FRC number (FRC/2022/00000014211). The name of the principal valuer is Mr. Odiba John Malik (FRC/2022/PRO/NIESV/002/455450). Fair value gains have been recognized in the income statement in line with the fair value model of IAS 40.

4.5 Income taxes

Non-life business

The current income tax charge is calculated on taxable income on the basis of the tax laws enacted or substantively enacted at the reporting date. The Company applies Section 16 of the Company Income Tax Act as amended by the Finance Act 2020. It states that an Insurance business shall be taxed as:

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

- The profit on which tax may be imposed, shall be ascertained by taking the gross premium, interest and other income receivable in Nigeria less reinsurance expenses. The following shall also be deducted from the balance so arrived at:

- a reserve fund for unexpired risks in the financial year computed on a time apportionment basis of the risks accepted during the financial year.

- claims and outgoings provided that any amount not utilised towards settlement of claims and outgoings shall be added to the total profits of the following year.

Life Business

The profits on which tax may be imposed in an insurance company is a life insurance company, whether proprietary or mutual, other than a Nigerian company which carries on business through a permanent establishment in Nigeria shall:

- be the investment income captured for tax purposes to income derived from the investment of shareholders' fund.

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

5 Segment Information

IFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the Chief Executive Officer to allocate resources to the segments and to assess their performance.

The Group's reportable segments are identified as follows;

- Non-life insurance
  The Non-Life business segment comprises general insurance to individuals and businesses. Non-life insurance products offered include auto, household, commercial and business interruption insurance. These products offer protection of policyholder's assets and indemnification of other parties that have suffered damage as a result of policyholder's accident

- Life insurance
  The life insurance segment offers pure risk, annuity, investment linked and protection products and other long-term contracts (both with and without insurance risk). It comprises a wide range of whole life, term assurance, guaranteed pensions, pure endowment pensions etc. Revenue from this segment is derived primarily from insurance premium, fees and commission income and investment income.

- Takaful Insurance

  Hilal Takaful undertakes the underwriting of Family Takaful and General Takaful, using a Hybrid Wakalah-Mudarabah model for its Takaful-Insurance operations.

- Fin Insurance
  A seperate subsidiary in the Non-Life business segment comprises general insurance to individuals and businesses. Non-life insurance products offered include auto, household, commercial and business interruption insurance. These products offer protection of policyholder's assets and indemnification of other parties that have suffered damage as a result of policyholder's accident

- Leasing

The reportable segments are components of the Group for which discrete financial information is available.

No operating segments have been aggregated to form the above reportable operating segments.

The accounting policies of the reportable segments are the same as the Group's accounting policies. Segment profit represents the profit earned by each segment without allocation of certain expenses, certain finance costs and income taxes which are managed on a group basis. This is the measure reported to the Group's Chief Executive for the purposes of resource allocation and assessment of segment performance.

5.1 Revenue from major products and services

The Group's revenue from major products and services is disclosed in the segment revenue tables (see note 5.4).

5.2 Geographical information

The Group's revenue and information about its segment net assets by geographical location are as follows:

	Revenue		Net assets	
In thousands of naira	**30-Sep-26**	**30-Sep-25**	**30-Sep-26**	**31-Dec-25**
Within Nigeria	43,307,830	37,110,773	80,359,298	72,860,041
	43,307,830	37,110,773	80,359,298	72,860,041

5.3 Information about major customers

The Group does not derive revenue from an individual policyholder or intermediary that represents 10% or more of the Group's total revenue.

Notes to the consolidated and separate financial statements

6 Cash and cash equivalents

		Group		Company	
In thousands of naira		**30-Sep-26**	**31-Dec-25**	**30-Sep-26**	**31-Dec-25**
Cash		380	656	-	276
Balances with banks		4,646,915	6,004,651	2,356,972	4,309,015
Short-term deposits		10,436,015	18,276,960	8,515,793	4,654,535
Gross		**15,083,310**	**24,282,267**	**10,872,765**	**8,963,826**
ECL allowance	6.1	(112,635)	(112,635)	(98,723)	(98,723)
		14,970,675	**24,169,631**	**10,774,042**	**8,865,104**
Current		14,970,675	24,169,631	10,774,042	8,865,104
Non-current		-	-	-	-
		14,970,675	**24,169,631**	**10,774,042**	**8,865,104**

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

6.1 Movement in Impairment/ECL allowance

		Group		Company	
		30-Sep-26	**31-Dec-25**	**30-Sep-26**	**31-Dec-25**
Balance, beginning of the year		112,635	36,678	98,723	30,576
Specific impairment	33	-	-	-	-
Movement in ECL	33	-	75,958	-	68,147
At 31 December		**112,635**	**112,636**	**98,723**	**98,723**

7 Financial assets

		Group		Company	
In thousands of naira		**30-Sep-26**	**31-Dec-25**	**30-Sep-26**	**31-Dec-25**
Financial assets - FVOCI	7.2	12,510,801	41,104,559	9,179,987	38,587,248
Financial assets - FVTPL	7.3	93,099,200	46,029,689	70,613,222	35,393,782
Financial assets - Amortised cost	7.4	182,455	1,287,977	184,596	373,617
		105,792,457	**88,422,225**	**79,977,805**	**74,354,646**

7.2 Financial assets - FVOCI

	Group		Company	
In thousands of naira	**30-Sep-26**	**31-Dec-25**	**30-Sep-26**	**31-Dec-25**
Quoted equity securities	10,855,897	6,049,112	7,525,083	3,812,121
Unquoted investments	1,618,971	3,830,431	1,618,971	3,550,111
Bonds	35,933	31,225,016	35,933	31,225,016
	12,510,801	**41,104,559**	**9,179,987**	**38,587,248**

7.3 Financial Assets - FVTPL

	Group		Company	
In thousands of naira	**30-Sep-26**	**31-Dec-25**	**30-Sep-26**	**31-Dec-25**
Quoted equity securities	14,196,960	6,011,930	14,401,857	5,769,741
Unquoted investments	79,549	-	79,549	-
Treasury bills	2,040,689	2,290,604	1,684,861	2,290,604
Bonds	76,782,002	37,727,156	54,446,955	27,333,437
	93,099,200	**46,029,690**	**70,613,222**	**35,393,782**

7.4 Financial Assets - Amortised cost

	Group		Company	
In thousands of naira	**30-Sep-26**	**31-Dec-25**	**30-Sep-26**	**31-Dec-25**
Bonds	-	-	-	-
Loan to policy holders	184,596	184,596	184,596	184,596
Long term placements	(2,141)	914,360	-	-
Commercial paper	-	189,021	-	189,021
Treasury bills	-	-	-	-
	182,455	**1,287,977**	**184,596**	**373,617**

8 Premium receivables

		Group		Company	
In thousands of naira		**30-Sep-26**	**31-Dec-25**	**30-Sep-26**	**31-Dec-25**
Balance, beginning of the year		754,408	549,140	546,203	322,551
Total Premium		45,822,369	63,049,655	36,733,430	53,685,538
Deposit for premium	19.1	(929,107)	(528,428)	(827,429)	(827,429)
Insurance premium received	16.1	(43,344,529)	(62,315,960)	(34,531,128)	(52,634,458)
Balance, end of the year		**2,303,141**	**754,408**	**1,921,076**	**546,203**
Trade receivables comprise:					
Due from brokers, agents and other insurance companies		2,303,141	754,408	1,921,076	546,203
Allowance for impairment (see note (c) below)		-	-	-	-
		2,303,141	**754,408**	**1,921,076**	**546,203**
Current		2,303,141	754,408	1,921,076	546,203
		2,303,141	**754,408**	**1,921,076**	**546,203**

8.1 Trade receivables by insurance institutions:

	Group		Company	
In thousands of naira	**30-Sep-26**	**31-Dec-25**	**30-Sep-26**	**31-Dec-25**
Due from brokers	2,303,141	754,408	1,921,076	546,203
Due from other insurance companies	-	-	-	-
Total gross amount	**2,303,141**	**754,408**	**1,921,076**	**546,203**
Allowance for impairment	-	-	-	-
	2,303,141	**754,408**	**1,921,076**	**546,203**

8.2 The age analysis of gross insurance trade receivables as at year-end is as follows:

	Group		Company	
In thousands of naira	**30-Sep-26**	**31-Dec-25**	**30-Sep-26**	**31-Dec-25**
Within 30 days	2,303,141	754,408	1,921,076	546,203
More than 30 days	-	-	-	-
	2,303,141	**754,408**	**1,921,076**	**546,203**

9 Other receivables and prepayments

	Group		Company	
In thousands of naira	**30-Sep-26**	**31-Dec-25**	**30-Sep-26**	**31-Dec-25**
Non-financial				
Prepayment	631,863	521,103	567,103	435,092
Withholding tax receivable	142,069	91,817	42,634	26,127
Other prepaid balances	119,477	707,075	-	-
	893,409	**1,319,995**	**609,737**	**461,219**
Financial				
	220,677	**511,702**	**137,668**	**171,659**
Current	1,114,085	1,782,469	747,405	583,651
Non-current	-	-	-	-
	1,114,085	**1,782,469**	**747,405**	**583,651**

9.1 Interest receivable - Statutory Deposit

		Group		Company	
In thousands of naira		**30-Sep-26**	**31-Dec-25**	**30-Sep-26**	**31-Dec-25**
Balance, beginning of the year		32,340	-	32,340	-
Interest accrued	28	165,178	64,941	165,178	64,941
Interest received		(80,848)	(11,042)	(80,848)	(11,042)
Balance, end of the year		**116,670**	**53,899**	**116,670**	**53,899**

10 Reinsurance contract assets

In thousands of naira		Group		Company	
		30-Sep-26	**31-Dec-25**	**30-Sep-26**	**31-Dec-25**
Assets for remaining coverage	10.1	7,192,729	10,397,190	5,698,906	8,519,667
Amount recoverable for incurred claims	10.1	6,175,921	5,745,323	5,343,952	4,601,833
		13,368,650	**16,142,513**	**11,042,859**	**13,121,500**
Current		7,192,729	10,397,190	5,698,906	8,519,667
Non-current		6,175,921	5,745,323	5,343,952	4,601,833
		13,368,650	**16,142,513**	**11,042,859**	**13,121,500**

Notes to the consolidated and separate financial statements

11 Investment in subsidiaries

	Group		Company	
In thousands of naira	30-Sep-26	31-Dec-25	30-Sep-26	31-Dec-25
Fin Insurance Company Limited (see note (a)(i) below)	-	-	3,154,748	3,154,748
Hilal Takaful Nigeria Limited previously called Cornerstone Takaful Nigeria Limited (see note (a)(ii)	-	-	1,854,099	1,854,099
	-	-	5,008,847	5,008,847
Impairment allowance (see note (a) below)	-	-	-	-
	-	**-**	**5,008,847**	**5,008,847**
Current	-	-	-	-
Non-current	-	-	5,008,847	5,008,847
	-	**-**	**5,008,847**	**5,008,847**

11.1 Fin Insurance Company Limited

	Group		Company	
In thousands of naira	30-Sep-26	31-Dec-25	30-Sep-26	31-Dec-25
Balance, beginning of the year	-	-	3,154,748	3,154,748
Addition during the year	-	-	-	-
	-	**-**	**3,154,748**	**3,154,748**

11.2 In the year 2020, the Company discontinued its Takaful Insurance business segment following the approval and license to operate Takaful Insurance as a separate stand alone Company. Consequently, the net asset of NGN466.09million for Takaful Insurance on the date of discontinuation were derecognised against investment in the newly formed Takaful Company which is a wholly owned subsidiary of Cornerstone Insurance Plc.

During 2024 financial year, deposit for shares in the sum of N1.219billion and intercompany balance in the sum of N169million were aloted in Hilal Takaful Ltd in line with the Board approval of 4 December 2024.

Hilal Takaful Nigeria Ltd

	Group		Company	
In thousands of naira	30-Sep-26	31-Dec-25	30-Sep-26	31-Dec-25
Balance, beginning of the year	-	-	1,854,099	1,854,099
Addition	-	-	-	-
Balance, end of the year	-	-	1,854,099	1,854,099

11.3 Principal subsidiary undertakings

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

Company name	Country of incorporation	ature of busines	% equity holdings
Fin Insurance Company Limited	Nigeria	Non-life insuran	96.68%
Cornerstone Leasing and Investment Limited	Nigeria	Leasing services	100.00%
Hilal Takaful Nigeria Limited previously called Cornerstone Takaful Nigeria	Nigeria	Takaful Insura	100.00%

11.4 Other information on subsidiaries

11.4.1 Cornerstone Leasing and Investment Limited commenced operation on 1 July 2004 as part of the parent company's ultimate strategic plan to provide world class leasing services. The Company was formerly a subsidiary of Cornerstone Asset Management Limited who later in 2009 transferred its shareholding in the company to the ultimate parent, Cornerstone Insurance Plc. Cornerstone Leasing and Investment Limited provides convenient asset acquisition options to both corporate organisations and individuals. The Company's primary place of business is Lagos, Nigeria.

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

11.5 Significant restrictions

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

11.6 Condensed results of consolidated entities

The condensed financial data of the consolidated entities are as follows:

30 September 2026

Condensed statement of profit or loss

In thousands of naira	Cornerstone Insurance Plc	Hilal Takaful Nigeria	Fin Insurance Company Limited	Elimination entries	Group balances
Total income	41,030,082	1,787,866	6,198,736	-	49,016,684
Total expenses	(32,640,241)	(920,368)	(7,544,119)	-	(41,104,727)
Profit before tax	8,389,841	867,498	(1,345,383)	-	7,911,957
Tax expense	(472,698)	-	(31,686)	-	(504,384)
Profit after tax	**7,917,142**	**867,498**	**(1,377,069)**	**-**	**7,407,572**

Condensed statement of financial position

In thousands of naira	Cornerstone Insurance Plc	Hilal Takaful Nigeria	Fin Insurance Company	Elimination entries	Group balances
Total assets	114,490,769	3,859,645	36,943,834	(6,165,779)	149,139,914
Total liabilities	63,390,704	1,273,271	6,607,147	(2,871,483)	68,780,616
Shareholders' funds	51,100,064	2,586,374	30,336,687	(3,294,295)	80,359,298

30 September 2025

Condensed statement of profit or loss

In thousands of naira	Cornerstone Insurance Plc	Hilal Takaful Nigeria	Fin Insurance Company Limited	Elimination entries	Group balances
Total income	32,889,890	1,171,290	7,280,718	(71,921)	41,413,819
Total expenses	(25,737,082)	(760,691)	(6,599,830)	-	(33,097,603)
Profit before tax	7,152,809	410,598	680,888	(71,921)	8,316,216
Tax expense	(79,458)	-	(135,540)	-	(214,998)
Profit for the year	**7,073,350**	**410,598**	**545,348**	**(71,921)**	**8,101,218**

Condensed statement of financial position

In thousands of naira	Cornerstone Insurance Plc	Hilal Takaful Nigeria	Fin Insurance Company	Elimination entries	Group balances
Total assets	105,605,861	4,517,211	36,812,015	(5,912,841)	141,033,691
Total liabilities	61,479,547	2,076,310	12,603,368	(8,622,178)	68,173,648
Shareholders' funds	44,126,314	2,440,900	24,208,647	2,709,338	72,860,043

12 Investment properties

		Group		Company	
In thousands of naira		30-Sep-26	31-Dec-25	30-Sep-26	31-Dec-25
Balance, beginning of the year		1,584,000	872,000	-	-
Fair value gains	29	-	712,000	-	-
Balance, end of the year		**1,584,000**	**1,584,000**	**-**	**-**
Current		-	-	-	-
Non-current		1,584,000	1,584,000	-	-
		1,584,000	**1,584,000**	**-**	**-**

The balance in this account can be analysed as follows:

	Group		Company	
In thousands of naira	30-Sep-26	31-Dec-25	30-Sep-26	31-Dec-25
Cost	292,000	292,000	-	-
Fair value gain	1,292,000	1,292,000	-	-
	1,584,000	**1,584,000**	**-**	**-**

12.1 The details of the investment properties of the Group are presented in the table below:

investment properties are being carried in the name of Yankari Insurance Limited, which is Fin Insurance former business na

Details of the property	Documentatio	ken for perfectio	Owner	Carrying amount
Land and Twin Duplex, Plot 667 (A&B) Umozi Street, off Ladoke Akintola Boulevant, Garki II, Abuja	C of O DD 02.08.2005	The Group has a certified true copy of C of O, though its in the name of Yankari Insurance Co. Ltd.	Fin Insurance Company Limited	620,000
Land and Two Blocks Flats, House no 16&18, 2nd Avenue, 21(D) Road by Babangida market, beside Dominion Chapel, FHA Estate, Lugbe, Abuja	FHA allocation letter FHA/ES/FCT/ lg/nhp/33 DD 09.11.2001	The Group has a certified true copy of letter of allocation in the name of Yankari Insurance Co. Ltd.	Fin Insurance Company Limited	964,000
				1,584,000

12.2 Measurement of fair values

12.2.1 ***Fair value hierarchy***

The fair value of investment properties was determined by an external, independent property valuer, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued. The independent valuer, John Odibah & Partners with FRC number FRC/2022/00000014211 valued the properties on the basis of open market value as at 31 December 2025. The principal valuer is Mr. Odiba John Malik with FRC number FRC/2022/PRO/NIESV/002/455450.

The fair value measurement for the investment properties of ₦1,584 million (2024: ₦872 million) has been categorised as a Level 3 fair value based on the inputs into the valuation technique used.

12.2.2 ***Valuation technique and significant unobservable inputs***

The following table shows the valuation technique used in measuring the fair value of investment property, as well as the significant unobservable inputs used.

Valuation technique	Significant unobservable inputs	key unobservable inputs and fair value measurement
The fair values are determined by applying the direct market evidence comparative method of valuation to derive the open market value. This valuation model reflects the current price on actual transaction for similar properties in the neighbourhood in recent time. References were made to prices of land and comparable properties in the neighbourhood. The data obtained were analysed and adjustment was made to reflect differences in site area and the actual location, quality of construction and off-site facilities.	-Prices per square meter -Rate of development in -Quality of the building -Influx of people and/or business to the area	The estimated fair value would increase/(decrease) if the rate of development in the area increases/(decreases), quality of the building increases/(decreases), influx of people and/or business to the area increases/(decreases).

13 Property and equipment

13.1 Group

30 September 2026

In thousands of naira	Land	Buildings	Leasehold Improvements	Motor vehicles	Computer Equipment	Office Equipment	Plant	Furniture & fittings	Total
Cost									
At 1 January 2026	3,356,000	1,298,000	64,877	2,295,674	698,349	250,268	57,485	261,507	**8,282,160**
Additions	-	-	-	63,248	59,696	2,319	-	9,021	**134,284**
Disposals	-	-	-	(63,415)	(4,025)	(323)	-	(480)	**-68,243**
Reclassification	-	-	-	-	-	-	-	-	**0**
Elimination of accumulated depreciation on revaluat	-	-	-	-	-	-	-	-	**0**
Revaluation gain	-	-	-	-	-	-	-	-	**0**
At 30 September 2026	**3,356,000**	**1,298,000**	**64,877**	**2,295,507**	**754,020**	**252,264**	**57,485**	**270,048**	**8,348,200**
Accumulated depreciation									
At 1 January 2026	-	(0)	31,370	1,226,945	574,765	223,392	49,782	207,986	**2,314,239**
Charge for the year	10,879	-	649	193,857	48,299	6,852	657	8,167	**269,359**
Elimination of accumulated depreciation on revaluat	(10,879)	-	-	-	-	-	-	-	**-10,879**
Disposals	-	-	-	(10,248)	(7,348)	(658)	0	(2,919)	**-21,172**
At 30 September 2026	**(0)**	**-**	**32,018**	**1,410,554**	**615,716**	**229,587**	**50,438**	**213,235**	**2,551,548**
Net book value									
At 30 September 2026	**3,356,000**	**1,298,000**	**32,859**	**884,953**	**138,304**	**22,678**	**7,047**	**56,813**	**5,796,652**
31 December 2025									
Cost									
At 1 January 2025	2,524,500	1,024,044	64,877	1,515,669	615,823	239,570	47,550	251,339	**6,283,372**
Additions	-	-	-	913,136	86,551	11,022	9,935	24,309	**1,044,953**
Disposals	-	-	-	(139,675)	(4,025)	(323)	-	(14,141)	**(158,165)**
Reclassification	-	(6,544)	-	6,544	-	-	-	-	**-**
Elimination of accumulated depreciation on revaluat	-	(21,073)	-	-	-	-	-	-	**(21,073)**
Revaluation gain	831,500	301,573	-	-	-	-	-	-	**1,133,073**
At 31 December 2025	**3,356,000**	**1,298,000**	**64,877**	**2,295,674**	**698,349**	**250,268**	**57,485**	**261,507**	**8,282,159**
Accumulated depreciation									
At 1 January 2025	-	-	30,072	988,794	487,060	211,129	45,891	197,183	1,960,129
Charge for the year	-	21,073	1,298	358,522	91,730	12,586	3,890	13,150	502,249
Elimination of accumulated depreciation on revaluat	-	(21,073)	-	-	-	-	-	-	(21,073)
Disposals	-	-	-	(120,371)	(4,025)	(323)	-	(2,347)	(127,066)
At 31 December 2025	**-**	**(0)**	**31,370**	**1,226,945**	**574,765**	**223,392**	**49,782**	**207,986**	**2,314,239**
Net book value									
At 31 December 2025	**3,356,000**	**1,298,000**	**33,508**	**1,068,728**	**123,584**	**26,876**	**7,704**	**53,521**	**5,967,920**

13.2 Company

30 September 2026

In thousands of naira	Land	Buildings	Leasehold Improvements	Motor vehicles	Computer Equipment	Office Equipment	Plant	Furniture & fittings	Total
Cost									
At 1 January 2026	950,000	620,000	64,877	1,841,746	570,403	200,013	41,284	186,063	**4,474,386**
Additions	-	-	-	51,825	50,023	680	-	857	**103,385**
Disposals	-	-	-	(36,500)	-	-	-	-	**(36,500)**
Elimination of accumulated depreciation on revaluat	-	-	-	-	-	-	-	-	**-**
Revaluation gain	-	-	-	-	-	-	-	-	**-**
At 30 September 2026	**950,000**	**620,000**	**64,877**	**1,857,071**	**620,426**	**200,693**	**41,284**	**186,920**	**4,541,271**
Accumulated depreciation									
At 1 January 2026	-	-	31,371	986,138	467,265	178,905	40,041	152,209	**1,855,929**
Charge for the year	-	-	649	121,309	38,175	5,210	657	5,073	**171,072**
Elimination of accumulated depreciation on revaluat	-	-	-	-	-	-	-	-	**-**
Disposals	-	-	-	1,926	-	-	-	-	**1,926**
At 30 September 2026	**-**	**-**	**32,020**	**1,109,372**	**505,441**	**184,115**	**40,697**	**157,282**	**2,028,927**
Net book value									
At 30 September 2026	**950,000**	**620,000**	**32,857**	**747,699**	**114,985**	**16,578**	**586**	**29,638**	**2,512,344**
31 December 2025									
Cost									
At 1 January 2025	750,000	550,000	64,877	1,137,773	515,796	194,637	40,574	169,918	**3,423,575**
Additions	-	-	-	757,974	54,606	5,376	710	16,145	**834,812**
Disposals	-	-	-	-54,000	-	-	-	-	**-54,000**
Elimination of accumulated depreciation on revaluat	-	-11,000	-	-	-	-	-	-	**-11,000**
Revaluation gain	200,000	81,000	-	-	-	-	-	-	**281,000**
At 31 December 2025	**950,000**	**620,000**	**64,877**	**1,841,747**	**570,402**	**200,013**	**41,284**	**186,063**	**4,474,387**
Accumulated depreciation									
At 1 January 2025	-	-	30,074	749,716	390,037	169,002	39,225	144,313	**1,522,366**
Charge for the year	-	11,000	1,298	282,422	77,228	9,903	815	7,897	**390,563**
Elimination of accumulated depreciation on revaluat	-	-11,000	-	-	-	-	-	-	**-11,000**
Disposals	-	-	-	-46,000	-	-	-	-	**-46,000**
At 31 December 2025	**-**	**-**	**31,372**	**986,138**	**467,265**	**178,905**	**40,040**	**152,210**	**1,855,929**
Net book value									
At 31 December 2025	**950,000**	**620,000**	**33,505**	**855,609**	**103,137**	**21,108**	**1,244**	**33,853**	**2,618,458**

(i) The Group and Company had no capital commitments as at 31 December 2025 (2024: Nil)

(ii) There were no capitalized borrowing costs related to the acquisition of property and equipment during the year 2025 (2024: Nil).

(iii) There are no restrictions on the Group and Company's title to its property and equipment.

(iv) All property and equipment items are non-current.

(v) Right of use assets have been reclassified to prepaid rent due to its low value and short-term nature. (see note 9)

(vi) Land and Buildings were revalued by external, independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of the properties being valued. The independent valuers, John Odibah & Partners with FRC number FRC/2022/00000014211 and Funsho Oladimeji & Company with FRC/2012/0000000000109 valued the properties on the basis of open market value as at 31 December 2025. The principal valuers are Mr. Odiba John Malik with FRC number FRC/2022/PRO/NIESV/002/455450 and Oladimeji Funsho Peter with FRC number FRC/2013/NIESV/00000001304.

(vii) Revaluation gain for the year, before tax recognised in other comprehensive income was calculated as follows:

	Group		Company	
In thousands of naira	**30-Sep-26**	**31-Dec-25**	**30-Sep-26**	**31-Dec-25**
Revaluation gain on cost	(10,879)	550,000	-	370,000
Reversal of accummulated depreciation on revaluation	10,879	37,120	-	28,327.49
Revaluation gain	**-**	**587,120**	**-**	**398,327**

Group summary of land and buildings are detailed below:

S/N	Description of Property	Location	Type	Status of title documents	Carrying Amount (₦'000)
1	This property is bare land having C of O with File no. AD 10060:DD 06.06.2005	Plot No: 3459 Cadastral Zone A06 off Amazon Street Maitama	Land	Legal power of Attorney executed by Atiku Abubakar dated 28th June 10-07-1905 The C of O is in the name of Atiku Abubakar with File no. AD 10060:DD 06.06.2005.	1,500,000
2	This property is a duplex with BQ and is formerly covered by C of O with File no OG 10050 and now covered by a registered Deed of Assignment in the name of FIN Insurance Company Limited.	34 Gana Street Maitama Abuja	Land & Building	The Company has a Deed of Assignment transferring title of the property from Gabriel Abiodun Sobajo to Fin Insurance Company Limited dated 29 August 2017.	1,565,000
3	This is a bare land covered by a C of O with no. BA/38894 in the name of FIN Insurance Company Limited	Plot (Plan) No.BA/38894, Sunshine International School Road, off Bauchi-Das Road, New GRA Bauchi	Land	The Company has a Statutory C of O no. BA/38894 issued by Bauchi State of Nigeria dated 5th May 2016	19,000
4	This property is 3 Duplex at Plot 21 Water Corporation Drive off Ligali Ayorinde Street, Victoria Island, Lagos.	Plot 21 Water Corporation Drive off Ligali Ayorinde Street, Victoria Island, Lagos.	Land & Building		1,570,000
Total					**4,654,000**

14 Intangible assets

In thousands of naira	Group		Company	
	30-Sep-26	**31-Dec-25**	**30-Sep-26**	**31-Dec-25**
Cost				
Balance, beginning of the year	246,698	245,858	196,545	196,545
Additions	3,225	840	-	-
Balance, end of the year	**249,923**	**246,698**	**196,545**	**196,545**
Amortisation				
Balance, beginning of the year	236,173	230,686	189,091	186,819
Amortisation for the year	3,495	5,486	1,065	2,271
Balance, end of the year	**239,668**	**236,173**	**190,156**	**189,091**
Carrying amount	**10,255**	**10,525**	**6,390**	**7,455**

15 Statutory deposit

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

In thousands of naira	Group		Company	
	30-Sep-26	**31-Dec-25**	**30-Sep-26**	**31-Dec-25**
Balance, beginning of the year	2,200,000	1,200,000	500,000	500,000
Addition during the year	2,000,000	1,000,000	2,000,000	-
Balance, end of the year	**4,200,000**	**2,200,000**	**2,500,000**	**500,000**
Current	-	-	-	-
Non-current	4,200,000	2,200,000	2,500,000	500,000
	4,200,000	**2,200,000**	**2,500,000**	**500,000**

1,199,556

Notes to the consolidated and separate financial statements

16 Insurance contract liabilities

		Group		Company	
In thousands of naira	**Notes**	**30-Sep-26**	**31-Dec-25**	**30-Sep-26**	**31-Dec-25**
Liability for remaining coverage	16.1	38,546,597	39,121,245	35,074,461	35,560,500
Liability for incurred claims	16.1	18,493,283	15,962,707	15,906,217	13,893,761
		57,039,881	**55,083,953**	**50,980,678**	**49,454,262**
Current		38,546,597	39,121,245	35,074,461	35,560,500
Non-current		18,493,283	15,962,707	15,906,217	13,893,761
		57,039,881	**55,083,953**	**50,980,678**	**49,454,262**

17 Reinsurance Contracts Liabilities

		Group		Company	
In thousands of naira	**Notes**	**30-Sep-26**	**31-Dec-25**	**30-Sep-26**	**31-Dec-25**
Liabilities for remaining coverage	17.1	108,641	92,832	108,641	92,832
Amount recoverable for incurred claims	17.1	-	-	-	-
		108,641	**92,832**	**108,641**	**92,832**
Current		108,641	92,832	108,641	92,832
Non-current		-	-	-	-
		108,641	**92,832**	**108,641**	**92,832**

18 Investment contract liabilities

		Group		Company	
In thousands of naira		30-Sep-26	31-Dec-25	30-Sep-26	31-Dec-25
Investment contract liabilities		**1,243,136**	**1,348,313**	**969,065**	**867,022**
The movement in investment contract liabilities is analysed below:					
Balance, beginning of the year		1,348,314	1,053,426	867,023	730,382
Contributions		490,744	1,042,659	102,042	692,189
Withdrawals		(595,923)	(812,414)	-	(620,191)
Guaranteed interest	18.1	-	64,643	-	64,643
Balance, end of the year		**1,243,136**	**1,348,314**	**969,065**	**867,023**
Current		480,796	801,106	480,796	480,796
Non-current		762,340	547,208	488,268	386,227
		1,243,136	**1,348,314**	**969,065**	**867,023**

18.1 Profit on investment contract liabilities

		Group		Company	
In thousands of naira		30-Sep-26	31-Dec-25	30-Sep-26	31-Dec-25
Income					
Investment Income	28	49,998	-	49,998	-
Guaranteed interest	18	-	(64,643)	-	(64,643)
		49,998	**(64,643)**	**49,998**	**(64,643)**

19 Other Insurance Related Liabilities

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

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

		Group		Company	
In thousands of naira		30-Sep-26	31-Dec-25	30-Sep-26	31-Dec-25
Payables to reinsurers		3,290,289	1,126,553	3,791,540	846,022
Payables to coinsurers		1,078,435	3,439,810	1,078,435	3,439,810
Premium deposits	19.1	924,854	2,130,332	370,440	1,474,240
		5,293,578	**6,696,695**	**5,240,415**	**5,760,071**
Current		5,293,578	6,696,695	5,240,415	5,760,071
Non-current		-	-	-	-
		5,293,578	**6,696,695**	**5,240,415**	**5,760,071**

19.1 Premium Deposits

The movement in premium deposits during the year was as follows:

	Group		Company	
In thousands of naira	30-Sep-26	31-Dec-25	30-Sep-26	31-Dec-25
Balance, beginning of the year	2,130,332	1,184,520	1,474,240	827,429
Additions during the year	- 276,371	1,474,240	- 276,371	1,474,240
Additions to Insurance service revenue	(929,107)	(528,428)	(827,429)	(827,429)
Balance, end of the year	**924,854**	**2,130,332**	**370,440**	**1,474,240**

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

20 Other payables and accruals

	Group		Company	
In thousands of naira	30-Sep-26	31-Dec-25	30-Sep-26	31-Dec-25
Financial				
Other directors and staff payables	908,963	1,059,131	741,987	909,131
Accrued expenses/payable	674,224	783,713	616,457	697,057
NAICOM levy payable	60,165	477,436	(11,059)	465,289
Sundry creditors (see note (i) below)	744,073	181,049	2,321,232	978,100
	2,387,426	**2,501,328**	**3,668,617**	**3,049,576**
Non-financial				
Personal Income Tax (PAYE)	41,588	51,258	(31,150)	40,123
Withholding tax payable	146,683	317,890	125,574	310,068
	188,271	**369,148**	**94,424**	**350,192**
	2,575,696	**2,870,476**	**3,763,040**	**3,399,768**
Current	2,575,696	2,870,476	3,763,040	3,399,768
Non-current	-	-	-	-
	2,575,696	**2,870,476**	**3,763,040**	**3,399,768**

Notes to the consolidated and separate financial statements

21 Taxation

21.1 Tax expense

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

		Group		Company	
In thousands of naira		**30-Sep-26**	**30-Sep-25**	**30-Sep-26**	**30-Sep-25**
Minimum tax		**171,686**	**214,998**	**140,000**	**79,458**
Income tax expense					
Income tax based on the taxable profit/loss for the year		-	-	-	-
Tertiary Education Tax		120,000	-	120,000	-
Police Trust Fund Levy		200	-	200	-
Information technology development levy (NITDA)		212,498	-	212,498	-
Total current income tax for the year		**332,698**	**-**	**332,698**	**-**
Adjustment in respect of prior years					
Deferred tax Credit (charge) recognised in profit or loss	21.3.3	-	-	-	-
Tota Income tax expense		**332,698**	**-**	**332,698**	**-**
Total minimum and income tax charge for the year		**504,384**	**214,998**	**472,698**	**79,458**

The charge for current income tax in these financial statements is based on the provisions of the Companies Income Tax Act, Cap C21, Laws of the Federation of Nigeria (LFN) 2004 as amended and Education Tax Act, Cap E4, Laws of the Federation of Nigeria 2004 along with other tax laws such as the Finance Act 2020, 2021 and 2022.

21.2 Current tax liabilities

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

		Group		Company	
In thousands of naira		**30-Sep-26**	**31-Dec-25**	**30-Sep-26**	**31-Dec-25**
Balance, beginning of the year		801,784	752,982	743,038	460,529
Income tax for the year	21.1	436,831	263,189	332,698	263,189
Minimum Tax	21.1	140,000	233,850	140,000	197,899
Payment during the year		(95,135)	(448,237)	(49,994)	(178,578)
Balance, end of the year		**1,283,479**	**801,784**	**1,165,742**	**743,038**
Current		1,283,479	801,784	1,165,742	743,038
Non-current		-	-	-	-
		1,283,479	**801,784**	**1,165,742**	**743,038**

21.3 Deferred taxation

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

21.3.1 The movement on the deferred tax assets account is as follows:

Deferred tax assets

	Group		Company	
In thousands of naira	**30-Sep-26**	**31-Dec-25**	**30-Sep-26**	**31-Dec-25**
Balance, beginning of the year	-	861,211	-	861,211
Recognised in profit or loss	-	(861,211)	-	(861,211)
Balance, end of the year	-	-	-	-

21.3.2 The movement on the deferred tax liabilities account is as follows:

Deferred tax liabilities

	Group		Company	
In thousands of naira	**30-Sep-26**	**31-Dec-25**	**30-Sep-26**	**31-Dec-25**
Balance, beginning of the year	1,143,285	4,628,188	1,134,458	859,434
Recognised in profit or loss	-	(3,632,310)	-	275,024
Recognised in Other Comprehensive income:				
- Unrealised exchange gain	-	255,622	-	-
- Fair value gain/(loss)	64,255	-	-	-
Balance, end of the year	**1,207,540**	**1,251,500**	**1,134,458**	**1,134,458**

22 Employees benefit obligations

This represents the Company's liabilities from its defined contribution pension plan which is in compliance with the Pension Reform Act, 2014. All pension contributions are remitted to the relevant registered Pension Fund Administrators.

	Group		Company	
In thousands of naira	**30-Sep-26**	**31-Dec-25**	**30-Sep-26**	**31-Dec-25**
Balance, beginning of the year	28,096	7,047	28,096	7,047
Employee's Contribution	192,800	185,481	136,715	123,110
Pension expense for the year	36,098	104,252	36,098	104,252
Payments made during the year	(228,329)	(268,684)	(172,243)	(206,314)
Balance, end of the year	**28,665**	**28,096**	**28,665**	**28,096**
Current	28,665	28,096	28,665	28,096
Non-current	-	-	-	-
	28,665	**28,096**	**28,665**	**28,096**

23 Equity

23.1 Share capital

	Group		Company	
In thousands of naira	**30-Sep-26**	**31-Dec-25**	**30-Sep-26**	**31-Dec-25**
Issued and fully paid:				
Balance, beginning of the year	9,083,196	9,083,196	9,083,196	9,083,196
Balance, end of the year	**9,083,196**	**9,083,196**	**9,083,196**	**9,083,196**

23.2 Share premium

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

	Group		Company	
In thousands of naira	**30-Sep-26**	**31-Dec-25**	**30-Sep-26**	**31-Dec-25**
Balance, beginning of the year	183,165	183,165	183,165	183,165
Balance, end of the year	**183,165**	**183,165**	**183,165**	**183,165**

23.3 Treasury shares

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

	Group		Company	
In thousands of naira	**30-Sep-26**	**31-Dec-25**	**30-Sep-26**	**31-Dec-25**
Balance, beginning of the year	(67,130)	(67,130)	(67,130)	(67,130)
Balance, end of the year	**(67,130)**	**(67,130)**	**(67,130)**	**(67,130)**

23.4 Retained earnings

		Group		Company	
In thousands of naira		**30-Sep-26**	**31-Dec-25**	**30-Sep-26**	**31-Dec-25**
As at 1 January		37,284,440	32,833,834	17,942,665	17,553,965
Transfer to contingency reserves	23.5	(95,093)	(2,401,154)	(670,451)	(1,344,289)
Profit for the year		7,407,572	11,756,686	7,917,143	6,637,915
OCI reclassified on equity disposal		47,459	-	47,459	-
Dividend paid		(5,081,226)	(4,904,926)	(5,081,226)	(4,904,926)
Balance, end of the year		**39,563,154**	**37,284,440**	**20,155,591**	**17,942,665**

23.5 Contingency reserve

		Group		Company	
In thousands of naira		**30-Sep-26**	**31-Dec-25**	**30-Sep-26**	**31-Dec-25**
Balance, beginning of the year		14,200,564	11,799,411	9,269,718	7,925,430
Transfer from retained earnings	23.4	95,093	2,401,154	670,451	1,344,289
Balance, end of the year		**14,295,657**	**14,200,565**	**9,940,169**	**9,269,719**

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

23.6 Fair value and other reserves

		Group		Company	
In thousands of naira		**30-Sep-26**	**31-Dec-25**	**30-Sep-26**	**31-Dec-25**
Fair value reserve	23.6.1	13,645,252	8,464,563	10,592,192	6,501,819
Asset revaluation reserve (See note (ii) below)	23.6.3	2,737,257	2,737,257	1,212,881	1,212,881
Balance, end of the year		**16,382,509**	**11,201,820**	**11,805,073**	**7,714,700**

23.6.1 Fair value reserve

		Group		Company	
In thousands of naira	**Note**	**30-Sep-26**	**31-Dec-25**	**30-Sep-26**	**31-Dec-25**
As at 1 January		8,464,563	3,876,719	6,501,819	3,027,292
Fair value changes on FVOCI	23.6.2	5,180,689	4,547,317	4,090,373	3,506,339
ECL on FVOCI securities		-	40,526	-	(31,812)
Balance, end of the year		**13,645,252**	**8,464,563**	**10,592,192**	**6,501,819**

23.6.2 Fair value changes on FVOCI

		Group		Company	
In thousands of naira	**Note**	**30-Sep-26**	**31-Dec-25**	**30-Sep-26**	**31-Dec-25**
Fair value gain on Quoted Equities	7.2.2	5,327,533	1,805,121	4,237,217	811,697
Fair value gain on Unquoted Equities	7.2.3	16,548	(57,958)	16,548	(105,512)
Fair value gain on Government Bond	7.2.4	-	3,020,123	-	3,020,123
Exchange gain/(loss) on Financial Assets	7.2.4	(163,392)	(219,969)	(163,392)	(219,969)
		5,180,689	**4,547,317**	**4,090,373**	**3,506,339**

23.6.3 Asset revaluation reserve

	Group		Company	
In thousands of naira	**30-Sep-26**	**31-Dec-25**	**30-Sep-26**	**31-Dec-25**
Balance, beginning of the year	2,737,257	1,866,349	1,212,881	931,881
Revaluation gain on land and building	-	1,126,529	-	281,000
Tax effects on other comprehensive income	-	(255,621)	-	-
Balance, end of the year	**2,737,257**	**2,737,257**	**1,212,881**	**1,212,881**

23.7 Non-controlling interest

	Group		Company	
In thousands of naira	**30-Sep-26**	**31-Dec-25**	**30-Sep-26**	**31-Dec-25**
Balance, beginning of the year	973,985	779,523	-	-
Share of profit for the year	(45,719)	143,979	-	-
Share of other comprehensive income	(9,520)	50,483	-	-
Balance, end of the year	**918,746**	**973,985**	**-**	**-**

24 Insurance Revenue

30 September 2026
Group

In thousands of naira	Annuity	Protection	Investment Linked	Group Life	Credit Life	Endowment	Non-life	Total
Amounts relating to changes in liabilities for remaining coverage:								
Expected benefits incurred	1,407,623	238,279	41,458	6,637,255	706,555	1,743	32,839,512	**41,872,426**
Expected expenses incurred	26,278	5,075	82,057	-	50,907	1,073	-	**165,390**
Loss component: systematic allocation	-	-	-	-	-	-	-	**-**
Change in the risk adjustment	(23,397)	13,601	2,211	3,976	13,914	2,943	-	**13,247**
CSM recognised for services provided	29,895	136,633	136,049	-	721,369	165	-	**1,024,111**
Recovery of acquisition cash flows	91,116	39,437	68,269	-	21,378	12,457	-	**232,656**
Contracts not measured under the PAA	**1,531,515**	**433,025**	**330,044**	**-**	**1,514,123**	**18,380**	**-**	**3,827,088**
Contracts measured under the PAA	-	-	-	6,641,231	-	-	32,839,512	**39,480,742**
Insurance revenue	**1,531,515**	**433,025**	**330,044**	**6,641,231**	**1,514,123**	**18,380**	**32,839,512**	**43,307,830**

30 September 2025
Group

In thousands of naira	Annuity	Protection	Investment Linked	Group Life	Credit Life	Endowment	Non-life	Total
Amounts relating to changes in liabilities for remaining coverage:								
Expected benefits incurred	769,468	167,584	33,260	4,881,534	510,800	777	28,134,612	34,498,035
Expected expenses incurred	19,460	4,264	81,872	-	33,025	842	-	139,463
Loss component: systematic allocation							-	-
Change in the risk adjustment	(40,666)	3,510	1,665	10,314	366	1,328	-	(23,483)
CSM recognised for services provided	18,922	531,576	221,568	-	1,459,112	277	-	2,231,455
Recovery of acquisition cash flows	158,998	62,849	17,684	-	25,209	564	-	265,304
Contracts not measured under the PAA	**926,182**	**769,783**	**356,049**	**-**	**2,028,512**	**3,788**	**-**	**4,084,314**
Contracts measured under the PAA	-	-	-	4,891,848	-	-	28,134,612	**33,026,460**
Insurance revenue	**926,182**	**769,783**	**356,049**	**4,891,848**	**2,028,512**	**3,788**	**28,134,612**	**37,110,774**

24 Insurance Revenue

30 September 2026

Company

In thousands of naira	Annuity	Protection	Investment Linked	Group Life	Credit Life	Endowment	Non-life	Total
Amounts relating to changes in liabilities for remaining coverage:								
Expected benefits incurred	1,407,623	238,279	41,458	6,015,117	706,555	1,743	25,458,430	**33,869,206**
Expected expenses incurred	26,278	5,075	82,057	-	50,907	1,073	-	**165,390**
Loss component: systematic allocation	-	-	-	-	-	-	-	**-**
Change in the risk adjustment	(23,397)	13,601	2,211	3,976	13,914	2,943	-	**13,247**
CSM recognised for services provided	29,895	136,633	136,049	-	721,369	165	-	**1,024,111**
Recovery of acquisition cash flows	91,116	39,437	68,269	-	21,378	12,457	-	**232,656**
Contracts not measured under the PAA	**1,531,515**	**433,025**	**330,044**	**-**	**1,514,123**	**18,380**	**-**	**3,827,088**
Contracts measured under the PAA	-	-	-	6,019,093	-	-	25,458,430	**31,477,523**
Insurance revenue	**1,531,515**	**433,025**	**330,044**	**6,019,093**	**1,514,123**	**18,380**	**25,458,430**	**35,304,611**

30 September 2025

Company

In thousands of naira	Annuity	Protection	Investment Linked	Group Life	Credit Life	Endowment	Non-life	Total
Amounts relating to changes in liabilities for remaining coverage:								
Expected benefits incurred	769,468	167,584	33,260	4,881,534	510,800	777	20,903,756	27,267,179
Expected expenses incurred	19,460	4,264	81,872	-	33,025	842	-	139,463
Loss component: systematic allocation	-	-	-	-	-	-	-	-
Change in the risk adjustment	(40,666)	3,510	1,665	10,314	366	1,328	-	(23,483)
CSM recognised for services provided	18,922	531,576	221,568	-	1,459,112	277	-	2,231,455
Recovery of acquisition cash flows	158,998	62,849	17,684	-	25,209	564	-	265,304
Contracts not measured under the PAA	**926,182**	**769,783**	**356,049**	**-**	**2,028,512**	**3,788**	**-**	**4,084,314**
Contracts measured under the PAA	-	-	-	4,891,848	-	-	20,903,756	**25,795,604**
Insurance revenue	**926,182**	**769,783**	**356,049**	**4,891,848**	**2,028,512**	**3,788**	**20,903,756**	**29,879,918**

25 Insurance Service Expense

30 September 2026

Group

In thousands of naira	Annuity	Protection	Investment Linked	Group Life	Credit Life	Endowment	Non-life	Total
Incurred claims	(1,063,985)	(183,202)	(9,897)	(2,362,624)	(182,211)	-	(6,110,350)	**(9,912,270)**
Incurred Fulfilment expenses	(1,769)	(14,364)	(8,474)	(741,298)	(274,117)	(177)	(3,143,597)	**(4,183,796)**
Incurred claims and other attributable expenses	**(1,065,755)**	**(197,566)**	**(18,371)**	**(3,103,922)**	**(456,328)**	**(177)**	**(9,253,947)**	**(14,096,066)**
Amortisation of insurance acquisition cash flows	(131,716)	(39,437)	(68,269)	(543,012)	(21,378)	(12,457)	(3,054,774)	**(3,871,042)**
Changes related to past & current service:								**-**
Changes in BEL related to LIC	-	53,488	(24,849)	787,590	(25,968)	-	275,360	**1,065,621**
Changes in RA related to LIC	-	-	-	-	-	-	26,777	**26,777**
Changes related to past & current service	**-**	**53,488**	**(24,849)**	**787,590**	**(25,968)**	**-**	**302,136**	**1,092,397**
Changes related to future service:								
Loss Component:								
Systematic Allocation	-	-	-	-	-	-	-	**-**
Losses and reversal of losses	(140,241)	(39,526)	(338,407)	-	(400,488)	(62,674)	-	**(981,335)**
Total Insurance service expenses	**(1,337,712)**	**(223,041)**	**(449,895)**	**(2,859,344)**	**(904,161)**	**(75,307)**	**(12,006,585)**	**(17,856,045)**

30 September 2025

Group

In thousands of naira		Annuity	Protection	Investment Linked	Group Life	Credit Life	Endowment	Non-life	Total
Incurred claims		(862,190)	(11,591)	-	(976,600)	(698,190)	-	(6,118,704)	(8,667,275)
Incurred Fulfilment expenses		(715)	(38,506)	(6,719)	(275,413)	(178,544)	(86)	(3,748,266)	(4,248,249)
Other attributable expenses		50,268	893	23,246	-	387,020	12,208	-	473,635
Incurred claims and other attributable expenses	**14a (i)**	**(812,637)**	**(49,204)**	**16,527**	**(1,252,013)**	**(489,714)**	**12,122**	**(9,866,969)**	**(12,441,888)**
Amortisation of insurance acquisition cash flows	**14a (i)**	(64,667)	(54,410)	(11,092)	(252,742)	(17,934)	(345)	(1,676,214)	(2,077,404)
		-	-	-	-	-	-	-	-
Changes related to past & current service		-	-	-	-	-	-	-	-
Changes related to past service: Changes in RA and BEL related ti LIC		-	(1,249)	-	(566,883)	(26,686)	-	(3,145,189)	(3,740,007)
Changes in RA related to LIC		-	-	-	-	-	-	(61,199)	(61,199)
Changes related to past & current service	**14a (i)**	**-**	**(1,249)**	**-**	**(566,883)**	**(26,686)**	**-**	**(3,206,388)**	**(3,801,206)**
Loss Component:									
Changes related to future service- Loss Component: losses and reversal of losses on Loss Com		(40,465)	135,363	86,334	-	(294,719)	39	-	(113,448)
Adjustment for claims and expenses (for VFA)		-	-	-	-	-	-	-	-
Total Insurance service expenses		**(917,769)**	**30,500**	**91,769**	**(2,071,638)**	**(829,053)**	**11,816**	**(14,749,571)**	**(18,433,946)**

25 Insurance service expense

30 September 2026

Company

In thousands of naira		Annuity	Protection	Investment Linked	Group Life	Credit Life	Endowment	Non-life	Total
Incurred claims		(1,063,985)	(183,202)	(9,897)	(2,284,777)	(182,211)	-	(4,511,052)	**(8,235,124)**
Incurred Fulfilment expenses		(1,769)	(14,364)	(8,474)	(367,003)	(274,117)	(177)	(2,345,362)	**(3,011,266)**
Incurred claims and other attributable expenses	Note 14(a)(ii)	**(1,065,755)**	**(197,566)**	**(18,371)**	**(2,651,780)**	**(456,328)**	**(177)**	**(6,856,414)**	**(11,246,391)**
Amortisation of insurance acquisition cash flows	Note 14(a)(ii)	(131,716)	(39,437)	(68,269)	(543,012)	(21,378)	(12,457)	(2,098,100)	**(2,914,368)**
									-
Changes related to past & current service:									-
Changes in BEL related to LIC		-	53,488	(24,849)	787,590	(25,968)	-	1,060,922	**1,851,183**
Changes in RA related to LIC		-	-	-	-	-	-	69,472	**69,472**
		-	**53,488**	**(24,849)**	**787,590**	**(25,968)**	**-**	**1,130,393**	**1,920,655**
Changes related to future service:									
Loss Component:									
Systematic Allocation	Note 14(a)(ii)	-	-	-	-	-	-	-	**-**
Losses and reversal of losses	Note 14(a)(ii)	(140,241)	(39,526)	(338,407)	-	(400,488)	(62,674)	-	**(981,335)**
Total Insurance service expenses		**(1,337,712)**	**(223,041)**	**(449,895)**	**(2,407,202)**	**(904,161)**	**(75,307)**	**(7,824,121)**	**(13,221,439)**

30 September 2025

Company

In thousands of naira		Annuity	Protection	Investment Linked	Group Life	Credit Life	Endowment	Non-life	Total
Incurred claims		(482,190)	(11,591)	-	(789,785)	(198,190)	-	(6,427,703)	(7,909,459)
Incurred Fulfilment expenses		(715)	(38,506)	(6,719)	(275,413)	(178,544)	(86)	(304,179)	(804,162)
Other attributable expenses		50,268	893	23,246	-	387,020	12,208	-	473,635
Incurred claims and other attributable expenses	14a (ii)	(432,637)	(49,204)	16,527	(1,065,198)	10,286	12,122	(6,731,882)	(8,239,986)
									-
Amortisation of insurance acquisition cash flows	**14a (ii)**	(64,667)	(54,410)	(11,092)	(252,742)	(17,934)	(345)	(2,575,703)	(2,976,893)
		-	-	-	-	-	-	-	
Changes related to past & current service		-	-	-	-	-	-	-	
Changes related to past service: Changes in RA and BEL related ti LIC		-	(1,249)	-	(566,883)	(26,686)	-	(799,888)	(1,394,706)
Changes in RA related to LIC		-	-	-	-	-	-	92,158	92,158
Changes related to past & current service	**14a (ii)**	-	(1,249)	-	(566,883)	(26,686)	-	(707,730)	(1,302,548)
Changes related to future service- Loss Component: losses and reversal	**14a (ii)**	(40,465)	135,363	86,334	-	(294,719)	39	-	(113,448)
Adjustment for claims and expenses (for VFA)		-	-	-	-	-	-	-	-
Total Insurance service expenses		**(537,769)**	**30,500**	**91,769**	**(1,884,823)**	**(329,053)**	**11,816**	**(10,015,315)**	**(12,632,875)**

26 Net Expenses from Reinsurance Contracts Held

30 September 2026

Group

In thousands of naira	Annuity	Protection	Investment Linked	Group Life	Credit Life	Endowment	Non-life	Total
Reinsurance Expenses not measured under PAA								
Expected recovery for claims	-	(6,872)	-	-	(17,706)	-	-	**(24,578)**
Expected recovery of service expenses	-	-	-	-	-	-	-	**-**
Reinsurance RA allocation	-	16	-	-	(46)	-	-	**(30)**
Reinsurance CSM allocation	-	9,255	-	-	38,363	(2,496)	-	**45,122**
Allocation of reinsurance premiums paid	**-**	**2,399**	**-**	**-**	**20,611**	**(2,496)**	**-**	**20,514**
Amounts recoverable for claims	-	11,487	-	-	24,430	-	-	**35,917**
changes in BEL related to reinsurance LIC	-	-	-	-	415	-	-	**415**
changes in RA related to reinsurance LIC	-	-	-	-	-	-	-	**-**
Amounts recoverable from reinsurer	**-**	**11,487**	**-**	**-**	**24,845**	**-**	**-**	**36,332**
Net expenses from reinsurance contracts not measured under PAA	**-**	**13,886**	**-**	**-**	**45,456**	**(2,496)**	**-**	**56,846**
Reinsurance Expenses for contract measured under PAA								
Expected recovery for claims	-	-	-	(1,503,700)	-	-	(15,071,167)	**(16,574,867)**
Expected recovery of service expenses	-	-	-	-	-	-	-	**-**
Reinsurance RA allocation	-	-	-	2,906	-	-	-	**2,906**
Reinsurance CSM allocation	-	-	-	-	-	-	-	**-**
Allocation of reinsurance premiums paid	**-**	**-**	**-**	**(1,500,794)**	**-**	**-**	**(15,071,167)**	**(16,571,961)**
Amounts recoverable for claims	-	-	-	859,454	-	-	1,314,424	**2,173,878**
changes in BEL related to reinsurance LIC	-	-	-	(42,847)	-	-	605,490	**562,643**
changes in RA related to reinsurance LIC	-	-	-	-	-	-	75,283	**75,283**
Amounts recoverable from reinsurer	**-**	**-**	**-**	**816,607**	**-**	**-**	**1,995,197**	**2,811,804**
Net expenses from reinsurance contracts measured under PAA	**-**	**-**	**-**	**(684,186)**	**-**	**-**	**(13,075,971)**	**(13,760,157)**
Net expenses from reinsurance contracts held	**-**	**13,886**	**-**	**(684,186)**	**45,456**	**(2,496)**	**(13,075,971)**	**(13,703,311)**

26 Net Expenses from Reinsurance Contracts Held

30 September 2025

Group

In thousands of naira		Annuity	Protection	Investment Linked	Group Life	Credit Life	Endowment	Non-life	Total
Reinsurance Expenses not measured under PAA									
Expected recovery for claims		-	(8,978)	-	(1,263,882)	(44,926)	-	(11,064,720)	(12,382,506)
Other expenses recovery		-	-	-	-	-	-	-	-
Changes in the RA									-
Reinsurance RA allocation		-	(83)	-	4,370	(842)	-	-	3,445
Reinsurance CSM allocation		-	8,933	-	-	158,524	(3,239)	-	164,218
Allocation of reinsurer premium paid	**13a**	**-**	**(128)**	**-**	**(1,259,512)**	**112,756**	**(3,239)**	**(11,064,720)**	**(12,214,843)**
Amounts recoverable for claims	**13a**	-	-	-	541,942	999	-	2,533,684	3,076,625
Amount recoverable for other expenses incurred		-	-	-	-	-	-	-	-
									-
Changes related to past service,current and future service		-	-	-	-	-	-	-	-
changes in BEL related to reinsurance LIC		-	-	-	359,741	91,582	-	626,576	1,077,899
changes in RA related to reinsurance LIC		-	-	-	-	-	-	252,857	252,857
Changes to reinsurance BEL that do not adjust the CSM		-	-	-	-	-	-	-	-
Changes to reinsurance RA that do not adjust the CSM		-	-	-	-	-	-	-	-
Changes related to past service,current and future service	**13a**	**-**	**-**	**-**	**359,741**	**91,582**	**-**	**879,433**	**1,330,756**
Amounts recoverable from reinsurer		**-**	**-**	**-**	**901,683**	**92,581**	**-**	**3,413,117**	**4,407,381**
Net expenses from reinsurance contracts held		**-**	**(128)**	**-**	**(357,829)**	**205,337**	**(3,239)**	**(7,651,603)**	**(7,807,462)**

In thousands of naira	Note	Annuity	Protection	Investment Linked	Group Life	Credit Life	Endowment	Non-Life	Total
Reinsurance expenses not measured under PAA									
Amount relating to the changes in assets for remaining coverage:									
allocation of reinsurance premium paid		-						-	
Recoveries of incurred claims and other attributable income		-						-	
Effects of changes related to past service (Note 13)		-						-	
Reinsurance expenses for contract measured under PAA		**-**							
allocation of reinsurance premium paid									
other expenses recovery		-							
Recoveries of incurred claims and other attributable income		-							
Effects of changes related to past service (Note 13)		-							
Net expenses from reinsurance contract held		**-**	**(128)**	**-**	**(357,829)**	**205,337**	**(3,239)**	**(7,651,603)**	**(7,807,462)**

26 Net Expenses from Reinsurance Contracts Held

30 September 2026

Companmy

In thousands of naira	Annuity	Protection	Investment Linked	Group Life	Credit Life	Endowment	Non-life	Total
Reinsurance Expenses not measured under PAA								
Expected recovery for claims	-	(6,872)	-	-	(17,706)	-	-	**(24,578)**
Expected recovery of service expenses	-	-	-	-	-	-	-	**-**
Reinsurance RA allocation	-	16	-	-	(46)	-	-	**(30)**
Reinsurance CSM allocation	-	9,255	-	-	38,363	(2,496)	-	**45,122**
Allocation of reinsurer Insurance Revenue	**-**	**2,399**	**-**	**-**	**20,611**	**(2,496)**	**-**	**20,514**
Amounts recoverable for claims	-	11,487	-	-	24,430	-	-	**35,917**
Changes in BEL related to reinsurance LIC	-	-	-	-	415	-	-	**415**
Changes in RA related to reinsurance LIC	-	-	-	-	-	-	-	**-**
Amounts recoverable from reinsurer	**-**	**11,487**	**-**	**-**	**24,845**	**-**	**-**	**36,332**
Net expenses from reinsurance contracts not measured under PAA	**-**	**13,886**	**-**	**-**	**45,456**	**(2,496)**	**-**	**56,846**
Reinsurance Expenses for contract measured under PAA								
Expected recovery for claims	-	-	-	(1,465,587)	-	-	(12,145,052)	**(13,610,639)**
Expected recovery of service expenses	-	-	-	-	-	-	-	**-**
Reinsurance RA allocation	-	-	-	2,906	-	-	-	**2,906**
Reinsurance CSM allocation	-	-	-	-	-	-	-	**-**
Allocation of reinsurer Insurance Revenue	**-**	**-**	**-**	**(1,462,681)**	**-**	**-**	**(12,145,052)**	**(13,607,733)**
Amounts recoverable for claims	-	-	-	859,454	-	-	939,492	**1,798,946**
Changes in BEL related to reinsurance LIC	-	-	-	(42,847)	-	-	339,209	**296,361**
Changes in RA related to reinsurance LIC	-	-	-	-	-	-	55,530	**55,530**
Amounts recoverable from reinsurer	**-**	**-**	**-**	**816,607**	**-**	**-**	**1,334,231**	**2,150,838**
Net expenses from reinsurance contracts measured under PAA	**-**	**-**	**-**	**(646,074)**	**-**	**-**	**(10,810,821)**	**(11,456,895)**
Net expenses from reinsurance contracts held	**-**	**13,886**	**-**	**(646,074)**	**45,456**	**(2,496)**	**(10,810,821)**	**(11,400,049)**

26 Net Expenses from Reinsurance Contracts Held
30 September 2025
Companmy

In thousands of naira		Annuity	Protection	Investment Linked	Group Life	Credit Life	Endowment	Non-life	Total
Expected recovery for claims		-	7,805	(1,845)	-	(43,927)	-	(11,335,819)	(11,373,786)
Expected recovery of service expenses		-	-	-	-	-	-	-	-
Reinsurance RA allocation		-	-	-	-	(842)	-	-	(842)
Reinsurance CSM allocation		-	-	-	-	158,524	(3,239)	-	155,285
Allocation of reinsurer premium paid	**13a**	**-**	**7,805**	**(1,845)**	**-**	**113,755**	**(3,239)**	**(11,335,819)**	**(11,219,343)**
Amounts recoverable for claims	**13a**	-	-	-	-	(999)	-	271,099	270,100
Amount recoverable for other expenses incurred		-	-	-	-	-	-	-	-
Changes related to past service,current and future service		-	-	-	-	-	-	-	-
changes in BEL related to reinsurance LIC		-	-	-	-	-	-	-	-
changes in RA related to reinsurance LIC		-	-	-	-	-	-	-	-
Changes related to past service,current and future service	**13a**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Changes to reinsurance BEL that do not adjust the CSM		-	-	-	-	91,582	-	3,110,170	3,201,752
Changes to reinsurance RA that do not adjust the CSM		-							
Amounts recoverable from reinsurer		**-**	**-**	**-**	**-**	**90,583**	**-**	**3,381,269**	**3,471,852**
Net expenses from reinsurance contracts held		**-**	**7,805**	**(1,845)**	**-**	**295,920**	**(3,239)**	**(8,225,649)**	**(7,747,491)**
Reinsurance expenses not measured under PAA									
Amount relating to the changes in assets for remaining coverage:									
allocation of reinsurance premium paid		**-**	7,805	(1,845)	-	113,632	(846)	-	118,746
Recoveries of incurred claims and other attributable income		**-**	-	-	-	55,869	-	-	55,869
Effects of changes related to past service (Note 13)		**-**	-	-	-	7,725	-	-	7,725
Reinsurance expenses not measured under PAA		**-**	**7,805**	**(1,845)**	**-**	**177,226**	**(846)**	**-**	**182,340**
Reinsurance expenses for contract measured under PAA									
allocation of reinsurance premium paid		-	-	-	(618,296)	-	-	-	-
other expenses recovery		-	-	-	-	-	-	-	-
Recoveries of incurred claims and other attributable income		-	-	-	414,645	-	-	1,234,029	1,648,674
Effects of changes related to past service (Note 13)		-	-	-	(191,726)	-	-	234,386	42,660
Net expenses from reinsurance contract held		**-**	**7,805**	**(1,845)**	**-**	**295,920**	**(3,239)**	**(8,225,649)**	**(7,747,491)**

27 Net Insurance Finance Expenses

27.1 Net Finance expenses from Insurance contracts issued

30 September 2026

Group

In thousands of naira	Annuity	Protection	Investment Linked	Group Life	Credit Life	Endowment	Non-life	Total
Unwind of discount on FCFs: LRC	(1,408,084)	(257,459)	(535,550)	-	(177,355)	(10,137)	(42,882)	**(2,431,466)**
Unwind of discount on FCFs: LIC	-	(2,978)	(311)	(173,795)	(4,419)	-	(686,448)	**(867,951)**
Effect of change in economic assumptions: LRC	(85,498)	(2,819)	(1,334)	-	(383)	(38)	-	**(90,070)**
Effect of change in economic assumptions: LIC	-	-	-	69,058	-	-	170,025	**239,084**
Interest accretion on CSM	(24,031)	(174,985)	(58,246)	-	(24,756)	(623)	-	**(282,640)**
Effect of change in Discount rate assumptions: LRC	(164,002)	(43,736)	(874)	-	310	1,700	-	**(206,602)**
Effect of movements in exchange rates: LRC	-	-	-	-	-	-	-	**-**
Effect of movements in exchange rates: LIC	-	-	-	-	-	-	-	**-**
Change in fair value of underlying items	-	-	(228,237)	-	-	-	-	**(228,237)**
Insurance finance expenses	**(1,681,614)**	**(481,976)**	**(824,552)**	**(104,736)**	**(206,601)**	**(9,098)**	**(559,305)**	**(3,867,882)**

Net Finance expenses from Insurance contracts issued

30 September 2025

Group

In thousands of naira	Annuity	Protection	Investment Linked	Group Life	Credit Life	Endowment	Non-life	Total
Unwind of discount on FCFs: LRC	-301,730	-52,927	-290,482	-	-91,962	-3,648	-	-740,748
Effect of change in economic assumptions: LRC	-	-	-	-	-	-	-	-
Effect of change in economic assumptions: LIC	-	-	-	266,977	-	-	140,244	407,221
Interest accretion on CSM	-24,155	-72,282	-20,142	-	-100,562	-350	-	-217,492
Effect of change in Discount rate assumptions: LRC	-87,573	-37,004	7,157	-	-17,206	-714	-	-135,341
Effect of movements in exchange rates: LRC	-	-	-	-	-	-	-	-
Effect of movements in exchange rates: LIC	-	-	-	-	-	-	-	-
Change in fair value of underlying items	-	-	-102,340	-	-	-	-	-102,340
FCFs that do not adjust the CSM	-	-	-	-	-	-	-	-
Insurance finance expenses	**(413,458)**	**(162,213)**	**(405,807)**	**266,977**	**(209,730)**	**(4,712)**	**140,244**	**(788,700)**

27.1 Net Finance expenses from Insurance contracts issued

30 September 2026

Company

In thousands of naira	Annuity	Protection	Investment Linked	Group Life	Credit Life	Endowment	Non-life	Total
Unwind of discount on FCFs: LRC	(1,408,084)	(257,459)	(535,550)	-	(177,355)	(10,137)	-	**(2,388,584)**
Unwind of discount on FCFs: LIC	-	(2,978)	(311)	(173,795)	(4,419)	-	(686,448)	**(867,951)**
Effect of change in economic assumptions: LRC	(85,498)	(2,819)	(1,334)	-	(383)	(38)	-	**(90,070)**
Effect of change in economic assumptions: LIC	-	-	-	69,058	-	-	170,025	**239,084**
Interest accretion on CSM	(24,031)	(174,985)	(58,246)	-	(24,756)	(623)	-	**(282,640)**
Effect of change in Discount rate assumptions: LRC	(164,002)	(43,736)	(874)	-	310	1,700	-	**(206,602)**
Effect of movements in exchange rates: LRC	-	-	-	-	-	-	-	**-**
Effect of movements in exchange rates: LIC	-	-	-	-	-	-	-	**-**
Change in fair value of underlying items	-	-	(228,237)	-	-	-	-	**(228,237)**
Insurance finance expenses	**(1,681,614)**	**(481,976)**	**(824,552)**	**(104,736)**	**(206,601)**	**(9,098)**	**(516,423)**	**(3,825,000)**

Net Finance expenses from Insurance contracts issued

30 September 2025

Company

In thousands of naira	Annuity	Protection	Investment Linked	Group Life	Credit Life	Endowment	Non-life	Total
Unwind of discount on FCFs: LRC	-632,148	-52,927	-290,482	-	-91,962	-3,648	-	(1,071,167)
Effect of change in economic assumptions: LRC	-	-	-	-	-	-	-	-
Effect of change in economic assumptions: LIC	-	-	-	266,977	-	-	106,732	373,709
Interest accretion on CSM	-24,155	-72,282	-20,142	-	-100,562	-350	-	(217,491)
Effect of change in Discount rate assumptions: LRC	-87,573	-37,004	7,157	-	-17,206	-714	-	(135,340)
Effect of movements in exchange rates: LRC	-	-	-	-	-	-	-	-
Effect of movements in exchange rates: LIC	-	-	-	-	-	-	-	-
Change in fair value of underlying items	-	-	-102,340	-	-	-	-	(102,340)
FCFs that do not adjust the CSM	-	-	-	-	-	-	-	-
Insurance finance expenses	**(743,876)**	**(162,213)**	**(405,807)**	**266,977**	**(209,730)**	**(4,712)**	**106,732**	**(1,152,629)**

27.2 Net Finance income/(expenses) from Reinsurance contracts issued

30 September 2026

Group

In thousands of naira	Annuity	Protection	Investment Linked	Group Life	Credit Life	Endowment	Non-life	Total
Interest accreted to reinsurance contracts (locked-in rates)	-	11,314	-	-	(349)	-	-	**10,964**
Unwind of discount on reinsurance FCFs: LIC	-	-	-	(53,765)	(1,495)	-	247,233	**191,973**
Impacting of discounting Reinsurance LIC	-	-	-	-	-	-	-	**-**
Change in financial assumptions: LIC	-	-	-	-	-	-	-	**-**
Interest accreted to insurance contracts (current rates)	-	(2,421)	-	-	(401)	(220)	-	**(3,043)**
Change in financial assumptions through OCI	-	-	-	-	-	-	-	**-**
Changes in non-performance risk of reinsurer	-	-	-	6,354	-	-	27,181	**33,535**
Net foreign exchange income or expense	-	-	-	-	-	-	-	**-**
	-	**8,892**	**-**	**(47,411)**	**(2,246)**	**(220)**	**274,414**	**233,429**

Net Finance income/(expenses) from Reinsurance contracts issued

30 September 2025

Group

In thousands of naira	Annuity	Protection	Investment Linked	Group Life	Credit Life	Endowment	Non-life	Total
Interest accreted to reinsurance contracts (locked-in rates)	-	-2,937	-	-	-8,999	-	-	-11,935
Impacting of discounting Reinsurance LIC	-	-	-	-32,178	-	-	-100,453	-132,631
Change in financial assumptions: LIC	-	-	-	-	-	-	-28,291	-28,291
Interest accreted to insurance contracts (current rates)	-	-1,744	-	-	3,492	571	-	2,318
Change in financial assumptions through OCI	-	-	-	-	-	-	-	-
Changes in non-performance risk of reinsurer	-	-	-	-6,354	-	-	7,133	779
Net foreign exchange income or expense	-	-	-	-	-	-	-	-
Insurance finance expenses	**-**	**(4,681)**	**-**	**(38,532)**	**(5,507)**	**571**	**(121,611)**	**(169,760)**

27.2 Net Finance income/(expenses) from Reinsurance contracts issued

30 September 2026

Company

In thousands of naira	Annuity	Protection	Investment Linked	Group Life	Credit Life	Endowment	Non-life	Total
Interest accreted to reinsurance contracts (locked-in rates)	-	11,314	-	-	(349)	-	-	**10,964**
Unwind of discount on reinsurance FCFs: LIC	-	-	-	(53,765)	(1,495)	-	247,233	**191,973**
Impacting of discounting Reinsurance LIC	-	-	-	-	-	-	-	**-**
Change in financial assumptions: LIC	-	-	-	-	-	-	-	**-**
Interest accreted to insurance contracts (current rates)	-	(2,421)	-	-	(401)	(220)	-	**(3,043)**
Change in financial assumptions through OCI	-	-	-	-	-	-	-	**-**
Changes in non-performance risk of reinsurer	-	-	-	6,354	-	-	7,133	**13,488**
Net foreign exchange income or expense	-	-	-	-	-	-	-	**-**
Insurance finance expenses	**-**	**8,892**	**-**	**(47,411)**	**(2,246)**	**(220)**	**254,366**	**213,381**

Net Finance income/(expenses) from Reinsurance contracts issued

30 September 2025

Company

In thousands of naira	Annuity	Protection	Investment Linked	Group Life	Credit Life	Endowment	Non-life	Total
Interest accreted to reinsurance contracts (locked-in rates)	-	-2,937	-	(311,864)	-8,999	-	-	-323,800
Impacting of discounting Reinsurance LIC	-	-	-	-32,178	-	-	-75,222	-107,400
Change in financial assumptions: LIC	-	-	-	-	-	-	-	0
Interest accreted to insurance contracts (current rates)	-	-1,744	-	-	3,492	571	-	2,319
Change in financial assumptions through OCI	-	-	-	-	-	-	-	0
Changes in non-performance risk of reinsurer	-	-	-	-6,354	-	-	7,133	779
Net foreign exchange income or expense	-	-	-	-	-	-	-	0
Insurance finance expenses	**-**	**(4,681)**	**-**	**(350,396)**	**(5,507)**	**571**	**(68,089)**	**(428,102)**

28 Interest revenue using effective interest rate method

	Group		Company	
In thousands of naira	**30-Sep-26**	**30-Sep-25**	**30-Sep-26**	**30-Sep-25**
Interest income on financial assets at FVOCI	44,916	1,852,210	44,916	1,661,589
Interest income on financial assets at FVTPL	5,563,324	(480,821)	4,664,192	(480,821)
Interest income on financial assets at amortised cost	81,687	464,940	81,687	25,131
Interest income on statutory deposit	365,885	46,102	186,378	46,102
Interest income on cash and cash equivalents	633,915	1,058,339	216,783	406,906
	6,689,727	**2,940,769**	**5,193,956**	**1,658,906**
Investment Income Attributable to:				
Shareholders/Other Policyholders	6,639,729	2,940,769	5,143,958	1,658,906
Investment Contracts holders	49,998	-	49,998	-
	6,689,727	**2,940,769**	**5,193,956**	**1,658,906**
Interest revenue	**6,639,729**	**2,940,769**	**5,143,958**	**1,658,906**

29 Net fair value (loss)/gain

	Group		Company	
In thousands of naira	**30-Sep-26**	**30-Sep-25**	**30-Sep-26**	**30-Sep-25**
Fair value gain/(loss) on Quoted Equities	3,545,966	2,668,603	3,545,966	2,668,603
Fair value loss on Treasury Bill	28,910	-	28,518	-
Fair value gain/(loss) on Bond	(467,719)	-	(436,550)	-
	3,107,157	**2,668,603**	**3,137,935**	**2,668,603**
Fair value gain on investment property	-	-	-	-
	3,107,157	**2,668,603**	**3,137,935**	**2,668,603**

30 Other investment income

	Group		Company	
In thousands of naira	**30-Sep-26**	**30-Sep-25**	**30-Sep-26**	**30-Sep-25**
Rental income	12,000	-	-	-
Gain on disposal of financial assets (see note (i) l	(4,161)	1,498	(4,161)	1,498
Dividend income	335,961	359,401	225,934	225,493
Total	**343,800**	**360,900**	**221,774**	**226,991**

31 Net (loss)/gain from foreign exchange

	Group		Company	
In thousands of naira	**30-Sep-26**	**30-Sep-25**	**30-Sep-26**	**30-Sep-25**
- FVOCI financial assets (unquoted equities)	(163,392)	-	(163,392)	-
- FVOCI financial assets (bonds)	-	(416,193)	-	(416,193)
- FVTPL financial assets (bonds)	(2,949,407)	(1,232,824)	(2,949,407)	(1,232,824)
- Financial assets at Amortised Cost (bonds)	-	-	-	-
- Cash and Cash Equivalents	(1,644,522)	(78,277)	81,112	7,620
Net (loss)/gain from foreign exchange	**(4,757,321)**	**(1,727,294)**	**(3,031,687)**	**(1,641,397)**

The net exchange (loss)/gain resulted from translation of foreign currency denominated balances of the entity using the closing rate as at reporting date in line with IAS 21 *The effect of changes in foreign exchange rates* and also from sales of foreign currency denominated assets during the year.

32 Other operating income

	Group		Company	
In thousands of naira	**30-Sep-26**	**30-Sep-25**	**30-Sep-26**	**30-Sep-25**
Miscellaneous income	253,306	96,978	131,309	96,869
Profit/(Loss) on disposal of property & equipment	72,184	-	72,184	-
	325,490	**96,978**	**203,493**	**96,869**

32.1 Profit on disposal of property & equipment

	Group		Company	
In thousands of naira	**30-Sep-26**	**30-Sep-25**	**30-Sep-26**	**30-Sep-25**
Sales Proceed	110,610	7,737	110,610	12,450
Cost	36,500	77,072	36,500	54,000
Accumulated Depreciation	1,926	(69,055)	1,926	(46,000)
Net Book Value	**38,426**	**8,017**	**38,426**	**8,000**
Profit on disposal	**72,184**	**(280)**	**72,184**	**4,450**

33 Impairment losses on financial assets

	Group		Company	
In thousands of naira	**30-Sep-26**	**30-Sep-25**	**30-Sep-26**	**30-Sep-25**
FVOCI Debt Securities	-	-	-	-
Amortised cost debt securities	-	-	-	-
Cash and cash equivalents	-	-	-	-
	-	**-**	**-**	**-**

34 Management expenses

Management expenses comprise

	Group		Company	
In thousands of naira	**30-Sep-26**	**30-Sep-25**	**30-Sep-26**	**30-Sep-25**
Depreciation	329,205	170,843	198,005	163,241
Amortisation	3,495	1,724	1,065	1,724
Personnel expenses	2,931,523	3,102,862	2,373,490	2,045,026
Other operating expenses	2,646,695	2,622,306	1,834,574	1,565,995
	5,910,918	**5,897,736**	**4,407,134**	**3,775,985**

34.1 Personnel expenses

	Group		Company	
In thousands of naira	**30-Sep-26**	**30-Sep-25**	**30-Sep-26**	**30-Sep-25**
Salaries	2,148,302	2,967,518	1,926,295	1,912,244
Auxiliary staff costs	36,098	30,081	36,098	30,081
Other staff allowances	747,122	105,263	411,098	102,701
	2,931,523	**3,102,862**	**2,373,490**	**2,045,026**

34.2 Other operating expenses

	Group		Company	
In thousands of naira	**30-Sep-26**	**30-Sep-25**	**30-Sep-26**	**30-Sep-25**
Advertising and promotions	201,673	162,907	159,209	129,147
Rents and rates	143,652	104,507	109,284	67,293
Legal fees and professional	404,752	319,131	266,203	177,142
Repairs, fuel and maintenance	601,410	564,831	466,754	420,778
Other Statutory dues	46,721	15,898	45,622	15,898
Directors' costs	63,383	75,585	33,353	45,000
Auditor's remuneration	41,485	38,445	15,137	15,137
Staff training and development	116,657	132,825	88,621	102,175
Subscription	79,811	298,624	44,727	48,696
Business travels	174,574	205,194	130,713	157,447
Fines and penalties	21,229	14,831	17,000	10,200
Insurance	125,157	99,219	89,335	66,536
Medicals	191,356	97,819	157,044	60,245
AGM expenses	15,017	16,182	15,017	16,182
Telephone and postages	21,424	56,117	17,603	52,254
Electricity	75,917	66,628	57,879	51,321
Stationery and printing	53,945	48,737	47,806	24,699
Office expenses	17,083	5,439	4,988	1,917
IT Consumables	25,438	35,793	12,838	26,350
Bank Charges	221,972	248,341	55,441	65,981
Donation	4,040	15,252	-	11,595
	2,646,695	**2,622,306**	**1,834,574**	**1,565,995**

35 Earnings per share (EPS)

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

	Group		Company	
In thousands of naira	**30-Sep-26**	**30-Sep-25**	**30-Sep-26**	**30-Sep-25**
Net profit attributable to owners of the Company	7,453,292	8,083,113	7,917,143	7,073,351
issue for the purpose of EPS (see note (i) below)	18,032,132	18,032,132	18,032,132	18,032,132
Basic and diluted earnings per share (kobo)	41	45	44	39

35.1 The weighted average number of ordinary shares used for the purpose of EPS computation has factored in the treasury shares as shown below.

	Group		Company	
In thousands of naira	**30-Sep-26**	**30-Sep-25**	**30-Sep-26**	**30-Sep-25**
Weighted average number of ordinary shares in	18,166,392	18,166,392	18,166,392	18,166,392
Treasury shares	(134,260)	(134,260)	(134,260)	(134,260)
Effect of restatement due to bonus share issue	-	-	-	-
Weighted effect of bonus issue on shares in issue	-	-	-	-
Weighted-average number of ordinary shares at 3	18,032,132	18,032,132	18,032,132	18,032,132